

Tillamook County, Oregon



Comprehensive Annual Financial Report

For the Year Ended June 30, 2016

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2016

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, 2016

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

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
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INTRODUCTORY SECTION

Tillamook County



Land of Cheese, Trees and Ocean Breeze



TILLAMOOK COUNTY TREASURER'S OFFICE

Land of Cheese, Trees and Ocean Breeze

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

December 19, 2016

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, 2016. 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 25,653. 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 coastal bays – 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 3,324. 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 103 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, 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 of 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 2016, the seasonally adjusted unemployment rate for Tillamook County was 5.2 percent. Last year for the same period, Tillamook County's rate was 5.7 percent. Tillamook County's economic base includes lumber and wood products. Dairy farms dominate the County's fertile

valley and play a major economic role in the milk product industry. Deep-sea and stream fishing, seafood processing industries, charter and dory boats also contribute to the economy with the associated tourism. The Real Market Value of property in Tillamook County is \$5,818,778,712 and the Assessed Value is \$4,501,291,814 for the 2015/2016 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, they have 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 operating 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 21st Century Act (MAP-21), enacted in July 2012, included mandatory PILT funding for 2013. PILT was extended through the farm bill (P.L 113-79) as a fully funded, mandatory entitlement program at \$425 million for fiscal year 2014. 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 and budgeting 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 Road Department and CRAC continues reviewing the schedule of road repairs, replacing failing culverts and bridge maintenance program.

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 \$756,034 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 (3) General Obligations Bonds. The Hospital Refunding Bond retired this fiscal year. Outstanding debts on the bonds payable relate to the Library Refunding Bond and Road General Obligation Bond. In September 2015, the County secured tax-exempt financing for Oregon Energy Savings Equipment and Jail/Justice Facility improvements in the amount of \$3,150,000. This financing agreement, Series 2015, matures in 2028.

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, 2015. This was the twenty seventh (27th) consecutive year that Tillamook County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report 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. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the 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,

Debbie Clark

Debbie Clark
Tillamook County Treasurer

Tillamook County



Land of Cheese, Trees and Ocean Breeze



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Tillamook County
Oregon

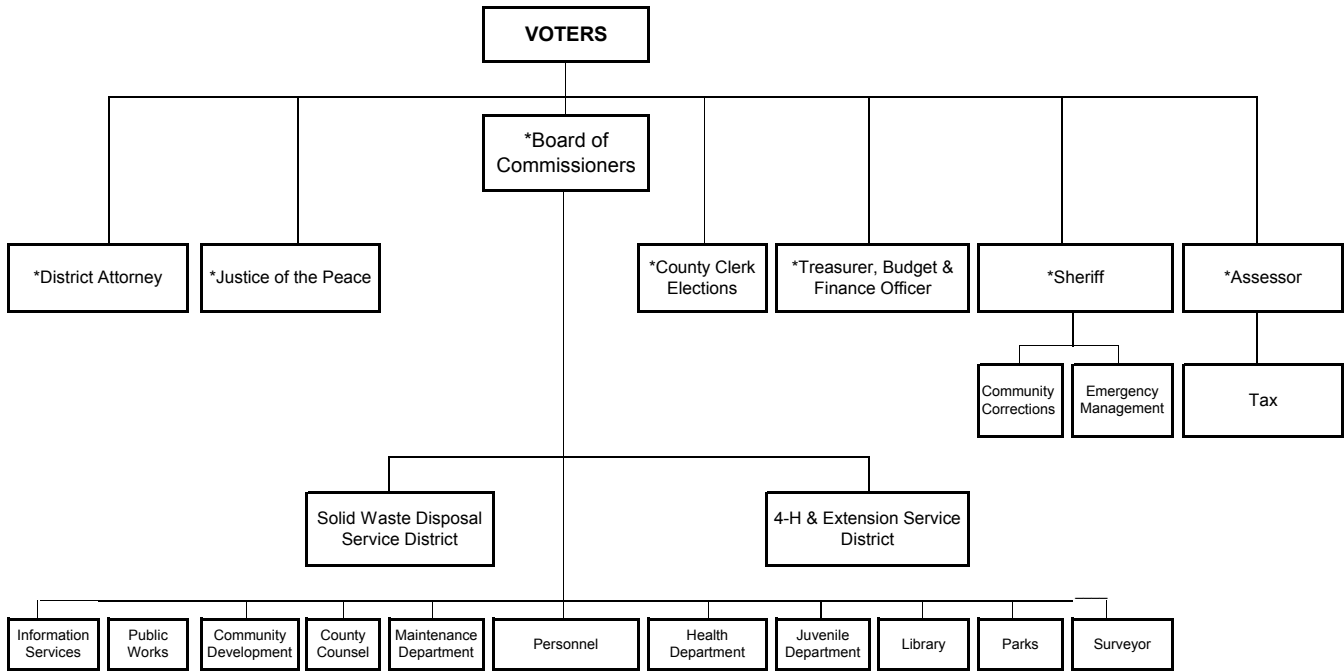
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

Tillamook County

Organizational Chart Year Ended June 30, 2016



*Elected Official

TILLAMOOK COUNTY
ELECTED OFFICIALS
For the Year Ended June 30, 2016

Board of Commissioners

<u>Name</u>	<u>Term Expiration</u>
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
Debbie Clark, Treasurer	December 31, 2016

Tillamook County



Land of Cheese, Trees and Ocean Breeze

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, 2016, 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, 2016, 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, Mitigation Grants and Transient Lodging Tax Funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages *a-i* 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 Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, 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 19, 2016 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 19, 2016, 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 19, 2016

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, 2016 by \$56,831,323 (*net position*). Of this amount \$51,223,658 was the net investment in capital assets; \$16,377,192 was restricted for specific purposes and \$(10,769,527) was unrestricted.

The County's net position increased by \$1,496,960, or 2.7%, which was due primarily to the operations of governmental activities.

The County's governmental fund balances increased by \$1,036,331, with the General Fund experiencing an increase of \$1,242,906, the Health Services Fund an increase of \$1,125,028, and the Road, County School, Library, Community Corrections, Mitigation Grants, Transient Lodging Tax and Nonmajor Governmental Funds having a combined decrease in fund balance of \$1,331,603.

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 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. Budget to actual schedules 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 of 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.

Independent Auditor’s Report required by Oregon 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, 2016 was \$56,831,323. By far the largest portion of net position is comprised of the county's investment in capital assets (e.g., land, buildings, equipment and public infrastructure), less any related debt outstanding that was used to acquire those assets. The County uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources.

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<u>ASSETS</u>						
Current and other assets	\$ 31,278,975	\$ 29,364,777	\$ 1,420,441	\$ 1,600,297	\$ 32,699,416	\$ 30,965,074
Capital assets, net	56,437,056	50,674,054	2,247,807	2,167,459	58,684,863	52,841,513
Total assets	87,716,031	80,038,831	3,668,248	3,767,756	91,384,279	83,806,587
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
	10,544,659	3,956,767	68,197	29,603	10,612,856	3,986,370
<u>LIABILITIES</u>						
Other liabilities	2,648,582	1,801,219	227,583	163,870	2,876,165	1,965,089
Long-term obligations	40,563,766	26,592,613	1,418,600	1,289,532	41,982,366	27,882,145
Total liabilities	43,212,348	28,393,832	1,646,183	1,453,402	44,858,531	29,847,234
<u>DEFERRED INFLOWS OF RESOURCES</u>						
	304,566	2,591,833	2,715	19,527	307,281	2,611,360
<u>NET POSITION</u>						
Net investment in capital assets	48,975,851	45,742,856	2,247,807	2,167,459	51,223,658	47,910,315
Restricted	16,377,192	15,968,746	-	-	16,377,192	15,968,746
Unrestricted	(10,609,267)	(8,701,669)	(160,260)	156,971	(10,769,527)	(8,544,698)
Total net position	\$ 54,743,776	\$ 53,009,933	\$ 2,087,547	\$ 2,324,430	\$ 56,831,323	\$ 55,334,363

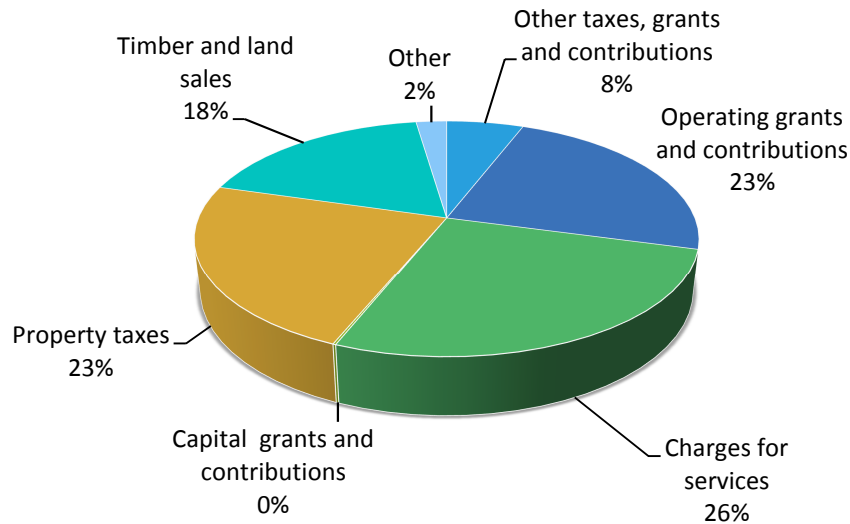
The unrestricted net position of business-type activities represent the current assets of the Solid Waste Service District, which are offset by the liability for landfill post-closure care costs.

Total net position increased by \$1,496,960. 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, health and 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 23% 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, 2016, a large percentage of revenues come from property taxes (23%), charges for services (26%) and operating grants and contributions (23%). This includes such items as permits, licenses, recreation fees, recording fees, health services patient fees, other user fees, solid waste disposal fees and assessments and fines.

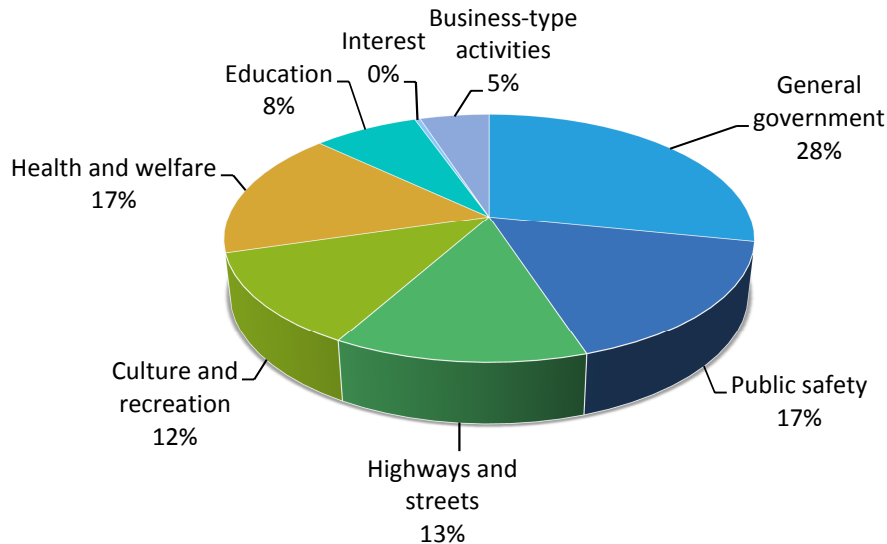
Operating grants and contributions primarily fund the community health center, public works, community corrections, children and families programs and mental health services.

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

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Tillamook County Functional Expenses



Expenses for general government and public safety comprise 45% of total expenses. The County Justice Facility, opened in 1997, houses the sheriff’s department, community corrections, state police, emergency management and the jail.

General government includes expenses for community development; information services, assessment and taxation, elections, finance, commissioners and support services. County park system expenses are included in culture and recreation.

Health and welfare expenses relate to the County’s federally funded Community Health Center. Highways and streets expenses relate to repair and maintenance of infrastructure.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL SUMMARY AND ANALYSIS (continued)

Governmental activities increased the County's net assets by \$1,733,843. The key elements of this increase are as follows:

	Activities		Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 11,432,191	\$ 11,585,258	\$ 2,299,767	\$ 1,984,955	\$ 13,731,958	\$ 13,570,213
Operating grants and contributions	11,956,385	8,542,630	-	-	11,956,385	8,542,630
Capital grants and contributions	81,151	65,661	-	-	81,151	65,661
General revenues:						
Property taxes	11,920,575	12,169,570	-	-	11,920,575	12,169,570
Transient lodging taxes	2,805,887	2,431,178	-	-	2,805,887	2,431,178
Other taxes	184,342	195,343	-	-	184,342	195,343
Other grants and contributions	1,480,359	1,501,277	-	-	1,480,359	1,501,277
Timber and land sales	9,278,590	6,959,813	-	-	9,278,590	6,959,813
Other	1,159,475	991,792	31,308	11,295	1,190,783	1,003,087
Total revenues	<u>50,298,955</u>	<u>44,442,522</u>	<u>2,331,075</u>	<u>1,996,250</u>	<u>52,630,030</u>	<u>46,438,772</u>
Expenses						
General government	14,426,926	13,188,777	-	-	14,426,926	13,188,777
Public safety	8,576,618	7,503,407	-	-	8,576,618	7,503,407
Highways and streets	6,702,265	4,691,512	-	-	6,702,265	4,691,512
Culture and recreation	6,267,088	5,727,138	-	-	6,267,088	5,727,138
Health and welfare	8,501,652	7,296,419	-	-	8,501,652	7,296,419
Education	3,892,709	3,110,258	-	-	3,892,709	3,110,258
Interest on long-term obligations	197,854	187,015	-	-	197,854	187,015
Solid waste	-	-	2,567,958	2,213,733	2,567,958	2,213,733
Total expenses	<u>48,565,112</u>	<u>41,704,526</u>	<u>2,567,958</u>	<u>2,213,733</u>	<u>51,133,070</u>	<u>43,918,259</u>
Change in net position	1,733,843	2,737,996	(236,883)	(217,483)	1,496,960	2,520,513
Net position - beginning	<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>
Net position - ending	<u>\$ 54,743,776</u>	<u>\$ 53,009,933</u>	<u>\$ 2,087,547</u>	<u>\$ 2,324,430</u>	<u>\$ 56,831,323</u>	<u>\$ 55,334,363</u>

Governmental Activities

The increase in net position is attributed largely to operations of the governmental funds which had an increase in fund balances of \$1,036,331. There was a net increase in pension related deferred inflows, outflows and liabilities, other post-employment benefit obligations and long-term debt obligations of \$5,327,710 which was largely offset by the net acquisition of capital assets, less depreciation expense of \$5,763,002.

Business-type Activities

The Solid Waste Fund accounts for disposal of solid waste generated in Tillamook County. The decrease in net position is attributed largely to pension expense of \$66,385 and depreciation on capital assets of \$121,759.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2016, the County's governmental funds reported a combined fund balance of \$28,064,821, which is an increase of \$1,036,331 from June 30, 2015.

The General Fund is the primary operating fund of the County. As of June 30, 2016, the General Fund balance is \$9,995,187, which is an increase of \$1,242,906 from June 30, 2015. 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 decreased by \$566,191 during 2015-16. Revenues decreased \$193,253 and expenditures increased \$669,701.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. The fund balance increased \$585,500 due to timing of pass-through distributions.

The Health Services Fund balance increased to \$2,942,933 from \$1,817,905 at June 30, 2015. Increases in Medicare revenues and a transfer from the General Fund in the amount of \$165,000 contributed to this increase.

The Library Fund experienced a decrease in fund balance of \$61,428 with revenues and expenditures being almost equal.

The Community Corrections Fund experienced an increase in fund balance of \$247,867. The programs funding is determined biennially by the Oregon State Legislature.

The Mitigation Grant Fund is presented as a major fund for the year ended June 30, 2016 as it had a significant amount of grant funded activity for environmental remediation projects. Total grant revenues were \$2,558,820 which supported expenditures in the amount of \$2,613,684.

The Transient Lodging Tax Fund had an increase in fund balance of \$197,665. Tax revenue increased \$374,709 from the prior year.

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 \$2,087,547 as of June 30, 2016.

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 \$138,210 transferred from contingency to other appropriation categories. Actual revenues in the General Fund were \$434,358 more than anticipated and actual expenditures were \$948,304 less than appropriations, demonstrating a generally prudent spending policy.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2016, the County had invested \$58,684,863 in capital assets, net of depreciation, which is an increase of \$5,843,350 from June 30, 2015. Construction in progress and infrastructure had the largest increase due primarily to the expenditures of the Road Improvement Construction and the Mitigation Grants Funds. 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 \$7,824,797 less \$2,061,795 of depreciation for a net increase of \$5,763,002. Business-type activities capital asset had a net increase of \$80,348. 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, 2016 amounted to \$41,982,366. These obligations include bonded debt, loans, capital leases, compensated absences, other post-employment benefits, landfill post-closure care liability and the net pension liability.

During the year the County issued new debt in the amount of \$3,307,772, retired \$2,297,558 in principal on long-term debt obligations and other long-term obligations had a net increase of \$13,090,007.

