

# Tillamook County, Oregon



## Comprehensive Annual Financial Report

For the Year Ended June 30, 2015

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY, OREGON**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Year Ended June 30, 2015**

**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, 2015**

| <b><u>Commissioners</u></b>                                      | <b><u>Term Expiration<br/>December 31,</u></b> |
|--|--|
| William Baertlein<br>4980 Sollie Smith Rd<br>Tillamook, OR 97141 | 2016   |
| Tim Josi<br>6750 Baseline Road<br>Tillamook, OR 97141            | 2018   |
| Mark Labhart<br>9190 Mill Creek Road<br>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

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*Land of Cheese, Trees and Ocean Breeze*

Debbie Clark  
County Treasurer  
(503) 842-3439  
dclark@co.tillamook.or.us

December 16, 2015

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, 2015. 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 25,342. 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. Total public school enrollment is 3,292. 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 101 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 2015, the seasonally adjusted unemployment rate for Tillamook County was 5.7 percent. It was slightly higher than the Oregon statewide rate of 5.5 percent and higher than the national rate of 5.3 percent. Last year for the same period, Tillamook County's rate was 7.0 percent, the same rate as the State of Oregon. 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 \$5,572,553,028 and the Assessed Value is \$4,363,851,028 for the 2014/2015 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.

The 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 to pay costs of public roads only. Tillamook County also receives a share of the revenues the State of Oregon receives from tobacco and liquor taxes. The State of Oregon is generally not obligated to continue to provide these revenues to local governments.

A major economic impact on the County's finances is the elimination of federal funding through the Payment in Lieu of Taxes (PILT) program. The PILT program provides payments to counties and other local governments to offset losses in tax revenues due to the presence of tax-exempt federal land in their jurisdictions. PILT was first signed into law October 1976. The Act was amended in 1994 to provide for a more equitable authorization level in light of disparities that existed between property values and current PILT payments. The Emergency Economic Stabilization Act (PL110-343) was enacted in 2008. The Act included language that modified the PILT program from a discretionary program to a fully funded mandatory entitlement program. Congress provided five (5) years of mandatory funding for PILT, from 2008-2012. The Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21), enacted in July 2012, included mandatory PILT funding for 2013. 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. After a year of short-term extensions of MAP-21, federal highway and transit programs now have a long-term policy framework and funding through the Fixing America's Surface Transportation (FAST) Act (H.R.22). President Obama signed it on December 4, 2015. A five-year bill, the FAST Act will provide counties the long-term certainty they need in order to plan, fund and deliver transformative transportation projects. This additional funding helps repair the 30 percent decrease in funding that occurred under MAP-21.

The County's Management Team holds an annual strategic planning session. 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.

The 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. In year one, 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. In the second year, they focused their resources on high speed, high volume roads that serve as emergency and economic development routes. These routes include Brooten and Latimer Roads, along with many smaller paving projects across the County. The County Road Department also initiated the development of a ten-year bridge maintenance strategy.

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 percent (70%) of net County lodging tax collections are dedicated for tourism promotion and tourism related facilities. The thirty percent (30%) balance is dedicated to County road maintenance, after first deducting the County's costs and expenses for collection and enforcement of the tax. This has been a gain for the County Road Department with \$645,819 revenue received this year.

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 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. The 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 (six percent (6%) if monthly base pay is less than \$1,500), in addition to the remaining amount necessary to fund the pension Plan.

The 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, the County will pay the group health insurance for retired employees. Retirees who were hired on or after July 1, 2003, 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 receive 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. 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, 2014. 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-six (26) 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 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,

A handwritten signature in cursive script, appearing to read "Debbie Clark".

Debbie Clark  
Tillamook County Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Tillamook County**  
**Oregon**

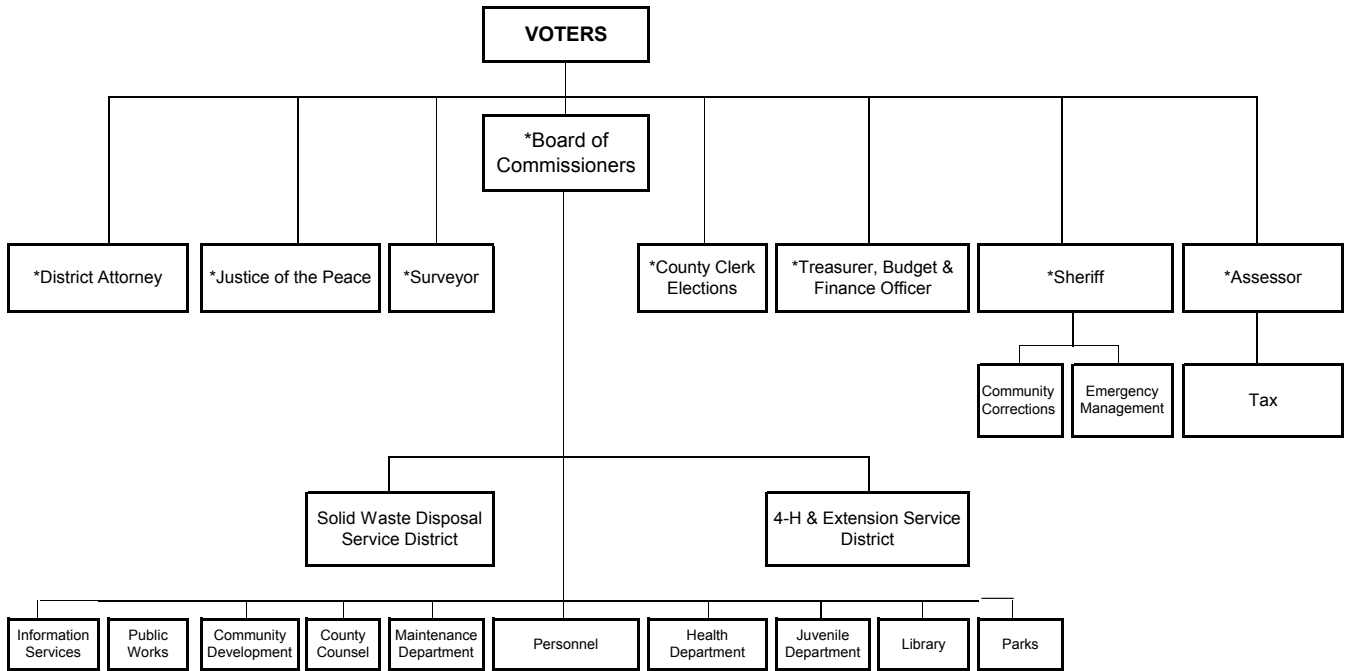
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# Tillamook County

## Organizational Chart Year Ended June 30, 2015



\*Elected Official

**TILLAMOOK COUNTY**  
**ELECTED OFFICIALS**  
**For the Year Ended June 30, 2015**

**Board of Commissioners**

| <b><u>Name</u></b> | <b><u>Term Expiration</u></b> |
|--------------------|-------------------------------|
| William Baertlein  | December 31, 2016             |
| Tim Josi           | December 31, 2018             |
| Mark Labhart       | December 31, 2016             |

**Other Elected Officials**

|   |                   |
|---|-------------------|
| Denise Vandecouvering, Assessor / Tax Collector | December 31, 2016 |
| Tassi O'Neil, County Clerk                      | December 31, 2016 |
| William Porter, District Attorney               | December 31, 2018 |
| 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, 2015, 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, 2015, 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-1* and the schedules of net pension liability and changes in net pension liability, employer contributions, and investment rate of return on pages 53-55 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 16, 2015 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 16, 2015, 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 16, 2015

By:



Bradley G. Bingenheimer, Member

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

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

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

### FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities at June 30, 2015 by \$55,334,363 (*net position*). Of this amount \$47,910,315 was the net investment in capital assets; \$15,968,746 was restricted for specific purposes and \$(8,544,698) was unrestricted.

The County's net position increased by \$2,520,513, or 4.77%, which was due primarily to the operations of governmental activities.

The County's governmental fund balances decreased by \$405,349, with the General Fund experiencing a decrease of \$474,280 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 \$68,931.

For the year ended June 30, 2015, the County has implemented the provisions of Governmental Accounting Standards Board Statements (GASB) 67 & 68. The implementation of these standards required an adjustment of beginning net position in the amount of \$(9,653,045)

### 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, 2015 was \$55,334,363. 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. The 2014 information has been restated to reflect the implementation of GASB 68.

|  | Governmental<br>Activities |               | Business-type<br>Activities |              | Totals        |               |
|--|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|
|  | 2015                       | 2014          | 2015                        | 2014         | 2015          | 2014          |
| <b><u>ASSETS</u></b>                             |                            |               |                             |              |               |               |
| Current and other assets                         | \$ 29,364,777              | \$ 29,665,680 | \$ 1,600,297                | \$ 1,708,456 | \$ 30,965,074 | \$ 31,374,136 |
| Capital assets, net                              | 50,674,054                 | 48,407,140    | 2,167,459                   | 2,252,799    | 52,841,513    | 50,659,939    |
| Total assets                                     | 80,038,831                 | 78,072,820    | 3,767,756                   | 3,961,255    | 83,806,587    | 82,034,075    |
| <b><u>DEFERRED OUTFLOWS<br/>OF RESOURCES</u></b> |                            |               |                             |              |               |               |
|  | 3,956,767                  | 2,973,195     | 29,603                      | 22,112       | 3,986,370     | 2,995,307     |
| <b><u>LIABILITIES</u></b>                        |                            |               |                             |              |               |               |
| Other liabilities                                | 1,801,219                  | 1,648,951     | 163,870                     | 152,666      | 1,965,089     | 1,801,617     |
| Long-term obligations                            | 26,592,613                 | 29,125,127    | 1,289,532                   | 1,288,788    | 27,882,145    | 30,413,915    |
| Total liabilities                                | 28,393,832                 | 30,774,078    | 1,453,402                   | 1,441,454    | 29,847,234    | 32,215,532    |
| <b><u>DEFERRED INFLOWS<br/>OF RESOURCES</u></b>  |                            |               |                             |              |               |               |
|  | 2,591,833                  | -             | 19,527                      | -            | 2,611,360     | -             |
| <b><u>NET POSITION</u></b>                       |                            |               |                             |              |               |               |
| Net investment in capital<br>assets              | 45,742,856                 | 43,587,827    | 2,167,459                   | 2,252,799    | 47,910,315    | 45,840,626    |
| Restricted                                       | 15,968,746                 | 16,111,923    | -                           | -            | 15,968,746    | 16,111,923    |
| Unrestricted                                     | (8,701,669)                | (9,427,813)   | 156,971                     | 289,114      | (8,544,698)   | (9,138,699)   |
| Total net position                               | \$ 53,009,933              | \$ 50,271,937 | \$ 2,324,430                | \$ 2,541,913 | \$ 55,334,363 | \$ 52,813,850 |

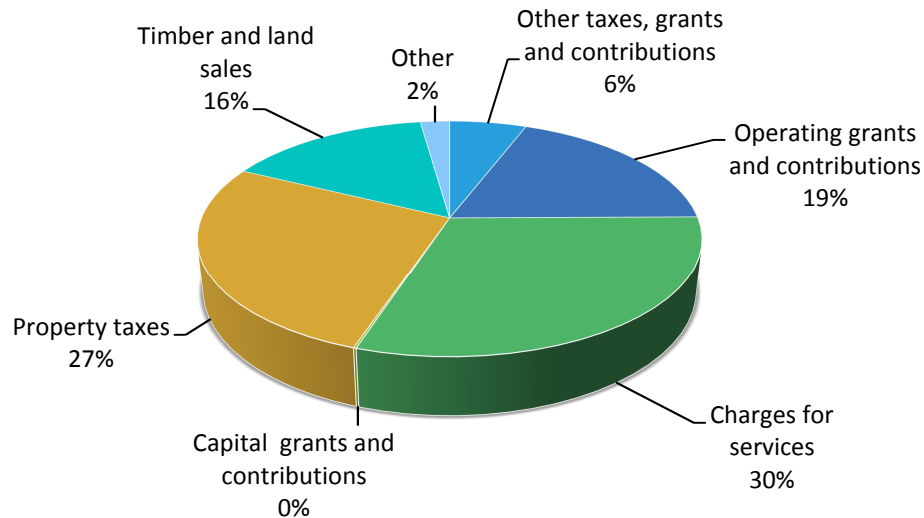
The unrestricted net position of business-type activities represent the current assets of the Solid Waste Service District, which are offset by the liability for landfill post-closure care costs.

Total net position increased by \$2,520,513. 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 27% 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, 2015, a large percentage of revenues come from property taxes (27%), charges for services (30%) 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.

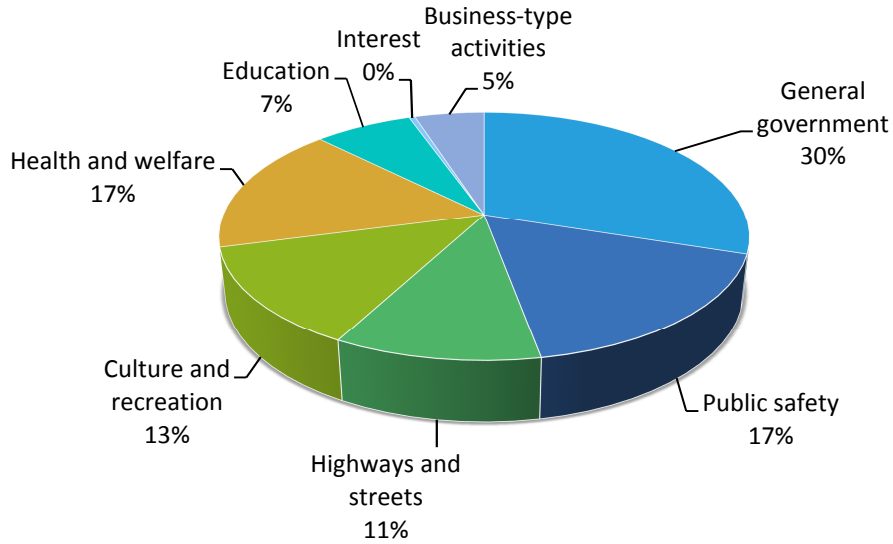
Operating grants and contributions primarily fund the community health center, public works, community corrections, children and families programs and mental health services.

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 47% 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 increased the County's net assets by \$2,737,966. The key elements of this increase are as follows:

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

|                                    | Governmental<br>Activities |                      | Business-type<br>Activities |                     | Totals               |                      |
|------------------------------------|----------------------------|----------------------|-----------------------------|---------------------|----------------------|----------------------|
|                                    | 2015                       | 2014                 | 2015                        | 2014                | 2015                 | 2014                 |
| <b>Revenues</b>                    |                            |                      |                             |                     |                      |                      |
| Program revenues:                  |                            |                      |                             |                     |                      |                      |
| Charges for services               | \$ 11,585,258              | \$ 9,829,483         | \$ 1,984,955                | \$ 1,946,113        | \$ 13,570,213        | \$ 11,775,596        |
| Operating grants and contributions | 8,542,630                  | 8,174,975            | -                           | 1,371               | 8,542,630            | 8,176,346            |
| Capital grants and contributions   | 65,661                     | 134,813              | -                           | -                   | 65,661               | 134,813              |
| General revenues:                  |                            |                      |                             |                     |                      |                      |
| Property taxes                     | 12,169,570                 | 12,682,828           | -                           | -                   | 12,169,570           | 12,682,828           |
| Transient lodging taxes            | 2,431,178                  | 468,760              | -                           | -                   | 2,431,178            | 468,760              |
| Other taxes                        | 195,343                    | 175,692              | -                           | -                   | 195,343              | 175,692              |
| Other grants and contributions     | 1,501,277                  | 1,692,103            | -                           | -                   | 1,501,277            | 1,692,103            |
| Timber and land sales              | 6,959,813                  | 6,781,116            | -                           | -                   | 6,959,813            | 6,781,116            |
| Other                              | 991,792                    | 1,223,706            | 11,295                      | 17,701              | 1,003,087            | 1,241,407            |
| Total revenues                     | <u>44,442,522</u>          | <u>41,163,476</u>    | <u>1,996,250</u>            | <u>1,965,185</u>    | <u>46,438,772</u>    | <u>43,128,661</u>    |
| <b>Expenses</b>                    |                            |                      |                             |                     |                      |                      |
| General government                 | 13,188,777                 | 11,560,270           | -                           | -                   | 13,188,777           | 11,560,270           |
| Public safety                      | 7,503,407                  | 7,912,221            | -                           | -                   | 7,503,407            | 7,912,221            |
| Highways and streets               | 4,691,512                  | 5,495,551            | -                           | -                   | 4,691,512            | 5,495,551            |
| Culture and recreation             | 5,727,138                  | 5,533,318            | -                           | -                   | 5,727,138            | 5,533,318            |
| Health and welfare                 | 7,296,419                  | 7,074,190            | -                           | -                   | 7,296,419            | 7,074,190            |
| Education                          | 3,110,258                  | 3,748,080            | -                           | -                   | 3,110,258            | 3,748,080            |
| Interest on long-term obligations  | 187,015                    | 214,280              | -                           | -                   | 187,015              | 214,280              |
| Solid waste                        | -                          | -                    | 2,213,733                   | 1,842,483           | 2,213,733            | 1,842,483            |
| Total expenses                     | <u>41,704,526</u>          | <u>41,537,910</u>    | <u>2,213,733</u>            | <u>1,842,483</u>    | <u>43,918,259</u>    | <u>43,380,393</u>    |
| Change in net position             | 2,737,996                  | (374,434)            | (217,483)                   | 122,702             | 2,520,513            | (251,732)            |
| Net position - beginning           | <u>50,271,937</u>          | <u>50,646,371</u>    | <u>2,541,913</u>            | <u>2,419,211</u>    | <u>52,813,850</u>    | <u>53,065,582</u>    |
| Net position - ending              | <u>\$ 53,009,933</u>       | <u>\$ 50,271,937</u> | <u>\$ 2,324,430</u>         | <u>\$ 2,541,913</u> | <u>\$ 55,334,363</u> | <u>\$ 52,813,850</u> |

#### Governmental Activities

The increase 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 decrease in net position is attributed to an increase in expenses.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

### **FINANCIAL ANALYSIS OF FUNDS**

As of June 30, 2015, the County's governmental funds reported a combined fund balance of \$27,028,490, which is a decrease of \$405,349 from June 30, 2014.

The General Fund is the primary operating fund of the County. As of June 30, 2015, the General Fund balance is \$8,752,281, which is a decrease of \$474,280 from June 30, 2014. 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 \$186,478 during 2014-15. Revenues decreased \$941,177 and expenditures increased \$255,540.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. The fund balance increased \$284,764 due to timing of pass-through distributions.

The Health Services Fund balance increased to \$1,817,905 from \$345,686 at June 30, 2014. Increases in Medicare revenues and a transfer from the General Fund in the amount of \$121,410 contributed to this increase.

The Library Fund had an increase in fund balance of \$53,745 with revenues and expenditures being almost equal.

The Community Corrections Fund experienced an increase in fund balance of \$9,974. The programs funding is determined biennially by the Oregon State Legislature.

The Transient Lodging Tax Fund was new for the 2013-14 fiscal year, with its first full year during 2014-15. Fund balance experienced \$458,343 and ended the year with a fund balance of \$748,636.

The Road Improvement Construction fund was created in the 2013-14 fiscal year with the issuance of \$7,200,000 in general obligation bonds issued to pay for improvements to highways and streets within the County. During the 2014-15 fiscal year expenditures were \$2,832,919 and the ending fund balance is \$3,023,934.

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 \$2,324,430 as of June 30, 2015.

## 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 \$662,750 transferred to contingency from other appropriation categories. Actual revenues in the General Fund were \$804,462 less than anticipated and actual expenditures were \$1,734,864 less than appropriations, demonstrating a generally prudent spending policy.

### CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2015, the County had invested \$52,841,513 in total capital assets, net of depreciation, which is a net increase of \$2,181,574 from June 30, 2014. Construction in progress and infrastructure had the largest increase due primarily to the expenditures of the Road Improvement Construction fund. The investment includes land and land improvements, buildings, equipment, and public infrastructure of roads and bridges. The investment in governmental activities capital assets had an increase of \$2,266,914 and business-type activities decreased by \$85,340. 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, 2015 amounted to \$27,882,145. These obligations include bonded debt, loans, capital leases, compensated absences, net other post-employment benefits, landfill post-closure care liability and a new item with the implementation of GASB 68, the net pension liability.

During the year the County retired \$2,273,000 in principal on long-term debt obligations and other long-term obligations increased \$401,752

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

|                                      |    |           |
|--------------------------------------|----|-----------|
| General obligations bonds            | \$ | 7,265,000 |
| Unamortized premiums                 |    | 392,800   |
| Loans payable                        |    | 605,762   |
| Capital leases                       |    | 180,665   |
| Compensated absences                 |    | 1,322,030 |
| Net other post-employment benefits   |    | 7,247,256 |
| Landfill post-closure care liability |    | 1,200,260 |
| Net pension liability                |    | 9,668,372 |

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



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

|  | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Totals</b>        |
|--|------------------------------------|-------------------------------------|----------------------|
| <b><u>ASSETS</u></b>                             |                                    |                                     |                      |
| Cash and investments                             | \$ 23,495,751                      | \$ 1,432,753                        | \$ 24,928,504        |
| Receivables, net                                 | 5,869,026                          | 167,544                             | 6,036,570            |
| Capital assets:                                  |                                    |                                     |                      |
| Land, improvements, and construction in progress | 8,511,393                          | 125,000                             | 8,636,393            |
| Other capital assets, net                        | <u>42,162,661</u>                  | <u>2,042,459</u>                    | <u>44,205,120</u>    |
| <b>TOTAL ASSETS</b>                              | <u>80,038,831</u>                  | <u>3,767,756</u>                    | <u>83,806,587</u>    |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>     |                                    |                                     |                      |
| Refunded debt charges                            | 27,602                             | -                                   | 27,602               |
| Pension related items                            | <u>3,929,165</u>                   | <u>29,603</u>                       | <u>3,958,768</u>     |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>      | <u>3,956,767</u>                   | <u>29,603</u>                       | <u>3,986,370</u>     |
| <b><u>LIABILITIES</u></b>                        |                                    |                                     |                      |
| Accounts payable and accrued liabilities         | 1,634,146                          | 163,870                             | 1,798,016            |
| Accrued interest                                 | 15,430                             | -                                   | 15,430               |
| Unearned revenue                                 | 151,643                            | -                                   | 151,643              |
| Long-term obligations:                           |                                    |                                     |                      |
| Due within one year                              | 3,141,577                          | 114,509                             | 3,256,086            |
| Due in more than one year                        | <u>23,451,036</u>                  | <u>1,175,023</u>                    | <u>24,626,059</u>    |
| <b>TOTAL LIABILITIES</b>                         | <u>28,393,832</u>                  | <u>1,453,402</u>                    | <u>29,847,234</u>    |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>      |                                    |                                     |                      |
| Pension related items                            | <u>2,591,833</u>                   | <u>19,527</u>                       | <u>2,611,360</u>     |
| <b><u>NET POSITION</u></b>                       |                                    |                                     |                      |
| Net investment in capital assets                 | 45,742,856                         | 2,167,459                           | 47,910,315           |
| Restricted for:                                  |                                    |                                     |                      |
| Debt service                                     | 358,178                            | -                                   | 358,178              |
| Highways and streets                             | 6,763,129                          | -                                   | 6,763,129            |
| Schools and education                            | 1,383,444                          | -                                   | 1,383,444            |
| Health services                                  | 1,905,394                          | -                                   | 1,905,394            |
| County library                                   | 2,577,276                          | -                                   | 2,577,276            |
| Grants   | 194,488                            | -                                   | 194,488              |
| Public safety                                    | 628,687                            | -                                   | 628,687              |
| County fair                                      | 298,399                            | -                                   | 298,399              |
| Parks  | 786,506                            | -                                   | 786,506              |
| Other purposes                                   | 1,073,245                          | -                                   | 1,073,245            |
| Unrestricted                                     | <u>(8,701,669)</u>                 | <u>156,971</u>                      | <u>(8,544,698)</u>   |
| <b>TOTAL NET POSITION</b>                        | <u>\$ 53,009,933</u>               | <u>\$ 2,324,430</u>                 | <u>\$ 55,334,363</u> |

*See accompanying notes*

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2015**

| Functions/Programs   | Program Revenues     |                         |                                       |  | Net (Expense) Revenue and<br>Changes in Net Position |                             | Totals               |
|--|----------------------|-------------------------|---------------------------------------|--|--|-----------------------------|----------------------|
|  | Expenses             | Charges for<br>Services | Operating Grants<br>and Contributions | Capital Grants<br>and<br>Contributions | Governmental<br>Activities                           | Business-type<br>Activities |                      |
| <b>Governmental activities:</b>  |                      |                         |                                       |  |  |                             |                      |
| General government   | \$ 13,188,777        | \$ 3,037,348            | \$ 962,303                            | \$ -                                   | \$ (9,189,126)                                       |                             | \$ (9,189,126)       |
| Public safety  | 7,503,407            | 891,028                 | 1,293,765                             | -                                      | (5,318,614)  |                             | (5,318,614)          |
| Public works   | 4,691,512            | 639,894                 | 2,252,588                             | -                                      | (1,799,030)  |                             | (1,799,030)          |
| Culture and recreation   | 5,727,138            | 2,564,708               | 111,230                               | 65,661                                 | (2,985,539)  |                             | (2,985,539)          |
| Health and welfare   | 7,296,419            | 4,452,280               | 3,922,744                             | -                                      | 1,078,605  |                             | 1,078,605            |
| Education  | 3,110,258            | -                       | -                                     | -                                      | (3,110,258)  |                             | (3,110,258)          |
| Interest on long-term obligations                                      | 187,015              | -                       | -                                     | -                                      | (187,015)  |                             | (187,015)            |
| Total governmental activities  | <u>41,704,526</u>    | <u>11,585,258</u>       | <u>8,542,630</u>                      | <u>65,661</u>                          | <u>(21,510,977)</u>                                  |                             | <u>(21,510,977)</u>  |
| <b>Business-type activities:</b>                                       |                      |                         |                                       |  |  |                             |                      |
| Solid waste  | 2,213,733            | 1,984,955               | -                                     | -                                      |  | \$ (228,778)                | (228,778)            |
| Totals   | <u>\$ 43,918,259</u> | <u>\$ 13,570,213</u>    | <u>\$ 8,542,630</u>                   | <u>\$ 65,661</u>                       | <u>(21,510,977)</u>                                  | <u>(228,778)</u>            | <u>(21,739,755)</u>  |
| <b>General revenues</b>  |                      |                         |                                       |  |  |                             |                      |
| Taxes:   |                      |                         |                                       |  |  |                             |                      |
| Property taxes levied for:   |                      |                         |                                       |  |  |                             |                      |
| General purposes   |                      |                         |                                       |  | 9,645,815  | -                           | 9,645,815            |
| Debt service   |                      |                         |                                       |  | 2,523,755  | -                           | 2,523,755            |
| Transient lodging taxes  |                      |                         |                                       |  | 2,431,178  | -                           | 2,431,178            |
| Other taxes  |                      |                         |                                       |  | 195,343  | -                           | 195,343              |
| Other grants and contributions not restricted for<br>specific programs |                      |                         |                                       |  | 1,501,277  | -                           | 1,501,277            |
| Timber and land sales  |                      |                         |                                       |  | 6,959,813  | -                           | 6,959,813            |
| Unrestricted investment earnings                                       |                      |                         |                                       |  | 95,435   | 5,279                       | 100,714              |
| Miscellaneous  |                      |                         |                                       |  | 896,357  | 6,016                       | 902,373              |
| TOTAL GENERAL REVENUES   |                      |                         |                                       |  | <u>24,248,973</u>                                    | <u>11,295</u>               | <u>24,260,268</u>    |
| CHANGES IN NET POSITION  |                      |                         |                                       |  | 2,737,996  | (217,483)                   | 2,520,513            |
| NET POSITION - BEGINNING   |                      |                         |                                       |  | 59,861,392   | 2,605,503                   | 62,466,895           |
| PRIOR PERIOD ADJUSTMENT  |                      |                         |                                       |  | (9,589,455)  | (63,590)                    | (9,653,045)          |
| NET POSITION - ENDING  |                      |                         |                                       |  | <u>\$ 53,009,933</u>                                 | <u>\$ 2,324,430</u>         | <u>\$ 55,334,363</u> |

*See accompanying notes*

**TILLAMOOK COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2015**

|   | <u>General</u>      | <u>Road</u>         | <u>County<br/>School</u> | <u>Health<br/>Services</u> | <u>Library</u>      |
|---|---------------------|---------------------|--------------------------|----------------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |                          |                            |                     |
| Cash and cash equivalents   | \$ 7,625,672        | \$ 3,355,471        | \$ -                     | \$ 443,468                 | \$ 2,393,137        |
| Receivables, net  | 2,136,718           | 215,177             | 925,861                  | 1,659,276                  | 285,821             |
| Due from other funds  | 14,326              | -                   | -                        | -                          | -                   |
| <b>TOTAL ASSETS</b>   | <u>\$ 9,776,716</u> | <u>\$ 3,570,648</u> | <u>\$ 925,861</u>        | <u>\$ 2,102,744</u>        | <u>\$ 2,678,958</u> |
| <b>LIABILITIES</b>  |                     |                     |                          |                            |                     |
| Accounts payable  | \$ 630,697          | \$ 290,283          | \$ -                     | \$ 284,839                 | \$ 101,682          |
| Due to other funds  | -                   | -                   | -                        | -                          | -                   |
| <b>TOTAL LIABILITIES</b>  | <u>630,697</u>      | <u>290,283</u>      | <u>-</u>                 | <u>284,839</u>             | <u>101,682</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                     |                     |                          |                            |                     |
| Unavailable revenue   | 393,738             | -                   | -                        | -                          | 158,134             |
| <b>FUND BALANCES</b>  |                     |                     |                          |                            |                     |
| Restricted  | -                   | 3,280,365           | 925,861                  | 1,817,905                  | 2,419,142           |
| Assigned  | 2,197,426           | -                   | -                        | -                          | -                   |
| Unassigned  | 6,554,855           | -                   | -                        | -                          | -                   |
| <b>TOTAL FUND BALANCES</b>  | <u>8,752,281</u>    | <u>3,280,365</u>    | <u>925,861</u>           | <u>1,817,905</u>           | <u>2,419,142</u>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u>\$ 9,776,716</u> | <u>\$ 3,570,648</u> | <u>\$ 925,861</u>        | <u>\$ 2,102,744</u>        | <u>\$ 2,678,958</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.
- Deferred outflows related to the pension plan are not current financial resources and therefore are not reported 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 liability is reported in the statement of net position, but 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.
- Deferred inflows related to the pension plan is reported in the statement of net position, but is not reported in the funds.

