

Tillamook County, Oregon



Comprehensive Annual Financial Report

For the Year Ended June 30, 2018



TILLAMOOK COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2018

Prepared by the Office of County Treasurer

Shawn Blanchard, Treasurer



TILLAMOOK COUNTY

MEMBERS OF THE GOVERNING BODY

For the Year Ended June 30, 2018

<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
David Yamamoto PO Box 658 Pacific City, OR 97135	2020



TILLAMOOK COUNTY
TABLE OF CONTENTS
For the Year Ended June 30, 2018

	<u>Page</u>
INTRODUCTORY SECTION	
Transmittal letter	i – vii
Certificate of Achievement for Excellence in Financial Reporting	viii
Organizational Chart	ix
Elected Officials	x
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	A - C
MANAGEMENT’S DISCUSSION AND ANALYSIS	<i>a - i</i>
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	1
Statement of Activities	2
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	3, 4
Statement of Revenues, Expenditures and Changes in Fund Balances	5, 6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	7
Statements of Revenues, Expenditures, and Changes in Fund Balance (Budgetary Basis) – Budget and Actual:	
General	8, 9
Road	10
County School	11
Health Services	12
Library	13
Community Corrections	14
Mitigation Grants	15
Transient Lodging Tax	16
Proprietary Funds	
Statement of Net Position	17
Statement of Revenues, Expenses and Changes in Net Position	18
Statement of Cash Flows	19
Fiduciary Funds	
Statement of Net Position	20
Statement of Changes in Net Position	21
Notes to Basic Financial Statements	22 – 56
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Net Pension Liability and Changes in Net Pension Liability	57
Schedule of Employer Contributions	58
Schedule of Investment Rate of Return	59
Schedule of Changes in the County’s Total Other Postemployment Benefit Liability and Related Ratios	60

TABLE OF CONTENTS (Continued)
FINANCIAL SECTION (Continued)

	<u>Page</u>
COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES	
Major Governmental Funds	
General Funds	
Combining Balance Sheet	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	62
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) – Budget and Actual:	
Revenue Stabilization	63
Post Employment Liability Reserve	64
Nonmajor Governmental Funds	
Combining Balance Sheet	65, 66
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	67, 68
Combining Balance Sheets	
Special Revenue Funds	
General Government.....	69, 70
Public Safety.....	71
Culture and Recreation	72
Capital Project Funds.....	73, 74
Combining Statements of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	
General Government.....	75, 76
Public Safety.....	77
Culture and Recreation	78
Health and Welfare	79
Capital Project Funds	80, 81
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) – Budget and Actual:	
Special Revenue Funds	
General Government	
Community Development.....	82
Video Lottery.....	83
Forest Timber Trust.....	84
Juvenile Trust	85
Law Library	86
Building, Planning and Sanitation (BPS) Surcharge.....	87
Public Land Corners Preservation (PLCP).....	88
Clerks Records.....	89
Federal Title III.....	90
Veteran’s Services	91
Technology	92
Public Safety	
Court Security.....	93
Law Enforcement	94
Sheriff Trust.....	95

TABLE OF CONTENTS (Continued)
FINANCIAL SECTION (Continued)

Page

COMBINING FINANCIAL STATEMENTS AND INDIVIDUAL FUND SCHEDULES
(Continued)

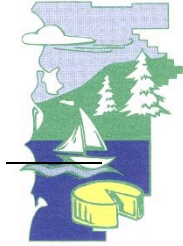
Nonmajor Governmental Funds (continued)	
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) –	
Budget and Actual (continued)	
Special Revenue Funds (continued)	
Public Safety (continued)	
SB 1065 Assessment and Conviction	96
Tillamook Narcotics Team	97
Highways and Streets	
Bike Path	98
Culture and Recreation	
County Fair	99
Parks Operations	100
Health and Welfare	
Mental Health	101
Mediation Program	102
Education	
Tillamook County 4-H and Extension Service District	103
Debt Service Funds	
Road	104
Library	105
Capital Project Funds	
Vehicle Reserve	106
Library Reserve	107
Fair Reserve	108
Tillamook County 4-H and Extension Building Reserve	109
Trask Road Project	110
Road Improvement Construction	111
Road Construction Grant Projects	112
Building Improvement	113
Jail Capital Improvement Projects	114
Computer Reserve	115
Enterprise Funds:	
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) –	
Budget and Actual:	
Solid Waste	116
Solid Waste Sinking	117
Solid Waste Post Closure Reserve	118
Fiduciary Funds:	
Statement of Changes in Assets and Liabilities – Agency	119
Capital Assets Used in Governmental Activities:	
Schedule of Capital Assets	120
Schedule of Capital Assets by Function and Activity	121
Schedule of Changes in Capital Assets by Function and Activity	122
Long-Term Obligations of Governmental Activities:	
Schedule of Principal and Interest Transactions	123
Schedule of Future Debt Service Requirements	124, 125
Schedule of Accountability for Independently Elected Officials	126

TABLE OF CONTENTS (Continued)

	<u>Page</u>
STATISTICAL SECTION	
Financial Trends:	
Net Position by Component	127
Changes in Net Position	128
Fund Balances - Governmental Funds	129
Changes in Fund Balances - Governmental Funds	130
Revenue Capacity:	
Governmental Activities Tax Revenues by Source	131
Assessed Value and Estimated Actual Value of Taxable Property.....	132
Property Tax Rates - Direct and Overlapping Governments	133
Principal Property Taxpayers	134
Property Tax Levies and Collections	135
Debt Capacity:	
Ratios of Outstanding Debt by Type.....	136
Ratios of General Bonded Debt Outstanding.....	137
Direct and Overlapping Governmental Activities Debt.....	138
Legal Debt Margin Information	139
Demographic and Economic Information:	
Demographic and Economic Statistics.....	140
Principal Employers	141
Operating Information:	
Full-time Equivalent Employees by Function.....	142
Operating Indicators by Function.....	143
Capital Asset Statistics by Function.....	144
COMPLIANCE SECTION	
Independent Auditor's Report Required by Oregon State Regulations.....	145, 146
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.....	147, 148
Independent Auditor's Report on Compliance For Each Major Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	149, 150
Schedule of Findings and Questions Costs	151
Schedule of Expenditures of Federal Awards.....	152, 153
Notes to Schedule of Expenditures of Federal Awards	154
Summary Schedule of Prior Audit Findings	155

INTRODUCTORY SECTION





TILLAMOOK COUNTY TREASURER'S OFFICE

Land of Cheese, Trees and Ocean Breeze

Shawn Blanchard
County Treasurer
(503) 842-3439
sblancha@co.tillamook.or.us

November 19, 2018

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, 2018. 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 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. 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 26,690. 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 3,418. 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 105 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 2018, the seasonally adjusted unemployment rate for Tillamook County was 4.7 percent. Last year for the same period, Tillamook County's rate was 4.2 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 \$6,438,143,587 and the Assessed Value is \$4,822,227,804 for the 2017/2018 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 250,517 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 \$920,189 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, 2017. This was the twenty eighth (29th) 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,

Shawn Blanchard

Shawn Blanchard
Tillamook County Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Tillamook County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