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

General obligations bonds	\$	5,410,000
Unamortized premiums		250,312
Loans payable		3,390,183
Capital leases		261,458
Compensated absences		1,222,076
Net other post-employment benefits		8,281,042
Landfill post-closure care liability		1,200,260
Net pension liability		21,967,035

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 (Solid Waste Service District and 4H and Extension Service District) 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, 2016

	Governmental Activities	Business-type Activities	Totals
<u>ASSETS</u>			
Cash and investments	\$ 24,281,480	\$ 1,292,488	\$ 25,573,968
Receivables, net	6,997,495	127,953	7,125,448
Capital assets:			
Land and construction in progress	14,110,451	125,000	14,235,451
Other capital assets, net	42,326,605	2,122,807	44,449,412
TOTAL ASSETS	87,716,031	3,668,248	91,384,279
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Refunded debt charges	18,729	-	18,729
Pension related items	10,525,930	68,197	10,594,127
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,544,659	68,197	10,612,856
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	2,471,792	227,583	2,699,375
Accrued interest	3,212	-	3,212
Unearned revenue	173,578	-	173,578
Long-term obligations:			
Due within one year	2,893,554	112,656	3,006,210
Due in more than one year	37,670,212	1,305,944	38,976,156
TOTAL LIABILITIES	43,212,348	1,646,183	44,858,531
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related items	304,566	2,715	307,281
<u>NET POSITION</u>			
Net investment in capital assets	48,975,851	2,247,807	51,223,658
Restricted for:			
Debt service	160,118	-	160,118
Highways and streets	4,612,043	-	4,612,043
Education	1,977,062	-	1,977,062
Health services	3,024,342	-	3,024,342
Culture, recreation and tourism	4,704,935	-	4,704,935
Law enforcement	950,302	-	950,302
Other purposes	948,390	-	948,390
Unrestricted	(10,609,267)	(160,260)	(10,769,527)
TOTAL NET POSITION	\$ 54,743,776	\$ 2,087,547	\$ 56,831,323

See accompanying notes

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Governmental Activities	Business-type Activities	
				and Contributions			
Governmental activities:							
General government	\$ 14,426,926	\$ 3,461,057	\$ 3,140,198	\$ -	\$ (7,825,671)		\$ (7,825,671)
Public safety	8,576,618	1,055,835	1,594,137	-	(5,926,646)		(5,926,646)
Highways and streets	6,702,265	118,038	2,339,776	-	(4,244,451)		(4,244,451)
Culture and recreation	6,267,088	2,645,248	70,124	81,151	(3,470,565)		(3,470,565)
Health and welfare	8,501,652	4,152,013	4,812,150	-	462,511		462,511
Education	3,892,709	-	-	-	(3,892,709)		(3,892,709)
Interest on long-term obligations	197,854	-	-	-	(197,854)		(197,854)
Total governmental activities	<u>48,565,112</u>	<u>11,432,191</u>	<u>11,956,385</u>	<u>81,151</u>	<u>(25,095,385)</u>		<u>(25,095,385)</u>
Business-type activities:							
Solid waste	2,567,958	2,299,767	-	-		\$ (268,191)	(268,191)
Totals	<u>\$ 51,133,070</u>	<u>\$ 13,731,958</u>	<u>\$ 11,956,385</u>	<u>\$ 81,151</u>	<u>(25,095,385)</u>	<u>(268,191)</u>	<u>(25,363,576)</u>
General revenues							
Taxes:							
Property taxes levied for:							
					9,960,734	-	9,960,734
					1,959,841	-	1,959,841
					2,805,887	-	2,805,887
					184,342	-	184,342
Grants and contributions not restricted for specific programs							
					1,480,359	-	1,480,359
					9,278,590	-	9,278,590
					126,381	6,420	132,801
					1,033,094	24,888	1,057,982
TOTAL GENERAL REVENUES					<u>26,829,228</u>	<u>31,308</u>	<u>26,860,536</u>
CHANGES IN NET POSITION					1,733,843	(236,883)	1,496,960
NET POSITION - BEGINNING					<u>53,009,933</u>	<u>2,324,430</u>	<u>55,334,363</u>
NET POSITION - ENDING					<u>\$ 54,743,776</u>	<u>\$ 2,087,547</u>	<u>\$ 56,831,323</u>

See accompanying notes

TILLAMOOK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
ASSETS					
Cash and cash equivalents	\$ 8,167,599	\$ 2,711,688	\$ -	\$ 1,780,521	\$ 2,387,260
Receivables, net	2,842,426	174,604	1,511,361	1,498,615	212,257
Due from other funds	4,833	-	-	-	-
TOTAL ASSETS	<u>\$ 11,014,858</u>	<u>\$ 2,886,292</u>	<u>\$ 1,511,361</u>	<u>\$ 3,279,136</u>	<u>\$ 2,599,517</u>
LIABILITIES					
Accounts payable	\$ 564,845	\$ 172,118	\$ -	\$ 336,203	\$ 71,588
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>564,845</u>	<u>172,118</u>	<u>-</u>	<u>336,203</u>	<u>71,588</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	454,826	-	-	-	170,215
FUND BALANCES					
Restricted	-	2,714,174	1,511,361	2,942,933	2,357,714
Assigned	2,207,567	-	-	-	-
Unassigned	7,787,620	-	-	-	-
TOTAL FUND BALANCES	<u>9,995,187</u>	<u>2,714,174</u>	<u>1,511,361</u>	<u>2,942,933</u>	<u>2,357,714</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,014,858</u>	<u>\$ 2,886,292</u>	<u>\$ 1,511,361</u>	<u>\$ 3,279,136</u>	<u>\$ 2,599,517</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

Community Corrections	Mitigation Grants	Transient Lodging Tax	Total Nonmajor Funds	Total Governmental Funds
\$ 562,800	\$ 90,683	\$ 724,765	\$ 7,856,164	\$ 24,281,480
-	147,025	320,752	290,455	6,997,495
-	-	-	-	4,833
<u>\$ 562,800</u>	<u>\$ 237,708</u>	<u>\$ 1,045,517</u>	<u>\$ 8,146,619</u>	<u>\$ 31,283,808</u>
\$ 28,197	\$ 235,644	\$ 99,216	\$ 963,981	\$ 2,471,792
-	-	-	4,833	4,833
<u>28,197</u>	<u>235,644</u>	<u>99,216</u>	<u>968,814</u>	<u>2,476,625</u>
-	-	-	117,321	742,362
534,603	2,064	946,301	5,096,275	16,105,425
-	-	-	1,965,513	4,173,080
-	-	-	(1,304)	7,786,316
<u>534,603</u>	<u>2,064</u>	<u>946,301</u>	<u>7,060,484</u>	28,064,821
<u>\$ 562,800</u>	<u>\$ 237,708</u>	<u>\$ 1,045,517</u>	<u>\$ 8,146,619</u>	

56,437,056

742,362

10,525,930

(173,578)

(21,772,949)

(8,260,918)

(10,533,111)

(304,566)

\$ 54,743,776

TILLAMOOK COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
REVENUES					
Property taxes	\$ 6,613,197	\$ -	\$ 595	\$ -	\$ 2,861,271
Transient lodging tax	-	-	-	-	-
Licenses, permits and fees	572,136	69,180	-	-	-
Intergovernmental	1,873,114	2,897,774	185,961	3,416,448	7,066
Charges for services	350,615	18,858	-	4,334,359	-
Fines and forfeitures	421,215	-	-	-	14,080
Timber and land sales	5,156,549	-	3,977,675	-	-
Interest	54,637	12,443	3,851	5,740	11,804
Intercounty charges	1,480,300	30,000	-	-	-
Miscellaneous	349,547	458,112	-	86,666	58,900
TOTAL REVENUES	<u>16,871,310</u>	<u>3,486,367</u>	<u>4,168,082</u>	<u>7,843,213</u>	<u>2,953,121</u>
EXPENDITURES					
Current					
General government	9,154,466	-	-	-	-
Public safety	5,898,121	-	-	-	-
Highways and streets	-	4,341,151	-	-	-
Culture and recreation	-	-	-	-	2,760,653
Health and welfare	2,972	-	-	6,793,866	-
Education	-	-	3,582,582	-	-
Capital outlay	44,749	409,591	-	46,219	253,896
Debt service					
Principal	346,694	38,216	-	-	-
Interest	70,349	384	-	-	-
TOTAL EXPENDITURES	<u>15,517,351</u>	<u>4,789,342</u>	<u>3,582,582</u>	<u>6,840,085</u>	<u>3,014,549</u>
Excess (deficiency) of revenues over expenditures	<u>1,353,959</u>	<u>(1,302,975)</u>	<u>585,500</u>	<u>1,003,128</u>	<u>(61,428)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	290,947	756,034	-	165,000	-
Sale of capital assets	-	-	-	-	-
Issuance of debt	-	-	-	-	-
Transfers out	(402,000)	(19,250)	-	(43,100)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(111,053)</u>	<u>736,784</u>	<u>-</u>	<u>121,900</u>	<u>-</u>
Net change in fund balances	1,242,906	(566,191)	585,500	1,125,028	(61,428)
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 9,995,187</u>	<u>\$ 2,714,174</u>	<u>\$ 1,511,361</u>	<u>\$ 2,942,933</u>	<u>\$ 2,357,714</u>

See accompanying notes

Community Corrections	Mitigation Grants	Transient Lodging Tax	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,405,291	\$ 11,880,354
-	-	2,805,887	-	2,805,887
-	-	-	10,782	652,098
956,331	-	-	1,867,086	11,203,780
173,239	2,558,820	-	3,643,764	11,079,655
-	-	-	160,191	595,486
-	-	-	-	9,134,224
-	-	5,985	32,144	126,604
-	-	-	-	1,510,300
<u>567</u>	<u>69,792</u>	<u>35</u>	<u>254,693</u>	<u>1,278,312</u>
<u>1,130,137</u>	<u>2,628,612</u>	<u>2,811,907</u>	<u>8,373,951</u>	<u>50,266,700</u>
-	857,117	1,785,327	1,225,595	13,022,505
855,605	-	-	68,676	6,822,402
-	-	-	-	4,341,151
-	-	-	2,317,579	5,078,232
-	-	-	1,171,734	7,968,572
-	-	-	303,483	3,886,065
26,665	1,756,567	-	6,255,400	8,793,087
-	-	-	1,912,648	2,297,558
<u>-</u>	<u>-</u>	<u>-</u>	<u>272,954</u>	<u>343,687</u>
<u>882,270</u>	<u>2,613,684</u>	<u>1,785,327</u>	<u>13,528,069</u>	<u>52,553,259</u>
<u>247,867</u>	<u>14,928</u>	<u>1,026,580</u>	<u>(5,154,118)</u>	<u>(2,286,559)</u>
-	-	-	336,250	1,548,231
-	-	-	15,118	15,118
-	-	-	3,307,772	3,307,772
<u>-</u>	<u>-</u>	<u>(828,915)</u>	<u>(254,966)</u>	<u>(1,548,231)</u>
<u>-</u>	<u>-</u>	<u>(828,915)</u>	<u>3,404,174</u>	<u>3,322,890</u>
247,867	14,928	197,665	(1,749,944)	1,036,331
<u>286,736</u>	<u>(12,864)</u>	<u>748,636</u>	<u>8,810,428</u>	<u>27,028,490</u>
<u>\$ 534,603</u>	<u>\$ 2,064</u>	<u>\$ 946,301</u>	<u>\$ 7,060,484</u>	<u>\$ 28,064,821</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, 2016**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,036,331

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	\$ 7,824,797	
Depreciation	<u>(2,061,795)</u>	5,763,002

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. 40,221

Governmental funds report, as revenues, certain payments for services to be provided in future periods. (21,935)

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. (3,292,844)

The change in other post-employment benefits are reported as additional expenses in the statement of activities (1,024,652)

Repayment of long-term obligation 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. (1,010,214)

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	12,218	
Amortization of premiums received on the issuance of long-term obligations	142,488	
Amortization of the excess of the requisition price over the balance remaining of long-term obligations refunded	(8,873)	
Compensated absences	<u>98,101</u>	<u>243,934</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,733,843

See accompanying notes

TILLAMOOK COUNTY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 6,575,000	\$ 6,575,000	\$ 6,650,352	\$ 75,352
Licenses, permits and fees	442,250	442,250	572,381	130,131
Intergovernmental	1,896,750	1,896,750	1,918,194	21,444
Charges for services	408,300	408,300	380,653	(27,647)
Fines and forfeitures	305,000	305,000	389,450	84,450
Timber and land sales	4,415,000	4,415,000	4,440,287	25,287
Investment earnings	35,000	35,000	44,496	9,496
Intercounty charges	1,447,500	1,447,500	1,490,300	42,800
Miscellaneous	<u>257,400</u>	<u>257,400</u>	<u>330,445</u>	<u>73,045</u>
TOTAL REVENUES	<u>15,782,200</u>	<u>15,782,200</u>	<u>16,216,558</u>	<u>434,358</u>
EXPENDITURES				
Board of county commissioners	949,350	971,550	962,993	8,557
Land sales	13,000	41,550	41,408	142
Justice court	352,050	352,050	341,444	10,606
Juvenile department	615,225	615,225	554,543	60,682
District attorney	1,059,380	1,095,650	1,085,917	9,733
County clerk	601,770	601,770	548,954	52,816
County assessor	1,400,000	1,400,000	1,365,099	34,901
County treasurer	428,550	450,330	445,925	4,405
Tax department	260,800	260,800	242,005	18,795
Courthouse building	557,900	557,900	438,744	119,156
Sheriff - criminal	2,649,800	2,585,030	2,558,333	26,697
Sheriff - jail	3,049,450	2,988,650	2,760,222	228,428
Sheriff - marine	269,850	395,420	372,277	23,143
Communications	105,600	105,600	76,644	28,956
Emergency services	194,410	194,410	191,718	2,692
Community development	685,860	685,860	635,361	50,499
County surveyor	361,180	361,180	343,223	17,957
Information services	904,950	904,950	867,990	36,960
General government	879,000	879,000	804,096	74,904
Non-departmental	296,590	580,690	559,883	20,807
Mental health services	5,000	5,000	3,246	1,754
Motorpool	500	500	143	357
Personnel	326,500	355,910	352,343	3,567
Operating contingency	<u>250,000</u>	<u>111,790</u>	<u>-</u>	<u>111,790</u>
TOTAL EXPENDITURES	<u>16,216,715</u>	<u>16,500,815</u>	<u>15,552,511</u>	<u>948,304</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	\$ (434,515)	\$ (718,615)	\$ 664,047	\$ 1,382,662
OTHER FINANCING SOURCES (USES)				
Transfers in	812,100	812,100	290,947	(521,153)
Transfers out	<u>(402,000)</u>	<u>(402,000)</u>	<u>(402,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>410,100</u>	<u>410,100</u>	<u>(111,053)</u>	<u>(521,153)</u>
Net change in fund balances	(24,415)	(308,515)	552,994	861,509
Fund balances - beginning	<u>4,900,000</u>	<u>5,184,100</u>	<u>5,316,915</u>	<u>132,815</u>
Fund balances - ending	<u>\$ 4,875,585</u>	<u>\$ 4,875,585</u>	<u>\$ 5,869,909</u>	<u>\$ 994,324</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, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, permits and fees	\$ 27,000	\$ 27,000	\$ 106,467	\$ 79,467
Intergovernmental	2,688,430	2,688,430	2,899,454	211,024
Charges for services	12,000	12,000	18,858	6,858
Investment earnings	10,000	10,000	12,443	2,443
Intercounty charges	30,000	30,000	30,000	-
Miscellaneous	<u>199,000</u>	<u>199,000</u>	<u>459,718</u>	<u>260,718</u>
TOTAL REVENUES	<u>2,966,430</u>	<u>2,966,430</u>	<u>3,526,940</u>	<u>560,510</u>
EXPENDITURES				
Personal services	2,031,900	2,031,900	1,960,988	70,912
Materials and services	1,617,950	2,483,710	2,477,543	6,167
Capital outlay	563,600	497,840	462,222	35,618
Contingency	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>5,013,450</u>	<u>5,013,450</u>	<u>4,900,753</u>	<u>112,697</u>
Excess (deficiency) of revenues over expenditures	<u>(2,047,020)</u>	<u>(2,047,020)</u>	<u>(1,373,813)</u>	<u>673,207</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	650,000	650,000	756,034	106,034
Transfers out	<u>(19,250)</u>	<u>(19,250)</u>	<u>(19,250)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>630,750</u>	<u>630,750</u>	<u>736,784</u>	<u>106,034</u>
Net change in fund balance	(1,416,270)	(1,416,270)	(637,029)	779,241
Fund balance at beginning of year	<u>2,934,700</u>	<u>2,934,700</u>	<u>3,322,955</u>	<u>388,255</u>
Fund balance at end of year	<u>\$ 1,518,430</u>	<u>\$ 1,518,430</u>	<u>\$ 2,685,926</u>	<u>\$ 1,167,496</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, 2016

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ -	\$ -	\$ 595	\$ 595
Intergovernmental	-	-	185,961	185,961
Timber and land sales	4,000,000	4,000,000	3,392,175	(607,825)
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>3,851</u>	<u>1,851</u>
 TOTAL REVENUES	 4,002,000	 4,002,000	 3,582,582	 (419,418)
EXPENDITURES				
Materials and services	<u>4,002,000</u>	<u>4,002,000</u>	<u>3,582,582</u>	<u>419,418</u>
 Net change in fund balance	 -	 -	 -	 -
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

See accompanying notes

TILLAMOOK COUNTY

**HEALTH SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,443,380	\$ 2,443,380	\$ 3,484,906	\$ 1,041,526
Charges for services	4,619,640	4,619,640	4,426,562	(193,078)
Investment earnings	2,000	2,000	5,740	3,740
Miscellaneous	<u>76,650</u>	<u>76,650</u>	<u>86,666</u>	<u>10,016</u>
TOTAL REVENUES	<u>7,141,670</u>	<u>7,141,670</u>	<u>8,003,874</u>	<u>862,204</u>
EXPENDITURES				
Personal services	4,655,390	4,655,390	3,994,750	660,640
Materials and services	2,758,180	2,781,300	2,765,466	15,834
Capital outlay	<u>150,000</u>	<u>126,880</u>	<u>38,784</u>	<u>88,096</u>
TOTAL EXPENDITURES	<u>7,563,570</u>	<u>7,563,570</u>	<u>6,799,000</u>	<u>764,570</u>
Excess (deficiency) of revenues over expenditures	<u>(421,900)</u>	<u>(421,900)</u>	<u>1,204,874</u>	<u>1,626,774</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	165,000	165,000	165,000	-
Transfers out	<u>(43,100)</u>	<u>(43,100)</u>	<u>(43,100)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>121,900</u>	<u>121,900</u>	<u>121,900</u>	<u>-</u>
Net change in fund balance	(300,000)	(300,000)	1,326,774	1,626,774
Fund balance at beginning of year	<u>300,000</u>	<u>300,000</u>	<u>421,856</u>	<u>121,856</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,748,630</u>	<u>\$ 1,748,630</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, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,820,000	\$ 2,820,000	\$ 2,879,542	\$ 59,542
Intergovernmental	5,000	5,000	7,066	2,066
Fines and forfeitures	8,000	8,000	14,191	6,191
Investment earnings	10,000	10,000	11,804	1,804
Miscellaneous	<u>112,500</u>	<u>112,500</u>	<u>126,163</u>	<u>13,663</u>
TOTAL REVENUES	<u>2,955,500</u>	<u>2,955,500</u>	<u>3,038,766</u>	<u>83,266</u>
EXPENDITURES				
Personal services	1,832,500	1,832,500	1,776,993	55,507
Materials and services	1,097,600	1,097,600	1,014,041	83,559
Capital outlay	275,000	275,000	249,317	25,683
Contingency	<u>500,000</u>	<u>500,000</u>	<u>-</u>	<u>500,000</u>
TOTAL EXPENDITURES	<u>3,705,100</u>	<u>3,705,100</u>	<u>3,040,351</u>	<u>664,749</u>
Net change in fund balance	(749,600)	(749,600)	(1,585)	748,015
Fund balance at beginning of year	<u>2,225,000</u>	<u>2,225,000</u>	<u>2,384,628</u>	<u>159,628</u>
Fund balance at end of year	<u>\$ 1,475,400</u>	<u>\$ 1,475,400</u>	<u>\$ 2,383,043</u>	<u>\$ 907,643</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, 2016**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 672,500	\$ 672,500	\$ 956,331	\$ 283,831
Charges for services	95,000	95,000	173,239	78,239
Miscellaneous	2,500	2,500	567	(1,933)
	<u>770,000</u>	<u>770,000</u>	<u>1,130,137</u>	<u>360,137</u>
TOTAL REVENUES				
EXPENDITURES				
Personal services	541,700	541,700	524,079	17,621
Materials and services	363,100	363,100	326,477	36,623
Capital outlay	500	27,200	26,665	535
Contingency	114,700	88,000	-	88,000
	<u>1,020,000</u>	<u>1,020,000</u>	<u>877,221</u>	<u>142,779</u>
TOTAL EXPENDITURES				
Net change in fund balance	(250,000)	(250,000)	252,916	502,916
Fund balance at beginning of year	250,000	250,000	303,191	53,191
	<u>250,000</u>	<u>250,000</u>	<u>303,191</u>	<u>53,191</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 556,107</u>	<u>\$ 556,107</u>

See accompanying notes

TILLAMOOK COUNTY

**MITIGATION GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,968,000	\$ 4,968,000	\$ 2,414,383	\$ (2,553,617)
Miscellaneous	<u>349,000</u>	<u>349,000</u>	<u>67,204</u>	<u>(281,796)</u>
TOTAL REVENUES	<u>5,317,000</u>	<u>5,317,000</u>	<u>2,481,587</u>	<u>(2,835,413)</u>
EXPENDITURES				
Materials and services	3,617,000	3,553,900	646,818	2,907,082
Capital outlay	<u>1,700,000</u>	<u>1,763,100</u>	<u>1,763,067</u>	<u>33</u>
TOTAL EXPENDITURES	<u>5,317,000</u>	<u>5,317,000</u>	<u>2,409,885</u>	<u>2,907,115</u>
Net change in fund balance	-	-	71,702	71,702
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>18,981</u>	<u>18,981</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,683</u>	<u>\$ 90,683</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, 2016**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Transient lodging tax	\$ 2,500,000	\$ 2,500,000	\$ 2,754,202	\$ 254,202
Investment earnings	1,000	1,000	5,985	4,985
Miscellaneous	500,000	500,000	35	(499,965)
TOTAL REVENUES	<u>3,001,000</u>	<u>3,001,000</u>	<u>2,760,222</u>	<u>(240,778)</u>
EXPENDITURES				
Materials and services	2,250,000	2,143,960	1,686,111	457,849
Contingency	1,000	1,000	-	1,000
TOTAL EXPENDITURES	<u>2,251,000</u>	<u>2,144,960</u>	<u>1,686,111</u>	<u>458,849</u>
Excess (deficiency) of revenues over	750,000	856,040	1,074,111	218,071
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(750,000)</u>	<u>(856,040)</u>	<u>(828,915)</u>	<u>(27,125)</u>
Net change in fund balance	-	-	245,196	245,196
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>479,569</u>	<u>479,569</u>
Fund balance at end of year	<u>-</u>	<u>-</u>	<u>\$ 724,765</u>	<u>\$ 724,765</u>