NET POSITION OF GOVERNMENTAL ACTIVITIES

*See accompanying notes*

| <u>Community<br/>Corrections</u> | <u>Transient<br/>Lodging Tax</u> | <u>Road<br/>Improvement<br/>Construction</u> | <u>Total<br/>Nonmajor<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------------------|----------------------------------|--|-------------------------------------|---|
| \$ 306,888                       | \$ 479,569                       | \$ 3,120,229                                 | \$ 5,771,317                        | \$ 23,495,751                           |
| -                                | 269,067                          | -  | 377,106                             | 5,869,026                               |
| -                                | -                                | -  | -                                   | 14,326                                  |
| <u>\$ 306,888</u>                | <u>\$ 748,636</u>                | <u>\$ 3,120,229</u>                          | <u>\$ 6,148,423</u>                 | <u>\$ 29,379,103</u>                    |
| \$ 20,152                        | \$ -                             | \$ 96,295                                    | \$ 210,198                          | \$ 1,634,146                            |
| -                                | -                                | -  | 14,326                              | 14,326                                  |
| <u>20,152</u>                    | <u>-</u>                         | <u>96,295</u>                                | <u>224,524</u>                      | <u>1,648,472</u>                        |
| -                                | -                                | -  | 150,269                             | 702,141                                 |
| 286,736                          | 748,636                          | 3,023,934                                    | 3,166,551                           | 15,669,130                              |
| -                                | -                                | -  | 2,628,863                           | 4,826,289                               |
| -                                | -                                | -  | (21,784)                            | 6,533,071                               |
| <u>286,736</u>                   | <u>748,636</u>                   | <u>3,023,934</u>                             | <u>5,773,630</u>                    | 27,028,490                              |
| <u>\$ 306,888</u>                | <u>\$ 748,636</u>                | <u>\$ 3,120,229</u>                          | <u>\$ 6,148,423</u>                 |   |

50,674,054

702,141

3,929,165

(151,643)

(9,596,073)

(7,236,266)

(9,775,704)

(2,591,833)

\$ 53,009,933

**TILLAMOOK COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2015**

|   | <u>General</u>      | <u>Road</u>         | <u>County<br/>School</u> | <u>Health<br/>Services</u> | <u>Library</u>      |
|---|---------------------|---------------------|--------------------------|----------------------------|---------------------|
| <b>REVENUES</b>                                   |                     |                     |                          |                            |                     |
| Property taxes                                    | \$ 6,485,647        | \$ -                | \$ 537                   | \$ -                       | \$ 2,804,784        |
| Transient lodging tax                             | -                   | -                   | -                        | -                          | -                   |
| Licenses, permits and fees                        | 1,258,357           | 79,515              | -                        | -                          | -                   |
| Intergovernmental                                 | 1,956,756           | 2,762,058           | 169,800                  | 2,915,551                  | 5,164               |
| Charges for services                              | 369,092             | 447,959             | -                        | 4,355,242                  | -                   |
| Fines and forfeitures                             | 286,974             | -                   | -                        | -                          | 13,490              |
| Timber and land sales                             | 3,955,551           | -                   | 2,908,353                | -                          | -                   |
| Interest  | 37,628              | 10,932              | 2,401                    | 1,383                      | 9,139               |
| Intercounty charges                               | 1,312,144           | 42,628              | -                        | -                          | -                   |
| Miscellaneous                                     | 339,375             | 336,528             | -                        | 42,766                     | 165,072             |
| <b>TOTAL REVENUES</b>                             | <u>16,001,524</u>   | <u>3,679,620</u>    | <u>3,081,091</u>         | <u>7,314,942</u>           | <u>2,997,649</u>    |
| <b>EXPENDITURES</b>                               |                     |                     |                          |                            |                     |
| Current   |                     |                     |                          |                            |                     |
| General government                                | 9,923,503           | -                   | -                        | -                          | -                   |
| Public safety                                     | 5,903,034           | -                   | -                        | -                          | -                   |
| Highways and streets                              | -                   | 3,813,131           | -                        | -                          | -                   |
| Culture and recreation                            | -                   | -                   | -                        | -                          | 2,817,192           |
| Health and welfare                                | 3,288               | -                   | -                        | 5,955,265                  | -                   |
| Education   | -                   | -                   | 2,796,327                | -                          | -                   |
| Capital outlay                                    | 393,770             | 267,910             | -                        | (2,800)                    | 126,712             |
| Debt service                                      |                     |                     |                          |                            |                     |
| Principal   | 148,833             | 38,027              | -                        | 11,140                     | -                   |
| Interest  | 10,804              | 573                 | -                        | 528                        | -                   |
| <b>TOTAL EXPENDITURES</b>                         | <u>16,383,232</u>   | <u>4,119,641</u>    | <u>2,796,327</u>         | <u>5,964,133</u>           | <u>2,943,904</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(381,708)</u>    | <u>(440,021)</u>    | <u>284,764</u>           | <u>1,350,809</u>           | <u>53,745</u>       |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                     |                          |                            |                     |
| Transfers in                                      | 719,704             | 645,819             | -                        | 121,410                    | -                   |
| Sale of capital assets                            | 16,450              | -                   | -                        | -                          | -                   |
| Issuance of debt                                  | 228,684             | -                   | -                        | -                          | -                   |
| Transfers out                                     | (1,057,410)         | (19,320)            | -                        | -                          | -                   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <u>(92,572)</u>     | <u>626,499</u>      | <u>-</u>                 | <u>121,410</u>             | <u>-</u>            |
| Net change in fund balances                       | (474,280)           | 186,478             | 284,764                  | 1,472,219                  | 53,745              |
| Fund balances at beginning of year                | 9,226,561           | 3,093,887           | 641,097                  | 345,686                    | 2,365,397           |
| Fund balances at end of year                      | <u>\$ 8,752,281</u> | <u>\$ 3,280,365</u> | <u>\$ 925,861</u>        | <u>\$ 1,817,905</u>        | <u>\$ 2,419,142</u> |

*See accompanying notes*



| <u>Community<br/>Corrections</u> | <u>Transient<br/>Lodging Tax</u> | <u>Road<br/>Improvement<br/>Construction</u> | <u>Total<br/>Nonmajor<br/>Funds</u> | <u>Total<br/>Governmental<br/>Funds</u> |
|----------------------------------|----------------------------------|--|-------------------------------------|---|
| \$ -                             | \$ -                             | \$ -   | \$ 2,955,093                        | \$ 12,246,061                           |
| -                                | 2,431,178                        | -  | -                                   | 2,431,178                               |
| -                                | -                                | -  | 10,376                              | 1,348,248                               |
| 674,648                          | -                                | -  | 2,103,672                           | 10,587,649                              |
| 129,025                          | -                                | -  | 2,723,848                           | 8,025,166                               |
| -                                | -                                | -  | 117,154                             | 417,618                                 |
| -                                | -                                | -  | -                                   | 6,863,904                               |
| -                                | 1,184                            | 10,285                                       | 22,483                              | 95,435                                  |
| -                                | -                                | -  | -                                   | 1,354,772                               |
| <u>300</u>                       | <u>-</u>                         | <u>1,775</u>                                 | <u>237,607</u>                      | <u>1,123,423</u>                        |
| <u>803,973</u>                   | <u>2,432,362</u>                 | <u>12,060</u>                                | <u>8,170,233</u>                    | <u>44,493,454</u>                       |
| -                                | 1,264,121                        | -  | 1,394,408                           | 12,582,032                              |
| 793,999                          | -                                | -  | 33,646                              | 6,730,679                               |
| -                                | -                                | 442,502                                      | -                                   | 4,255,633                               |
| -                                | -                                | -  | 2,134,402                           | 4,951,594                               |
| -                                | -                                | -  | 1,080,113                           | 7,038,666                               |
| -                                | -                                | -  | 307,288                             | 3,103,615                               |
| -                                | -                                | 2,390,417                                    | 661,399                             | 3,837,408                               |
| -                                | -                                | -  | 2,075,000                           | 2,273,000                               |
| <u>-</u>                         | <u>-</u>                         | <u>-</u>                                     | <u>359,405</u>                      | <u>371,310</u>                          |
| <u>793,999</u>                   | <u>1,264,121</u>                 | <u>2,832,919</u>                             | <u>8,045,661</u>                    | <u>45,143,937</u>                       |
| <u>9,974</u>                     | <u>1,168,241</u>                 | <u>(2,820,859)</u>                           | <u>124,572</u>                      | <u>(650,483)</u>                        |
| -                                | -                                | -  | 475,320                             | 1,962,253                               |
| -                                | -                                | -  | -                                   | 16,450                                  |
| -                                | -                                | -  | -                                   | 228,684                                 |
| <u>-</u>                         | <u>(709,898)</u>                 | <u>-</u>                                     | <u>(175,625)</u>                    | <u>(1,962,253)</u>                      |
| <u>-</u>                         | <u>(709,898)</u>                 | <u>-</u>                                     | <u>299,695</u>                      | <u>245,134</u>                          |
| 9,974                            | 458,343                          | (2,820,859)                                  | 424,267                             | (405,349)                               |
| <u>276,762</u>                   | <u>290,293</u>                   | <u>5,844,793</u>                             | <u>5,349,363</u>                    | <u>27,433,839</u>                       |
| <u>\$ 286,736</u>                | <u>\$ 748,636</u>                | <u>\$ 3,023,934</u>                          | <u>\$ 5,773,630</u>                 | <u>\$ 27,028,490</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, 2015**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (405,349)

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 | \$ 4,010,487       |           |
| Depreciation             | <u>(1,743,573)</u> | 2,266,914 |

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. (76,491)

Governmental funds report, as revenues, certain payments for services to be provided in future periods. 9,194

In the statement of activities, the change in the net pension liability and deferred outflows and inflows of pension related items are reported as additional expenses for increases and a reduction of expenses for decreases. 181,450

The change in other post-employment benefits are reported as additional expenses in the statement of activities (1,458,623)

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. 2,044,316

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   | 19,475         |                |
| Amortization of premiums received on the issuance of long-term obligations                                       | 175,563        |                |
| Amortization of the excess of the requisition price over the balance remaining of long-term obligations refunded | (10,743)       |                |
| Compensated absences   | <u>(7,710)</u> | <u>176,585</u> |

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 2,737,996

**TILLAMOOK COUNTY**

**GENERAL FUND**

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

**For the Year Ended June 30, 2015**

|                               | <u>Budget</u>     |                   | <u>Actual</u>     | <u>Variance</u>  |
|-------------------------------|-------------------|-------------------|-------------------|------------------|
|                               | <u>Original</u>   | <u>Final</u>      |                   |                  |
| <b>REVENUES</b>               |                   |                   |                   |                  |
| Property taxes                | \$ 6,475,000      | \$ 6,475,000      | \$ 6,482,930      | \$ 7,930         |
| Licenses, permits and fees    | 1,342,250         | 1,342,250         | 1,268,336         | (73,914)         |
| Intergovernmental             | 1,680,874         | 1,680,874         | 1,928,943         | 248,069          |
| Charges for services          | 398,000           | 398,000           | 395,712           | (2,288)          |
| Fines and forfeitures         | 310,000           | 310,000           | 310,192           | 192              |
| Timber and land sales         | 4,665,000         | 4,665,000         | 3,607,593         | (1,057,407)      |
| Investment earnings           | 45,000            | 45,000            | 27,787            | (17,213)         |
| Intercounty charges           | 1,282,500         | 1,282,500         | 1,302,144         | 19,644           |
| Miscellaneous                 | <u>259,910</u>    | <u>259,910</u>    | <u>330,435</u>    | <u>70,525</u>    |
| <b>TOTAL REVENUES</b>         | <u>16,458,534</u> | <u>16,458,534</u> | <u>15,654,072</u> | <u>(804,462)</u> |
| <b>EXPENDITURES</b>           |                   |                   |                   |                  |
| Board of county commissioners | 926,000           | 899,720           | 853,399           | 46,321           |
| Land sales                    | 11,600            | 26,270            | 25,954            | 316              |
| Justice court                 | 351,650           | 350,290           | 331,379           | 18,911           |
| Juvenile department           | 615,625           | 596,625           | 530,934           | 65,691           |
| District attorney             | 1,089,780         | 1,087,230         | 1,051,458         | 35,772           |
| County clerk                  | 574,400           | 660,925           | 653,243           | 7,682            |
| County assessor               | 1,399,800         | 1,397,850         | 1,323,689         | 74,161           |
| County treasurer              | 561,950           | 561,150           | 557,252           | 3,898            |
| Tax department                | 305,050           | 300,945           | 289,313           | 11,632           |
| Courthouse building           | 595,600           | 690,000           | 614,512           | 75,488           |
| Sheriff - criminal            | 2,911,800         | 2,836,709         | 2,783,068         | 53,641           |
| Sheriff - jail                | 2,987,900         | 3,075,400         | 2,837,942         | 237,458          |
| Sheriff - marine              | 279,850           | 294,300           | 276,194           | 18,106           |
| Communications                | 78,250            | 69,950            | 62,843            | 7,107            |
| Emergency services            | 192,450           | 190,550           | 185,459           | 5,091            |
| Community development         | 1,389,060         | 1,375,660         | 1,333,997         | 41,663           |
| County surveyor               | 353,000           | 351,740           | 339,181           | 12,559           |
| Information services          | 998,600           | 935,400           | 891,790           | 43,610           |
| General government            | 826,000           | 820,000           | 797,895           | 22,105           |
| Non-departmental              | 296,573           | 284,073           | 268,986           | 15,087           |
| Mental health services        | 5,000             | 5,000             | 3,014             | 1,986            |
| Motorpool                     | 500               | 500               | -                 | 500              |
| Personnel                     | 337,500           | 379,450           | 356,121           | 23,329           |
| Operating contingency         | <u>250,000</u>    | <u>912,750</u>    | <u>-</u>          | <u>912,750</u>   |
| <b>TOTAL EXPENDITURES</b>     | <u>17,337,938</u> | <u>18,102,487</u> | <u>16,367,623</u> | <u>1,734,864</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 | \$ (879,404)        | \$ (1,643,953)      | \$ (713,551)        | \$ 930,402        |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                     |                     |                   |
| Loan proceeds                                     | -                   | 228,684             | 228,684             | -                 |
| Transfers in                                      | 788,100             | 798,725             | 719,704             | (79,021)          |
| Sale of captial assets                            | -                   | -                   | 16,450              | 16,450            |
| Transfers out                                     | <u>(1,262,000)</u>  | <u>(715,510)</u>    | <u>(557,410)</u>    | <u>(158,100)</u>  |
| TOTAL OTHER FINANCING SOURCES (USES)              | <u>(473,900)</u>    | <u>311,899</u>      | <u>407,428</u>      | <u>(220,671)</u>  |
| Net change in fund balances                       | (1,353,304)         | (1,332,054)         | (306,123)           | 1,025,931         |
| Fund balances - beginning                         | <u>5,650,000</u>    | <u>5,650,000</u>    | <u>5,623,038</u>    | <u>(26,962)</u>   |
| Fund balances - ending                            | <u>\$ 4,296,696</u> | <u>\$ 4,317,946</u> | <u>\$ 5,316,915</u> | <u>\$ 998,969</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, 2015**

|   | <u>Budget</u>       |                     | <u>Actual</u>       | <u>Variance</u>     |
|---|---------------------|---------------------|---------------------|---------------------|
|   | <u>Original</u>     | <u>Final</u>        |                     |                     |
| <b>REVENUES</b>                                   |                     |                     |                     |                     |
| Licenses, permits and fees                        | \$ 20,000           | \$ 20,000           | \$ 42,228           | \$ 22,228           |
| Intergovernmental                                 | 2,345,480           | 2,345,480           | 2,728,229           | 382,749             |
| Charges for services                              | 22,000              | 22,000              | 447,959             | 425,959             |
| Investment earnings                               | 10,000              | 10,000              | 10,932              | 932                 |
| Intercounty charges                               | 30,000              | 30,000              | 42,628              | 12,628              |
| Miscellaneous                                     | <u>168,580</u>      | <u>168,580</u>      | <u>576,580</u>      | <u>408,000</u>      |
| <b>TOTAL REVENUES</b>                             | <u>2,596,060</u>    | <u>2,596,060</u>    | <u>3,848,556</u>    | <u>1,252,496</u>    |
| <b>EXPENDITURES</b>                               |                     |                     |                     |                     |
| Personal services                                 | 2,052,400           | 2,052,400           | 1,982,151           | 70,249              |
| Materials and services                            | 1,104,730           | 1,669,870           | 1,666,177           | 3,693               |
| Capital outlay                                    | 514,000             | 414,000             | 287,969             | 126,031             |
| Contingency                                       | <u>524,000</u>      | <u>58,860</u>       | <u>-</u>            | <u>58,860</u>       |
| <b>TOTAL EXPENDITURES</b>                         | <u>4,195,130</u>    | <u>4,195,130</u>    | <u>3,936,297</u>    | <u>258,833</u>      |
| Excess (deficiency) of revenues over expenditures | <u>(1,599,070)</u>  | <u>(1,599,070)</u>  | <u>(87,741)</u>     | <u>1,511,329</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                     |                     |                     |
| Transfers in                                      | 424,000             | 424,000             | 645,819             | 221,819             |
| Transfers out                                     | <u>(19,320)</u>     | <u>(19,320)</u>     | <u>(19,320)</u>     | <u>-</u>            |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <u>404,680</u>      | <u>404,680</u>      | <u>626,499</u>      | <u>221,819</u>      |
| Net change in fund balance                        | (1,194,390)         | (1,194,390)         | 538,758             | 1,733,148           |
| Fund balance at beginning of year                 | <u>2,852,050</u>    | <u>2,852,050</u>    | <u>2,784,197</u>    | <u>(67,853)</u>     |
| Fund balance at end of year                       | <u>\$ 1,657,660</u> | <u>\$ 1,657,660</u> | <u>\$ 3,322,955</u> | <u>\$ 1,665,295</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, 2015**

|                                   | <u>Budget</u>    |                  | <u>Actual</u>    | <u>Variance</u>  |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | <u>Original</u>  | <u>Final</u>     |                  |                  |
| <b>REVENUES</b>                   |                  |                  |                  |                  |
| Property taxes                    | \$ -             | \$ -             | \$ 537           | \$ 537           |
| Intergovernmental                 | -                | -                | 169,800          | 169,800          |
| Timber and land sales             | 4,000,000        | 4,000,000        | 2,623,589        | (1,376,411)      |
| Investment earnings               | <u>3,000</u>     | <u>3,000</u>     | <u>2,401</u>     | <u>(599)</u>     |
| <br>TOTAL REVENUES                | <br>4,003,000    | <br>4,003,000    | <br>2,796,327    | <br>(1,206,673)  |
| <b>EXPENDITURES</b>               |                  |                  |                  |                  |
| Materials and services            | <u>4,003,000</u> | <u>4,003,000</u> | <u>2,796,327</u> | <u>1,206,673</u> |
| <br>Net change in fund balance    | <br>-            | <br>-            | <br>-            | <br>-            |
| Fund balance at beginning of year | <u>-</u>         | <u>-</u>         | <u>-</u>         | <u>-</u>         |
| <br>Fund balance at end of year   | <br><u>\$ -</u>  | <br><u>\$ -</u>  | <br><u>\$ -</u>  | <br><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, 2015**

|   | <u>Budget</u>    |                  | <u>Actual</u>     | <u>Variance</u>   |
|---|------------------|------------------|-------------------|-------------------|
|   | <u>Original</u>  | <u>Final</u>     |                   |                   |
| <b>REVENUES</b>                                   |                  |                  |                   |                   |
| Intergovernmental                                 | \$ 2,540,800     | \$ 2,540,800     | \$ 2,741,094      | \$ 200,294        |
| Charges for services                              | 3,243,020        | 3,243,020        | 3,327,135         | 84,115            |
| Investment earnings                               | 500              | 500              | 1,383             | 883               |
| Miscellaneous                                     | 67,280           | 67,280           | 42,766            | (24,514)          |
| <b>TOTAL REVENUES</b>                             | <u>5,851,600</u> | <u>5,851,600</u> | <u>6,112,378</u>  | <u>260,778</u>    |
| <b>EXPENDITURES</b>                               |                  |                  |                   |                   |
| Personal services                                 | 4,173,320        | 3,657,440        | 3,505,550         | 151,890           |
| Materials and services                            | 1,767,280        | 2,499,630        | 2,469,594         | 30,036            |
| Capital outlay                                    | 45,900           | 8,960            | 8,868             | 92                |
| <b>TOTAL EXPENDITURES</b>                         | <u>5,986,500</u> | <u>6,166,030</u> | <u>5,984,012</u>  | <u>182,018</u>    |
| Excess (deficiency) of revenues over expenditures | <u>(134,900)</u> | <u>(314,430)</u> | <u>128,366</u>    | <u>442,796</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                  |                  |                   |                   |
| Transfers in                                      | 178,000          | 164,510          | 121,410           | 43,100            |
| Transfers out                                     | (43,100)         | (80)             | -                 | (80)              |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <u>134,900</u>   | <u>164,430</u>   | <u>121,410</u>    | <u>43,020</u>     |
| Net change in fund balance                        | -                | (150,000)        | 249,776           | 399,776           |
| Fund balance at beginning of year                 | -                | 150,000          | 172,080           | 22,080            |
| Fund balance at end of year                       | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 421,856</u> | <u>\$ 421,856</u> |

*See accompanying notes*

**TILLAMOOK COUNTY**

**LIBRARY FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <u>Budget</u>       |                     | <u>Actual</u>       | <u>Variance</u>   |
|-----------------------------------|---------------------|---------------------|---------------------|-------------------|
|                                   | <u>Original</u>     | <u>Final</u>        |                     |                   |
| <b>REVENUES</b>                   |                     |                     |                     |                   |
| Property taxes                    | \$ 2,770,000        | \$ 2,770,000        | \$ 2,800,726        | \$ 30,726         |
| Intergovernmental                 | 5,000               | 5,000               | 5,164               | 164               |
| Fines and forfeitures             | 7,500               | 7,500               | 13,267              | 5,767             |
| Investment earnings               | 10,000              | 10,000              | 9,139               | (861)             |
| Miscellaneous                     | <u>112,500</u>      | <u>112,500</u>      | <u>122,672</u>      | <u>10,172</u>     |
| <b>TOTAL REVENUES</b>             | <u>2,905,000</u>    | <u>2,905,000</u>    | <u>2,950,968</u>    | <u>45,968</u>     |
| <b>EXPENDITURES</b>               |                     |                     |                     |                   |
| Personal services                 | 1,863,100           | 1,863,100           | 1,753,570           | 109,530           |
| Materials and services            | 1,007,500           | 1,034,000           | 1,031,746           | 2,254             |
| Capital outlay                    | 90,000              | 165,160             | 126,712             | 38,448            |
| Contingency                       | <u>550,000</u>      | <u>448,340</u>      | <u>-</u>            | <u>448,340</u>    |
| <b>TOTAL EXPENDITURES</b>         | <u>3,510,600</u>    | <u>3,510,600</u>    | <u>2,912,028</u>    | <u>598,572</u>    |
| Net change in fund balance        | (605,600)           | (605,600)           | 38,940              | 644,540           |
| Fund balance at beginning of year | <u>2,200,000</u>    | <u>2,200,000</u>    | <u>2,345,688</u>    | <u>145,688</u>    |
| Fund balance at end of year       | <u>\$ 1,594,400</u> | <u>\$ 1,594,400</u> | <u>\$ 2,384,628</u> | <u>\$ 790,228</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, 2015**

|                                   | <u>Budget</u>   |                | <u>Actual</u>     | <u>Variance</u>   |
|-----------------------------------|-----------------|----------------|-------------------|-------------------|
|                                   | <u>Original</u> | <u>Final</u>   |                   |                   |
| <b>REVENUES</b>                   |                 |                |                   |                   |
| Intergovernmental                 | \$ 672,450      | \$ 672,450     | \$ 690,224        | \$ 17,774         |
| Charges for services              | 95,000          | 95,000         | 129,025           | 34,025            |
| Miscellaneous                     | 2,500           | 2,500          | 405               | (2,095)           |
| <b>TOTAL REVENUES</b>             | <u>769,950</u>  | <u>769,950</u> | <u>819,654</u>    | <u>49,704</u>     |
| <b>EXPENDITURES</b>               |                 |                |                   |                   |
| Personal services                 | 541,700         | 541,700        | 494,610           | 47,090            |
| Materials and services            | 349,100         | 349,100        | 298,231           | 50,869            |
| Capital outlay                    | 500             | 500            | -                 | 500               |
| Contingency                       | 78,650          | 78,650         | -                 | 78,650            |
| <b>TOTAL EXPENDITURES</b>         | <u>969,950</u>  | <u>969,950</u> | <u>792,841</u>    | <u>177,109</u>    |
| Net change in fund balance        | (200,000)       | (200,000)      | 26,813            | 226,813           |
| Fund balance at beginning of year | <u>200,000</u>  | <u>200,000</u> | <u>276,378</u>    | <u>76,378</u>     |
| Fund balance at end of year       | <u>\$ -</u>     | <u>\$ -</u>    | <u>\$ 303,191</u> | <u>\$ 303,191</u> |

*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, 2015**

|   | <u>Budget</u>    |                  | <u>Actual</u>     | <u>Variance</u>   |
|---|------------------|------------------|-------------------|-------------------|
|   | <u>Original</u>  | <u>Final</u>     |                   |                   |
| <b>REVENUES</b>                                   |                  |                  |                   |                   |
| Transient lodging tax                             | \$ 1,580,000     | \$ 2,359,000     | \$ 2,360,951      | \$ 1,951          |
| Investment earnings                               | <u>1,000</u>     | <u>1,000</u>     | <u>1,184</u>      | <u>184</u>        |
| <b>TOTAL REVENUES</b>                             | 1,581,000        | 2,360,000        | 2,362,135         | 2,135             |
| <b>EXPENDITURES</b>                               |                  |                  |                   |                   |
| Materials and services                            | <u>1,106,000</u> | <u>1,606,000</u> | <u>1,264,121</u>  | <u>341,879</u>    |
| Excess (deficiency) of revenues over expenditures | 474,000          | 753,000          | 1,098,014         | 345,014           |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                  |                  |                   |                   |
| Transfers out                                     | <u>(474,000)</u> | <u>(753,000)</u> | <u>(709,898)</u>  | <u>(43,102)</u>   |
| Net change in fund balance                        | -                | -                | 388,116           | 388,116           |
| Fund balance at beginning of year                 | <u>-</u>         | <u>-</u>         | <u>91,453</u>     | <u>91,453</u>     |
| Fund balance at end of year                       | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 479,569</u> | <u>\$ 479,569</u> |

*See accompanying notes*

**TILLAMOOK COUNTY**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**June 30, 2015**

|   | <b>Business-type Activities</b> |                                |   | <b>Total<br/>Enterprise<br/>Funds</b> |
|---|---------------------------------|--------------------------------|---|---------------------------------------|
|   | <b>Solid Waste</b>              | <b>Solid Waste<br/>Sinking</b> | <b>Solid Waste<br/>Post Closure<br/>Reserve</b> |                                       |
| <b><u>ASSETS</u></b>                                    |                                 |                                |   |                                       |
| Current assets  |                                 |                                |   |                                       |
| Cash and investments                                    | \$ 166,487                      | \$ 668,916                     | \$ 597,350                                      | \$ 1,432,753                          |
| Receivables   | 167,544                         | -                              | -   | 167,544                               |
| Total current assets                                    | <u>334,031</u>                  | <u>668,916</u>                 | <u>597,350</u>                                  | <u>1,600,297</u>                      |
| Capital assets  |                                 |                                |   |                                       |
| Land and construction in progress                       | 125,000                         | -                              | -   | 125,000                               |
| Other capital assets, net                               | 2,042,459                       | -                              | -   | 2,042,459                             |
| Total capital assets, net                               | <u>2,167,459</u>                | <u>-</u>                       | <u>-</u>  | <u>2,167,459</u>                      |
| <b>TOTAL ASSETS</b>                                     | <u><b>2,501,490</b></u>         | <u><b>668,916</b></u>          | <u><b>597,350</b></u>                           | <u><b>3,767,756</b></u>               |
| <b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>            |                                 |                                |   |                                       |
| Pension related items                                   | <u>29,603</u>                   | <u>-</u>                       | <u>-</u>  | <u>29,603</u>                         |
| <b><u>LIABILITIES</u></b>                               |                                 |                                |   |                                       |
| Current liabilities                                     |                                 |                                |   |                                       |
| Accounts payable and accrued expenses                   | 163,870                         | -                              | -   | 163,870                               |
| Accumulated compensated absences                        | 5,983                           | -                              | -   | 5,983                                 |
| Current portion of landfill post-closure care liability | 108,526                         | -                              | -   | 108,526                               |
| Total current liabilities                               | 278,379                         | -                              | -   | 278,379                               |
| Other post-employment benefits                          | 10,990                          | -                              | -   | 10,990                                |
| Net pension liability                                   | 72,299                          | -                              | -   | 72,299                                |
| Landfill post-closure care liability                    | 1,091,734                       | -                              | -   | 1,091,734                             |
| <b>TOTAL LIABILITIES</b>                                | <u><b>1,453,402</b></u>         | <u><b>-</b></u>                | <u><b>-</b></u>                                 | <u><b>1,453,402</b></u>               |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>             |                                 |                                |   |                                       |
| Pension related items                                   | <u>19,527</u>                   | <u>-</u>                       | <u>-</u>  | <u>19,527</u>                         |
| <b><u>NET POSITION</u></b>                              |                                 |                                |   |                                       |
| Net investment in capital assets                        | 2,167,459                       | -                              | -   | 2,167,459                             |
| Unrestricted  | <u>(1,109,295)</u>              | <u>668,916</u>                 | <u>597,350</u>                                  | <u>156,971</u>                        |
| <b>TOTAL NET POSITION</b>                               | <u><b>\$ 1,058,164</b></u>      | <u><b>\$ 668,916</b></u>       | <u><b>\$ 597,350</b></u>                        | <u><b>\$ 2,324,430</b></u>            |

*See accompanying notes*

**TILLAMOOK COUNTY**  
**STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Year Ended June 30, 2015**

|   | <b>Business-type Activities</b> |                            |                             | <b>Total</b>        |
|---|---------------------------------|----------------------------|-----------------------------|---------------------|
|   | <b>Solid Waste</b>              | <b>Solid Waste Sinking</b> | <b>Post Closure Reserve</b> |                     |
| <b>REVENUES</b>                         |                                 |                            |                             |                     |
| Charges for services                    | \$ 1,743,254                    | \$ -                       | \$ -                        | \$ 1,743,254        |
| <b>OPERATING EXPENSES</b>               |                                 |                            |                             |                     |
| Personal services                       | 182,111                         | -                          | -                           | 182,111             |
| Other supplies and expenses             | 1,912,366                       | -                          | -                           | 1,912,366           |
| Depreciation                            | 119,256                         | -                          | -                           | 119,256             |
| Total operating expenses                | <u>2,213,733</u>                | <u>-</u>                   | <u>-</u>                    | <u>2,213,733</u>    |
| Operating (loss)                        | <u>(470,479)</u>                | <u>-</u>                   | <u>-</u>                    | <u>(470,479)</u>    |
| <b>NONOPERATING REVENUES (EXPENSES)</b> |                                 |                            |                             |                     |
| Assessments                             | 241,701                         | -                          | -                           | 241,701             |
| Interest and investment earnings        | 870                             | 2,440                      | 1,969                       | 5,279               |
| Miscellaneous                           | 6,016                           | -                          | -                           | 6,016               |
| Total nonoperating revenue (expenses)   | <u>248,587</u>                  | <u>2,440</u>               | <u>1,969</u>                | <u>252,996</u>      |
| Income (loss) before transfers          | (221,892)                       | 2,440                      | 1,969                       | (217,483)           |
| Transfers                               | <u>(100,000)</u>                | <u>-</u>                   | <u>100,000</u>              | <u>-</u>            |
| Change in net position                  | (321,892)                       | 2,440                      | 101,969                     | (217,483)           |
| Net position - beginning                | 1,443,646                       | 666,476                    | 495,381                     | 2,605,503           |
| Prior period adjustment                 | <u>(63,590)</u>                 | <u>-</u>                   | <u>-</u>                    | <u>(63,590)</u>     |
| Net position - ending                   | <u>\$ 1,058,164</u>             | <u>\$ 668,916</u>          | <u>\$ 597,350</u>           | <u>\$ 2,324,430</u> |

