

Tillamook County, Oregon



Comprehensive Annual Financial Report

For the Year Ended June 30, 2017

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TILLAMOOK COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2017

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, 2017

<u>Commissioners</u>	<u>Term Expiration December 31,</u>
William Baertlein 4980 Sollie Smith Road Tillamook, OR 97141	2020
Tim Josi 6750 Baseline Road Tillamook, OR 97141	2018
Mark Labhart 9190 Mill Creek Road Tillamook, OR 97141	2016
David Yamamoto (Term began January 1, 2017) PO Box 658 Pacific City, OR 97135	2020

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
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INTRODUCTORY SECTION

Tillamook County



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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 27, 2017

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, 2017. 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 unmodified.

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 26,143. 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 3,351. 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 358 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 2017, the seasonally adjusted unemployment rate for Tillamook County was 4.2 percent. Last year for the same period, Tillamook County's rate was 5.2 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 \$6,008,465,936 and the Assessed Value is \$4,643,768,539 for the 2016/2017 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 review and discussion of budget and financial projections, usually in early December before the budget preparation begins. 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 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 late 2018 or early 2019. 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 \$722,988 revenue received this year.

At the May 16, 2017 Special 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 5,885 or 77.79% yes votes and 1,680 or 22.21% no votes. The Library measure passed with 4,685 or 61.29% yes votes and 2,959 or 38.71% no votes. Total voter turnout was 7,834 or 44.11% 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 two (2) General Obligations Bonds. 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 Risk Management Executive Team, that includes the County's insurance agent of record, meets quarterly. This committee monitors issues that may cause liability exposure to the County and advises the Board of County Commissioners regarding such matters. The 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. The County received the coveted Citycounty Insurance Services Gold Safety Award. The County was one (1) of four (4) Oregon counties to receive the gold award. This award recognizes County's for having a good employee safety record.

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 for the fiscal year ended June 30, 2016. This was the twenty eighth (28th) 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 that 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 has been accomplished with 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**

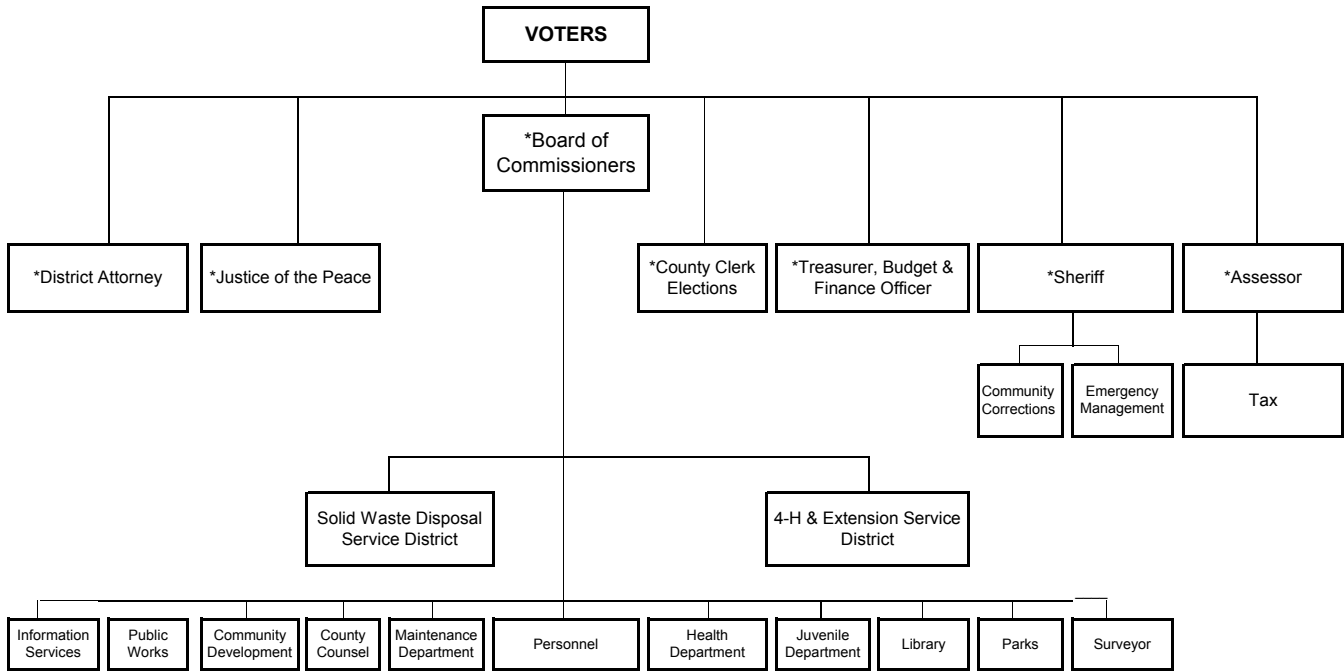
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

Tillamook County

Organizational Chart Year Ended June 30, 2017



*Elected Official

TILLAMOOK COUNTY
ELECTED OFFICIALS
For the Year Ended June 30, 2017

Board of Commissioners

<u>Name</u>	<u>Term Expiration</u>
William Baertlein	December 31, 2020
Tim Josi	December 31, 2018
Mark Labhart	December 31, 2016
David Yamamoto	December 31, 2020

Other Elected Officials

Denise Vandecouvering, Assessor / Tax Collector	December 31, 2020
Tassi O'Neil, County Clerk	December 31, 2020
William Porter, District Attorney	December 31, 2018
Joel Stevens, Justice of the Peace	December 31, 2018
Wm. Andy Long, Sheriff	December 31, 2020
Debbie Clark, Treasurer	December 31, 2020

Tillamook County



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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, 2017, 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, 2017, 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* through *i* and the schedules of net pension liability and changes in net pension liability, employer contributions, and investment rate of return on pages 54 through 56 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 financial statements and individual fund schedules, statistical section, and the schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements and individual fund schedules and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 financial statements and individual fund 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 it.

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 27, 2017 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 27, 2017, 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 27, 2017

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, 2017 by \$55,922,192 (*net position*). Of this amount \$49,842,906 was the net investment in capital assets; \$16,716,526 was restricted for specific purposes and \$(10,637,240) was unrestricted.

The County's net position increased by \$4,083,379, or 7.9%, which was due primarily to the operations of governmental activities.

The County's governmental fund balances increased by \$2,418,367, with the General Fund experiencing an increase of \$662,249, the Health Services Fund a decrease of \$(1,022,162), and the Road, County School, Library, Community Corrections, Mitigation Grants, Transient Lodging Tax and Nonmajor Governmental Funds having a combined increase in fund balance of \$2,778,100.

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, 2017 was \$55,922,192. 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	
	2017	2016	2017	2016	2017	2016
<u>ASSETS</u>						
Current and other assets	\$ 33,018,399	\$ 31,278,975	\$ 1,648,791	\$ 1,420,441	\$ 34,667,190	\$ 32,699,416
Capital assets, net	54,005,059	51,444,546	2,019,882	2,247,807	56,024,941	53,692,353
Total assets	87,023,458	82,723,521	3,668,673	3,668,248	90,692,131	86,391,769
<u>DEFERRED OUTFLOWS</u>						
<u>OF RESOURCES</u>	11,479,591	10,544,659	102,225	68,197	11,581,816	10,612,856
<u>LIABILITIES</u>						
Other liabilities	2,015,901	2,648,582	226,591	227,583	2,242,492	2,876,165
Long-term obligations	41,224,626	40,563,766	1,443,202	1,418,600	42,667,828	41,982,366
Total liabilities	43,240,527	43,212,348	1,669,793	1,646,183	44,910,320	44,858,531
<u>DEFERRED INFLOWS</u>						
<u>OF RESOURCES</u>	1,428,699	304,566	12,736	2,715	1,441,435	307,281
<u>NET POSITION</u>						
Net investment in capital assets	47,823,024	43,983,341	2,019,882	2,247,807	49,842,906	46,231,148
Restricted	16,716,526	16,377,192	-	-	16,716,526	16,377,192
Unrestricted	(10,705,727)	(10,609,267)	68,487	(160,260)	(10,637,240)	(10,769,527)
Total net position	\$ 53,833,823	\$ 49,751,266	\$ 2,088,369	\$ 2,087,547	\$ 55,922,192	\$ 51,838,813

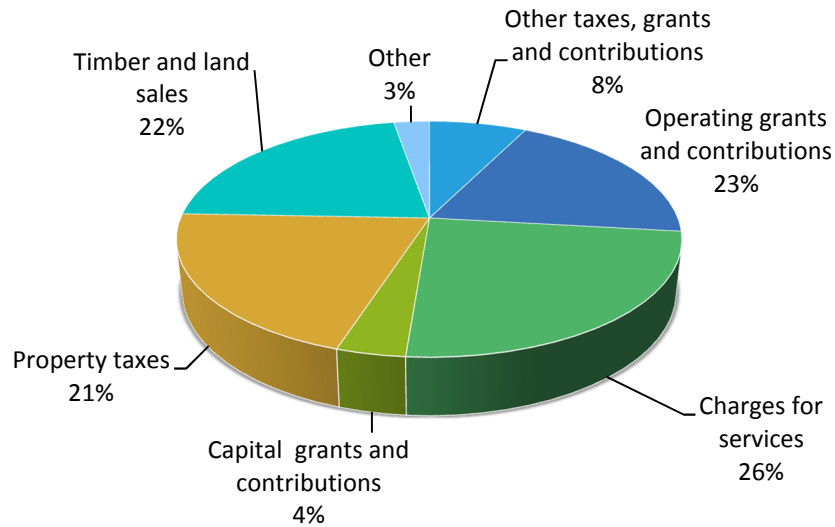
The unrestricted net position of business-type activities represent the current assets of the Solid Waste Service District, which are offset by the liability for landfill post-closure care costs.

Total net position increased by \$4,083,379. 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 21% 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, Road Construction Debt, Library Construction Debt and subsequent refundings.

For the year ended June 30, 2017, a large percentage of revenues come from property taxes (21%), 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.

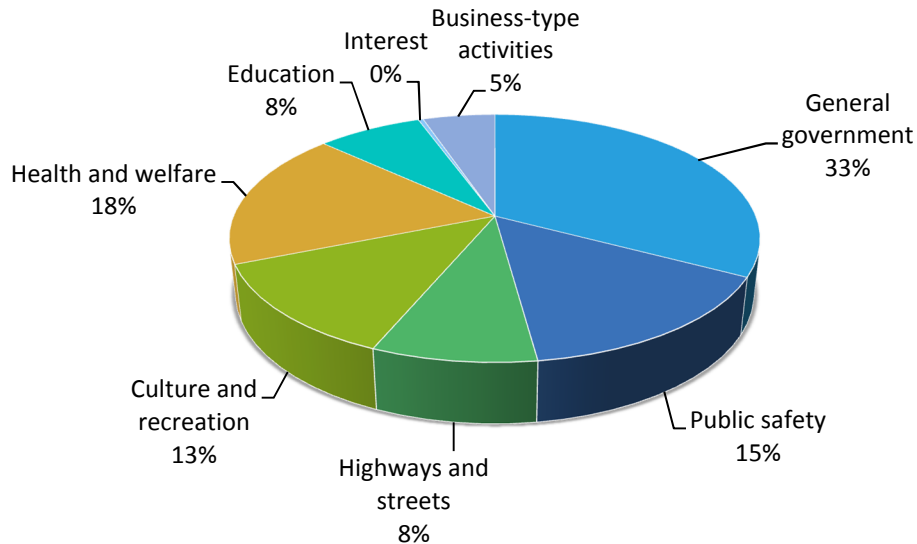
Operating grants and contributions primarily fund the community health center, public works, community corrections, children and families programs and mental health services.

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 48% 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 \$4,083,379. The key elements of this increase are as follows:

	Governmental Activities		Business-type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 11,354,777	\$ 11,432,191	\$ 2,580,455	\$ 2,299,767	\$ 13,935,232	\$ 13,731,958
Operating grants and contributions	11,054,934	11,956,385	25,000	-	11,079,934	11,956,385
Capital grants and contributions	2,019,080	81,151	116,860	-	2,135,940	81,151
General revenues:						
Property taxes	11,740,726	11,920,575	-	-	11,740,726	11,920,575
Transient lodging taxes	2,971,997	2,805,887	-	-	2,971,997	2,805,887
Other taxes	186,898	184,342	-	-	186,898	184,342
Other grants and contributions	1,051,485	1,480,359	-	-	1,051,485	1,480,359
Timber and land sales	12,378,847	9,278,590	-	-	12,378,847	9,278,590
Other	1,501,058	1,159,475	39,981	31,308	1,541,039	1,190,783
Total revenues	<u>54,259,802</u>	<u>50,298,955</u>	<u>2,762,296</u>	<u>2,331,075</u>	<u>57,022,098</u>	<u>52,630,030</u>
Expenses						
General government	17,334,354	14,426,926	-	-	17,334,354	14,426,926
Public safety	7,995,194	8,576,618	-	-	7,995,194	8,576,618
Highways and streets	4,503,377	6,702,265	-	-	4,503,377	6,702,265
Culture and recreation	6,626,056	6,267,088	-	-	6,626,056	6,267,088
Health and welfare	9,518,753	8,501,652	-	-	9,518,753	8,501,652
Education	4,011,849	3,892,709	-	-	4,011,849	3,892,709
Interest on long-term obligations	187,662	197,854	-	-	187,662	197,854
Solid waste	-	-	2,761,474	2,567,958	2,761,474	2,567,958
Total expenses	<u>50,177,245</u>	<u>48,565,112</u>	<u>2,761,474</u>	<u>2,567,958</u>	<u>52,938,719</u>	<u>51,133,070</u>
Change in net position	4,082,557	1,733,843	822	(236,883)	4,083,379	1,496,960
Net position - beginning	<u>49,751,266</u>	<u>48,017,423</u>	<u>2,087,547</u>	<u>2,324,430</u>	<u>51,838,813</u>	<u>50,341,853</u>
Net position - ending	<u>\$ 53,833,823</u>	<u>\$ 49,751,266</u>	<u>\$ 2,088,369</u>	<u>\$ 2,087,547</u>	<u>\$ 55,922,192</u>	<u>\$ 51,838,813</u>

Governmental Activities

The increase in net position is attributed largely to an increase in timber and land sale of \$3,100,257.

Business-type Activities

The Solid Waste Service District for disposal of solid waste generated in Tillamook County. The slight increase in net position is attributed the District operating on a break-even basis.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2017, the County's governmental funds reported a combined fund balance of \$30,483,188, which is an increase of \$2,418,367 from June 30, 2016.

The General Fund is the primary operating fund of the County. As of June 30, 2017, the General Fund balance is \$10,657,616, which is an increase of \$662,429 from June 30, 2016. The County has two funds, Revenue Stabilization and Post Employment Liability Reserve, which are separately budgeted, that do not qualify to be presented as separate funds in accordance with accounting principles generally accepted in the United States of America. Accordingly, these funds have been combined with the General Fund.

The Road Fund is primarily supported by state fuel taxes and federal forest fees. Its fund balance increased by \$328,066 during 2016-17. Revenues increased \$773,622 and expenditures decreased \$111,134.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. The fund balance decreased \$200,825 due to timing of pass-through distributions.

The Health Services Fund balance decreased \$1,022,162. Decreases in Medicare revenues significantly contributed to this decrease.

The Library Fund experienced a decrease in fund balance of \$573,252 with expenditures being greater than revenues by \$323,252 plus a transfer out of \$250,000.

The Community Corrections Fund experienced an increase in fund balance of \$237,404. The programs funding is determined biennially by the Oregon State Legislature.

The Mitigation Grant Fund has a significant amount of grant funded activity for environmental remediation projects. Total grant revenues were \$2,254,011 which supported expenditures in the amount of \$2,216,817.

The Transient Lodging Tax Fund had a decrease in fund balance of \$108,170. Tax revenue increased \$166,110 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 \$2,088,369 as of June 30, 2017.

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 \$81,980 transferred from contingency to other appropriation categories. Actual revenues in the General Fund were \$821,295 more than anticipated and actual expenditures were \$1,487,658 less than appropriations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2017, the County had invested \$56,024,941 in capital assets, net of depreciation. Construction in progress and infrastructure had the significant activity with additions of \$2,990,389 and reclassifications to buildings and infrastructure of \$1,998,555. 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 \$4,264,343 less \$1,654,080 of depreciation. Business-type activities capital asset had a net decrease of \$257,925. 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, 2017 amounted to \$42,667,828. 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 \$169,721, retired \$1,832,413 in principal on long-term debt obligations and other long-term obligations had a net increase of \$2,348,154.

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

General obligations bonds	\$	4,040,000
Unamortized premiums		142,669
Loans payable		3,037,878
Capital leases		321,071
Compensated absences		1,278,308
Other post-employment benefits		9,250,188
Landfill post-closure care liability		1,200,260
Net pension liability		23,397,454

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
STATEMENT OF NET POSITION
June 30, 2017

	Governmental	Business-type	
	Activities	Activities	Totals
<u>ASSETS</u>			
Cash and cash equivalents	\$ 20,229,165	\$ 1,521,573	\$ 21,750,738
Investments	6,924,737	-	6,924,737
Receivables, net	5,864,497	127,218	5,991,715
Capital assets:			
Land and construction in progress	13,862,196	125,000	13,987,196
Other capital assets, net	40,142,863	1,894,882	42,037,745
TOTAL ASSETS	87,023,458	3,668,673	90,692,131
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Refunded debt charges	11,825	-	11,825
Pension related items	11,467,766	102,225	11,569,991
TOTAL DEFERRED OUTFLOWS OF RESOURCES	11,479,591	102,225	11,581,816
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,830,349	226,591	2,056,940
Accrued interest	13,105	-	13,105
Unearned revenue	172,447	-	172,447
Long-term obligations:			
Due within one year	2,757,099	114,548	2,871,647
Due in more than one year	38,467,527	1,328,654	39,796,181
TOTAL LIABILITIES	43,240,527	1,669,793	44,910,320
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related items	1,428,699	12,736	1,441,435
TOTAL DEFERRED INFLOWS OF RESOURCES	1,428,699	12,736	1,441,435
<u>NET POSITION</u>			
Net investment in capital assets	47,823,024	2,019,882	49,842,906
Restricted for:			
Debt service	127,356	-	127,356
Highways and streets	4,523,574	-	4,523,574
Education	1,858,586	-	1,858,586
Health services	2,043,092	-	2,043,092
Culture, recreation and tourism	5,754,830	-	5,754,830
Law enforcement	1,129,428	-	1,129,428
Other purposes	1,279,660	-	1,279,660
Unrestricted	(10,705,727)	68,487	(10,637,240)
TOTAL NET POSITION	\$ 53,833,823	\$ 2,088,369	\$ 55,922,192

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 17,334,354	\$ 3,615,482	\$ 2,888,958	\$ -	\$ (10,829,914)		\$ (10,829,914)
Public safety	7,995,194	902,971	1,516,168	-	(5,576,055)		(5,576,055)
Highways and streets	4,503,377	123,557	2,357,709	1,901,254	(120,857)		(120,857)
Culture and recreation	6,626,056	2,851,834	80,568	117,826	(3,575,828)		(3,575,828)
Health and welfare	9,518,753	3,860,933	4,211,531	-	(1,446,289)		(1,446,289)
Education	4,011,849	-	-	-	(4,011,849)		(4,011,849)
Interest on long-term obligations	187,662	-	-	-	(187,662)		(187,662)
Total governmental activities	<u>50,177,245</u>	<u>11,354,777</u>	<u>11,054,934</u>	<u>2,019,080</u>	<u>(25,748,454)</u>		<u>(25,748,454)</u>
Business-type activities:							
Solid waste	2,761,474	2,580,455	25,000	116,860		\$ (39,159)	(39,159)
Totals	<u>\$ 52,938,719</u>	<u>\$ 13,935,232</u>	<u>\$ 11,079,934</u>	<u>\$ 2,135,940</u>	<u>(25,748,454)</u>	<u>(39,159)</u>	<u>(25,787,613)</u>
General revenues							
Taxes:							
Property taxes levied for:							
General purposes					10,077,230	-	10,077,230
Debt service					1,663,496	-	1,663,496
Transient lodging taxes					2,971,997	-	2,971,997
Other taxes					186,898	-	186,898
Grants and contributions not restricted for specific programs					1,051,485	-	1,051,485
Timber and land sales					12,378,847	-	12,378,847
Unrestricted investment earnings					231,618	10,389	242,007
Miscellaneous					1,269,440	29,592	1,299,032
TOTAL GENERAL REVENUES					<u>29,831,011</u>	<u>39,981</u>	<u>29,870,992</u>
CHANGES IN NET POSITION					4,082,557	822	4,083,379
NET POSITION - BEGINNING					54,743,776	2,087,547	56,831,323
PRIOR PERIOD ADJUSTMENT					(4,992,510)	-	(4,992,510)
NET POSITION - ENDING					<u>\$ 53,833,823</u>	<u>\$ 2,088,369</u>	<u>\$ 55,922,192</u>