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2016

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
<u>ASSETS</u>				
Current assets				
Cash and investments	\$ 124,007	\$ 468,157	\$ 700,324	\$ 1,292,488
Receivables	127,953	-	-	127,953
Total current assets	<u>251,960</u>	<u>468,157</u>	<u>700,324</u>	<u>1,420,441</u>
Capital assets				
Land and construction in progress	125,000	-	-	125,000
Other capital assets, net	2,122,807	-	-	2,122,807
Total capital assets	<u>2,247,807</u>	<u>-</u>	<u>-</u>	<u>2,247,807</u>
TOTAL ASSETS	<u>2,499,767</u>	<u>468,157</u>	<u>700,324</u>	<u>3,668,248</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension related items	<u>68,197</u>	<u>-</u>	<u>-</u>	<u>68,197</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable and accrued liabilities	218,004	9,579	-	227,583
Accumulated compensated absences	4,130	-	-	4,130
Current portion of landfill post-closure care liability	108,526	-	-	108,526
Total current liabilities	330,660	9,579	-	340,239
Other post-employment benefits	20,124	-	-	20,124
Net pension liability	194,086	-	-	194,086
Landfill post-closure care liability	1,091,734	-	-	1,091,734
TOTAL LIABILITIES	<u>1,636,604</u>	<u>9,579</u>	<u>-</u>	<u>1,646,183</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related items	<u>2,715</u>	<u>-</u>	<u>-</u>	<u>2,715</u>
<u>NET POSITION</u>				
Investment in capital assets	2,247,807	-	-	2,247,807
Unrestricted	(1,319,162)	458,578	700,324	(160,260)
TOTAL NET POSITION	<u>\$ 928,645</u>	<u>\$ 458,578</u>	<u>\$ 700,324</u>	<u>\$ 2,087,547</u>

See accompanying notes

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended June 30, 2016

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
REVENUES				
Charges for services	\$ 2,083,152	\$ -	\$ -	\$ 2,083,152
OPERATING EXPENSES				
Personal services	261,194	-	-	261,194
Other supplies and expenses	1,971,875	213,130	-	2,185,005
Depreciation	121,759	-	-	121,759
Total operating expenses	<u>2,354,828</u>	<u>213,130</u>	<u>-</u>	<u>2,567,958</u>
Operating (loss)	<u>(271,676)</u>	<u>(213,130)</u>	<u>-</u>	<u>(484,806)</u>
NONOPERATING REVENUES (EXPENSES)				
Assessments	216,615	-	-	216,615
Interest and investment earnings	654	2,792	2,974	6,420
Miscellaneous	24,888	-	-	24,888
Total nonoperating revenue (expenses)	<u>242,157</u>	<u>2,792</u>	<u>2,974</u>	<u>247,923</u>
Income (loss) before transfers	(29,519)	(210,338)	2,974	(236,883)
Transfers in (out)	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Change in net position	(129,519)	(210,338)	102,974	(236,883)
Net position - beginning	<u>1,058,164</u>	<u>668,916</u>	<u>597,350</u>	<u>2,324,430</u>
Net position - ending	<u>\$ 928,645</u>	<u>\$ 458,578</u>	<u>\$ 700,324</u>	<u>\$ 2,087,547</u>

See accompanying notes

TILLAMOOK COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2016

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,122,743	\$ -	\$ -	\$ 2,122,743
Payments to suppliers	(1,917,741)	(203,551)	-	(2,121,292)
Payments to employees	(187,532)	-	-	(187,532)
Other	24,888	-	-	24,888
Net cash provided by (used in) operating activities	<u>42,358</u>	<u>(203,551)</u>	<u>-</u>	<u>(161,193)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Assessments of property owners	216,615	-	-	216,615
Transfers in	-	-	100,000	100,000
Transfers out	(100,000)	-	-	(100,000)
Net cash provided by non-capital financing activities	<u>116,615</u>	<u>-</u>	<u>100,000</u>	<u>216,615</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(202,107)	-	-	(202,107)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	<u>654</u>	<u>2,792</u>	<u>2,974</u>	<u>6,420</u>
Net increase (decrease) in cash and cash equivalents	(42,480)	(200,759)	102,974	(140,265)
Cash and cash equivalents - beginning of year	<u>166,487</u>	<u>668,916</u>	<u>597,350</u>	<u>1,432,753</u>
Cash and cash equivalents - end of year	<u>\$ 124,007</u>	<u>\$ 468,157</u>	<u>\$ 700,324</u>	<u>\$ 1,292,488</u>
Reconciliation of operating (loss) to net cash provided by (used in) operating activities				
Operating (loss)	\$ (271,676)	\$ (213,130)	\$ -	\$ (484,806)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities				
Depreciation	121,759	-	-	121,759
Other	24,888	-	-	24,888
Decrease in receivables	39,591	-	-	39,591
(Increase) in deferred outflow of resources	(38,594)	-	-	(38,594)
Increase (decrease) in liabilities				
Accounts payable and accrued liabilities	54,134	9,579	-	63,713
Accumulated compensated absences	(1,853)	-	-	(1,853)
Other post-employment benefits	9,134	-	-	9,134
Net pension liability	121,787	-	-	121,787
Increase in deferred inflows of resources	(16,812)	-	-	(16,812)
Net cash provided by (used in) operating activities	<u>\$ 42,358</u>	<u>\$ (203,551)</u>	<u>\$ -</u>	<u>\$ (161,193)</u>

See accompanying notes

TILLAMOOK COUNTY

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2016**

	Tillamook County Retirement Plan for Employees Pension	
	Trust	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 352,667	\$ 774,402
Receivables, net	-	6,506,349
Investments, at fair value:		
Fixed income securities	479,976	-
Mutual funds	53,394,183	-
TOTAL ASSETS	54,226,826	7,280,751
LIABILITIES		
Due to other governments	-	\$ 7,280,751
NET POSITION		
Net position held in trust for pension benefits	\$ 54,226,826	

See accompanying notes

TILLAMOOK COUNTY

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2016**

	Tillamook County Retirement Plan for Employees Pension Trust
ADDITIONS	
Employer contributions	\$ 3,412,393
Investment earnings, net	<u>1,026,060</u>
Total additions	<u>4,438,453</u>
DEDUCTIONS	
Benefits	3,487,342
Administrative expenses	<u>186,712</u>
Total deductions	<u>3,674,054</u>
Change in net position	764,399
Net position - beginning	<u>53,462,427</u>
Net position - ending	<u>\$ 54,226,826</u>

See accompanying notes

TILLAMOOK COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS June 30, 2016

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.

Mitigation Grants – accounts for environmental remediation grants.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

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

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.

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 Employees 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. Long-term debt 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 position.

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

L. Other long-term obligations

Premiums and discounts on bonded debt issuance

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. 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.

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.

Net pension liability

The net pension liability, measured as of June 30, 2015, is 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 as of that date.

Other post-employment benefits obligation

The other post-employment obligation is based on actuarial valuation performed every 2 years. The latest valuation used to determine the other post-employment obligation was dated August 1, 2014.

M. Deferred outflows / inflows of resources

In addition to assets, the statements of net position reports 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. These include refunded debt charges and pension related items.

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

The balance sheet of governmental funds will report as deferred inflows 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)

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.

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, 2016.

The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors: inflation, deflation, changes in technology, or changes to applicable laws or regulations.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Q. Equity classification

i. Government-wide statements

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

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

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

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

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

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Q. Equity classification (continued)

ii. Governmental fund type fund balance reporting (continued)

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.

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	Mitigation Grants	Transient Lodging Tax
Net change in fund balances - generally accepted accounting principles basis	\$ 1,242,906	\$ (566,191)	\$ 585,500	\$ 1,125,028	\$ (61,428)	\$ 247,867	\$ 14,928	\$ 197,665
Revenues :								
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(10,141)	-	-	-	-	-	-	-
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	(583,523)	40,573	585,500	160,661	97,726	-	(147,025)	(51,685)
Increase (decrease) in deferred revenues	(61,088)	-	-	-	(12,081)	-	-	-
	<u>(654,752)</u>	<u>40,573</u>	<u>585,500</u>	<u>160,661</u>	<u>85,645</u>	<u>-</u>	<u>(147,025)</u>	<u>(51,685)</u>
Expenditures :								
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	(35,160)	(111,411)	-	41,085	(25,802)	5,049	203,799	99,216
Net change in fund balances - budgetary basis	<u>\$ 552,994</u>	<u>\$ (637,029)</u>	<u>\$ -</u>	<u>\$ 1,326,774</u>	<u>\$ (1,585)</u>	<u>\$ 252,916</u>	<u>\$ 71,702</u>	<u>\$ 245,196</u>

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	Mitigation Grants	Transient Lodging Tax
Beginning fund balances - generally accepted accounting principles basis	\$ 8,752,281	\$ 3,280,365	\$ 925,861	\$ 1,817,905	\$ 2,419,142	\$ 286,736	\$ (12,864)	\$ 748,636
Beginning 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	31,845	-
Beginning 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>\$ 18,981</u>	<u>\$ 479,569</u>
Ending fund balances - generally accepted accounting principles basis	\$ 9,995,187	\$ 2,714,174	\$ 1,511,361	\$ 2,942,933	\$ 2,357,714	\$ 534,603	\$ 2,064	\$ 946,301
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(2,207,567)	-	-	-	-	-	-	-
Differences in revenue recognition	(2,387,600)	(174,604)	(1,511,361)	(1,498,615)	(42,042)	-	(147,025)	(320,752)
Difference in expenditure recognition	469,889	146,356	-	304,312	67,371	21,504	235,644	99,216
Ending fund balance - budgetary basis	<u>\$ 5,869,909</u>	<u>\$ 2,685,926</u>	<u>\$ -</u>	<u>\$ 1,748,630</u>	<u>\$ 2,383,043</u>	<u>\$ 556,107</u>	<u>\$ 90,683</u>	<u>\$ 724,765</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, 2016 was 1.9 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, 2016, the County had the following investments:

	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
<u>Governmental Activities / Funds and Business-type Activities / Proprietary Funds</u>			
State Treasurer's Investment Pool	N/A	Not Rated	\$ 14,736,873
Corporate Bonds			
US Bancorp	11/15/2016	A+	1,006,300
JP Morgan Chase	8/15/2017	A-	1,016,820
Wells Fargo & Co	12/15/2016	A	1,009,474
Berkshire Hathaway	8/15/2016	AA	1,212,132
Westpac BKG Corp	8/14/2017	AA-	1,017,356
Bank of Nova Scotia	12/18/2017	A+	1,003,628
US Agency Securities			
Federal Home Loan Mortgage Corp	9/29/2017	AA+	1,002,789
<u>Pension Trust Investments:</u>			
Money Market Fund	N/A	Not Rated	379,051
U.S. Treasury Notes	2/15/2017	AAA	491,625
Mutual Funds	N/A	Not Rated	<u>53,356,151</u>
Total			<u>\$ 76,232,198</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. 67 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 \$61,495,325 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, 2016, \$4,098,199 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, 2016, are as follows:

Total investments	\$ 76,232,198
Cash on hand	31,315
Cash with investment company	27,585
Deposits with financial institutions	<u>4,284,098</u>
Total deposits and investments	<u>\$ 80,575,196</u>

B. Cash and investments by fund:

Governmental activities/funds

General	\$ 8,167,599
Road	2,711,688
Health Services	1,780,521
Library	2,387,260
Community Correction	562,800
Mitigation Grants	90,683
Transient Lodging Tax	724,765
Nonmajor funds	<u>7,856,164</u>

Total governmental activities/funds 24,281,480

Business-type activities/Enterprise funds

Solid Waste	124,007
Solid Waste Sinking	468,157
Post Closure Reserve	<u>700,324</u>

Total business-type activities/Enterprise funds 1,292,488

Fiduciary funds

Tillamook County Retirement Plan for Employees Pension Trust Agency	<u>54,226,826</u> <u>774,402</u>
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Total fiduciary funds 55,001,228

Total cash and investments \$ 80,575,196

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and investments (continued)

The County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The County has the following recurring fair value measurements as of June 30, 2016:

	June 30, 2016	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
<u>Governmental Activities / Funds and Business-type Activities / Proprietary Funds</u>				
Debt securities				
Corporate Bonds	\$ 6,265,710	\$ -	\$ 6,265,710	\$ -
US Agency Securities	1,002,789	-	1,002,789	-
<u>Pension Trust Fund</u>				
Money Market Funds	379,051	379,051	-	-
US Treasury Notes	491,625	-	491,625	-
Mutual Funds	53,356,151	53,356,151	-	-

The County's investment in the Local Government Investment Pool (a 2a7-like external investment pool) are measured at amortized cost, which is generally equivalent to fair value.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables

A. Receivables at June 30, 2016, are as follows:

Governmental Funds / Activities

	General	Road	County School	Health Services	Library	Mitigation Grants	Transient Lodging Tax	Nonmajor Funds	Total Governmental Funds
Property taxes	\$ 511,488	\$ -	\$ -	\$ -	\$ 191,653	\$ -	\$ -	\$ 130,553	\$ 833,694
Unsegregated taxes	49,896	-	-	-	19,051	-	-	11,785	80,732
Accounts	203,633	-	-	376,097	1,553	2,588	-	-	583,871
State timber allotment	1,930,842	-	1,511,361	-	-	-	-	33,049	3,475,252
Patients and medicaid	-	-	-	1,163,988	-	-	-	-	1,163,988
Other	146,567	174,604	-	-	-	144,437	320,752	115,068	901,428
Less: allowance for uncollectible accounts	-	-	-	(41,470)	-	-	-	-	(41,470)
	<u>\$ 2,842,426</u>	<u>\$ 174,604</u>	<u>\$ 1,511,361</u>	<u>\$ 1,498,615</u>	<u>\$ 212,257</u>	<u>\$ 147,025</u>	<u>\$ 320,752</u>	<u>\$ 290,455</u>	<u>\$ 6,997,495</u>

	Business-type Activities/ Enterprise Fund	Fiduciary Fund
	Solid Waste	Agency
Property taxes	\$ -	\$ 2,501,829
Unsegregated taxes	-	251,366
Assessments	17,554	-
Accounts	110,399	-
State timber allotment	-	3,241,906
Court fines	-	3,413,683
Other	-	11,187
Less: allowance for uncollectible accounts	-	(2,913,622)
	<u>\$ 127,953</u>	<u>\$ 6,506,349</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. Ensuing year's levies

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

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

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

In addition, the County will levy \$1,560,000 for the retirement of long-term debt principal and interest due in 2016-17.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Interfund balances and transfers

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	\$ 290,947	\$ 402,000
Road	756,034	19,250
Health Services	165,000	43,100
Transient Lodging Tax	-	828,915
Nonmajor Funds	336,250	254,966
Solid Waste	-	100,000
Solid Waste Post Closure Reserve	<u>100,000</u>	<u>-</u>
	<u>\$ 1,648,231</u>	<u>\$ 1,648,231</u>

6. Capital assets

A. Capital asset activity for governmental activities for the year ended June 30, 2016 was as follows:

	<u>Balances July 1, 2015</u>	<u>Additions</u>	<u>Reclassifications and Deletions</u>	<u>Balances June 30, 2016</u>
Capital assets not being depreciated				
Land	\$ 5,452,437	\$ -	\$ -	\$ 5,452,437
Construction in progress	<u>3,058,956</u>	<u>6,126,300</u>	<u>527,242</u>	<u>8,658,014</u>
Total capital assets not being depreciated	<u>\$ 8,511,393</u>	<u>\$ 6,126,300</u>	<u>\$ 527,242</u>	<u>\$ 14,110,451</u>
Capital assets being depreciated				
Land improvements	\$ 1,973,344	\$ -	\$ -	\$ 1,973,344
Buildings	32,903,005	131,741	-	33,034,746
Equipment	10,451,930	130,793	97,532	10,485,191
Infrastructure	<u>25,621,769</u>	<u>1,963,205</u>	<u>-</u>	<u>27,584,974</u>
Total capital assets being depreciated	<u>70,950,048</u>	<u>2,225,739</u>	<u>97,532</u>	<u>73,078,255</u>
Less accumulated depreciation for:				
Land improvements	817,695	80,109	-	897,804
Buildings	10,937,785	812,059	-	11,749,844
Equipment	8,933,122	404,837	97,532	9,240,427
Infrastructure	<u>8,098,785</u>	<u>764,790</u>	<u>-</u>	<u>8,863,575</u>
Total accumulated depreciation	<u>28,787,387</u>	<u>2,061,795</u>	<u>97,532</u>	<u>30,751,650</u>
Total capital assets being depreciated	<u>\$ 42,162,661</u>	<u>\$ 163,944</u>	<u>\$ -</u>	<u>\$ 42,326,605</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, 2016 was as follows:

	Balances July 1, 2015	Additions	Reclassifications and Deletions	Balances June 30, 2016
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	3,071,174	202,107	-	3,273,281
Equipment	<u>225,166</u>	<u>-</u>	<u>-</u>	<u>225,166</u>
Total capital assets being depreciated	<u>4,323,130</u>	<u>202,107</u>	<u>-</u>	<u>4,525,237</u>
Less accumulated depreciation for:				
Land improvements	481,659	25,147	-	506,806
Buildings	1,663,507	94,718	-	1,758,225
Equipment	<u>135,505</u>	<u>1,894</u>	<u>-</u>	<u>137,399</u>
Total accumulated depreciation	<u>2,280,671</u>	<u>121,759</u>	<u>-</u>	<u>2,402,430</u>
Total capital assets being depreciated	<u>\$ 2,042,459</u>	<u>\$ 80,348</u>	<u>\$ -</u>	<u>\$ 2,122,807</u>

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

Governmental activities

General government	\$ 200,942
Public safety	350,142
Highways and streets	743,907
Culture and recreation	732,724
Health and welfare	27,436
Education	<u>6,644</u>

Total governmental activities \$ 2,061,795

Business-type activities

Solid waste	<u>\$ 121,759</u>
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Unavailable revenue

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

	<u>General</u>	<u>Library</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Property taxes	\$ 454,826	\$ 170,215	\$ 117,321	\$ 742,362

8. Long-term obligations

A. Long-term obligation transactions for the year ended June 30, 2016, are as follows:

	Balances July 1, 2015	Additions	Reductions	Balances June 30, 2016	Balances Due Within One Year
<i>Governmental activities</i>					
<u>Long-term debt</u>					
Bonded Debt					
2002 General Obligation Refunding	\$ 535,000	\$ -	\$ 535,000	\$ -	\$ -
2013 General Obligation Refunding	1,895,000	-	180,000	1,715,000	185,000
2013 Road Bond	4,835,000	-	1,140,000	3,695,000	1,185,000
Loans					
Oregon Economic Development Department (OEDD)	154,245	-	27,363	126,882	29,004
Oregon Department of Transportation (ODOT)	76,517	-	38,216	38,301	38,301
TLC Federal Credit Union (TLC)	375,000	-	75,000	300,000	75,000
Chase Bank	-	3,150,000	225,000	2,925,000	210,000
Capital Lease					
US Bancorp	180,665	-	43,510	137,155	44,596
US Bancorp	-	157,772	33,469	124,303	30,010
Total long-term debt	8,051,427	3,307,772	2,297,558	9,061,641	1,796,911
<u>Other long-term obligations</u>					
Premiums on long-term debt	392,800	-	142,488	250,312	107,643
Compensated absences	1,316,047	891,013	989,114	1,217,946	989,000
Other post-employment benefits	7,236,266	1,024,652	-	8,260,918	-
Net pension liability	9,596,073	12,176,876	-	21,772,949	-
Total long-term obligations	\$ 26,592,613	\$ 17,400,313	\$ 3,429,160	\$ 40,563,766	\$ 2,893,554
<i>Business-type activities</i>					
Landfill post-closure care liability	\$ 1,200,260	\$ -	\$ -	\$ 1,200,260	\$ 108,526
Other post-employment benefits	10,990	9,134	-	20,124	-
Net pension liability	72,299	121,787	-	194,086	-
Compensated absences	5,983	6,041	7,894	4,130	4,130
	<u>\$ 1,289,532</u>	<u>\$ 136,962</u>	<u>\$ 7,894</u>	<u>\$ 1,418,600</u>	<u>\$ 112,656</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-term obligations (continued)

B. Governmental activities long-term debt

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.