*See accompanying notes*

TILLAMOOK COUNTY

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended June 30, 2015

|   | Business-type Activities |                           |  | Total<br>Enterprise<br>Funds |
|---|--------------------------|---------------------------|--|------------------------------|
|   | Solid<br>Waste           | Solid<br>Waste<br>Sinking | Solid Waste<br>Post Closure<br>Reserve |                              |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                           |  |                              |
| Receipts from customers and users   | \$ 1,879,723             | \$ -                      | \$ -                                   | \$ 1,879,723                 |
| Payments to suppliers   | (1,901,162)              | -                         | -                                      | (1,901,162)                  |
| Payments to employees   | (169,331)                | -                         | -                                      | (169,331)                    |
| Other   | 6,016                    | -                         | -                                      | 6,016                        |
| Net cash (used in) operating activities   | (184,754)                | -                         | -                                      | (184,754)                    |
| <b>CASH FLOWS FROM NON-CAPITAL FINANCING<br/>             ACTIVITIES</b>                              |                          |                           |  |                              |
| Assessments of property owners  | 241,701                  | -                         | -                                      | 241,701                      |
| Transfers in  | -                        | -                         | 100,000                                | 100,000                      |
| Transfers out   | (100,000)                | -                         | -                                      | (100,000)                    |
| Net cash provided by non-capital financing activities   | 141,701                  | -                         | 100,000                                | 241,701                      |
| <b>CASH FLOWS FROM CAPITAL AND<br/>             RELATED FINANCING ACTIVITIES</b>                      |                          |                           |  |                              |
| Purchases of capital assets   | (33,916)                 | -                         | -                                      | (33,916)                     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                           |  |                              |
| Interest  | 870                      | 2,440                     | 1,969                                  | 5,279                        |
| Net increase (decrease) in cash and cash equivalents  | (76,099)                 | 2,440                     | 101,969                                | 28,310                       |
| Cash and cash equivalents - beginning of year   | 242,586                  | 666,476                   | 495,381                                | 1,404,443                    |
| Cash and cash equivalents - end of year   | \$ 166,487               | \$ 668,916                | \$ 597,350                             | \$ 1,432,753                 |
| <b>Reconciliation of operating (loss) to net cash (used in)<br/>             operating activities</b> |                          |                           |  |                              |
| Operating (loss)  | \$ (470,479)             | \$ -                      | \$ -                                   | \$ (470,479)                 |
| Adjustments to reconcile operating (loss) to net cash (used in)<br>operating activities               |                          |                           |  |                              |
| Depreciation  | 119,256                  | -                         | -                                      | 119,256                      |
| Other   | 6,016                    | -                         | -                                      | 6,016                        |
| Decrease in receivables   | 136,469                  | -                         | -                                      | 136,469                      |
| (Increase) in deferred outflow of resources   | (7,491)                  | -                         | -                                      | (7,491)                      |
| Increase (decrease) in liabilities  |                          |                           |  |                              |
| Accounts payable and accrued liabilities  | 11,204                   | -                         | -                                      | 11,204                       |
| Accumulated compensated absences  | 3,157                    | -                         | -                                      | 3,157                        |
| Net other post-employment benefits  | 10,990                   | -                         | -                                      | 10,990                       |
| Net pension liability   | (13,403)                 | -                         | -                                      | (13,403)                     |
| Increase in deferred inflows of resources   | 19,527                   | -                         | -                                      | 19,527                       |
| Net cash (used in) operating activities   | \$ (184,754)             | \$ -                      | \$ -                                   | \$ (184,754)                 |

See accompanying notes

**TILLAMOOK COUNTY**

**STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
June 30, 2015**

|   | <b>Tillamook County<br/>Retirement Plan for<br/>Employees Pension</b> |                    |
|---|---|--------------------|
|   | <b>Trust</b>  | <b>Agency Fund</b> |
| <b>ASSETS</b>                                   |   |                    |
| Cash and cash equivalents                       | \$ 315,873  | \$ 1,090,375       |
| Receivables, net                                | -   | 5,341,221          |
| Investments, at fair value:                     |   |                    |
| Fixed income securities                         | 3,645,620   | -                  |
| Mutual funds                                    | 49,500,934  | -                  |
| <b>TOTAL ASSETS</b>                             | 53,462,427  | 6,431,596          |
| <b>LIABILITIES</b>                              |   |                    |
| Due to other governments                        | -   | \$ 6,431,596       |
| <b>NET POSITION</b>                             |   |                    |
| Net position held in trust for pension benefits | \$ 53,462,427   |                    |

*See accompanying notes*

**TILLAMOOK COUNTY**

**STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
For the Year Ended June 30, 2015**

|                          | <b>Tillamook County<br/>Retirement Plan for<br/>Employees Pension<br/>Trust</b> |
|--------------------------|---|
| <b>ADDITIONS</b>         |   |
| Employer contributions   | \$ 3,057,451  |
| Investment earnings, net | <u>527,627</u>  |
| Total additions          | <u>3,585,078</u>  |
| <b>DEDUCTIONS</b>        |   |
| Benefits                 | 3,052,166   |
| Administrative expenses  | <u>142,282</u>  |
| Total deductions         | <u>3,194,448</u>  |
| Change in net position   | 390,630   |
| Net position - beginning | <u>53,071,797</u>   |
| Net position - ending    | <u>\$ 53,462,427</u>  |

*See accompanying notes*

## TILLAMOOK COUNTY

### NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2015

#### 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.

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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

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.

*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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### C. Measurement focus, basis of accounting and financial statement presentation (continued)

*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 period in which they are incurred. 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 (the Plan). Contributions to the Plan are made on a current basis as required by the Plan and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution.

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

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

#### 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, 2015.

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."



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. Summary of significant accounting policies (continued)

#### Q. Equity classification (continued)

##### i. Government-wide statements (continued)

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.

##### 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)

### 1. Summary of significant accounting policies (continued)

#### R. New accounting standards implemented

In June 2012, the GASB issued Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. This statement makes significant changes to accounting by pension plans by replacing the requirements of GASB Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and GASB Statement No. 50, *Pension Disclosures*.

GASB Statement No. 67 separates funding from financial reporting and builds upon the existing framework for financial reports of defined benefit pension plans and enhances note disclosures and required supplementary information for both defined benefit and defined contribution pension plans. In addition, it requires the presentation of new information about the annual money-weighted rates of return on pension plan investments in the notes to the financial statements and in 10-year required supplementary information schedules.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This statement provides guidance for accounting for net pension liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources. The specific accounts impacting the County are detailed below.

**Net pension liability** – Previous standards defined pension liabilities in terms of the Annually Required Contribution. Statement No. 68 defines the net pension liability as the portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service, net of the pension plan’s fiduciary net position.

**Deferred inflows of resources and deferred outflows of resources** – Statement No. 68 includes recognition of deferred inflows and outflows of resources associated with the difference between projected and actual earnings on pension plan investments. These differences are to be recognized in pension expense using a systematic and rational method over a closed five-year period.

Statement No. 68 is effective for financial statement periods beginning after June 15, 2014, with the effects of accounting change to be applied retroactively by restating the financial statements. The County adopted this new pronouncement in the current year and, accordingly, has restated amounts of effected balances within the financial statements as of June 30, 2014:

|  | As<br>Originally<br>Reported | As<br>Restated | Effect of<br>Change |
|--|------------------------------|----------------|---------------------|
| <b>Statement of Net Position</b>                   |                              |                |                     |
| <u>Governmental activities</u>                     |                              |                |                     |
| Deferred outflows of resources                     | \$ --                        | \$ 2,934,850   | \$ 2,934,850        |
| Net pension asset                                  | 1,149,264                    | --             | (1,149,264)         |
| Long-term obligations - net pension liability      | --                           | 11,375,041     | (11,375,041)        |
| Net position                                       | 59,861,392                   | 50,271,937     | (9,589,455)         |
| <u>Business-type activities / Solid Waste Fund</u> |                              |                |                     |
| Deferred outflows of resources                     | \$ --                        | \$ 22,112      | \$ 22,112           |
| Long-term obligations - net pension liability      | --                           | 85,702         | 85,702              |
| Net position                                       | 2,605,503                    | 2,541,913      | (63,590)            |

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

**2. Reconciliation of generally accepted accounting principles 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   | \$ (474,280) | \$ 186,478 | \$ 284,764    | \$ 1,472,219    | \$ 53,745 | \$ 9,974              | \$ 458,343            | \$ (2,820,859)                |
| <b>Revenues :</b>  |              |            |               |                 |           |                       |                       |                               |
| Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements   | (9,841)      | -          | -             | -               | -         | -                     | -                     | -                             |
| (Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis | (272,736)    | 168,936    | (284,764)     | (1,202,564)     | (28,804)  | 15,681                | (70,227)              | -                             |
| Increase (decrease) in deferred revenues   | (62,107)     | -          | -             | -               | (17,877)  | -                     | -                     | -                             |
|  | (344,684)    | 168,936    | (284,764)     | (1,202,564)     | (46,681)  | 15,681                | (70,227)              | -                             |
| <b>Expenditures :</b>  |              |            |               |                 |           |                       |                       |                               |
| Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis                        | 12,841       | 183,344    | -             | (19,879)        | 31,876    | 1,158                 | -                     | (6,838)                       |
| <b>Other Financing Sources (Uses) :</b>  |              |            |               |                 |           |                       |                       |                               |
| Transfers out of separately budgeted funds which are included in the general fund on the governmental fund statements  | 500,000      | -          | -             | -               | -         | -                     | -                     | -                             |
| Net change in fund balances - budgetary basis  | \$ (306,123) | \$ 538,758 | \$ -          | \$ 249,776      | \$ 38,940 | \$ 26,813             | \$ 388,116            | \$ (2,827,697)                |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Reconciliation of generally accepted accounting principles to budgetary basis (continued)

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   | \$ 9,226,561        | \$ 3,093,887        | \$ 641,097    | \$ 345,686        | \$ 2,365,397        | \$ 276,762            | \$ 290,293            | \$ 5,844,793                  |
| Beginning 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                       |
| Beginning 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>           |
| Ending fund balances - generally accepted accounting principles basis  | \$ 8,752,281        | \$ 3,280,365        | \$ 925,861    | \$ 1,817,905      | \$ 2,419,142        | \$ 286,736            | \$ 748,636            | \$ 3,023,934                  |
| Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements    | (2,197,426)         | -                   | -             | -                 | -                   | -                     | -                     | -                             |
| Differences in revenue recognition   | (1,742,980)         | (215,177)           | (925,861)     | (1,659,276)       | (127,687)           | -                     | (269,067)             | -                             |
| Difference in expenditure recognition  | 505,040             | 257,767             | -             | 263,227           | 93,173              | 16,455                | -                     | 96,295                        |
| Ending fund balance - budgetary basis  | <u>\$ 5,316,915</u> | <u>\$ 3,322,955</u> | <u>\$ -</u>   | <u>\$ 421,856</u> | <u>\$ 2,384,628</u> | <u>\$ 303,191</u>     | <u>\$ 479,569</u>     | <u>\$ 3,120,229</u>           |

### 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.

Investments of the Tillamook County Oregon Retirement Plan for Employees Pension Trust are stated at fair value based on quoted market prices. The Tillamook County Commissioners are responsible for establishing policies for those investments. The rate of return on those investments for the year ended June 30, 2015 was 1.26 percent.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Deposits and investments (continued)

*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 or better by Standard & Poor's Corporation or A or better 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, 2015, investments were as follows:

|  | <u>Maturities</u> | <u>Rating</u> | <u>Fair Value</u>    |
|--|-------------------|---------------|----------------------|
| State Treasurer's Investment Pool      | N/A               | Not Rated     | \$ 16,496,087        |
| Corporate Bonds                        |                   |               |                      |
| Wachovia Bank, N.A.                    | 8/15/15           | A+            | 1,023,970            |
| JP Morgan Chase                        | 3/1/16            | A             | 1,028,344            |
| GE Capital                             | 5/9/16            | AA+           | 1,023,689            |
| Berkshire Hathaway                     | 8/15/16           | AA            | 1,229,532            |
| US Bancorp                             | 11/15/16          | A+            | 1,019,990            |
| Municipal Bonds                        |                   |               |                      |
| Marion and Polk Co. OR School District | 6/30/16           | Aa3           | 1,002,881            |
| Oregon Community College District      | 2/24/16           | A2            | 1,061,205            |
| US Agency Securities                   |                   |               |                      |
| Federal Home Loan Mortgage Corp        | 12/23/16          | AA+           | 1,001,176            |
| Pension Trust Investments:             |                   |               |                      |
| Money Market Fund                      | N/A               | Not Rated     | 315,873              |
| U.S. Treasury Notes                    | 2/15/16-2/15/17   | AAA           | 3,645,620            |
| Mutual Funds                           | N/A               | Not Rated     | <u>49,500,934</u>    |
| Total                                  |                   |               | <u>\$ 78,349,300</u> |

*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. 66 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, including those held in the Pension Trust investments, amounting to \$61,853,215 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, 2015, \$683,891 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Deposits and investments (continued)

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.

A. Deposits and investments at June 30, 2015, are as follows:

|                                      |                      |
|--------------------------------------|----------------------|
| Total investments                    | \$ 78,349,300        |
| Cash on hand                         | 15,972               |
| Deposits with financial institutions | <u>1,116,032</u>     |
| Total deposits and investments       | <u>\$ 79,481,306</u> |

B. Cash and investments by fund:

|   |                      |
|---|----------------------|
| <u>Governmental activities/funds</u>                            |                      |
| General   | \$ 7,625,672         |
| Road  | 3,355,471            |
| Health Services   | 443,468              |
| Library   | 2,393,137            |
| Community Corrections   | 306,688              |
| Transient Lodging Tax   | 479,569              |
| Road Improvement Construction                                   | 3,120,229            |
| Nonmajor funds  | <u>5,771,317</u>     |
| Total governmental activities/funds                             | <u>23,495,751</u>    |
| <u>Business-type activities/Enterprise funds</u>                |                      |
| Solid Waste   | 166,487              |
| Solid Waste Sinking   | 668,916              |
| Post Closure Reserve  | <u>597,350</u>       |
| Total business-type activities/Enterprise funds                 | <u>1,432,753</u>     |
| <u>Fiduciary funds</u>  |                      |
| Tillamook County Retirement Plan for<br>Employees Pension Trust | 53,462,427           |
| Agency  | <u>1,090,375</u>     |
| Total fiduciary funds   | <u>54,552,802</u>    |
| Total cash and investments                                      | <u>\$ 79,481,306</u> |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 4. Receivables

A. Receivables at June 30, 2015, are as follows:

Governmental Funds / Activities

|  | General             | Road              | County School     | Health Services     | Library           | Transient Lodging Tax | Nonmajor Funds    | Total Governmental Funds |
|--|---------------------|-------------------|-------------------|---------------------|-------------------|-----------------------|-------------------|--------------------------|
| Property taxes                             | \$ 460,884          | \$ -              | \$ -              | \$ -                | \$ 185,619        | \$ -                  | \$ 175,898        | \$ 822,401               |
| Unsegregated taxes                         | 76,567              | -                 | -                 | -                   | 31,275            | -                     | 32,094            | 139,936                  |
| Accounts                                   | 239,932             | 38,794            | -                 | 407,394             | 36,511            | -                     | 89,068            | 811,699                  |
| State timber allotment                     | 1,214,580           | -                 | 925,861           | -                   | -                 | -                     | 19,983            | 2,160,424                |
| Patients and medicaid                      | -                   | -                 | -                 | 1,159,901           | -                 | -                     | -                 | 1,159,901                |
| Other                                      | 144,755             | 176,383           | -                 | 145,267             | 32,416            | 269,067               | 60,063            | 827,951                  |
| Less: allowance for uncollectible accounts | -                   | -                 | -                 | (53,286)            | -                 | -                     | -                 | (53,286)                 |
|  | <u>\$ 2,136,718</u> | <u>\$ 215,177</u> | <u>\$ 925,861</u> | <u>\$ 1,659,276</u> | <u>\$ 285,821</u> | <u>\$ 269,067</u>     | <u>\$ 377,106</u> | <u>\$ 5,869,026</u>      |

|  | Business-type Activities/<br>Enterprise Fund<br>Solid Waste | Fiduciary Fund<br>Agency |
|--|---|--------------------------|
| Property taxes                             | \$ -  | \$ 2,430,626             |
| Unsegregated taxes                         | -   | 409,737                  |
| Assessments                                | 18,587  | -                        |
| Accounts                                   | 148,957   | -                        |
| State timber allotment                     | -   | 1,954,513                |
| Court fines                                | -   | 3,543,813                |
| Other                                      | -   | 1,267                    |
| Less: allowance for uncollectible accounts | -   | (2,998,735)              |
|  | <u>\$ 167,544</u>   | <u>\$ 5,341,221</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, 2014 | 2014-15 Levies       | Adjustments        | Net Interest (Discounts) | Collections          | Balances June 30, 2015 |
|-----------|-----------------------|----------------------|--------------------|--------------------------|----------------------|------------------------|
| Current   | \$ -                  | \$ 49,672,248        | \$ (26,626)        | \$ (1,215,220)           | \$ 46,992,868        | \$ 1,437,534           |
| 2013-14   | \$ 1,811,427          | -                    | (13,290)           | 27                       | 885,575              | 912,589                |
| 2012-13   | 1,008,093             | -                    | (7,220)            | 8                        | 404,545              | 596,336                |
| 2011-12   | 496,481               | -                    | (6,969)            | 9                        | 323,191              | 166,330                |
| 2010-11   | 167,048               | -                    | (6,847)            | -                        | 134,370              | 25,831                 |
| 2009-10   | 44,468                | -                    | (5,349)            | 11                       | 15,292               | 23,838                 |
| Prior     | 109,836               | -                    | (2,464)            | -                        | 16,803               | 90,569                 |
|           | <u>\$ 3,637,353</u>   | <u>\$ 49,672,248</u> | <u>\$ (68,765)</u> | <u>\$ (1,215,165)</u>    | <u>\$ 48,772,644</u> | <u>\$ 3,253,027</u>    |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 4. Receivables (continued)

#### B. Property taxes (continued)

##### 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 \$2,023,400 for the retirement of long-term debt principal and interest due in 2015-16.

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                          | \$ 719,704          | \$ 1,057,410        |
| Road                             | 645,819             | 19,320              |
| Health Services                  | 121,410             | -                   |
| Transient Lodging Tax            | -                   | 709,898             |
| Nonmajor Funds                   | 475,320             | 175,625             |
| Solid Waste                      | -                   | 100,000             |
| Solid Waste Post Closure Reserve | 100,000             | -                   |
|                                  | <u>\$ 2,062,253</u> | <u>\$ 2,062,253</u> |



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 6. Capital assets

A. Capital asset activity for governmental activities for the year ended June 30, 2015 was as follows:

|  | Balances<br>July 1, 2014 | Additions           | Reclassifications<br>and Deletions | Balances<br>June 30, 2015 |
|--|--------------------------|---------------------|------------------------------------|---------------------------|
| Capital assets not being depreciated       |                          |                     |                                    |                           |
| Land                                       | \$ 5,377,282             | \$ 75,155           | \$ -                               | \$ 5,452,437              |
| Construction in progress                   | <u>2,208,033</u>         | <u>1,435,982</u>    | <u>585,059</u>                     | <u>3,058,956</u>          |
| Total capital assets not being depreciated | <u>\$ 7,585,315</u>      | <u>\$ 1,511,137</u> | <u>\$ 585,059</u>                  | <u>\$ 8,511,393</u>       |
| Capital assets being depreciated           |                          |                     |                                    |                           |
| Land improvements                          | \$ 1,973,344             | \$ -                | \$ -                               | \$ 1,973,344              |
| Buildings                                  | 32,851,447               | 51,558              | -                                  | 32,903,005                |
| Equipment                                  | 10,259,373               | 346,160             | 153,603                            | 10,451,930                |
| Infrastructure                             | <u>22,935,078</u>        | <u>2,686,691</u>    | <u>-</u>                           | <u>25,621,769</u>         |
| Total capital assets being depreciated     | <u>68,019,242</u>        | <u>3,084,409</u>    | <u>153,603</u>                     | <u>70,950,048</u>         |
| Less accumulated depreciation for:         |                          |                     |                                    |                           |
| Land improvements                          | 910,674                  | 60,624              | 153,603                            | 817,695                   |
| Buildings                                  | 10,129,189               | 808,596             | -                                  | 10,937,785                |
| Equipment                                  | 8,464,864                | 468,258             | -                                  | 8,933,122                 |
| Infrastructure                             | <u>7,692,690</u>         | <u>406,095</u>      | <u>-</u>                           | <u>8,098,785</u>          |
| Total accumulated depreciation             | <u>27,197,417</u>        | <u>1,743,573</u>    | <u>153,603</u>                     | <u>28,787,387</u>         |
| Total capital assets being depreciated     | <u>\$ 40,821,825</u>     | <u>\$ 1,340,836</u> | <u>\$ -</u>                        | <u>\$ 42,162,661</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, 2015 was as follows:

|  | Balances<br>July 1, 2014 | Additions          | Reclassifications<br>and Deletions | Balances<br>June 30, 2015 |
|--|--------------------------|--------------------|------------------------------------|---------------------------|
| Capital assets not being depreciated   |                          |                    |                                    |                           |
| Land                                   | <u>\$ 125,000</u>        | <u>\$ -</u>        | <u>\$ -</u>                        | <u>\$ 125,000</u>         |
| Capital assets being depreciated       |                          |                    |                                    |                           |
| Land improvements                      | \$ 1,026,790             | \$ -               | \$ -                               | \$ 1,026,790              |
| Buildings                              | 3,046,726                | 24,448             | -                                  | 3,071,174                 |
| Equipment                              | <u>215,698</u>           | <u>9,468</u>       | <u>-</u>                           | <u>225,166</u>            |
| Total capital assets being depreciated | <u>4,289,214</u>         | <u>33,916</u>      | <u>-</u>                           | <u>4,323,130</u>          |
| Less accumulated depreciation for:     |                          |                    |                                    |                           |
| Land improvements                      | 456,512                  | 25,147             | -                                  | 481,659                   |
| Buildings                              | 1,573,271                | 90,236             | -                                  | 1,663,507                 |
| Equipment                              | <u>131,632</u>           | <u>3,873</u>       | <u>-</u>                           | <u>135,505</u>            |
| Total accumulated depreciation         | <u>2,161,415</u>         | <u>119,256</u>     | <u>-</u>                           | <u>2,280,671</u>          |
| Total capital assets being depreciated | <u>\$ 2,127,799</u>      | <u>\$ (85,340)</u> | <u>\$ -</u>                        | <u>\$ 2,042,459</u>       |

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

*Governmental activities*

|                        |              |
|------------------------|--------------|
| General government     | \$ 204,757   |
| Public safety          | 359,544      |
| Public works           | 510,165      |
| Culture and recreation | 636,927      |
| Health and welfare     | 25,537       |
| Education              | <u>6,643</u> |

Total governmental activities \$ 1,743,573

*Business-type activities*

|             |                   |
|-------------|-------------------|
| Solid waste | <u>\$ 119,256</u> |
|-------------|-------------------|

## 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<br/>Funds</u> | <u>Totals</u> |
|----------------|----------------|----------------|---------------------------|---------------|
| Property taxes | \$ 393,738     | \$ 158,134     | \$ 150,269                | \$ 702,141    |

### 8. Long-term obligations

A. Long-term obligation transactions for the year ended June 30, 2015, are as follows:

| <i>Governmental activities</i>                   | <u>July 1,<br/>2014</u>              | <u>Additions</u>    | <u>Reductions</u>   | <u>June 30,<br/>2015</u>              | <u>Due Within<br/>One Year</u>              |
|--|--------------------------------------|---------------------|---------------------|---------------------------------------|---|
| <u>Long-term debt obligations</u>                |                                      |                     |                     |                                       |   |
| Bonded Debt                                      |                                      |                     |                     |                                       |   |
| 2002 General Obligation Refunding                | \$ 1,345,000                         | \$ -                | \$ 810,000          | \$ 535,000                            | \$ 535,000                                  |
| 2013 General Obligation Refunding                | 2,065,000                            | -                   | 170,000             | 1,895,000                             | 180,000                                     |
| 2013 Road Bond                                   | 5,930,000                            | -                   | 1,095,000           | 4,835,000                             | 1,140,000                                   |
| Loans  |                                      |                     |                     |                                       |   |
| Oregon Economic Development<br>Department (OEDD) | 180,059                              | -                   | 25,814              | 154,245                               | 27,363                                      |
| Oregon Department of<br>Transportation (ODOT)    | 114,544                              | -                   | 38,027              | 76,517                                | 38,216                                      |
| TLC Federal Credit Union                         | 450,000                              | -                   | 75,000              | 375,000                               | 75,000                                      |
| Capital Lease                                    |                                      |                     |                     |                                       |   |
| Ford Motor Credit Co.                            | 11,140                               | -                   | 11,140              | -                                     | -   |
| US Bank  | -                                    | 228,684             | 48,019              | 180,665                               | 43,510                                      |
| Total long-term debt obligations                 | 10,095,743                           | 228,684             | 2,273,000           | 8,051,427                             | 2,039,089                                   |
| <u>Other long-term obligations</u>               |                                      |                     |                     |                                       |   |
| Premiums on long-term debt obligations           | 568,363                              | -                   | 175,563             | 392,800                               | 142,488                                     |
| Compensated absences                             | 1,308,337                            | 965,995             | 958,285             | 1,316,047                             | 960,000                                     |
| Net other post-employment benefits               | 5,777,643                            | 1,458,623           | -                   | 7,236,266                             | -   |
| Net pension liability                            | 11,375,041                           | -                   | 1,778,968           | 9,596,073                             | -   |
| Total long-term obligations                      | <u>\$ 29,125,127</u>                 | <u>\$ 2,653,302</u> | <u>\$ 5,185,816</u> | <u>\$ 26,592,613</u>                  | <u>\$ 3,141,577</u>                         |
| <br>   |                                      |                     |                     |                                       |   |
| <i>Business-type activities</i>                  | <u>Balances<br/>July 1,<br/>2014</u> | <u>Additions</u>    | <u>Reductions</u>   | <u>Balances<br/>June 30,<br/>2015</u> | <u>Balances<br/>Due Within<br/>One Year</u> |
| Landfill post-closure care liability             | \$ 1,200,260                         | \$ -                | \$ -                | \$ 1,200,260                          | \$ 108,526                                  |
| Net other post-employment benefits               | -                                    | 10,990              | -                   | 10,990                                | -   |
| Net pension liability                            | \$ 85,702                            | -                   | 13,403              | 72,299                                | -   |
| Compensated absences                             | <u>2,826</u>                         | <u>4,402</u>        | <u>1,245</u>        | <u>5,983</u>                          | <u>5,983</u>                                |
|  | <u>\$ 1,203,086</u>                  | <u>\$ 15,392</u>    | <u>\$ 14,648</u>    | <u>\$ 1,289,532</u>                   | <u>\$ 114,509</u>                           |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Long-term obligations (continued)

#### B. Governmental activities long-term debt obligations

2002 General Obligation Refunding Bonds - The County issued bonds in the amount of \$6,580,000 to refund previously issued long-term debt obligations. Interest on outstanding bonds varies, depending on the maturity of principal amounts over 14 years, from 1.8 to 4.7 percent.

2013 General Obligation Refunding Bonds - The County issued bonds in the amount of \$2,075,000 to refund previously issued long-term debt obligations. Interest on outstanding bonds varies, depending on the maturity of principal amounts over 10 years, from 3 to 4 percent.

2013 Road Bond - The County issued bonds in the amount of \$7,200,000 to finance improvements to County roads. Interest on outstanding bonds varies, depending on the maturity of principal amounts over 6 years, from 3 to 4.105 percent.

OEDD - The County borrowed \$420,000 under the Water / Wastewater Financing Program. Annual payments are \$36,618 for 20 years including interest at 6 percent.

ODOT - The County borrowed \$557,621 to finance improvements to County infrastructure. Annual payments are \$38,600 for 15 years including interest at .5 percent.

TLC Federal Credit Union - The County borrowed \$750,000 to finance the purchase of grandstands at the fairgrounds. Annual payments are \$75,000 for 10 years with no interest.

Ford Motor Credit - The County entered into a capital lease agreement for the purchase of a vehicle to be used by the Health Department. The County paid off the capital lease during the year.

US Bank - The County entered into a master tax-exempt lease purchase agreement with for the acquisition of four pickups, a prisoner transport vehicle and ballot counting software. Annual payments are \$48,019 for 5 years including interest at 2.496 percent.

#### C. Future maturities

The future maturities of long-term debt obligations outstanding as of June 30, 2015, are as follows:

##### i. Bonded debt:

| Fiscal<br>Year | 2002 Refunding    |                  | 2013 Refunding      |                   | Road Bond           |                   | Totals              |                   |
|----------------|-------------------|------------------|---------------------|-------------------|---------------------|-------------------|---------------------|-------------------|
|                | Principal         | Interest         | Principal           | Interest          | Principal           | Interest          | Principal           | Interest          |
| 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           | -                 | -                | 210,000             | 41,200            | -                   | -                 | 210,000             | 41,200            |
| 2021-23        | -                 | -                | 925,000             | 75,700            | -                   | -                 | 925,000             | 75,700            |
|                | <u>\$ 535,000</u> | <u>\$ 25,145</u> | <u>\$ 1,895,000</u> | <u>\$ 360,700</u> | <u>\$ 4,835,000</u> | <u>\$ 402,350</u> | <u>\$ 7,265,000</u> | <u>\$ 788,195</u> |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Long-term obligations (continued)

#### C. Future maturities of long-term debt obligations outstanding as of June 30, 2015 (continued)

##### ii. Loans:

| Fiscal<br>Year | OEDD              |                  | ODOT             |               | TLC               | Totals            |                  |
|----------------|-------------------|------------------|------------------|---------------|-------------------|-------------------|------------------|
|                | Principal         | Interest         | Principal        | Interest      | Principal         | Principal         | Interest         |
| 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>\$ 154,245</u> | <u>\$ 28,842</u> | <u>\$ 76,517</u> | <u>\$ 576</u> | <u>\$ 375,000</u> | <u>\$ 605,762</u> | <u>\$ 29,418</u> |

##### iii. Capital lease:

| Fiscal<br>Year | U.S. Bancorp      |                  |
|----------------|-------------------|------------------|
|                | Principal         | Interest         |
| 2016           | \$ 43,510         | \$ 4,509         |
| 2017           | 44,596            | 3,423            |
| 2018           | 45,709            | 2,310            |
| 2019           | 46,850            | 1,169            |
|                | <u>\$ 180,665</u> | <u>\$ 11,411</u> |

#### D. Other long-term obligations

##### Compensated absences

As described in note 1, employees of the County are allowed to accumulate earned 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, 2015 accumulated and unpaid compensated absences amounted to \$1,316,047 for governmental activities and \$5,983 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, Library and Solid Waste funds have typically been used to liquidate the liability for net other post-employment benefits.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 8. Long-term obligations (continued)

#### D. Other long-term obligations (continued)

##### Net pension liability

Net pension liability represents the difference between the total pension liability for benefits earned by County employees and the net position held in trust for pension benefits of the Tillamook County Retirement Plan for Employees Pension Trust as more fully discussed in note 9 below. The General, Road, Health Services, Parks, Library and Solid Waste funds have typically been used to liquidate the liability for net pension liability.

##### 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

#### A. Plan description

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

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

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

#### B. Plan membership

All full-time employees are eligible to participate in the Plan after six months of employment. Benefits generally vest after five years of continuous service. As of June 30, 2015, there were 216 active plan members, 47 inactive plan members entitled to but not yet receiving benefits, 8 disabled plan members receiving benefits, and 157 retired plan members receiving benefits for a total of 428 plan members. Of the 216 active employees covered by the Plan, 73 were non-vested, 130 were vested, and 13 were over retirement age. Of the 47 terminated members, 11 were entitled to their account balances only and 36 were members with vested accrued benefits.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Defined benefit pension plan (continued)

#### C. Description of benefit terms

##### Normal retirement

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

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

##### Early retirement

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

##### Late retirement

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

##### Disability

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

##### Death benefits

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

#### D. Contributions

The County is required by the Plan's provisions to pay the employees' contribution to the Plan of seven percent of covered salaries (six percent if monthly base pay is less than \$1,500). In addition the County will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. Plan members are permitted to contribute up to ten percent of their annual covered salary. County contributions to the plan for the year ended June 30, 2015 were \$2,582,295.