See accompanying notes

TILLAMOOK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
ASSETS					
Cash and cash equivalents	\$ 3,436,115	\$ 3,043,349	\$ -	\$ 1,299,582	\$ 1,831,619
Investments	5,866,737	-	-	-	-
Receivables, net	2,342,771	240,610	1,310,536	1,194,856	220,101
Due from other funds	3,507	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 11,649,130</u>	<u>\$ 3,283,959</u>	<u>\$ 1,310,536</u>	<u>\$ 2,494,438</u>	<u>\$ 2,051,720</u>
LIABILITIES					
Accounts payable	\$ 566,519	\$ 241,719	\$ -	\$ 373,667	\$ 98,979
Due to other funds	-	-	-	200,000	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>566,519</u>	<u>241,719</u>	<u>-</u>	<u>573,667</u>	<u>98,979</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	424,995	-	-	-	168,279
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>424,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>168,279</u>
FUND BALANCES					
Restricted	-	3,042,240	1,310,536	1,920,771	1,784,462
Assigned	2,224,813	-	-	-	-
Unassigned	8,432,803	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCES	<u>10,657,616</u>	<u>3,042,240</u>	<u>1,310,536</u>	<u>1,920,771</u>	<u>1,784,462</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,649,130</u>	<u>\$ 3,283,959</u>	<u>\$ 1,310,536</u>	<u>\$ 2,494,438</u>	<u>\$ 2,051,720</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
\$ 788,562	\$ 51,505	\$ 823,660	\$ 8,954,773	\$ 20,229,165
-	-	-	1,058,000	6,924,737
-	-	250,204	305,419	5,864,497
-	-	-	200,000	203,507
<u>\$ 788,562</u>	<u>\$ 51,505</u>	<u>\$ 1,073,864</u>	<u>\$ 10,518,192</u>	<u>\$ 33,221,906</u>
\$ 16,555	\$ 1,579	\$ 235,733	\$ 295,598	\$ 1,830,349
-	-	-	3,507	203,507
<u>16,555</u>	<u>1,579</u>	<u>235,733</u>	<u>299,105</u>	<u>2,033,856</u>
-	-	-	111,588	704,862
-	-	-	111,588	704,862
772,007	49,926	838,131	6,780,635	16,498,708
-	-	-	3,328,954	5,553,767
-	-	-	(2,090)	8,430,713
<u>772,007</u>	<u>49,926</u>	<u>838,131</u>	<u>10,107,499</u>	30,483,188
<u>\$ 788,562</u>	<u>\$ 51,505</u>	<u>\$ 1,073,864</u>	<u>\$ 10,518,192</u>	

54,005,059

704,862

11,467,766

(172,447)

(23,190,730)

(9,219,992)

(8,827,009)

(1,428,699)

\$ 53,833,823

TILLAMOOK COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
REVENUES					
Property taxes	\$ 6,839,442	\$ -	\$ 606	\$ -	\$ 2,959,273
Transient lodging tax	-	-	-	-	-
Licenses, permits and fees	721,624	78,635	-	-	11,934
Intergovernmental	1,722,433	3,210,228	22,583	2,829,049	5,141
Charges for services	275,268	-	-	3,841,101	-
Fines and forfeitures	306,197	-	-	-	14,794
Timber and land sales	5,866,988	-	3,462,856	-	-
Interest	97,151	21,812	9,147	12,565	18,618
Intercounty charges	1,587,104	44,922	-	-	-
Miscellaneous	203,799	904,392	-	161,883	97,206
TOTAL REVENUES	<u>17,620,006</u>	<u>4,259,989</u>	<u>3,495,192</u>	<u>6,844,598</u>	<u>3,106,966</u>
EXPENDITURES					
Current					
General government	10,418,046	-	-	-	-
Public safety	6,003,356	-	-	-	-
Highways and streets	-	3,481,735	-	-	-
Culture and recreation	-	-	-	-	3,236,448
Health and welfare	818	-	-	7,570,342	-
Education	-	-	3,696,017	-	-
Capital outlay	97,020	1,158,172	-	30,722	193,770
Debt service					
Principal	333,481	38,301	-	-	-
Interest	82,861	-	-	-	-
TOTAL EXPENDITURES	<u>16,935,582</u>	<u>4,678,208</u>	<u>3,696,017</u>	<u>7,601,064</u>	<u>3,430,218</u>
Excess (deficiency) of revenues over expenditures	<u>684,424</u>	<u>(418,219)</u>	<u>(200,825)</u>	<u>(756,466)</u>	<u>(323,252)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	420,984	722,988	-	165,000	-
Sale of capital assets	22,021	43,657	-	504	-
Issuance of debt	-	-	-	-	-
Transfers out	(465,000)	(20,360)	-	(431,200)	(250,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(21,995)</u>	<u>746,285</u>	<u>-</u>	<u>(265,696)</u>	<u>(250,000)</u>
Net change in fund balances	662,429	328,066	(200,825)	(1,022,162)	(573,252)
Fund balances at beginning of year	9,995,187	2,714,174	1,511,361	2,942,933	2,357,714
Fund balances at end of year	<u>\$ 10,657,616</u>	<u>\$ 3,042,240</u>	<u>\$ 1,310,536</u>	<u>\$ 1,920,771</u>	<u>\$ 1,784,462</u>

See accompanying notes

Community Corrections	Mitigation Grants	Transient Lodging Tax	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 1,978,905	\$ 11,778,226
-	-	2,971,997	-	2,971,997
-	-	-	1,115,795	1,927,988
955,982	2,254,011	-	1,742,762	12,742,189
118,375	9,540	-	2,935,773	7,180,057
-	-	-	102,690	423,681
-	-	-	3,049,003	12,378,847
-	-	10,307	62,018	231,618
-	-	-	-	1,632,026
<u>236</u>	<u>1,128</u>	<u>24,520</u>	<u>102,246</u>	<u>1,495,410</u>
<u>1,074,593</u>	<u>2,264,679</u>	<u>3,006,824</u>	<u>11,089,192</u>	<u>52,762,039</u>
-	2,216,817	2,252,305	1,544,351	16,431,519
837,189	-	-	43,784	6,884,329
-	-	-	-	3,481,735
-	-	-	2,590,845	5,827,293
-	-	-	1,214,427	8,785,587
-	-	-	335,324	4,031,341
-	-	-	1,547,166	3,026,850
-	-	-	1,460,631	1,832,413
<u>-</u>	<u>-</u>	<u>-</u>	<u>195,647</u>	<u>278,508</u>
<u>837,189</u>	<u>2,216,817</u>	<u>2,252,305</u>	<u>8,932,175</u>	<u>50,579,575</u>
<u>237,404</u>	<u>47,862</u>	<u>754,519</u>	<u>2,157,017</u>	<u>2,182,464</u>
-	-	-	920,360	2,229,332
-	-	-	-	66,182
-	-	-	169,721	169,721
<u>-</u>	<u>-</u>	<u>(862,689)</u>	<u>(200,083)</u>	<u>(2,229,332)</u>
<u>-</u>	<u>-</u>	<u>(862,689)</u>	<u>889,998</u>	<u>235,903</u>
237,404	47,862	(108,170)	3,047,015	2,418,367
<u>534,603</u>	<u>2,064</u>	<u>946,301</u>	<u>7,060,484</u>	<u>28,064,821</u>
<u>\$ 772,007</u>	<u>\$ 49,926</u>	<u>\$ 838,131</u>	<u>\$10,107,499</u>	<u>\$ 30,483,188</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, 2017**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 2,418,367

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	\$ 2,746,642	
Depreciation	<u>(1,654,080)</u>	1,092,562

The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position 1,467,950

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. (37,500)

Governmental funds report, as revenues, certain payments for services to be provided in future periods. 1,131

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. (1,600,077)

The change in other post-employment benefits are reported as additional expenses in the statement of activities (959,074)

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. 1,662,692

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	(9,893)	
Amortization of premiums received on the issuance of long-term obligations	107,643	
Amortization of the excess of the requisition price over the balance remaining of long-term obligations refunded	(6,904)	
Compensated absences	<u>(54,340)</u>	<u>36,506</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 4,082,557

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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 6,760,000	\$ 6,760,000	\$ 6,817,623	\$ 57,623
Licenses, permits and fees	592,700	592,700	735,052	142,352
Intergovernmental	2,089,720	2,089,720	1,881,235	(208,485)
Charges for services	225,300	225,300	256,083	30,783
Fines and forfeitures	325,000	325,000	338,023	13,023
Timber and land sales	4,515,000	5,515,000	6,170,631	655,631
Investment earnings	35,000	35,000	79,905	44,905
Intercounty charges	1,566,000	1,566,000	1,587,104	21,104
Miscellaneous	142,600	142,600	206,959	64,359
TOTAL REVENUES	<u>16,251,320</u>	<u>17,251,320</u>	<u>18,072,615</u>	<u>821,295</u>
EXPENDITURES				
Board of commissioners	935,570	951,970	927,123	24,847
County clerk	642,570	642,570	610,520	32,050
Assessor	1,460,290	1,460,290	1,379,007	81,283
Tax department	219,900	219,900	205,545	14,355
Surveyor	370,950	371,650	363,197	8,453
Community development	769,040	776,270	750,436	25,834
County forest lands and landsales	15,000	16,140	15,149	991
Treasurer	446,750	446,750	444,375	2,375
Human resources	376,400	423,700	420,349	3,351
Information services	1,035,350	975,350	868,184	107,166
Facilities	593,250	593,250	435,681	157,569
Motorpool	500	500	-	500
General county government	904,000	1,904,000	1,833,252	70,748
Non-departmental	563,500	563,500	530,865	32,635
Justice court	366,750	366,750	361,725	5,025
Juvenile department	676,600	676,600	590,635	85,965
District attorney	1,178,420	1,178,420	1,128,322	50,098
Sheriff	6,292,650	6,292,650	5,746,854	545,796
Emergency management	208,130	217,340	214,213	3,127
Communications	158,430	158,430	145,142	13,288
Mental health	5,000	5,000	818	4,182
Operating contingency	300,000	218,020	-	218,020
TOTAL EXPENDITURES	<u>17,519,050</u>	<u>18,459,050</u>	<u>16,971,392</u>	<u>1,487,658</u>

Continued on next page

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

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
Excess (deficiency) of revenues over expenditures	\$ (1,267,730)	\$ (1,207,730)	\$ 1,101,223	\$ 2,308,953
OTHER FINANCING SOURCES (USES)				
Transfers in	962,950	962,950	420,984	(541,966)
Sale of captial assets	-	-	22,021	22,021
Transfers out	<u>(405,000)</u>	<u>(465,000)</u>	<u>(465,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>557,950</u>	<u>497,950</u>	<u>(21,995)</u>	<u>(519,945)</u>
Net change in fund balances	(709,780)	(709,780)	1,079,228	1,789,008
Fund balances - beginning	<u>5,600,000</u>	<u>5,600,000</u>	<u>5,869,909</u>	<u>269,909</u>
Fund balances - ending	<u>\$ 4,890,220</u>	<u>\$ 4,890,220</u>	<u>\$ 6,949,137</u>	<u>\$ 2,058,917</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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, permits and fees	\$ 42,000	\$ 42,000	\$ 78,052	\$ 36,052
Intergovernmental	2,399,700	2,399,700	3,214,926	815,226
Investment earnings	10,000	10,000	21,812	11,812
Intercounty charges	30,000	30,000	44,922	14,922
Miscellaneous	<u>1,050,000</u>	<u>1,050,000</u>	<u>835,184</u>	<u>(214,816)</u>
TOTAL REVENUES	<u>3,531,700</u>	<u>3,531,700</u>	<u>4,194,896</u>	<u>663,196</u>
EXPENDITURES				
Personal services	2,153,440	2,130,760	2,084,640	46,120
Materials and services	1,379,580	1,424,330	1,416,946	7,384
Capital outlay	556,600	1,114,530	1,114,377	153
Contingency	<u>580,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>4,669,620</u>	<u>4,669,620</u>	<u>4,615,963</u>	<u>53,657</u>
Excess (deficiency) of revenues over expenditures	<u>(1,137,920)</u>	<u>(1,137,920)</u>	<u>(421,067)</u>	<u>716,853</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	740,000	740,000	722,988	(17,012)
Sale of capital assets	-	-	42,744	42,744
Transfers out	<u>(20,360)</u>	<u>(20,360)</u>	<u>(20,360)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>719,640</u>	<u>719,640</u>	<u>745,372</u>	<u>25,732</u>
Net change in fund balance	(418,280)	(418,280)	324,305	742,585
Fund balance at beginning of year	<u>1,936,700</u>	<u>1,936,700</u>	<u>2,685,926</u>	<u>749,226</u>
Fund balance at end of year	<u>\$ 1,518,420</u>	<u>\$ 1,518,420</u>	<u>\$ 3,010,231</u>	<u>\$ 1,491,811</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, 2017

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ -	\$ -	\$ 606	\$ 606
Intergovernmental	-	-	22,583	22,583
Timber and land sales	4,500,000	4,500,000	3,663,681	(836,319)
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>9,147</u>	<u>7,147</u>
 TOTAL REVENUES	 <u>4,502,000</u>	 <u>4,502,000</u>	 <u>3,696,017</u>	 <u>(805,983)</u>
 EXPENDITURES				
Materials and services	<u>4,502,000</u>	<u>4,502,000</u>	<u>3,696,017</u>	<u>805,983</u>
 TOTAL EXPENDITURES	 <u>4,502,000</u>	 <u>4,502,000</u>	 <u>3,696,017</u>	 <u>805,983</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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 3,072,800	\$ 3,072,800	\$ 2,927,642	\$ (145,158)
Charges for services	4,938,200	4,938,200	4,061,481	(876,719)
Investment earnings	3,000	3,000	12,565	9,565
Miscellaneous	<u>74,700</u>	<u>74,700</u>	<u>146,669</u>	<u>71,969</u>
TOTAL REVENUES	<u>8,088,700</u>	<u>8,088,700</u>	<u>7,148,357</u>	<u>(940,343)</u>
EXPENDITURES				
Personal services	5,577,600	5,577,600	4,749,397	828,203
Materials and services	3,444,300	3,444,300	2,817,890	626,410
Capital outlay	<u>456,600</u>	<u>456,600</u>	<u>26,757</u>	<u>429,843</u>
TOTAL EXPENDITURES	<u>9,478,500</u>	<u>9,478,500</u>	<u>7,594,044</u>	<u>1,884,456</u>
Excess (deficiency) of revenues over expenditures	<u>(1,389,800)</u>	<u>(1,389,800)</u>	<u>(445,687)</u>	<u>944,113</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	165,000	165,000	165,000	-
Sale of capital assets	1,000	1,000	504	(496)
Transfers out	<u>(86,200)</u>	<u>(86,200)</u>	<u>(231,200)</u>	<u>145,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>79,800</u>	<u>79,800</u>	<u>(65,696)</u>	<u>144,504</u>
Net change in fund balance	(1,310,000)	(1,310,000)	(511,383)	798,617
Fund balance at beginning of year	<u>1,310,000</u>	<u>1,310,000</u>	<u>1,748,630</u>	<u>438,630</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,237,247</u>	<u>\$ 1,237,247</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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,900,000	\$ 2,900,000	\$ 2,948,900	\$ 48,900
Intergovernmental	5,000	5,000	4,996	(4)
Fines and forfeitures	8,000	8,000	14,849	6,849
Licenses, permits and fees	10,000	10,000	11,857	1,857
Investment earnings	10,000	10,000	18,618	8,618
Miscellaneous	102,500	102,500	97,966	(4,534)
TOTAL REVENUES	<u>3,035,500</u>	<u>3,035,500</u>	<u>3,097,186</u>	<u>61,686</u>
EXPENDITURES				
Personal services	2,091,940	2,236,570	2,104,916	131,654
Materials and services	1,178,500	1,178,500	1,117,737	60,763
Capital outlay	425,000	425,000	198,349	226,651
Contingency	400,000	255,370	-	255,370
TOTAL EXPENDITURES	<u>4,095,440</u>	<u>4,095,440</u>	<u>3,421,002</u>	<u>674,438</u>
Excess (deficiency) of revenues over expenditures	<u>(1,059,940)</u>	<u>(1,059,940)</u>	<u>(323,816)</u>	<u>736,124</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net change in fund balance	(1,309,940)	(1,309,940)	(573,816)	736,124
Fund balance at beginning of year	<u>2,200,000</u>	<u>2,200,000</u>	<u>2,383,043</u>	<u>183,043</u>
Fund balance at end of year	<u>\$ 890,060</u>	<u>\$ 890,060</u>	<u>\$ 1,809,227</u>	<u>\$ 919,167</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, 2017**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 797,400	\$ 797,400	\$ 955,982	\$ 158,582
Charges for services	130,000	130,000	118,375	(11,625)
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>236</u>	<u>(2,264)</u>
TOTAL REVENUES	<u>929,900</u>	<u>929,900</u>	<u>1,074,593</u>	<u>144,693</u>
EXPENDITURES				
Personal services	576,100	576,100	499,599	76,501
Materials and services	381,600	381,600	345,834	35,766
Capital outlay	500	500	-	500
Contingency	<u>221,700</u>	<u>221,700</u>	<u>-</u>	<u>221,700</u>
TOTAL EXPENDITURES	<u>1,179,900</u>	<u>1,179,900</u>	<u>845,433</u>	<u>334,467</u>
Net change in fund balance	(250,000)	(250,000)	229,160	479,160
Fund balance at beginning of year	<u>250,000</u>	<u>250,000</u>	<u>556,107</u>	<u>306,107</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 785,267</u>	<u>\$ 785,267</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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,224,000	\$ 2,224,000	\$ 2,398,448	\$ 174,448
Charges for services	7,000	7,000	9,540	2,540
Miscellaneous	<u>2,167,500</u>	<u>2,167,500</u>	<u>3,716</u>	<u>(2,163,784)</u>
TOTAL REVENUES	<u>4,398,500</u>	<u>4,398,500</u>	<u>2,411,704</u>	<u>(1,986,796)</u>
EXPENDITURES				
Materials and services	<u>4,398,500</u>	<u>4,398,500</u>	<u>2,450,882</u>	<u>1,947,618</u>
TOTAL EXPENDITURES	<u>4,398,500</u>	<u>4,398,500</u>	<u>2,450,882</u>	<u>1,947,618</u>
Net change in fund balance	-	-	(39,178)	(39,178)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>90,683</u>	<u>90,683</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,505</u>	<u>\$ 51,505</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, 2017**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Transient lodging tax	\$ 2,800,000	\$ 3,040,000	\$ 3,042,545	\$ 2,545
Investment earnings	4,000	4,000	10,307	6,307
Miscellaneous	-	-	24,520	24,520
	<u>2,804,000</u>	<u>3,044,000</u>	<u>3,077,372</u>	<u>33,372</u>
TOTAL REVENUES				
EXPENDITURES				
Materials and services	<u>1,885,000</u>	<u>2,125,000</u>	<u>2,115,788</u>	<u>9,212</u>
TOTAL EXPENDITURES	<u>1,885,000</u>	<u>2,125,000</u>	<u>2,115,788</u>	<u>9,212</u>
expenditures	<u>919,000</u>	<u>919,000</u>	<u>961,584</u>	<u>42,584</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(915,000)</u>	<u>(915,000)</u>	<u>(862,689)</u>	<u>(52,311)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(915,000)</u>	<u>(915,000)</u>	<u>(862,689)</u>	<u>(52,311)</u>
Net change in fund balance	4,000	4,000	98,895	94,895
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>724,765</u>	<u>724,765</u>
Fund balance at end of year	<u>\$ 4,000</u>	<u>\$ 4,000</u>	<u>\$ 823,660</u>	<u>\$ 819,660</u>