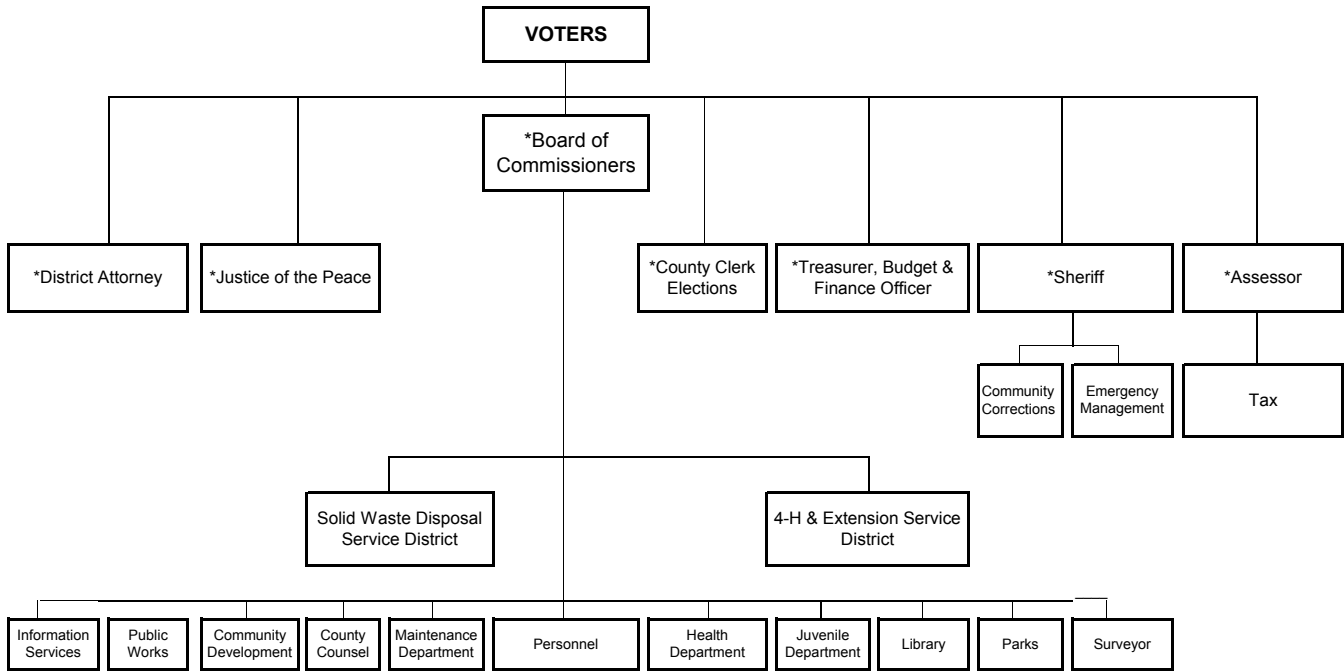
June 30, 2017

Christopher P. Morill

Executive Director/CEO

Tillamook County

Organizational Chart For the Year Ended June 30, 2018



*Elected Official

TILLAMOOK COUNTY
ELECTED OFFICIALS
For the Year Ended June 30, 2018

Board of Commissioners

<u>Name</u>	<u>Term Expiration</u>
William Baertlein	December 31, 2020
Tim Josi	December 31, 2018
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
Shawn Blanchard, Treasurer	December 31, 2022

FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **TILLAMOOK COUNTY**, as of and for the year ended June 30, 2018, 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, 2018, 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.

Emphasis of Matter

As discussed in Note 1R to the financial statements, the County implemented GASB Statement No, 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

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, investment rate of return, and changes in the county's total other postemployment benefit liability and ratios on pages 57 through 60 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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.

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 November 19, 2018 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 November 19, 2018, 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
November 19, 2018

By:



Bradley G. Bingenheimer, Member



MANAGEMENT'S DISCUSSION AND ANALYSIS



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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$65,705,280 (*net position*). Of this amount \$62,870,196 was the net investment in capital assets; \$20,631,880 was restricted for specific purposes and \$(17,796,796) was unrestricted.

The County's net position increased by \$17,618,970, or 32%, which was due primarily to the operations of governmental activities.

The County's governmental fund balances increased by \$4,825,779, with the General Fund experiencing an increase of \$1,705,156, the Health Services Fund an increase of \$470,871, 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 \$2,649,752.

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, and Transient Lodging Tax 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, 2018 was \$65,705,280. 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	
	2018	2017	2018	2017	2018	2017
<u>ASSETS</u>						
Current and other assets	\$ 37,852,932	\$ 33,018,399	\$ 1,894,449	\$ 1,648,791	\$ 39,747,381	\$ 34,667,190
Capital assets, net	<u>66,470,759</u>	<u>54,005,059</u>	<u>1,896,323</u>	<u>2,019,882</u>	<u>68,367,082</u>	<u>56,024,941</u>
Total assets	<u>104,323,691</u>	<u>87,023,458</u>	<u>3,790,772</u>	<u>3,668,673</u>	<u>108,114,463</u>	<u>90,692,131</u>
<u>DEFERRED OUTFLOWS</u>						
<u>OF RESOURCES</u>	<u>5,526,123</u>	<u>12,187,248</u>	<u>53,892</u>	<u>110,140</u>	<u>5,580,015</u>	<u>12,297,388</u>
<u>LIABILITIES</u>						
Other liabilities	2,105,859	2,015,901	201,290	226,591	2,307,149	2,242,492
Long-term obligations	<u>42,098,357</u>	<u>49,609,370</u>	<u>1,568,055</u>	<u>1,609,912</u>	<u>43,666,412</u>	<u>51,219,282</u>
Total liabilities	<u>44,204,216</u>	<u>51,625,271</u>	<u>1,769,345</u>	<u>1,836,503</u>	<u>45,973,561</u>	<u>53,461,774</u>
<u>DEFERRED INFLOWS</u>						
<u>OF RESOURCES</u>	<u>1,994,534</u>	<u>1,428,699</u>	<u>21,103</u>	<u>12,736</u>	<u>2,015,637</u>	<u>1,441,435</u>
<u>NET POSITION</u>						
Net investment in capital assets	60,973,873	47,823,024	1,896,323	2,019,882	62,870,196	49,842,906
Restricted	20,631,880	16,716,526	-	-	20,631,880	16,716,526
Unrestricted	<u>(17,954,689)</u>	<u>(18,382,814)</u>	<u>157,893</u>	<u>(90,308)</u>	<u>(17,796,796)</u>	<u>(18,473,122)</u>
Total net position	<u>\$ 63,651,064</u>	<u>\$ 46,156,736</u>	<u>\$ 2,054,216</u>	<u>\$ 1,929,574</u>	<u>\$ 65,705,280</u>	<u>\$ 48,086,310</u>

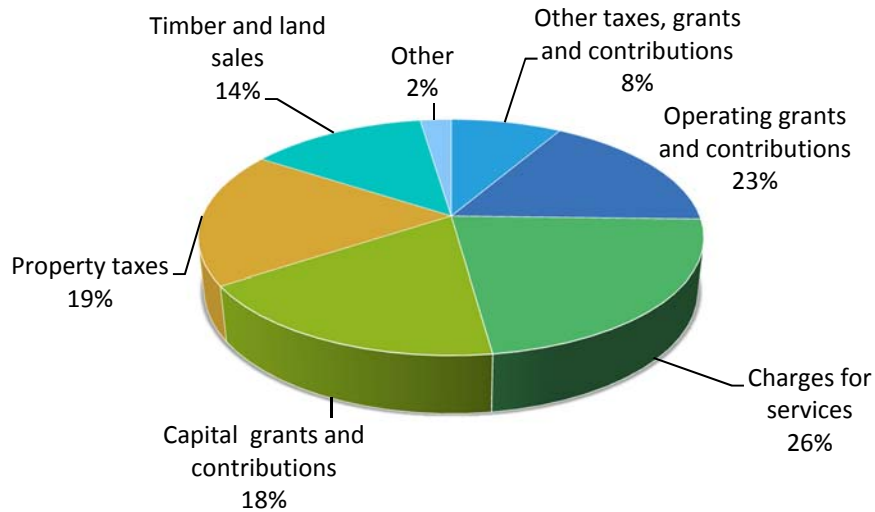
The unrestricted net position of business-type activities represent the current assets of the Solid Waste Service District, which are offset by the liability for landfill post-closure care costs.

Total net position increased by \$17,618,970. 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 19% 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 2022). 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, 2018, a large percentage of revenues come from property taxes (19%), 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.