Chase Bank – The County borrowed \$3,150,000 to finance the jail improvements. The interest rate is 2.52 percent.

US Bancorp – The County entered into a master tax-exempt lease purchase agreement 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.

US Bancorp – The County entered into a master tax-exempt lease purchase agreement for the acquisition of 5 vehicles. Annual payments are \$33,137 for 5 years including interest at 2.509 percent.

C. Future maturities

The future maturities of long-term debt obligations outstanding as of June 30, 2016, are as follows:

i. Bonded debt:

Fiscal Year	2013 Refunding		Road Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
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	220,000	32,600	-	-	220,000	32,600
2022-23	705,000	43,100	-	-	705,000	43,100
	<u>\$ 1,715,000</u>	<u>\$ 288,500</u>	<u>\$ 3,695,000</u>	<u>\$ 229,250</u>	<u>\$ 5,410,000</u>	<u>\$ 517,750</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, 2016 (continued)

ii. Loans:

Fiscal Year	OEDD		ODOT		TLC	Chase Bank		Totals	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2017	\$ 29,004	\$ 7,613	\$ 38,301	\$ 192	\$ 75,000	\$ 210,000	\$ 73,710	\$ 352,305	\$ 81,515
2018	30,745	5,873	-	-	75,000	215,000	68,418	320,745	74,291
2019	32,589	4,028	-	-	75,000	225,000	63,000	332,589	67,028
2020	34,544	2,073	-	-	75,000	230,000	57,330	339,544	59,403
2021	-	-	-	-	-	235,000	51,534	235,000	51,534
2022-26	-	-	-	-	-	1,260,000	166,194	1,260,000	166,194
2027-28	-	-	-	-	-	550,000	20,916	550,000	20,916
	<u>\$ 126,882</u>	<u>\$ 19,587</u>	<u>\$ 38,301</u>	<u>\$ 192</u>	<u>\$ 300,000</u>	<u>\$ 2,925,000</u>	<u>\$ 501,102</u>	<u>\$ 3,390,183</u>	<u>\$ 520,881</u>

iii. Capital lease:

Fiscal Year	U.S. Bancorp		U.S. Bancorp		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 44,596	\$ 3,423	\$ 30,010	\$ 3,127	\$ 74,606	\$ 6,550
2018	45,709	2,310	30,763	2,374	76,472	4,684
2019	46,850	1,169	31,535	1,602	78,385	2,771
2020	-	-	31,995	812	31,995	812
	<u>\$ 137,155</u>	<u>\$ 6,902</u>	<u>\$ 124,303</u>	<u>\$ 7,915</u>	<u>\$ 261,458</u>	<u>\$ 14,817</u>

D. Other long-term obligations

i. Compensated absences

As described in note 1, employees of the County are allowed to accumulate earned vacation leave 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, 2016 accumulated and unpaid compensated absences amounted to \$2,086,746 for governmental activities and \$17,854 for business-type activities.

ii. Other post-employment benefits

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)

iii. 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.

iv. 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, 2016, there were 226 active plan members, 46 inactive plan members entitled to but not yet receiving benefits, 8 disabled plan members receiving benefits, and 165 retired plan members receiving benefits for a total of 445 plan members. Of the 226 active employees covered by the Plan, 87 were non-vested, 124 were vested, and 15 were over retirement age. Of the 46 terminated members, 9 were entitled to their account balances only and 37 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 times 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, 2016 were \$2,875,465.

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, 2016, the County reported a net pension liability of \$21,967,035. The net pension liability was measured as of June 30, 2015, 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	\$ 75,429,462
Plan fiduciary net position	<u>53,462,427</u>
Net pension liability	<u>\$ 21,967,035</u>

Fiduciary net position as a percentage of total pension liability	70.88%
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Changes in the net pension liability is as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Beginning balances	\$ 62,740,169	\$ 53,071,797	\$ 9,668,372
Changes for the year:			
Service cost	1,711,278	-	1,711,278
Interest on total pension liability	4,422,266	-	4,422,266
Effect of economic/demographic losses	-	-	-
Effect of assumption changes or inputs	(446,953)	-	(446,953)
Benefit payments	9,555,140	(3,048,614)	12,603,754
Administrative expenses	(3,048,614)	(60,910)	(2,987,704)
Member contributions	-	496,176	(496,176)
Net investment income	496,176	442,703	53,473
Employer contributions	<u>-</u>	<u>2,561,275</u>	<u>(2,561,275)</u>
Ending balances	<u>\$ 75,429,462</u>	<u>\$ 53,462,427</u>	<u>\$ 21,967,035</u>

For the year ended June 30, 2016, the County recognized pension expense of \$3,292,844. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 37,997	\$ (307,281)
Changes of assumptions	7,022,788	--
Net difference between projected and actual earnings On pension plan investments	657,880	--
County's contributions subsequent to the measurement date	<u>2,875,462</u>	<u>--</u>
	<u>\$ 10,594,127</u>	<u>\$ (307,281)</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)

\$2,875,462 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,	
2017	\$ 3,257,257
2018	2,929,507
2019	570,523
2020	654,100

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	July 1, 2015
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	6.5 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: RP-2000 Sex-distinct, generational per Scale BB

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 6.5 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 clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses. As such, the actuary's detailed projections were not developed.

Long-term expected rate of return

The long-term expected rate of return assumption of 6.5 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 (continued)

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

The following presents the County net pension liability calculated using the discount rate of 6.5 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 (5.5 percent) or 1-percentage-point higher (7.5 percent) than the current rate:

	<u>1 Percentage Point Lower</u>	<u>Current Discount Rate</u>	<u>1 Percentage Point Higher</u>
County's net pension liability	\$ 32,404,898	\$ 21,967,035	\$ 13,397,385

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, 2016, employees of the County had accumulated 5,753 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	\$ 434,133
Amortization of UAAL	<u>2,009,200</u>
Annual required contribution	<u>\$ 2,443,333</u>

The net OPEB obligation as of June 30, 2016 was calculated as follows:

Annual required contribution	\$ 2,443,333
Interest on prior year Net OPEB	253,654
Adjustment to ARC	(871,419)
Contributions made	<u>(792,052)</u>
Increase in net OPEB obligation	1,033,786
Net OPEB obligation at beginning of year	<u>7,247,256</u>
Net OPEB obligation at end of year	<u>\$ 8,281,042</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, 2016, 2015 and 2014 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2016	\$ 1,825,568	43%	\$ 8,281,042
June 30, 2015	2,572,175	43%	7,247,256
June 30, 2014	2,659,746	40%	5,777,643

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 Valuation as of August 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll</u>
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 \$ 305,744

Oregon and Federal laws restrict the use of state gas tax and a portion of Federal Forest Fees for road repairs and improvements 1,592,125

Total \$ 1,897,869

Education:

Federal laws requires a portion of Federal Forest Fees to be distributed to schools \$ 1,511,361

The 4H Extension Service District has its own taxing authority 465,701

Total \$ 1,977,062

County library:

The voters of Tillamook County approved a separate levy for library operations \$ 2,357,714

Public safety

Oregon law restricts the use of funds for community corrections, court security and fines collected under SB 1065 \$ 774,714

Other purposes:

Transient lodging tax \$ 946,301

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:

Fund balances :	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>	<u>Community Corrections</u>	<u>Mitigation Grants</u>	<u>Transient Lodging Tax</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Restricted for:										
Highways and streets	\$ -	\$ 2,714,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,219	\$ 2,812,393
Road improvement projects	-	-	-	-	-	-	-	-	1,799,650	1,799,650
Education	-	-	1,511,361	-	-	-	-	-	447,754	1,959,115
Health services	-	-	-	2,942,933	-	-	-	-	81,409	3,024,342
Library purposes	-	-	-	-	2,357,714	-	-	-	-	2,357,714
Corrections	-	-	-	-	-	534,603	-	-	-	534,603
Jail improvements	-	-	-	-	-	-	-	-	106,530	106,530
Law enforcement	-	-	-	-	-	-	-	-	309,169	309,169
County fair operations	-	-	-	-	-	-	-	-	302,415	302,415
Park operations	-	-	-	-	-	-	-	-	928,290	928,290
General obligation debt	-	-	-	-	-	-	-	-	74,449	74,449
Tourism	-	-	-	-	-	-	-	946,301	-	946,301
Other purposes:	-	-	-	-	-	-	2,064	-	948,390	950,454
Assigned for:										
Building improvements	-	-	-	-	-	-	-	-	1,590,358	1,590,358
Vehicle replacement	-	-	-	-	-	-	-	-	218,032	218,032
Road improvement projects	-	-	-	-	-	-	-	-	157,123	157,123
Revenue stabilization	1,585,851	-	-	-	-	-	-	-	-	1,585,851
Post-employment liabilities	621,716	-	-	-	-	-	-	-	-	621,716
Unassigned	<u>7,787,620</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,304)</u>	<u>7,786,316</u>
Total fund balances	<u>\$ 9,995,187</u>	<u>\$ 2,714,174</u>	<u>\$ 1,511,361</u>	<u>\$ 2,942,933</u>	<u>\$ 2,357,714</u>	<u>\$ 534,603</u>	<u>\$ 2,064</u>	<u>\$ 946,301</u>	<u>\$ 7,060,484</u>	<u>\$ 28,064,821</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, 2016:

Library Debt Service \$ (1,304)

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,	
	2016	2015
Beginning of year		
Total pension liability	\$ 62,740,169	\$ 57,770,013
Fiduciary net position	53,071,797	46,309,270
Net pension liability	\$ 9,668,372	\$ 11,460,743
Changes in total pension liability		
Service cost	\$ 1,711,278	\$ 1,728,883
Interest on total pension liability	4,422,266	4,089,355
Effect of economic/demographic losses	(446,953)	101,325
Effect of assumption changes or inputs	9,555,140	1,209,681
Benefit payments	(3,048,614)	(2,653,815)
Member contributions	496,176	494,727
Net change in total pension liability	\$ 12,689,293	\$ 4,970,156
Changes in fiduciary net position		
Employer contributions	\$ 2,561,276	\$ 2,462,234
Member contributions	496,175	494,727
Investment income net of expenses	442,703	6,514,529
Benefit payments	(3,048,614)	(2,653,815)
Administrative expenses	(60,910)	(55,148)
Net change in fiduciary net position	\$ 390,630	\$ 6,762,527
End of year		
Total pension liability	\$ 75,429,462	\$ 62,740,169
Fiduciary net position	53,462,427	53,071,797
Net pension liability	\$ 21,967,035	\$ 9,668,372
Fiduciary net position as a percent of total pension liability	70.9%	84.6%
Covered payroll	12,170,772	11,452,068
Net pension liability as a percent of covered payroll	180.5%	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,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarilly determined contribution	\$ 3,042	\$ 2,994	\$ 2,717	\$ 2,396	\$ 1,979	\$ 1,825	\$ 1,708	\$ 1,726	\$ 1,974	\$ 1,818
Actual employer contribution	2,561	2,462	2,311	1,956	1,896	1,977	2,284	2,245	2,030	1,768
Contribution deficiency (excess)	481	532	406	440	83	(152)	(576)	(519)	(56)	50
Covered payroll	12,171	11,452	11,770	10,846	10,509	10,051	9,885	9,427	9,767	9,624
Contribution as a percent of covered payroll	21.04%	21.50%	19.63%	18.03%	18.04%	19.67%	23.11%	23.81%	20.78%	18.37%
Valuation date	7/1/2014	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
Assumed investment rate of return	7.00%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%	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 Effective July 1, 2018: Open 20-year amortization, level percent of pay 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 Prior to July 1, 2008: Market value of assets
Healthy mortality	Effective July 1, 2015: RP-2000 blended 25% blue collar/75% white collar, sex distinct, set back 12 months for males and no set back for females, projected generationally using Scale BB Effective July 1, 2014: Healthy combined RP-2000 mortality projected to 2014 Effective July 1, 2011: Healthy combined RP-2000 mortality projected to 2005 Prior of 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> <u>June 30,</u>	<u>Rate of</u> <u>Return</u>
2016	1.91 %
2015	0.83
2014	14.02
2013	8.71
2012	2.66
2011	12.13
2010	11.29
2009	-7.16
2008	1.00
2007	13.45

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, 2016

	General	Revenue Stabilization	Post Employment Liability Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ 5,960,032	\$ 1,585,851	\$ 621,716	\$ 8,167,599
Receivables, net	2,842,426	-	-	2,842,426
Due from other funds	4,833	-	-	4,833
TOTAL ASSETS	\$ 8,807,291	\$ 1,585,851	\$ 621,716	\$ 11,014,858
 LIABILITIES				
Accounts payable	\$ 564,845	\$ -	\$ -	\$ 564,845
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	454,826	-	-	454,826
 FUND BALANCES				
Assigned	-	1,585,851	621,716	2,207,567
Unassigned	7,787,620	-	-	7,787,620
TOTAL FUND BALANCES	7,787,620	1,585,851	621,716	9,995,187
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,807,291	\$ 1,585,851	\$ 621,716	\$ 11,014,858

TILLAMOOK COUNTY

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

GENERAL FUNDS

For the Year Ended June 30, 2016

	<u>General</u>	<u>Revenue Stabilization</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
REVENUES				
Property taxes	\$ 6,613,197	\$ -	\$ -	\$ 6,613,197
Licenses, permits and fees	572,136	-	-	572,136
Intergovernmental	1,873,114	-	-	1,873,114
Charges for services	350,615	-	-	350,615
Fines and forfeitures	421,215	-	-	421,215
Timber and land sales	5,156,549	-	-	5,156,549
Interest	44,496	7,314	2,827	54,637
Intercounty charges	1,480,300	-	-	1,480,300
Miscellaneous	349,547	-	-	349,547
TOTAL REVENUES	<u>16,861,169</u>	<u>7,314</u>	<u>2,827</u>	<u>16,871,310</u>
EXPENDITURES				
Current				
General government	9,154,466	-	-	9,154,466
Public safety	5,898,121	-	-	5,898,121
Health and welfare	2,972	-	-	2,972
Capital outlay	44,749	-	-	44,749
Debt service				
Principal	346,694	-	-	346,694
Interest	70,349	-	-	70,349
TOTAL EXPENDITURES	<u>15,517,351</u>	<u>-</u>	<u>-</u>	<u>15,517,351</u>
Excess (deficiency) of revenues over expenditures	<u>1,343,818</u>	<u>7,314</u>	<u>2,827</u>	<u>1,353,959</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	290,947	-	-	290,947
Transfers out	(402,000)	-	-	(402,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(111,053)</u>	<u>-</u>	<u>-</u>	<u>(111,053)</u>
Net change in fund balances	1,232,765	7,314	2,827	1,242,906
Fund balances at beginning of year	<u>6,554,855</u>	<u>1,578,537</u>	<u>618,889</u>	<u>8,752,281</u>
Fund balances at end of year	<u>\$ 7,787,620</u>	<u>\$ 1,585,851</u>	<u>\$ 621,716</u>	<u>\$ 9,995,187</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, 2016**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 6,000	\$ 7,314	\$ 1,314
EXPENDITURES			
Contingency	500,000	-	500,000
Excess (deficiency) of revenues over expenditures	(494,000)	7,314	501,314
OTHER FINANCING SOURCES (USES)			
Transfers out	(500,000)	-	500,000.00
Net change in fund balance	(994,000)	7,314	1,001,314
Fund balance at beginning of year	1,500,000	1,578,537	78,537
Fund balance at end of year	\$ 506,000	\$ 1,585,851	\$ 1,079,851

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 2,400	\$ 2,827	\$ 427
EXPENDITURES			
Contingency	<u>622,400</u>	<u>-</u>	<u>622,400</u>
Net change in fund balance	(620,000)	2,827	622,827
Fund balance at beginning of year	<u>620,000</u>	<u>618,889</u>	<u>(1,111)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 621,716</u>	<u>\$ 621,716</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

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

Community Development – accounts for the activities of the Community Development Department.

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

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

Building Improvement – accounts for capital improvements to County buildings

Jail Capital Improvement Projects – accounts for proceeds from long-term obligations used to make improvements to the Justice facility.