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	<u>Business-type Activities</u>			
	<u>Solid Waste</u>	<u>Solid Waste Sinking</u>	<u>Solid Waste Post Closure Reserve</u>	
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	\$ 194,502	\$ 520,850	\$ 806,221	\$ 1,521,573
Receivables	127,218	-	-	127,218
Total current assets	<u>321,720</u>	<u>520,850</u>	<u>806,221</u>	<u>1,648,791</u>
Capital assets				
Land and construction in progress	125,000	-	-	125,000
Other capital assets, net	1,894,882	-	-	1,894,882
Total capital assets	<u>2,019,882</u>	<u>-</u>	<u>-</u>	<u>2,019,882</u>
TOTAL ASSETS	<u>2,341,602</u>	<u>520,850</u>	<u>806,221</u>	<u>3,668,673</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension related items	102,225	-	-	102,225
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>102,225</u>	<u>-</u>	<u>-</u>	<u>102,225</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable and accrued liabilities	226,591	-	-	226,591
Accumulated compensated absences	6,022	-	-	6,022
Current portion of landfill post-closure care liability	108,526	-	-	108,526
Total current liabilities	341,139	-	-	341,139
Other post-employment benefits	30,196	-	-	30,196
Net pension liability	206,724	-	-	206,724
Landfill post-closure care liability	1,091,734	-	-	1,091,734
TOTAL LIABILITIES	<u>1,669,793</u>	<u>-</u>	<u>-</u>	<u>1,669,793</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related items	12,736	-	-	12,736
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>12,736</u>	<u>-</u>	<u>-</u>	<u>12,736</u>
<u>NET POSITION</u>				
Investment in capital assets	2,019,882	-	-	2,019,882
Unrestricted	(1,258,584)	520,850	806,221	68,487
TOTAL NET POSITION	<u>\$ 761,298</u>	<u>\$ 520,850</u>	<u>\$ 806,221</u>	<u>\$ 2,088,369</u>

See accompanying notes

TILLAMOOK COUNTY

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

For the Year Ended June 30, 2017

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
REVENUES				
Charges for services	\$ 2,363,848	\$ -	\$ -	\$ 2,363,848
Total revenues	<u>2,363,848</u>	<u>-</u>	<u>-</u>	<u>2,363,848</u>
OPERATING EXPENSES				
Personal services	223,539	-	-	223,539
Other supplies and expenses	2,269,114	-	-	2,269,114
Depreciation	<u>155,443</u>	<u>-</u>	<u>-</u>	<u>155,443</u>
Total operating expenses	<u>2,648,096</u>	<u>-</u>	<u>-</u>	<u>2,648,096</u>
Operating (loss)	<u>(284,248)</u>	<u>-</u>	<u>-</u>	<u>(284,248)</u>
NONOPERATING REVENUES (EXPENSES)				
Assessments	216,607	-	-	216,607
Grants	141,860	-	-	141,860
Interest and investment earnings	553	3,939	5,897	10,389
Miscellaneous	29,592	-	-	29,592
(Loss) on sale of capital assets	<u>(113,378)</u>	<u>-</u>	<u>-</u>	<u>(113,378)</u>
Total nonoperating revenue (expenses)	<u>275,234</u>	<u>3,939</u>	<u>5,897</u>	<u>285,070</u>
Income (loss) before transfers	(9,014)	3,939	5,897	822
Transfers in (out)	<u>(158,333)</u>	<u>58,333</u>	<u>100,000</u>	<u>-</u>
Change in net position	(167,347)	62,272	105,897	822
Net position - beginning	<u>928,645</u>	<u>458,578</u>	<u>700,324</u>	<u>2,087,547</u>
Net position - ending	<u>\$ 761,298</u>	<u>\$ 520,850</u>	<u>\$ 806,221</u>	<u>\$ 2,088,369</u>

See accompanying notes

TILLAMOOK COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2017

	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	\$ 2,364,583	\$ -	\$ -	\$ 2,364,583
Payments to suppliers	(2,262,035)	(9,579)	-	(2,271,614)
Payments to employees	(221,436)	-	-	(221,436)
Net cash provided by (used in) operating activities	(118,888)	(9,579)	-	(128,467)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Assessments of property owners	216,607	-	-	216,607
Grants	141,860	-	-	141,860
Miscellaneous	29,592	-	-	29,592
Transfers in	-	58,333	100,000	158,333
Transfers out	(158,333)	-	-	(158,333)
Net cash provided by non-capital financing activities	229,726	58,333	100,000	388,059
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(40,896)	-	-	(40,896)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	553	3,939	5,897	10,389
Net increase (decrease) in cash and cash equivalents	70,495	52,693	105,897	229,085
Cash and cash equivalents - beginning of year	124,007	468,157	700,324	1,292,488
Cash and cash equivalents - end of year	\$ 194,502	\$ 520,850	\$ 806,221	\$ 1,521,573
Reconciliation of operating (loss) to net cash provided by (used in) operating activities				
Operating (loss)	\$ (284,248)	\$ -	\$ -	\$ (284,248)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities				
Depreciation	155,443	-	-	155,443
Decrease in receivables	735	-	-	735
(Increase) in deferred outflow of resources	(34,028)	-	-	(34,028)
Increase (decrease) in liabilities				
Accounts payable and accrued liabilities	8,587	(9,579)	-	(992)
Accumulated compensated absences	1,892	-	-	1,892
Other post-employment benefits	10,072	-	-	10,072
Net pension liability	12,638	-	-	12,638
Increase in deferred inflows of resources	10,021	-	-	10,021
Net cash provided by (used in) operating activities	\$ (118,888)	\$ (9,579)	\$ -	\$ (128,467)

See accompanying notes

TILLAMOOK COUNTY

**STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2017**

	Tillamook County Retirement Plan for Employees Pension	
	Trust	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 314,568	\$ 107,132
Receivables, net	-	6,235,128
Investments	61,977,736	815,549
TOTAL ASSETS	62,292,304	7,157,809
LIABILITIES		
Due to other governments	-	\$ 7,157,809
NET POSITION		
Net position held in trust for pension benefits	\$ 62,292,304	

See accompanying notes

TILLAMOOK COUNTY

**STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS**

For the Year Ended June 30, 2017

	Tillamook County Retirement Plan for Employees Pension Trust
ADDITIONS	
Employer contributions	\$ 5,729,303
Investment earnings, net	<u>6,387,495</u>
Total additions	<u>12,116,798</u>
DEDUCTIONS	
Benefits	3,888,052
Administrative expenses	<u>163,268</u>
Total deductions	<u>4,051,320</u>
Change in net position	8,065,478
Net position - beginning	<u>54,226,826</u>
Net position - ending	<u><u>\$ 62,292,304</u></u>

See accompanying notes

TILLAMOOK COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2017

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)

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)

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 acquisition 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 of one and one-half times the employees' annual accrual rate. The annual accrual rate is from 12 to 24 days per year. Vacation leave 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 are paid 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 July 1, 2016, 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 July 1, 2016.

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 reports 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 reports 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, 2017.

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 classifications

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

Fund balance amounts are 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)

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. Prior period adjustment

The beginning net position of governmental activities has been reduced to correct errors in accounting for capital assets in prior periods in the amount of \$4,992,510. Accordingly, the beginning balances for capital assets of governmental activities presented in Note 7 has been restated as follows:

	<u>Previously Reported</u>	<u>Corrected</u>	<u>Restatement</u>
Land	\$ 5,452,437	\$ 7,738,469	\$ 2,286,032
Construction in progress	8,658,014	5,131,893	(3,526,121)
Land improvements	1,973,344	2,056,039	82,695
Buildings	33,034,746	29,706,235	(3,328,511)
Equipment	10,485,191	10,352,732	(132,459)
Infrastructure	27,584,974	26,099,674	(1,485,300)
Accumulated depreciation	(30,751,650)	(29,640,496)	<u>1,111,154</u>
			<u>\$ (4,992,510)</u>

3. 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:

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

	General	Road	County School	Health Services	Library	Community Corrections	Mitigation Grants	Transient Lodging Tax
Net change in fund balances - generally accepted accounting principles basis	\$ 662,429	\$ 328,066	\$ (200,825)	\$ (1,022,162)	\$ (573,252)	\$ 237,404	\$ 47,862	\$ (108,170)
Revenues:								
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(17,246)	-	-	-	-	-	-	-
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	499,655	(66,006)	200,825	303,759	(7,844)	-	147,025	70,548
Increase (decrease) in deferred revenues	(29,831)	-	-	-	(1,936)	-	-	-
	<u>452,578</u>	<u>(66,006)</u>	<u>200,825</u>	<u>303,759</u>	<u>(9,780)</u>	<u>-</u>	<u>147,025</u>	<u>70,548</u>
Expenditures:								
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	(35,779)	62,245	-	7,020	9,216	(8,244)	(234,065)	136,517
Other financing sources (uses):								
Interfund loans recognized on the generally accepted accounting principles basis	-	-	-	200,000	-	-	-	-
Net change in fund balances - budgetary basis	\$ 1,079,228	\$ 324,305	\$ -	\$ (511,383)	\$ (573,816)	\$ 229,160	\$ (39,178)	\$ 98,895

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	\$ 9,995,187	\$ 2,714,174	\$ 1,511,361	\$ 2,942,933	\$ 2,357,714	\$ 534,603	\$ 2,064	\$ 946,301
Beginning 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)
Differences in expenditure recognition	469,889	146,356	-	304,312	67,371	21,504	235,644	99,216
Beginning fund balance - budgetary basis	\$ 5,869,909	\$ 2,685,926	\$ -	\$ 1,748,630	\$ 2,383,043	\$ 556,107	\$ 90,683	\$ 724,765
Ending fund balances - generally accepted accounting principles basis	\$ 10,657,616	\$ 3,042,240	\$ 1,310,536	\$ 1,920,771	\$ 1,784,462	\$ 772,007	\$ 49,926	\$ 838,131
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(2,224,813)	-	-	-	-	-	-	-
Interfund loan	-	-	-	200,000	-	-	-	-
Differences in revenue recognition	(1,917,776)	(240,610)	(1,310,536)	(1,194,856)	(51,822)	-	-	(250,204)
Differences in expenditures recognition	434,110	208,601	-	311,332	76,587	13,260	1,579	235,733
Ending fund balance - budgetary basis	\$ 6,949,137	\$ 3,010,231	\$ -	\$ 1,237,247	\$ 1,809,227	\$ 785,267	\$ 51,505	\$ 823,660

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Cash, cash equivalents and investments

Cash and cash equivalents	
Deposits with financial institutions	\$ 3,200,327
State of Oregon Local Government Investment Pool	18,641,951
Money market	314,568
Cash on hand	<u>15,592</u>
Total cash and cash equivalents	<u>\$ 22,172,438</u>
Investments	
US government agency securities	\$ 1,502,483
Corporate bonds	6,237,803
Mutual funds	<u>61,977,736</u>
Total investments	<u>\$ 69,718,022</u>

The County maintains a pool of cash, cash equivalents 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 cash equivalents and investments. Interest earned on pooled cash, cash equivalents and investments is allocated to participating funds based upon their combined cash, cash equivalents and investment balances.

A. Deposits with financial institutions

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, 2017, \$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.

B. State of Oregon Local Government Investment Pool

Balances in the State of Oregon Local Government Investment Pool (LGIP) 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 balances could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Cash, cash equivalents and investments (continued)

C. Investments

As of June 30, 2017, the County had the following investments:

<u>Investment Type</u>	<u>Rating</u>	<u>Fair Value</u>	<u>Risk Concentration</u>	<u>Weighted Average Maturity (in months)</u>
US Government Agencies		\$ 1,502,483	2%	3
Corporate Bonds				
US Bancorp	AA-	1,006,442	1%	7
JP Morgan Chase	A-	1,008,210	1%	1.5
Wells Fargo & Co	A	1,006,513	1%	6.5
Berkshire Hathaway	AA	1,208,414	2%	7
Westpac BKG Corp	AA-	1,008,226	1%	1.5
Bank of Nova Scotia	A+	999,998	1%	5.5
Mutual Funds	Not Rated	<u>61,977,736</u>	89%	N/A
Total investments		<u><u>\$69,718,022</u></u>		

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. Additionally, the pension trust may invest in equity securities and mutual funds.

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.

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.

Portfolio Credit Rating: The County does not have a formal policy that establishes a minimum average credit rating for its investment portfolio.

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, 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Cash, cash equivalents and investments (continued)

Fair Value Measurements: 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's investment in equities and mutual funds are measured using level 1 inputs and U.S Agencies, corporate and municipal bonds are measured using level 2 inputs.

5. Receivables

Receivables at June 30, 2017, are as follows:

	Governmental Funds/Activities							Total
	General	Road	County		Library	Transient		
			School	Health Services		Lodging Tax	Nonmajor Funds	
Property taxes	\$ 491,881	\$ -	\$ -	\$ -	\$ 194,111	\$ -	\$ 130,125	\$ 816,117
Unsegregated taxes	61,491	-	-	-	25,030	-	17,299	103,820
Accounts	-	-	-	-	960	-	-	960
State timber allotment	1,627,199	-	1,310,536	-	-	-	28,670	2,966,405
Patients and medicaid	-	-	-	1,367,087	-	-	-	1,367,087
Other	162,200	240,610	-	-	-	250,204	129,325	782,339
Less: allowance for uncollectible accounts	-	-	-	(172,231)	-	-	-	(172,231)
	<u>\$2,342,771</u>	<u>\$ 240,610</u>	<u>\$1,310,536</u>	<u>\$ 1,194,856</u>	<u>\$ 220,101</u>	<u>\$ 250,204</u>	<u>\$ 305,419</u>	<u>\$ 5,864,497</u>

	Business-type	
	Activities/ Enterprise Fund	Fiduciary Fund
	Solid Waste	Agency
Property taxes	\$ -	\$ 2,536,866
Unsegregated taxes	-	328,127
Assessments	17,859	-
Accounts	109,359	-
State timber allotment	-	2,858,199
Court fines	-	3,581,391
Less: allowance for uncollectible accounts	-	(3,069,455)
	<u>\$ 127,218</u>	<u>\$ 6,235,128</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Interfund balances and transfers

<u>Fund</u>	<u>Transfer in</u>	<u>Transfer Out</u>
General	\$ 420,984	\$ 465,000
Road	722,988	20,360
Health Services	165,000	431,200
Library	-	250,000
Transient Lodging Tax	-	862,689
Nonmajor governmental	920,360	200,083
Solid Waste	-	158,533
Solid Waste Sinking	58,333	-
Solid Waste Post Closure Reserve	<u>100,000</u>	<u>-</u>
	<u>\$ 2,387,665</u>	<u>\$ 2,387,865</u>

As part of the budget process, the County plans to make interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

An advance (loan) from the Tillamook County 4-H and Extension Building Reserve Fund to the Health Services Fund will be repaid in the 2017-18 fiscal year. The balance outstanding at year end June 30, 2017 is \$200,000.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Capital assets

A. Capital asset activity for governmental activities for the year ended June 30, 2017 was as follows:

	Balances		Reclassifications	Balances
	July 1, 2016	Additions	and Deletions	June 30, 2017
Capital assets not being depreciated				
Land	\$ 7,738,469	\$ -	\$ -	\$ 7,738,469
Construction in progress	<u>5,131,893</u>	<u>2,990,389</u>	<u>1,998,555</u>	<u>6,123,727</u>
Total capital assets not being depreciated	<u>\$ 12,870,362</u>	<u>\$ 2,990,389</u>	<u>\$ 1,998,555</u>	<u>\$ 13,862,196</u>
Capital assets being depreciated				
Land improvements	\$ 2,056,039	\$ 458,999	\$ -	\$ 2,515,038
Buildings	29,706,235	443,488	-	30,149,723
Equipment	10,352,732	563,575	843,834	10,072,473
Infrastructure	<u>26,099,674</u>	<u>1,806,447</u>	<u>-</u>	<u>27,906,121</u>
Total capital assets being depreciated	<u>68,214,680</u>	<u>3,272,509</u>	<u>843,834</u>	<u>70,643,355</u>
Less accumulated depreciation for:				
Land improvements	760,103	78,027	-	838,130
Buildings	11,690,038	715,481	-	12,405,519
Equipment	8,932,936	380,547	794,084	8,519,399
Infrastructure	<u>8,257,419</u>	<u>480,025</u>	<u>-</u>	<u>8,737,444</u>
Total accumulated depreciation	<u>29,640,496</u>	<u>1,654,080</u>	<u>794,084</u>	<u>30,500,492</u>
Total capital assets being depreciated	<u>\$ 38,574,184</u>	<u>\$ 1,618,429</u>	<u>\$ 49,750</u>	<u>\$ 40,142,863</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Capital assets (continued)

B. Capital asset activity for business-type activities for the year ended June 30, 2017 was as follows:

	Balances July 1, 2016	Additions	Reclassifications and Deletions	Balances June 30, 2017
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	\$ -	\$ (401,284)	\$ 625,506
Buildings	3,273,281	-	372,857	3,646,138
Equipment	<u>225,166</u>	<u>40,896</u>	<u>(84,951)</u>	<u>181,111</u>
Total capital assets being depreciated	<u>4,525,237</u>	<u>40,896</u>	<u>(113,378)</u>	<u>4,452,755</u>
Less accumulated depreciation for:				
Land improvements	506,806	25,147	40,945	572,898
Buildings	1,758,225	125,136	(44,441)	1,838,920
Equipment	<u>137,399</u>	<u>5,160</u>	<u>3,496</u>	<u>146,055</u>
Total accumulated depreciation	<u>2,402,430</u>	<u>155,443</u>	<u>-</u>	<u>2,557,873</u>
Total capital assets being depreciated	<u>\$ 2,122,807</u>	<u>\$ (114,547)</u>	<u>\$ (113,378)</u>	<u>\$ 1,894,882</u>

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

Governmental activities

General government	\$ 196,761
Public safety	318,409
Highways and streets	565,461
Culture and recreation	298,374
Health and welfare	268,434
Education	<u>6,641</u>

Total governmental activities \$ 1,654,080

Business-type activities

Solid waste	<u>\$ 155,443</u>
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NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. 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	\$ 424,995	\$ 168,279	\$ 111,588	\$ 704,862

9. Long-term obligations

A. Long-term obligation transactions for the year ended June 30, 2017, are as follows:

	Balances		Balances		Balances
	July 1, 2016	Additions	Reductions	June 30, 2017	Due Within One Year
<i>Governmental activities</i>					
<u>Long-term debt</u>					
Bonded Debt					
2013 General Obligation Refunding	\$ 1,715,000	\$ -	\$ 185,000	\$ 1,530,000	\$ 195,000
2013 Road Bond	3,695,000	-	1,185,000	2,510,000	1,230,000
Loans					
Oregon Economic Development Department (OEDD)	126,882	-	29,004	97,878	30,745
Oregon Department of Transportation (ODOT)	38,301	-	38,301	-	-
TLC Federal Credit Union (TLC)	300,000	-	75,000	225,000	75,000
Chase Bank	2,925,000	-	210,000	2,715,000	215,000
Capital Lease					
US Bancorp	137,155	-	44,596	92,559	45,709
US Bancorp	124,303	-	30,010	94,293	30,763
US Bancorp	-	169,721	35,502	134,219	32,421
Total long-term debt	9,061,641	169,721	1,832,413	7,398,949	1,854,638
<u>Other long-term obligations</u>					
Premiums on long-term debt	250,312	-	107,643	142,669	71,461
Compensated absences	1,217,946	884,917	830,577	1,272,286	831,000
Other post-employment benefits	8,260,918	959,074	-	9,219,992	-
Net pension liability	21,772,949	1,417,781	-	23,190,730	-
Total long-term obligations	<u>\$40,563,766</u>	<u>\$ 3,431,493</u>	<u>\$ 2,770,633</u>	<u>\$ 41,224,626</u>	<u>\$ 2,757,099</u>
<i>Business-type activities</i>					
<u>Other long-term obligations</u>					
Landfill post-closure care liability	\$ 1,200,260	\$ -	\$ -	\$ 1,200,260	\$ 108,526
Other post-employment benefits	20,124	10,072	-	30,196	-
Net pension liability	194,086	12,638	-	206,724	-
Compensated absences	4,130	11,013	9,121	6,022	6,022
Total other long-term obligations	<u>\$ 1,418,600</u>	<u>\$ 33,723</u>	<u>\$ 9,121</u>	<u>\$ 1,443,202</u>	<u>\$ 114,548</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Long-term obligations (continued)

B. Governmental activities long-term debt

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 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.