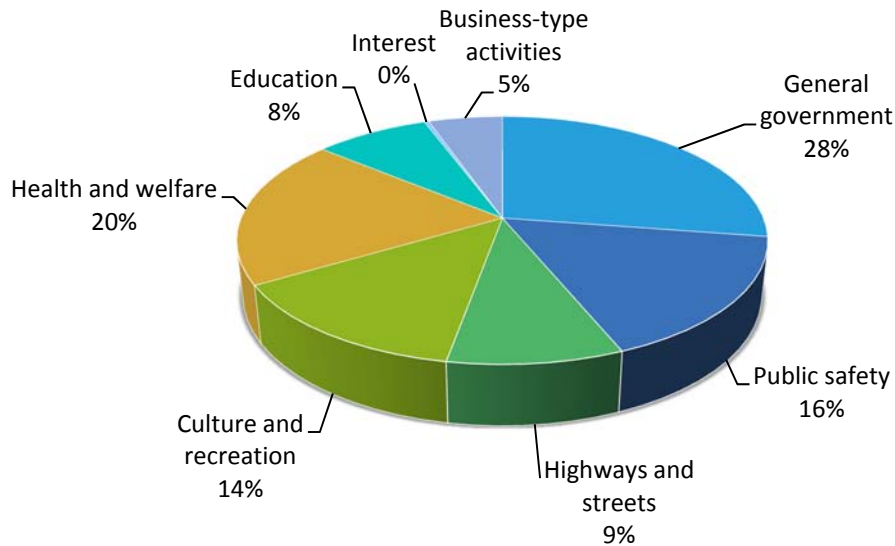
Operating grants and contributions primarily fund the community health center, public works, community corrections, children and families programs and mental health services.

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 44% 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 position by \$17,618,970. The key elements of this increase are as follows:

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 12,307,854	\$ 11,354,777	\$ 2,733,663	\$ 2,580,455	\$ 15,041,517	\$ 13,935,232
Operating grants and contributions	11,436,960	11,054,934	-	25,000	11,436,960	11,079,934
Capital grants and contributions	12,015,458	2,019,080	-	116,860	12,015,458	2,135,940
General revenues:						
Property taxes	12,439,328	11,740,726	-	-	12,439,328	11,740,726
Transient lodging taxes	3,638,113	2,971,997	-	-	3,638,113	2,971,997
Other taxes	385,084	186,898	-	-	385,084	186,898
Other grants and contributions	1,616,791	1,051,485	-	-	1,616,791	1,051,485
Timber and land sales	9,013,375	12,378,847	-	-	9,013,375	12,378,847
Other	1,536,117	1,501,058	48,766	39,981	1,584,883	1,541,039
Total revenues	<u>64,389,080</u>	<u>54,259,802</u>	<u>2,782,429</u>	<u>2,762,296</u>	<u>67,171,509</u>	<u>57,022,098</u>
Expenses						
General government	13,574,920	17,334,354	-	-	13,574,920	17,334,354
Public safety	8,116,563	7,995,194	-	-	8,116,563	7,995,194
Highways and streets	4,488,096	4,503,377	-	-	4,488,096	4,503,377
Culture and recreation	6,762,342	6,626,056	-	-	6,762,342	6,626,056
Health and welfare	9,693,664	9,518,753	-	-	9,693,664	9,518,753
Education	4,106,960	4,011,849	-	-	4,106,960	4,011,849
Interest on long-term obligations	152,207	187,662	-	-	152,207	187,662
Solid waste	-	-	2,657,787	2,761,474	2,657,787	2,761,474
Total expenses	<u>46,894,752</u>	<u>50,177,245</u>	<u>2,657,787</u>	<u>2,761,474</u>	<u>49,552,539</u>	<u>52,938,719</u>
Change in net position	17,494,328	4,082,557	124,642	822	17,618,970	4,083,379
Net position - beginning	46,156,736	42,074,179	1,929,574	1,928,752	48,086,310	44,002,931
Net position - ending	<u>\$ 63,651,064</u>	<u>\$ 46,156,736</u>	<u>\$ 2,054,216</u>	<u>\$ 1,929,574</u>	<u>\$ 65,705,280</u>	<u>\$ 48,086,310</u>

Governmental Activities

The increase in net position is attributed largely to an increase in capital grants and contributions of \$9,996,378.

Business-type Activities

The Solid Waste Service District for disposal of solid waste generated in Tillamook County. The increase in net position is attributed the District’s decrease in expenses for the year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2018, the County's governmental funds reported a combined fund balance of \$35,308,967, which is an increase of \$4,825,779 from June 30, 2017.

The General Fund is the primary operating fund of the County. As of June 30, 2018, the General Fund balance is \$12,362,772, which is an increase of \$1,705,156 from June 30, 2017. 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 \$1,205,407 during 2017-18. Revenues and transfers increased \$455,869 and expenditures and transfers out decreased \$421,472.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. The fund balance increased \$335,337 due to timing of pass-through distributions.

The Health Services Fund balance increased \$470,871. Decreases in expenditures significantly contributed to this increase.

The Library Fund experienced an increase in fund balance of \$32,283 with revenues being greater than expenditures by \$32,283.

The Community Corrections Fund experienced an increase in fund balance of \$527,865. 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 \$1,023,686 which supported expenditures in the amount of \$1,061,378.

The Transient Lodging Tax Fund had an increase in fund balance of \$1,377,705. Tax revenue increased \$666,116 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 \$2,054,216 as of June 30, 2018.

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 \$94,080 transferred from general county government and \$79,020 transferred from contingency to other appropriation categories. Actual revenues in the General Fund were \$1,836,707 more than anticipated and actual expenditures were \$1,353,972 less than appropriations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2018, the County had invested \$68,3670,082 in capital assets, net of depreciation. Construction in progress had significant activity with additions of \$12,584,151, including \$11,864,476 contributed by the Oregon Department of Transportation for bridge construction, and reclassifications to buildings of \$4,025,256. 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 \$14,080,410 less \$1,614,710 of changes in accumulated depreciation. Business-type activities capital asset had a net decrease of \$123,559. 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, 2018 amounted to \$43,666,412. These obligations include bonded debt, loans, capital leases, compensated absences, other postemployment benefit liability, landfill post-closure care liability and the net pension liability.

During the year the County retired \$1,854,638 in principal on long-term debt obligations and other long-term obligations had a net decrease of \$5,698,232.

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

General obligations bonds	\$	2,615,000
Unamortized premiums		179,440
Loans payable		2,717,133
Capital leases		212,178
Landfill post-closure care liability		1,200,260
Compensated absences		1,330,329
Net pension liability		19,297,665
Other postemployment benefit liability		16,222,639

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.



BASIC FINANCIAL STATEMENTS

TILLAMOOK COUNTY
STATEMENT OF NET POSITION
June 30, 2018

	Governmental	Business-type	Totals
	Activities	Activities	
<u>ASSETS</u>			
Cash and cash equivalents	\$ 20,472,307	\$ 1,670,698	\$ 22,143,005
Investments	10,304,075	-	10,304,075
Receivables, net	7,076,550	223,751	7,300,301
Capital assets:			
Land and construction in progress	22,421,091	125,000	22,546,091
Other capital assets, net	44,049,668	1,771,323	45,820,991
TOTAL ASSETS	104,323,691	3,790,772	108,114,463
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Refunded debt charges	6,965	-	6,965
Pension related items	4,811,501	45,977	4,857,478
Other postemployment benefit related items	707,657	7,915	715,572
TOTAL DEFERRED OUTFLOWS OF RESOURCES	5,526,123	53,892	5,580,015
<u>LIABILITIES</u>			
Accounts payable and accrued liabilities	1,906,148	201,290	2,107,438
Accrued interest	15,630	-	15,630
Unearned revenue	184,081	-	184,081
Long-term obligations:			
Due within one year	2,768,011	114,225	2,882,236
Due in more than one year	39,330,346	1,453,830	40,784,176
TOTAL LIABILITIES	44,204,216	1,769,345	45,973,561
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related items	739,506	7,066	746,572
Other postemployment benefit related items	1,255,028	14,037	1,269,065
TOTAL DEFERRED INFLOWS OF RESOURCES	1,994,534	21,103	2,015,637
<u>NET POSITION</u>			
Net investment in capital assets	60,973,873	1,896,323	62,870,196
Restricted for:			
Debt service	172,673	-	172,673
Highways and streets	4,432,642	-	4,432,642
Education	2,257,647	-	2,257,647
Health services	2,483,268	-	2,483,268
Culture, recreation and tourism	7,262,597	-	7,262,597
Law enforcement	1,643,367	-	1,643,367
Other purposes	2,379,686	-	2,379,686
Unrestricted	(17,954,689)	157,893	(17,796,796)
TOTAL NET POSITION	\$ 63,651,064	\$ 2,054,216	\$ 65,705,280