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

**9. Defined benefit pension plan (continued)**

E. Net pension liability, changes in net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2015, the County reported a net pension liability of \$9,668,372. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date as follows:

|   |                     |
|---|---------------------|
| Total pension liability   | \$ 62,740,169       |
| Plan fiduciary net position                                       | <u>53,071,797</u>   |
| Net pension liability   | <u>\$ 9,668,372</u> |
| Fiduciary net position as a percentage of total pension liability | 84.6%               |

Changes in the net pension liability is as follows:

|  | <u>Total<br/>Pension<br/>Liability</u> | <u>Fiduciary<br/>Net<br/>Position</u> | <u>Net<br/>Pension<br/>Liability</u> |
|--|--|---------------------------------------|--------------------------------------|
| Beginning balances                     | \$ 57,770,013                          | \$ 46,309,270                         | \$ 11,460,743                        |
| Changes for the year:                  |  |                                       |                                      |
| Service cost                           | 1,728,883                              | --                                    | 1,728,883                            |
| Interest on total pension liability    | 4,089,355                              | --                                    | 4,089,355                            |
| Effect of economic/demographic losses  | 101,325                                | --                                    | 101,325                              |
| Effect of assumption changes or inputs | 1,209,681                              | --                                    | 1,209,681                            |
| Benefit payments                       | (2,653,815)                            | (2,653,815)                           | --                                   |
| Administrative expenses                | --                                     | (55,148)                              | 55,148                               |
| Member contributions                   | 494,727                                | 494,727                               | --                                   |
| Net investment income                  | --                                     | 6,514,529                             | (6,514,529)                          |
| Employer contributions                 | --                                     | 2,462,234                             | (2,462,234)                          |
| Ending balances                        | <u>\$ 62,740,169</u>                   | <u>\$ 53,071,797</u>                  | <u>\$ 9,668,372</u>                  |

For the year ended June 30, 2015, the County recognized pension expense of \$2,874,634. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|---|--|
| Difference between expected and actual experience         | \$ 69,661                                     | \$ --  |
| Changes of assumptions                                    | 831,656                                       | --   |
| Net difference between projected and actual earnings      |   |  |
| On pension plan investments                               | --  | (2,611,360)                                  |
| County's contributions subsequent to the measurement date | <u>3,057,451</u>                              | <u>--</u>                                    |
|   | <u>\$ 3,958,768</u>                           | <u>\$ (2,611,360)</u>                        |



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

**9. Defined benefit pension plan (continued)**

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

\$3,057,451 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

|                    |              |
|--------------------|--------------|
| Year ends June 30, |              |
| 2016               | \$ (243,151) |
| 2017               | (243,151)    |
| 2018               | (570,902)    |
| 2019               | (652,839)    |

F. Actuarial valuation

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

G. Actuarial methods and assumptions used in developing total pension liability

|                            |   |
|----------------------------|---|
| Valuation Date             | June 30, 2014.  |
| Actuarial Cost Method      | Entry Age Normal, Level Percentage of Pay   |
| Amortization Method        | Amortized as a level dollar over a closed period of 20.   |
| Asset Valuation Method     | Market value of assets  |
| Actuarial Assumptions:     |   |
| Inflation Rate             | 1.5 percent   |
| Investment rate of return  | 7 percent   |
| Projected Salary Increases | Salaries for individuals are assumed to grow at 1.5 percent plus assumed rates of merit/longevity increases based on service of 5 percent |
| Mortality                  | Healthy retirees and beneficiaries:<br>RP-2000 Sex-distinct, generational per Scale AA  |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 9. Defined benefit pension plan (continued)

#### G. Actuarial methods and assumptions used in developing total pension liability (continued)

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

#### Discount rate

The discount rate used to measure the total pension liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Plan was applied to all periods of projected benefit payments to determine the total pension liability.

#### Depletion date projection

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

Based on these circumstances, it is the Plan's independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would indicate that the Fiduciary Net Position will be depleted in the 2080-81 fiscal year.

#### Long-term expected rate of return

The long-term expected rate of return assumption of 7 percent is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

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

**9. Defined benefit pension plan (continued)**

G. Actuarial methods and assumptions used in developing total pension liability

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

The following presents the County net pension liability calculated using the discount rate of 7 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6 percent) or 1-percentage-point higher (8 percent) than the current rate:

|   | <u>1 Percentage<br/>Point<br/>Lower</u> | <u>Current<br/>Discount<br/>Rate</u> | <u>1 Percentage<br/>Point<br/>Higher</u> |
|---|---|--------------------------------------|--|
| County's net pension asset or liability | \$ 11,390,171                           | \$ 9,668,372                         | \$ 3,192,670                             |

**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, 2015, 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. Other post-employment benefits (continued)

#### Membership

The County's membership in the plan at August 1, 2014 (the date of the latest actuarial valuation) consisted of the following:

|                                 |            |
|---------------------------------|------------|
| Active employees                | 189        |
| Retirees, spouses or dependents | <u>149</u> |
| Total                           | <u>338</u> |

#### Funding policy and contributions

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

|   |        |
|---|--------|
| For retirees hired before July 1, 2003 and less than age 65 | \$ 718 |
| 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 actuarial valuation performed as of August 1, 2014 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                  | \$ 622,767         |
| Amortization of UAAL         | <u>2,441,901</u>   |
| Annual required contribution | <u>\$3,064,668</u> |

The net OPEB obligation as of June 30, 2015 was calculated as follows:

|  |                    |
|--|--------------------|
| Annual required contribution             | \$3,064,668        |
| Interest on prior year Net OPEB          | 202,218            |
| Adjustment to ARC                        | (694,711)          |
| Contributions made                       | <u>(1,102,562)</u> |
| Increase in net OPEB obligation          | 1,469,613          |
| Net OPEB obligation at beginning of year | <u>5,777,643</u>   |
| Net OPEB obligation at end of year       | <u>\$7,247,256</u> |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. Other post-employment benefits (continued)

#### 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, 2015, 2014 and 2013 is as follows:

| <u>Fiscal<br/>Year Ended</u> | <u>Annual<br/>OPEB Cost</u> | <u>Percentage of<br/>Annual OPEB<br/>Cost Contributed</u> | <u>Net OPEB<br/>Obligation</u> |
|------------------------------|-----------------------------|---|--------------------------------|
| June 30, 2015                | \$ 2,572,175                | 43.56%  | \$ 7,247,256                   |
| 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                      |

#### 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, 2014 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<br/>Valuation<br/>as of<br/>August 1,</u> | <u>Actuarial<br/>Value<br/>of Assets</u> | <u>Actuarial<br/>Accrued<br/>Liability</u> | <u>Unfunded<br/>Actuarial<br/>Accrued<br/>Liability</u> | <u>Funded<br/>Ratio</u> | <u>Covered<br/>Payroll</u> | <u>Unfunded<br/>Actuarial<br/>Accrued<br/>Liability as a<br/>Percentage of<br/>Covered Payroll</u> |
|--|--|--|---|-------------------------|----------------------------|--|
| 2014   | \$ -                                     | \$ 16,191,036                              | \$ 16,191,036   | 0%                      | \$ 13,007,697              | 124%   |
| 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%   |

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 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 \$ 349,574

Oregon and Federal laws restrict the use of state gas tax and a portion of Federal Forest Fees for road repairs and improvements 3,389,621

Total \$ 3,739,195

Schools and education:

Federal laws requires a portion of Federal Forest Fees to be distributed to schools \$ 925,861

The 4H Extension Service District has its own taxing authority 457,583

Total \$ 1,383,444

County library:

The voters of Tillamook County approved a separate levy for library operations \$ 2,577,276

Public safety

Oregon law restricts the use of funds for community corrections, court security and fines collected under SB 1065 \$ 574,481

Other purposes:

Transient lodging tax \$ 748,636

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 14. Governmental fund balances

#### Categories

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

| <b>Fund balances:</b>       | <u>General</u>      | <u>Road</u>         | <u>County School</u> | <u>Health Services</u> | <u>Library</u>      | <u>Community Corrections</u> | <u>Transient Lodging Tax</u> | <u>Road Improvement Construction</u> | <u>Other Governmental Funds</u> | <u>Total</u>         |
|-----------------------------|---------------------|---------------------|----------------------|------------------------|---------------------|------------------------------|------------------------------|--------------------------------------|---------------------------------|----------------------|
| <b>Restricted for:</b>      |                     |                     |                      |                        |                     |                              |                              |                                      |                                 |                      |
| Highways and streets        | \$ -                | \$ 3,280,365        | \$ -                 | \$ -                   | \$ -                | \$ -                         | \$ -                         | \$ 3,023,934                         | \$ 458,830                      | \$ 6,763,129         |
| Schools and education       | -                   | -                   | 925,861              | -                      | -                   | -                            | -                            | -                                    | 440,831                         | 1,366,692            |
| Health services             | -                   | -                   | -                    | 1,817,905              | -                   | -                            | -                            | -                                    | 89,133                          | 1,907,038            |
| County Library              | -                   | -                   | -                    | -                      | 2,419,142           | -                            | -                            | -                                    | -                               | 2,419,142            |
| Public safety               | -                   | -                   | -                    | -                      | -                   | 286,736                      | -                            | -                                    | 341,951                         | 628,687              |
| County fair                 | -                   | -                   | -                    | -                      | -                   | -                            | -                            | -                                    | 298,399                         | 298,399              |
| Parks                       | -                   | -                   | -                    | -                      | -                   | -                            | -                            | -                                    | 786,506                         | 786,506              |
| Debt service                | -                   | -                   | -                    | -                      | -                   | -                            | -                            | -                                    | 231,804                         | 231,804              |
| Other purposes:             | -                   | -                   | -                    | -                      | -                   | -                            | 748,636                      | -                                    | 519,097                         | 1,267,733            |
| <b>Assigned for:</b>        |                     |                     |                      |                        |                     |                              |                              |                                      |                                 |                      |
| Capital projects            | -                   | -                   | -                    | -                      | -                   | -                            | -                            | -                                    | 2,628,863                       | 2,628,863            |
| Revenue stabilization       | 1,578,537           | -                   | -                    | -                      | -                   | -                            | -                            | -                                    | -                               | 1,578,537            |
| Post-employment liabilities | 618,889             | -                   | -                    | -                      | -                   | -                            | -                            | -                                    | -                               | 618,889              |
| <b>Unassigned</b>           | <u>6,554,855</u>    | <u>-</u>            | <u>-</u>             | <u>-</u>               | <u>-</u>            | <u>-</u>                     | <u>-</u>                     | <u>-</u>                             | <u>(21,784)</u>                 | <u>6,533,071</u>     |
| <b>Total fund balances</b>  | <u>\$ 8,752,281</u> | <u>\$ 3,280,365</u> | <u>\$ 925,861</u>    | <u>\$ 1,817,905</u>    | <u>\$ 2,419,142</u> | <u>\$ 286,736</u>            | <u>\$ 748,636</u>            | <u>\$ 3,023,934</u>                  | <u>\$ 5,773,630</u>             | <u>\$ 27,028,490</u> |

The County has established the Revenue Stabilization Fund to provide financial resources in future periods. The County may provide access to those resources through its annual budget process.

#### Deficit fund balances of nonmajor funds

The following nonmajor funds had deficit balances as of June 30, 2015:

|                    |             |
|--------------------|-------------|
| Mitigation Grants  | \$ (12,864) |
| Video Lottery      | (161)       |
| Veteran's Services | (8,759)     |

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*



**REQUIRED SUPPLEMENTARY INFORMATION**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**  
**Schedule of Net Pension Liability and Changes in Net Pension Liability**  
**Last 10 Plan Fiscal Years\***

|   | June 30,<br>2014     |
|---|----------------------|
| Beginning of year   |                      |
| Total pension liability   | \$ 57,770,013        |
| Fiduciary net position  | <u>46,309,270</u>    |
| Net pension liability   | <u>\$ 11,460,743</u> |
| Changes in total pension liability                                |                      |
| Service cost  | \$ 1,728,883         |
| Interest on total pension liability                               | 4,089,355            |
| Effect of economic/demographic losses                             | 101,325              |
| Effect of assumption changes or inputs                            | 1,209,681            |
| Benefit payments  | (2,653,815)          |
| Member contributions  | <u>494,727</u>       |
| Net change in total pension liability                             | <u>\$ 4,970,156</u>  |
| Changes in fiduciary net position                                 |                      |
| Employer contributions  | \$ 2,462,234         |
| Member contributions  | 494,727              |
| Investment income net of expenses                                 | 6,514,529            |
| Benefit payments  | (2,653,815)          |
| Administrative expenses   | <u>(55,148)</u>      |
| Net change in fiduciary net position                              | <u>\$ 6,762,527</u>  |
| End of year   |                      |
| Total pension liability   | \$ 62,740,169        |
| Fiduciary net position  | <u>53,071,797</u>    |
| Net pension liability   | <u>\$ 9,668,372</u>  |
| Fiduciary net position as a percent<br>of total pension liability | 84.6%                |
| Covered payroll   | 11,452,068           |
| Net pension liability as a percent<br>of covered payroll          | 84.4%                |

\*Information will be accumulated until 10 years are presented.

**TILLAMOOK COUNTY**  
**Schedule of Employer Contributions**  
**Last 10 Plan Years**  
**(Amounts in Thousands)**

|  | June 30, |          |          |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|  | 2014     | 2013     | 2012     | 2011     | 2010     | 2009     | 2008     | 2007     | 2006     | 2005     |
| Actuarially determined contribution          | \$ 2,994 | \$ 2,717 | \$ 2,396 | \$ 1,979 | \$ 1,825 | \$ 1,708 | \$ 1,726 | \$ 1,974 | \$ 1,818 | \$ 1,766 |
| Actual employer contribution                 | 2,462    | 2,311    | 1,956    | 1,896    | 1,977    | 2,284    | 2,245    | 2,030    | 1,768    | 1,659    |
| Contribution deficiency (excess)             | 532      | 406      | 440      | 83       | (152)    | (576)    | (519)    | (56)     | 50       | 107      |
| Covered payroll                              | 11,452   | 11,770   | 10,846   | 10,509   | 10,051   | 9,885    | 9,427    | 9,767    | 9,624    | 9,428    |
| Contribution as a percent of covered payroll | 21.50%   | 19.63%   | 18.03%   | 18.04%   | 19.67%   | 23.11%   | 23.81%   | 20.78%   | 18.37%   | 17.60%   |
| Valuation date                               | 7/1/2013 | 7/1/2012 | 7/1/2011 | 7/1/2010 | 7/1/2009 | 7/1/2008 | 7/1/2007 | 7/1/2006 | 7/1/2005 | 7/1/2004 |
| Assumed investment rate of return            | 7.00%    | 7.00%    | 7.00%    | 7.25%    | 7.25%    | 7.25%    | 7.25%    | 7.25%    | 7.50%    | 7.50%    |

Notes to schedule

Methods and assumptions used to determine contribution rates:

|                          |  |
|--------------------------|--|
| Actuarial cost method    | Individual entry age normal, level percentage of pay   |
| Amortization method      | Effective July 1, 2011: Closed 20-year amortization, level dollar<br>Effective July 1, 2018: Open 20-year amortization, level percent of pay<br>Prior to July 1, 2018: Open 12-year amortization, level percent of pay |
| Asset valuation method   | Effective July 1, 2008: Market value gains and losses smoothed over five years, with result not less than 80 percent or greater than 120 percent of market value<br>Prior to July 1, 2008: Market value of assets      |
| Healthy mortality        | Effective July 1, 2014: Healthy combined RP-2000 mortality projected to 2014<br>Effective July 1, 2011: Healthy combined RP-2000 mortality projected to 2005<br>Prior to July 1, 2011: 1994 group annuity mortality    |
| Cost of living increases | 1.5 percent per year   |
| Salary increases         | 5 percent per year   |

**TILLAMOOK COUNTY**  
**Schedule of Investment Rate of Return**  
**Last 10 Plan Years**

| <u>Year Ended</u><br><u>June 30,</u> | <u>Rate of</u><br><u>Return</u> |
|--------------------------------------|---------------------------------|
| 2015                                 | 1.26 %                          |
| 2014                                 | 14.02                           |
| 2013                                 | 8.71                            |
| 2012                                 | 2.66                            |
| 2011                                 | 12.13                           |
| 2010                                 | 11.29                           |
| 2009                                 | -7.16                           |
| 2008                                 | 1.00                            |
| 2007                                 | 13.45                           |
| 2006                                 | 8.35                            |

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**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, 2015**

|   | <b>General</b>      | <b>Revenue<br/>Stabilization</b> | <b>Post Employment<br/>Liability Reserve</b> | <b>Totals</b>       |
|---|---------------------|----------------------------------|--|---------------------|
| <b>ASSETS</b>   |                     |                                  |  |                     |
| Cash and cash equivalents   | \$ 5,428,246        | \$ 1,578,537                     | \$ 618,889                                   | \$ 7,625,672        |
| Receivables, net  | 2,136,718           | -                                | -  | 2,136,718           |
| Due from other funds  | 14,326              | -                                | -  | 14,326              |
| <b>TOTAL ASSETS</b>   | <b>\$ 7,579,290</b> | <b>\$ 1,578,537</b>              | <b>\$ 618,889</b>                            | <b>\$ 9,776,716</b> |
| <br><b>LIABILITIES</b>  |                     |                                  |  |                     |
| Accounts payable  | \$ 630,697          | \$ -                             | \$ -   | \$ 630,697          |
| <br><b>DEFERRED INFLOWS OF RESOURCES</b>                                      |                     |                                  |  |                     |
| Unavailable revenue   | 393,738             | -                                | -  | 393,738             |
| <br><b>FUND BALANCES</b>  |                     |                                  |  |                     |
| Assigned  | -                   | 1,578,537                        | 618,889                                      | 2,197,426           |
| Unassigned  | 6,554,855           | -                                | -  | 6,554,855           |
| <b>TOTAL FUND BALANCES</b>  | <b>6,554,855</b>    | <b>1,578,537</b>                 | <b>618,889</b>                               | <b>8,752,281</b>    |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b>\$ 7,579,290</b> | <b>\$ 1,578,537</b>              | <b>\$ 618,889</b>                            | <b>\$ 9,776,716</b> |

**TILLAMOOK COUNTY**

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

**GENERAL FUNDS**

**For the Year Ended June 30, 2015**

|   | <u>General</u>      | <u>Revenue<br/>Stabilization</u> | <u>Post Employment<br/>Liability Reserve</u> | <u>Totals</u>       |
|---|---------------------|----------------------------------|--|---------------------|
| <b>REVENUES</b>                                   |                     |                                  |  |                     |
| Property taxes                                    | \$ 6,485,647        | \$ -                             | \$ -   | \$ 6,485,647        |
| Licenses, permits and fees                        | 1,258,357           | -                                | -  | 1,258,357           |
| Intergovernmental                                 | 1,956,756           | -                                | -  | 1,956,756           |
| Charges for services                              | 369,092             | -                                | -  | 369,092             |
| Fines and forfeitures                             | 286,974             | -                                | -  | 286,974             |
| Timber and land sales                             | 3,955,551           | -                                | -  | 3,955,551           |
| Interest  | 27,787              | 7,583                            | 2,258  | 37,628              |
| Intercounty charges                               | 1,312,144           | -                                | -  | 1,312,144           |
| Miscellaneous                                     | 339,375             | -                                | -  | 339,375             |
| <b>TOTAL REVENUES</b>                             | <u>15,991,683</u>   | <u>7,583</u>                     | <u>2,258</u>                                 | <u>16,001,524</u>   |
| <b>EXPENDITURES</b>                               |                     |                                  |  |                     |
| Current   |                     |                                  |  |                     |
| General government                                | 9,923,503           | -                                | -  | 9,923,503           |
| Public safety                                     | 5,903,034           | -                                | -  | 5,903,034           |
| Health and welfare                                | 3,288               | -                                | -  | 3,288               |
| Capital outlay                                    | 393,770             | -                                | -  | 393,770             |
| Debt service                                      |                     |                                  |  |                     |
| Principal   | 148,833             | -                                | -  | 148,833             |
| Interest  | 10,804              | -                                | -  | 10,804              |
| <b>TOTAL EXPENDITURES</b>                         | <u>16,383,232</u>   | <u>-</u>                         | <u>-</u>                                     | <u>16,383,232</u>   |
| Excess (deficiency) of revenues over expenditures | <u>(391,549)</u>    | <u>7,583</u>                     | <u>2,258</u>                                 | <u>(381,708)</u>    |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                     |                                  |  |                     |
| Transfers in                                      | 719,704             | -                                | -  | 719,704             |
| Sale of capital assets                            | 16,450              | -                                | -  | 16,450              |
| Issuance of debt                                  | 228,684             | -                                | -  | 228,684             |
| Transfers out                                     | (557,410)           | (500,000)                        | -  | (1,057,410)         |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <u>407,428</u>      | <u>(500,000)</u>                 | <u>-</u>                                     | <u>(92,572)</u>     |
| Net change in fund balances                       | 15,879              | (492,417)                        | 2,258  | (474,280)           |
| Fund balances at beginning of year                | 6,538,976           | 2,070,954                        | 616,631                                      | 9,226,561           |
| Fund balances at end of year                      | <u>\$ 6,554,855</u> | <u>\$ 1,578,537</u>              | <u>\$ 618,889</u>                            | <u>\$ 8,752,281</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, 2015**

|   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|---|---------------|---------------|-----------------|
| <b>REVENUES</b>                                   |               |               |                 |
| Investment earnings                               | \$ 7,800      | \$ 7,583      | \$ (217)        |
| <b>EXPENDITURES</b>                               |               |               |                 |
| Contingency                                       | 250,000       | -             | 250,000         |
| Excess (deficiency) of revenues over expenditures | (242,200)     | 7,583         | 249,783         |
| <b>OTHER FINANCING SOURCES (USES)</b>             |               |               |                 |
| Transfers out                                     | (500,000)     | (500,000)     | -               |
| Net change in fund balance                        | (742,200)     | (492,417)     | 249,783         |
| Fund balance at beginning of year                 | 2,070,000     | 2,070,954     | 954             |
| Fund balance at end of year                       | \$ 1,327,800  | \$ 1,578,537  | \$ 250,737      |

**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, 2015**

|                                   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|-----------------------------------|---------------|---------------|-----------------|
| <b>REVENUES</b>                   |               |               |                 |
| Investment earnings               | \$ 2,400      | \$ 2,258      | \$ (142)        |
| <b>EXPENDITURES</b>               |               |               |                 |
| Contingency                       | 618,400       | -             | 618,400         |
| Net change in fund balance        | (616,000)     | 2,258         | 618,258         |
| Fund balance at beginning of year | 616,000       | 616,631       | 631             |
| Fund balance at end of year       | \$ -          | \$ 618,889    | \$ 618,889      |

**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, 2015**

|                                   | <b>Budget</b>             | <b>Actual</b>                 | <b>Variance</b>               |
|-----------------------------------|---------------------------|-------------------------------|-------------------------------|
| <b>REVENUES</b>                   |                           |                               |                               |
| Investment earnings               | \$ 20,000                 | \$ 10,285                     | \$ (9,715)                    |
| Miscellaneous                     | <u>          -</u>        | <u>      1,775</u>            | <u>      1,775</u>            |
| <b>TOTAL REVENUES</b>             | <u>      20,000</u>       | <u>      12,060</u>           | <u>      (7,940)</u>          |
| <b>EXPENDITURES</b>               |                           |                               |                               |
| Materials and services            | 2,831,000                 | 2,734,217                     | 96,783                        |
| Capital outlay                    | <u>      283,000</u>      | <u>      105,540</u>          | <u>      177,460</u>          |
| <b>TOTAL EXPENDITURES</b>         | <u>      5,598,340</u>    | <u>      2,839,757</u>        | <u>      2,758,583</u>        |
| Net change in fund balance        | (5,578,340)               | (2,827,697)                   | 2,750,643                     |
| Fund balance at beginning of year | <u>      5,578,340</u>    | <u>      5,947,926</u>        | <u>      369,586</u>          |
| Fund balance at end of year       | <u><u>          -</u></u> | <u><u>      3,120,229</u></u> | <u><u>      3,120,229</u></u> |

# 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.

*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).

#### 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.

*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, 2015**

|   | Special Revenue Funds    |                          |  |                            |   |  |
|---|--------------------------|--------------------------|--|----------------------------|---|--|
|   | General<br>Government    | Public<br>Safety         | Highways<br>and Streets -<br>Bike Path | Culture and<br>Recreation  | Health and<br>Welfare -<br>Mediation<br>Program | Education -<br>Tillamook<br>County 4-H<br>and Extension<br>Service<br>District |
| <b><u>ASSETS</u></b>  |                          |                          |  |                            |   |  |
| Cash and investments  | \$ 582,523               | \$ 341,626               | \$ 109,256                             | \$ 1,007,199               | \$ 90,821                                       | \$ 415,896   |
| Receivables   | 17,855                   | 466                      | -                                      | 143,323                    | -   | 42,931   |
| <b>TOTAL ASSETS</b>   | <b><u>\$ 600,378</u></b> | <b><u>\$ 342,092</u></b> | <b><u>\$ 109,256</u></b>               | <b><u>\$ 1,150,522</u></b> | <b><u>\$ 90,821</u></b>                         | <b><u>\$ 458,827</u></b>   |
| <b><u>LIABILITIES</u></b>   |                          |                          |  |                            |   |  |
| Accounts payable and<br>accrued liabilities                                   | \$ 81,596                | \$ 141                   | \$ -                                   | \$ 65,617                  | \$ 1,688  | \$ 1,244   |
| Due to other funds  | 14,326                   | -                        | -                                      | -                          | -   | -  |
| <b>TOTAL LIABILITIES</b>  | <b><u>95,922</u></b>     | <b><u>141</u></b>        | <b><u>-</u></b>                        | <b><u>65,617</u></b>       | <b><u>1,688</u></b>                             | <b><u>1,244</u></b>  |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                                   |                          |                          |  |                            |   |  |
| Unavailable revenue   | 7,143                    | -                        | -                                      | -                          | -   | 16,752   |
| <b><u>FUND BALANCES</u></b>   |                          |                          |  |                            |   |  |
| Restricted  | 519,097                  | 341,951                  | 109,256                                | 1,084,905                  | 89,133  | 440,831  |
| Assigned  | -                        | -                        | -                                      | -                          | -   | -  |
| Unassigned  | (21,784)                 | -                        | -                                      | -                          | -   | -  |
| <b>TOTAL FUND BALANCES</b>  | <b><u>497,313</u></b>    | <b><u>341,951</u></b>    | <b><u>109,256</u></b>                  | <b><u>1,084,905</u></b>    | <b><u>89,133</u></b>                            | <b><u>440,831</u></b>  |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <b><u>\$ 600,378</u></b> | <b><u>\$ 342,092</u></b> | <b><u>\$ 109,256</u></b>               | <b><u>\$ 1,150,522</u></b> | <b><u>\$ 90,821</u></b>                         | <b><u>\$ 458,827</u></b>   |

Debt Service Funds

| <u>Hospital</u>  | <u>Road</u>       | <u>Library</u>   | <u>Capital<br/>Projects Funds</u> | <u>Totals</u>       |
|------------------|-------------------|------------------|-----------------------------------|---------------------|
| \$ 30,603        | \$ 147,924        | \$ 7,120         | \$ 3,038,349                      | \$ 5,771,317        |
| <u>67,880</u>    | <u>84,919</u>     | <u>19,732</u>    | <u>-</u>                          | <u>377,106</u>      |
| <u>\$ 98,483</u> | <u>\$ 232,843</u> | <u>\$ 26,852</u> | <u>\$ 3,038,349</u>               | <u>\$ 6,148,423</u> |
| <br>             |                   |                  |                                   |                     |
| \$ -             | \$ -              | \$ -             | \$ 59,912                         | \$ 210,198          |
| <u>-</u>         | <u>-</u>          | <u>-</u>         | <u>-</u>                          | <u>14,326</u>       |
| <br>             |                   |                  |                                   |                     |
| <u>-</u>         | <u>-</u>          | <u>-</u>         | <u>59,912</u>                     | <u>224,524</u>      |
| <br>             |                   |                  |                                   |                     |
| <u>49,599</u>    | <u>62,238</u>     | <u>14,537</u>    | <u>-</u>                          | <u>150,269</u>      |
| <br>             |                   |                  |                                   |                     |
| 48,884           | 170,605           | 12,315           | 349,574                           | 3,166,551           |
| -                | -                 | -                | 2,628,863                         | 2,628,863           |
| <u>-</u>         | <u>-</u>          | <u>-</u>         | <u>-</u>                          | <u>(21,784)</u>     |
| <br>             |                   |                  |                                   |                     |
| <u>48,884</u>    | <u>170,605</u>    | <u>12,315</u>    | <u>2,978,437</u>                  | <u>5,773,630</u>    |
| <br>             |                   |                  |                                   |                     |
| <u>\$ 98,483</u> | <u>\$ 232,843</u> | <u>\$ 26,852</u> | <u>\$ 3,038,349</u>               | <u>\$ 6,148,423</u> |

**TILLAMOOK COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2015**

|   | Special Revenue Funds |                   |  |                           |                       |  |
|---|-----------------------|-------------------|--|---------------------------|-----------------------|--|
|   | General<br>Government | Public Safety     | Highways<br>and Streets -<br>Bike Path | Culture and<br>Recreation | Health and<br>Welfare | Education -<br>Tillamook<br>County 4-H<br>and Extension<br>Service<br>District |
| <b>REVENUES</b>                                   |                       |                   |  |                           |                       |  |
| Property taxes                                    | \$ 129,416            | \$ -              | \$ -                                   | \$ -                      | \$ -                  | \$ 295,700   |
| Licenses, permits and fees                        | 10,376                | -                 | -                                      | -                         | -                     | -  |
| Intergovernmental                                 | 873,040               | 1,836             | -                                      | 102,995                   | 1,063,190             | 62,611   |
| Charges for services                              | 97,636                | -                 | -                                      | 2,543,891                 | 12,529                | -  |
| Fines and forfeitures                             | 59,531                | 57,623            | -                                      | -                         | -                     | -  |
| Interest  | 1,240                 | 1,457             | 358                                    | 4,122                     | 335                   | 1,595  |
| Miscellaneous                                     | 72,946                | 7,166             | -                                      | 56,775                    | -                     | -  |
| <b>TOTAL REVENUES</b>                             | <u>1,244,185</u>      | <u>68,082</u>     | <u>358</u>                             | <u>2,707,783</u>          | <u>1,076,054</u>      | <u>359,906</u>   |
| <b>EXPENDITURES</b>                               |                       |                   |  |                           |                       |  |
| Current:  |                       |                   |  |                           |                       |  |
| General government                                | 1,290,572             | -                 | -                                      | -                         | -                     | -  |
| Public safety                                     | -                     | 33,646            | -                                      | -                         | -                     | -  |
| Culture and recreation                            | -                     | -                 | -                                      | 2,134,402                 | -                     | -  |
| Health and welfare                                | -                     | -                 | -                                      | -                         | 1,080,113             | -  |
| Education   | -                     | -                 | -                                      | -                         | -                     | 307,288  |
| Capital outlay                                    | 99,288                | 19,784            | -                                      | 295,783                   | -                     | -  |
| Debt service                                      |                       |                   |  |                           |                       |  |
| Principal   | -                     | -                 | -                                      | -                         | -                     | -  |
| Interest  | -                     | -                 | -                                      | -                         | -                     | -  |
| <b>TOTAL EXPENDITURES</b>                         | <u>1,389,860</u>      | <u>53,430</u>     | <u>-</u>                               | <u>2,430,185</u>          | <u>1,080,113</u>      | <u>307,288</u>   |
| Excess (deficiency) of revenues over expenditures | <u>(145,675)</u>      | <u>14,652</u>     | <u>358</u>                             | <u>277,598</u>            | <u>(4,059)</u>        | <u>52,618</u>  |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                       |                   |  |                           |                       |  |
| Transfers in                                      | -                     | -                 | 19,320                                 | -                         | -                     | -  |
| Transfers out                                     | (85,625)              | (70,000)          | -                                      | (10,000)                  | -                     | (10,000)   |
| <b>TOTAL OTHER FINANCING SOURCES (USES)</b>       | <u>(85,625)</u>       | <u>(70,000)</u>   | <u>19,320</u>                          | <u>(10,000)</u>           | <u>-</u>              | <u>(10,000)</u>  |
| Net change in fund balances                       | (231,300)             | (55,348)          | 19,678                                 | 267,598                   | (4,059)               | 42,618   |
| Fund balances - beginning                         | 728,613               | 397,299           | 89,578                                 | 817,307                   | 93,192                | 398,213  |
| Fund balances - ending                            | <u>\$ 497,313</u>     | <u>\$ 341,951</u> | <u>\$ 109,256</u>                      | <u>\$ 1,084,905</u>       | <u>\$ 89,133</u>      | <u>\$ 440,831</u>  |