US Bancorp – The County entered into a master tax-exempt lease purchase agreement for the acquisition of 6 vehicles. Annual payments are \$35,502 for 5 years including interest at 2.295 percent

C. Future maturities

The future maturities of long-term debt obligations outstanding as of June 30, 2017, are as follows:

i. Bonded debt:

Fiscal Year	2013 Refunding		Road Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
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	225,000	23,700	-	-	225,000	23,700
2023-24	480,000	19,400	-	-	480,000	19,400
	<u>\$ 1,530,000</u>	<u>\$ 223,600</u>	<u>\$ 2,510,000</u>	<u>\$ 103,275</u>	<u>\$ 4,040,000</u>	<u>\$ 326,875</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Long-term obligations (continued)

ii. Loans:

Fiscal Year	OEDD		TLC	Chase		Totals	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2018	\$ 30,745	\$ 5,876	\$ 75,000	\$ 215,000	\$ 68,418	\$ 320,745	\$ 74,294
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	-	-	-	240,000	45,612	240,000	45,612
2023-27	-	-	-	1,290,000	134,442	1,290,000	134,442
2028	-	-	-	280,000	7,056	280,000	7,056
	<u>\$ 97,878</u>	<u>\$ 11,977</u>	<u>\$ 225,000</u>	<u>\$ 2,715,000</u>	<u>\$ 427,392</u>	<u>\$ 3,037,878</u>	<u>\$ 439,369</u>

iii. Capital leases:

Fiscal Year	US Bancorp		US Bancorp		US Bancorp		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ 45,709	\$ 2,310	\$ 30,763	\$ 2,374	\$ 32,421	\$ 3,081	\$ 108,893	\$ 7,765
2019	46,850	1,169	31,535	1,602	33,165	2,336	111,550	5,107
2020	-	-	31,995	812	33,927	1,575	65,922	2,387
2021	-	-	-	-	34,706	797	34,706	797
	<u>\$ 92,559</u>	<u>\$ 3,479</u>	<u>\$ 94,293</u>	<u>\$ 4,788</u>	<u>\$ 134,219</u>	<u>\$ 7,789</u>	<u>\$ 321,071</u>	<u>\$ 16,056</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 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, 2017 accumulated and unpaid compensated absences amounted to \$1,272,286 for governmental activities and \$6,022 for business-type activities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Long-term obligations (continued)

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.

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.

10. 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, 2017, there were 219 active plan members, 43 inactive plan members entitled to but not yet receiving benefits, 8 disabled plan members receiving benefits, and 179 retired plan members receiving benefits for a total of 449 plan members. Of the 219 active employees covered by the Plan, 89 were non-vested, 119 were vested, and 11 were over retirement age. Of the 43 terminated members, 6 were entitled to their account balances only and 37 were members with vested accrued benefits.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. 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, 2017 were \$5,218,566.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. 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, 2017, the County reported a net pension liability of \$23,397,454. The net pension liability was measured as of June 30, 2016, 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	\$ 77,624,280
Plan fiduciary net position	<u>54,226,826</u>
Net pension liability	<u>\$ 23,397,454</u>
Fiduciary net position as a percentage of total pension liability	69.86%

Changes in the net pension liability is as follows:

	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Beginning balances	\$ 75,429,462	\$ 53,462,427	\$ 21,967,035
Changes for the year:			
Service cost	2,092,168	-	2,092,168
Interest on total pension liability	4,941,849	-	4,941,849
Effect of economic/demographic losses	(977,496)	-	(977,496)
Effect of assumption changes or inputs	(875,344)	-	(875,344)
Benefit payments	(3,487,342)	(3,487,342)	-
Administrative expenses	-	(93,135)	93,135
Member contributions	500,983	500,983	-
Net investment income	-	932,483	(932,483)
Employer contributions	-	2,911,410	(2,911,410)
Ending balances	<u>\$ 77,624,280</u>	<u>\$ 54,226,826</u>	<u>\$ 23,397,454</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

For the year ended June 30, 2017, the County recognized pension expense of \$1,574,672. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Difference between expected and actual experience	\$ 6,333	\$ (839,636)
Changes of assumptions	3,658,784	(601,799)
Net difference between projected and actual earnings		
On pension plan investments	2,686,308	--
County's contributions subsequent to the measurement date	<u>5,218,566</u>	<u>--</u>
	<u>\$ 11,569,991</u>	<u>\$ (1,441,435)</u>

\$5,218,566 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, 2018. 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,	
2018	\$ 2,857,916
2019	498,932
2020	1,045,721
2021	507,422

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

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

Valuation Date	July 1, 2016
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

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Defined benefit pension plan (continued)

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.

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	\$ 34,087,219	\$ 23,397,454	\$ 14,599,543

H. Changes in actuarial methods and assumptions

There were changes made since the last actuarial valuation in regards to voluntary account assumptions. The prior assumption was 100% of Members will take their voluntary account balance as a lump sum at retirement. Voluntary account balances at retirement were based on average expected remaining future service. The new assumption used in the June 30, 2016 valuation is 50% of Members will take their voluntary account balance as a lump sum and 50% of Members will convert their voluntary account balance into a single life annuity. The voluntary account balances at retirement are projected based on individual members' age and expected decrements. Also, an assumption for future Member contributions to the voluntary accounts was added. Active members are now assumed to continue contributing to their voluntary accounts at the same amount as the prior year.

11. 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, 2017, employees of the County had accumulated 5,753 days of sick leave.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. 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.

13. Other post-employment benefits

Plan description and benefits provided

The County provides *other post-employment benefits* (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. For employees hired before July 1, 2003 the County will pay the group health insurance for retired employees. As required by ORS 243.303(2) retirees who were hired after July 1, 2003 are allowed to continue, at the retirees' expense, coverage under the group health insurance plan until age 65. The difference between the premium actually paid by retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit subsidy under the provisions of GASB 45. The plan does not issue a separate stand-alone financial report.

Membership

The County's membership in the plan at July 1, 2016 (the date of the latest actuarial valuation) consisted of the following:

Active employees	207
Retirees, spouses or dependents	<u>137</u>
Total	<u><u>344</u></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	\$ 655
For retirees hired before July 1, 2003 and age 65 or over	203

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Other post-employment benefits (continued)

Annual OPEB cost and net OPEB obligation

The County had its actuarial valuation performed as of July 1, 2016 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	\$ 440,840
Amortization of UAAL	<u>2,025,176</u>
Annual required contribution	<u>\$ 2,466,016</u>

The net OPEB obligation as of June 30, 2017 was calculated as follows:

Annual required contribution	\$ 2,466,016
Interest on prior year Net OPEB	289,836
Adjustment to ARC	(995,722)
Contributions made	<u>(790,984)</u>
Increase in net OPEB obligation	969,146
Net OPEB obligation at beginning of year	<u>8,281,042</u>
Net OPEB obligation at end of year	<u>\$ 9,250,188</u>

Three-year trend information

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2017, 2016 and 2015 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, 2017	\$ 1,760,130	45%	\$ 9,250,188
June 30, 2016	1,825,568	43%	8,281,042
June 30, 2015	2,572,175	43%	7,247,256

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Other post-employment benefits (continued)

Actuarial methods and assumptions

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

In the July 1, 2016 actuarial valuation, the entry age normal 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 2.5 percent, a payroll growth of 3.5 percent per year, annual premium rate increases from 5 percent to 7.5 percent, 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 an open period of 10 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</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>
July 1, 2016	\$ -	\$ 16,159,567	\$ 16,159,567	0%	\$ 13,268,495	122%
August 1, 2014	-	16,191,036	16,191,036	0%	13,007,697	124%
August 1, 2012	-	19,366,295	19,366,295	0%	10,509,420	184%
August 1, 2010	-	15,137,898	15,137,898	0%	10,050,564	151%
August 1, 2008	-	10,623,438	10,623,438	0%	9,426,660	113%
August 1, 2006	-	9,928,424	9,928,424	0%	9,624,036	103%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. 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 \$ 308,133

Education:

The 4H Extension Service District has its own taxing authority \$ 548,050

Culture, recreation and tourism (County Library):

The voters of Tillamook County approved a separate levy for library operations \$ 1,952,741

Other purposes:

Transient lodging tax \$ 838,131

15 Tax abatements

Tillamook County has established an Enterprise Zone under ORS 285C.050-250 that abates property taxes on new business development within the zone. For the fiscal year ended June 30, 2017, the County property taxes revenues have been reduced by \$5,194.

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows property tax exemptions for up to 5 years. In exchange for receiving property tax exemption, participating firms are required to meet program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax-exempt.

16. Construction commitment

In July 2016, the County committed \$450,000 to the construction of new building at Tillamook Bay Community College. During the year, the County paid \$295,000 of this commitment. The remaining \$155,000 will be paid in fiscal year 2018.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

17. Governmental fund balances

A. 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:			County	Health		Community	Mitigation	Transient	Nonmajor	Total
	General	Road	School	Services	Library	Corrections	Grants	Lodging Tax	Funds	
Restricted for:										
Highways and streets	\$ -	\$3,042,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,592	\$ 3,141,832
Road improvement projects	-	-	-	-	-	-	-	-	1,381,742	1,381,742
Education	-	-	1,310,536	-	-	-	-	-	530,313	1,840,849
Health services	-	-	-	1,920,771	-	-	-	-	122,321	2,043,092
Library purposes	-	-	-	-	1,784,462	-	-	-	-	1,784,462
Corrections	-	-	-	-	-	772,007	-	-	-	772,007
Jail improvements	-	-	-	-	-	-	-	-	12,875	12,875
Law enforcement	-	-	-	-	-	-	-	-	344,546	344,546
County fair operations	-	-	-	-	-	-	-	-	315,899	315,899
Park operations	-	-	-	-	-	-	-	-	2,648,059	2,648,059
General obligation debt	-	-	-	-	-	-	-	-	43,538	43,538
Tourism	-	-	-	-	-	-	-	838,131	-	838,131
Other purposes	-	-	-	-	-	-	49,926	-	1,281,750	1,331,676
Assigned for:										
Building improvements	-	-	-	-	-	-	-	-	2,874,911	2,874,911
Vehicle replacement	-	-	-	-	-	-	-	-	235,692	235,692
Road improvement projects	-	-	-	-	-	-	-	-	158,351	158,351
Computer replacement	-	-	-	-	-	-	-	-	60,000	60,000
Revenue stabilization	1,598,240	-	-	-	-	-	-	-	-	1,598,240
Post-employment liabilities	626,573	-	-	-	-	-	-	-	-	626,573
Unassigned	<u>8,432,803</u>	-	-	-	-	-	-	-	(2,090)	<u>8,430,713</u>
Total fund balances	<u>\$ 10,657,616</u>	<u>\$ 3,042,240</u>	<u>\$ 1,310,536</u>	<u>\$ 1,920,771</u>	<u>\$ 1,784,462</u>	<u>\$ 772,007</u>	<u>\$ 49,926</u>	<u>\$ 838,131</u>	<u>\$ 10,107,499</u>	<u>\$ 30,483,188</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.

B. Deficit fund balances of nonmajor funds

The following nonmajor funds had deficit balances as of June 30, 2017:

BPS Surcharge \$ (2,090)

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,		
	2017	2016	2015
Beginning of year			
Total pension liability	\$ 75,429,462	\$ 62,740,169	\$ 57,770,013
Fiduciary net position	<u>53,462,427</u>	<u>53,071,797</u>	<u>46,309,270</u>
Net pension liability	<u>\$ 21,967,035</u>	<u>\$ 9,668,372</u>	<u>\$ 11,460,743</u>
Changes in total pension liability			
Service cost	\$ 2,092,168	\$ 1,711,278	\$ 1,728,883
Interest on total pension liability	4,941,849	4,422,266	4,089,355
Effect of economic/demographic losses	(977,496)	(446,953)	101,325
Effect of assumption changes or inputs	(875,344)	9,555,140	1,209,681
Benefit payments	(3,487,342)	(3,048,614)	(2,653,815)
Member contributions	<u>500,983</u>	<u>496,176</u>	<u>494,727</u>
Net change in total pension liability	<u>\$ 2,194,818</u>	<u>\$ 12,689,293</u>	<u>\$ 4,970,156</u>
Changes in fiduciary net position			
Employer contributions	\$ 2,911,410	\$ 2,561,276	\$ 2,462,234
Member contributions	500,983	496,175	494,727
Investment income net of expenses	932,483	442,703	6,514,529
Benefit payments	(3,487,342)	(3,048,614)	(2,653,815)
Administrative expenses	<u>(93,135)</u>	<u>(60,910)</u>	<u>(55,148)</u>
Net change in fiduciary net position	<u>\$ 764,399</u>	<u>\$ 390,630</u>	<u>\$ 6,762,527</u>
End of year			
Total pension liability	\$ 77,624,280	\$ 75,429,462	\$ 62,740,169
Fiduciary net position	<u>54,226,826</u>	<u>53,462,427</u>	<u>53,071,797</u>
Net pension liability	<u>\$ 23,397,454</u>	<u>\$ 21,967,035</u>	<u>\$ 9,668,372</u>
Fiduciary net position as a percent of total pension liability	69.9%	70.9%	84.6%
Covered payroll	\$ 11,823,780	\$ 12,170,772	\$ 11,452,068
Net pension liability as a percent of covered payroll	197.9%	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,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 3,042	\$ 3,042	\$ 2,994	\$ 2,717	\$ 2,396	\$ 1,979	\$ 1,825	\$ 1,708	\$ 1,726	\$ 1,974
Actual employer contribution	2,911	2,561	2,462	2,311	1,956	1,896	1,977	2,284	2,245	2,030
Contribution deficiency (excess)	131	481	532	406	440	83	(152)	(576)	(519)	(56)
Covered payroll	11,824	12,171	11,452	11,770	10,846	10,509	10,051	9,885	9,427	9,767
Contribution as a percent of covered payroll	24.62%	21.04%	21.50%	19.63%	18.03%	18.04%	19.67%	23.11%	23.81%	20.78%
Valuation date	7/1/2015	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
Assumed investment rate of return	6.50%	7.00%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%

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 to July 1, 2011: 1994 group annuity mortality
Cost of living increases	1.5 percent per year
Salary increases	5 percent per year

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

<u>Year Ended</u> <u>June 30,</u>	<u>Percentage</u> <u>Rate of</u> <u>Return</u>
2017	1.73
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

Tillamook County



Land of Cheese, Trees and Ocean Breeze

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

COMBINING BALANCE SHEET

GENERAL FUNDS

June 30, 2017

	General	Revenue Stabilization	Post Employment Liability Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ 1,211,302	\$ 1,598,240	\$ 626,573	\$ 3,436,115
Investments	5,866,737	-	-	5,866,737
Receivables, net	2,342,771	-	-	2,342,771
Due from other funds	3,507	-	-	3,507
TOTAL ASSETS	\$ 9,424,317	\$ 1,598,240	\$ 626,573	\$ 11,649,130
 LIABILITIES				
Accounts payable	\$ 566,519	\$ -	\$ -	\$ 566,519
TOTAL LIABILITIES	566,519	-	-	566,519
 DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	424,995	-	-	424,995
TOTAL DEFERRED INFLOWS OF RESOURCES	424,995	-	-	424,995
 FUND BALANCES				
Assigned	-	1,598,240	626,573	2,224,813
Unassigned	8,432,803	-	-	8,432,803
TOTAL FUND BALANCES	8,432,803	1,598,240	626,573	10,657,616
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,424,317	\$ 1,598,240	\$ 626,573	\$ 11,649,130

TILLAMOOK COUNTY

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

GENERAL FUNDS

For the Year Ended June 30, 2017

	<u>General</u>	<u>Revenue Stabilization</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
REVENUES				
Property taxes	\$ 6,839,442	\$ -	\$ -	\$ 6,839,442
Licenses, permits and fees	721,624	-	-	721,624
Intergovernmental	1,722,433	-	-	1,722,433
Charges for services	275,268	-	-	275,268
Fines and forfeitures	306,197	-	-	306,197
Timber and land sales	5,866,988	-	-	5,866,988
Interest	79,905	12,389	4,857	97,151
Intercounty charges	1,587,104	-	-	1,587,104
Miscellaneous	203,799	-	-	203,799
TOTAL REVENUES	<u>17,602,760</u>	<u>12,389</u>	<u>4,857</u>	<u>17,620,006</u>
EXPENDITURES				
Current				
General government	10,418,046	-	-	10,418,046
Public safety	6,003,356	-	-	6,003,356
Health and welfare	818	-	-	818
Capital outlay	97,020	-	-	97,020
Debt service				
Principal	333,481	-	-	333,481
Interest	82,861	-	-	82,861
TOTAL EXPENDITURES	<u>16,935,582</u>	<u>-</u>	<u>-</u>	<u>16,935,582</u>
Excess (deficiency) of revenues over expenditures	<u>667,178</u>	<u>12,389</u>	<u>4,857</u>	<u>684,424</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	420,984	-	-	420,984
Sale of capital assets	22,021	-	-	22,021
Transfers out	(465,000)	-	-	(465,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(21,995)</u>	<u>-</u>	<u>-</u>	<u>(21,995)</u>
Net change in fund balances	645,183	12,389	4,857	662,429
Fund balances at beginning of year	7,787,620	1,585,851	621,716	9,995,187
Fund balances at end of year	<u>\$ 8,432,803</u>	<u>\$ 1,598,240</u>	<u>\$ 626,573</u>	<u>\$ 10,657,616</u>

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

**REVENUE STABILIZATION - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 5,000	\$ 12,389	\$ 7,389
TOTAL REVENUES	<u>5,000</u>	<u>12,389</u>	<u>7,389.00</u>
EXPENDITURES			
Contingency	<u>505,000</u>	<u>-</u>	<u>505,000</u>
TOTAL EXPENDITURES	<u>505,000</u>	<u>-</u>	<u>505,000</u>
Excess (deficiency) of revenues over expenditures	<u>(500,000)</u>	<u>12,389</u>	<u>512,389</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Net change in fund balance	(1,000,000)	12,389	1,012,389
Fund balance at beginning of year	<u>1,100,000</u>	<u>1,585,851</u>	<u>485,851</u>
Fund balance at end of year	<u>\$ 100,000</u>	<u>\$ 1,598,240</u>	<u>\$ 1,498,240</u>

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 2,400	\$ 4,857	\$ 2,457
TOTAL REVENUES	<u>2,400</u>	<u>4,857</u>	<u>2,457</u>
EXPENDITURES			
Contingency	<u>622,400</u>	<u>-</u>	<u>622,400</u>
TOTAL EXPENDITURES	<u>622,400</u>	<u>-</u>	<u>622,400</u>
Net change in fund balance	(620,000)	4,857	624,857
Fund balance at beginning of year	<u>620,000</u>	<u>621,716</u>	<u>1,716</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 626,573</u>	<u>\$ 626,573</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:

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.