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2018

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	\$ 13,574,920	\$ 3,792,869	\$ 1,627,895	\$ -	\$ (8,154,156)		\$ (8,154,156)
Public safety	8,116,563	921,514	1,848,799	-	(5,346,250)		(5,346,250)
Highways and streets	4,488,096	123,302	2,922,146	11,037,485	9,594,837		9,594,837
Culture and recreation	6,762,342	3,210,426	88,752	7,973	(3,455,191)		(3,455,191)
Health and welfare	9,693,664	4,259,743	4,949,368	-	(484,553)		(484,553)
Education	4,106,960	-	-	970,000	(3,136,960)		(3,136,960)
Interest on long-term obligations	152,207	-	-	-	(152,207)		(152,207)
Total governmental activities	<u>46,894,752</u>	<u>12,307,854</u>	<u>11,436,960</u>	<u>12,015,458</u>	<u>(11,134,480)</u>		<u>(11,134,480)</u>
Business-type activities:							
Solid waste	2,657,787	2,733,663	-	-		\$ 75,876	75,876
Totals	<u>\$ 49,552,539</u>	<u>\$ 15,041,517</u>	<u>\$ 11,436,960</u>	<u>\$ 12,015,458</u>	<u>(11,134,480)</u>	<u>75,876</u>	<u>(11,058,604)</u>
General revenues							
Taxes:							
Property taxes levied for:							
General purposes					10,835,167	-	10,835,167
Debt service					1,604,161	-	1,604,161
Transient lodging taxes					3,638,113	-	3,638,113
Other taxes					385,084	-	385,084
Grants and contributions not restricted for specific programs					1,616,791	-	1,616,791
Timber and land sales					9,013,375	-	9,013,375
Unrestricted investment earnings					432,019	21,611	453,630
Miscellaneous					1,104,098	27,155	1,131,253
TOTAL GENERAL REVENUES					<u>28,628,808</u>	<u>48,766</u>	<u>28,677,574</u>
CHANGES IN NET POSITION					17,494,328	124,642	17,618,970
NET POSITION - BEGINNING					53,833,823	2,088,369	55,922,192
PRIOR PERIOD ADJUSTMENT					(7,677,087)	(158,795)	(7,835,882)
NET POSITION - ENDING					<u>\$ 63,651,064</u>	<u>\$ 2,054,216</u>	<u>\$ 65,705,280</u>

See accompanying notes

TILLAMOOK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2018

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
ASSETS					
Cash and cash equivalents	\$ 3,023,388	\$ 3,769,083	\$ -	\$ 1,720,076	\$ 1,965,947
Investments	7,546,075	-	-	-	-
Receivables, net	<u>2,817,097</u>	<u>694,480</u>	<u>1,645,873</u>	<u>901,596</u>	<u>207,542</u>
TOTAL ASSETS	<u>\$ 13,386,560</u>	<u>\$ 4,463,563</u>	<u>\$ 1,645,873</u>	<u>\$ 2,621,672</u>	<u>\$ 2,173,489</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$ 642,800	\$ 215,916	\$ -	\$ 230,030	\$ 202,264
TOTAL LIABILITIES	<u>642,800</u>	<u>215,916</u>	<u>-</u>	<u>230,030</u>	<u>202,264</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>380,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,480</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>380,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,480</u>
FUND BALANCES					
Restricted	-	4,247,647	1,645,873	2,391,642	1,816,745
Assigned	2,255,217	-	-	-	-
Unassigned	<u>10,107,555</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u>12,362,772</u>	<u>4,247,647</u>	<u>1,645,873</u>	<u>2,391,642</u>	<u>1,816,745</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 13,386,560</u>	<u>\$ 4,463,563</u>	<u>\$ 1,645,873</u>	<u>\$ 2,621,672</u>	<u>\$ 2,173,489</u>

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

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.
- Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.
- Deferred outflows related to the pension and other postemployment benefit plans 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 other postemployment benefit liability 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 and other postemployment benefit plan are 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
\$ 1,284,084	\$ 35,071	\$ 245,092	\$ 8,429,566	\$ 20,472,307
-	-	1,700,000	1,058,000	10,304,075
<u>41,626</u>	<u>13,280</u>	<u>458,499</u>	<u>296,557</u>	<u>7,076,550</u>
<u>\$ 1,325,710</u>	<u>\$ 48,351</u>	<u>\$ 2,403,591</u>	<u>\$ 9,784,123</u>	<u>\$ 37,852,932</u>
\$ 25,838	\$ 37	\$ 187,755	\$ 401,508	\$ 1,906,148
<u>25,838</u>	<u>37</u>	<u>187,755</u>	<u>401,508</u>	<u>1,906,148</u>
-	-	-	102,349	637,817
-	-	-	102,349	637,817
1,299,872	48,314	2,215,836	6,328,134	19,994,063
-	-	-	2,956,165	5,211,382
<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,033)</u>	<u>10,103,522</u>
<u>1,299,872</u>	<u>48,314</u>	<u>2,215,836</u>	<u>9,280,266</u>	<u>35,308,967</u>
<u>\$ 1,325,710</u>	<u>\$ 48,351</u>	<u>\$ 2,403,591</u>	<u>\$ 9,784,123</u>	

66,470,759

637,817

5,519,158

(184,081)

(19,115,009)

(16,043,199)

(6,955,779)

(1,994,534)

\$ 63,651,064

TILLAMOOK COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018

	<u>General</u>	<u>Road</u>	<u>County School</u>	<u>Health Services</u>	<u>Library</u>
REVENUES					
Property taxes	\$ 7,244,394	\$ -	\$ 654	\$ -	\$ 3,089,307
Transient lodging tax	-	-	-	-	-
Licenses, permits and fees	852,485	81,780	-	-	11,701
Intergovernmental	2,257,999	3,716,411	198,617	3,080,068	5,425
Charges for services	141,097	-	-	4,218,175	-
Fines and forfeitures	351,509	-	-	-	13,987
Timber and land sales	4,968,024	-	3,887,284	-	-
Interest	190,773	36,909	6,196	19,593	32,828
Intercounty charges	1,562,285	41,522	-	-	-
Miscellaneous	186,440	685,692	-	157,747	85,469
TOTAL REVENUES	<u>17,755,006</u>	<u>4,562,314</u>	<u>4,092,751</u>	<u>7,475,583</u>	<u>3,238,717</u>
EXPENDITURES					
Current					
General government	9,332,577	-	-	-	-
Public safety	6,375,277	-	-	-	-
Highways and streets	-	3,618,023	-	-	-
Culture and recreation	-	-	-	-	3,177,872
Health and welfare	2,727	-	-	7,081,465	-
Education	-	-	3,757,414	-	-
Capital outlay	36,070	640,323	-	2,047	28,562
Debt service					
Principal	340,857	-	-	-	-
Interest	75,248	-	-	-	-
TOTAL EXPENDITURES	<u>16,162,756</u>	<u>4,258,346</u>	<u>3,757,414</u>	<u>7,083,512</u>	<u>3,206,434</u>
Excess (deficiency) of revenues over expenditures	<u>1,592,250</u>	<u>303,968</u>	<u>335,337</u>	<u>392,071</u>	<u>32,283</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	421,822	920,189	-	165,000	-
Sale of capital assets	14,084	-	-	-	-
Transfers out	<u>(323,000)</u>	<u>(18,750)</u>	<u>-</u>	<u>(86,200)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>112,906</u>	<u>901,439</u>	<u>-</u>	<u>78,800</u>	<u>-</u>
Net change in fund balances	1,705,156	1,205,407	335,337	470,871	32,283
Fund balances at beginning 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>
Fund balances at end of year	<u>\$ 12,362,772</u>	<u>\$ 4,247,647</u>	<u>\$ 1,645,873</u>	<u>\$ 2,391,642</u>	<u>\$ 1,816,745</u>