**Debt Service Funds**

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|                 |                  |                 | <b>Capital<br/>Projects<br/>Funds</b> |                  |
|-----------------|------------------|-----------------|---------------------------------------|------------------|
| <b>Hospital</b> | <b>Road</b>      | <b>Library</b>  |                                       | <b>Totals</b>    |
| \$ 848,315      | \$ 1,462,148     | \$ 219,514      | \$ -                                  | \$ 2,955,093     |
| -               | -                | -               | -                                     | 10,376           |
| -               | -                | -               | -                                     | 2,103,672        |
| -               | -                | -               | 69,792                                | 2,723,848        |
| -               | -                | -               | -                                     | 117,154          |
| 121             | 346              | 131             | 12,778                                | 22,483           |
| -               | -                | -               | 100,720                               | 237,607          |
| <u>848,436</u>  | <u>1,462,494</u> | <u>219,645</u>  | <u>183,290</u>                        | <u>8,170,233</u> |
| 795             | -                | -               | 103,041                               | 1,394,408        |
| -               | -                | -               | -                                     | 33,646           |
| -               | -                | -               | -                                     | 2,134,402        |
| -               | -                | -               | -                                     | 1,080,113        |
| -               | -                | -               | -                                     | 307,288          |
| -               | -                | -               | 246,544                               | 661,399          |
| 810,000         | 1,095,000        | 170,000         | -                                     | 2,075,000        |
| <u>62,405</u>   | <u>217,800</u>   | <u>79,200</u>   | <u>-</u>                              | <u>359,405</u>   |
| <u>873,200</u>  | <u>1,312,800</u> | <u>249,200</u>  | <u>349,585</u>                        | <u>8,045,661</u> |
| <u>(24,764)</u> | <u>149,694</u>   | <u>(29,555)</u> | <u>(166,295)</u>                      | <u>124,572</u>   |
| -               | -                | -               | 456,000                               | 475,320          |
| -               | -                | -               | -                                     | (175,625)        |
| -               | -                | -               | 456,000                               | 299,695          |
| (24,764)        | 149,694          | (29,555)        | 289,705                               | 424,267          |
| <u>73,648</u>   | <u>20,911</u>    | <u>41,870</u>   | <u>2,688,732</u>                      | <u>5,349,363</u> |
| \$ 48,884       | \$ 170,605       | \$ 12,315       | \$ 2,978,437                          | \$ 5,773,630     |

**TILLAMOOK COUNTY**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS**  
**GENERAL GOVERNMENT FUNDS**  
**June 30, 2015**

|   | <b>Mitigation</b> | <b>Video</b>      | <b>Forest</b>     | <b>Juvenile</b>   | <b>Law</b>        | <b>BPS</b>        |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <b>Grants</b>     | <b>Lottery</b>    | <b>Timber</b>     | <b>Trust</b>      | <b>Library</b>    | <b>Surcharge</b>  |
|   | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> | <u>          </u> |
| <b><u>ASSETS</u></b>  |                   |                   |                   |                   |                   |                   |
| Cash and investments  | \$ 18,981         | \$ -              | \$ 52,195         | \$ 16,143         | \$ 46,493         | \$ 27,810         |
| Receivables   | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <b>TOTAL ASSETS</b>   | <u>\$ 18,981</u>  | <u>\$ -</u>       | <u>\$ 52,195</u>  | <u>\$ 16,143</u>  | <u>\$ 46,493</u>  | <u>\$ 27,810</u>  |
| <b><u>LIABILITIES</u></b>   |                   |                   |                   |                   |                   |                   |
| Accounts payable and<br>accrued liabilities                                   | \$ 31,845         | \$ -              | \$ 18,526         | \$ -              | \$ 668            | \$ 21,424         |
| Due to other funds  | <u>-</u>          | <u>161</u>        | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <b>TOTAL LIABILITIES</b>  | <u>31,845</u>     | <u>161</u>        | <u>18,526</u>     | <u>-</u>          | <u>668</u>        | <u>21,424</u>     |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b>                                   |                   |                   |                   |                   |                   |                   |
| Unavailable revenue   | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <b><u>FUND BALANCES</u></b>   |                   |                   |                   |                   |                   |                   |
| Restricted  | -                 | -                 | 33,669            | 16,143            | 45,825            | 6,386             |
| Unassigned  | <u>(12,864)</u>   | <u>(161)</u>      | <u>-</u>          | <u>-</u>          | <u>-</u>          | <u>-</u>          |
| <b>TOTAL FUND BALANCES</b>  | <u>(12,864)</u>   | <u>(161)</u>      | <u>33,669</u>     | <u>16,143</u>     | <u>45,825</u>     | <u>6,386</u>      |
| <b>TOTAL LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b> | <u>\$ 18,981</u>  | <u>\$ -</u>       | <u>\$ 52,195</u>  | <u>\$ 16,143</u>  | <u>\$ 46,493</u>  | <u>\$ 27,810</u>  |

| <u>PLCP</u>      | <u>Clerks<br/>Records</u> | <u>Federal Title<br/>III</u> | <u>Veteran's<br/>Services</u> | <u>Technology</u> | <u>Totals</u>     |
|------------------|---------------------------|------------------------------|-------------------------------|-------------------|-------------------|
| \$ 24,101        | \$ 22,557                 | \$ 194,488                   | \$ -                          | \$ 179,755        | \$ 582,523        |
| <u>-</u>         | <u>-</u>                  | <u>-</u>                     | <u>17,855</u>                 | <u>-</u>          | <u>17,855</u>     |
| <u>\$ 24,101</u> | <u>\$ 22,557</u>          | <u>\$ 194,488</u>            | <u>\$ 17,855</u>              | <u>\$ 179,755</u> | <u>\$ 600,378</u> |
| <br>             |                           |                              |                               |                   |                   |
| \$ 1,581         | \$ -                      | \$ -                         | \$ 5,306                      | \$ 2,246          | \$ 81,596         |
| <u>-</u>         | <u>-</u>                  | <u>-</u>                     | <u>14,165</u>                 | <u>-</u>          | <u>14,326</u>     |
| <u>1,581</u>     | <u>-</u>                  | <u>-</u>                     | <u>19,471</u>                 | <u>2,246</u>      | <u>95,922</u>     |
| <br>             |                           |                              |                               |                   |                   |
| <u>-</u>         | <u>-</u>                  | <u>-</u>                     | <u>7,143</u>                  | <u>-</u>          | <u>7,143</u>      |
| <br>             |                           |                              |                               |                   |                   |
| 22,520           | 22,557                    | 194,488                      | -                             | 177,509           | 519,097           |
| <u>-</u>         | <u>-</u>                  | <u>-</u>                     | <u>(8,759)</u>                | <u>-</u>          | <u>(21,784)</u>   |
| <u>22,520</u>    | <u>22,557</u>             | <u>194,488</u>               | <u>(8,759)</u>                | <u>177,509</u>    | <u>497,313</u>    |
| <br>             |                           |                              |                               |                   |                   |
| <u>\$ 24,101</u> | <u>\$ 22,557</u>          | <u>\$ 194,488</u>            | <u>\$ 17,855</u>              | <u>\$ 179,755</u> | <u>\$ 600,378</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, 2015**

|  | <b>Court<br/>Security</b> | <b>Law<br/>Enforcement</b> | <b>Sheriff<br/>Trust</b> | <b>SB 1065<br/>Assessment<br/>and<br/>Conviction</b> | <b>Tillamook<br/>Narcotics<br/>Team</b> | <b>Totals</b>            |
|--|---------------------------|----------------------------|--------------------------|--|---|--------------------------|
| <b><u>ASSETS</u></b>                           |                           |                            |                          |  |   |                          |
| Cash and investments                           | \$ 248,163                | \$ 379                     | \$ 15,296                | \$ 39,137  | \$ 38,651                               | \$ 341,626               |
| Receivables                                    | <u>266</u>                | <u>-</u>                   | <u>-</u>                 | <u>200</u>   | <u>-</u>                                | <u>466</u>               |
| <b>TOTAL ASSETS</b>                            | <b><u>\$ 248,429</u></b>  | <b><u>\$ 379</u></b>       | <b><u>\$ 15,296</u></b>  | <b><u>\$ 39,337</u></b>                              | <b><u>\$ 38,651</u></b>                 | <b><u>\$ 342,092</u></b> |
| <b><u>LIABILITIES</u></b>                      |                           |                            |                          |  |   |                          |
| Accounts payable and<br>accrued liabilities    | \$ 21                     | \$ -                       | \$ -                     | \$ -   | \$ 120                                  | \$ 141                   |
| <b><u>FUND BALANCES</u></b>                    |                           |                            |                          |  |   |                          |
| Restricted                                     | <u>248,408</u>            | <u>379</u>                 | <u>15,296</u>            | <u>39,337</u>  | <u>38,531</u>                           | <u>341,951</u>           |
| <b>TOTAL LIABILITIES AND<br/>FUND BALANCES</b> | <b><u>\$ 248,429</u></b>  | <b><u>\$ 379</u></b>       | <b><u>\$ 15,296</u></b>  | <b><u>\$ 39,337</u></b>                              | <b><u>\$ 38,651</u></b>                 | <b><u>\$ 342,092</u></b> |

**TILLAMOOK COUNTY**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS  
CULTURE AND RECREATION FUNDS  
June 30, 2015**

|  | <u>County Fair</u> | <u>Parks<br/>Operations</u> | <u>Totals</u>    |
|--|--------------------|-----------------------------|------------------|
| <b><u>ASSETS</u></b>                       |                    |                             |                  |
| Cash and investments                       | \$ 298,399         | \$ 708,800                  | \$ 1,007,199     |
| Receivables                                | -                  | 143,323                     | 143,323          |
| <br>TOTAL ASSETS                           | <br>\$ 298,399     | <br>\$ 852,123              | <br>\$ 1,150,522 |
| <br><b><u>LIABILITIES</u></b>              |                    |                             |                  |
| Accounts payable and accrued liabilities   | \$ -               | \$ 65,617                   | \$ 65,617        |
| <br><b><u>FUND BALANCES</u></b>            |                    |                             |                  |
| Restricted                                 | 298,399            | 786,506                     | 1,084,905        |
| <br>TOTAL LIABILITIES AND<br>FUND BALANCES | <br>\$ 298,399     | <br>\$ 852,123              | <br>\$ 1,150,522 |

**TILLAMOOK COUNTY**

**COMBINING BALANCE SHEET**

**NONMAJOR GOVERNMENTAL CAPITAL PROJECT FUNDS**

**June 30, 2015**

|  | Tillamook<br>County 4-H<br>and Extension |                    |                 |                     |                       |  |                         |              |
|--|--|--------------------|-----------------|---------------------|-----------------------|--|-------------------------|--------------|
|  | Vehicle<br>Reserve                       | Library<br>Reserve | Fair<br>Reserve | Building<br>Reserve | Trask Road<br>Project | Road<br>Construction<br>Grant Projects | Building<br>Improvement | Totals       |
| <b><u>ASSETS</u></b>                     |  |                    |                 |                     |                       |  |                         |              |
| Cash and investments                     | \$ 271,860                               | \$ 774,043         | \$ 5,170        | \$ 21,464           | \$ 349,574            | \$ 1,009,878                           | \$ 606,360              | \$ 3,038,349 |
| <b><u>LIABILITIES</u></b>                |  |                    |                 |                     |                       |  |                         |              |
| Accounts payable and accrued liabilities | \$ -                                     | \$ -               | \$ -            | \$ -                | \$ -                  | \$ -                                   | \$ 59,912               | \$ 59,912    |
| <b><u>FUND BALANCES</u></b>              |  |                    |                 |                     |                       |  |                         |              |
| Restricted                               | -  | -                  | -               | -                   | 349,574               | -                                      | -                       | 349,574      |
| Assigned                                 | 271,860                                  | 774,043            | 5,170           | 21,464              | -                     | 1,009,878                              | 546,448                 | 2,628,863    |
| TOTAL FUND BALANCES                      | 271,860                                  | 774,043            | 5,170           | 21,464              | 349,574               | 1,009,878                              | 546,448                 | 2,978,437    |
| TOTAL LIABILITIES AND FUND BALANCES      | \$ 271,860                               | \$ 774,043         | \$ 5,170        | \$ 21,464           | \$ 349,574            | \$ 1,009,878                           | \$ 606,360              | \$ 3,038,349 |

**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, 2015**

|   | Mitigation<br>Grants | Video<br>Lottery | Forest<br>Timber<br>Trust | Juvenile<br>Trust | Law<br>Library   | BPS<br>Surcharge |
|---|----------------------|------------------|---------------------------|-------------------|------------------|------------------|
| <b>REVENUES</b>                                   |                      |                  |                           |                   |                  |                  |
| Property taxes                                    | \$ -                 | \$ -             | \$ -                      | \$ -              | \$ -             | \$ -             |
| Licenses, permits and fees                        | -                    | -                | -                         | -                 | -                | -                |
| Intergovernmental                                 | 510,962              | 174,984          | 30,000                    | -                 | -                | 77,149           |
| Charges for services                              | -                    | -                | -                         | -                 | 17,313           | -                |
| Fines and forfeitures                             | -                    | -                | -                         | -                 | -                | -                |
| Interest  | -                    | 33               | -                         | 59                | -                | -                |
| Miscellaneous                                     | 72,460               | -                | -                         | 448               | -                | -                |
| <b>TOTAL REVENUES</b>                             | <u>583,422</u>       | <u>175,017</u>   | <u>30,000</u>             | <u>507</u>        | <u>17,313</u>    | <u>77,149</u>    |
| <b>EXPENDITURES</b>                               |                      |                  |                           |                   |                  |                  |
| General government                                | 682,888              | 98,175           | 46,352                    | 764               | 8,009            | 75,533           |
| Capital outlay                                    | 91,788               | -                | -                         | -                 | -                | -                |
| <b>TOTAL EXPENDITURES</b>                         | <u>774,676</u>       | <u>98,175</u>    | <u>46,352</u>             | <u>764</u>        | <u>8,009</u>     | <u>75,533</u>    |
| Excess (deficiency) of revenues over expenditures | (191,254)            | 76,842           | (16,352)                  | (257)             | 9,304            | 1,616            |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                      |                  |                           |                   |                  |                  |
| Transfers out                                     | -                    | (85,625)         | -                         | -                 | -                | -                |
| Net change in fund balances                       | (191,254)            | (8,783)          | (16,352)                  | (257)             | 9,304            | 1,616            |
| Fund balances - beginning                         | 178,390              | 8,622            | 50,021                    | 16,400            | 36,521           | 4,770            |
| Fund balances - ending                            | <u>\$ (12,864)</u>   | <u>\$ (161)</u>  | <u>\$ 33,669</u>          | <u>\$ 16,143</u>  | <u>\$ 45,825</u> | <u>\$ 6,386</u>  |

| <u>PLCP</u>      | <u>Clerks<br/>Records</u> | <u>Federal Title<br/>III</u> | <u>Veteran's<br/>Services</u> | <u>Technology</u> | <u>Totals</u>     |
|------------------|---------------------------|------------------------------|-------------------------------|-------------------|-------------------|
| \$ -             | \$ -                      | \$ -                         | \$ 129,416                    | \$ -              | \$ 129,416        |
| -                | 10,376                    | -                            | -                             | -                 | 10,376            |
| -                | -                         | 55,934                       | 24,011                        | -                 | 873,040           |
| 80,323           | -                         | -                            | -                             | -                 | 97,636            |
| -                | -                         | -                            | -                             | 59,531            | 59,531            |
| 69               | 111                       | 929                          | 39                            | -                 | 1,240             |
| -                | -                         | -                            | 38                            | -                 | 72,946            |
| <u>80,392</u>    | <u>10,487</u>             | <u>56,863</u>                | <u>153,504</u>                | <u>59,531</u>     | <u>1,244,185</u>  |
| 65,689           | 7,063                     | 119,703                      | 158,546                       | 27,850            | 1,290,572         |
| -                | 7,500                     | -                            | -                             | -                 | 99,288            |
| <u>65,689</u>    | <u>14,563</u>             | <u>119,703</u>               | <u>158,546</u>                | <u>27,850</u>     | <u>1,389,860</u>  |
| 14,703           | (4,076)                   | (62,840)                     | (5,042)                       | 31,681            | (145,675)         |
| -                | -                         | -                            | -                             | -                 | (85,625)          |
| 14,703           | (4,076)                   | (62,840)                     | (5,042)                       | 31,681            | (231,300)         |
| 7,817            | 26,633                    | 257,328                      | (3,717)                       | 145,828           | 728,613           |
| <u>\$ 22,520</u> | <u>\$ 22,557</u>          | <u>\$ 194,488</u>            | <u>\$ (8,759)</u>             | <u>\$ 177,509</u> | <u>\$ 497,313</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, 2015**

|   | <b>Court<br/>Security</b> | <b>Law<br/>Enforcement</b> | <b>Sheriff<br/>Trust</b> | <b>SB 1065<br/>Assessment<br/>and<br/>Conviction</b> | <b>Tillamook<br/>Narcotics<br/>Team</b> | <b>Totals</b>     |
|---|---------------------------|----------------------------|--------------------------|--|---|-------------------|
| <b>REVENUES</b>                                   |                           |                            |                          |  |   |                   |
| Intergovernmental                                 | \$ -                      | \$ -                       | \$ -                     | \$ -   | \$ 1,836                                | \$ 1,836          |
| Fines and forfeitures                             | 42,220                    | 1,311                      | 1,550                    | 2,978  | 9,564                                   | 57,623            |
| Interest  | 1,027                     | -                          | 68                       | 227  | 135                                     | 1,457             |
| Miscellaneous                                     | -                         | -                          | 525                      | -  | 6,641                                   | 7,166             |
| <b>TOTAL REVENUES</b>                             | <u>43,247</u>             | <u>1,311</u>               | <u>2,143</u>             | <u>3,205</u>   | <u>18,176</u>                           | <u>68,082</u>     |
| <b>EXPENDITURES</b>                               |                           |                            |                          |  |   |                   |
| Public safety                                     | 5,779                     | 1,144                      | 6,280                    | 18,200   | 2,243                                   | 33,646            |
| Capital outlay                                    | 10,719                    | -                          | -                        | -  | 9,065                                   | 19,784            |
| <b>TOTAL EXPENDITURES</b>                         | <u>16,498</u>             | <u>1,144</u>               | <u>6,280</u>             | <u>18,200</u>  | <u>11,308</u>                           | <u>53,430</u>     |
| Excess (deficiency) of revenues over expenditures | 26,749                    | 167                        | (4,137)                  | (14,995)   | 6,868                                   | 14,652            |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                           |                            |                          |  |   |                   |
| Transfers out                                     | (50,000)                  | -                          | -                        | (20,000)   | -                                       | (70,000)          |
| Net change in fund balances                       | (23,251)                  | 167                        | (4,137)                  | (34,995)   | 6,868                                   | (55,348)          |
| Fund balances - beginning                         | 271,659                   | 212                        | 19,433                   | 74,332   | 31,663                                  | 397,299           |
| Fund balances - ending                            | <u>\$ 248,408</u>         | <u>\$ 379</u>              | <u>\$ 15,296</u>         | <u>\$ 39,337</u>                                     | <u>\$ 38,531</u>                        | <u>\$ 341,951</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, 2015**

|   | <u>County Fair</u> | <u>Parks<br/>Operations</u> | <u>Totals</u>       |
|---|--------------------|-----------------------------|---------------------|
| <b>REVENUES</b>                                   |                    |                             |                     |
| Intergovernmental                                 | \$ 50,964          | \$ 52,031                   | \$ 102,995          |
| Charges for services                              | 797,967            | 1,745,924                   | 2,543,891           |
| Interest  | 1,159              | 2,963                       | 4,122               |
| Miscellaneous                                     | <u>24,746</u>      | <u>32,029</u>               | <u>56,775</u>       |
| <b>TOTAL REVENUES</b>                             | <u>874,836</u>     | <u>1,832,947</u>            | <u>2,707,783</u>    |
| <b>EXPENDITURES</b>                               |                    |                             |                     |
| Culture and recreation                            | 850,302            | 1,284,100                   | 2,134,402           |
| Capital outlay                                    | <u>1,000</u>       | <u>294,783</u>              | <u>295,783</u>      |
| <b>TOTAL EXPENDITURES</b>                         | <u>851,302</u>     | <u>1,578,883</u>            | <u>2,430,185</u>    |
| Excess (deficiency) of revenues over expenditures | 23,534             | 254,064                     | 277,598             |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                    |                             |                     |
| Transfers out                                     | <u>(10,000)</u>    | <u>-</u>                    | <u>(10,000)</u>     |
| Net change in fund balances                       | 13,534             | 254,064                     | 267,598             |
| Fund balances - beginning                         | <u>284,865</u>     | <u>532,442</u>              | <u>817,307</u>      |
| Fund balances - ending                            | <u>\$ 298,399</u>  | <u>\$ 786,506</u>           | <u>\$ 1,084,905</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, 2015**

|                             | <u>Mental Health</u> | <u>Mediation<br/>Program</u> | <u>Totals</u>    |
|-----------------------------|----------------------|------------------------------|------------------|
| <b>REVENUES</b>             |                      |                              |                  |
| Intergovernmental           | \$ 1,063,190         | \$ -                         | \$ 1,063,190     |
| Charges for services        | -                    | 12,529                       | 12,529           |
| Interest                    | -                    | 335                          | 335              |
|                             | <hr/>                | <hr/>                        | <hr/>            |
| TOTAL REVENUES              | 1,063,190            | 12,864                       | 1,076,054        |
| <b>EXPENDITURES</b>         |                      |                              |                  |
| Health and welfare          | 1,063,190            | 16,923                       | 1,080,113        |
|                             | <hr/>                | <hr/>                        | <hr/>            |
| Net change in fund balances | -                    | (4,059)                      | (4,059)          |
| Fund balances - beginning   | -                    | 93,192                       | 93,192           |
|                             | <hr/>                | <hr/>                        | <hr/>            |
| Fund balances - ending      | <u>\$ -</u>          | <u>\$ 89,133</u>             | <u>\$ 89,133</u> |



**TILLAMOOK COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
NONMAJOR CAPITAL PROJECT FUNDS  
For the Year Ended June 30, 2015**

|   | Tillamook<br>County 4-H and<br>Extension |                    |                 |                     |                       |                     |                   | Road<br>Construction<br>Grant Projects | Building<br>Improvement | Totals |
|---|--|--------------------|-----------------|---------------------|-----------------------|---------------------|-------------------|--|-------------------------|--------|
|   | Vehicle<br>Reserve                       | Library<br>Reserve | Fair<br>Reserve | Building<br>Reserve | Trask Road<br>Project |                     |                   |  |                         |        |
| <b>REVENUES</b>                                   |  |                    |                 |                     |                       |                     |                   |  |                         |        |
| Charges for services                              | \$ -                                     | \$ -               | \$ -            | \$ -                | \$ 69,792             | \$ -                | \$ -              | \$ 69,792                              |                         |        |
| Interest  | 992                                      | 2,823              | -               | 57                  | 1,195                 | 5,388               | 2,323             | 12,778                                 |                         |        |
| Miscellaneous                                     | -  | -                  | -               | -                   | -                     | -                   | 100,720           | 100,720                                |                         |        |
| <b>TOTAL REVENUES</b>                             | <u>992</u>                               | <u>2,823</u>       | <u>-</u>        | <u>57</u>           | <u>70,987</u>         | <u>5,388</u>        | <u>103,043</u>    | <u>183,290</u>                         |                         |        |
| <b>EXPENDITURES</b>                               |  |                    |                 |                     |                       |                     |                   |  |                         |        |
| Current:  |  |                    |                 |                     |                       |                     |                   |  |                         |        |
| General government                                | -  | -                  | -               | -                   | -                     | -                   | 103,041           | 103,041                                |                         |        |
| Capital outlay                                    | -  | -                  | 24,830          | -                   | -                     | -                   | 221,714           | 246,544                                |                         |        |
| <b>TOTAL EXPENDITURES</b>                         | <u>-</u>                                 | <u>-</u>           | <u>24,830</u>   | <u>-</u>            | <u>-</u>              | <u>-</u>            | <u>324,755</u>    | <u>349,585</u>                         |                         |        |
| Excess (deficiency) of revenues over expenditures | 992                                      | 2,823              | (24,830)        | 57                  | 70,987                | 5,388               | (221,712)         | (166,295)                              |                         |        |
| <b>OTHER FINANCING SOURCES (USES)</b>             |  |                    |                 |                     |                       |                     |                   |  |                         |        |
| Transfers in                                      | -  | -                  | 10,000          | 10,000              | -                     | 186,000             | 250,000           | 456,000                                |                         |        |
| Net change in fund balances                       | 992                                      | 2,823              | (14,830)        | 10,057              | 70,987                | 191,388             | 28,288            | 289,705                                |                         |        |
| Fund balances - beginning                         | <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>                       |                         |        |
| Fund balances - ending                            | <u>\$ 271,860</u>                        | <u>\$ 774,043</u>  | <u>\$ 5,170</u> | <u>\$ 21,464</u>    | <u>\$ 349,574</u>     | <u>\$ 1,009,878</u> | <u>\$ 546,448</u> | <u>\$ 2,978,437</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, 2015**

|                                   | <b>Budget</b>      | <b>Actual</b>           | <b>Variance</b>         |
|-----------------------------------|--------------------|-------------------------|-------------------------|
| <b>REVENUES</b>                   |                    |                         |                         |
| Intergovernmental                 | \$ 2,965,600       | \$ 510,962              | \$ (2,454,638)          |
| Miscellaneous                     | <u>299,000</u>     | <u>72,460</u>           | <u>(226,540)</u>        |
| <b>TOTAL REVENUES</b>             | <u>3,264,600</u>   | <u>583,422</u>          | <u>(2,681,178)</u>      |
| <b>EXPENDITURES</b>               |                    |                         |                         |
| Materials and services            | 1,564,600          | 698,617                 | 865,983                 |
| Capital outlay                    | <u>1,700,000</u>   | <u>85,288</u>           | <u>1,614,712</u>        |
| <b>TOTAL EXPENDITURES</b>         | <u>3,264,600</u>   | <u>783,905</u>          | <u>2,480,695</u>        |
| Net change in fund balance        | -                  | (200,483)               | (200,483)               |
| Fund balance at beginning of year | <u>-</u>           | <u>219,464</u>          | <u>219,464</u>          |
| Fund balance at end of year       | <u><u>\$ -</u></u> | <u><u>\$ 18,981</u></u> | <u><u>\$ 18,981</u></u> |

**TILLAMOOK COUNTY**

**VIDEO LOTTERY - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|---|---------------|---------------|-----------------|
| <b>REVENUES</b>                                   |               |               |                 |
| Intergovernmental                                 | \$ 166,700    | \$ 174,984    | \$ 8,284        |
| Investment earnings                               | 350           | 33            | (317)           |
| <b>TOTAL REVENUES</b>                             | 167,050       | 175,017       | 7,967           |
| <b>EXPENDITURES</b>                               |               |               |                 |
| Materials and services                            | 101,425       | 98,175        | 3,250           |
| Excess (deficiency) of revenues over expenditures | 65,625        | 76,842        | 11,217          |
| <b>OTHER FINANCING SOURCES (USES)</b>             |               |               |                 |
| Transfers out                                     | (85,625)      | (85,625)      | -               |
| Net change in fund balance                        | (20,000)      | (8,783)       | 11,217          |
| Fund balance at beginning of year                 | 20,000        | 8,622         | (11,378)        |
| Fund balance at end of year                       | \$ -          | \$ (161)      | \$ (161)        |

**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, 2015**

|                                   | <u>Budget</u> | <u>Actual</u>    | <u>Variance</u>  |
|-----------------------------------|---------------|------------------|------------------|
| <b>REVENUES</b>                   |               |                  |                  |
| Intergovernmental                 | \$ 30,000     | \$ 30,000        | \$ -             |
| <b>EXPENDITURES</b>               |               |                  |                  |
| Materials and services            | <u>80,000</u> | <u>30,768</u>    | <u>49,232</u>    |
| Net change in fund balance        | (50,000)      | (768)            | 49,232           |
| Fund balance at beginning of year | <u>50,000</u> | <u>52,963</u>    | <u>2,963</u>     |
| Fund balance at end of year       | <u>\$ -</u>   | <u>\$ 52,195</u> | <u>\$ 52,195</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, 2015**

|                                   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|-----------------------------------|---------------|---------------|-----------------|
| <b>REVENUES</b>                   |               |               |                 |
| Investment earnings               | \$ -          | \$ 59         | \$ 59           |
| Miscellaneous                     | 500           | 448           | (52)            |
| <b>TOTAL REVENUES</b>             | 500           | 507           | 7               |
| <b>EXPENDITURES</b>               |               |               |                 |
| Materials and services            | 10,000        | 764           | 9,236           |
| Net change in fund balance        | (9,500)       | (257)         | 9,243           |
| Fund balance at beginning of year | 15,550        | 16,400        | 850             |
| Fund balance at end of year       | \$ 6,050      | \$ 16,143     | \$ 10,093       |

**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, 2015**

|                                   | <u>Budget</u> | <u>Actual</u>    | <u>Variance</u>  |
|-----------------------------------|---------------|------------------|------------------|
| <b>REVENUES</b>                   |               |                  |                  |
| Charges for services              | \$ 12,700     | \$ 17,313        | \$ 4,613         |
| <b>EXPENDITURES</b>               |               |                  |                  |
| Materials and services            | <u>27,700</u> | <u>7,990</u>     | <u>19,710</u>    |
| Net change in fund balance        | (15,000)      | 9,323            | 24,323           |
| Fund balance at beginning of year | <u>15,000</u> | <u>37,170</u>    | <u>22,170</u>    |
| Fund balance at end of year       | <u>\$ -</u>   | <u>\$ 46,493</u> | <u>\$ 46,493</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, 2015**

|                                   | <u>Budget</u>  | <u>Actual</u>    | <u>Variance</u>  |
|-----------------------------------|----------------|------------------|------------------|
| <b>REVENUES</b>                   |                |                  |                  |
| Intergovernmental                 | \$ 150,000     | \$ 77,149        | \$ (72,851)      |
| <b>EXPENDITURES</b>               |                |                  |                  |
| Materials and services            | <u>150,000</u> | <u>72,941</u>    | <u>77,059</u>    |
| Net change in fund balance        | -              | 4,208            | 4,208            |
| Fund balance at beginning of year | <u>-</u>       | <u>23,602</u>    | <u>23,602</u>    |
| Fund balance at end of year       | <u>\$ -</u>    | <u>\$ 27,810</u> | <u>\$ 27,810</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, 2015**

|                                   | <b>Budget</b> | <b>Actual</b>    | <b>Variance</b>  |
|-----------------------------------|---------------|------------------|------------------|
| <b>REVENUES</b>                   |               |                  |                  |
| Charges for services              | \$ 50,000     | \$ 80,323        | \$ 30,323        |
| Investment earnings               | 150           | 69               | (81)             |
| <b>TOTAL REVENUES</b>             | <b>50,150</b> | <b>80,392</b>    | <b>30,242</b>    |
| <b>EXPENDITURES</b>               |               |                  |                  |
| Personal services                 | 59,200        | 58,956           | 244              |
| Materials and services            | 10,950        | 7,739            | 3,211            |
| <b>TOTAL EXPENDITURES</b>         | <b>70,150</b> | <b>66,695</b>    | <b>3,455</b>     |
| Net change in fund balance        | (20,000)      | 13,697           | 33,697           |
| Fund balance at beginning of year | 20,000        | 10,344           | (9,656)          |
| Fund balance at end of year       | <b>\$ -</b>   | <b>\$ 24,041</b> | <b>\$ 24,041</b> |