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	<u>Special Revenue Funds</u>					
	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets - Bike Path</u>	<u>Culture and Recreation</u>	<u>Health and Welfare - Mediation Program</u>	<u>Education - Tillamook County 4-H and Extension Service District</u>
<u>ASSETS</u>						
Cash and investments	\$ 985,386	\$ 309,084	\$ 127,174	\$ 1,291,304	\$ 88,047	\$ 411,901
Receivables	24,940	301	-	104,097	-	55,267
TOTAL ASSETS	<u>\$ 1,010,326</u>	<u>\$ 309,385</u>	<u>\$ 127,174</u>	<u>\$ 1,395,401</u>	<u>\$ 88,047</u>	<u>\$ 467,168</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 49,535	\$ 216	\$ 28,955	\$ 164,696	\$ 6,638	\$ 1,467
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>49,535</u>	<u>216</u>	<u>28,955</u>	<u>164,696</u>	<u>6,638</u>	<u>1,467</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	12,401	-	-	-	-	17,947
<u>FUND BALANCES</u>						
Restricted	948,390	309,169	98,219	1,230,705	81,409	447,754
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>948,390</u>	<u>309,169</u>	<u>98,219</u>	<u>1,230,705</u>	<u>81,409</u>	<u>447,754</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,010,326</u>	<u>\$ 309,385</u>	<u>\$ 127,174</u>	<u>\$ 1,395,401</u>	<u>\$ 88,047</u>	<u>\$ 467,168</u>

Debt Service Funds

<u>Road</u>	<u>Library</u>	<u>Capital Projects Funds</u>	<u>Totals</u>
\$ 59,101	\$ -	\$ 4,584,167	\$ 7,856,164
<u>87,426</u>	<u>18,424</u>	<u>-</u>	<u>290,455</u>
<u>\$ 146,527</u>	<u>\$ 18,424</u>	<u>\$ 4,584,167</u>	<u>\$ 8,146,619</u>
\$ -	\$ -	\$ 712,474	\$ 963,981
<u>-</u>	<u>4,833</u>	<u>-</u>	<u>4,833</u>
<u>-</u>	<u>4,833</u>	<u>712,474</u>	<u>968,814</u>
<u>72,078</u>	<u>14,895</u>	<u>-</u>	<u>117,321</u>
74,449	-	1,906,180	5,096,275
-	-	1,965,513	1,965,513
<u>-</u>	<u>(1,304)</u>	<u>-</u>	<u>(1,304)</u>
<u>74,449</u>	<u>(1,304)</u>	<u>3,871,693</u>	<u>7,060,484</u>
<u>\$ 146,527</u>	<u>\$ 18,424</u>	<u>\$ 4,584,167</u>	<u>\$ 8,146,619</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016**

	Special Revenue Funds					
	General Government	Public Safety	Highways and Streets - Bike Path	Culture and Recreation	Health and Welfare	Education - Tillamook County 4-H and Extension Service District
REVENUES						
Property taxes	\$ 132,024	\$ -	\$ -	\$ -	\$ -	\$ 301,659
Licenses, permits and fees	10,782	-	-	-	-	-
Intergovernmental	501,646	-	-	128,278	1,150,577	86,585
Charges for services	983,646	-	-	2,647,109	13,009	-
Fines and forfeitures	76,080	84,111	-	-	-	-
Interest	2,156	1,630	547	5,536	424	2,162
Miscellaneous	5,104	1,734	-	146,479	-	-
TOTAL REVENUES	<u>1,711,438</u>	<u>87,475</u>	<u>547</u>	<u>2,927,402</u>	<u>1,164,010</u>	<u>390,406</u>
EXPENDITURES						
Current:						
General government	1,190,403	-	-	-	-	-
Public safety	-	40,160	-	-	-	-
Culture and recreation	-	-	-	2,317,579	-	-
Health and welfare	-	-	-	-	1,171,734	-
Education	-	-	-	-	-	303,483
Capital outlay	822	10,097	30,834	479,141	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,191,225</u>	<u>50,257</u>	<u>30,834</u>	<u>2,796,720</u>	<u>1,171,734</u>	<u>303,483</u>
Excess (deficiency) of revenues over expenditures	<u>520,213</u>	<u>37,218</u>	<u>(30,287)</u>	<u>130,682</u>	<u>(7,724)</u>	<u>86,923</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	17,000	-	19,250	-	-	-
Sale of capital assets	-	-	-	15,118	-	-
Issuance of debt	-	-	-	-	-	-
Transfers out	(99,000)	(70,000)	-	-	-	(80,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(82,000)</u>	<u>(70,000)</u>	<u>19,250</u>	<u>15,118</u>	<u>-</u>	<u>(80,000)</u>
Net change in fund balances	438,213	(32,782)	(11,037)	145,800	(7,724)	6,923
Fund balances - beginning	510,177	341,951	109,256	1,084,905	89,133	440,831
Fund balances - ending	<u>\$ 948,390</u>	<u>\$ 309,169</u>	<u>\$ 98,219</u>	<u>\$ 1,230,705</u>	<u>\$ 81,409</u>	<u>\$ 447,754</u>

Debt Service Funds

Hospital	Road	Library	Capital Projects Funds	Totals
\$ 517,022	\$ 1,216,137	\$ 238,449	\$ -	\$ 2,405,291
-	-	-	-	10,782
-	-	-	-	1,867,086
-	-	-	-	3,643,764
-	-	-	-	160,191
205	807	132	18,545	32,144
-	-	-	101,376	254,693
<u>517,227</u>	<u>1,216,944</u>	<u>238,581</u>	<u>119,921</u>	<u>8,373,951</u>
-	-	-	35,192	1,225,595
-	-	-	28,516	68,676
-	-	-	-	2,317,579
-	-	-	-	1,171,734
-	-	-	-	303,483
-	-	-	5,734,506	6,255,400
535,000	1,140,000	180,000	57,648	1,912,648
25,145	173,100	72,200	2,509	272,954
<u>560,145</u>	<u>1,313,100</u>	<u>252,200</u>	<u>5,858,371</u>	<u>13,528,069</u>
<u>(42,918)</u>	<u>(96,156)</u>	<u>(13,619)</u>	<u>(5,738,450)</u>	<u>(5,154,118)</u>
-	-	-	300,000	336,250
-	-	-	-	15,118
-	-	-	3,307,772	3,307,772
(5,966)	-	-	-	(254,966)
<u>(5,966)</u>	<u>-</u>	<u>-</u>	<u>3,607,772</u>	<u>3,404,174</u>
(48,884)	(96,156)	(13,619)	(2,130,678)	(1,749,944)
48,884	170,605	12,315	6,002,371	8,810,428
<u>\$ -</u>	<u>\$ 74,449</u>	<u>\$ (1,304)</u>	<u>\$ 3,871,693</u>	<u>\$ 7,060,484</u>

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT
June 30, 2016

	Community	Video	Forest	Juvenile	Law	BPS
	Development	Lottery	Timber	Trust	Library	Surcharge
<u>ASSETS</u>						
Cash and investments	\$ 240,415	\$ 24,573	\$ 33,474	\$ 16,653	\$ 58,439	\$ 31,145
Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>121</u>
TOTAL ASSETS	<u>\$ 240,415</u>	<u>\$ 24,573</u>	<u>\$ 33,474</u>	<u>\$ 16,753</u>	<u>\$ 58,439</u>	<u>\$ 31,266</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 12,899	\$ -	\$ 1,331	\$ -	\$ 3,378	\$ 26,890
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	-	-	-	-	-	-
<u>FUND BALANCES</u>						
Restricted	<u>227,516</u>	<u>24,573</u>	<u>32,143</u>	<u>16,753</u>	<u>55,061</u>	<u>4,376</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 240,415</u>	<u>\$ 24,573</u>	<u>\$ 33,474</u>	<u>\$ 16,753</u>	<u>\$ 58,439</u>	<u>\$ 31,266</u>

<u>PLCP</u>	<u>Clerks Records</u>	<u>Federal Title III</u>	<u>Veteran's Services</u>	<u>Technology</u>	<u>Totals</u>
\$ 30,446	\$ 30,557	\$ 261,160	\$ 50,205	\$ 208,319	\$ 985,386
<u>-</u>	<u>-</u>	<u>-</u>	<u>24,719</u>	<u>-</u>	<u>24,940</u>
<u>\$ 30,446</u>	<u>\$ 30,557</u>	<u>\$ 261,160</u>	<u>\$ 74,924</u>	<u>\$ 208,319</u>	<u>\$ 1,010,326</u>
\$ 41	\$ -	\$ -	\$ 4,996	\$ -	\$ 49,535
-	-	-	12,401	-	12,401
<u>30,405</u>	<u>30,557</u>	<u>261,160</u>	<u>57,527</u>	<u>208,319</u>	<u>948,390</u>
<u>\$ 30,446</u>	<u>\$ 30,557</u>	<u>\$ 261,160</u>	<u>\$ 74,924</u>	<u>\$ 208,319</u>	<u>\$ 1,010,326</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY
June 30, 2016**

	<u>Court Security</u>	<u>Law Enforcement</u>	<u>Sheriff Trust</u>	<u>SB 1065 Assessment and Conviction</u>	<u>Tillamook Narcotics Team</u>	<u>Totals</u>
<u>ASSETS</u>						
Cash and investments	\$ 227,899	\$ 1,165	\$ 8,503	\$ 11,911	\$ 59,606	\$ 309,084
Receivables	<u>172</u>	<u>-</u>	<u>-</u>	<u>129</u>	<u>-</u>	<u>301</u>
TOTAL ASSETS	<u>\$ 228,071</u>	<u>\$ 1,165</u>	<u>\$ 8,503</u>	<u>\$ 12,040</u>	<u>\$ 59,606</u>	<u>\$ 309,385</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 216	\$ -	\$ -	\$ 216
<u>FUND BALANCES</u>						
Restricted	<u>228,071</u>	<u>1,165</u>	<u>8,287</u>	<u>12,040</u>	<u>59,606</u>	<u>309,169</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 228,071</u>	<u>\$ 1,165</u>	<u>\$ 8,503</u>	<u>\$ 12,040</u>	<u>\$ 59,606</u>	<u>\$ 309,385</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
CULTURE AND RECREATION
June 30, 2016**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 302,415	\$ 988,889	\$ 1,291,304
Receivables	<u>-</u>	<u>104,097</u>	<u>104,097</u>
TOTAL ASSETS	<u>\$ 302,415</u>	<u>\$ 1,092,986</u>	<u>\$ 1,395,401</u>
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	\$ -	\$ 164,696	\$ 164,696
<u>FUND BALANCES</u>			
Restricted	<u>302,415</u>	<u>928,290</u>	<u>1,230,705</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 302,415</u>	<u>\$ 1,092,986</u>	<u>\$ 1,395,401</u>

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
June 30, 2016

	Vehicle Reserve	Library Reserve	Fair Reserve	Tillamook County 4-H and Extension Building Reserve	Trask Road Project	Road Improvement Construction	Road Construction Grant Projects	Building Improvement	Jail Capital Improvement Projects	Totals
ASSETS										
Cash and investments	\$ 218,032	\$ 777,579	\$ 5,170	\$ 203,340	\$ 305,744	\$ 1,493,906	\$ 157,123	\$ 629,150	\$ 794,123	\$ 4,584,167
LIABILITIES										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,881	\$ 687,593	\$ 712,474
FUND BALANCES										
Restricted	-	-	-	-	305,744	1,493,906	-	-	106,530	1,906,180
Assigned	218,032	777,579	5,170	203,340	-	-	157,123	604,269	-	1,965,513
TOTAL FUND BALANCES	218,032	777,579	5,170	203,340	305,744	1,493,906	157,123	604,269	106,530	3,871,693
TOTAL LIABILITIES AND FUND BALANCES	\$ 218,032	\$ 777,579	\$ 5,170	\$ 203,340	\$ 305,744	\$ 1,493,906	\$ 157,123	\$ 629,150	\$ 794,123	\$ 4,584,167

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT
For the Year Ended June 30, 2016**

	Community Development	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-
Intergovernmental	-	199,530	50,000	-	-
Charges for services	892,700	-	-	-	20,912
Fines and forfeitures	-	-	-	-	-
Interest	531	104	-	74	-
Miscellaneous	3,545	-	-	962	-
	<u>896,776</u>	<u>199,634</u>	<u>50,000</u>	<u>1,036</u>	<u>20,912</u>
TOTAL REVENUES					
	<u>896,776</u>	<u>199,634</u>	<u>50,000</u>	<u>1,036</u>	<u>20,912</u>
EXPENDITURES					
General government	668,438	75,900	51,526	426	11,676
Capital outlay	822	-	-	-	-
	<u>669,260</u>	<u>75,900</u>	<u>51,526</u>	<u>426</u>	<u>11,676</u>
TOTAL EXPENDITURES					
	<u>669,260</u>	<u>75,900</u>	<u>51,526</u>	<u>426</u>	<u>11,676</u>
Excess (deficiency) of revenues over expenditures	<u>227,516</u>	<u>123,734</u>	<u>(1,526)</u>	<u>610</u>	<u>9,236</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(99,000)	-	-	-
	<u>-</u>	<u>(99,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)					
	<u>-</u>	<u>(99,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	227,516	24,734	(1,526)	610	9,236
Fund balances - beginning	-	(161)	33,669	16,143	45,825
	<u>-</u>	<u>(161)</u>	<u>33,669</u>	<u>16,143</u>	<u>45,825</u>
Fund balances - ending	<u>\$ 227,516</u>	<u>\$ 24,573</u>	<u>\$ 32,143</u>	<u>\$ 16,753</u>	<u>\$ 55,061</u>

BPS Surcharge	PLCP	Clerks Records	Federal Title III	Veteran's Services	Technology	Totals
\$ -	\$ -	\$ -	\$ -	\$ 132,024	\$ -	\$ 132,024
-	-	10,782	-	-	-	10,782
94,095	-	-	76,357	81,664	-	501,646
-	70,034	-	-	-	-	983,646
-	-	-	-	-	76,080	76,080
-	118	127	979	223	-	2,156
-	510	-	-	87	-	5,104
<u>94,095</u>	<u>70,662</u>	<u>10,909</u>	<u>77,336</u>	<u>213,998</u>	<u>76,080</u>	<u>1,711,438</u>
96,105	62,777	2,909	10,664	164,712	45,270	1,190,403
-	-	-	-	-	-	822
<u>96,105</u>	<u>62,777</u>	<u>2,909</u>	<u>10,664</u>	<u>164,712</u>	<u>45,270</u>	<u>1,191,225</u>
<u>(2,010)</u>	<u>7,885</u>	<u>8,000</u>	<u>66,672</u>	<u>49,286</u>	<u>30,810</u>	<u>520,213</u>
-	-	-	-	17,000	-	17,000
-	-	-	-	-	-	(99,000)
-	-	-	-	17,000	-	(82,000)
(2,010)	7,885	8,000	66,672	66,286	30,810	438,213
6,386	22,520	22,557	194,488	(8,759)	177,509	510,177
<u>\$ 4,376</u>	<u>\$ 30,405</u>	<u>\$ 30,557</u>	<u>\$ 261,160</u>	<u>\$ 57,527</u>	<u>\$ 208,319</u>	<u>\$ 948,390</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY
For the Year Ended June 30, 2016**

	Court Security	Law Enforcement	Sheriff Trust	SB 1065 Assessment and Conviction	Tillamook Narcotics Team	Totals
REVENUES						
Fines and forfeitures	\$ 41,549	\$ 1,689	\$ 3,046	\$ 11,239	\$ 26,588	\$ 84,111
Interest	1,199	-	31	164	236	1,630
Miscellaneous	-	-	455	-	1,279	1,734
TOTAL REVENUES	<u>42,748</u>	<u>1,689</u>	<u>3,532</u>	<u>11,403</u>	<u>28,103</u>	<u>87,475</u>
EXPENDITURES						
Public safety	2,988	903	10,541	18,700	7,028	40,160
Capital outlay	10,097	-	-	-	-	10,097
TOTAL EXPENDITURES	<u>13,085</u>	<u>903</u>	<u>10,541</u>	<u>18,700</u>	<u>7,028</u>	<u>50,257</u>
Excess (deficiency) of revenues over expenditures	29,663	786	(7,009)	(7,297)	21,075	37,218
OTHER FINANCING SOURCES (USES)						
Transfers out	(50,000)	-	-	(20,000)	-	(70,000)
Net change in fund balances	(20,337)	786	(7,009)	(27,297)	21,075	(32,782)
Fund balances - beginning	248,408	379	15,296	39,337	38,531	341,951
Fund balances - ending	<u>\$ 228,071</u>	<u>\$ 1,165</u>	<u>\$ 8,287</u>	<u>\$ 12,040</u>	<u>\$ 59,606</u>	<u>\$ 309,169</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
CULTURE AND RECREATION
For the Year Ended June 30, 2016**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 53,667	\$ 74,611	\$ 128,278
Charges for services	762,719	1,884,390	2,647,109
Interest	787	4,749	5,536
Miscellaneous	<u>112,179</u>	<u>34,300</u>	<u>146,479</u>
TOTAL REVENUES	<u>929,352</u>	<u>1,998,050</u>	<u>2,927,402</u>
EXPENDITURES			
Culture and recreation	915,700	1,401,879	2,317,579
Capital outlay	<u>9,636</u>	<u>469,505</u>	<u>479,141</u>
TOTAL EXPENDITURES	<u>925,336</u>	<u>1,871,384</u>	<u>2,796,720</u>
Excess (deficiency) of revenues over expenditures	4,016	126,666	130,682
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	<u>-</u>	<u>15,118</u>	<u>15,118</u>
Net change in fund balances	4,016	141,784	145,800
Fund balances - beginning	<u>298,399</u>	<u>786,506</u>	<u>1,084,905</u>
Fund balances - ending	<u>\$ 302,415</u>	<u>\$ 928,290</u>	<u>\$ 1,230,705</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
HEALTH AND WELFARE**

For the Year Ended June 30, 2016

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 1,150,577	\$ -	\$ 1,150,577
Charges for services	-	13,009	13,009
Interest	-	424	424
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	1,150,577	13,433	1,164,010
EXPENDITURES			
Health and welfare	<u>1,150,577</u>	<u>21,157</u>	<u>1,171,734</u>
Net change in fund balances	-	(7,724)	(7,724)
Fund balances - beginning	<u>-</u>	<u>89,133</u>	<u>89,133</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 81,409</u>	<u>\$ 81,409</u>

TILLAMOOK COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2016

	Tillamook County 4-H and									Totals
	Vehicle Reserve	Library Reserve	Fair Reserve	Extension Building Reserve	Trask Road Project	Road Improvement Construction	Road Construction Grant Projects	Building Improvement	Jail Capital Improvement Projects	
REVENUES										
Interest	\$ 1,041	\$ 3,536	\$ -	\$ 500	\$ 1,461	\$ 8,048	\$ 1,245	\$ 2,714	\$ -	\$ 18,545
Miscellaneous	-	-	-	101,376	-	-	-	-	-	101,376
TOTAL REVENUES	<u>1,041</u>	<u>3,536</u>	<u>-</u>	<u>101,876</u>	<u>1,461</u>	<u>8,048</u>	<u>1,245</u>	<u>2,714</u>	<u>-</u>	<u>119,921</u>
EXPENDITURES										
Current:										
General government	-	-	-	-	-	-	-	35,192	-	35,192
Public safety	-	-	-	-	-	-	-	-	28,516	28,516
Capital outlay	172,484	-	-	-	45,291	1,538,076	854,000	109,701	3,014,954	5,734,506
Debt service										
Principal	57,648	-	-	-	-	-	-	-	-	57,648
Interest	2,509	-	-	-	-	-	-	-	-	2,509
TOTAL EXPENDITURES	<u>232,641</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,291</u>	<u>1,538,076</u>	<u>854,000</u>	<u>144,893</u>	<u>3,043,470</u>	<u>5,858,371</u>
Excess (deficiency) of revenues over expenditures	<u>(231,600)</u>	<u>3,536</u>	<u>-</u>	<u>101,876</u>	<u>(43,830)</u>	<u>(1,530,028)</u>	<u>(852,755)</u>	<u>(142,179)</u>	<u>(3,043,470)</u>	<u>(5,738,450)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	20,000	-	-	80,000	-	-	-	200,000	-	300,000
Issuance of debt	157,772	-	-	-	-	-	-	-	3,150,000	3,307,772
TOTAL OTHER FINANCING SOURCES (USES)	<u>177,772</u>	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>3,150,000</u>	<u>3,607,772</u>
Net change in fund balances	(53,828)	3,536	-	181,876	(43,830)	(1,530,028)	(852,755)	57,821	106,530	(2,130,678)
Fund balances - beginning	271,860	774,043	5,170	21,464	349,574	3,023,934	1,009,878	546,448	-	6,002,371
Fund balances - ending	<u>\$ 218,032</u>	<u>\$ 777,579</u>	<u>\$ 5,170</u>	<u>\$ 203,340</u>	<u>\$ 305,744</u>	<u>\$ 1,493,906</u>	<u>\$ 157,123</u>	<u>\$ 604,269</u>	<u>\$ 106,530</u>	<u>\$ 3,871,693</u>

TILLAMOOK COUNTY

**COMMUNITY DEVELOPMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 710,000	\$ 892,700	\$ 182,700
Investment earnings	100	531	431
Miscellaneous	<u>500</u>	<u>3,545</u>	<u>3,045</u>
TOTAL REVENUES	<u>710,600</u>	<u>896,776</u>	<u>186,176</u>
EXPENDITURES			
Personal services	541,000	528,815	12,185
Materials and services	127,470	127,128	342
Capital outlay	830	822	8
Contingency	<u>5,600</u>	<u>-</u>	<u>5,600</u>
TOTAL EXPENDITURES	<u>674,900</u>	<u>656,765</u>	<u>18,135</u>
Net change in fund balance	35,700	240,011	204,311
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ 35,700</u>	<u>\$ 240,011</u>	<u>\$ 204,311</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, 2016**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 170,000	\$ 199,530	\$ 29,530
Investment earnings	<u>250</u>	<u>104</u>	<u>(146)</u>
TOTAL REVENUES	170,250	199,634	29,384
EXPENDITURES			
Materials and services	<u>76,250</u>	<u>75,900</u>	<u>350</u>
Excess (deficiency) of revenues over expenditures	94,000	123,734	29,734
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(99,000)</u>	<u>(99,000)</u>	<u>-</u>
Net change in fund balance	(5,000)	24,734	29,734
Fund balance at beginning of year	<u>5,000</u>	<u>(161)</u>	<u>(5,161)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 24,573</u>	<u>\$ 24,573</u>