Community Corrections	Mitigation Grants	Transient Lodging Tax	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 2,172,018	\$ 12,506,373
-	-	3,638,113	-	3,638,113
-	-	-	1,156,032	2,101,998
1,173,600	1,023,686	-	2,334,471	13,790,277
196,726	9,540	-	3,273,476	7,839,014
-	-	-	113,296	478,792
-	-	-	154,303	9,009,611
-	-	19,366	126,354	432,019
-	-	-	-	1,603,807
891	26,540	4,000	96,957	1,243,736
<u>1,371,217</u>	<u>1,059,766</u>	<u>3,661,479</u>	<u>9,426,907</u>	<u>52,643,740</u>
-	1,061,378	1,200,413	1,360,425	12,954,793
799,735	-	-	80,808	7,255,820
-	-	-	262,206	3,880,229
-	-	-	3,016,929	6,194,801
-	-	-	1,800,091	8,884,283
-	-	-	333,531	4,090,945
43,617	-	-	1,750,186	2,500,805
-	-	-	1,513,781	1,854,638
-	-	-	141,035	216,283
<u>843,352</u>	<u>1,061,378</u>	<u>1,200,413</u>	<u>10,258,992</u>	<u>47,832,597</u>
<u>527,865</u>	<u>(1,612)</u>	<u>2,461,066</u>	<u>(832,085)</u>	<u>4,811,143</u>
-	-	-	181,750	1,688,761
-	-	-	552	14,636
-	-	(1,083,361)	(177,450)	(1,688,761)
-	-	(1,083,361)	4,852	14,636
527,865	(1,612)	1,377,705	(827,233)	4,825,779
<u>772,007</u>	<u>49,926</u>	<u>838,131</u>	<u>10,107,499</u>	<u>30,483,188</u>
<u>\$ 1,299,872</u>	<u>\$ 48,314</u>	<u>\$ 2,215,836</u>	<u>\$ 9,280,266</u>	<u>\$ 35,308,967</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, 2018**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 4,825,779

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	\$ 2,520,315	
Depreciation	<u>(1,790,065)</u>	730,250

The net effect of transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position		11,735,450
---	--	------------

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.		(67,045)
---	--	----------

Governmental funds report, as revenues, certain payments for services to be provided in future periods.		(11,634)
---	--	----------

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.		(1,891,351)
---	--	-------------

The change in the other postemployment benefit liability and deferred outflows and inflows of other postemployment benefit related items are reported as additional revenues (expenses) in the statement of activities		306,509
--	--	---------

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.		1,854,638
---	--	-----------

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	(2,525)	
Amortization of premiums received on the issuance of long-term obligations	71,461	
Amortization of the excess of the requisition price over the balance remaining of long-term obligations refunded	(4,860)	
Compensated absences	<u>(52,344)</u>	<u>11,732</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 17,494,328</u>
---	--	----------------------

TILLAMOOK COUNTY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 6,950,000	\$ 6,950,000	\$ 7,249,332	\$ 299,332
Licenses, permits and fees	631,700	631,700	827,794	196,094
Intergovernmental	1,883,350	1,883,350	2,177,112	293,762
Charges for services	138,300	138,300	152,865	14,565
Fines and forfeitures	325,000	325,000	351,602	26,602
Timber and land sales	3,715,000	3,715,000	4,540,189	825,189
Investment earnings	50,000	50,000	160,369	110,369
Intercounty charges	1,563,300	1,563,300	1,562,223	(1,077)
Miscellaneous	112,600	112,600	184,471	71,871
TOTAL REVENUES	<u>15,369,250</u>	<u>15,369,250</u>	<u>17,205,957</u>	<u>1,836,707</u>
EXPENDITURES				
Board of commissioners	981,710	981,710	958,273	23,437
County clerk	662,340	662,340	622,643	39,697
Assessor	1,426,600	1,426,600	1,234,626	191,974
Tax department	224,450	224,450	195,828	28,622
Surveyor	379,600	379,600	355,007	24,593
Community development	895,290	895,290	840,546	54,744
County forest lands and landsales	16,200	16,200	15,801	399
Treasurer	475,950	504,550	500,957	3,593
Human resources	415,200	430,700	428,408	2,292
Information services	946,150	946,150	817,968	128,182
Facilities	396,150	396,150	343,082	53,068
Motorpool	500	500	-	500
General county government	946,150	852,070	844,653	7,417
Non-departmental	552,100	552,100	512,678	39,422
Justice court	379,550	400,550	392,881	7,669
Juvenile department	655,370	655,370	597,191	58,179
District attorney	1,164,000	1,164,000	1,092,608	71,392
Sheriff	6,365,600	6,365,600	6,036,163	329,437
Emergency management	216,000	216,000	209,828	6,172
Communications	178,850	178,850	118,920	59,930
Mental health	5,000	5,000	2,727	2,273
Operating contingency	300,000	220,980	-	220,980
TOTAL EXPENDITURES	<u>17,582,760</u>	<u>17,474,760</u>	<u>16,120,788</u>	<u>1,353,972</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	\$ (2,213,510)	\$ (2,105,510)	\$ 1,085,169	\$ 3,190,679
OTHER FINANCING SOURCES (USES)				
Transfers in	1,183,650	1,183,650	421,822	(761,828)
Sale of capital assets	-	-	14,084	14,084
Transfers out	<u>(215,000)</u>	<u>(323,000)</u>	<u>(323,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>968,650</u>	<u>860,650</u>	<u>112,906</u>	<u>(747,744)</u>
Net change in fund balances	(1,244,860)	(1,244,860)	1,198,075	2,442,935
Fund balances - beginning	<u>6,300,000</u>	<u>6,300,000</u>	<u>6,949,137</u>	<u>649,137</u>
Fund balances - ending	<u>\$ 5,055,140</u>	<u>\$ 5,055,140</u>	<u>\$ 8,147,212</u>	<u>\$ 3,092,072</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, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, permits and fees	\$ 42,000	\$ 42,000	\$ 82,363	\$ 40,363
Intergovernmental	2,323,800	2,323,800	3,433,606	1,109,806
Investment earnings	10,000	10,000	36,909	26,909
Intercounty charges	30,000	30,000	41,522	11,522
Miscellaneous	<u>671,000</u>	<u>671,000</u>	<u>513,131</u>	<u>(157,869)</u>
TOTAL REVENUES	<u>3,076,800</u>	<u>3,076,800</u>	<u>4,107,531</u>	<u>1,030,731</u>
EXPENDITURES				
Personal services	2,466,750	2,466,750	2,252,558	214,192
Materials and services	1,642,050	1,642,050	1,413,880	228,170
Capital outlay	368,800	718,910	630,407	88,503
Contingency	<u>600,000</u>	<u>249,890</u>	<u>-</u>	<u>249,890</u>
TOTAL EXPENDITURES	<u>5,077,600</u>	<u>5,077,600</u>	<u>4,296,845</u>	<u>780,755</u>
Excess (deficiency) of revenues over expenditures	<u>(2,000,800)</u>	<u>(2,000,800)</u>	<u>(189,314)</u>	<u>1,811,486</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	740,000	740,000	920,189	180,189
Sale of capital assets	-	-	913	913
Transfers out	<u>(18,750)</u>	<u>(18,750)</u>	<u>(18,750)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>721,250</u>	<u>721,250</u>	<u>902,352</u>	<u>181,102</u>
Net change in fund balance	(1,279,550)	(1,279,550)	713,038	1,992,588
Fund balance at beginning of year	<u>2,812,900</u>	<u>2,812,900</u>	<u>3,010,231</u>	<u>197,331</u>
Fund balance at end of year	<u>\$ 1,533,350</u>	<u>\$ 1,533,350</u>	<u>\$ 3,723,269</u>	<u>\$ 2,189,919</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, 2018