**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, 2015**

|                                   | <u>Budget</u> | <u>Actual</u>    | <u>Variance</u>  |
|-----------------------------------|---------------|------------------|------------------|
| <b>REVENUES</b>                   |               |                  |                  |
| Licenses, permits and fees        | \$ 10,000     | \$ 10,376        | \$ 376           |
| Investment earnings               | <u>100</u>    | <u>111</u>       | <u>11</u>        |
| <b>TOTAL REVENUES</b>             | <u>10,100</u> | <u>10,487</u>    | <u>387</u>       |
| <b>EXPENDITURES</b>               |               |                  |                  |
| Materials and services            | 19,100        | 7,063            | 12,037           |
| Capital outlay                    | <u>12,500</u> | <u>7,500</u>     | <u>5,000</u>     |
| <b>TOTAL EXPENDITURES</b>         | <u>31,600</u> | <u>14,563</u>    | <u>17,037</u>    |
| Net change in fund balance        | (21,500)      | (4,076)          | 17,424           |
| Fund balance at beginning of year | <u>21,500</u> | <u>26,633</u>    | <u>5,133</u>     |
| Fund balance at end of year       | <u>\$ -</u>   | <u>\$ 22,557</u> | <u>\$ 22,557</u> |

**TILLAMOOK COUNTY**

**FEDERAL TITLE III - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <b>Budget</b>                   | <b>Actual</b>                | <b>Variance</b>              |
|-----------------------------------|---------------------------------|------------------------------|------------------------------|
| <b>REVENUES</b>                   |                                 |                              |                              |
| Intergovernmental                 | \$ 100,000                      | \$ 55,934                    | \$ (44,066)                  |
| Investment earnings               | <u>          -</u>              | <u>          929</u>         | <u>          929</u>         |
| <br>TOTAL REVENUES                | <br>100,000                     | <br>56,863                   | <br>(43,137)                 |
| <br><b>EXPENDITURES</b>           |                                 |                              |                              |
| Materials and services            | <u>265,000</u>                  | <u>119,703</u>               | <u>145,297</u>               |
| <br>Net change in fund balance    | <br>(165,000)                   | <br>(62,840)                 | <br>102,160                  |
| Fund balance at beginning of year | <u>165,000</u>                  | <u>257,328</u>               | <u>92,328</u>                |
| <br>Fund balance at end of year   | <br><u><u>\$          -</u></u> | <br><u><u>\$ 194,488</u></u> | <br><u><u>\$ 194,488</u></u> |

**TILLAMOOK COUNTY**

**VETERAN'S SERVICES - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <b>Budget</b>  | <b>Actual</b>      | <b>Variance</b>    |
|-----------------------------------|----------------|--------------------|--------------------|
| <b>REVENUES</b>                   |                |                    |                    |
| Property taxes                    | \$ 128,500     | \$ 129,233         | \$ 733             |
| Intergovernmental                 | 17,500         | 16,007             | (1,493)            |
| Investment earnings               | 100            | 39                 | (61)               |
| Miscellaneous                     | -              | 38                 | 38                 |
| <b>TOTAL REVENUES</b>             | <b>146,100</b> | <b>145,317</b>     | <b>(783)</b>       |
| <b>EXPENDITURES</b>               |                |                    |                    |
| Personal services                 | 146,200        | 143,513            | 2,687              |
| Materials and services            | 14,900         | 14,797             | 103                |
| <b>TOTAL EXPENDITURES</b>         | <b>161,100</b> | <b>158,310</b>     | <b>2,790</b>       |
| Net change in fund balance        | (15,000)       | (12,993)           | 2,007              |
| Fund balance at beginning of year | 15,000         | (1,944)            | (16,944)           |
| Fund balance at end of year       | <b>\$ -</b>    | <b>\$ (14,937)</b> | <b>\$ (14,937)</b> |

**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, 2015**

|                                   | <b>Budget</b>  | <b>Actual</b> | <b>Variance</b> |
|-----------------------------------|----------------|---------------|-----------------|
| <b>REVENUES</b>                   |                |               |                 |
| Fines and forfeitures             | \$ 40,000      | \$ 59,531     | \$ 19,531       |
| <b>EXPENDITURES</b>               |                |               |                 |
| Materials and services            | 115,000        | 28,079        | 86,921          |
| Capital outlay                    | 10,000         | -             | 10,000          |
| <b>TOTAL EXPENDITURES</b>         | <b>125,000</b> | <b>28,079</b> | <b>96,921</b>   |
| Net change in fund balance        | (85,000)       | 31,452        | 116,452         |
| Fund balance at beginning of year | 85,000         | 148,303       | 63,303          |
| Fund balance at end of year       | \$ -           | \$ 179,755    | \$ 179,755      |

**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, 2015**

|   | <b>Budget</b>  | <b>Actual</b>     | <b>Variance</b>   |
|---|----------------|-------------------|-------------------|
| <b>REVENUES</b>                                   |                |                   |                   |
| Fines and forfeitures                             | \$ 39,000      | \$ 49,085         | \$ 10,085         |
| Investment earnings                               | 1,000          | 1,027             | 27                |
| <b>TOTAL REVENUES</b>                             | <b>40,000</b>  | <b>50,112</b>     | <b>10,112</b>     |
| <b>EXPENDITURES</b>                               |                |                   |                   |
| Materials and services                            | 22,600         | 21,550            | 1,050             |
| Capital outlay                                    | 267,400        | 10,719            | 256,681           |
| <b>TOTAL EXPENDITURES</b>                         | <b>290,000</b> | <b>32,269</b>     | <b>257,731</b>    |
| Excess (deficiency) of revenues over expenditures | (250,000)      | 17,843            | 267,843           |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                |                   |                   |
| Transfers out                                     | (50,000)       | (50,000)          | -                 |
| Net change in fund balance                        | (300,000)      | (32,157)          | 267,843           |
| Fund balance at beginning of year                 | 300,000        | 280,320           | (19,680)          |
| Fund balance at end of year                       | <b>\$ -</b>    | <b>\$ 248,163</b> | <b>\$ 248,163</b> |

**TILLAMOOK COUNTY**

**LAW ENFORCEMENT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------------|---------------|---------------|-----------------|
| <b>REVENUES</b>                   |               |               |                 |
| Fines and forfeitures             | \$ 5,000      | \$ 1,311      | \$ (3,689)      |
| <b>EXPENDITURES</b>               |               |               |                 |
| Materials and services            | <u>5,000</u>  | <u>1,144</u>  | <u>3,856</u>    |
| Net change in fund balance        | -             | 167           | 167             |
| Fund balance at beginning of year | <u>-</u>      | <u>212</u>    | <u>212</u>      |
| Fund balance at end of year       | <u>\$ -</u>   | <u>\$ 379</u> | <u>\$ 379</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, 2015**

|                                   | <u>Budget</u>   | <u>Actual</u>        | <u>Variance</u>      |
|-----------------------------------|-----------------|----------------------|----------------------|
| <b>REVENUES</b>                   |                 |                      |                      |
| Fines and forfeitures             | \$ 5,000        | \$ 1,550             | \$ (3,450)           |
| Investment earnings               | -               | 68                   | 68                   |
| Miscellaneous                     | <u>5,000</u>    | <u>525</u>           | <u>(4,475)</u>       |
| <br>TOTAL REVENUES                | <br>10,000      | <br>2,143            | <br>(7,857)          |
| <b>EXPENDITURES</b>               |                 |                      |                      |
| Materials and services            | <u>28,000</u>   | <u>8,056</u>         | <u>19,944</u>        |
| <br>Net change in fund balance    | <br>(18,000)    | <br>(5,913)          | <br>12,087           |
| Fund balance at beginning of year | <u>18,000</u>   | <u>21,209</u>        | <u>3,209</u>         |
| <br>Fund balance at end of year   | <br><u>\$ -</u> | <br><u>\$ 15,296</u> | <br><u>\$ 15,296</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, 2015**

|   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|---|---------------|---------------|-----------------|
| <b>REVENUES</b>                                   |               |               |                 |
| Fines and forfeitures                             | \$ 3,000      | \$ 2,871      | \$ (129)        |
| Investment earnings                               | 100           | 227           | 127             |
| <b>TOTAL REVENUES</b>                             | 3,100         | 3,098         | (2)             |
| <b>EXPENDITURES</b>                               |               |               |                 |
| Materials and services                            | 58,100        | 18,200        | 39,900          |
| Excess (deficiency) of revenues over expenditures | (55,000)      | (15,102)      | 39,898          |
| <b>OTHER FINANCING SOURCES (USES)</b>             |               |               |                 |
| Transfers out                                     | (20,000)      | (20,000)      | -               |
| Net change in fund balance                        | (75,000)      | (35,102)      | 39,898          |
| Fund balance at beginning of year                 | 75,000        | 74,239        | (761)           |
| Fund balance at end of year                       | \$ -          | \$ 39,137     | \$ 39,137       |



**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, 2015**

|                                   | <u>Budget</u>      | <u>Actual</u>           | <u>Variance</u>         |
|-----------------------------------|--------------------|-------------------------|-------------------------|
| <b>REVENUES</b>                   |                    |                         |                         |
| Intergovernmental                 | \$ -               | \$ 1,836                | \$ 1,836                |
| Fines and forfeitures             | 10,000             | 9,564                   | (436)                   |
| Investment earnings               | -                  | 135                     | 135                     |
| Miscellaneous                     | <u>-</u>           | <u>6,641</u>            | <u>6,641</u>            |
| <b>TOTAL REVENUES</b>             | <u>10,000</u>      | <u>18,176</u>           | <u>8,176</u>            |
| <b>EXPENDITURES</b>               |                    |                         |                         |
| Materials and services            | 30,930             | 2,123                   | 28,807                  |
| Capital outlay                    | <u>9,070</u>       | <u>9,065</u>            | <u>5</u>                |
| <b>TOTAL EXPENDITURES</b>         | <u>40,000</u>      | <u>11,188</u>           | <u>28,812</u>           |
| Net change in fund balance        | (30,000)           | 6,988                   | 36,988                  |
| Fund balance at beginning of year | <u>30,000</u>      | <u>31,663</u>           | <u>1,663</u>            |
| Fund balance at end of year       | <u><u>\$ -</u></u> | <u><u>\$ 38,651</u></u> | <u><u>\$ 38,651</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, 2015**

|   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|---|---------------|---------------|-----------------|
| <b>REVENUES</b>                                   |               |               |                 |
| Investment earnings                               | \$ 300        | \$ 358        | \$ 58           |
| <b>EXPENDITURES</b>                               |               |               |                 |
| Contingency                                       | 83,620        | -             | 83,620          |
| Excess (deficiency) of revenues over expenditures | (83,320)      | 358           | 83,678          |
| <b>OTHER FINANCING SOURCES (USES)</b>             |               |               |                 |
| Transfers in                                      | 19,320        | 19,320        | -               |
| Transfers out                                     | (50,000)      | -             | (50,000)        |
| TOTAL OTHER FINANCING SOURCES (USES)              | (30,680)      | 19,320        | (50,000)        |
| Net change in fund balance                        | (114,000)     | 19,678        | 133,678         |
| Fund balance at beginning of year                 | 114,000       | 89,578        | (24,422)        |
| Fund balance at end of year                       | \$ -          | \$ 109,256    | \$ 109,256      |

**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, 2015**

|   | <b>Budget</b>    | <b>Actual</b>     | <b>Variance</b>   |
|---|------------------|-------------------|-------------------|
| <b>REVENUES</b>                                   |                  |                   |                   |
| Intergovernmental                                 | \$ 50,900        | \$ 50,964         | \$ 64             |
| Charges for services                              | 731,760          | 797,967           | 66,207            |
| Investment earnings                               | 1,000            | 1,159             | 159               |
| Miscellaneous                                     | 21,520           | 24,746            | 3,226             |
| <b>TOTAL REVENUES</b>                             | <b>805,180</b>   | <b>874,836</b>    | <b>69,656</b>     |
| <b>EXPENDITURES</b>                               |                  |                   |                   |
| Personal services                                 | 245,950          | 245,224           | 726               |
| Materials and services                            | 606,390          | 605,078           | 1,312             |
| Capital outlay                                    | 6,000            | 1,000             | 5,000             |
| Contingency                                       | 40,000           | -                 | 40,000            |
| <b>TOTAL EXPENDITURES</b>                         | <b>898,340</b>   | <b>851,302</b>    | <b>47,038</b>     |
| Excess (deficiency) of revenues over expenditures | (93,160)         | 23,534            | 116,694           |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                  |                   |                   |
| Transfers out                                     | (10,000)         | (10,000)          | -                 |
| Net change in fund balance                        | (103,160)        | 13,534            | 116,694           |
| Fund balance at beginning of year                 | 156,160          | 284,865           | 128,705           |
| Fund balance at end of year                       | <b>\$ 53,000</b> | <b>\$ 298,399</b> | <b>\$ 245,399</b> |

**TILLAMOOK COUNTY**

**PARKS OPERATIONS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <u>Budget</u>            | <u>Actual</u>            | <u>Variance</u>          |
|-----------------------------------|--------------------------|--------------------------|--------------------------|
| <b>REVENUES</b>                   |                          |                          |                          |
| Charges for services              | \$ 1,507,000             | \$ 1,739,173             | \$ 232,173               |
| Investment earnings               | 2,000                    | 2,963                    | 963                      |
| Miscellaneous                     | <u>32,100</u>            | <u>29,332</u>            | <u>(2,768)</u>           |
| <b>TOTAL REVENUES</b>             | <u>1,827,980</u>         | <u>1,771,468</u>         | <u>(56,512)</u>          |
| <b>EXPENDITURES</b>               |                          |                          |                          |
| Personal services                 | 405,120                  | 378,493                  | 26,627                   |
| Materials and services            | 1,000,050                | 979,095                  | 20,955                   |
| Capital outlay                    | <u>697,810</u>           | <u>294,783</u>           | <u>403,027</u>           |
| <b>TOTAL EXPENDITURES</b>         | <u>2,127,980</u>         | <u>1,652,371</u>         | <u>475,609</u>           |
| Net change in fund balance        | (300,000)                | 119,097                  | 419,097                  |
| Fund balance at beginning of year | <u>500,000</u>           | <u>585,159</u>           | <u>85,159</u>            |
| Fund balance at end of year       | <u><u>\$ 200,000</u></u> | <u><u>\$ 704,256</u></u> | <u><u>\$ 504,256</u></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, 2015**

|                                   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|-----------------------------------|---------------|---------------|-----------------|
| <b>REVENUES</b>                   |               |               |                 |
| Intergovernmental                 | \$ 1,500,000  | \$ 1,063,190  | \$ (436,810)    |
| <b>EXPENDITURES</b>               |               |               |                 |
| Materials and services            | 1,500,000     | 1,063,190     | 436,810         |
| 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, 2015**

|                                   | <u>Budget</u> | <u>Actual</u>    | <u>Variance</u>  |
|-----------------------------------|---------------|------------------|------------------|
| <b>REVENUES</b>                   |               |                  |                  |
| Charges for services              | \$ 10,000     | \$ 12,529        | \$ 2,529         |
| Investment earnings               | <u>300</u>    | <u>335</u>       | <u>35</u>        |
| <b>TOTAL REVENUES</b>             | 10,300        | 12,864           | 2,564            |
| <b>EXPENDITURES</b>               |               |                  |                  |
| Materials and services            | <u>95,300</u> | <u>15,235</u>    | <u>80,065</u>    |
| Net change in fund balance        | (85,000)      | (2,371)          | 82,629           |
| Fund balance at beginning of year | <u>85,000</u> | <u>93,192</u>    | <u>8,192</u>     |
| Fund balance at end of year       | <u>\$ -</u>   | <u>\$ 90,821</u> | <u>\$ 90,821</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, 2015**

|   | <b>Budget</b>     | <b>Actual</b>     | <b>Variance</b>   |
|---|-------------------|-------------------|-------------------|
| <b>REVENUES</b>                                   |                   |                   |                   |
| Property taxes                                    | \$ 276,900        | \$ 295,275        | \$ 18,375         |
| Intergovernmental                                 | 60,570            | 56,201            | (4,369)           |
| Investment earnings                               | 1,200             | 1,595             | 395               |
| <b>TOTAL REVENUES</b>                             | <b>338,670</b>    | <b>353,071</b>    | <b>14,401</b>     |
| <b>EXPENDITURES</b>                               |                   |                   |                   |
| Personal services                                 | 218,000           | 204,000           | 14,000            |
| Materials and services                            | 159,700           | 103,731           | 55,969            |
| Contingency                                       | 77,000            | -                 | 77,000            |
| <b>TOTAL EXPENDITURES</b>                         | <b>454,700</b>    | <b>307,731</b>    | <b>146,969</b>    |
| Excess (deficiency) of revenues over expenditures | (116,030)         | 45,340            | 161,370           |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                   |                   |                   |
| Transfers out                                     | (10,000)          | (10,000)          | -                 |
| Net change in fund balance                        | (126,030)         | 35,340            | 161,370           |
| Fund balance at beginning of year                 | 360,100           | 380,556           | 20,456            |
| Fund balance at end of year                       | <b>\$ 234,070</b> | <b>\$ 415,896</b> | <b>\$ 181,826</b> |

**TILLAMOOK COUNTY**

**HOSPITAL - DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <b>Budget</b>    | <b>Actual</b>    | <b>Variance</b> |
|-----------------------------------|------------------|------------------|-----------------|
| <b>REVENUES</b>                   |                  |                  |                 |
| Property taxes                    | \$ 848,935       | \$ 847,458       | \$ (1,477)      |
| Investment earnings               | 500              | 121              | (379)           |
| <b>TOTAL REVENUES</b>             | <b>849,435</b>   | <b>847,579</b>   | <b>(1,856)</b>  |
| <b>EXPENDITURES</b>               |                  |                  |                 |
| Materials and services            | 750              | 795              | (45)            |
| Debt service                      | 872,405          | 872,405          | -               |
| <b>TOTAL EXPENDITURES</b>         | <b>873,155</b>   | <b>873,200</b>   | <b>(45)</b>     |
| Net change in fund balance        | (23,720)         | (25,621)         | (1,901)         |
| Fund balance at beginning of year | 54,500           | 56,224           | 1,724           |
| Fund balance at end of year       | <b>\$ 30,780</b> | <b>\$ 30,603</b> | <b>\$ (177)</b> |



**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, 2015**

|                                   | <u>Budget</u>    | <u>Actual</u>     | <u>Variance</u>  |
|-----------------------------------|------------------|-------------------|------------------|
| <b>REVENUES</b>                   |                  |                   |                  |
| Property taxes                    | \$ 1,412,000     | \$ 1,459,519      | \$ 47,519        |
| Investment earnings               | -                | 346               | 346              |
| <b>TOTAL REVENUES</b>             | <u>1,412,000</u> | <u>1,459,865</u>  | <u>47,865</u>    |
| <b>EXPENDITURES</b>               |                  |                   |                  |
| Materials and services            | 750              | -                 | 750              |
| Debt service                      | <u>1,312,800</u> | <u>1,312,800</u>  | <u>-</u>         |
| <b>TOTAL EXPENDITURES</b>         | <u>1,313,550</u> | <u>1,312,800</u>  | <u>750</u>       |
| Net change in fund balance        | 98,450           | 147,065           | 48,615           |
| Fund balance at beginning of year | <u>-</u>         | <u>859</u>        | <u>859</u>       |
| Fund balance at end of year       | <u>\$ 98,450</u> | <u>\$ 147,924</u> | <u>\$ 49,474</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, 2015**

|                                   | <b>Budget</b>        | <b>Actual</b>          | <b>Variance</b>        |
|-----------------------------------|----------------------|------------------------|------------------------|
| <b>REVENUES</b>                   |                      |                        |                        |
| Property taxes                    | \$ 220,230           | \$ 219,809             | \$ (421)               |
| Investment earnings               | <u>150</u>           | <u>131</u>             | <u>(19)</u>            |
| <b>TOTAL REVENUES</b>             | <u>220,380</u>       | <u>219,940</u>         | <u>(440)</u>           |
| <b>EXPENDITURES</b>               |                      |                        |                        |
| Materials and services            | 750                  | -                      | 750                    |
| Debt service                      | <u>249,200</u>       | <u>249,200</u>         | <u>-</u>               |
| <b>TOTAL EXPENDITURES</b>         | <u>249,950</u>       | <u>249,200</u>         | <u>750</u>             |
| Net change in fund balance        | (29,570)             | (29,260)               | 310                    |
| Fund balance at beginning of year | <u>29,850</u>        | <u>36,380</u>          | <u>6,530</u>           |
| Fund balance at end of year       | <u><u>\$ 280</u></u> | <u><u>\$ 7,120</u></u> | <u><u>\$ 6,840</u></u> |

**TILLAMOOK COUNTY**

**VEHICLE RESERVE - CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <u>Budget</u>  | <u>Actual</u>     | <u>Variance</u>   |
|-----------------------------------|----------------|-------------------|-------------------|
| <b>REVENUES</b>                   |                |                   |                   |
| Investment earnings               | \$ 1,000       | \$ 992            | \$ (8)            |
| <b>EXPENDITURES</b>               |                |                   |                   |
| Capital outlay                    | <u>272,000</u> | <u>-</u>          | <u>272,000</u>    |
| Net change in fund balance        | (271,000)      | 992               | 271,992           |
| Fund balance at beginning of year | <u>271,000</u> | <u>270,868</u>    | <u>(132)</u>      |
| Fund balance at end of year       | <u>\$ -</u>    | <u>\$ 271,860</u> | <u>\$ 271,860</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, 2015**

|                                   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|-----------------------------------|---------------|---------------|-----------------|
| <b>REVENUES</b>                   |               |               |                 |
| Investment earnings               | \$ 1,000      | \$ 2,823      | \$ 1,823        |
| <b>EXPENDITURES</b>               |               |               |                 |
| Capital outlay                    | 100,000       | -             | 100,000         |
| Contingency                       | 202,000       | -             | 202,000         |
| <b>TOTAL EXPENDITURES</b>         | 702,000       | -             | 702,000         |
| Net change in fund balance        | (701,000)     | 2,823         | 703,823         |
| Fund balance at beginning of year | 701,000       | 771,220       | 70,220          |
| Fund balance at end of year       | \$ -          | \$ 774,043    | \$ 774,043      |

**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, 2015**

|   | <b>Budget</b>    | <b>Actual</b>   | <b>Variance</b>   |
|---|------------------|-----------------|-------------------|
| <b>EXPENDITURES</b>                               |                  |                 |                   |
| Capital outlay                                    | \$ 24,830        | \$ 24,830       | \$ -              |
| Contingency                                       | 5,170            | -               | 5,170             |
| <b>TOTAL EXPENDITURES</b>                         | <b>30,000</b>    | <b>24,830</b>   | <b>5,170</b>      |
| Excess (deficiency) of revenues over expenditures | (30,000)         | (24,830)        | 5,170             |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                  |                 |                   |
| Transfers in                                      | 10,000           | 10,000          | -                 |
| Net change in fund balance                        | (20,000)         | (14,830)        | 5,170             |
| Fund balance at beginning of year                 | 30,000           | 20,000          | (10,000)          |
| Fund balance at end of year                       | <b>\$ 10,000</b> | <b>\$ 5,170</b> | <b>\$ (4,830)</b> |

**TILLAMOOK COUNTY**

**TILLAMOOK COUNTY 4-H AND 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, 2015**

|   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|---|---------------|---------------|-----------------|
| <b>REVENUES</b>                                   |               |               |                 |
| Investment earnings                               | \$ 100        | \$ 57         | \$ (43)         |
| <b>EXPENDITURES</b>                               |               |               |                 |
| Capital outlay                                    | 21,400        | -             | 21,400          |
| Excess (deficiency) of revenues over expenditures | (21,300)      | 57            | 21,357          |
| <b>OTHER FINANCING SOURCES (USES)</b>             |               |               |                 |
| Transfers in                                      | 10,000        | 10,000        | -               |
| Net change in fund balance                        | (11,300)      | 10,057        | 21,357          |
| Fund balance at beginning of year                 | 11,300        | 11,407        | 107             |
| Fund balance at end of year                       | \$ -          | \$ 21,464     | \$ 21,464       |

**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, 2015**

|                                   | <u>Budget</u>  | <u>Actual</u>     | <u>Variance</u>   |
|-----------------------------------|----------------|-------------------|-------------------|
| <b>REVENUES</b>                   |                |                   |                   |
| Charges for services              | \$ -           | \$ 69,792         | \$ 69,792         |
| Investment earnings               | <u>500</u>     | <u>1,195</u>      | <u>695</u>        |
| <b>TOTAL REVENUES</b>             | <u>500</u>     | <u>70,987</u>     | <u>70,487</u>     |
| <b>EXPENDITURES</b>               |                |                   |                   |
| Materials and services            | 75,000         | -                 | 75,000            |
| Contingency                       | <u>167,300</u> | <u>-</u>          | <u>167,300</u>    |
| <b>TOTAL EXPENDITURES</b>         | <u>242,300</u> | <u>-</u>          | <u>242,300</u>    |
| Net change in fund balance        | (241,800)      | 70,987            | 312,787           |
| Fund balance at beginning of year | <u>241,800</u> | <u>278,587</u>    | <u>36,787</u>     |
| Fund balance at end of year       | <u>\$ -</u>    | <u>\$ 349,574</u> | <u>\$ 349,574</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, 2015**

|                                       | <u>Budget</u>  | <u>Actual</u>       | <u>Variance</u>     |
|---------------------------------------|----------------|---------------------|---------------------|
| <b>REVENUES</b>                       |                |                     |                     |
| Intergovernmental                     | \$ 3,650,000   | \$ -                | \$ (3,650,000)      |
| Investment earnings                   | <u>500</u>     | <u>5,388</u>        | <u>4,888</u>        |
| <b>TOTAL REVENUES</b>                 | 3,650,500      | 5,388               | (3,645,112)         |
| <b>OTHER FINANCING SOURCES (USES)</b> |                |                     |                     |
| Transfers in                          | <u>301,000</u> | <u>186,000</u>      | <u>115,000</u>      |
| Net change in fund balance            | (666,000)      | 191,388             | 857,388             |
| Fund balance at beginning of year     | <u>666,000</u> | <u>818,490</u>      | <u>152,490</u>      |
| Fund balance at end of year           | <u>\$ -</u>    | <u>\$ 1,009,878</u> | <u>\$ 1,009,878</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, 2015**

|   | <u>Budget</u>     | <u>Actual</u>     | <u>Variance</u>   |
|---|-------------------|-------------------|-------------------|
| <b>REVENUES</b>                                   |                   |                   |                   |
| Investment earnings                               | \$ 2,000          | \$ 2,323          | \$ 323            |
| Miscellaneous                                     | <u>-</u>          | <u>100,720</u>    | <u>100,720</u>    |
| <b>TOTAL REVENUES</b>                             | <u>2,000</u>      | <u>103,043</u>    | <u>101,043</u>    |
| <b>EXPENDITURES</b>                               |                   |                   |                   |
| Materials and services                            | 652,000           | 100,671           | 551,329           |
| Capital outlay                                    | <u>500,000</u>    | <u>164,172</u>    | <u>335,828</u>    |
| <b>TOTAL EXPENDITURES</b>                         | <u>1,152,000</u>  | <u>264,843</u>    | <u>887,157</u>    |
| Excess (deficiency) of revenues over expenditures | (1,150,000)       | (161,800)         | 988,200           |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                   |                   |                   |
| Transfers in                                      | <u>750,000</u>    | <u>250,000</u>    | <u>500,000</u>    |
| Net change in fund balance                        | (400,000)         | 88,200            | 488,200           |
| Fund balance at beginning of year                 | <u>500,000</u>    | <u>518,160</u>    | <u>18,160</u>     |
| Fund balance at end of year                       | <u>\$ 100,000</u> | <u>\$ 606,360</u> | <u>\$ 506,360</u> |

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

## **Proprietary Funds**

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

**TILLAMOOK COUNTY**

**SOLID WASTE - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|  | <b>Budget</b>    | <b>Actual</b>       | <b>Variance</b>   |
|--|------------------|---------------------|-------------------|
| <b>REVENUES</b>  |                  |                     |                   |
| Assessments  | \$ 225,000       | \$ 233,585          | \$ 8,585          |
| Charges for services   | 1,728,000        | 1,887,429           | 159,429           |
| Investment earnings  | 1,000            | 870                 | (130)             |
| Miscellaneous  | 2,750            | 6,426               | 3,676             |
| <b>TOTAL REVENUES</b>  | <b>1,956,750</b> | <b>2,128,310</b>    | <b>171,560</b>    |
| <b>EXPENDITURES</b>  |                  |                     |                   |
| Personal services  | 175,130          | 167,851             | 7,279             |
| Materials and services   | 1,945,700        | 1,904,725           | 40,975            |
| Capital outlay   | 33,920           | 33,916              | 4                 |
| <b>TOTAL EXPENDITURES</b>  | <b>2,154,750</b> | <b>2,106,492</b>    | <b>48,258</b>     |
| Excess (deficiency) of revenues over expenditures                  | (198,000)        | 21,818              | 219,818           |
| <b>OTHER FINANCING SOURCES (USES)</b>                              |                  |                     |                   |
| Transfers out  | (100,000)        | (100,000)           | -                 |
| Net change in fund balance   | (298,000)        | (78,182)            | 219,818           |
| Fund balance at beginning of year                                  | 310,000          | 239,912             | (70,088)          |
| Fund balance at end of year  | <b>\$ 12,000</b> | <b>161,730</b>      | <b>\$ 149,730</b> |
| <b>Reconciliation to generally accepted accounting principles:</b> |                  |                     |                   |
| Receivables  |                  | 167,544             |                   |
| Deferred outflows of resources                                     |                  | 29,603              |                   |
| Capital assets, net  |                  | 2,167,459           |                   |
| Accounts payable and accrued expenses                              |                  | (159,113)           |                   |
| Accumulated compenstaed absences                                   |                  | (5,983)             |                   |
| Net other post-employment benefits                                 |                  | (10,990)            |                   |
| Net pension liability  |                  | (72,299)            |                   |
| Landfill post-closure care liability                               |                  | (1,200,260)         |                   |
| Deferred inflows of resources                                      |                  | (19,527)            |                   |
| Net position at end of year  |                  | <b>\$ 1,058,164</b> |                   |

**TILLAMOOK COUNTY**

**SOLID WASTE SINKING - ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2015**

|                                   | <b>Budget</b> | <b>Actual</b> | <b>Variance</b> |
|-----------------------------------|---------------|---------------|-----------------|
| <b>REVENUES</b>                   |               |               |                 |
| Investment earnings               | \$ 2,500      | \$ 2,440      | \$ (60)         |
| <b>EXPENDITURES</b>               |               |               |                 |
| Contingency                       | 369,000       | -             | 369,000         |
| Net change in fund balance        | (366,500)     | 2,440         | 368,940         |
| Fund balance at beginning of year | 666,500       | 666,476       | (24)            |
| Fund balance at end of year       | \$ 300,000    | \$ 668,916    | \$ 368,916      |