TILLAMOOK COUNTY

**FOREST TIMBER TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 50,000	\$ 50,000	\$ -
EXPENDITURES			
Materials and services	<u>80,000</u>	<u>68,721</u>	<u>11,279</u>
Net change in fund balance	(30,000)	(18,721)	11,279
Fund balance at beginning of year	<u>30,000</u>	<u>52,195</u>	<u>22,195</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 33,474</u>	<u>\$ 33,474</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, 2016**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ -	\$ 74	\$ 74
Miscellaneous	500	862	362
TOTAL REVENUES	500	936	436
EXPENDITURES			
Materials and services	10,000	426	9,574
Net change in fund balance	(9,500)	510	10,010
Fund balance at beginning of year	15,600	16,143	543
Fund balance at end of year	\$ 6,100	\$ 16,653	\$ 10,553

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 15,000	\$ 20,912	\$ 5,912
EXPENDITURES			
Materials and services	<u>30,000</u>	<u>8,966</u>	<u>21,034</u>
Net change in fund balance	(15,000)	11,946	26,946
Fund balance at beginning of year	<u>15,000</u>	<u>46,493</u>	<u>31,493</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 58,439</u>	<u>\$ 58,439</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 150,000	\$ 93,974	\$ (56,026)
EXPENDITURES			
Materials and services	<u>150,000</u>	<u>90,639</u>	<u>59,361</u>
Net change in fund balance	-	3,335	3,335
Fund balance at beginning of year	<u>-</u>	<u>27,810</u>	<u>27,810</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 31,145</u>	<u>\$ 31,145</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 50,000	\$ 70,034	\$ 20,034
Investment earnings	100	118	18
Miscellaneous	<u>-</u>	<u>510</u>	<u>510</u>
TOTAL REVENUES	<u>50,100</u>	<u>70,662</u>	<u>20,562</u>
EXPENDITURES			
Personal services	60,100	57,265	2,835
Materials and services	<u>10,000</u>	<u>7,009</u>	<u>2,991</u>
TOTAL EXPENDITURES	<u>70,100</u>	<u>64,274</u>	<u>5,826</u>
Net change in fund balance	(20,000)	6,388	26,388
Fund balance at beginning of year	<u>20,000</u>	<u>24,041</u>	<u>4,041</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 30,429</u>	<u>\$ 30,429</u>

TILLAMOOK COUNTY

**CLERKS RECORDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 10,000	\$ 10,782	\$ 782
Investment earnings	100	127	27
TOTAL REVENUES	10,100	10,909	809
EXPENDITURES			
Materials and services	19,100	2,909	16,191
Capital outlay	16,000	-	16,000
TOTAL EXPENDITURES	35,100	2,909	32,191
Net change in fund balance	(25,000)	8,000	33,000
Fund balance at beginning of year	25,000	22,557	(2,443)
Fund balance at end of year	\$ -	\$ 30,557	\$ 30,557

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, 2016**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 100,000	\$ 76,357	\$ (23,643)
Investment earnings	-	979	979
TOTAL REVENUES	100,000	77,336	(22,664)
EXPENDITURES			
Materials and services	350,000	10,664	339,336
Net change in fund balance	(250,000)	66,672	316,672
Fund balance at beginning of year	250,000	194,488	(55,512)
Fund balance at end of year	\$ -	\$ 261,160	\$ 261,160

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, 2016**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 130,200	\$ 132,863	\$ 2,663
Intergovernmental	17,500	79,219	61,719
Investment earnings	100	223	123
Miscellaneous	100.00	87	(13)
TOTAL REVENUES	147,900	212,392	64,492
EXPENDITURES			
Personal services	153,990	153,952	38
Materials and services	10,910	10,747	163
TOTAL EXPENDITURES	164,900	164,699	201
Excess (deficiency) of revenues over expenditures	(17,000)	47,693	64,693
OTHER FINANCING SOURCES (USES)			
Transfers in	17,000	17,000	-
Net change in fund balance	-	64,693	64,693
Fund balance at beginning of year	-	(14,937)	(14,937)
Fund balance at end of year	\$ -	\$ 49,756	\$ 49,756

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, 2016**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 40,000	\$ 76,080	\$ 36,080
EXPENDITURES			
Materials and services	115,000	47,516	67,484
Capital outlay	25,000	-	25,000
TOTAL EXPENDITURES	140,000	47,516	92,484
Net change in fund balance	(100,000)	28,564	128,564
Fund balance at beginning of year	100,000	179,755	79,755
Fund balance at end of year	\$ -	\$ 208,319	\$ 208,319

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, 2016**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 41,643	\$ (8,357)
Investment earnings	1,000	1,199	199
TOTAL REVENUES	51,000	42,842	(8,158)
EXPENDITURES			
Materials and services	13,000	3,009	9,991
Capital outlay	228,000	10,097	217,903
TOTAL EXPENDITURES	241,000	13,106	227,894
Excess (deficiency) of revenues over expenditures	(190,000)	29,736	219,736
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
Net change in fund balance	(240,000)	(20,264)	219,736
Fund balance at beginning of year	240,000	248,163	8,163
Fund balance at end of year	\$ -	\$ 227,899	\$ 227,899

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 1,900	\$ 1,689	\$ (211)
EXPENDITURES			
Materials and services	<u>2,000</u>	<u>903</u>	<u>1,097</u>
Net change in fund balance	(100.00)	786	886
Fund balance at beginning of year	<u>100.00</u>	<u>379</u>	<u>279</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,165</u>	<u>\$ 1,165</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 5,000	\$ 3,046	\$ (1,954)
Investment earnings	-	31	31
Miscellaneous	<u>-</u>	<u>455</u>	<u>455</u>
TOTAL REVENUES	10,000	3,532	(6,468)
EXPENDITURES			
Materials and services	<u>25,000</u>	<u>10,325</u>	<u>14,675</u>
Net change in fund balance	(15,000)	(6,793)	8,207
Fund balance at beginning of year	<u>15,000</u>	<u>15,296</u>	<u>296</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 8,503</u>	<u>\$ 8,503</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 2,700	\$ 11,310	\$ 8,610
Investment earnings	<u>100</u>	<u>164</u>	<u>64</u>
TOTAL REVENUES	2,800	11,474	8,674
EXPENDITURES			
Materials and services	<u>27,800</u>	<u>18,700</u>	<u>9,100</u>
Excess (deficiency) of revenues over expenditures	(25,000)	(7,226)	17,774
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net change in fund balance	(45,000)	(27,226)	17,774
Fund balance at beginning of year	<u>45,000</u>	<u>39,137</u>	<u>(5,863)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 11,911</u>	<u>\$ 11,911</u>

TILLAMOOK COUNTY

**TILLAMOOK NARCOTICS TEAM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 10,000	\$ 26,588	\$ 16,588
Investment earnings	-	236	236
Miscellaneous	-	1,279	1,279
TOTAL REVENUES	10,000	28,103	18,103
EXPENDITURES			
Materials and services	41,000	7,148	33,852
Net change in fund balance	(31,000)	20,955	51,955
Fund balance at beginning of year	31,000	38,651	7,651
Fund balance at end of year	<u>\$ -</u>	<u>\$ 59,606</u>	<u>\$ 59,606</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, 2016**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 300	\$ 547	\$ 247
EXPENDITURES			
Capital outlay	-	1,879	(1,879)
Contingency	50,000	-	50,000
Excess (deficiency) of revenues over expenditures	(49,700)	(1,332)	48,368
OTHER FINANCING SOURCES (USES)			
Transfers in	19,250	19,250	-
Net change in fund balance	(30,450)	17,918	48,368
Fund balance at beginning of year	133,000	109,256	(23,744)
Fund balance at end of year	\$ 102,550.00	\$ 127,174	\$ 24,624

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, 2016**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 50,900	\$ 53,667	\$ 2,767
Charges for services	773,700	762,719	(10,981)
Investment earnings	1,000	787	(213)
Miscellaneous	20,400	112,179	91,779
TOTAL REVENUES	846,000	929,352	83,352
EXPENDITURES			
Personal services	268,250	258,016	10,234
Materials and services	652,250	657,684	(5,434)
Capital outlay	9,640	9,636	4
Contingency	37,860	-	37,860
TOTAL EXPENDITURES	968,000	925,336	42,664
Net change in fund balance	(122,000)	4,016	126,016
Fund balance at beginning of year	165,300	298,399	133,099
Fund balance at end of year	\$ 43,300	\$ 302,415	\$ 259,115

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 207,200	\$ 126,642	\$ (80,558)
Charges for services	1,666,600	1,869,135	202,535
Investment earnings	2,000	4,749	2,749
Miscellaneous	<u>32,100</u>	<u>51,868</u>	<u>19,768</u>
TOTAL REVENUES	<u>1,907,900</u>	<u>2,052,394</u>	<u>144,494</u>
EXPENDITURES			
Personal services	409,600	396,531	13,069
Materials and services	1,072,550	923,403	149,147
Capital outlay	967,150	452,175	514,975
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>
TOTAL EXPENDITURES	<u>2,474,300</u>	<u>1,772,109</u>	<u>702,191</u>
Net change in fund balance	(566,400)	280,285	846,685
Fund balance at beginning of year	<u>750,000</u>	<u>704,256</u>	<u>(45,744)</u>
Fund balance at end of year	<u>\$ 183,600</u>	<u>\$ 984,541</u>	<u>\$ 800,941</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, 2016**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,500,000	\$ 1,150,577	\$ (349,423)
EXPENDITURES			
Materials and services	1,500,000	1,150,577	349,423
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, 2016**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 10,000	\$ 13,009	\$ 3,009
Investment earnings	300	424	124
TOTAL REVENUES	10,300	13,433	3,133
EXPENDITURES			
Materials and services	100,300	16,207	84,093
Net change in fund balance	(90,000)	(2,774)	87,226
Fund balance at beginning of year	90,000	90,821	821
Fund balance at end of year	\$ -	\$ 88,047	\$ 88,047

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, 2016**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 283,200	\$ 303,584	\$ 20,384
Intergovernmental	62,100	73,519	11,419
Investment earnings	1,200	2,162	962
TOTAL REVENUES	346,500	379,265	32,765
EXPENDITURES			
Personal services	236,000	204,000	32,000
Materials and services	159,700	99,260	60,440
Contingency	77,000	-	77,000
TOTAL EXPENDITURES	472,700	303,260	169,440
Excess (deficiency) of revenues over expenditures	(126,200)	76,005	202,205
OTHER FINANCING SOURCES (USES)			
Transfers out	(80,000)	(80,000)	-
Net change in fund balance	(206,200)	(3,995)	202,205
Fund balance at beginning of year	365,300	415,896	50,596
Fund balance at end of year	\$ 159,100	\$ 411,901	\$ 252,801

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, 2016**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 535,940	\$ 535,303	\$ (637)
Investment earnings	<u> -</u>	<u> 205</u>	<u> 205</u>
TOTAL REVENUES	<u>535,940</u>	<u>535,508</u>	<u>(432)</u>
EXPENDITURES			
Materials and services	795	-	795
Debt service	<u>560,145</u>	<u>560,145</u>	<u> -</u>
TOTAL EXPENDITURES	<u>560,940</u>	<u>560,145</u>	<u>795</u>
Excess (deficiency) of revenues over expenditures	(25,000)	(24,637)	363
OTHER FINANCING SOURCES (USES)			
Transfers out	<u> -</u>	<u>(5,966)</u>	<u>5,966</u>
Net change in fund balance	(25,000)	(30,603)	(5,603)
Fund balance at beginning of year	<u>38,000</u>	<u>30,603</u>	<u>(7,397)</u>
Fund balance at end of year	<u><u>\$ 13,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (13,000)</u></u>

TILLAMOOK COUNTY

**ROAD - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,194,395	\$ 1,223,470	\$ 29,075
Investment earnings	<u>-</u>	<u>807</u>	<u>807</u>
TOTAL REVENUES	<u>1,194,395</u>	<u>1,224,277</u>	<u>29,882</u>
EXPENDITURES			
Materials and services	795	-	795
Debt service	<u>1,313,100</u>	<u>1,313,100</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,313,895</u>	<u>1,313,100</u>	<u>795</u>
Net change in fund balance	(119,500)	(88,823)	30,677
Fund balance at beginning of year	<u>120,000.00</u>	<u>147,924</u>	<u>27,924</u>
Fund balance at end of year	<u>\$ 500</u>	<u>\$ 59,101</u>	<u>\$ 58,601</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, 2016**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 243,495	\$ 240,115	\$ (3,380)
Investment earnings	<u>-</u>	<u>132</u>	<u>132</u>
TOTAL REVENUES	<u>243,495</u>	<u>240,247</u>	<u>(3,248)</u>
EXPENDITURES			
Materials and services	795	-	795
Debt service	<u>252,200</u>	<u>252,200</u>	<u>-</u>
TOTAL EXPENDITURES	<u>252,995</u>	<u>252,200</u>	<u>795</u>
Net change in fund balance	(9,500)	(11,953)	(2,453)
Fund balance at beginning of year	<u>10,000</u>	<u>7,120</u>	<u>(2,880)</u>
Fund balance at end of year	<u><u>\$ 500</u></u>	<u><u>\$ (4,833)</u></u>	<u><u>\$ (5,333)</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, 2016**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 1,000	\$ 1,041	\$ 41
EXPENDITURES			
Capital outlay	450,772	172,484	278,288
Debt service	-	60,157	(60,157)
TOTAL EXPENDITURES	<u>450,772</u>	<u>232,641</u>	<u>218,131</u>
Excess (deficiency) of revenues over expenditures	<u>(449,772)</u>	<u>(231,600)</u>	<u>218,172</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	20,000	20,000	-
Issuance of debt	157,772	157,772	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>177,772</u>	<u>177,772</u>	<u>-</u>
Net change in fund balance	(272,000)	(53,828)	218,172
Fund balance at beginning of year	<u>272,000</u>	<u>271,860</u>	<u>(140)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 218,032</u>	<u>\$ 218,032</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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	<u>\$ 2,000</u>	<u>\$ 3,536</u>	<u>\$ 1,536</u>
EXPENDITURES			
Materials and services	400,000	-	400,000
Capital outlay	150,000	-	150,000
Contingency	<u>202,000</u>	<u>-</u>	<u>202,000</u>
TOTAL EXPENDITURES	<u>752,000</u>	<u>-</u>	<u>752,000</u>
Net change in fund balance	(750,000)	3,536	753,536
Fund balance at beginning of year	<u>750,000</u>	<u>774,043</u>	<u>24,043</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 777,579</u>	<u>\$ 777,579</u>

TILLAMOOK COUNTY

**FAIR RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Capital outlay	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>
Net change in fund balance	(5,000)	-	5,000
Fund balance at beginning of year	<u>5,000</u>	<u>5,170</u>	<u>170</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 5,170</u></u>	<u><u>\$ 5,170</u></u>

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 200	\$ 500	\$ 300
Miscellaneous	<u>-</u>	<u>101,376</u>	<u>101,376</u>
TOTAL REVENUES	200	101,876	101,676
EXPENDITURES			
Capital outlay	<u>101,600</u>	<u>-</u>	<u>101,600</u>
Excess (deficiency) of revenues over expenditures	(101,400)	101,876	203,276
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>80,000</u>	<u>80,000</u>	<u>-</u>
Net change in fund balance	(21,400)	181,876	203,276
Fund balance at beginning of year	<u>21,400</u>	<u>21,464</u>	<u>64</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 203,340</u>	<u>\$ 203,340</u>

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	<u>500</u>	<u>1,461</u>	<u>961</u>
EXPENDITURES			
Materials and services	25,000	-	25,000
Capital outlay	52,000	45,291	6,709
Contingency	<u>175,500</u>	<u>-</u>	<u>175,500</u>
TOTAL EXPENDITURES	<u>252,500</u>	<u>45,291</u>	<u>207,209</u>
Net change in fund balance	(252,000)	(43,830)	208,170
Fund balance at beginning of year	<u>348,916</u>	<u>349,574</u>	<u>658</u>
Fund balance at end of year	<u>\$ 96,916</u>	<u>\$ 305,744</u>	<u>\$ 208,828</u>

TILLAMOOK COUNTY

**ROAD IMPROVEMENT CONSTRUCTION - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 5,000	\$ 8,048	\$ 3,048
EXPENDITURES			
Materials and services	<u>1,866,639</u>	<u>1,634,371</u>	<u>232,268</u>
Net change in fund balance	(1,861,639)	(1,626,323)	235,316
Fund balance at beginning of year	<u>1,861,639</u>	<u>3,120,229</u>	<u>1,258,590</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,493,906</u>	<u>\$ 1,493,906</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, 2016**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 4,000	\$ 1,245	\$ (2,755)
EXPENDITURES			
Capital outlay	854,000	854,000	-
Net change in fund balance	(850,000)	(852,755)	(2,755)
Fund balance at beginning of year	850,000	1,009,878	159,878
Fund balance at end of year	\$ -	\$ 157,123	\$ 157,123

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, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 1,500	\$ 2,714	\$ 1,214
EXPENDITURES			
Materials and services	201,500	12,681	188,819
Capital outlay	<u>500,000</u>	<u>167,243</u>	<u>332,757</u>
TOTAL EXPENDITURES	<u>701,500</u>	<u>179,924</u>	<u>521,576</u>
Excess (deficiency) of revenues over expenditures	(700,000)	(177,210)	522,790
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	(500,000)	22,790	522,790
Fund balance at beginning of year	<u>500,000</u>	<u>606,360</u>	<u>106,360</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 629,150</u>	<u>\$ 629,150</u>

TILLAMOOK COUNTY

**JAIL CAPITAL IMPROVEMENT PROJECTS - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2016**

	Budget	Actual	Variance
EXPENDITURES			
Materials and services	\$ 3,145,700	\$ 2,355,877	\$ 789,823
OTHER FINANCING SOURCES (USES)			
Issuance of debt	3,145,700	3,150,000	(4,300)
Net change in fund balance	-	794,123	794,123
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 794,123	\$ 794,123

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.

Solid Waste Service District - accounts for the operation of three solid waste transfer stations.

Solid Waste Sinking - accounts for funds set aside for capital improvements to the transfer stations.

Solid Waste Post Closure Reserve - accounts for funds set aside for potential costs of environmental remediation of the closed County landfill.