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ -	\$ -	\$ 654	\$ 654
Intergovernmental	-	-	198,617	198,617
Timber and land sales	4,500,000	4,500,000	3,551,947	(948,053)
Investment earnings	<u>2,000</u>	<u>2,000</u>	<u>6,196</u>	<u>4,196</u>
 TOTAL REVENUES	 <u>4,502,000</u>	 <u>4,502,000</u>	 <u>3,757,414</u>	 <u>(744,586)</u>
 EXPENDITURES				
Materials and services	<u>4,502,000</u>	<u>4,502,000</u>	<u>3,757,414</u>	<u>744,586</u>
 TOTAL EXPENDITURES	 <u>4,502,000</u>	 <u>4,502,000</u>	 <u>3,757,414</u>	 <u>744,586</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, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 3,005,250	\$ 3,005,250	\$ 3,087,484	\$ 82,234
Charges for services	4,614,300	4,614,300	4,546,672	(67,628)
Investment earnings	3,000	3,000	19,593	16,593
Miscellaneous	<u>135,700</u>	<u>135,700</u>	<u>115,094</u>	<u>(20,606)</u>
TOTAL REVENUES	<u>7,758,250</u>	<u>7,758,250</u>	<u>7,768,843</u>	<u>10,593</u>
EXPENDITURES				
Personal services	5,914,010	5,914,010	4,801,592	1,112,418
Materials and services	2,977,440	2,977,440	2,417,781	559,659
Capital outlay	<u>446,600</u>	<u>446,600</u>	<u>213,447</u>	<u>233,153</u>
TOTAL EXPENDITURES	<u>9,338,050</u>	<u>9,338,050</u>	<u>7,432,820</u>	<u>1,905,230</u>
Excess (deficiency) of revenues over expenditures	<u>(1,579,800)</u>	<u>(1,579,800)</u>	<u>336,023</u>	<u>1,915,823</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	165,000	165,000	165,000	-
Sale of capital assets	1,000	1,000	-	(1,000)
Transfers out	<u>(86,200)</u>	<u>(86,200)</u>	<u>(86,200)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>79,800</u>	<u>79,800</u>	<u>78,800</u>	<u>(1,000)</u>
Net change in fund balance	(1,500,000)	(1,500,000)	414,823	1,914,823
Fund balance at beginning of year	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,237,247</u>	<u>(262,753)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,652,070</u>	<u>\$ 1,652,070</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, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,990,000	\$ 2,990,000	\$ 3,088,913	\$ 98,913
Intergovernmental	5,000	5,000	5,570	570
Fines and forfeitures	8,000	8,000	13,392	5,392
Licenses, permits and fees	10,000	10,000	11,305	1,305
Investment earnings	10,000	10,000	32,828	22,828
Miscellaneous	202,500	202,500	85,469	(117,031)
TOTAL REVENUES	<u>3,225,500</u>	<u>3,225,500</u>	<u>3,237,477</u>	<u>11,977</u>
EXPENDITURES				
Personal services	2,079,900	2,079,900	1,964,344	115,556
Materials and services	1,168,800	1,168,800	1,113,922	54,878
Capital outlay	325,000	325,000	28,562	296,438
Contingency	400,000	400,000	-	400,000
TOTAL EXPENDITURES	<u>3,973,700</u>	<u>3,973,700</u>	<u>3,106,828</u>	<u>866,872</u>
Net change in fund balance	(748,200)	(748,200)	130,649	878,849
Fund balance at beginning of year	<u>2,375,000</u>	<u>2,375,000</u>	<u>1,809,227</u>	<u>(565,773)</u>
Fund balance at end of year	<u>\$ 1,626,800</u>	<u>\$ 1,626,800</u>	<u>\$ 1,939,876</u>	<u>\$ 313,076</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, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 797,400	\$ 797,400	\$ 1,173,600	\$ 376,200
Charges for services	130,000	130,000	155,100	25,100
Miscellaneous	2,500	2,500	891	(1,609)
TOTAL REVENUES	<u>929,900</u>	<u>929,900</u>	<u>1,329,591</u>	<u>399,691</u>
EXPENDITURES				
Personal services	593,500	593,500	450,948	142,552
Materials and services	380,900	367,900	342,416	25,484
Capital outlay	35,000	48,000	43,617	4,383
Contingency	205,000	205,000	-	205,000
TOTAL EXPENDITURES	<u>1,214,400</u>	<u>1,214,400</u>	<u>836,981</u>	<u>377,419</u>
Net change in fund balance	(284,500)	(284,500)	492,610	777,110
Fund balance at beginning of year	<u>500,000</u>	<u>500,000</u>	<u>785,267</u>	<u>285,267</u>
Fund balance at end of year	<u>\$ 215,500</u>	<u>\$ 215,500</u>	<u>\$ 1,277,877</u>	<u>\$ 1,062,377</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, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,460,460	\$ 1,460,460	\$ 1,023,686	\$ (436,774)
Charges for services	9,540	9,540	9,540	-
Miscellaneous	<u>35,810</u>	<u>35,810</u>	<u>13,260</u>	<u>(22,550)</u>
TOTAL REVENUES	<u>1,505,810</u>	<u>1,505,810</u>	<u>1,046,486</u>	<u>(459,324)</u>
EXPENDITURES				
Materials and services	<u>1,505,810</u>	<u>1,505,810</u>	<u>1,062,920</u>	<u>442,890</u>
TOTAL EXPENDITURES	<u>1,505,810</u>	<u>1,505,810</u>	<u>1,062,920</u>	<u>442,890</u>
Net change in fund balance	-	-	(16,434)	(16,434)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>51,505</u>	<u>51,505</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,071</u>	<u>\$ 35,071</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, 2018**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Transient lodging tax	\$ 2,800,000	\$ 2,800,000	\$ 3,429,818	\$ 629,818
Investment earnings	4,000	4,000	19,366	15,366
Miscellaneous	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>4,000</u>
TOTAL REVENUES	<u>2,804,000</u>	<u>2,804,000</u>	<u>3,453,184</u>	<u>649,184</u>
EXPENDITURES				
Materials and services	1,887,000	1,706,800	1,248,391	458,409
Contingency	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
TOTAL EXPENDITURES	<u>1,889,000</u>	<u>1,708,800</u>	<u>1,248,391</u>	<u>460,409</u>
Excess (deficiency) of revenues over expenditures	<u>915,000</u>	<u>1,095,200</u>	<u>2,204,793</u>	<u>1,109,593</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(915,000)</u>	<u>(1,095,200)</u>	<u>(1,083,361)</u>	<u>(11,839)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(915,000)</u>	<u>(1,095,200)</u>	<u>(1,083,361)</u>	<u>(11,839)</u>
Net change in fund balance	-	-	1,121,432	1,121,432
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>823,660</u>	<u>823,660</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,945,092</u>	<u>\$ 1,945,092</u>