**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, 2015**

|                                       | <u>Budget</u>     | <u>Actual</u>     | <u>Variance</u> |
|---------------------------------------|-------------------|-------------------|-----------------|
| <b>REVENUES</b>                       |                   |                   |                 |
| Investment earnings                   | \$ 2,000          | \$ 1,969          | \$ (31)         |
| <b>OTHER FINANCING SOURCES (USES)</b> |                   |                   |                 |
| Transfers in                          | <u>100,000</u>    | <u>100,000</u>    | <u>-</u>        |
| Net change in fund balance            | 102,000           | 101,969           | (31)            |
| Fund balance at beginning of year     | <u>495,000</u>    | <u>495,381</u>    | <u>381</u>      |
| Fund balance at end of year           | <u>\$ 597,000</u> | <u>\$ 597,350</u> | <u>\$ 350</u>   |

## **Agency Fund**

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

**TILLAMOOK COUNTY**

**AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
For the Year Ended June 30, 2015**

|                          | <u>Balances<br/>July 1, 2014</u> | <u>Additions</u>     | <u>Deductions</u>    | <u>Balances<br/>June 30, 2015</u> |
|--------------------------|----------------------------------|----------------------|----------------------|-----------------------------------|
| <b>ASSETS</b>            |                                  |                      |                      |                                   |
| Cash and investments     | \$ 876,107                       | \$ 58,154,356        | \$ 57,940,088        | \$ 1,090,375                      |
| Receivables              | <u>4,777,829</u>                 | <u>38,161,361</u>    | <u>37,597,969</u>    | <u>5,341,221</u>                  |
| <b>TOTAL ASSETS</b>      | <u>\$ 5,653,936</u>              | <u>\$ 96,315,717</u> | <u>\$ 95,538,057</u> | <u>\$ 6,431,596</u>               |
| <b>LIABILITIES</b>       |                                  |                      |                      |                                   |
| Due to other governments | <u>\$ 5,653,936</u>              | <u>\$ 96,315,717</u> | <u>\$ 95,538,057</u> | <u>\$ 6,431,596</u>               |



**CAPITAL ASSETS USED IN  
GOVERNMENTAL ACTIVITIES**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**TILLAMOOK COUNTY**

**SCHEDULE OF CAPITAL ASSETS  
GOVERNMENTAL ACTIVITIES**

**June 30, 2015**

**CAPITAL ASSETS**

|                          |                  |
|--------------------------|------------------|
| Land                     | \$ 5,452,437     |
| Land improvements        | 1,973,344        |
| Buildings                | 32,903,005       |
| Equipment                | 10,451,930       |
| Infrastructure           | 25,621,769       |
| Construction in progress | <u>3,058,956</u> |

TOTAL CAPITAL ASSETS \$ 79,461,441

**INVESTMENT IN CAPITAL ASSETS**

|                       |                   |
|-----------------------|-------------------|
| General fund          | \$ 10,639,576     |
| Special revenue funds | 33,414,532        |
| Capital project funds | <u>35,407,333</u> |

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 79,461,441

**TILLAMOOK COUNTY**

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
GOVERNMENTAL ACTIVITIES  
June 30, 2015**

| <u>Function and Activity</u>        | <u>Totals</u>        | <u>Land</u>         | <u>Land<br/>Improvements</u> | <u>Buildings</u>     | <u>Equipment</u>     | <u>Infrastructure</u> | <u>Construction<br/>in Progress</u> |
|-------------------------------------|----------------------|---------------------|------------------------------|----------------------|----------------------|-----------------------|-------------------------------------|
| General government:                 |                      |                     |                              |                      |                      |                       |                                     |
| Board of County Commissioners       | \$ 25,260            | \$ -                | \$ -                         | \$ -                 | \$ 25,260            | \$ -                  | \$ -                                |
| District Attorney                   | 71,512               | -                   | -                            | -                    | 71,512               | -                     | -                                   |
| County Clerk                        | 272,513              | -                   | -                            | -                    | 272,513              | -                     | -                                   |
| County Assessor                     | 155,828              | -                   | -                            | -                    | 155,828              | -                     | -                                   |
| Courthouse Building                 | 2,455,572            | 702,367             | -                            | 1,509,699            | 99,868               | -                     | 143,638                             |
| County Surveyor                     | 55,991               | -                   | -                            | -                    | 55,991               | -                     | -                                   |
| Community Development               | 742,184              | 550,186             | -                            | -                    | 191,998              | -                     | -                                   |
| Data Processing                     | 708,250              | -                   | -                            | 33,782               | 674,468              | -                     | -                                   |
| Juvenile                            | 44,495               | -                   | -                            | -                    | 44,495               | -                     | -                                   |
| Personnel                           | 18,578               | -                   | -                            | -                    | 18,578               | -                     | -                                   |
| Other - unclassified                | 2,101,644            | 345,056             | -                            | 705,187              | 779,901              | -                     | 271,500                             |
| Total general government            | 6,651,827            | 1,597,609           | -                            | 2,248,668            | 2,390,412            | -                     | 415,138                             |
| Public safety                       |                      |                     |                              |                      |                      |                       |                                     |
| County Sheriff                      | 2,221,952            | -                   | 42,678                       | 122,471              | 1,886,329            | -                     | 170,474                             |
| 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                              | 261,837              | -                   | -                            | 225,316              | 36,521               | -                     | -                                   |
| Total public safety                 | 11,128,409           | -                   | 42,678                       | 8,415,515            | 2,499,742            | -                     | 170,474                             |
| Public works                        | 33,613,637           | 1,475,557           | 11,560                       | 85,102               | 4,402,464            | 25,343,794            | 2,295,160                           |
| Culture and recreation              |                      |                     |                              |                      |                      |                       |                                     |
| Parks                               | 5,494,103            | 2,227,960           | 1,603,378                    | 989,791              | 268,982              | 277,975               | 126,017                             |
| Library                             | 4,927,410            | 97,155              | -                            | 4,514,520            | 263,568              | -                     | 52,167                              |
| Fair                                | 4,566,908            | 54,156              | 88,128                       | 4,024,067            | 400,557              | -                     | -                                   |
| Total culture and recreation        | 14,988,421           | 2,379,271           | 1,691,506                    | 9,528,378            | 933,107              | 277,975               | 178,184                             |
| Health and welfare                  | 12,433,963           | -                   | -                            | 12,213,227           | 220,736              | -                     | -                                   |
| Education                           | 645,184              | -                   | 227,600                      | 412,115              | 5,469                | -                     | -                                   |
| Total capital assets                | <u>\$ 79,461,441</u> | <u>\$ 5,452,437</u> | <u>\$ 1,973,344</u>          | <u>\$ 32,903,005</u> | <u>\$ 10,451,930</u> | <u>\$ 25,621,769</u>  | <u>\$ 3,058,956</u>                 |

**TILLAMOOK COUNTY**

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY  
GOVERNMENT ACTIVITIES  
For the Year Ended June 30, 2015**

| <u>Function and Activity</u>        | <u>Balances<br/>July 1, 2014</u> | <u>Additions</u>    | <u>Deletions</u>  | <u>Balances<br/>June 30, 2015</u> |
|-------------------------------------|----------------------------------|---------------------|-------------------|-----------------------------------|
| General government                  |                                  |                     |                   |                                   |
| Board of County Commissioners       | \$ 25,260                        | \$ -                | \$ -              | \$ 25,260                         |
| District Attorney                   | 71,512                           | -                   | -                 | 71,512                            |
| County Clerk                        | 247,888                          | 99,625              | 75,000            | 272,513                           |
| County Assessor                     | 155,828                          | -                   | -                 | 155,828                           |
| Courthouse Building                 | 2,311,934                        | 143,638             | -                 | 2,455,572                         |
| County Surveyor                     | 55,991                           | -                   | -                 | 55,991                            |
| Community Development               | 742,184                          | -                   | -                 | 742,184                           |
| Data Processing                     | 689,718                          | 18,532              | -                 | 708,250                           |
| Juvenile                            | 44,495                           | -                   | -                 | 44,495                            |
| Personnel                           | 18,578                           | -                   | -                 | 18,578                            |
| Other - unclassified                | 1,935,144                        | 166,500             | -                 | 2,101,644                         |
| Total general government            | <u>6,298,532</u>                 | <u>428,295</u>      | <u>75,000</u>     | <u>6,651,827</u>                  |
| Public safety                       |                                  |                     |                   |                                   |
| County Sheriff                      | 1,965,378                        | 262,762             | 6,188             | 2,221,952                         |
| Communications                      | 70,288                           | -                   | -                 | 70,288                            |
| Commission on Children and Families | 11,832                           | -                   | -                 | 11,832                            |
| Corrections                         | 8,562,500                        | -                   | -                 | 8,562,500                         |
| Courts                              | 251,118                          | 10,719              | -                 | 261,837                           |
| Total public safety                 | <u>10,861,116</u>                | <u>273,481</u>      | <u>6,188</u>      | <u>11,128,409</u>                 |
| Public works                        | <u>30,853,154</u>                | <u>2,812,961</u>    | <u>52,478</u>     | <u>33,613,637</u>                 |
| Culture and recreation              |                                  |                     |                   |                                   |
| Parks                               | 5,202,063                        | 292,040             | -                 | 5,494,103                         |
| Library                             | 4,748,530                        | 178,880             | -                 | 4,927,410                         |
| Fair                                | 4,542,078                        | 24,830              | -                 | 4,566,908                         |
| Total culture and recreation        | <u>14,492,671</u>                | <u>495,750</u>      | <u>-</u>          | <u>14,988,421</u>                 |
| Health and welfare                  | <u>12,453,900</u>                | <u>-</u>            | <u>19,937</u>     | <u>12,433,963</u>                 |
| Education                           | <u>645,184</u>                   | <u>-</u>            | <u>-</u>          | <u>645,184</u>                    |
| Total capital assets                | <u>\$ 75,604,557</u>             | <u>\$ 4,010,487</u> | <u>\$ 153,603</u> | <u>\$ 79,461,441</u>              |

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*

**LONG-TERM OBLIGATIONS OF  
OF GOVERNMENTAL ACTIVITIES**

# Tillamook County



*Land of Cheese, Trees and Ocean Breeze*



**TILLAMOOK COUNTY**

**SCHEDULE OF LONG-TERM OBLIGATIONS PRINCIPAL AND INTEREST TRANSACTIONS  
GOVERNMENTAL ACTIVITIES  
For the Year Ended June 30, 2015**

| <b>Obligation</b>                    | <b>Interest Rates</b> | <b>Date of Issue</b> | <b>Principal</b>                |                            |                         | <b>Outstanding June 30, 2015</b> | <b>Interest Matured and Paid</b> |
|--------------------------------------|-----------------------|----------------------|---------------------------------|----------------------------|-------------------------|----------------------------------|----------------------------------|
|                                      |                       |                      | <b>Outstanding July 1, 2014</b> | <b>Issued Current Year</b> | <b>Matured and Paid</b> |                                  |                                  |
| General obligation bond issues       |                       |                      |                                 |                            |                         |                                  |                                  |
| 2002 Refunding                       | 1.8% - 4.7%           | 5/2/2002             | 1,345,000                       | -                          | 810,000                 | 535,000                          | 62,405                           |
| 2013 Refunding                       | 3.0% -4.1%            | 9/23/2013            | 2,065,000                       | -                          | 170,000                 | 1,895,000                        | 79,200                           |
| 2013 Road                            | 3.0% -4.1%            | 9/23/2013            | 5,930,000                       | -                          | 1,095,000               | 4,835,000                        | 217,800                          |
| Total general obligation bond issues |                       |                      | 9,340,000                       | -                          | 2,075,000               | 7,265,000                        | 359,405                          |
| Loans                                |                       |                      |                                 |                            |                         |                                  |                                  |
| OEDD                                 | 6.00%                 | 3/1/2000             | 180,059                         | -                          | 25,814                  | 154,245                          | 10,804                           |
| ODOT                                 | 0.50%                 | 12/1/2002            | 114,544                         | -                          | 38,027                  | 76,517                           | 573                              |
| TLC                                  | 0%                    | 2/25/2008            | 450,000                         | -                          | 75,000                  | 375,000                          | -                                |
| Total loans                          |                       |                      | 744,603                         | -                          | 138,841                 | 605,762                          | 11,377                           |
| Capital leases                       |                       |                      |                                 |                            |                         |                                  |                                  |
| FMC                                  | 6.25%                 | 5/23/2012            | 11,140                          | -                          | 11,140                  | -                                | -                                |
| US Bank                              | 2.50%                 | 8/22/2014            | -                               | 228,684                    | 48,019                  | 180,665                          | 528                              |
| Total capital leases                 |                       |                      | 11,140                          | 228,684                    | 59,159                  | 180,665                          | 528                              |
| Total                                |                       |                      | \$ 10,095,743                   | \$ 228,684                 | \$ 2,273,000            | \$ 8,051,427                     | \$ 371,310                       |

**TILLAMOOK COUNTY**

**SCHEDULE OF LONG-TERM OBLIGATIONS FUTURE DEBT SERVICE REQUIREMENTS  
GOVERNMENTAL ACTIVITIES  
June 30, 2015**

|         | <b>General Obligation Bond Issues</b> |                  |                       |                   |                     |                   |
|---------|---------------------------------------|------------------|-----------------------|-------------------|---------------------|-------------------|
|         | <b>2002 Refunding</b>                 |                  | <b>2013 Refunding</b> |                   | <b>2013 Road</b>    |                   |
|         | <b>Principal</b>                      | <b>Interest</b>  | <b>Principal</b>      | <b>Interest</b>   | <b>Principal</b>    | <b>Interest</b>   |
| 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             | -                   | -                 |
|         | <b>\$ 535,000</b>                     | <b>\$ 25,145</b> | <b>\$ 1,895,000</b>   | <b>\$ 360,700</b> | <b>\$ 4,835,000</b> | <b>\$ 402,350</b> |

| Loans             |                  |                  |               |                   | Capital Lease     |                  |                     |                   |
|-------------------|------------------|------------------|---------------|-------------------|-------------------|------------------|---------------------|-------------------|
| OEDD              |                  | ODOT             |               | TLC               | US Bank           |                  | Totals              |                   |
| Principal         | Interest         | Principal        | Interest      | Principal         | Principal         | Interest         | Principal           | Interest          |
| 27,363            | 9,255            | 38,216           | 384           | 75,000            | 43,510            | 4,509            | 2,039,089           | 284,593           |
| 29,004            | 7,612            | 38,301           | 192           | 75,000            | 44,596            | 3,423            | 1,556,901           | 202,102           |
| 30,745            | 5,873            | -                | -             | 75,000            | 45,709            | 2,310            | 1,576,454           | 142,533           |
| 32,589            | 4,028            | -                | -             | 75,000            | 46,850            | 1,169            | 1,634,439           | 80,822            |
| 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>\$ 154,245</u> | <u>\$ 28,842</u> | <u>\$ 76,517</u> | <u>\$ 576</u> | <u>\$ 375,000</u> | <u>\$ 180,665</u> | <u>\$ 11,411</u> | <u>\$ 8,051,427</u> | <u>\$ 829,024</u> |

**TILLAMOOK COUNTY**

**SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS  
As of and for the Year Ended June 30, 2015**

| <b>Elected Officials</b>                                     | <b>Cash and<br/>Investments<br/>Balances<br/>June 30, 2014</b> | <b>Cash<br/>Receipts</b> | <b>Cash<br/>Turnovers and<br/>Disbursements<br/>to County<br/>Treasurer<br/>and Others</b> | <b>Cash and<br/>Investments<br/>Balances<br/>June 30, 2015</b> |
|--|--|--------------------------|--|--|
| Clerk  | \$ -   | \$ 251,583               | \$ 251,583   | \$ -   |
| Justice of the Peace   | -  | 278,102                  | 278,102  | -  |
| Sheriff  | 41,735   | 62,693                   | 62,870   | 41,558   |
| Surveyor   | -  | 21,175                   | 21,175   | -  |
| Tax Collector  | -  | 49,004,907               | 49,004,907   | -  |
| Treasurer  | 27,481,509   | 148,699,579              | 150,502,166  | 25,678,922   |
| <b>Totals</b>  | <b>\$ 27,523,244</b>   | <b>\$ 198,318,039</b>    | <b>\$ 200,120,803</b>  | <b>\$ 25,720,480</b>   |
| Cash and investments as of June 30, 2015                     |  |                          |  |  |
| Deposits with financial institutions                         |  |                          |  | \$ 932,448   |
| Cash on hand   |  |                          |  | 10,114   |
| U.S. Government Agencies                                     |  |                          |  | 1,001,176  |
| Municipal debt obligation securities                         |  |                          |  | 2,064,086  |
| Corporate debt obligation securities                         |  |                          |  | 5,325,525  |
| State treasurer's investment pool                            |  |                          |  | <u>16,387,131</u>  |
| Cash and investments for elected officials                   |  |                          |  | 25,720,480   |
| Cash held by County Fair Board                               |  |                          |  | 298,399  |
| Held by custodian under pension plan, primarily mutual funds |  |                          |  | <u>53,462,427</u>  |
| Total cash and investments                                   |  |                          |  | <u>\$ 79,481,306</u>   |
| Reported in the basic financial statements as:               |  |                          |  |  |
| Governmental activities - cash and investments               |  |                          |  | \$ 23,495,751  |
| Business-type activities - cash and investments              |  |                          |  | 1,432,753  |
| Pension trust  |  |                          |  |  |
| Cash   |  |                          |  | 315,873  |
| Investments in fixed income securities                       |  |                          |  | 3,645,620  |
| Investments in mutual funds                                  |  |                          |  | 49,500,934   |
| Agency funds - cash and cash equivalents                     |  |                          |  | <u>1,090,375</u>   |
|  |  |                          |  | <u>\$ 79,481,306</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 County's most significant revenue source, the property tax.

### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the County's current level 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.

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report 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, |                     |                     |                     |                     |                     |                     |                     |                     |                     |
|--|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | 2015                       | 2014                | 2013                | 2012                | 2011                | 2010                | 2009                | 2008                | 2007                | 2006                |
| <b>Governmental activities</b>             |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment capital asset               | \$45,742,856               | \$43,587,827        | \$42,719,867        | \$42,615,214        | \$44,019,014        | \$37,071,660        | \$36,042,826        | \$31,862,585        | \$28,288,674        | \$22,952,895        |
| Restricted                                 | 15,968,746                 | 10,267,130          | 9,988,891           | 9,150,515           | 9,617,647           | 3,777,499           | 4,423,745           | 4,756,637           | 5,995,709           | 8,618,799           |
| Unrestricted                               | <u>(8,701,669)</u>         | <u>6,006,435</u>    | <u>7,527,068</u>    | <u>9,038,864</u>    | <u>5,672,012</u>    | <u>17,653,947</u>   | <u>16,808,514</u>   | <u>16,501,257</u>   | <u>14,411,635</u>   | <u>12,707,246</u>   |
| Total governmental activities net positio  | <u>\$53,009,933</u>        | <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> |
| <b>Business-type activities</b>            |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment capital asset               | \$ 2,167,459               | \$ 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        |
| Unrestricted                               | <u>156,971</u>             | <u>352,704</u>      | <u>122,246</u>      | <u>219,089</u>      | <u>659,708</u>      | <u>724,915</u>      | <u>569,978</u>      | <u>1,005,008</u>    | <u>991,608</u>      | <u>723,497</u>      |
| Total business-type activities net positio | <u>\$ 2,324,430</u>        | <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> |
| <b>Totals - all activities</b>             |                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Net investment capital asset               | \$47,910,315               | \$45,840,626        | \$45,080,422        | \$45,070,615        | \$46,175,954        | \$39,156,711        | \$38,154,837        | \$33,496,435        | \$29,743,312        | \$24,473,057        |
| Restricted                                 | 15,968,746                 | 10,267,130          | 9,988,891           | 9,150,515           | 9,617,647           | 3,777,499           | 4,423,745           | 4,756,637           | 5,995,709           | 8,618,799           |
| Unrestricted                               | <u>(8,544,698)</u>         | <u>6,359,139</u>    | <u>7,649,314</u>    | <u>9,257,953</u>    | <u>6,331,720</u>    | <u>18,378,862</u>   | <u>17,378,492</u>   | <u>17,506,265</u>   | <u>15,403,243</u>   | <u>13,430,743</u>   |
| Total net position                         | <u>\$55,334,363</u>        | <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> |

**TILLAMOOK COUNTY**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**

|  | Fiscal Year Ended June 30, |                        |                        |                        |                        |                        |                        |                        |                        |                        |
|--|----------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|  | 2015                       | 2014                   | 2013                   | 2012                   | 2011                   | 2010                   | 2009                   | 2008                   | 2007                   | 2006                   |
| <b>Expenses</b>                        |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Governmental activities</b>         |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| General government                     | \$ 13,188,777              | \$ 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          |
| Public safety                          | 7,503,407                  | 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              |
| Highways and streets                   | 4,691,512                  | 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              |
| Culture and recreation                 | 5,727,138                  | 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              |
| Health and welfare                     | 7,296,419                  | 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              |
| Education                              | 3,110,258                  | 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              |
| Interest                               | 187,015                    | 214,280                | 363,477                | 393,364                | 454,086                | 511,485                | 564,404                | 614,666                | 634,634                | 719,839                |
| <b>Total governmental activities</b>   | <b>41,704,526</b>          | <b>41,537,910</b>      | <b>37,828,624</b>      | <b>35,488,014</b>      | <b>36,600,800</b>      | <b>34,209,020</b>      | <b>33,377,074</b>      | <b>35,877,908</b>      | <b>34,792,811</b>      | <b>35,402,356</b>      |
| <b>Business-type activities</b>        |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Solid waste                            | 2,213,733                  | 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              |
| <b>Total expenses</b>                  | <b>\$ 43,918,259</b>       | <b>\$ 43,380,393</b>   | <b>\$ 39,815,490</b>   | <b>\$ 37,485,564</b>   | <b>\$ 38,464,290</b>   | <b>\$ 35,772,127</b>   | <b>\$ 35,076,620</b>   | <b>\$ 37,715,608</b>   | <b>\$ 36,541,229</b>   | <b>\$ 36,781,867</b>   |
| <b>Program revenues</b>                |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Governmental activities</b>         |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Charges for services</b>            |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| General government                     | \$ 3,037,348               | \$ 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           |
| Public safety                          | 891,028                    | 798,203                | 916,654                | 827,688                | 812,281                | 679,201                | 713,007                | 734,387                | 803,006                | 890,652                |
| Highways and streets                   | 639,894                    | 1,106,357              | 549,505                | 574,350                | 533,556                | 282,259                | 437,649                | 204,262                | 485,292                | 804,708                |
| Culture and recreation                 | 2,564,708                  | 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              |
| Health and welfare                     | 4,452,280                  | 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              |
| Education                              | -                          | -                      | -                      | -                      | 29                     | -                      | 267                    | -                      | -                      | -                      |
| Operating grants and contributions     | 8,542,630                  | 8,174,975              | 7,846,715              | 8,194,600              | 8,476,992              | 7,693,145              | 7,796,207              | 8,445,756              | 7,956,196              | 8,108,624              |
| Capital grants and contributions       | 65,661                     | 134,813                | 125,774                | 2,506,529              | 1,275,535              | 95,231                 | 1,498,018              | 1,529,350              | 489,909                | 417,834                |
| <b>Total governmental activities</b>   | <b>20,193,549</b>          | <b>18,139,271</b>      | <b>16,075,665</b>      | <b>18,946,082</b>      | <b>17,978,192</b>      | <b>15,507,377</b>      | <b>16,457,969</b>      | <b>17,283,531</b>      | <b>16,419,838</b>      | <b>16,882,086</b>      |
| <b>Business-type activities</b>        |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Charges for services</b>            |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Operating grants                       | 1,984,955                  | 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              |
| Operating grants                       | -                          | 1,371                  | -                      | 1,000                  | 46,200                 | -                      | 5,757                  | 5,972                  | 34,093                 | 16,416                 |
| Capital grants                         | -                          | -                      | 19,800                 | 70,000                 | -                      | -                      | -                      | -                      | -                      | -                      |
| <b>Total business-type activities</b>  | <b>1,984,955</b>           | <b>1,947,484</b>       | <b>1,787,838</b>       | <b>1,849,065</b>       | <b>1,756,889</b>       | <b>1,675,149</b>       | <b>1,695,627</b>       | <b>1,931,264</b>       | <b>1,862,229</b>       | <b>1,695,139</b>       |
| <b>Total program revenues</b>          | <b>\$ 22,178,504</b>       | <b>\$ 20,086,755</b>   | <b>\$ 17,863,503</b>   | <b>\$ 20,795,147</b>   | <b>\$ 19,735,081</b>   | <b>\$ 17,182,526</b>   | <b>\$ 18,153,596</b>   | <b>\$ 19,214,795</b>   | <b>\$ 18,282,067</b>   | <b>\$ 18,577,225</b>   |
| <b>Net (expense) / revenue</b>         |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Governmental activities</b>         |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Business-type activities               | \$ (21,510,977)            | \$ (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)        |
| <b>Total net (expense) / revenue</b>   | <b>\$ (21,739,755)</b>     | <b>\$ (23,293,638)</b> | <b>\$ (21,951,987)</b> | <b>\$ (16,690,417)</b> | <b>\$ (18,729,209)</b> | <b>\$ (18,589,601)</b> | <b>\$ (16,923,024)</b> | <b>\$ (18,500,813)</b> | <b>\$ (18,259,162)</b> | <b>\$ (18,204,642)</b> |
| <b>General revenues</b>                |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Governmental activities</b>         |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property taxes                         | \$ 12,169,570              | \$ 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           |
| Other taxes                            | 2,626,521                  | 644,452                | 187,171                | 179,630                | 161,778                | 200,083                | 197,973                | 177,285                | 179,739                | 167,918                |
| Unrestricted grants and contributions  | 1,501,277                  | 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              |
| Timber and land sales                  | 6,959,813                  | 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              |
| Unrestricted investment earnings       | 95,435                     | 93,112                 | 86,255                 | 86,692                 | 98,664                 | 187,697                | 534,977                | 977,682                | 1,057,756              | 902,182                |
| Miscellaneous                          | 896,357                    | 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              |
| Gain (Loss) on disposition of property | -                          | -                      | 1,137                  | 16,460                 | 2,420                  | -                      | 28,917                 | 734,925                | -                      | (11,550)               |
| Transfers                              | -                          | -                      | -                      | -                      | -                      | -                      | -                      | -                      | 8,102                  | -                      |
| Prior period adjustments               | -                          | -                      | -                      | -                      | -                      | -                      | -                      | -                      | 487,293                | (403,621)              |
| <b>Total governmental activities</b>   | <b>24,248,973</b>          | <b>23,024,205</b>      | <b>21,184,192</b>      | <b>18,037,852</b>      | <b>19,428,175</b>      | <b>19,929,664</b>      | <b>21,073,710</b>      | <b>23,018,838</b>      | <b>22,790,051</b>      | <b>23,137,717</b>      |
| <b>Business-type activities</b>        |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Unrestricted investment earnings       | 5,279                      | 4,742                  | 5,056                  | 5,068                  | 7,351                  | 14,499                 | 45,084                 | 97,007                 | 85,932                 | 54,826                 |
| Miscellaneous                          | 6,016                      | 12,959                 | 2,283                  | 1,259                  | 105,932                | 1,436                  | 1,966                  | 2,041                  | 2,844                  | 2,214                  |
| <b>Total business-type activities</b>  | <b>11,295</b>              | <b>17,701</b>          | <b>7,339</b>           | <b>6,327</b>           | <b>113,283</b>         | <b>15,935</b>          | <b>47,050</b>          | <b>99,048</b>          | <b>88,776</b>          | <b>57,040</b>          |
| <b>Total general revenues</b>          | <b>\$ 24,260,268</b>       | <b>\$ 23,041,906</b>   | <b>\$ 21,191,531</b>   | <b>\$ 18,044,179</b>   | <b>\$ 19,541,458</b>   | <b>\$ 19,945,599</b>   | <b>\$ 21,120,760</b>   | <b>\$ 23,117,886</b>   | <b>\$ 22,878,827</b>   | <b>\$ 23,194,757</b>   |
| <b>Change in net position</b>          |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| <b>Governmental activities</b>         |                            |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Business-type activities               | \$ 2,737,996               | \$ (374,434)           | \$ (568,767)           | \$ 1,495,920           | \$ 805,567             | \$ 1,228,021           | \$ 4,154,605           | \$ 4,424,461           | \$ 4,417,078           | \$ 4,617,447           |
| <b>Total change in net position</b>    | <b>\$ (217,483)</b>        | <b>\$ 122,702</b>      | <b>\$ (191,689)</b>    | <b>\$ (142,158)</b>    | <b>\$ 6,682</b>        | <b>\$ 127,977</b>      | <b>\$ 43,131</b>       | <b>\$ 192,612</b>      | <b>\$ 202,587</b>      | <b>\$ 372,668</b>      |
| <b>Total change in net position</b>    | <b>\$ 2,520,513</b>        | <b>\$ (251,732)</b>    | <b>\$ (760,456)</b>    | <b>\$ 1,353,762</b>    | <b>\$ 812,249</b>      | <b>\$ 1,355,998</b>    | <b>\$ 4,197,736</b>    | <b>\$ 4,617,073</b>    | <b>\$ 4,619,665</b>    | <b>\$ 4,990,115</b>    |



TILLAMOOK COUNTY

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE  
Last Ten Fiscal Years

| <u>Fiscal Year<br/>Ended June 30,</u> | <u>Property<br/>Taxes</u> | <u>State Fuel<br/>Taxes</u> | <u>Other<br/>Taxes</u> | <u>Totals</u> |
|---------------------------------------|---------------------------|-----------------------------|------------------------|---------------|
| 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    |
| 2015                                  | 12,169,570                | 1,932,030                   | 2,626,521              | 16,728,121    |

# TILLAMOOK COUNTY

## FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

|   | Fiscal Year Ended June 30, |                   |                   |                   |                   |                   |                   |                   |                   |                   |
|---|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | 2015                       | 2014              | 2013              | 2012              | 2011*             | 2010              | 2009              | 2008              | 2007              | 2006              |
| <b>General Fund</b>                       |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Unreserved                                | \$ -                       | \$ -              | \$ -              | \$ -              | \$ -              | \$ 8,043,291      | \$ 6,882,209      | \$ 6,821,346      | \$ 7,337,984      | \$ 7,812,327      |
| Assigned                                  | 2,197,426                  | 2,687,585         | 2,678,311         | -                 | -                 | -                 | -                 | -                 | -                 | -                 |
| Unassigned                                | 6,554,855                  | 6,538,976         | 7,508,823         | 10,416,940        | 10,718,830        | -                 | -                 | -                 | -                 | -                 |
| <b>Total general fund</b>                 | <u>8,752,281</u>           | <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>  |
| <b>All other governmental funds</b>       |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Reserved                                  | -                          | -                 | -                 | -                 | -                 | 206,774           | 235,337           | 215,949           | 322,142           | 470,259           |
| Unreserved, reported in:                  |                            |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Special revenue funds                     | -                          | -                 | -                 | -                 | -                 | 11,771,220        | 11,575,922        | 10,390,356        | 9,476,705         | 7,512,996         |
| Capital projects funds                    | -                          | -                 | -                 | -                 | -                 | 1,759,915         | 1,886,440         | 4,116,286         | 4,174,993         | 6,922,753         |
| Restricted                                | 15,669,130                 | 15,797,133        | 9,392,145         | 8,907,041         | 9,477,736         | -                 | -                 | -                 | -                 | -                 |
| Assigned                                  | 2,628,863                  | 2,410,145         | 1,589,910         | 1,644,400         | 1,458,727         | -                 | -                 | -                 | -                 | -                 |
| Unassigned                                | (21,784)                   | -                 | -                 | -                 | (4,370)           | -                 | -                 | -                 | -                 | -                 |
| <b>Total all other governmental funds</b> | <u>18,276,209</u>          | <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> |