Computer Reserve – accounts for resources available to purchase new computers

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	<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</u>	<u>Education - Tillamook County 4-H and Extension Service District</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 1,348,040	\$ 345,936	\$ 99,592	\$ 2,980,812	\$ 86,391	\$ 544,329
Investments	-	-	-	-	-	-
Receivables	12,380	-	-	93,126	36,199	51,768
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	<u>\$ 1,360,420</u>	<u>\$ 345,936</u>	<u>\$ 99,592</u>	<u>\$ 3,073,938</u>	<u>\$ 122,590</u>	<u>\$ 596,097</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 70,727	\$ 1,390	\$ -	\$ 109,980	\$ 269	\$ 48,047
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>70,727</u>	<u>1,390</u>	<u>-</u>	<u>109,980</u>	<u>269</u>	<u>48,047</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	10,033	-	-	-	-	17,737
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,737</u>
<u>FUND BALANCES</u>						
Restricted	1,281,750	344,546	99,592	2,963,958	122,321	530,313
Assigned	-	-	-	-	-	-
Unassigned	(2,090)	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,279,660</u>	<u>344,546</u>	<u>99,592</u>	<u>2,963,958</u>	<u>122,321</u>	<u>530,313</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,360,420</u>	<u>\$ 345,936</u>	<u>\$ 99,592</u>	<u>\$ 3,073,938</u>	<u>\$ 122,590</u>	<u>\$ 596,097</u>

Debt Service Funds

<u>Road</u>	<u>Library</u>	<u>Capital Projects Funds</u>	<u>Totals</u>
\$ 18,917	\$ -	\$ 3,530,756	\$ 8,954,773
-	-	1,058,000	1,058,000
92,984	18,962	-	305,419
<u>-</u>	<u>-</u>	<u>200,000</u>	<u>200,000</u>
<u>\$ 111,901</u>	<u>\$ 18,962</u>	<u>\$ 4,788,756</u>	<u>\$ 10,518,192</u>
\$ -	\$ -	\$ 65,185	\$ 295,598
<u>-</u>	<u>3,507</u>	<u>-</u>	<u>3,507</u>
<u>-</u>	<u>3,507</u>	<u>65,185</u>	<u>299,105</u>
<u>69,257</u>	<u>14,561</u>	<u>-</u>	<u>111,588</u>
<u>69,257</u>	<u>14,561</u>	<u>-</u>	<u>111,588</u>
42,644	894	1,394,617	6,780,635
-	-	3,328,954	3,328,954
<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,090)</u>
<u>42,644</u>	<u>894</u>	<u>4,723,571</u>	<u>10,107,499</u>
<u>\$ 111,901</u>	<u>\$ 18,962</u>	<u>\$ 4,788,756</u>	<u>\$ 10,518,192</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017**

	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	\$ 136,575	\$ -	\$ -	\$ -	\$ -	\$ 311,777
Timber and land sales	80,000	-	-	1,693,200	-	75,803
Licenses, permits and fees	1,115,795	-	-	-	-	-
Intergovernmental	333,318	-	-	171,013	1,238,431	-
Charges for services	8,720	57,294	-	2,853,555	16,204	-
Fines and forfeitures	61,438	41,252	-	-	-	-
Interest	6,141	2,819	728	17,728	704	4,168
Miscellaneous	28,792	42,169	-	30,651	-	-
TOTAL REVENUES	<u>1,770,779</u>	<u>143,534</u>	<u>728</u>	<u>4,766,147</u>	<u>1,255,339</u>	<u>391,748</u>
EXPENDITURES						
Current:						
General government	1,246,538	-	-	-	-	-
Public safety	-	43,784	-	-	-	-
Culture and recreation	-	-	-	2,590,845	-	-
Health and welfare	-	-	-	-	1,214,427	-
Education	-	-	-	-	-	309,189
Capital outlay	71,221	1,040	19,715	437,049	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,317,759</u>	<u>44,824</u>	<u>19,715</u>	<u>3,027,894</u>	<u>1,214,427</u>	<u>309,189</u>
Excess (deficiency) of revenues over expenditures	453,020	98,710	(18,987)	1,738,253	40,912	82,559
OTHER FINANCING SOURCES (USES)						
Transfers in	10,000	-	20,360	-	-	-
Issuance of debt	-	-	-	-	-	-
Transfers out	(131,750)	(63,333)	-	(5,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(121,750)</u>	<u>(63,333)</u>	<u>20,360</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	331,270	35,377	1,373	1,733,253	40,912	82,559
Fund balances - beginning	948,390	309,169	98,219	1,230,705	81,409	447,754
Fund balances - ending	<u>\$ 1,279,660</u>	<u>\$ 344,546</u>	<u>\$ 99,592</u>	<u>\$ 2,963,958</u>	<u>\$ 122,321</u>	<u>\$ 530,313</u>

Debt Service Funds

		Capital Projects Funds	
Road	Library	Funds	Totals
\$ 1,278,560	\$ 251,993	\$ -	\$ 1,978,905
-	-	1,200,000	3,049,003
-	-	-	1,115,795
-	-	-	1,742,762
-	-	-	2,935,773
-	-	-	102,690
610	105	29,015	62,018
-	-	634	102,246
<u>1,279,170</u>	<u>252,098</u>	<u>1,229,649</u>	<u>11,089,192</u>
-	-	297,813	1,544,351
-	-	-	43,784
-	-	-	2,590,845
-	-	-	1,214,427
-	-	26,135	335,324
-	-	1,018,141	1,547,166
1,185,000	185,000	90,631	1,460,631
<u>125,975</u>	<u>64,900</u>	<u>4,772</u>	<u>195,647</u>
<u>1,310,975</u>	<u>249,900</u>	<u>1,437,492</u>	<u>8,932,175</u>
<u>(31,805)</u>	<u>2,198</u>	<u>(207,843)</u>	<u>2,157,017</u>
-	-	890,000	920,360
-	-	169,721	169,721
-	-	-	(200,083)
-	-	<u>1,059,721</u>	<u>889,998</u>
(31,805)	2,198	851,878	3,047,015
<u>74,449</u>	<u>(1,304)</u>	<u>3,871,693</u>	<u>7,060,484</u>
<u>\$ 42,644</u>	<u>\$ 894</u>	<u>\$ 4,723,571</u>	<u>\$ 10,107,499</u>

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT
June 30, 2017

	Community	Video	Forest	Juvenile	Law	BPS
	Development	Lottery	Timber	Trust	Library	Surcharge
<u>ASSETS</u>						
Cash and cash equivalents	\$ 587,380	\$ 732	\$ 24,284	\$ 17,330	\$ 58,299	\$ 30,771
Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 587,380</u>	<u>\$ 732</u>	<u>\$ 24,284</u>	<u>\$ 17,330</u>	<u>\$ 58,299</u>	<u>\$ 30,771</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 18,806	\$ -	\$ 12,454	\$ -	\$ 696	\$ 32,861
TOTAL LIABILITIES	<u>18,806</u>	<u>-</u>	<u>12,454</u>	<u>-</u>	<u>696</u>	<u>32,861</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>						
Restricted	568,574	732	11,830	17,330	57,603	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,090)</u>
TOTAL FUND BALANCES	<u>568,574</u>	<u>732</u>	<u>11,830</u>	<u>17,330</u>	<u>57,603</u>	<u>(2,090)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 587,380</u>	<u>\$ 732</u>	<u>\$ 24,284</u>	<u>\$ 17,330</u>	<u>\$ 58,299</u>	<u>\$ 30,771</u>

<u>PLCP</u>	<u>Clerks Records</u>	<u>Federal Title III</u>	<u>Veteran's Services</u>	<u>Technology</u>	<u>Totals</u>
\$ 35,009	\$ 30,241	\$ 263,201	\$ 53,258	\$ 247,535	\$ 1,348,040
<u>-</u>	<u>-</u>	<u>-</u>	<u>12,380</u>	<u>-</u>	<u>12,380</u>
<u>\$ 35,009</u>	<u>\$ 30,241</u>	<u>\$ 263,201</u>	<u>\$ 65,638</u>	<u>\$ 247,535</u>	<u>\$ 1,360,420</u>
\$ 275	\$ 31	\$ -	\$ 5,604	\$ -	\$ 70,727
<u>275</u>	<u>31</u>	<u>-</u>	<u>5,604</u>	<u>-</u>	<u>70,727</u>
-	-	-	10,033	-	10,033
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,033</u>	<u>-</u>	<u>10,033</u>
34,734	30,210	263,201	50,001	247,535	1,281,750
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,090)</u>
<u>34,734</u>	<u>30,210</u>	<u>263,201</u>	<u>50,001</u>	<u>247,535</u>	<u>1,279,660</u>
<u>\$ 35,009</u>	<u>\$ 30,241</u>	<u>\$ 263,201</u>	<u>\$ 65,638</u>	<u>\$ 247,535</u>	<u>\$ 1,360,420</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY
June 30, 2017**

				SB 1065		
	Court	Law	Sheriff	Assessment	Tillamook	
	Security	Enforcement	Trust	and	Narcotics	
	Conviction			Team	Totals	
<u>ASSETS</u>						
Cash and cash equivalents	\$ 207,893	\$ 21,460	\$ 61,278	\$ 120	\$ 55,185	\$ 345,936
TOTAL ASSETS	<u>\$ 207,893</u>	<u>\$ 21,460</u>	<u>\$ 61,278</u>	<u>\$ 120</u>	<u>\$ 55,185</u>	<u>\$ 345,936</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 760	\$ -	\$ -	\$ -	\$ 630	\$ 1,390
TOTAL LIABILITIES	<u>760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>630</u>	<u>1,390</u>
<u>FUND BALANCES</u>						
Restricted	<u>207,133</u>	<u>21,460</u>	<u>61,278</u>	<u>120</u>	<u>54,555</u>	<u>344,546</u>
TOTAL FUND BALANCES	<u>207,133</u>	<u>21,460</u>	<u>61,278</u>	<u>120</u>	<u>54,555</u>	<u>344,546</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 207,893</u>	<u>\$ 21,460</u>	<u>\$ 61,278</u>	<u>\$ 120</u>	<u>\$ 55,185</u>	<u>\$ 345,936</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
CULTURE AND RECREATION
June 30, 2017**

	County Fair	Parks Operations	Totals
<u>ASSETS</u>			
Cash and cash equivalents	\$ 315,899	\$ 2,664,913	\$ 2,980,812
Receivables	-	93,126	93,126
TOTAL ASSETS	\$ 315,899	\$ 2,758,039	\$ 3,073,938
 <u>LIABILITIES</u>			
Accounts payable and accrued liabilities	-	\$ 109,980	\$ 109,980
TOTAL LIABILITIES	-	109,980	109,980
 <u>FUND BALANCES</u>			
Restricted	315,899	2,648,059	2,963,958
TOTAL FUND BALANCES	315,899	2,648,059	2,963,958
TOTAL LIABILITIES AND FUND BALANCES	\$ 315,899	\$ 2,758,039	\$ 3,073,938

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
HEALTH AND WELFARE
June 30, 2017

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ -	\$ 86,391	\$ 86,391
Receivables	<u>36,199</u>	<u>-</u>	<u>36,199</u>
TOTAL ASSETS	<u><u>\$ 36,199</u></u>	<u><u>\$ 86,391</u></u>	<u><u>\$ 122,590</u></u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenditures	\$ -	\$ 269	\$ 269
TOTAL LIABILITIES	<u>-</u>	<u>269</u>	<u>269</u>
<u>FUND BALANCES</u>			
Restricted	<u>36,199</u>	<u>86,122</u>	<u>122,321</u>
TOTAL FUND BALANCES	<u><u>36,199</u></u>	<u><u>86,122</u></u>	<u><u>122,321</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 36,199</u></u>	<u><u>\$ 86,391</u></u>	<u><u>\$ 122,590</u></u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS**

June 30, 2017

	Vehicle Reserve	Library Reserve	Fair Reserve	Tillamook County 4-H and Extension Building Reserve	Trask Road Project
<u>ASSETS</u>					
Cash and cash equivalents	\$ 235,692	\$ 1,034,718	\$ 10,170	\$ 27,659	\$ 308,133
Investments	-	-	-	-	-
Due from other funds	-	-	-	200,000	-
TOTAL ASSETS	<u>\$ 235,692</u>	<u>\$ 1,034,718</u>	<u>\$ 10,170</u>	<u>\$ 227,659</u>	<u>\$ 308,133</u>
<u>LIABILITIES</u>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>					
Restricted	-	-	-	-	308,133
Assigned	235,692	1,034,718	10,170	227,659	-
TOTAL FUND BALANCES	<u>235,692</u>	<u>1,034,718</u>	<u>10,170</u>	<u>227,659</u>	<u>308,133</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 235,692</u>	<u>\$ 1,034,718</u>	<u>\$ 10,170</u>	<u>\$ 227,659</u>	<u>\$ 308,133</u>

Road Improvement Construction	Road Construction Grant Projects	Building Improvement	Jail Capital Improvement Projects	Computer Reserve	Totals
\$ 1,073,851	\$ 158,351	\$ 555,946	\$ 66,236	\$ 60,000	\$ 3,530,756
-	-	1,058,000	-	-	1,058,000
-	-	-	-	-	200,000
<u>\$ 1,073,851</u>	<u>\$ 158,351</u>	<u>\$ 1,613,946</u>	<u>\$ 66,236</u>	<u>\$ 60,000</u>	<u>\$ 4,788,756</u>
\$ 242	\$ -	\$ 11,582	\$ 53,361	\$ -	\$ 65,185
242	-	11,582	53,361	-	65,185
1,073,609	-	-	12,875	-	1,394,617
-	158,351	1,602,364	-	60,000	3,328,954
1,073,609	158,351	1,602,364	12,875	60,000	4,723,571
<u>\$ 1,073,851</u>	<u>\$ 158,351</u>	<u>\$ 1,613,946</u>	<u>\$ 66,236</u>	<u>\$ 60,000</u>	<u>\$ 4,788,756</u>

TILLAMOOK COUNTY

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

NONMAJOR SPECIAL REVENUE FUNDS

GENERAL GOVERNMENT

For the Year Ended June 30, 2017

	Community Development	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Timber and land sales	-	-	80,000	-	-
Licenses, permits and fees	1,012,519	-	-	-	20,912
Intergovernmental	-	200,971	-	-	-
Charges for services	8,720	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	2,679	316	-	134	-
Miscellaneous	27,834	-	-	921	-
	<u>1,051,752</u>	<u>201,287</u>	<u>80,000</u>	<u>1,055</u>	<u>20,912</u>
TOTAL REVENUES					
EXPENDITURES					
General government	650,062	93,378	100,313	478	18,370
Capital outlay	60,632	-	-	-	-
	<u>710,694</u>	<u>93,378</u>	<u>100,313</u>	<u>478</u>	<u>18,370</u>
TOTAL EXPENDITURES					
Excess (deficiency) of revenues over expenditures	<u>341,058</u>	<u>107,909</u>	<u>(20,313)</u>	<u>577</u>	<u>2,542</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	(131,750)	-	-	-
	<u>-</u>	<u>(131,750)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)					
Net change in fund balances	341,058	(23,841)	(20,313)	577	2,542
Fund balances - beginning	227,516	24,573	32,143	16,753	55,061
	<u>227,516</u>	<u>24,573</u>	<u>32,143</u>	<u>16,753</u>	<u>55,061</u>
Fund balances - ending	<u>\$ 568,574</u>	<u>\$ 732</u>	<u>\$ 11,830</u>	<u>\$ 17,330</u>	<u>\$ 57,603</u>

BPS Surcharge	PLCP	Clerks Records	Federal Title III	Veteran's Services	Technology	Totals
\$ -	\$ -	\$ -	\$ -	\$ 136,575	\$ -	\$ 136,575
-	-	-	-	-	-	80,000
-	70,997	11,367	-	-	-	1,115,795
101,290	-	-	-	31,057	-	333,318
-	-	-	-	-	-	8,720
-	-	-	-	-	61,438	61,438
-	249	275	2,041	447	-	6,141
-	11	-	-	26	-	28,792
<u>101,290</u>	<u>71,257</u>	<u>11,642</u>	<u>2,041</u>	<u>168,105</u>	<u>61,438</u>	<u>1,770,779</u>
107,756	65,258	3,070	-	185,631	22,222	1,246,538
-	1,670	8,919	-	-	-	71,221
<u>107,756</u>	<u>66,928</u>	<u>11,989</u>	<u>-</u>	<u>185,631</u>	<u>22,222</u>	<u>1,317,759</u>
<u>(6,466)</u>	<u>4,329</u>	<u>(347)</u>	<u>2,041</u>	<u>(17,526)</u>	<u>39,216</u>	<u>453,020</u>
-	-	-	-	10,000	-	10,000
-	-	-	-	-	-	(131,750)
-	-	-	-	10,000	-	(121,750)
(6,466)	4,329	(347)	2,041	(7,526)	39,216	331,270
<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>
<u>\$ (2,090)</u>	<u>\$ 34,734</u>	<u>\$ 30,210</u>	<u>\$ 263,201</u>	<u>\$ 50,001</u>	<u>\$ 247,535</u>	<u>\$ 1,279,660</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY
For the Year Ended June 30, 2017**

	SB 1065					
	Court	Law	Sheriff	Assessment	Tillamook	
	Security	Enforcement	Trust	and	Narcotics	
				Conviction	Team	Totals
REVENUES						
Charges for services	\$ -	\$ -	\$ 57,294	\$ -	\$ -	\$ 57,294
Fines and forfeitures	32,567	900	-	2,056	5,729	41,252
Interest	1,902	-	461	24	432	2,819
Miscellaneous	-	21,373	20,796	-	-	42,169
TOTAL REVENUES	<u>34,469</u>	<u>22,273</u>	<u>78,551</u>	<u>2,080</u>	<u>6,161</u>	<u>143,534</u>
EXPENDITURES						
Public safety	4,367	1,978	25,560	667	11,212	43,784
Capital outlay	1,040	-	-	-	-	1,040
TOTAL EXPENDITURES	<u>5,407</u>	<u>1,978</u>	<u>25,560</u>	<u>667</u>	<u>11,212</u>	<u>44,824</u>
Excess (deficiency) of revenues over expenditures	<u>29,062</u>	<u>20,295</u>	<u>52,991</u>	<u>1,413</u>	<u>(5,051)</u>	<u>98,710</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	(50,000)	-	-	(13,333)	-	(63,333)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>(13,333)</u>	<u>-</u>	<u>(63,333)</u>
Net change in fund balances	(20,938)	20,295	52,991	(11,920)	(5,051)	35,377
Fund balances - beginning	228,071	1,165	8,287	12,040	59,606	309,169
Fund balances - ending	<u>\$ 207,133</u>	<u>\$ 21,460</u>	<u>\$ 61,278</u>	<u>\$ 120</u>	<u>\$ 54,555</u>	<u>\$ 344,546</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, 2017**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
REVENUES			
Timber and land sales	\$ -	\$ 1,693,200	\$ 1,693,200
Intergovernmental	53,667	117,346	171,013
Charges for services	909,350	1,944,205	2,853,555
Interest	975	16,753	17,728
Miscellaneous	<u>29,729</u>	<u>922</u>	<u>30,651</u>
TOTAL REVENUES	<u>993,721</u>	<u>3,772,426</u>	<u>4,766,147</u>
EXPENDITURES			
Culture and recreation	975,237	1,615,608	2,590,845
Capital outlay	<u>-</u>	<u>437,049</u>	<u>437,049</u>
TOTAL EXPENDITURES	<u>975,237</u>	<u>2,052,657</u>	<u>3,027,894</u>
Excess (deficiency) of revenues over expenditures	<u>18,484</u>	<u>1,719,769</u>	<u>1,738,253</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,000)</u>	<u>-</u>	<u>(5,000)</u>
Net change in fund balances	13,484	1,719,769	1,733,253
Fund balances - beginning	<u>302,415</u>	<u>928,290</u>	<u>1,230,705</u>
Fund balances - ending	<u>\$ 315,899</u>	<u>\$ 2,648,059</u>	<u>\$ 2,963,958</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, 2017

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 1,238,431	\$ -	\$ 1,238,431
Charges for services	-	16,204	16,204
Interest	-	704	704
	<u>1,238,431</u>	<u>16,908</u>	<u>1,255,339</u>
TOTAL REVENUES			
EXPENDITURES			
Health and welfare	<u>1,202,232</u>	<u>12,195</u>	<u>1,214,427</u>
TOTAL EXPENDITURES	<u>1,202,232</u>	<u>12,195</u>	<u>1,214,427</u>
Net change in fund balances	36,199	4,713	40,912
Fund balances - beginning	<u>-</u>	<u>81,409</u>	<u>81,409</u>
Fund balances - ending	<u>\$ 36,199</u>	<u>\$ 86,122</u>	<u>\$ 122,321</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS**

For the Year Ended June 30, 2017

			Tillamook County 4-H and Extension Building Reserve	Trask Road Project	
	Vehicle Reserve	Library Reserve	Fair Reserve	Building Reserve	Trask Road Project
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
REVENUES					
Timber and land sales	\$ 100,000	\$ -	\$ -	\$ -	\$ -
Interest	1,785	7,139	-	454	2,389
Miscellaneous	-	-	-	-	-
TOTAL REVENUES	<u>101,785</u>	<u>7,139</u>	<u>-</u>	<u>454</u>	<u>2,389</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Education	-	-	-	26,135	-
Capital outlay	188,443	-	-	295,000	-
Debt service					
Principal	90,631	-	-	-	-
Interest	4,772	-	-	-	-
TOTAL EXPENDITURES	<u>283,846</u>	<u>-</u>	<u>-</u>	<u>321,135</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(182,061)</u>	<u>7,139</u>	<u>-</u>	<u>(320,681)</u>	<u>2,389</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	30,000	250,000	5,000	345,000	-
Issuance of debt	169,721	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>199,721</u>	<u>250,000</u>	<u>5,000</u>	<u>345,000</u>	<u>-</u>
Net change in fund balances	17,660	257,139	5,000	24,319	2,389
Fund balances - beginning	218,032	777,579	5,170	203,340	305,744
Fund balances - ending	<u>\$ 235,692</u>	<u>\$ 1,034,718</u>	<u>\$ 10,170</u>	<u>\$ 227,659</u>	<u>\$ 308,133</u>