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, 2016**

	Budget	Actual	Variance
REVENUES			
Assessments	\$ 225,000	\$ 233,663	\$ 8,663
Charges for services	2,025,720	2,104,357	78,637
Investment earnings	1,000	654	(346)
Miscellaneous	7,750	26,226	18,476
TOTAL REVENUES	2,259,470	2,364,900	105,430
EXPENDITURES			
Personal services	192,970	187,531	5,439
Materials and services	2,076,570	2,076,368	202
Capital outlay	44,410	42,828	1,582
TOTAL EXPENDITURES	2,313,950	2,306,727	7,223
Excess (deficiency) of revenues over expenditures	(54,480)	58,173	112,653
OTHER FINANCING SOURCES (USES)			
Transfers out	(100,000)	(100,000)	-
Net change in fund balance	(154,480)	(41,827)	112,653
Fund balance at beginning of year	166,480	161,730	(4,750)
Fund balance at end of year	\$ 12,000	119,903	\$ 107,903
Reconciliation to generally accepted accounting principles:			
Receivables		127,953	
Capital assets, net		2,247,807	
Deferred outflows of resources		68,197	
Accounts payable and accrued liabilities		(213,900)	
Accumulated compenstaed absences		(4,130)	
Other post-employment benefits		(20,124)	
Net pension liability		(194,086)	
Landfill post-closure care liability		(1,200,260)	
Deferred inflows of resources		(2,715)	
Net position at end of year		\$ 928,645	

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, 2016**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 2,500	\$ 2,792	\$ 292
EXPENDITURES			
Materials and services	-	1,088	(1,088)
Capital outlay	-	202,463	(202,463)
Contingency	300,000	-	300,000
TOTAL EXPENDITURES	300,000	203,551	96,449
Net change in fund balance	(297,500)	(200,759)	96,741
Fund balance at beginning of year	669,000	668,916	(84)
Fund balance at end of year	\$ 371,500	468,157	\$ 96,657
Reconciliation to generally accepted accounting principles:			
Accounts payable and accrued liabilities		(9,579)	
Net position at end of year		\$ 458,578	

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, 2016**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 2,000	\$ 2,974	\$ 974
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	100,000	-
Net change in fund balance	102,000	102,974	974
Fund balance at beginning of year	597,000	597,350	350
Fund balance at end of year	\$ 699,000	\$ 700,324	\$ 1,324

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, 2016**

	<u>Balances July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances June 30, 2016</u>
ASSETS				
Cash and investments	\$ 1,090,375	\$ 16,699,819	\$ 17,015,792	\$ 774,402
Receivables	<u>5,341,221</u>	<u>66,213,568</u>	<u>65,048,440</u>	<u>6,506,349</u>
TOTAL ASSETS	<u>\$ 6,431,596</u>	<u>\$ 82,913,387</u>	<u>\$ 82,064,232</u>	<u>\$ 7,280,751</u>
LIABILITIES				
Due to other governments	<u>\$ 6,431,596</u>	<u>\$ 82,913,387</u>	<u>\$ 82,064,232</u>	<u>\$ 7,280,751</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, 2016

CAPITAL ASSETS

Land	\$ 5,452,437
Land improvements	1,973,344
Buildings	33,034,746
Equipment	10,485,191
Infrastructure	27,584,974
Construction in progress	<u>8,658,014</u>

TOTAL CAPITAL ASSETS \$ 87,188,706

INVESTMENT IN CAPITAL ASSETS

General fund	\$ 10,589,544
Special revenue funds	38,261,356
Capital project funds	<u>38,337,806</u>

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 87,188,706

TILLAMOOK COUNTY

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENTAL ACTIVITIES
June 30, 2016**

<u>Function and Activity</u>	<u>Totals</u>	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
General government:							
Board of County Commissioners	\$ 25,414	\$ -	\$ -	\$ -	\$ 25,260	\$ -	\$ 154
District Attorney	71,512	-	-	-	71,512	-	-
County Clerk	272,513	-	-	-	272,513	-	-
County Assessor	155,828	-	-	-	155,828	-	-
Courthouse	2,524,709	702,367	-	1,509,699	99,868	-	212,775
County Surveyor	55,991	-	-	-	55,991	-	-
Community Development	716,469	550,186	-	-	166,283	-	-
Data processing	708,250	-	-	33,782	674,468	-	-
Juvenile	44,495	-	-	-	44,495	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	3,863,976	345,056	-	705,187	779,901	-	2,033,832
Total general government	8,457,735	1,597,609	-	2,248,668	2,364,697	-	2,246,761
Public safety							
County Sheriff	2,227,720	-	42,678	122,471	1,877,897	-	184,674
Communications	70,288	-	-	31,258	39,030	-	-
Corrections	11,436,156	-	-	8,036,470	552,590	-	2,847,096
Courts	261,837	-	-	225,316	36,521	-	-
Total public safety	13,996,001	-	42,678	8,415,515	2,506,038	-	3,031,770
Highways and streets	35,949,232	1,475,557	11,560	85,102	4,418,465	26,705,082	3,253,466
Culture and recreation							
Parks	5,950,475	2,227,960	1,603,378	989,791	286,864	716,465	126,017
Library	5,170,411	97,155	-	4,646,261	263,568	163,427	-
Fair	4,566,908	54,156	88,128	4,024,067	400,557	-	-
Total culture and recreation	15,687,794	2,379,271	1,691,506	9,660,119	950,989	879,892	126,017
Health and welfare	12,452,760	-	-	12,213,227	239,533	-	-
Education	645,184	-	227,600	412,115	5,469	-	-
Total capital assets	<u>\$ 87,188,706</u>	<u>\$ 5,452,437</u>	<u>\$ 1,973,344</u>	<u>\$ 33,034,746</u>	<u>\$ 10,485,191</u>	<u>\$ 27,584,974</u>	<u>\$ 8,658,014</u>

TILLAMOOK COUNTY

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENT ACTIVITIES
For the Year Ended June 30, 201**

<u>Function and Activity</u>	<u>Balances July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2016</u>
General government				
Board of County Commissioners	\$ 25,260	\$ 154	\$ -	\$ 25,414
District Attorney	71,512	-	-	71,512
County Clerk	272,513	-	-	272,513
County Assessor	155,828	-	-	155,828
Courthouse	2,455,572	69,137	-	2,524,709
County Surveyor	55,991	-	-	55,991
Community Development	742,184	-	25,715	716,469
Data processing	708,250	-	-	708,250
Juvenile	44,495	-	-	44,495
Personnel	18,578	-	-	18,578
Other - unclassified	2,101,644	1,762,332	-	3,863,976
Total general government	<u>6,651,827</u>	<u>1,831,623</u>	<u>25,715</u>	<u>8,457,735</u>
Public safety				
County Sheriff	2,221,952	25,598	19,830	2,227,720
Communications	70,288	-	-	70,288
Corrections	8,562,500	2,873,656	-	11,436,156
Courts	261,837	-	-	261,837
Total public safety	<u>11,116,577</u>	<u>2,899,254</u>	<u>19,830</u>	<u>13,996,001</u>
Highways and streets	<u>33,613,637</u>	<u>2,335,595</u>	<u>-</u>	<u>35,949,232</u>
Culture and recreation				
Parks	5,494,103	478,122	21,750	5,950,475
Library	4,927,410	243,001	-	5,170,411
Fair	4,566,908	-	-	4,566,908
Total culture and recreation	<u>14,988,421</u>	<u>721,123</u>	<u>21,750</u>	<u>15,687,794</u>
Health and welfare	<u>12,445,795</u>	<u>37,203</u>	<u>30,238</u>	<u>12,452,760</u>
Education	<u>645,184</u>	<u>-</u>	<u>-</u>	<u>645,184</u>
Total capital assets	<u>\$ 79,461,441</u>	<u>\$ 7,824,798</u>	<u>\$ 97,533</u>	<u>\$ 87,188,706</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, 2016**

<u>Obligation</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Principal</u>		<u>Outstanding June 30, 2016</u>	<u>Interest Matured and Paid</u>	
			<u>Outstanding July 1, 2015</u>	<u>Issued Current Year</u>			<u>Matured and Paid</u>
General obligation bond issues							
2002 Refunding	1.8% - 4.7%	5/2/2002	535,000	-	535,000	-	25,145
2013 Refunding	3.0% -4.1%	9/23/2013	1,895,000	-	180,000	1,715,000	72,200
2013 Road	3.0% -4.1%	9/23/2013	4,835,000	-	1,140,000	3,695,000	173,100
Total general obligation bond issues			<u>7,265,000</u>	<u>-</u>	<u>1,855,000</u>	<u>5,410,000</u>	<u>270,445</u>
Loans							
OEDD	6.00%	3/1/2000	154,245	-	27,363	126,882	9,255
ODOT	0.50%	12/1/2002	76,517	-	38,216	38,301	384
TLC	0%	2/25/2008	375,000	-	75,000	300,000	-
Chase	2.52%	9/3/2015	-	3,150,000	225,000	2,925,000	59,094
Total loans			<u>605,762</u>	<u>3,150,000</u>	<u>365,579</u>	<u>3,390,183</u>	<u>68,733</u>
Capital leases							
US Bancorp	2.50%	8/22/2014	180,665	-	43,510	137,155	4,509
US Bancorp	2.509%	11/30/2015	-	157,772	33,469	124,303	-
Total capital leases			<u>180,665</u>	<u>157,772</u>	<u>76,979</u>	<u>261,458</u>	<u>4,509</u>
Total			<u>\$ 8,051,427</u>	<u>\$ 3,307,772</u>	<u>\$ 2,297,558</u>	<u>\$ 9,061,641</u>	<u>\$ 343,687</u>

TILLAMOOK COUNTY

**SCHEDULE OF LONG-TERM OBLIGATIONS FUTURE DEBT SERVICE REQUIREMENTS
GOVERNMENTAL ACTIVITIES
June 30, 2016**

	General Obligation Bond Issues				Loans			
	2013 Refunding		2013 Road		OEDD		ODOT	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016-17	\$ 185,000	\$ 64,900	\$ 1,185,000	\$ 125,975	\$ 29,004	\$ 7,612	\$ 38,301	\$ 192
2017-18	195,000	57,300	1,230,000	77,050	30,745	5,873	-	-
2018-19	200,000	49,400	1,280,000	26,225	32,589	4,028	-	-
2019-20	210,000	41,200	-	-	34,544	2,074	-	-
2020-21	220,000	32,600	-	-	-	-	-	-
2021-22	225,000	23,700	-	-	-	-	-	-
2022-23	235,000	14,500	-	-	-	-	-	-
2023-24	245,000	4,900	-	-	-	-	-	-
2024-25	-	-	-	-	-	-	-	-
2025-26	-	-	-	-	-	-	-	-
2026-27	-	-	-	-	-	-	-	-
2027-28	-	-	-	-	-	-	-	-
	<u>\$ 1,715,000</u>	<u>\$ 288,500</u>	<u>\$ 3,695,000</u>	<u>\$ 229,250</u>	<u>\$ 126,882</u>	<u>\$ 19,587</u>	<u>\$ 38,301</u>	<u>\$ 192</u>

Capital Leases

TLC	Chase		US Bank		US Bank		Totals	
Principal	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 75,000	\$ 210,000	\$ 73,710	\$ 44,596	\$ 3,423	\$ 30,010	\$ 3,127	\$ 1,796,911	\$ 278,939
75,000	215,000	68,418	45,709	2,310	30,763	2,374	1,822,217	213,325
75,000	225,000	63,000	46,850	1,169	31,535	1,602	1,890,974	145,424
75,000	230,000	57,330	-	-	31,995	811	581,539	101,415
-	235,000	51,534	-	-	-	-	455,000	84,134
-	240,000	45,612	-	-	-	-	465,000	69,312
-	245,000	39,564	-	-	-	-	480,000	54,064
-	250,000	33,390	-	-	-	-	495,000	38,290
-	260,000	27,090	-	-	-	-	260,000	27,090
-	265,000	20,538	-	-	-	-	265,000	20,538
-	270,000	13,860	-	-	-	-	270,000	13,860
-	280,000	7,056	-	-	-	-	280,000	7,056
<u>\$ 300,000</u>	<u>\$ 2,925,000</u>	<u>\$ 501,102</u>	<u>\$ 137,155</u>	<u>\$ 6,902</u>	<u>\$ 124,303</u>	<u>\$ 7,914</u>	<u>\$ 9,061,641</u>	<u>\$ 1,053,447</u>

TILLAMOOK COUNTY

**SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS
As of and for the Year Ended June 30, 2016**

Elected Officials	Cash and Investments Balances July 1, 2015	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2016
County Clerk	\$ -	\$ 294,700	\$ 294,700	\$ -
Justice of the Peace	-	350,291	350,291	-
Sheriff	41,558	72,271	65,986	47,843
Tax Collector	-	49,832,493	49,832,493	-
Treasurer	25,678,922	107,587,310	107,273,290	25,992,942
Totals	\$ 25,720,480	\$ 158,137,065	\$ 157,816,760	\$ 26,040,785
Cash and investments as of June 30, 2016				
Deposits with financial institutions				\$ 4,096,656
Cash on hand				10,684
U.S. Government Agencies				1,002,789
Cash with investment company				27,585
Corporate debt obligation securities				6,265,710
State treasurer's investment pool				<u>14,637,361</u>
Cash and investments for elected officials				26,040,785
Cash held by County Fair Board				307,585
Held by custodian under pension plan, primarily mutual funds				<u>54,226,826</u>
Total cash and investments				<u>\$ 80,575,196</u>
Reported in the basic financial statements as:				
Governmental activities - cash and investments				\$ 24,281,480
Business-type activities - cash and investments				1,292,488
Pension trust				
Cash				352,667
Investments in fixed income securities				479,976
Investments in mutual funds				53,394,183
Agency funds - cash and cash equivalents				<u>774,402</u>
				<u>\$ 80,575,196</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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental activities										
Net investment capital asset	\$48,975,851	\$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
Restricted	16,377,192	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
Unrestricted	<u>(10,609,267)</u>	<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>
Total governmental activities net position	<u>\$54,743,776</u>	<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>
Business-type activities										
Net investment capital asset	\$ 2,247,807	\$ 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
Unrestricted	<u>(160,260)</u>	<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>
Total business-type activities net position	<u>\$ 2,087,547</u>	<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>
Totals - all activities										
Net investment capital asset	\$51,223,658	\$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
Restricted	16,377,192	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
Unrestricted	<u>(10,769,527)</u>	<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>
Total net position	<u>\$56,831,323</u>	<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>

TILLAMOOK COUNTY
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenses										
Governmental activities										
General government	\$ 14,426,926	\$ 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
Public safety	8,576,618	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
Highways and streets	6,702,265	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
Culture and recreation	6,267,088	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
Health and welfare	8,501,652	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
Education	3,892,709	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
Interest	197,854	187,015	214,280	363,477	393,364	454,086	511,485	564,404	614,666	634,634
Total governmental activities	48,565,112	41,704,526	41,537,910	37,828,624	35,488,014	36,600,800	34,209,020	33,377,074	35,877,908	34,792,811
Business-type activities										
Solid waste	2,567,958	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
Total expenses	\$ 51,133,070	\$ 43,918,259	\$ 43,380,393	\$ 39,815,490	\$ 37,485,564	\$ 38,464,290	\$ 35,772,127	\$ 35,076,620	\$ 37,715,608	\$ 36,541,229
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 3,461,057	\$ 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
Public safety	1,055,835	891,028	798,203	916,654	827,688	812,281	679,201	713,007	734,387	803,006
Highways and streets	118,038	639,894	1,106,357	549,505	574,350	533,556	282,259	437,649	204,262	485,292
Culture and recreation	2,645,248	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
Health and welfare	4,152,013	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
Education	-	-	-	-	-	29	-	267	-	-
Operating grants and contributions	11,956,385	8,542,630	8,174,975	7,846,715	8,194,060	8,476,992	7,693,145	7,796,207	8,445,756	7,956,196
Capital grants and contributions	81,151	65,661	134,813	125,774	2,506,529	1,275,535	95,231	1,498,018	1,529,350	489,909
Total governmental activities	23,469,727	20,193,549	18,139,271	16,075,665	18,946,082	17,978,192	15,507,377	16,457,969	17,283,531	16,419,838
Business-type activities										
Charges for services	2,299,767	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
Operating grants	-	-	1,371	-	1,000	46,200	-	5,757	5,972	34,093
Capital grants	-	-	-	19,800	70,000	-	-	-	-	-
Total business-type activities	2,299,767	1,984,955	1,947,484	1,787,838	1,849,065	1,756,889	1,675,149	1,695,627	1,931,264	1,862,229
Total program revenues	\$ 25,769,494	\$ 22,178,504	\$ 20,086,755	\$ 17,863,503	\$ 20,795,147	\$ 19,735,081	\$ 17,182,526	\$ 18,153,596	\$ 19,214,795	\$ 18,282,067
Net (expense) / revenue										
Governmental activities	\$ (25,095,385)	\$ (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)
Business-type activities	(268,191)	(228,778)	105,001	(199,028)	(148,485)	(106,601)	112,042	(3,919)	93,564	113,811
Total net (expense) / revenue	\$ (25,363,576)	\$ (21,739,755)	\$ (23,293,638)	\$ (21,951,987)	\$ (16,690,417)	\$ (18,729,209)	\$ (18,589,601)	\$ (16,923,024)	\$ (18,500,813)	\$ (18,259,162)
General revenues										
Governmental activities										
Property taxes	\$ 11,920,575	\$ 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
Other taxes	2,990,229	2,626,521	644,452	187,171	179,630	161,778	200,083	197,973	177,285	179,739
Unrestricted grants and contributions	1,480,359	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
Timber and land sales	9,278,590	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
Unrestricted investment earnings	126,381	95,435	93,112	86,255	86,692	98,664	187,697	534,977	977,682	1,057,756
Miscellaneous	1,033,094	896,357	1,130,594	858,761	1,235,353	1,214,859	704,016	1,022,062	1,127,360	1,243,564
Gain (Loss) on disposition of property	-	-	-	1,137	16,460	2,420	-	28,917	734,925	-
Transfers	-	-	-	-	-	-	-	-	-	8,102
Prior period adjustments	-	-	-	-	-	-	-	-	-	487,293
Total governmental activities	26,829,228	24,248,973	23,024,205	21,184,192	18,037,852	19,428,175	19,929,664	21,073,710	23,018,838	22,790,051
Business-type activities										
Unrestricted investment earnings	6,420	5,279	4,742	5,056	5,068	7,351	14,499	45,084	97,007	85,932
Miscellaneous	24,888	6,016	12,959	2,283	1,259	105,932	1,436	1,966	2,041	2,844
Total business-type activities	31,308	11,295	17,701	7,339	6,327	113,283	15,935	47,050	99,048	88,776
Total general revenues	\$ 26,860,536	\$ 24,260,268	\$ 23,041,906	\$ 21,191,531	\$ 18,044,179	\$ 19,541,458	\$ 19,945,599	\$ 21,120,760	\$ 23,117,886	\$ 22,878,827
Change in net position										
Governmental activities	\$ 1,733,843	\$ 2,737,996	\$ (374,434)	\$ (568,767)	\$ 1,495,920	\$ 805,567	\$ 1,228,021	\$ 4,154,605	\$ 4,424,461	\$ 4,417,078
Business-type activities	(236,883)	(217,483)	122,702	(191,689)	(142,158)	6,682	127,977	43,131	192,612	202,587
Total change in net position	\$ 1,496,960	\$ 2,520,513	\$ (251,732)	\$ (760,456)	\$ 1,353,762	\$ 812,249	\$ 1,355,998	\$ 4,197,736	\$ 4,617,073	\$ 4,619,665

TILLAMOOK COUNTY

FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011*	2010	2009	2008	2007
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,043,291	\$ 6,882,209	\$ 6,821,346	\$ 7,337,984
Assigned	2,207,567	2,197,426	2,687,585	2,678,311	-	-	-	-	-	-
Unassigned	<u>7,787,620</u>	<u>6,554,855</u>	<u>6,538,976</u>	<u>7,508,823</u>	<u>10,416,940</u>	<u>10,718,830</u>	-	-	-	-
Total general fund	<u>\$ 9,995,187</u>	<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>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,774	\$ 235,337	\$ 215,949	\$ 322,142
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	11,771,220	11,575,922	10,390,356	9,476,705
Capital projects funds	-	-	-	-	-	-	1,759,915	1,886,440	4,116,286	4,174,993
Restricted	16,105,425	15,669,130	15,797,133	9,392,145	8,907,041	9,477,736	-	-	-	-
Assigned	1,965,513	2,628,863	2,410,145	1,589,910	1,644,400	1,458,727	-	-	-	-
Unassigned	<u>(1,304)</u>	<u>(21,784)</u>	-	-	-	<u>(4,370)</u>	-	-	-	-
Total all other governmental funds	<u>\$18,069,634</u>	<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>