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

# TILLAMOOK COUNTY

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS Last Ten Fiscal Years

|  | Fiscal Year Ended June 30, |                     |                   |                     |                     |                     |                     |                   |                       |                       |
|--|----------------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-----------------------|-----------------------|
|  | 2015                       | 2014                | 2013              | 2012                | 2011                | 2010                | 2009                | 2008              | 2007                  | 2006                  |
| <b>Revenues</b>  |                            |                     |                   |                     |                     |                     |                     |                   |                       |                       |
| Property taxes   | \$ 12,246,061              | \$ 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          |
| Transient lodging tax                                    | 2,431,178                  | 468,760             | -                 | -                   | -                   | -                   | -                   | -                 | -                     | -                     |
| Licences, permits and fees                               | 1,348,248                  | 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             |
| Intergovernmental  | 10,587,649                 | 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            |
| Charges for services                                     | 8,025,166                  | 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             |
| Fines and forfeitures                                    | 417,618                    | 426,011             | 436,745           | 552,940             | 630,989             | 631,219             | 486,735             | 569,179           | 607,473               | 445,869               |
| Timber and land sales                                    | 6,863,904                  | 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             |
| Interest   | 95,435                     | 93,112              | 86,350            | 86,692              | 98,664              | 187,697             | 534,977             | 977,682           | 1,057,756             | 902,182               |
| Intercounty charges                                      | 1,354,772                  | 1,297,306           | 1,213,233         | 1,348,615           | 1,409,253           | 1,174,756           | 944,018             | 906,294           | 922,130               | 903,355               |
| Miscellaneous  | 1,123,423                  | 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             |
| <b>Total revenues</b>                                    | <b>44,493,454</b>          | <b>41,158,681</b>   | <b>37,153,859</b> | <b>36,227,736</b>   | <b>37,413,445</b>   | <b>35,371,238</b>   | <b>38,241,300</b>   | <b>39,482,409</b> | <b>38,728,049</b>     | <b>40,494,068</b>     |
| <b>Expenditures</b>                                      |                            |                     |                   |                     |                     |                     |                     |                   |                       |                       |
| <b>Current:</b>  |                            |                     |                   |                     |                     |                     |                     |                   |                       |                       |
| General government                                       | 12,582,032                 | 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             |
| Public safety  | 6,730,679                  | 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             |
| Highways and streets                                     | 4,255,633                  | 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             |
| Culture and recreation                                   | 4,951,594                  | 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             |
| Health and welfare                                       | 7,038,666                  | 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             |
| Education  | 3,103,615                  | 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             |
| Capital outlay   | 3,837,408                  | 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             |
| <b>Debt service:</b>                                     |                            |                     |                   |                     |                     |                     |                     |                   |                       |                       |
| Principal  | 2,273,000                  | 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             |
| Interest   | 371,310                    | 386,385             | 302,268           | 366,414             | 425,377             | 480,636             | 532,455             | 580,997           | 634,573               | 689,531               |
| <b>Total expenditures</b>                                | <b>45,143,937</b>          | <b>42,658,714</b>   | <b>36,954,188</b> | <b>36,943,832</b>   | <b>37,545,487</b>   | <b>34,201,746</b>   | <b>39,415,281</b>   | <b>40,707,933</b> | <b>40,162,748</b>     | <b>41,741,681</b>     |
| Excess (deficiency) of revenues over expenditures        | (650,483)                  | (1,500,033)         | 199,671           | (716,096)           | (132,042)           | 1,169,492           | (1,173,981)         | (1,225,524)       | (1,434,699)           | (1,247,613)           |
| <b>Other financing sources (uses)</b>                    |                            |                     |                   |                     |                     |                     |                     |                   |                       |                       |
| Transfers in   | 1,962,253                  | 1,532,089           | 987,965           | 596,881             | 1,403,034           | 658,665             | 600,626             | 880,100           | 1,885,220             | 1,424,161             |
| Transfers (out)  | (1,962,253)                | (1,532,089)         | (987,965)         | (596,881)           | (1,403,034)         | (658,665)           | (600,626)           | (880,100)         | (1,877,118)           | (1,424,161)           |
| Issuance of debt   | 228,684                    | 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)         | -                 | -                   | -                   | -                   | -                   | -                 | -                     | -                     |
| Sale of capital assets                                   | 16,450                     | 2,899               | 1,137             | 10,672              | 1,765               | -                   | 41,751              | 757,637           | -                     | -                     |
| <b>Total other financing sources (uses)</b>              | <b>245,134</b>             | <b>7,764,683</b>    | <b>1,137</b>      | <b>33,554</b>       | <b>1,765</b>        | <b>31,800</b>       | <b>209,951</b>      | <b>1,457,637</b>  | <b>28,188</b>         | <b>-</b>              |
| <b>Net change in fund balances</b>                       | <b>\$ (405,349)</b>        | <b>\$ 6,264,650</b> | <b>\$ 200,808</b> | <b>\$ (682,542)</b> | <b>\$ (130,277)</b> | <b>\$ 1,201,292</b> | <b>\$ (964,030)</b> | <b>\$ 232,113</b> | <b>\$ (1,406,511)</b> | <b>\$ (1,247,613)</b> |
| Debt service as a percentage of non-capital expenditures | 6.43%                      | 8.22%               | 5.21%             | 5.77%               | 5.43%               | 5.89%               | 5.54%               | 5.09%             | 5.53%                 | 5.46%                 |

**TILLAMOOK COUNTY**

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

| Fiscal<br>Year Ended<br>June 30, | Real Property   |               | Personal<br>Property | Less Tax<br>Exempt<br>Property | Total Taxable<br>Assessed Value | Total<br>Direct<br>Tax Rate<br>Per \$1,000 | Estimated True<br>Cash Value | Total Taxable<br>Assessed Value<br>as a Percent of<br>Estimated<br>True Cash Value |
|----------------------------------|-----------------|---------------|----------------------|--------------------------------|---------------------------------|--|------------------------------|--|
|                                  | Residential     | Commercial    |                      |                                |                                 |  |                              | Estimated  |
| 2006                             | \$3,019,269,563 | \$205,177,567 | \$ 47,507,858        | \$262,940,467                  | \$3,009,014,521                 | \$ 3                                       | \$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%   |
| 2015                             | 4,040,798,636   | 258,864,131   | 33,874,020           | 30,314,241                     | 4,363,851,028                   | 2.76728                                    | 5,572,553,028                | 78.31%   |

Source: Tillamook County Department of Assessment and Taxation

**TILLAMOOK COUNTY**

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

| <b>Fiscal<br/>Year<br/>Ended<br/>June 30,</b> | <b>Tillamook County</b> |                         |               | <b>Overlapping Rates</b> |                |                            | <b>Total<br/>Direct and<br/>Overlapping<br/>Tax Rates</b> |
|---|-------------------------|-------------------------|---------------|--------------------------|----------------|----------------------------|---|
|   | <b>Operating</b>        | <b>Debt<br/>Service</b> | <b>Totals</b> | <b>Cities</b>            | <b>Schools</b> | <b>Other<br/>Districts</b> |   |
| 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   |
| 2015  | 2.1680                  | 0.5993                  | 2.7673        | 0.4246                   | 5.6844         | 2.0685                     | 10.9448   |

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**

**Current Year and Nine Years Ago**

| <b>Taxpayer</b>                          | <b>2014-2015<br/>Assessed<br/>Valuation</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Value</b> | <b>2005-2006<br/>Assessed<br/>Valuation</b> | <b>Rank</b> | <b>Percentage<br/>of Total<br/>Assessed<br/>Value</b> |
|--|---|-------------|---|---|-------------|---|
| Private Enterprises:                     |   |             |   |   |             |   |
| Tillamook County Creamery Association    | \$ 69,847,002                               | 2           | 1.601 %   | \$ 42,141,457                               | 2           | 1.401 %   |
| Stimson Lumber                           | 57,548,609                                  | 3           | 1.319   | 15,381,862                                  | 5           | 0.511   |
| Green Diamond Resource Company           | -   | n/a         | n/a   | 22,235,200                                  | 3           | 0.739   |
| Hampton Lumber                           | 16,588,510                                  | 5           | 0.380   | 13,523,080                                  | 6           | 0.449   |
| Port of Tillamook Bay                    | -   | n/a         | n/a   | 11,063,538                                  | 7           | 0.368   |
| Texas Commerce Bank National Association | 15,454,250                                  | 6           | 0.354   | 7,580,240                                   | 12          | 0.252   |
| Pacific Carriage Limited                 | 12,469,400                                  | 8           | 0.286   | 9,620,250                                   | 8           | 0.320   |
| Tillamook Country Smoker Inc.            | 8,777,780                                   | 10          | 0.201   | 9,596,860                                   | 9           | 0.319   |
| Port of Garibaldi                        | -   | n/a         | n/a   | 7,948,510                                   | 11          | 0.264   |
| Subtotal                                 | <u>180,685,551</u>                          |             | <u>4.141</u>  | <u>139,090,997</u>                          |             | <u>4.622</u>  |
| Public Utilities:                        |   |             |   |   |             |   |
| Tillamook Public Utility District        | 76,126,910                                  | 1           | 1.744   | 45,999,650                                  | 1           | 1.529   |
| United Telephone Co. of NW               | -   | n/a         | n/a   | 17,404,200                                  | 4           | 0.578   |
| Centurylink                              | 22,355,200                                  | 4           | 0.512   | -   | n/a         | n/a   |
| WCI Cable, Inc.                          | 10,329,800                                  | 9           | 0.237   | 8,094,200                                   | 10          | 0.269   |
| Charter Communications                   | 16,134,400                                  | 7           | 0.370   | -   | n/a         | n/a   |
| Subtotal                                 | <u>124,946,310</u>                          |             | <u>2.863</u>  | <u>71,498,050</u>                           |             | <u>2.376</u>  |
| All other                                | <u>4,058,219,167</u>                        |             | <u>92.996</u>   | <u>2,798,425,474</u>                        |             | <u>93.001</u>   |
| Total                                    | <u>\$4,363,851,028</u>                      |             | <u>100.000 %</u>                                      | <u>\$3,009,014,521</u>                      |             | <u>100.000 %</u>                                      |

n/a - not applicable

Source: Tillamook County Department of Assessment and Taxation

# TILLAMOOK COUNTY

## PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

| Fiscal<br>Year<br>Ended<br>June 30, | Certified Taxes Levies |                                       |                 |             | Collected Within the<br>Fiscal Year of the Levy |                       | Collections<br>in<br>Subsequent<br>Years | Total Collections to Date |                       |
|-------------------------------------|------------------------|---------------------------------------|-----------------|-------------|---|-----------------------|--|---------------------------|-----------------------|
|                                     | General                | Special/<br>Local<br>Option<br>Levies | Debt<br>Service | Totals      | Amount  | Percentage<br>of Levy |  | Amount                    | Percentage<br>of Levy |
| 2006                                | \$4,497,252            | \$1,624,238                           | \$1,704,606     | \$7,826,096 | \$6,819,481                                     | 87.14%                | \$1,000,639                              | \$7,820,120               | 99.92%                |
| 2007                                | 4,781,050              | 1,725,278                             | 1,656,568       | 8,162,896   | 7,908,010                                       | 96.88%                | 248,910                                  | 8,156,920                 | 99.93%                |
| 2008                                | 5,089,615              | 2,213,408                             | 1,715,611       | 9,018,634   | 8,667,941                                       | 96.11%                | 345,571                                  | 9,013,512                 | 99.94%                |
| 2009                                | 5,375,313              | 2,449,708                             | 1,910,687       | 9,735,708   | 9,280,397                                       | 95.32%                | 449,198                                  | 9,729,595                 | 99.94%                |
| 2010                                | 5,616,132              | 2,561,980                             | 1,864,135       | 10,042,248  | 9,545,435                                       | 95.05%                | 490,931                                  | 10,036,366                | 99.94%                |
| 2011                                | 5,803,056              | 2,649,644                             | 1,865,052       | 10,317,752  | 9,712,049                                       | 94.13%                | 599,248                                  | 10,311,297                | 99.94%                |
| 2012                                | 5,991,857              | 2,737,136                             | 1,873,083       | 10,602,076  | 9,849,650                                       | 92.90%                | 711,135                                  | 10,560,785                | 99.61%                |
| 2013                                | 6,153,490              | 2,810,936                             | 1,841,518       | 10,805,944  | 10,321,146                                      | 95.51%                | 337,042                                  | 10,658,188                | 98.63%                |
| 2014                                | 6,342,504              | 2,896,381                             | 3,331,328       | 12,570,213  | 12,102,656                                      | 96.28%                | 222,202                                  | 12,324,858                | 98.05%                |
| 2015                                | 6,493,637              | 2,966,993                             | 2,615,387       | 12,076,017  | 11,707,616                                      | 96.95%                | -  | 11,707,616                | 96.95%                |

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  
Last Ten Years**

| <b>Fiscal Year<br/>Ended<br/>June 30,</b> | <b>Governmental Activities</b>          |                                |                           |               | <b>Percentage<br/>of Personal<br/>Income</b> | <b>Debt Per<br/>Capita</b> |
|---|---|--------------------------------|---------------------------|---------------|--|----------------------------|
|   | <b>General<br/>Obligation<br/>Bonds</b> | <b>Loans<br/>and<br/>Notes</b> | <b>Capital<br/>Leases</b> | <b>Total</b>  |  |                            |
| 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     | 0.64%  | 237.22                     |
| 2014                                      | 9,340,000                               | 744,603                        | 11,140                    | 10,095,743    | n/a  | 398.77                     |
| 2015                                      | 7,265,000                               | 605,762                        | 180,665                   | 8,051,427     | n/a  | 317.71                     |

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<br>Year | General<br>Obligation<br>Bonds | Less: Amounts<br>Available in Debt<br>Service Fund | Totals     | Percentage<br>of Estimated<br>Actual Taxable<br>Value of Property | Per<br>Capita |
|----------------|--------------------------------|--|------------|---|---------------|
| 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           |
| 2015           | 7,265,000                      | 185,647  | 7,079,353  | 0.162%  | 279           |

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

**TILLAMOOK COUNTY**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**As of June 30, 2015**

| <u>Governmental Unit</u>                    | <u>Debt<br/>Outstanding</u> | <u>Estimated<br/>Percent<br/>Applicable</u> | <u>Estimated<br/>Share of<br/>Overlapping<br/>Debt</u> |
|---|-----------------------------|---|--|
| City of Bay City                            | \$ 604,046                  | 100.0000                                    | \$ 604,046   |
| City of Garibaldi                           | 455,808                     | 100.0000                                    | 455,808  |
| City of Rockaway Beach                      | 1,063,530                   | 100.0000                                    | 1,063,530  |
| City of Wheeler                             | 983,692                     | 100.0000                                    | 983,692  |
| Nehalem Bay Rural Fire Protection District  | 2,340,000                   | 99.5564                                     | 2,329,620  |
| Neskowin Regional Sanitary District         | 379,499                     | 100.0000                                    | 379,499  |
| Netarts-Oceanside Sanitary District         | 10,760,611                  | 100.0000                                    | 10,760,611   |
| North Lincoln Fire and Rescue District #1   | 4,535,000                   | 1.2088                                      | 54,819   |
| Norhwest Regional ESD                       | 4,740,000                   | 5.9800                                      | 283,452  |
| Pacific City Joint Water-Sanitary Authority | 4,020,000                   | 100.0000                                    | 4,020,000  |
| Port of Tillamook Bay                       | 290,000                     | 100.0000                                    | 290,000  |
| Tillamook Bay Community College             | 9,160,000                   | 100.0000                                    | 9,160,000  |
| Tillamook Co. School District No. 9         | 19,112,939                  | 100.0000                                    | 19,112,939   |
| Tillamook Co. School District No. 56        | 11,706,000                  | 100.0000                                    | 11,706,000   |
| Tillamook Co. School District No. 101       | 11,570,000                  | 99.8968                                     | 11,558,060   |
| Yamhill Co. School District No. 30J         | 4,205,000                   | 0.9473                                      | 39,834   |
| Willamette Education Service District       | 18,811,611                  | 0.0096                                      | 1,806  |
| <br>  |                             |   |  |
| Total overlapping debt                      |                             |   | 72,803,715   |
| <br>  |                             |   |  |
| Tillamook County direct debt                | 8,051,427                   | 100.0000                                    | 8,051,427  |
| <br>  |                             |   |  |
| Total                                       |                             |   | <u>\$ 80,855,142</u>                                   |

Source: Oregon State Treasury, Debt Management Division

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of Tillamook County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers 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**

|  | 2006                 | 2007                 | 2008                  | 2009                  | 2010                  | 2011                  | 2012                  | 2013                  | 2014                  | 2015                  |
|--|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Debt limit   | \$ 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        | \$ 111,451,061        |
| Total net debt applicable to limit                 | <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>      | <u>7,265,000</u>      |
| Legal debt margin                                  | <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> | <u>\$ 104,186,061</u> |
| Legal debt margin as a<br>percentage of debt limit | 79.73%               | 87.40%               | 90.94%                | 92.29%                | 92.81%                | 93.40%                | 94.27%                | 95.34%                | 91.58%                | 93.48%                |

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<br>Year | Population | Personal Income<br>(amounts<br>expressed in<br>thousands) | Per Capital<br>Personal Income | Public School<br>Enrollment | Unemployment<br>Rate |
|----------------|------------|---|--------------------------------|-----------------------------|----------------------|
| 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     | 931,826   | 36,806                         | 3,184                       | 7.3%                 |
| 2014           | 25,317     | n/a   | n/a                            | 3,168                       | 5.9%                 |
| 2015           | 25,342     | n/a   | n/a                            | 3,292                       | 5.7%                 |

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                              | 2015      |      |                                    | 2006      |      |                                    |
|---------------------------------------|-----------|------|------------------------------------|-----------|------|------------------------------------|
|                                       | Employees | Rank | Percent of Total County Employment | Employees | Rank | Percent of Total County Employment |
| Tillamook County Creamery Association | 423       | 1    | 3.90%                              | 500       | 1    | 4.21%                              |
| Tillamook County General Hospital     | 400       | 2    | 3.68%                              | 310       | 2    | 2.61%                              |
| Tillamook County                      | 293       | 3    | 2.70%                              | 275       | 4    | 2.32%                              |
| Tillamook Country Smoker              | 250       | 4    | 2.30%                              | 300       | 3    | 2.53%                              |
| Tillamook School District #9          | 249       | 5    | 2.29%                              | 264       | 5    | 2.22%                              |
| Fred Meyer                            | 220       | 6    | 2.03%                              | 210       | 6    | 1.77%                              |
| Tillamook Lumber                      | 215       | 7    | 1.98%                              | 183       | 7    | 1.54%                              |
| Nestucca Ridge Development            | 150       | 8    | 1.38%                              | n/a       | n/a  | n/a                                |
| Stimson Lumber                        | 127       | 9    | 1.17%                              | 120       | 10   | 1.01%                              |
| Fallon Logging                        | 125       | 10   | 1.15%                              | 125       | 9    | 1.05%                              |
| Neah-Kah-Nie School District          | 100       | 11   | 0.92%                              | 127       | 8    | 1.07%                              |
| <br>                                  |           |      |                                    |           |      |                                    |
| Total number of individuals employed  | 10,858    |      |                                    | 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>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>   | <u>2015</u>   |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government     | 72.50         | 68.40         | 73.00         | 70.00         | 63.25         | 60.94         | 61.94         | 63.50         | 66.25         | 71.65         |
| Public safety          | 85.50         | 89.55         | 84.00         | 84.75         | 75.50         | 78.77         | 73.00         | 74.75         | 75.75         | 73.00         |
| Highways and streets   | 30.00         | 30.50         | 30.50         | 26.00         | 27.50         | 24.00         | 25.00         | 24.00         | 26.50         | 22.00         |
| Culture and recreation | 25.00         | 25.56         | 25.50         | 28.53         | 29.08         | 39.83         | 44.33         | 44.83         | 28.45         | 26.83         |
| Health and welfare     | 32.75         | 36.40         | 38.80         | 40.40         | 37.90         | 34.08         | 36.10         | 37.50         | 35.28         | 39.23         |
| Solid waste            | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.50          | 1.75          | 2.50          | 1.50          | 1.80          |
|                        | <u>246.75</u> | <u>251.41</u> | <u>252.80</u> | <u>250.68</u> | <u>234.23</u> | <u>239.12</u> | <u>242.12</u> | <u>247.08</u> | <u>233.73</u> | <u>234.51</u> |

Source: Tillamook County Human Resources

**TILLAMOOK COUNTY**

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

| Function                     | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    |
|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Public safety                |         |         |         |         |         |         |         |         |         |         |
| Arrests                      | 1,015   | 1,606   | 1,547   | 1,765   | 1,219   | 1,418   | 697     | 563     | 638     | 1,178   |
| Highways and streets         |         |         |         |         |         |         |         |         |         |         |
| Resurfacing (miles)          | *12.33  | 4.0     | 8.9     | 2.6     | 10.1    | 7.7     | 5.0     | 2.6     | 6.8     | 10.4    |
| Culture and recreation       |         |         |         |         |         |         |         |         |         |         |
| Library books checked out    | 312,592 | 323,053 | 327,328 | 379,740 | 390,669 | 432,742 | 407,016 | 392,097 | 427,104 | 349,276 |
| County fair attendance       | 71,180  | 73,193  | 71,198  | 73,333  | 74,202  | 70,762  | 72,269  | 72,000  | 76,798  | 74,610  |
| Health and welfare           |         |         |         |         |         |         |         |         |         |         |
| Health department encounters | 20,991  | 19,742  | 20,646  | 18,356  | 17,729  | 17,019  | 13,521  | 16,071  | 16,031  | 16,267  |
| Solid waste                  |         |         |         |         |         |         |         |         |         |         |
| Refuse collected (tons)      | 23,567  | 24,201  | 26,092  | 21,655  | 21,338  | 20,142  | 19,712  | 20,160  | 20,243  | 23,514  |

\* 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                      | 2006    | 2007    | 2008    | 2009    | 2010    | 2011    | 2012    | 2013    | 2014    | 2015    |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Public safety</b>          |         |         |         |         |         |         |         |         |         |         |
| Justice centers               | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Patrol units                  | 20      | 20      | 32      | 32      | 28      | 30      | 17      | 20      | 22      | 22      |
| Inmate beds                   | 120     | 120     | 120     | 120     | 120     | 120     | 120     | 120     | 120     | 96      |
| <b>Highways and streets</b>   |         |         |         |         |         |         |         |         |         |         |
| Miles of paved roads          | 281     | 281     | 281     | 283     | 286     | 281     | 281     | 280     | 280     | 280     |
| Miles of gravel roads         | 97      | 97      | 97      | 97      | 100     | 96      | 96      | 96      | 96      | 96      |
| Bridges                       | 96      | 96      | 96      | 96      | 96      | 99      | 99      | 100     | 101     | 101     |
| <b>Culture and recreation</b> |         |         |         |         |         |         |         |         |         |         |
| Parks acreage                 | 2,760   | 2,760   | 2,760   | 2,760   | 2,765   | 2,765   | 2,765   | 2,700   | 2,700   | 2,700   |
| Library branches              | 6       | 6       | 6       | 6       | 6       | 6       | 6       | 6       | 6       | 6       |
| Library book titles           | 113,650 | 142,550 | 155,053 | 120,492 | 131,000 | 209,333 | 185,000 | 122,174 | 157,051 | 165,658 |
| Museums                       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       | 1       |
| Fairground acreage            | 65      | 65      | 63      | 63      | 63      | 63      | 63      | 63      | 63      | 68      |
| <b>Health and welfare</b>     |         |         |         |         |         |         |         |         |         |         |
| Clinics                       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       |
| <b>Solid waste</b>            |         |         |         |         |         |         |         |         |         |         |
| Transfer stations             | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       | 3       |

Source: Various County departments

No capital asset indicators are available for the general government function



**INDEPENDENT AUDITOR'S REPORT REQUIRED BY  
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, 2015, and have issued our report thereon dated December 16, 2015.

### 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> |
|---|----------------------|---------------|-----------------|
| Hospital (Debt Service)<br>Materials and services | 750                  | 795           | \$ (45)         |

**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 16, 2015

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, 2015, 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 16, 2015.

***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 2015-1 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 16, 2015





**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, 2015. 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, 2015.

**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 16, 2015

**TILLAMOOK COUNTY**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended June 30, 2015**

**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> |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? | No                |
| Identification of major federal programs:  |                   |

| CFDA             |   |  |
|------------------|---|--|
| <u>Number(s)</u> | <u>Name of Federal Program or Cluster</u> |  |
| 10.665           |   | Schools and Roads - Grants to States   |
| 11.463           |   | Habitat Conservation   |
| 93.505           |   | Affordable Care Act (ACA) Maternal, Infant and Early Childhood Home Visiting Program |

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

**Section II - Financial Statement Findings**

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2015-1

**Criteria**

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

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

### **Condition**

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

### **Cause**

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

### **Effect**

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

### **Response**

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

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

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None reported

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2015

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>   | <u>Federal CFDA Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Federal Expenditures</u> |
|---|----------------------------|---|-----------------------------|
| <i>Department of Agriculture</i>  |                            |   |                             |
| <b>Food and Nutrition Service</b>   |                            |   |                             |
| Passed through Oregon State Department of Human Services and Health Authority<br>Special Supplemental Nutrition Program for Women, Infants and Children | 10.557                     |   | \$ 143,897                  |
| <b>Forest Service</b>   |                            |   |                             |
| Passed through Oregon Department of Administrative Services<br>Schools and Roads - Grants to States   | 10.665                     |   | 679,270                     |
| Total Department of Agriculture   |                            |   | 823,167                     |
| <i>Department of Commerce</i>   |                            |   |                             |
| <b>National Oceanic and Atmospheric Administration</b>  |                            |   |                             |
| Habitat Conservation<br>Passed through Oregon Department of Land Conservation<br>and Development  | 11.463                     | NA13NMF4630133                                | 431,802                     |
| Coastal Zone Management Administration Awards   | 11.419                     | CPA 13-032                                    | 12,600                      |
| Total Department of Commerce  |                            |   | 444,402                     |
| <i>Department of the Interior</i>   |                            |   |                             |
| <b>Bureau of Land Management</b>  |                            |   |                             |
| Distribution of Receipts to State and Local Governments   | 15.227                     |   | 275,358                     |
| Payment in Lieu of Tax  | 15.226                     |   | 45,275                      |
| <b>U.S.Fish and Wildlife Service</b>  |                            |   |                             |
| Fish and Wildlife Management Assistance   | 15.608                     | F14AC00452                                    | 30,981                      |
| Total Department of the Interior  |                            |   | 351,614                     |
| <i>Department of Justice</i>  |                            |   |                             |
| <b>Office of Victims of Crime</b>   |                            |   |                             |
| Passed through Oregon State Criminal Justice Division<br>Crime Victims Assistance   | 16.575                     | VOCA NC-FR-2012                               | 24,241                      |
| <i>Department of Transportation</i>   |                            |   |                             |
| <b>National Highway Traffic Safety Administration</b>   |                            |   |                             |
| Passed through Oregon State Sheriff's Association<br>State and Community Highway Safety   | 20.600                     |   | 2,518                       |
| Alcohol Impaired Driving Countermeasures Incentive Grants I   | 20.601                     |   | 1,425                       |
| Total Department of Transportation  |                            |   | 3,943                       |
| <i>General Services Administration</i>  |                            |   |                             |
| Passed through Oregon State Department of Administrative Services<br>Donation of Federal Surplus Personal Property                                      | 39.003                     |   | 366                         |
| <i>Environmental Protection Agency</i>  |                            |   |                             |
| <b>Office of Solid Waste and Emergency Response</b>   |                            |   |                             |
| Brownfield Assessment and Cleanup Cooperative Agreement-ARRA  | 66.818                     |   | 74,886                      |
| <b>Office of Water</b>  |                            |   |                             |
| Passed through Oregon Department of Human Services<br>State Public Water System Supervision   | 66.432                     |   | 16,479                      |
| Capitalization Grants for Drinking Water State Revolving Funds  | 66.468                     |   | 9,242                       |
| Total Environmental Protection Agency   |                            |   | 100,607                     |

Continued on next page

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

| <u>Federal Grantor/Pass-Through Grantor/Program Title</u>                     | <u>Federal<br/>CFDA<br/>Number</u> | <u>Pass-Through<br/>Entity Identifying<br/>Number</u> | <u>Federal<br/>Expenditures</u> |
|---|------------------------------------|---|---------------------------------|
| <b><i>Department of Homeland Security</i></b>                                 |                                    |   |                                 |
| Passed through Oregon State Marine Board                                      |                                    |   |                                 |
| Boating Safety Financial Assistance   | 97.012                             |   | \$ 134,624                      |
| Passed through Oregon State Police Office of Emergency Management             |                                    |   |                                 |
| Disaster Grants-Public Assistance   | 97.036                             |   | 10,672                          |
| Emergency Management Performance Grants                                       | 97.042                             | 14-529  | 85,009                          |
| Total Department of Homeland Security   |                                    |   | <u>230,305</u>                  |
| <b><i>Department of Health and Human Services</i></b>                         |                                    |   |                                 |
| <b>Office of Population Affairs</b>   |                                    |   |                                 |
| Passed through Oregon Health Authority  |                                    |   |                                 |
| Family Planning - Services  | 93.217                             |   | 36,814                          |
| <b>Administration for Children and Families</b>                               |                                    |   |                                 |
| Passed through Oregon Department of Education                                 |                                    |   |                                 |
| Social Services Block Grant   | 93.667                             |   | 6,726                           |
| Passed through Oregon Department of Justice                                   |                                    |   |                                 |
| Child Support Enforcement   | 93.563                             | 07-GOV-DA-22  | 84,607                          |
| <b>Centers for Disease Control and Prevention -</b>                           |                                    |   |                                 |
| Passed through Oregon State Department of Human Services and Health Authority |                                    |   |                                 |
| Public Health Emergency Preparedness  | 93.069                             |   | 95,428                          |
| Project Grant and Cooperative Agreements for Tuberculosis Control             |                                    |   |                                 |
| Programs  | 93.116                             |   | 260                             |
| Preventative Health and Health Services Block Grant                           | 93.991                             |   | 3,333                           |
| <b>Health Resources and Services Administration</b>                           |                                    |   |                                 |
| Consolidated Health Centers   | 93.224                             | H80CS0555-13-00<br>H80CS0555-13-02<br>H80CS0555-13-03 | 1,511,487<br>66,841<br>9,908    |
| Subtotal Consolidated Health Centers  |                                    |   | <u>1,588,236</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                             |   | 382,776                         |
| OSPHD PH Infrastructure Yr 3  | 93.507                             |   | 1                               |
| Maternal and Child Health Services Block Grant to the States                  | 93.994                             |   | 13,088                          |
| <b>Substance Abuse and Mental Health Services Administration</b>              |                                    |   |                                 |
| Passed through Oregon State Department of Human Services and Health Authority |                                    |   |                                 |
| Block Grants for Community Mental Health Services                             | 93.958                             |   | 27,544                          |
| Block Grants for Prevention and Treatment of Substance                        |                                    |   |                                 |
| Abuse   | 93.959                             |   | 80,885                          |
| Total Department of Health and Human Services                                 |                                    |   | <u>2,319,698</u>                |
| Total Expenditures of Federal Awards  |                                    |   | <u>\$ 4,298,343</u>             |

*See accompanying notes*

**TILLAMOOK COUNTY**

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

**June 30, 2015**

***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.