Road Improvement Construction	Road Construction Grant Projects	Building Improvement	Jail Capital Improvement Projects	Computer Reserve	Totals
\$ -	\$ -	\$ 1,100,000	\$ -	\$ -	\$ 1,200,000
9,164	1,228	6,856	-	-	29,015
-	-	634	-	-	634
<u>9,164</u>	<u>1,228</u>	<u>1,107,490</u>	<u>-</u>	<u>-</u>	<u>1,229,649</u>
-	-	297,813	-	-	297,813
-	-	-	-	-	26,135
429,461	-	11,582	93,655	-	1,018,141
-	-	-	-	-	90,631
-	-	-	-	-	4,772
<u>429,461</u>	<u>-</u>	<u>309,395</u>	<u>93,655</u>	<u>-</u>	<u>1,437,492</u>
<u>(420,297)</u>	<u>1,228</u>	<u>798,095</u>	<u>(93,655)</u>	<u>-</u>	<u>(207,843)</u>
-	-	200,000	-	60,000	890,000
-	-	-	-	-	169,721
<u>-</u>	<u>-</u>	<u>200,000</u>	<u>-</u>	<u>60,000</u>	<u>1,059,721</u>
(420,297)	1,228	998,095	(93,655)	60,000	851,878
1,493,906	157,123	604,269	106,530	-	3,871,693
<u>\$ 1,073,609</u>	<u>\$ 158,351</u>	<u>\$ 1,602,364</u>	<u>\$ 12,875</u>	<u>\$ 60,000</u>	<u>\$ 4,723,571</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 853,050	\$ 1,012,519	\$ 159,469
Charges for services	6,000	8,720	2,720
Investment earnings	100	2,679	2,579
Miscellaneous	<u>600</u>	<u>27,834</u>	<u>27,234</u>
TOTAL REVENUES	<u>859,750</u>	<u>1,051,752</u>	<u>192,002</u>
EXPENDITURES			
Personal services	625,680	504,671	121,009
Materials and services	147,920	142,347	5,573
Capital outlay	61,500	60,632	868
Contingency	<u>12,000</u>	<u>-</u>	<u>12,000</u>
TOTAL EXPENDITURES	<u>847,100</u>	<u>707,650</u>	<u>139,450</u>
Net change in fund balance	12,650	344,102	331,452
Fund balance at beginning of year	<u>100,000</u>	<u>240,011</u>	<u>140,011</u>
Fund balance at end of year	<u>\$ 112,650</u>	<u>\$ 584,113</u>	<u>\$ 471,463</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 200,000	\$ 200,971	\$ 971
Investment earnings	<u>200</u>	<u>316</u>	<u>116</u>
TOTAL REVENUES	<u>200,200</u>	<u>201,287</u>	<u>1,087</u>
EXPENDITURES			
Materials and services	<u>93,450</u>	<u>93,378</u>	<u>72</u>
TOTAL EXPENDITURES	<u>93,450</u>	<u>93,378</u>	<u>72</u>
Excess (deficiency) of revenues over expenditures	<u>106,750</u>	<u>107,909</u>	<u>1,159</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(131,750)</u>	<u>(131,750)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(131,750)</u>	<u>(131,750)</u>	<u>-</u>
Net change in fund balance	(25,000)	(23,841)	1,159
Fund balance at beginning of year	<u>25,000</u>	<u>24,573</u>	<u>(427)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 732</u>	<u>\$ 732</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, 2017**

	Budget	Actual	Variance
REVENUES			
Timber and land sales	\$ 80,000	\$ 80,000	\$ -
TOTAL REVENUES	80,000	80,000	-
EXPENDITURES			
Materials and services	110,000	89,190	20,810
TOTAL EXPENDITURES	110,000	89,190	20,810
Net change in fund balance	(30,000)	(9,190)	20,810
Fund balance at beginning of year	30,000	33,474	3,474
Fund balance at end of year	\$ -	\$ 24,284	\$ 24,284

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, 2017**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ -	\$ 134	\$ 134
Miscellaneous	500	1,021	521
TOTAL REVENUES	500	1,155	655
EXPENDITURES			
Materials and services	10,000	478	9,522
TOTAL EXPENDITURES	10,000	478	9,522
Net change in fund balance	(9,500)	677	10,177
Fund balance at beginning of year	15,600	16,653	1,053
Fund balance at end of year	\$ 6,100	\$ 17,330	\$ 11,230

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 15,000	\$ 20,912	\$ 5,912
TOTAL REVENUES	<u>15,000</u>	<u>20,912</u>	<u>5,912</u>
EXPENDITURES			
Materials and services	<u>45,000</u>	<u>21,052</u>	<u>23,948</u>
TOTAL EXPENDITURES	<u>45,000</u>	<u>21,052</u>	<u>23,948</u>
Net change in fund balance	(30,000)	(140)	29,860
Fund balance at beginning of year	<u>30,000</u>	<u>58,439</u>	<u>28,439</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 58,299</u>	<u>\$ 58,299</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 150,000	\$ 101,411	\$ (48,589)
TOTAL REVENUES	<u>150,000</u>	<u>101,411</u>	<u>(48,589)</u>
EXPENDITURES			
Materials and services	<u>150,000</u>	<u>101,785</u>	<u>48,215</u>
TOTAL EXPENDITURES	<u>150,000</u>	<u>101,785</u>	<u>48,215</u>
Net change in fund balance	-	(374)	(374)
Fund balance at beginning of year	<u>-</u>	<u>31,145</u>	<u>31,145</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 30,771</u>	<u>\$ 30,771</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 75,000	\$ 70,997	\$ (4,003)
Investment earnings	100	249	149
Miscellaneous	-	11	11
TOTAL REVENUES	<u>75,100</u>	<u>71,257</u>	<u>(3,843)</u>
EXPENDITURES			
Personal services	63,840	59,066	4,774
Materials and services	10,400	6,199	4,201
Capital outlay	1,700	1,670	30
Contingency	9,160	-	9,160
TOTAL EXPENDITURES	<u>85,100</u>	<u>66,935</u>	<u>18,165</u>
Net change in fund balance	(10,000)	4,322	14,322
Fund balance at beginning of year	<u>10,000</u>	<u>30,429</u>	<u>20,429</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 34,751</u>	<u>\$ 34,751</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 10,000	\$ 11,367	\$ 1,367
Investment earnings	<u>100</u>	<u>275</u>	<u>175</u>
TOTAL REVENUES	<u>10,100</u>	<u>11,642</u>	<u>1,542</u>
EXPENDITURES			
Materials and services	25,000	3,070	21,930
Capital outlay	<u>10,100</u>	<u>8,888</u>	<u>1,212</u>
TOTAL EXPENDITURES	<u>35,100</u>	<u>11,958</u>	<u>23,142</u>
Net change in fund balance	(25,000)	(316)	24,684
Fund balance at beginning of year	<u>25,000</u>	<u>30,557</u>	<u>5,557</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 30,241</u>	<u>\$ 30,241</u>

TILLAMOOK COUNTY

**FEDERAL TITLE III - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 100,000	\$ -	\$ (100,000)
Investment earnings	<u>-</u>	<u>2,041</u>	<u>2,041</u>
TOTAL REVENUES	<u>100,000</u>	<u>2,041</u>	<u>(97,959)</u>
EXPENDITURES			
Materials and services	<u>350,000</u>	<u>-</u>	<u>350,000</u>
TOTAL EXPENDITURES	<u>350,000</u>	<u>-</u>	<u>350,000</u>
Net change in fund balance	(250,000)	2,041	252,041
Fund balance at beginning of year	<u>250,000</u>	<u>261,160</u>	<u>11,160</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 263,201</u></u>	<u><u>\$ 263,201</u></u>

TILLAMOOK COUNTY

**VETERAN'S SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 134,200	\$ 136,097	\$ 1,897
Intergovernmental	41,790	41,506	(284)
Investment earnings	100	447	347
Miscellaneous	100.00	26	(74)
TOTAL REVENUES	176,190	178,076	1,886
EXPENDITURES			
Personal services	167,900	166,641	1,259
Materials and services	23,590	18,993	4,597
TOTAL EXPENDITURES	191,490	185,634	5,856
Excess (deficiency) of revenues over expenditures	(15,300)	(7,558)	7,742
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	10,000	-
TOTAL OTHER FINANCING SOURCES (USES)	10,000	10,000	-
Net change in fund balance	(5,300)	2,442	7,742
Fund balance at beginning of year	5,300	49,756	44,456
Fund balance at end of year	\$ -	\$ 52,198	\$ 52,198

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 40,000	\$ 61,438	\$ 21,438
TOTAL REVENUES	<u>40,000</u>	<u>61,438</u>	<u>21,438</u>
EXPENDITURES			
Materials and services	115,000	22,222	92,778
Capital outlay	<u>25,000</u>	<u>-</u>	<u>25,000</u>
TOTAL EXPENDITURES	<u>140,000</u>	<u>22,222</u>	<u>117,778</u>
Net change in fund balance	(100,000)	39,216	139,216
Fund balance at beginning of year	<u>100,000</u>	<u>208,319</u>	<u>108,319</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 247,535</u>	<u>\$ 247,535</u>

TILLAMOOK COUNTY

**COURT SECURITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 32,739	\$ (17,261)
Investment earnings	1,000	1,902	902
TOTAL REVENUES	51,000	34,641	(16,359)
EXPENDITURES			
Materials and services	13,000	3,607	9,393
Capital outlay	213,000	1,040	211,960
TOTAL EXPENDITURES	226,000	4,647	221,353
Excess (deficiency) of revenues over expenditures	(175,000)	29,994	204,994
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(50,000)	(50,000)	-
Net change in fund balance	(225,000)	(20,006)	204,994
Fund balance at beginning of year	225,000	227,899	2,899
Fund balance at end of year	\$ -	\$ 207,893	\$ 207,893

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, 2017**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 1,900	\$ 900	\$ (1,000)
Miscellaneous	-	21,373	21,373
TOTAL REVENUES	1,900	22,273	20,373
EXPENDITURES			
Materials and services	2,000	1,978	22
TOTAL EXPENDITURES	2,000	1,978	22
Net change in fund balance	(100)	20,295	20,395
Fund balance at beginning of year	100	1,165	1,065
Fund balance at end of year	\$ -	\$ 21,460	\$ 21,460

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 54,800	\$ 57,294	\$ 2,494
Investment earnings	-	461	461
Miscellaneous	<u>25,700</u>	<u>20,796</u>	<u>(4,904)</u>
TOTAL REVENUES	<u>80,500</u>	<u>78,551</u>	<u>(1,949)</u>
EXPENDITURES			
Materials and services	65,500	25,776	39,724
Capital outlay	<u>20,000</u>	<u>-</u>	<u>20,000</u>
TOTAL EXPENDITURES	<u>85,500</u>	<u>25,776</u>	<u>59,724</u>
Net change in fund balance	(5,000)	52,775	57,775
Fund balance at beginning of year	<u>5,000</u>	<u>8,503</u>	<u>3,503</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 61,278</u>	<u>\$ 61,278</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 2,700	\$ 2,185	\$ (515)
Investment earnings	<u>100</u>	<u>24</u>	<u>(76)</u>
TOTAL REVENUES	<u>2,800</u>	<u>2,209</u>	<u>(591)</u>
EXPENDITURES			
Materials and services	<u>22,800</u>	<u>667</u>	<u>22,133</u>
TOTAL EXPENDITURES	<u>22,800</u>	<u>667</u>	<u>22,133</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>1,542</u>	<u>21,542</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(20,000)</u>	<u>(13,333)</u>	<u>(6,667)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(20,000)</u>	<u>(13,333)</u>	<u>(6,667)</u>
Net change in fund balance	(40,000)	(11,791)	28,209
Fund balance at beginning of year	<u>40,000</u>	<u>11,911</u>	<u>(28,089)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 120</u>	<u>\$ 120</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 10,000	\$ 5,729	\$ (4,271)
Investment earnings	<u>-</u>	<u>432</u>	<u>432</u>
TOTAL REVENUES	<u>10,000</u>	<u>6,161</u>	<u>(3,839)</u>
EXPENDITURES			
Materials and services	<u>46,000</u>	<u>10,662</u>	<u>35,338</u>
TOTAL EXPENDITURES	<u>46,000</u>	<u>10,662</u>	<u>35,338</u>
Net change in fund balance	(36,000)	(4,501)	31,499
Fund balance at beginning of year	<u>36,000</u>	<u>59,606</u>	<u>23,606</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 55,105</u>	<u>\$ 55,105</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 300	\$ 728	\$ 428
TOTAL REVENUES	<u>300</u>	<u>728</u>	<u>428</u>
EXPENDITURES			
Capital outlay	<u>50,000</u>	<u>48,670</u>	<u>1,330</u>
TOTAL EXPENDITURES	<u>50,000</u>	<u>48,670</u>	<u>1,330</u>
Excess (deficiency) of revenues over expenditures	<u>(49,700)</u>	<u>(47,942)</u>	<u>1,758</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>20,360</u>	<u>20,360</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,360</u>	<u>20,360</u>	<u>-</u>
Net change in fund balance	(29,340)	(27,582)	1,758
Fund balance at beginning of year	<u>120,000</u>	<u>127,174</u>	<u>7,174</u>
Fund balance at end of year	<u>\$ 90,660</u>	<u>\$ 99,592</u>	<u>\$ 8,932</u>

TILLAMOOK COUNTY

**COUNTY FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 53,600	\$ 53,667	\$ 67
Charges for services	822,600	909,350	86,750
Investment earnings	1,000	975	(25)
Miscellaneous	<u>219,800</u>	<u>29,729</u>	<u>(190,071)</u>
TOTAL REVENUES	<u>1,097,000</u>	<u>993,721</u>	<u>(103,279)</u>
EXPENDITURES			
Personal services	337,800	335,529	2,271
Materials and services	667,200	639,708	27,492
Capital outlay	165,000	-	165,000
Contingency	<u>40,000</u>	<u>-</u>	<u>40,000</u>
TOTAL EXPENDITURES	<u>1,210,000</u>	<u>975,237</u>	<u>234,763</u>
Excess (deficiency) of revenues over expenditures	<u>(113,000)</u>	<u>18,484</u>	<u>131,484</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net change in fund balance	(118,000)	13,484	131,484
Fund balance at beginning of year	<u>297,000</u>	<u>302,415</u>	<u>5,415</u>
Fund balance at end of year	<u>\$ 179,000</u>	<u>\$ 315,899</u>	<u>\$ 136,899</u>

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Timber and land sales	\$ -	\$ 1,693,200	\$ 1,693,200
Intergovernmental	119,200	78,608	(40,592)
Charges for services	1,958,000	1,993,667	35,667
Investment earnings	2,000	16,753	14,753
Miscellaneous	<u>3,100</u>	<u>1,169</u>	<u>(1,931)</u>
TOTAL REVENUES	<u>2,082,300</u>	<u>3,783,397</u>	<u>1,701,097</u>
EXPENDITURES			
Personal services	736,560	605,467	131,093
Materials and services	1,163,740	1,056,673	107,067
Capital outlay	727,500	451,927	275,573
Contingency	<u>25,000</u>	<u>-</u>	<u>25,000</u>
TOTAL EXPENDITURES	<u>2,652,800</u>	<u>2,114,067</u>	<u>538,733</u>
Net change in fund balance	(570,500)	1,669,330	2,239,830
Fund balance at beginning of year	<u>750,000</u>	<u>984,541</u>	<u>234,541</u>
Fund balance at end of year	<u>\$ 179,500</u>	<u>\$ 2,653,871</u>	<u>\$ 2,474,371</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, 2017**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,600,000	\$ 1,238,431	\$ (361,569)
TOTAL REVENUES	1,600,000	1,238,431	(361,569)
EXPENDITURES			
Materials and services	1,600,000	1,202,232	397,768
TOTAL EXPENDITURES	1,600,000	1,202,232	397,768
Net change in fund balance	-	36,199	36,199
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 36,199	\$ 36,199

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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 13,000	\$ 16,204	\$ 3,204
Investment earnings	<u>300</u>	<u>704</u>	<u>404</u>
TOTAL REVENUES	<u>13,300</u>	<u>16,908</u>	<u>3,608</u>
EXPENDITURES			
Materials and services	<u>103,300</u>	<u>18,564</u>	<u>84,736</u>
TOTAL EXPENDITURES	<u>103,300</u>	<u>18,564</u>	<u>84,736</u>
Net change in fund balance	(90,000)	(1,656)	88,344
Fund balance at beginning of year	<u>90,000</u>	<u>88,047</u>	<u>(1,953)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 86,391</u>	<u>\$ 86,391</u>

TILLAMOOK COUNTY

**TILLAMOOK COUNTY 4-H AND EXTENSION SERVICE DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 292,000	\$ 310,687	\$ 18,687
Timber and land sales	61,400	80,182	18,782
Investment earnings	<u>1,200</u>	<u>4,168</u>	<u>2,968</u>
TOTAL REVENUES	<u>354,600</u>	<u>395,037</u>	<u>40,437</u>
EXPENDITURES			
Personal services	223,100	167,325	55,775
Materials and services	163,900	95,284	68,616
Contingency	<u>77,000</u>	<u>-</u>	<u>77,000</u>
TOTAL EXPENDITURES	<u>464,000</u>	<u>262,609</u>	<u>201,391</u>
Net change in fund balance	(109,400)	132,428	241,828
Fund balance at beginning of year	<u>343,600</u>	<u>411,901</u>	<u>68,301</u>
Fund balance at end of year	<u>\$ 234,200</u>	<u>\$ 544,329</u>	<u>\$ 310,129</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,251,475	\$ 1,270,181	\$ 18,706
Investment earnings	<u>-</u>	<u>610</u>	<u>610</u>
TOTAL REVENUES	<u>1,251,475</u>	<u>1,270,791</u>	<u>19,316</u>
EXPENDITURES			
Debt service	<u>1,310,975</u>	<u>1,310,975</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,310,975</u>	<u>1,310,975</u>	<u>-</u>
Net change in fund balance	(59,500)	(40,184)	19,316
Fund balance at beginning of year	<u>60,000</u>	<u>59,101</u>	<u>(899)</u>
Fund balance at end of year	<u>\$ 500</u>	<u>\$ 18,917</u>	<u>\$ 18,417</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 250,400	\$ 251,121	\$ 721
Investment earnings	<u>-</u>	<u>105</u>	<u>105</u>
TOTAL REVENUES	<u>250,400</u>	<u>251,226</u>	<u>826</u>
EXPENDITURES			
Debt service	<u>249,900</u>	<u>249,900</u>	<u>-</u>
TOTAL EXPENDITURES	<u>249,900</u>	<u>249,900</u>	<u>-</u>
Net change in fund balance	500	1,326	826
Fund balance at beginning of year	<u>-</u>	<u>(4,833)</u>	<u>(4,833)</u>
Fund balance at end of year	<u>\$ 500</u>	<u>\$ (3,507)</u>	<u>\$ (4,007)</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Timber and land sales	\$ 100,000	\$ 100,000	\$ -
Investment earnings	<u>1,000</u>	<u>1,785</u>	<u>785</u>
TOTAL REVENUES	<u>101,000</u>	<u>101,785</u>	<u>785</u>
EXPENDITURES			
Capital outlay	259,800	188,443	71,357
Debt service	98,300	95,403	2,897
Contingency	<u>117,900</u>	<u>-</u>	<u>117,900</u>
TOTAL EXPENDITURES	<u>476,000</u>	<u>283,846</u>	<u>192,154</u>
Excess (deficiency) of revenues over expenditures	<u>(375,000)</u>	<u>(182,061)</u>	<u>192,939</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	30,000	30,000	-
Issuance of debt	<u>145,000</u>	<u>169,721</u>	<u>24,721</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>175,000</u>	<u>199,721</u>	<u>24,721</u>
Net change in fund balance	(200,000)	17,660	217,660
Fund balance at beginning of year	<u>200,000</u>	<u>218,032</u>	<u>18,032</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 235,692</u>	<u>\$ 235,692</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, 2017**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 2,000	\$ 7,139	\$ 5,139
TOTAL REVENUES	2,000	7,139	5,139
EXPENDITURES			
Materials and services	510,000	-	510,000
Capital outlay	200,000	-	200,000
Contingency	302,000	-	302,000
TOTAL EXPENDITURES	1,012,000	-	1,012,000
Excess (deficiency) of revenues over expenditures	(1,010,000)	7,139	1,017,139
OTHER FINANCING SOURCES (USES)			
Transfers in	250,000	250,000	-
TOTAL OTHER FINANCING SOURCES (USES)	250,000	250,000	-
Net change in fund balance	(760,000)	257,139	1,017,139
Fund balance at beginning of year	760,000	777,579	17,579
Fund balance at end of year	\$ -	\$ 1,034,718	\$ 1,034,718

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, 2017**

	Budget	Actual	Variance
EXPENDITURES			
Capital outlay	\$ 10,000	\$ -	\$ 10,000
TOTAL EXPENDITURES	10,000	-	10,000
Excess (deficiency) of revenues over expenditures	(10,000)	-	10,000
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	5,000	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	5,000	-
Net change in fund balance	(5,000)	5,000	10,000
Fund balance at beginning of year	5,000	5,170	170
Fund balance at end of year	\$ -	\$ 10,170	\$ 10,170