See accompanying notes

TILLAMOOK COUNTY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2018

	Business-type Activities			
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	\$ 154,538	\$ 598,360	\$ 917,800	\$ 1,670,698
Receivables	<u>223,751</u>	<u>-</u>	<u>-</u>	<u>223,751</u>
Total current assets	<u>378,289</u>	<u>598,360</u>	<u>917,800</u>	<u>1,894,449</u>
Capital assets				
Land and construction in progress	125,000	-	-	125,000
Other capital assets, net	<u>1,771,323</u>	<u>-</u>	<u>-</u>	<u>1,771,323</u>
Total capital assets	<u>1,896,323</u>	<u>-</u>	<u>-</u>	<u>1,896,323</u>
TOTAL ASSETS	<u>2,274,612</u>	<u>598,360</u>	<u>917,800</u>	<u>3,790,772</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Pension related items	45,977	-	-	45,977
Other postemployment benefit related items	<u>7,915</u>	<u>-</u>	<u>-</u>	<u>7,915</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>53,892</u>	<u>-</u>	<u>-</u>	<u>53,892</u>
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable and accrued liabilities	201,290	-	-	201,290
Accumulated compensated absences	5,699	-	-	5,699
Current portion of landfill post-closure care liability	<u>108,526</u>	<u>-</u>	<u>-</u>	<u>108,526</u>
Total current liabilities	<u>315,515</u>	<u>-</u>	<u>-</u>	<u>315,515</u>
Long-term obligations				
Other postemployment benefit liability	179,440	-	-	179,440
Net pension liability	182,656	-	-	182,656
Landfill post-closure care liability	<u>1,091,734</u>	<u>-</u>	<u>-</u>	<u>1,091,734</u>
Total long-term obligations	<u>1,453,830</u>	<u>-</u>	<u>-</u>	<u>1,453,830</u>
TOTAL LIABILITIES	<u>1,769,345</u>	<u>-</u>	<u>-</u>	<u>1,769,345</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pension related items	7,066	-	-	7,066
Other postemployment benefit related items	<u>14,037</u>	<u>-</u>	<u>-</u>	<u>14,037</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,103</u>	<u>-</u>	<u>-</u>	<u>21,103</u>
<u>NET POSITION</u>				
Investment in capital assets	1,896,323	-	-	1,896,323
Unrestricted	<u>(1,358,267)</u>	<u>598,360</u>	<u>917,800</u>	<u>157,893</u>
TOTAL NET POSITION	<u>\$ 538,056</u>	<u>\$ 598,360</u>	<u>\$ 917,800</u>	<u>\$ 2,054,216</u>

See accompanying notes

TILLAMOOK COUNTY

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

For the Year Ended June 30, 2018

	Business-type Activities			Total Enterprise Funds
	Solid Waste	Solid Waste Sinking	Solid Waste Post Closure Reserve	
REVENUES				
Charges for services	\$ 2,497,416	\$ -	\$ -	\$ 2,497,416
Total revenues	<u>2,497,416</u>	<u>-</u>	<u>-</u>	<u>2,497,416</u>
OPERATING EXPENSES				
Personal services	269,084	-	-	269,084
Other supplies and expenses	2,247,937	-	-	2,247,937
Depreciation	<u>140,766</u>	<u>-</u>	<u>-</u>	<u>140,766</u>
Total operating expenses	<u>2,657,787</u>	<u>-</u>	<u>-</u>	<u>2,657,787</u>
Operating (loss)	<u>(160,371)</u>	<u>-</u>	<u>-</u>	<u>(160,371)</u>
NONOPERATING REVENUES (EXPENSES)				
Assessments	236,247	-	-	236,247
Interest and investment earnings	2,522	7,510	11,579	21,611
Miscellaneous	<u>27,155</u>	<u>-</u>	<u>-</u>	<u>27,155</u>
Total nonoperating revenue (expenses)	<u>265,924</u>	<u>7,510</u>	<u>11,579</u>	<u>285,013</u>
Income (loss) before transfers	105,553	7,510	11,579	124,642
Transfers in (out)	<u>(170,000)</u>	<u>70,000</u>	<u>100,000</u>	<u>-</u>
Change in net position	(64,447)	77,510	111,579	124,642
Net position - beginning	761,298	520,850	806,221	2,088,369
Prior period adjustment	<u>(158,795)</u>	<u>-</u>	<u>-</u>	<u>(158,795)</u>
Net position - ending	<u>\$ 538,056</u>	<u>\$ 598,360</u>	<u>\$ 917,800</u>	<u>\$ 2,054,216</u>

See accompanying notes

TILLAMOOK COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended June 30, 2018

	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	\$ 2,400,883	\$ -	\$ -	\$ 2,400,883
Payments to suppliers	(2,273,238)	-	-	(2,273,238)
Payments to employees	(246,326)	-	-	(246,326)
Net cash provided by (used in) operating activities	(118,681)	-	-	(118,681)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Assessments of property owners	236,247	-	-	236,247
Miscellaneous	27,155	-	-	27,155
Transfers in	-	70,000	100,000	170,000
Transfers out	(170,000)	-	-	(170,000)
Net cash provided by non-capital financing activities	93,402	70,000	100,000	263,402
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(17,207)	-	-	(17,207)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	2,522	7,510	11,579	21,611
Net increase (decrease) in cash and cash equivalents	(39,964)	77,510	111,579	149,125
Cash and cash equivalents - beginning of year	194,502	520,850	806,221	1,521,573
Cash and cash equivalents - end of year	\$ 154,538	\$ 598,360	\$ 917,800	\$ 1,670,698
Reconciliation of operating (loss) to net cash provided by (used in) operating activities				
Operating (loss)	\$ (160,371)	\$ -	\$ -	\$ (160,371)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities				
Depreciation	140,766	-	-	140,766
(Increase) in receivables	(96,533)	-	-	(96,533)
Decrease in deferred outflow of resources	56,248	-	-	56,248
Increase (decrease) in liabilities				
Accounts payable and accrued liabilities	(25,301)	-	-	(25,301)
Accumulated compensated absences	(323)	-	-	(323)
Other postemployment benefit liability	(17,466)	-	-	(17,466)
Net pension liability	(24,068)	-	-	(24,068)
Increase in deferred inflows of resources	8,367	-	-	8,367
Net cash provided by (used in) operating activities	\$ (118,681)	\$ -	\$ -	\$ (118,681)

See accompanying notes

TILLAMOOK COUNTY

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

For the Year Ended June 30, 2018

	Tillamook County Retirement Plan for Employees Pension Trust
ADDITIONS	
Employer contributions	\$ 4,762,048
Investment earnings, net	<u>5,113,221</u>
Total additions	<u>9,875,269</u>
DEDUCTIONS	
Benefits	3,964,321
Administrative expenses	<u>175,187</u>
Total deductions	<u>4,139,508</u>
Change in net position	5,735,761
Net position - beginning	<u>62,292,304</u>
Net position - ending	<u><u>\$ 68,028,065</u></u>

See accompanying notes

TILLAMOOK COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2018

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 June 30, 2017, 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 liability

The other post-employment benefits (OPEB) liability is based on actuarial valuations. 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, pension related items and other postemployment benefit 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 and other postemployment benefit 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 Retirement Plan for Certain Employees of Tillamook County, Oregon (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, 2018.

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.

R. New accounting standards implemented

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as amended and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures. This statement also identifies the actuarial methods and assumptions that are required to be used and enhances note disclosures and required supplementary information. The specific accounts impacting the County are detailed below.

Total OPEB liability – Previous standards defined OPEB liabilities in terms of the Annually Required Contribution. Statement No. 75 defines the Total OPEB liability as the portion of projected benefit payments that is attributed to past periods of employee service provided through a defined benefit OPEB plan that is not administered through a trust.