* 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 - GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues										
Property taxes	\$ 11,880,354	\$ 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
Transient lodging tax	2,805,887	2,431,178	468,760	-	-	-	-	-	-	-
Licences, permits and fees	652,098	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
Intergovernmental	11,203,780	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
Charges for services	11,079,655	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
Fines and forfeitures	595,486	417,618	426,011	436,745	552,940	630,989	631,219	486,735	569,179	607,473
Timber and land sales	9,134,224	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
Interest	126,604	95,435	93,112	86,350	86,692	98,664	187,697	534,977	977,682	1,057,756
Intercounty charges	1,510,300	1,354,772	1,297,306	1,213,233	1,348,615	1,409,253	1,174,756	944,018	906,294	922,130
Miscellaneous	1,278,312	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
Total revenues	50,266,700	44,493,454	41,158,681	37,153,859	36,227,736	37,413,445	35,371,238	38,241,300	39,482,409	38,728,049
Expenditures										
Current:										
General government	13,022,505	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
Public safety	6,822,402	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
Highways and streets	4,341,151	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
Culture and recreation	5,078,232	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
Health and welfare	7,968,572	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
Education	3,886,065	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
Capital outlay	8,793,087	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
Debt service:										
Principal	2,297,558	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
Interest	343,687	371,310	386,385	302,268	366,414	425,377	480,636	532,455	580,997	634,573
Total expenditures	52,553,259	45,143,937	42,658,714	36,954,188	36,943,832	37,545,487	34,201,746	39,415,281	40,707,933	40,162,748
Excess (deficiency) of revenues over expenditures	(2,286,559)	(650,483)	(1,500,033)	199,671	(716,096)	(132,042)	1,169,492	(1,173,981)	(1,225,524)	(1,434,699)
Other financing sources (uses)										
Transfers in	1,548,231	1,962,253	1,532,089	987,965	596,881	1,403,034	658,665	600,626	880,100	1,885,220
Transfers (out)	(1,548,231)	(1,962,253)	(1,532,089)	(987,965)	(596,881)	(1,403,034)	(658,665)	(600,626)	(880,100)	(1,877,118)
Issuance of debt	3,307,772	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	15,118	16,450	2,899	1,137	10,672	1,765	-	41,751	757,637	-
Total other financing sources (uses)	3,322,890	245,134	7,764,683	1,137	33,554	1,765	31,800	209,951	1,457,637	28,188
Net change in fund balances	\$ 1,036,331	\$ (405,349)	\$ 6,264,650	\$ 200,808	\$ (682,542)	\$ (130,277)	\$ 1,201,292	\$ (964,030)	\$ 232,113	\$ (1,406,511)
Debt service as a percentage of non-capital expenditures	5.91%	6.43%	8.22%	5.21%	5.77%	5.43%	5.89%	5.54%	5.09%	5.53%

TILLAMOOK COUNTY

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Property</u> <u>Taxes</u>	<u>State Fuel</u> <u>Taxes</u>	<u>Other</u> <u>Taxes</u>	<u>Totals</u>
2007	\$ 8,278,392	\$ 1,464,705	\$ 179,739	\$ 9,922,836
2008	9,786,714	1,477,664	197,973	11,462,351
2009	10,083,863	1,217,874	200,083	11,501,820
2010	10,414,096	1,333,076	161,778	11,908,950
2011	10,712,390	1,695,486	179,630	12,587,506
2012	10,907,719	1,772,683	187,171	12,867,573
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
2016	11,920,575	1,985,843	2,990,229	16,896,647

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

Fiscal Year Ended June 30,	Real Property		Personal Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$1,000	Estimated True Cash Value	Total Taxable Assessed Value as a Percent of Estimated True Cash Value
	Residential	Commercial						
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%
2016	4,168,153,220	263,197,404	37,666,740	32,274,450	4,501,291,814	2.48572	5,818,778,712	77.36%

Source: Tillamook County Department of Assessment and Taxation

TILLAMOOK COUNTY

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

Fiscal Year Ended June 30,	Tillamook County			Overlapping Rates			Total Direct and Overlapping Tax Rates
	Operating	Debt Service	Totals	Cities	Schools	Other Districts	
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	0.4424	5.8590	2.0090	11.0777
2016	2.0280	0.4577	2.4857	0.4316	5.8922	2.0916	10.9011

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 Ten Years Ago

Taxpayer	2015-2016 Assessed Valuation	Rank	Percentage of Total Assessed Value	2005-2006 Assessed Valuation	Rank	Percentage of Total Assessed Value
Private Enterprises:						
Tillamook County Creamery Association	\$ 72,274,873	3	1.656 %	\$ 42,141,457	2	1.401 %
Stimson Lumber	62,549,526	2	1.433	15,381,862	5	0.511
Green Diamond Resource Company	-	n/a	n/a	22,235,200	3	0.739
Hampton Lumber	13,854,920	7	0.317	13,523,080	6	0.449
Port of Tillamook Bay	-	n/a	n/a	11,063,538	7	0.368
Pacific Carriage Limited	13,124,400	8	0.301	9,620,250	8	0.320
Tillamook Country Smoker Inc.	8,933,690	10	0.205	9,596,860	9	0.319
Fred Meyer Stores Inc.	15,917,870	6	0.365	-	n/a	n/a
Nestucca Forests LLC	9,237,988	9	0.212	-	n/a	n/a
Subtotal	<u>195,893,267</u>		<u>4.489</u>	<u>123,562,247</u>		<u>4.106</u>
Public Utilities:						
Tillamook Public Utility District	76,803,220	1	1.760	45,999,650	1	1.529
United Telephone Co. of NW	-	n/a	n/a	17,404,200	4	0.578
Centurylink	22,756,000	4	0.521	-	n/a	n/a
WCI Cable, Inc.	-	n/a	-	8,094,200	10	0.269
Charter Communications	<u>18,024,300</u>	5	<u>0.413</u>	<u>-</u>	n/a	<u>n/a</u>
Subtotal	<u>117,583,520</u>		<u>2.694</u>	<u>71,498,050</u>		<u>2.376</u>
All other	<u>4,050,374,241</u>		<u>92.817</u>	<u>2,813,954,224</u>		<u>93.517</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 among top ten taxpayers

Source: Tillamook County Department of Assessment and Taxation

TILLAMOOK COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

Fiscal Year Ended June 30,	Certified Taxes Levies				Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	General	Special/ Local Option Levies	Debt Service	Totals	Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$4,781,050	\$1,725,278	\$1,656,568	\$8,162,896	\$7,908,010	96.88%	\$ 247,615	\$8,155,625	99.91%
2008	5,089,615	2,213,408	1,715,611	9,018,634	8,667,941	96.11%	343,422	9,011,363	99.92%
2009	5,375,313	2,449,708	1,910,687	9,735,708	9,280,397	95.32%	448,040	9,728,437	99.93%
2010	5,616,132	2,561,980	1,864,135	10,042,248	9,545,435	95.05%	493,586	10,039,021	99.97%
2011	5,803,056	2,649,644	1,865,052	10,317,752	9,712,049	94.13%	602,159	10,314,208	99.97%
2012	5,991,857	2,737,136	1,873,083	10,602,076	9,849,650	92.90%	743,262	10,592,912	99.91%
2013	6,153,490	2,810,936	1,841,518	10,805,944	10,321,146	95.51%	415,187	10,736,333	99.36%
2014	6,342,504	2,896,381	3,331,328	12,570,213	12,102,656	96.28%	305,616	12,408,272	98.71%
2015	6,493,637	2,966,993	2,615,387	12,076,017	11,707,616	96.95%	183,249	11,890,865	98.47%
2016	6,698,082	2,430,487	2,060,374	11,188,943	10,828,906	96.78%	-	10,828,906	96.78%

Source: Tillamook County Assessment and Taxation Department

This schedule does not include the Tillamook County 4-H and Extension Service District tax levy and the Solid Waste Service District assessment.

TILLAMOOK COUNTY

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

Fiscal Year Ended June 30,	Governmental Activities				Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Loans and Notes	Capital Leases	Total		
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
2016	5,410,000	3,390,183	261,458	9,061,641	n/a	353.24

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 133.

The County's business-type activities have been debt free the last 10 years.

TILLAMOOK COUNTY

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(Amounts expressed in thousands, except for per capita amount)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Totals	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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
2016	5,410,000	192,788	5,217,212	0.116%	203

Per capita information is derived from demographic statistics presented on page 133.

TILLAMOOK COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2016

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
City of Bay City	\$ 569,628	100.00%	\$ 569,628
City of Garibaldi	745,503	100.00%	745,503
City of Nehalem	2,576,030	100.00%	2,576,030
City of Rockaway Beach	1,590,861	100.00%	1,590,861
City of Tillamook	15,296,570	100.00%	15,296,570
City of Wheeler	1,091,567	100.00%	1,091,567
Nehalem Bay Fire & Rescue	2,270,000	99.56%	2,259,926
Nestucca RFPD	126,005	100.00%	126,005
North Lincoln Fire & Rescue Distrcit 1	3,885,000	1.20%	46,740
Northwest Regional ESD	4,340,000	5.80%	251,533
Tillamook Bay Community College	9,010,581	100.00%	9,010,581
Tillamook City SD 101 (Nestucca Valley)	11,223,286	100.00%	11,211,300
Tillamook City SD 56 (Neah-Kah-Nie)	10,814,000	99.89%	10,814,000
Tillamook City SD 9 (Tillamook)	17,895,900	100.00%	17,895,900
Tillamook City Transportation District	367,845	100.00%	367,845
Willamette ESD	24,562,231	0.01%	2,309
Yamhill City SD 30J (Willamina)	3,965,000	0.91%	35,939
Total overlapping debt			73,892,237
Tillamook County direct debt	8,051,427	100.0000	8,051,427
Total			<u><u>\$ 81,943,664</u></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**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 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	\$ 116,375,574
Total net debt applicable to limit	<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>	<u>5,410,000</u>
Legal debt margin	<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>	<u>\$ 110,965,574</u>
Legal debt margin as a percentage of debt limit	87.40%	90.94%	92.29%	92.81%	93.40%	94.27%	95.34%	91.58%	93.48%	95.35%

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

TILLAMOOK COUNTY

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

Fiscal Year	Population	Personal Income (amounts expressed in thousands)	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
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	926,616	36,564	3,168	5.9%
2015	25,342	n/a	n/a	3,292	5.7%
2016	25,653	n/a	n/a	3,324	5.2%

n/a - Information is not currently available

Source: Population, personal income and per capita personal income estimates are from the U.S. Census Bureau. Public school enrollment is from the Oregon Department of Education.

TILLAMOOK COUNTY

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2016			2007		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Tillamook County Creamery Association	423	1	4.50%	650	1	5.11%
Tillamook County General Hospital	394	2	4.19%	330	2	2.59%
Tillamook Country Smoker	250	3	2.66%	300	3	2.36%
Tillamook School District #9	262	4	2.78%	275	4	2.16%
Fred Meyer	260	5	2.76%	210	6	1.65%
Tillamook County	229	6	2.43%	275	5	2.16%
Tillamook Lumber	175	7	1.86%	190	7	1.49%
Nestucca Ridge Development	150	8	1.59%	130	9	n/a
Fallon Logging	137	9	1.46%	130	10	1.02%
Neah-Kah-Nie School District	126	10	1.34%	135	8	1.06%
Stimson Lumber	97	11	1.03%	120	11	0.94%
Total number of individuals employed	9,409			12,728		

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>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>	<u>2016</u>
General government	68.40	73.00	70.00	63.25	60.94	61.94	63.50	66.25	71.65	62.86
Public safety	89.55	84.00	84.75	75.50	78.77	73.00	74.75	75.75	73.00	70.38
Highways and streets	30.50	30.50	26.00	27.50	24.00	25.00	24.00	26.50	22.00	22.00
Culture and recreation	25.56	25.50	28.53	29.08	39.83	44.33	44.83	28.45	26.83	29.25
Health and welfare	36.40	38.80	40.40	37.90	34.08	36.10	37.50	35.28	39.23	43.51
Solid waste	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.50</u>	<u>1.75</u>	<u>2.50</u>	<u>1.50</u>	<u>1.80</u>	<u>2.55</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>	<u>230.55</u>

Source: Tillamook County Human Resources

TILLAMOOK COUNTY

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

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Arrests	1,606	1,547	1,765	1,219	1,418	697	563	638	1,178	1826
Highways and streets										
Resurfacing (miles)	4.0	8.9	2.6	10.1	7.7	5.0	2.6	6.8	10.4	6.05
Culture and recreation										
Library books checked out	323,053	327,328	379,740	390,669	432,742	407,016	392,097	427,104	349,276	371,247
County fair attendance	73,193	71,198	73,333	74,202	70,762	72,269	72,000	76,798	74,610	74,176
Health and welfare										
Health department encounters	19,742	20,646	18,356	17,729	17,019	13,521	16,071	16,031	16,267	17,197
Solid waste										
Refuse collected (tons)	24,201	26,092	21,655	21,338	20,142	19,712	20,160	20,243	23,514	24,956

* 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	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	20	32	32	28	30	17	20	22	22	20
Inmate beds	120	120	120	120	120	120	120	120	96	96
Highways and streets										
Miles of paved roads	281	281	283	286	281	281	280	280	280	280
Miles of gravel roads	97	97	97	100	96	96	96	96	96	96
Bridges	96	96	96	96	99	99	100	101	101	103
Culture and recreation										
Parks acreage	2,760	2,760	2,760	2,765	2,765	2,765	2,700	2,700	2,700	2,700
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	142,550	155,053	120,492	131,000	209,333	185,000	122,174	157,051	165,658	168,905
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	65	63	63	63	63	63	63	63	68	68
Health and welfare										
Clinics	3	3	3	3	3	3	3	3	3	3
Solid waste										
Transfer stations	3	3	3	3	3	3	3	3	3	3

Source: Various County departments

No capital asset indicators are available for the general government function

COMPLIANCE SECTION

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, 2016, and have issued our report thereon dated December 19, 2016.

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:

Budgets legally required

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>
Bike Path			
Capital outlay	\$ -	\$ 1,879	\$ (1,879)
County Fair			
Material and services	652,250	657,684	(5,434)
Vehicle Reserve			
Debt service	-	60,157	(60,157)
Solid Waste Sinking			
Materials and services	-	1,088	(1,088)
Capital outlay	-	202,463	(202,463)

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 19, 2016

By:



Bradley G. Bingenheimer, Member



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

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of TILLAMOOK COUNTY, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated .

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. 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.

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 19, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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 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, 2016. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2016.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE (Continued)

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 and 2016-002. Our opinion on each major program is not modified with respect to these matters.

The County's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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 the Uniform Guidance, 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 19, 2016

TILLAMOOK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	Unmodified
Were financial statements prepared in accordance with generally accepted accounting principles	Yes
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies)	None reported
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:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
Identification of major federal programs:	

CFDA

<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.224 / 93.527	Health Center Program Cluster
97.012	Boating Safety Financial Assistance

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee:	No

Section II - Financial Statement Findings

None reported

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III - Federal Award Findings and Questioned Costs

DEPARTMENT OF HOMELAND SECURITY

Finding 2016-001: Boating Safety Financial Assistance, CFDA 97.012

Criteria:

2 CFR Part 200.302(b)(7) requires the financial management system to include written procedures for determining the allowability of costs.

Condition:

The Sheriff's Department, who administers this program, has not developed written procedures over the determination of allowable costs with as require by 2 CFR Part 200.302(b)(7).

Cause:

The Sherrif's office was not aware of the requirement to have written procedures for determining the allowability of costs.

Effect:

Unallowable costs could be charged to the program.

Questions Costs

None

Perspective

Written procedures for determining the allowability of costs is integral to the proper design of internal controls. However, the results of audit procedures did not detect any costs which are not allowable charged to the program.

Recommendations

Management should develop written procedures as required by 2 CFR Part 200.302(b)(7).

Management's Response

Management agrees and will develop written procedures over the determination of allowable costs.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III - Federal Award Findings and Questioned Costs

DEPARTMENT OF HOMELAND SECURITY

Finding 2016-002: Boating Safety Financial Assistance, CFDA 97.012

Criteria:

2 CFR Part 200.430(i) requires documentation of personnel expenses charged to federal awards.

Condition:

Personnel costs for the Undersheriff charged to the program were not supported by documentation.

Cause:

Documentation of hours spent by the Undersheriff on the program were not maintained.

Effect:

Allowable costs for the Undersheriff cannot be determined.

Questions Costs

\$ 26,250.66

Perspective

The question costs represent the personnel costs of the Undersheriff charged to the program.

Recommendations

Documentation of actual time spent on program related activities should be maintained and used as the basis for personnel costs charged to the program.

Management's Response

Documentation of time spent on program related activities by all employees will be maintained.

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Agriculture</i>			
Food and Nutrition Service			
Passed through Oregon State Department of Human Services and Health Authority Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 124,927
Forest Service			
Passed through Oregon Department of Administrative Services Schools and Roads - Grants to States	10.665		<u>805,101</u>
Total Department of Agriculture			<u>930,028</u>
<i>Department of Commerce</i>			
National Oceanic and Atmospheric Administration			
Habitat Conservation Passed through Oregon Department of Land Conservation and Development	11.463	NA13NMF4630133	508,426
Coastal Zone Management Administration Awards	11.419	CPA 13-032	<u>25,200</u>
Total Department of Commerce			<u>533,626</u>
<i>Department of the Interior</i>			
Bureau of Land Management			
Distribution of Receipts to State and Local Governments	15.227		198,458
Payment in Lieu of Tax	15.226		53,503
U.S.Fish and Wildlife Service			
Fish and Wildlife Management Assistance	15.608	F14AC00452	<u>20,515</u>
Total Department of the Interior			<u>272,476</u>
<i>Department of Justice</i>			
Office of Victims of Crime			
Passed through Oregon State Criminal Justice Division Crime Victims Assistance	16.575	VOCA NC-FR-2012	<u>38,112</u>
<i>Department of Transportation</i>			
National Highway Traffic Safety Administration			
Passed through Oregon State Sheriff's Association National Priority Safety Programs	20.616		<u>7,925</u>
<i>General Services Administration</i>			
Passed through Oregon State Department of Administrative Services Donation of Federal Surplus Personal Property	39.003		<u>17,468</u>
<i>Environmental Protection Agency</i>			
Office of Solid Waste and Emergency Response			
Brownfield Assessment and Cleanup Cooperative Agreement-ARRA	66.818		135,693
Office of Water			
Passed through Oregon Department of Human Services State Public Water System Supervision	66.432		9,438
Capitalization Grants for Drinking Water State Revolving Funds	66.468		<u>7,096</u>
Total Environmental Protection Agency			<u>152,227</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Homeland Security</i>			
Passed through Oregon State Marine Board			
Boating Safety Financial Assistance	97.012		\$ 201,570
Passed through Oregon State Police Office of Emergency Management			
Emergency Management Performance Grants	97.042	15-529	78,400
Homeland Security Grant Program	97.067		131
Total Department of Homeland Security			<u>280,101</u>
<i>Department of Health and Human Services</i>			
Office of Population Affairs			
Passed through Oregon Health Authority			
Family Planning - Services	93.217		<u>30,287</u>
Administration for Children and Families			
Passed through Oregon Department of Justice			
Child Support Enforcement	93.563	07-GOV-DA-22	<u>91,133</u>
Centers for Disease Control and Prevention -			
Passed through Oregon State Department of Human Services and Health Authority			
Public Health Emergency Preparedness	93.069		<u>78,020</u>
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		<u>9,629</u>
Project Grant and Cooperative Agreements for Tuberculosis Control Programs	93.116		<u>138</u>
Health Resources and Services Administration			
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		1,263,461
Grants for New and Expanded Services under the Health Center Program	93.527		<u>1,213,902</u>
Subtotal Health Center Program Cluster			<u>2,477,363</u>
Passed through Oregon State Department of Human Services and Health Authority			
Affordable Care Act (ACA) Maternal, Infant, and Early Childhood Home Visiting Program	93.505		<u>65,942</u>
HIV Care Formula Grants	93.917		<u>13,491</u>
Maternal and Child Health Services Block Grant to the States	93.994		<u>25,718</u>
Substance Abuse and Mental Health Services Administration			
Passed through Oregon State Department of Human Services and Health Authority			
Block Grants for Community Mental Health Services	93.958		<u>27,544</u>
Block Grants for Prevention and Treatment of Substance Abuse	93.959		<u>79,214</u>
Total Department of Health and Human Services			<u>2,898,479</u>
Total Expenditures of Federal Awards			<u>\$ 5,130,442</u>

See accompanying notes

TILLAMOOK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2016

1. *Basis of presentation*

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Tillamook County under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tillamook County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Tillamook County.

2. *Summary of significant accounting policies*

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance., wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected to not use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Indirect costs are only charged to the Health Center Program Cluster which may not exceed 10 percent.