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, 2017**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 300	\$ 454	\$ 154
TOTAL REVENUES	<u>300</u>	<u>454</u>	<u>154</u>
EXPENDITURES			
Materials and services	50,300	26,135	24,165
Capital outlay	295,000	295,000	-
TOTAL EXPENDITURES	<u>345,300</u>	<u>321,135</u>	<u>24,165</u>
Excess (deficiency) of revenues over expenditures	<u>(345,000)</u>	<u>(320,681)</u>	<u>24,319</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	145,000	(145,000)
Sale of capital assets	145,000	-	145,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Net change in fund balance	(200,000)	(175,681)	24,319
Fund balance at beginning of year	<u>200,000</u>	<u>203,340</u>	<u>3,340</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 27,659</u>	<u>\$ 27,659</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 500	\$ 2,389	\$ 1,889
TOTAL REVENUES	<u>500</u>	<u>2,389</u>	<u>1,889</u>
EXPENDITURES			
Capital outlay	160,000	-	160,000
Contingency	<u>92,500</u>	<u>-</u>	<u>92,500</u>
TOTAL EXPENDITURES	<u>252,500</u>	<u>-</u>	<u>252,500</u>
Net change in fund balance	(252,000)	2,389	254,389
Fund balance at beginning of year	<u>300,000</u>	<u>305,744</u>	<u>5,744</u>
Fund balance at end of year	<u>\$ 48,000</u>	<u>\$ 308,133</u>	<u>\$ 260,133</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 5,000	\$ 9,164	\$ 4,164
TOTAL REVENUES	<u>5,000</u>	<u>9,164</u>	<u>4,164</u>
EXPENDITURES			
Materials and services	500,000	329,588	170,412
Capital outlay	<u>221,000</u>	<u>99,631</u>	<u>121,369</u>
TOTAL EXPENDITURES	<u>721,000</u>	<u>429,219</u>	<u>291,781</u>
Net change in fund balance	(716,000)	(420,055)	295,945
Fund balance at beginning of year	<u>716,000</u>	<u>1,493,906</u>	<u>777,906</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,073,851</u>	<u>\$ 1,073,851</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, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 6,100,000	\$ -	\$ (6,100,000)
Investment earnings	<u>-</u>	<u>1,228</u>	<u>1,228</u>
TOTAL REVENUES	<u>6,100,000</u>	<u>1,228</u>	<u>(6,098,772)</u>
EXPENDITURES			
Capital outlay	<u>6,100,000</u>	<u>-</u>	<u>6,100,000</u>
TOTAL EXPENDITURES	<u>6,100,000</u>	<u>-</u>	<u>6,100,000</u>
Net change in fund balance	-	1,228	1,228
Fund balance at beginning of year	<u>-</u>	<u>157,123</u>	<u>157,123</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 158,351</u>	<u>\$ 158,351</u>

TILLAMOOK COUNTY

**BUILDING IMPROVEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	Budget	Actual	Variance
REVENUES			
Timber and land sales	\$ 1,100,000	\$ 1,100,000	\$ -
Investment earnings	1,500	6,856	5,356
Miscellaneous	-	634	634
TOTAL REVENUES	1,101,500	1,107,490	5,990
EXPENDITURES			
Materials and services	800,000	322,694	477,306
Capital outlay	1,001,500	-	1,001,500
TOTAL EXPENDITURES	1,801,500	322,694	1,478,806
Excess (deficiency) of revenues over expenditures	(700,000)	784,796	1,484,796
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	200,000	-
TOTAL OTHER FINANCING SOURCES (USES)	200,000	200,000	-
Net change in fund balance	(500,000)	984,796	1,484,796
Fund balance at beginning of year	500,000	629,150	129,150
Fund balance at end of year	\$ -	\$ 1,613,946	\$ 1,613,946

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, 2017**

	Budget	Actual	Variance
EXPENDITURES			
Materials and services	<u>\$ 700,000</u>	<u>\$ 727,887</u>	<u>\$ (27,887)</u>
 TOTAL EXPENDITURES	 <u>700,000</u>	 <u>727,887</u>	 <u>(27,887)</u>
 Net change in fund balance	 (700,000)	 (727,887)	 (27,887)
Fund balance at beginning of year	<u>700,000</u>	<u>794,123</u>	<u>94,123</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 66,236</u></u>	 <u><u>\$ 66,236</u></u>

TILLAMOOK COUNTY

**COMPUTER RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	Budget	Actual	Variance
EXPENDITURES			
Materials and services	\$ 60,000	\$ -	\$ 60,000
TOTAL EXPENDITURES	60,000	-	60,000
Excess (deficiency) of revenues over expenditures	(60,000)	-	60,000
OTHER FINANCING SOURCES (USES)			
Transfers in	60,000	60,000	-
TOTAL OTHER FINANCING SOURCES (USES)	60,000	60,000	-
Net change in fund balance	-	60,000	60,000
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 60,000	\$ 60,000

Proprietary Funds

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

Solid Waste - 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, 2017**

	Budget	Actual	Variance
REVENUES			
Assessments	\$ 235,000	\$ 233,076	\$ (1,924)
Intergovernmental	32,000	141,860	109,860
Charges for services	2,110,000	2,346,856	236,856
Investment earnings	1,000	553	(447)
Miscellaneous	<u>13,750</u>	<u>30,850</u>	<u>17,100</u>
TOTAL REVENUES	<u>2,391,750</u>	<u>2,753,195</u>	<u>361,445</u>
EXPENDITURES			
Personal services	229,740	223,626	6,114
Materials and services	2,015,920	2,251,297	(235,377)
Capital outlay	<u>50,750</u>	<u>50,734</u>	<u>16</u>
TOTAL EXPENDITURES	<u>2,296,410</u>	<u>2,525,657</u>	<u>(229,247)</u>
Excess (deficiency) of revenues over expenditures	<u>95,340</u>	<u>227,538</u>	<u>132,198</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(158,340)</u>	<u>(158,333)</u>	<u>(7)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(158,340)</u>	<u>(158,333)</u>	<u>(7)</u>
Net change in fund balance	(63,000)	69,205	132,205
Fund balance at beginning of year	<u>75,000</u>	<u>119,903</u>	<u>44,903</u>
Fund balance at end of year	<u><u>\$ 12,000</u></u>	189,108	<u><u>\$ 177,108</u></u>
Reconciliation to generally accepted accounting principles:			
Receivables		127,218	
Capital assets, net		2,019,882	
Deferred outflows of resources		102,225	
Accounts payable and accrued liabilities		(221,197)	
Accumulated compensated absences		(6,022)	
Other post-employment benefits		(30,196)	
Net pension liability		(206,724)	
Landfill post-closure care liability		(1,200,260)	
Deferred inflows of resources		<u>(12,736)</u>	
Net position at end of year		<u><u>\$ 761,298</u></u>	

TILLAMOOK COUNTY

**SOLID WASTE SINKING - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 2,000	\$ 3,939	\$ 1,939
TOTAL REVENUES	<u>2,000</u>	<u>3,939</u>	<u>1,939</u>
EXPENDITURES			
Capital outlay	10,000	9,579	421
Contingency	<u>312,000</u>	<u>-</u>	<u>312,000</u>
TOTAL EXPENDITURES	<u>322,000</u>	<u>9,579</u>	<u>312,421</u>
Excess (deficiency) of revenues over expenditures	<u>(320,000)</u>	<u>(5,640)</u>	<u>314,360</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>58,333</u>	<u>41,667</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>58,333</u>	<u>41,667</u>
Net change in fund balance	(220,000)	52,693	272,693
Fund balance at beginning of year	<u>470,000</u>	<u>468,157</u>	<u>(1,843)</u>
Fund balance at end of year	<u>\$ 250,000</u>	<u>\$ 520,850</u>	<u>\$ 270,850</u>

TILLAMOOK COUNTY

**SOLID WASTE POST CLOSURE RESERVE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 2,000	\$ 5,897	\$ 3,897
TOTAL REVENUES	<u>2,000</u>	<u>5,897</u>	<u>3,897</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	102,000	105,897	3,897
Fund balance at beginning of year	<u>699,000</u>	<u>700,324</u>	<u>1,324</u>
Fund balance at end of year	<u>\$ 801,000</u>	<u>\$ 806,221</u>	<u>\$ 5,221</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

Agency Fund

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

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

**AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2017**

	Balances July 1, 2016	Additions	Deductions	Balances June 30, 2017
ASSETS				
Cash and investments	\$ 774,402	\$ 20,297,758	\$ 20,149,479	\$ 922,681
Receivables	<u>6,506,349</u>	<u>67,219,461</u>	<u>67,490,682</u>	<u>6,235,128</u>
TOTAL ASSETS	<u>\$ 7,280,751</u>	<u>\$ 87,517,219</u>	<u>\$ 87,640,161</u>	<u>\$ 7,157,809</u>
LIABILITIES				
Due to other governments	<u>\$ 7,280,751</u>	<u>\$ 87,517,219</u>	<u>\$ 87,640,161</u>	<u>\$ 7,157,809</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

**CAPITAL ASSETS USED IN
GOVERNMENTAL ACTIVITIES**

TILLAMOOK COUNTY

**SCHEDULE OF CAPITAL ASSETS
GOVERNMENTAL ACTIVITIES**

June 30, 2017

CAPITAL ASSETS

Land	\$ 7,738,469
Land improvements	2,515,038
Buildings	30,149,723
Equipment	10,072,473
Infrastructure	27,906,121
Construction in progress	<u>6,123,727</u>

TOTAL CAPITAL ASSETS \$ 84,505,551

INVESTMENT IN CAPITAL ASSETS

General fund	\$ 16,960,231
Special revenue funds	33,879,575
Capital project funds	<u>33,665,745</u>

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 84,505,551

TILLAMOOK COUNTY

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENTAL ACTIVITIES
June 30, 2017**

<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	\$ 15,276	\$ -	\$ -	\$ -	\$ 15,276	\$ -	\$ -
District Attorney	71,512	-	-	-	71,512	-	-
County Clerk	272,513	-	-	-	272,513	-	-
County Assessor	178,530	-	-	-	178,530	-	-
Courthouse	2,927,026	702,367	-	2,113,209	99,868	-	11,582
County Surveyor	55,991	-	-	-	55,991	-	-
Community Development	772,410	550,186	-	-	222,224	-	-
Data processing	708,250	-	-	33,782	674,468	-	-
Juvenile	68,723	-	-	-	68,723	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	1,639,465	345,056	-	514,508	779,901	-	-
Total general government	6,728,274	1,597,609	-	2,661,499	2,457,584	-	11,582
Public safety							
County Sheriff	1,780,863	-	42,678	-	1,648,963	-	89,222
Communications	70,288	-	-	31,258	39,030	-	-
Corrections	12,096,095	-	-	8,411,017	552,590	-	3,132,488
Courts	261,837	-	-	225,316	36,521	-	-
Total public safety	14,209,083	-	42,678	8,667,591	2,277,104	-	3,221,710
Highways and streets	35,381,809	1,475,557	94,255	85,102	4,115,878	27,026,229	2,584,788
Culture and recreation							
Parks	7,488,017	2,227,960	2,062,377	1,859,543	316,025	716,465	305,647
Library	622,872	97,155	-	98,722	263,568	163,427	-
Fair	4,738,332	54,156	88,128	4,195,491	400,557	-	-
Total culture and recreation	12,849,221	2,379,271	2,150,505	6,153,756	980,150	879,892	305,647
Health and welfare	14,735,547	2,286,032	-	12,213,227	236,288	-	-
Education	601,617	-	227,600	368,548	5,469	-	-
Total capital assets	<u>\$ 84,505,551</u>	<u>\$ 7,738,469</u>	<u>\$ 2,515,038</u>	<u>\$ 30,149,723</u>	<u>\$ 10,072,473</u>	<u>\$ 27,906,121</u>	<u>\$ 6,123,727</u>

TILLAMOOK COUNTY

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENT ACTIVITIES
For the Year Ended June 30, 2017**

<u>Function and Activity</u>	<u>Balances July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2017</u>
General government				
Board of County Commissioners	\$ 25,414	\$ -	\$ 10,138	\$ 15,276
District Attorney	71,512	-	-	71,512
County Clerk	272,513	-	-	272,513
County Assessor	155,828	22,702	-	178,530
Courthouse	2,815,444	111,582	-	2,927,026
County Surveyor	55,991	-	-	55,991
Community Development	716,469	55,941	-	772,410
Data processing	708,250	-	-	708,250
Juvenile	44,495	24,228	-	68,723
Personnel	18,578	-	-	18,578
Other - unclassified	1,639,465	-	-	1,639,465
Total general government	<u>6,523,959</u>	<u>214,453</u>	<u>10,138</u>	<u>6,728,274</u>
Public safety				
County Sheriff	1,920,575	207,177	346,889	1,780,863
Communications	70,288	-	-	70,288
Corrections	11,727,154	368,941	-	12,096,095
Courts	261,837	-	-	261,837
Total public safety	<u>13,979,854</u>	<u>576,118</u>	<u>346,889</u>	<u>14,209,083</u>
Highways and streets	<u>33,195,920</u>	<u>2,651,711</u>	<u>465,822</u>	<u>35,381,809</u>
Culture and recreation				
Parks	6,730,860	757,157	-	7,488,017
Library	575,708	47,164	-	622,872
Fair	4,738,332	-	-	4,738,332
Total culture and recreation	<u>12,044,900</u>	<u>804,321</u>	<u>-</u>	<u>12,849,221</u>
Health and welfare	<u>14,738,792</u>	<u>17,740</u>	<u>20,985</u>	<u>14,735,547</u>
Education	<u>601,617</u>	<u>-</u>	<u>-</u>	<u>601,617</u>
Total capital assets	<u>\$ 81,085,042</u>	<u>\$ 4,264,343</u>	<u>\$ 843,834</u>	<u>\$ 84,505,551</u>

**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, 2017**

<u>Obligation</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Principal</u>			<u>Outstanding June 30, 2017</u>	<u>Interest Matured and Paid</u>
			<u>Outstanding July 1, 2016</u>	<u>Issued Current Year</u>	<u>Matured and Paid</u>		
General obligation bond issues							
2013 Refunding	3.0% -4.1%	9/23/2013	\$ 1,715,000	\$ -	\$ 185,000	\$ 1,530,000	\$ 64,900
2013 Road	3.0% -4.1%	9/23/2013	3,695,000	-	1,185,000	2,510,000	125,975
Total general obligation bond issues			5,410,000	-	1,370,000	4,040,000	190,875
Loans							
OEDD	6.00%	3/1/2000	126,882	-	29,004	97,878	7,613
ODOT	0.50%	12/1/2002	38,301	-	38,301	-	192
TLC	0%	2/25/2008	300,000	-	75,000	225,000	-
Chase	2.52%	9/3/2015	2,925,000	-	210,000	2,715,000	73,710
Total loans			3,390,183	-	352,305	3,037,878	81,515
Capital leases							
US Bancorp	2.50%	8/22/2014	137,155	-	44,596	92,559	3,423
US Bancorp	2.509%	11/30/2015	124,303	-	30,010	94,293	3,127
US Bancorp	2.295%	8/15/2016	-	169,721	35,502	134,219	-
Total capital leases			261,458	169,721	110,108	321,071	6,550
Total			\$ 9,061,641	\$ 169,721	\$ 1,832,413	\$ 7,398,949	\$ 278,940

TILLAMOOK COUNTY

**SCHEDULE OF LONG-TERM OBLIGATIONS FUTURE DEBT SERVICE REQUIREMENTS
GOVERNMENTAL ACTIVITIES**

June 30, 2017

	General Obligation Bond Issues				Loans			
	2013 Refunding		2013 Road		OEDD		TLC	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	
2017-18	\$ 195,000	\$ 57,300	\$ 1,230,000	\$ 77,050	\$ 30,745	\$ 5,873	\$ 75,000	
2018-19	200,000	49,400	1,280,000	26,225	32,589	4,028	75,000	
2019-20	210,000	41,200	-	-	34,544	2,074	75,000	
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>\$ 1,530,000</u>	<u>\$ 223,600</u>	<u>\$ 2,510,000</u>	<u>\$ 103,275</u>	<u>\$ 97,878</u>	<u>\$ 11,975</u>	<u>\$ 225,000</u>	

Loans		Capital Leases							
Chase		US Bank		US Bank		US Bank		Totals	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 215,000	\$ 68,418	\$ 45,709	\$ 2,310	\$ 30,763	\$ 2,374	\$ 32,421	\$ 3,081	\$ 1,854,638	\$ 216,406
225,000	63,000	46,850	1,169	31,535	1,602	33,165	2,336	1,924,139	147,760
230,000	57,330	-	-	31,995	811	33,928	1,575	615,467	102,990
235,000	51,534	-	-	-	-	34,705	797	489,705	84,931
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>\$ 2,715,000</u>	<u>\$ 427,392</u>	<u>\$ 92,559</u>	<u>\$ 3,479</u>	<u>\$ 94,293</u>	<u>\$ 4,787</u>	<u>\$ 134,219</u>	<u>\$ 7,789</u>	<u>\$ 7,398,949</u>	<u>\$ 782,297</u>

TILLAMOOK COUNTY

**SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS
As of and for the Year Ended June 30, 2017**

Elected Officials	Cash and Investments Balances July 1, 2016	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2017
County Clerk	\$ -	\$ 291,714	\$ 291,714	\$ -
Justice of the Peace	-	307,874	307,874	-
Sheriff	47,843	64,038	71,182	40,699
Tax Collector	-	50,694,424	50,694,424	-
Treasurer	25,992,942	115,934,703	112,696,257	29,231,388
Totals	\$ 26,040,785	\$ 167,292,753	\$ 164,061,451	\$ 29,272,087
Cash and investments as of June 30, 2017				
Deposits with financial institutions				\$ 2,994,962
Cash on hand				10,474
U.S. Government Agencies				1,502,483
Corporate debt obligation securities				6,237,802
State treasurer's investment pool				<u>18,526,366</u>
Cash and investments for elected officials				29,272,087
Cash held by County Fair Board				326,069
Held by custodian under pension plan, primarily mutual funds				<u>62,292,304</u>
Total cash and investments				<u>\$ 91,890,460</u>
Reported in the basic financial statements as:				
Governmental activities - cash and cash equivalents				\$ 20,229,165
Business-type activities - cash and cash equivalents				1,521,573
Governmental activities - investments				6,924,737
Pension trust				
Cash and cash equivalents				314,568
Investments				61,977,736
Agency funds				
Cash and cash equivalents				107,132
Investments				<u>815,549</u>
				<u>\$ 91,890,460</u>

STATISTICAL SECTION

Tillamook County



Land of Cheese, Trees and Ocean Breeze

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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental activities										
Net investment capital asset	\$47,823,024	\$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
Restricted	16,716,526	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
Unrestricted	<u>(10,705,727)</u>	<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>
Total governmental activities net position	<u>\$53,833,823</u>	<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>
Business-type activities										
Net investment capital asset	\$ 2,019,882	\$ 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
Unrestricted	<u>68,487</u>	<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>
Total business-type activities net position	<u>\$ 2,088,369</u>	<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>
Totals - all activities										
Net investment capital asset	\$49,842,906	\$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
Restricted	16,716,526	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
Unrestricted	<u>(10,637,240)</u>	<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>
Total net position	<u>\$55,922,192</u>	<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>

TILLAMOOK COUNTY
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Expenses										
Governmental activities										
General government	\$ 17,334,354	\$ 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
Public safety	7,995,194	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
Highways and streets	4,503,377	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
Culture and recreation	6,626,056	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
Health and welfare	9,518,753	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
Education	4,011,849	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
Interest	187,662	197,854	187,015	214,280	393,477	-	454,086	511,485	564,404	614,666
Total governmental activities	50,177,245	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
Business-type activities										
Solid waste	2,761,474	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
Total expenses	\$ 52,938,719	\$ 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
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 3,615,482	\$ 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
Public safety	902,971	1,055,835	891,028	798,203	916,654	827,688	812,281	679,201	713,007	734,387
Highways and streets	123,557	118,038	639,894	1,106,357	549,505	574,350	533,556	282,259	437,649	204,262
Culture and recreation	2,851,834	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
Health and welfare	3,860,933	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
Education	-	-	-	-	-	-	29	-	267	-
Operating grants and contributions	11,054,934	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
Capital grants and contributions	2,019,080	81,151	65,661	134,813	125,774	2,506,529	1,275,535	95,231	1,498,018	1,529,350
Total governmental activities	24,428,791	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
Business-type activities										
Charges for services	2,580,455	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
Operating grants	25,000	-	-	1,371	-	1,000	46,200	-	5,757	5,972
Capital grants	116,860	-	-	-	19,800	70,000	-	-	-	-
Total business-type activities	2,722,315	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
Total program revenues	\$ 27,151,106	\$ 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
Net (expense) / revenue										
Governmental activities	\$ (25,748,454)	\$ (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)
Business-type activities	(39,159)	(268,191)	(228,778)	105,001	(199,028)	(148,485)	(106,601)	112,042	(3,919)	93,564
Total net (expense) / revenue	\$ (25,787,613)	\$ (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)
General revenues										
Governmental activities										
Property taxes	\$ 11,740,726	\$ 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
Other taxes	3,158,895	2,990,229	2,626,521	644,452	187,171	179,630	161,778	200,083	197,973	177,285
Unrestricted grants and contributions	1,051,485	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
Timber and land sales	12,378,847	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
Unrestricted investment earnings	231,618	126,381	95,435	93,112	86,255	86,692	98,664	187,697	534,977	977,682
Miscellaneous	1,269,440	1,033,094	896,357	1,130,594	858,761	1,235,353	1,214,859	704,016	1,022,062	1,127,360
Gain (Loss) on disposition of property	-	-	-	-	1,137	16,460	2,420	-	28,917	734,925
Transfers	-	-	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Total governmental activities	29,831,011	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
Business-type activities										
Unrestricted investment earnings	10,389	6,420	5,279	4,742	5,056	5,068	7,351	14,499	45,084	97,007
Miscellaneous	29,592	24,888	6,016	12,959	2,283	1,259	105,932	1,436	1,966	2,041
Total business-type activities	39,981	31,308	11,295	17,701	7,339	6,327	113,283	15,935	47,050	99,048
Total general revenues	\$ 29,870,992	\$ 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
Change in net position										
Governmental activities	\$ 4,082,557	\$ 1,733,843	\$ 2,737,996	\$ (374,434)	\$ (568,767)	\$ 1,495,920	\$ 805,567	\$ 1,228,021	\$ 4,154,605	\$ 4,424,461
Business-type activities	822	(236,883)	(217,483)	122,702	(191,689)	(142,158)	6,682	127,977	43,131	192,612
Total change in net position	\$ 4,083,379	\$ 1,496,960	\$ 2,520,513	\$ (251,732)	\$ (760,456)	\$ 1,353,762	\$ 812,249	\$ 1,355,998	\$ 4,197,736	\$ 4,617,073

TILLAMOOK COUNTY

FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2017	2016	2015	2014	2013	2012	2011*	2010	2009	2008
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,043,291	\$ 6,882,209	\$ 6,821,346
Assigned	2,224,813	2,207,567	2,197,426	2,687,585	2,678,311	-	-	-	-	-
Unassigned	8,432,803	7,787,620	6,554,855	6,538,976	7,508,823	10,416,940	10,718,830	-	-	-
Total general fund	\$10,657,616	\$ 9,995,187	\$ 8,752,281	\$ 9,226,561	\$10,187,134	\$10,416,940	\$10,718,830	\$ 8,043,291	\$ 6,882,209	\$ 6,821,346
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,774	\$ 235,337	\$ 215,949
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	11,771,220	11,575,922	10,390,356
Capital projects funds	-	-	-	-	-	-	-	1,759,915	1,886,440	4,116,286
Restricted	16,498,708	16,105,425	15,669,130	15,797,133	9,392,145	8,907,041	9,477,736	-	-	-
Assigned	3,328,954	1,965,513	2,628,863	2,410,145	1,589,910	1,644,400	1,458,727	-	-	-
Unassigned	(2,090)	(1,304)	(21,784)	-	-	-	(4,370)	-	-	-
Total all other governmental funds	\$19,825,572	\$18,069,634	\$18,276,209	\$18,207,278	\$10,982,055	\$10,551,441	\$10,932,093	\$13,737,909	\$13,697,699	\$14,722,591

* 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,									
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Revenues										
Property taxes	\$ 11,778,226	\$ 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
Transient lodging tax	2,971,997	2,805,887	2,431,178	468,760	-	-	-	-	-	-
Licences, permits and fees	1,927,988	652,098	1,348,248	1,201,714	1,180,674	627,586	600,973	1,303,389	1,171,341	1,494,431
Intergovernmental	12,742,189	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
Charges for services	7,180,057	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
Fines and forfeitures	423,681	595,486	417,618	426,011	436,745	552,940	630,989	631,219	486,735	569,179
Timber and land sales	12,378,847	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
Interest	231,618	126,604	95,435	93,112	86,350	86,692	98,664	187,697	534,977	977,682
Intercounty charges	1,632,026	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
Miscellaneous	1,495,410	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
Total revenues	52,762,039	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
Expenditures										
Current:										
General government	16,431,519	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
Public safety	6,884,329	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
Highways and streets	3,481,735	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
Culture and recreation	5,827,293	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
Health and welfare	8,785,587	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
Education	4,031,341	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
Capital outlay	3,026,850	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
Debt service:										
Principal	1,832,413	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
Interest	278,508	343,687	371,310	386,385	302,268	366,414	425,377	480,636	532,455	580,997
Total expenditures	50,579,575	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
Excess (deficiency) of revenues over expenditures	2,182,464	(2,286,559)	(650,483)	(1,500,033)	199,671	(716,096)	(132,042)	1,169,492	(1,173,981)	(1,225,524)
Other financing sources (uses)										
Transfers in	2,229,332	1,548,231	1,962,253	1,532,089	987,965	596,881	1,403,034	658,665	600,626	880,100
Transfers (out)	(2,229,332)	(1,548,231)	(1,962,253)	(1,532,089)	(987,965)	(596,881)	(1,403,034)	(658,665)	(600,626)	(880,100)
Issuance of debt	169,721	3,307,772	228,684	9,275,000	-	22,882	-	31,800	168,200	700,000
Premium on issuance of debt	-	-	-	713,930	-	-	-	-	-	-
Payments to refund bond escrow agent	-	-	-	(2,227,146)	-	-	-	-	-	-
Sale of capital assets	66,182	15,118	16,450	2,899	1,137	10,672	1,765	-	41,751	757,637
Total other financing sources (uses)	235,903	3,322,890	245,134	7,764,683	1,137	33,554	1,765	31,800	209,951	1,457,637
Net change in fund balances	\$ 2,418,367	\$ 1,036,331	\$ (405,349)	\$ 6,264,650	\$ 200,808	\$ (682,542)	\$ (130,277)	\$ 1,201,292	\$ (964,030)	\$ 232,113
Debt service as a percentage of non-capital expenditures	4.94%	5.91%	6.43%	8.22%	5.21%	5.77%	5.43%	5.89%	5.54%	5.09%

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>
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
2017	11,778,226	2,017,849	3,158,895	16,954,970

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						
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	2.61732	5,818,778,712	77.36%
2017	4,298,671,912	269,478,259	39,198,590	36,419,778	4,643,768,539	2.50279	6,008,465,936	77.29%

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	2.1679	0.4494	2.6173	0.4316	5.8909	2.0916	11.0314
2017	2.1670	0.3358	2.5028	0.4290	5.8901	2.0568	10.8787

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	2016-17 Assessed Valuation	Rank	Percentage of Total Assessed Value	2006-07 Assessed Valuation	Rank	Percentage of Total Assessed Value
Private Enterprises:						
Tillamook County Creamery Association	\$ 72,836,215	2	1.669 %	\$ 43,788,658	2	1.370 %
Stimson Lumber	62,396,317	3	1.430	17,369,321	6	0.544
Green Diamond Resource Company	-	n/a	n/a	22,887,482	3	0.716
Hampton Lumber	14,052,610	7	0.322	18,673,550	4	0.584
Port of Tillamook Bay	-	n/a	n/a	17,354,698	7	0.543
Nehalem Communications	-	n/a	n/a	9,540,500	8	0.299
Pacific Carriage Limited	13,576,900	8	0.311	9,126,000	10	0.286
Tillamook Country Smoker Inc.	8,696,510	10	0.199	9,508,780	9	0.298
Fred Meyer Stores Inc.	16,441,260	6	0.377	-	n/a	n/a
Nestucca Forests LLC	9,783,930	9	0.224	-	n/a	n/a
Subtotal	<u>197,783,742</u>		<u>4.532</u>	<u>148,248,989</u>		<u>4.639</u>
Public Utilities:						
Tillamook Public Utility District	78,138,769	1	1.791	54,148,130	1	1.694
United Telephone Co. of NW	-	n/a	n/a	17,524,200	5	0.548
Centurylink	24,795,800	4	0.568	-	n/a	n/a
Charter Communications	<u>20,630,600</u>	5	<u>0.473</u>	<u>-</u>	n/a	<u>n/a</u>
Subtotal	<u>123,565,169</u>		<u>2.832</u>	<u>71,672,330</u>		<u>2.243</u>
All other	<u>4,042,502,117</u>		<u>92.636</u>	<u>2,975,614,785</u>		<u>93.118</u>
Total	<u>\$4,363,851,028</u>		<u>100.000 %</u>	<u>\$3,195,536,104</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
2008	\$5,089,615	\$2,213,408	\$1,715,611	\$9,018,634	\$8,667,941	96.11%	\$ 343,189	\$9,011,130	99.92%
2009	5,375,313	2,449,708	1,910,687	9,735,708	9,280,397	95.32%	447,807	9,728,204	99.92%
2010	5,616,132	2,561,980	1,864,135	10,042,248	9,545,435	95.05%	489,309	10,034,744	99.93%
2011	5,803,056	2,649,644	1,865,052	10,317,752	9,712,049	94.13%	602,854	10,314,903	99.97%
2012	5,991,857	2,737,136	1,873,083	10,602,076	9,849,650	92.90%	745,913	10,595,563	99.94%
2013	6,153,490	2,810,936	1,841,518	10,805,944	10,321,146	95.51%	443,378	10,764,524	99.62%
2014	6,342,504	2,896,381	3,331,328	12,570,213	12,102,656	96.28%	373,461	12,476,117	99.25%
2015	6,493,637	2,966,993	2,615,387	12,076,017	11,707,616	96.95%	243,960	11,951,576	98.97%
2016	6,698,082	3,060,487	2,022,774	11,781,343	11,421,305	96.94%	180,522	11,601,827	98.48%
2017	6,905,652	3,157,356	1,559,376	11,622,384	11,297,035	97.20%	-	11,297,035	97.20%

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		
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	5,813,930	881,794	16,700	6,712,424	0.72%	265.45
2014	9,908,363	744,603	11,140	10,664,106	n/a	421.22
2015	7,657,800	605,762	180,665	8,444,227	n/a	333.21
2016	5,660,312	3,390,183	261,458	9,311,953	n/a	363.00
2017	4,182,669	3,037,878	321,071	7,541,618	n/a	288.48

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
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	5,813,930	187,741	5,626,189	0.136%	222
2014	9,908,363	125,883	9,782,480	0.230%	386
2015	7,657,800	185,647	7,472,153	0.171%	295
2016	5,660,312	73,145	5,587,167	0.124%	218
2017	4,182,669	43,538	4,139,131	0.089%	158

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

TILLAMOOK COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Beaver Water District	\$ 115,000	100.00%	\$ 115,000
City of Bay City	519,035	100.00%	519,035
City of Garibaldi	723,137	100.00%	723,137
City of Nehalem	2,576,030	100.00%	2,576,030
City of Rockaway Beach	1,573,686	100.00%	1,573,686
City of Tillamook	15,296,570	100.00%	15,296,570
City of Wheeler	1,061,616	100.00%	1,061,616
Falcon Cove Beach Water District	25,411	26.15%	6,645
Neahkahnie Water District	1,044,367	100.00%	1,044,367
Nehalem Bay Fire & Rescue	2,189,788	99.54%	2,179,715
Neskowin Regional Water District	538,933	100.00%	538,933
Nestucca RFPD	126,005	100.00%	126,005
Netarts-Oceanside Sanitary District	14,543,677	100.00%	14,543,677
North Lincoln Fire & Rescue District 1	38,502	1.06%	408
Northwest Regional ESD	242,564	5.43%	13,171
Pacific City Joint Water - Sanitary Authority	6,864,464	100.00%	6,864,464
Port of Tillamook Bay	6,856,348	100.00%	6,856,348
Tillamook Bay Community College	8,415,965	100.00%	8,415,965
Tillamook City SD 101 (Nestucca Valley)	10,568,531	100.00%	10,568,531
Tillamook City SD 56 (Neah-Kah-Nie)	9,881,000	99.89%	9,870,131
Tillamook City SD 9 (Tillamook)	16,617,450	100.00%	16,617,450
Tillamook City Transportation District	367,845	100.00%	367,845
Twin Rocks Sanitary District	127,653	100.00%	127,653
Willamette ESD	2,018	0.01%	-
Yamhill City SD 30J (Willamina)	31,378	85.00%	26,671
Total overlapping debt			99,918,053
Tillamook County direct debt	7,541,618	100.0000	7,541,618
Total			<u><u>\$ 107,459,671</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**

	<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>
Debt limit	\$ 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>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>7,657,800</u>	<u>5,660,312</u>
Legal debt margin	<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>\$ 103,793,261</u>	<u>\$ 110,715,262</u>
Legal debt margin as a percentage of debt limit	90.94%	92.29%	92.81%	93.40%	94.27%	95.34%	91.58%	93.13%	95.14%

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
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%
2017	26,143	n/a	n/a	3,351	4.2%

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	2017			2008		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Tillamook County Creamery Association	500	1	4.26%	650	1	5.11%
Tillamook County General Hospital	400	2	3.40%	330	2	2.59%
Tillamook County	256	3	2.18%	275	5	2.16%
Tillamook Country Smoker	250	4	2.13%	300	3	2.36%
Tillamook School District #9	250	5	2.13%	275	4	2.16%
Fred Meyer	220	6	1.87%	210	6	1.65%
Tillamook Lumber	215	7	1.83%	190	7	1.49%
Nestucca Ridge Development	150	8	1.28%	130	9	n/a
Fallon Logging	130	9	1.11%	130	10	1.02%
Stimson Lumber	127	10	1.08%	120	11	0.94%
Neah-Kah-Nie School District	126	11	1.07%	135	8	1.06%
Total number of individuals employed	11,748			12,728		

n/a - information is not available

Source: Tillamook County Treasurer

TILLAMOOK COUNTY

**FULL-TIME EQUIVALENT
EMPLOYEES BY FUNCTION
Last Ten Fiscal Years**

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	73.00	70.00	63.25	60.94	61.94	63.50	66.25	71.65	62.86	58.50
Public safety	84.00	84.75	75.50	78.77	73.00	74.75	75.75	73.00	70.38	70.50
Highways and streets	30.50	26.00	27.50	24.00	25.00	24.00	26.50	22.00	22.00	25.00
Culture and recreation	25.50	28.53	29.08	39.83	44.33	44.83	28.45	26.83	29.25	33.00
Health and welfare	38.80	40.40	37.90	34.08	36.10	37.50	35.28	39.23	43.51	47.75
Solid waste	<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>2.50</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>	<u>237.25</u>

Source: Tillamook County Human Resources

TILLAMOOK COUNTY

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

Function	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Arrests	1,547	1,765	1,219	1,418	697	563	638	1,178	1,826	1,697
Highways and streets										
Resurfacing (miles)	8.9	2.6	10.1	7.7	5.0	2.6	6.8	10.4	6.1	2.8
Culture and recreation										
Library books checked out	327,328	379,740	390,669	432,742	407,016	392,097	427,104	349,276	371,247	506,949
County fair attendance	71,198	73,333	74,202	70,762	72,269	72,000	76,798	74,610	74,176	74,982
Health and welfare										
Health department encounters	20,646	18,356	17,729	17,019	13,521	16,071	16,031	16,267	17,197	16,645
Solid waste										
Refuse collected (tons)	26,092	21,655	21,338	20,142	19,712	20,160	20,243	23,514	24,956	26,817

* 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	32	32	28	30	17	20	22	22	20	23
Inmate beds	120	120	120	120	120	120	120	96	96	96
Highways and streets										
Miles of paved roads	281	283	286	281	281	280	280	280	280	262
Miles of gravel roads	97	97	100	96	96	96	96	96	96	96
Bridges	96	96	96	99	99	100	101	101	103	103
Culture and recreation										
Parks acreage	2,760	2,760	2,765	2,765	2,765	2,700	2,700	2,700	2,700	1,882
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	155,053	120,492	131,000	209,333	185,000	122,174	157,051	165,658	168,905	197,041
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	63	63	63	63	63	63	63	68	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, 2017, and have issued our report thereon dated December 27, 2017.

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>
Jail Capital Improvement Projects			
Materials and services	\$ 700,000	\$ 727,887	\$ (27,887)
Solid Waste			
Material and services	2,015,920	2,251,297	(235,377)

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.

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 27, 2017

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 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, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 27, 2017.

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 over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency as item 2017-001.

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 27, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

Report on Compliance for Each Major Federal Program

We have audited TILLAMOOK COUNTY's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (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, 2017. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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 (CFR) 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, 2017.

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

Report on Internal Control over Compliance

Management of the 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 TILLAMOOK 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 and therefore, material weaknesses or significant deficiencies may exist that were not 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 27, 2017

TILLAMOOK COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017**

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)	Yes
Noncompliance material to financial statements noted?	No

Federal awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	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 Number(s)	<u>Name of Federal Program or Cluster</u>
11.463	Habitat Conservation
15.614	Coastal Wetlands Planning, Protection and Restoration
66.818	Brownsfield Assessment and Cleanup Cooperative Agreement
97.012	Boating Safety Financial Assistance
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

2017-001

Criteria:	Internal controls should include processes and procedures to accumulate costs of construction projects in progress for inclusion in amounts reported as capital assets.
Condition:	The County does not have a centralized process to accumulate costs of construction projects in progress.
Cause:	Construction projects are under the oversight of various County departments and there is not a standardized process for reporting the progress on construction projects and accumulated costs to the Treasurer's office.
Effect:	Misstatements may occur in capital assets reported on the government-wide financial statements.
Management's Response:	Standardized processes will be developed.

Section III - Federal Award Findings and Questioned Costs

None reported

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

<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		\$ 124,785
Forest Service			
Passed through Oregon Department of Administrative Services Schools and Roads - Grants to States	10.665		90,330
Total Department of Agriculture			215,115
<i>Department of Commerce</i>			
National Oceanic and Atmospheric Administration			
Habitat Conservation	11.463	NA13NMF4630133	1,263,693
Total Department of Commerce			1,263,693
<i>Department of the Interior</i>			
Bureau of Land Management			
Payment in Lieu of Tax	15.226		155,654
U.S.Fish and Wildlife Service			
Fish and Wildlife Management Assistance	15.608	F14AC00452	70,082
Passed through Oregon Watershed Enhancement Board Coastal Wetlands Planning, Protection and Restoration	15.614	215-8007-12713	413,956
Total Department of the Interior			639,692
<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-2015 VOCA OT-2016	45,972 13,023
			58,995
<i>Department of Transportation</i>			
National Highway Traffic Safety Administration			
Passed through Oregon State Sheriff's Association National Priority Safety Programs	20.616		2,372
<i>General Services Administration</i>			
Passed through Oregon State Department of Administrative Services Donation of Federal Surplus Personal Property	39.003		14,804
<i>Environmental Protection Agency</i>			
Office of Solid Waste and Emergency Response			
Brownfield Assesment and Cleanup Cooperative Agreement	66.818	BF00J94201	191,423
Passed through Oregon Business Development Department Brownfield Assesment and Cleanup Cooperative Agreement	66.818	Q16003	47,197
Subtotal Brownfield Assessment and Cleanup Cooperative Agreement			238,620
Office of Water			
Passed through Oregon Department of Human Services State Public Water System Supervision	66.432		11,979
Capitalization Grants for Drinking Water State Revolving Funds	66.468		13,306
Total Environmental Protection Agency			263,905

Continued on next page

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Homeland Security</i>			
Passed through Oregon State Marine Board			
Boating Safety Financial Assistance	97.012		\$ 113,109
Passed through Oregon State Police Office of Emergency Management			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		981,178
Emergency Management Performance Grants	97.042	15-529	2,883
		16-529	69,478
Homeland Security Grant Program	97.067	15-254	42,377
Total Department of Homeland Security			<u>1,209,025</u>
<i>Department of Health and Human Services</i>			
Office of Population Affairs			
Passed through Oregon Health Authority			
Family Planning - Services	93.217		<u>35,050</u>
Administration for Children and Families			
Passed through Oregon Department of Justice			
Child Support Enforcement	93.563		<u>87,010</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>47,805</u>
Project Grant and Cooperative Agreements for Tuberculosis Control Programs	93.116		<u>135</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		695,455
Grants for New and Expanded Services under the Health Center Program	93.527		<u>1,357,596</u>
Subtotal Health Center Program Cluster			<u>2,053,051</u>
Passed through Oregon State Department of Human Services and Health Authority			
HIV Care Formula Grants	93.917		<u>1,369</u>
Maternal and Child Health Services Block Grant to the States	93.994		<u>25,302</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>81,036</u>
Total Department of Health and Human Services			<u>2,358,302</u>
Total Expenditures of Federal Awards			<u>\$ 6,025,903</u>

See accompanying notes

TILLAMOOK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2017

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, 2017. 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.

TILLAMOOK COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2017

Finding 2016-001

Status: The County has developed written procedures for determining the allowability of costs charged to federal programs.

Finding 2016-002

Status: The County has charged personnel costs to the program based on actual time spent by employees on program activities.