Deferred inflows of resources and deferred outflows of resources – Statement No. 75 includes recognition of deferred inflows and outflows of resources associated with changes of assumptions. This difference is to be recognized in OPEB expense using a closed period equal to the average expected remaining service lives of all covered active and inactive participants.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

Statement No. 75 is effective for financial statement periods beginning after June 15, 2017 with the effects of the accounting change to be applied retroactively by restating the financial statements. The County adopted this new pronouncement in the current year and, accordingly, has restated amounts of effected balances within the financial statements as of June 30, 2017 as follows:

	As Originally Reported	As Restated	Effect of Change
Statement of Net Position			
<u>Governmental activities</u>			
Deferred outflows of resources	\$ --	\$ 707,657	\$ 707,657
Net OPEB liability	--	17,604,736	(17,604,736)
Net other postemployment benefits	9,219,992	--	9,219,992
Net position	53,833,823	46,156,736	7,677,087
<u>Business-type activities / Solid Waste Fund</u>			
Deferred outflows of resources	\$ --	\$ 7,915	\$ 7,915
Net OPEB liability	--	196,906	(196,906)
Net other postemployment benefits	30,196	--	30,196
Net position	2,088,369	1,929,574	158,795

2. Reconciliation of generally accepted accounting principles to budgetary basis

The budget of the County is prepared differently from accounting principles generally accepted in the United States of America. Therefore, the statements of revenues, expenditures and changes in fund balances (budgetary basis) – budget and actual for governmental funds are presented on the budgetary basis and are adjusted to the statement of revenues, expenditures and changes in fund balances - governmental funds in accordance with accounting principles generally accepted in the United States of America. The following is a reconciliation of the differences between the budgetary basis and accounting principles generally accepted in the United States of America for revenues and other financing sources over (under) expenditures and other financing uses for the aforementioned financial statements:

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. 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	\$ 1,705,156	\$ 1,205,407	\$ 335,337	\$ 470,871	\$ 32,283	\$ 527,865	\$ (1,612)	\$ 1,377,705
Revenues:								
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(30,404)	-	-	-	-	-	-	-
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	(474,326)	(453,870)	(335,337)	293,260	12,559	(41,626)	(13,280)	(208,295)
Increase (decrease) in deferred revenues	(44,007)	-	-	-	(13,799)	-	-	-
	<u>(548,737)</u>	<u>(453,870)</u>	<u>(335,337)</u>	<u>293,260</u>	<u>(1,240)</u>	<u>(41,626)</u>	<u>(13,280)</u>	<u>(208,295)</u>
Expenditures:								
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	41,656	(38,499)	-	(149,308)	99,606	6,371	(1,542)	(47,978)
Other financing sources (uses):								
Interfund loans recognized on the generally accepted accounting principles basis	-	-	-	(200,000)	-	-	-	-
Net change in fund balances - budgetary basis	<u>\$ 1,198,075</u>	<u>\$ 713,038</u>	<u>\$ -</u>	<u>\$ 414,823</u>	<u>\$ 130,649</u>	<u>\$ 492,610</u>	<u>\$ (16,434)</u>	<u>\$ 1,121,432</u>

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

	General	Road	County School	Health Services	Library	Community Corrections	Mitigation Grants	Transient Lodging Tax
Beginning 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
Beginning 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 expenditure recognition	434,110	208,601	-	311,332	76,587	13,260	1,579	235,733
Beginning fund balance - budgetary basis	<u>\$ 6,949,137</u>	<u>\$ 3,010,231</u>	<u>\$ -</u>	<u>\$ 1,237,247</u>	<u>\$ 1,809,227</u>	<u>\$ 785,267</u>	<u>\$ 51,505</u>	<u>\$ 823,660</u>
Ending fund balances - generally accepted accounting principles basis	\$ 12,362,772	\$ 4,247,647	\$ 1,645,873	\$ 2,391,642	\$ 1,816,745	\$ 1,299,872	\$ 48,314	\$ 2,215,836
Ending balances of separately budgeted funds which are included in the general fund on the governmental fund statements	(2,255,217)	-	-	-	-	-	-	-
Differences in revenue recognition	(2,436,109)	(694,480)	(1,645,873)	(901,596)	(53,062)	(41,626)	(13,280)	(458,499)
Differences in expenditures recognition	475,766	170,102	-	162,024	176,193	19,631	37	187,755
Ending fund balance - budgetary basis	<u>\$ 8,147,212</u>	<u>\$ 3,723,269</u>	<u>\$ -</u>	<u>\$ 1,652,070</u>	<u>\$ 1,939,876</u>	<u>\$ 1,277,877</u>	<u>\$ 35,071</u>	<u>\$ 1,945,092</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Cash, cash equivalents and investments

Cash and cash equivalents	
Deposits with financial institutions	\$ 2,733,369
State of Oregon Local Government Investment Pool	19,522,689
Money market	475,934
Cash on hand	<u>10,724</u>
Total cash and cash equivalents	<u>\$ 22,742,716</u>
Investments	
US government agency securities	\$ 4,986,144
Corporate bonds	6,208,239
Mutual funds	<u>67,552,132</u>
Total investments	<u>\$ 78,746,515</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, 2018, \$3,008,744 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)

3. Cash, cash equivalents and investments (continued)

C. Investments

As of June 30, 2018, 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		\$ 4,986,144	6%	27.5
Corporate Bonds				
US Bancorp	AA-	1,200,158	2%	7
JP Morgan Chase	A-	1,008,342	1%	1.5
Wells Fargo & Co	A	992,790	1%	16
Toronto Dominion	AA-	1,004,577	1%	18
Westpac BKG Corp	AA-	1,007,548	1%	17
Bank of Nova Scotia	A+	994,824	1%	17.5
Mutual Funds	Not Rated	<u>67,552,132</u>	86%	N/A
Total investments		<u>\$78,746,515</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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Cash, cash equivalents and investments (continued)

Concentration of Credit Risk: The County's policy places a limit on the amount that may be invested in any one issuer as follows:

Issue Type	Maximum Holdings (%)	Minimum Ratings (Moody's/S&P/Fitch)
U.S. Treasury Obligations	100%	None
U.S. Agency Securities	100%	
Per Agency (Senior Obligations Only)	33%	N/A
Oregon Short Term Fund	Maximum allowed per ORS 294.810	N/A
Time Deposits/Savings Accounts/ Certificates of Deposit	50%	N/A
Per Institution	25%	N/A
Corporate Debt (Total)	15%	
Corporate Commercial Paper		
Per Issuer	2.5%	A1/P1/F1
Corporate Bonds	10%	
Corporate Bonds Per Issuer	2.5%	Aa/AA/AA
Municipal Debt (Total)	10%	
Municipal Commercial Paper	10%	A1/P1/F1
Municipal Bonds	10%	Aa/AA/AA

Interest Rate Risk: The following strategies will be employed to control and mitigate the adverse changes in the market value of the portfolio due to changes in interest rates:

- Where feasible and prudent, investment maturities should be matched with expected cash outflows to mitigate market risk
- To the extent feasible, investment maturities not matched with cash outflows, including liquidity investments under one year, should be staggered to mitigate re-investment risk
- No commitments to buy or sell securities may be made more than 14 days prior to the anticipated settlement date, or receive a fee other than interest for future deliveries
- The maximum percent of callable securities in the portfolio shall be 35%
- The maximum stated final maturity of individual securities in the portfolio shall be five years, except as otherwise stated in the policy
- The maximum portfolio average maturity (measured with stated final maturity) shall be 2.5 years

Portfolio Credit Ratio: The minimum weighted average credit rating of the portfolio's rated investments shall be Aa/AA/AA by Moody's Investors Service, Standard & Poor's, and Fitch Ratings Service, respectively.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Cash, cash equivalents and investments (continued)

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.

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.

4. Receivables

Receivables at June 30, 2018, are as follows:

	Governmental Funds/Activities									Total
	General	Road	County School	Health Services	Library	Community Corrections	Mitigation Grants	Transient Lodging Tax	Nonmajor Funds	
Property taxes	\$ 449,650	\$ -	\$ -	\$ -	\$ 182,575	\$ -	\$ -	\$ -	\$ 122,293	\$ 754,518
Unsegregated taxes	54,777	-	-	-	23,161	-	-	-	16,196	94,134
Accounts	-	-	-	-	1,806	-	-	-	101,015	102,821
State timber allotment	2,055,034	-	1,645,873	-	-	-	-	-	35,988	3,736,895
Patients and medicaid	-	-	-	1,065,649	-	-	-	-	-	1,065,649
Other	257,636	694,480	-	-	-	41,626	13,280	458,499	21,065	1,486,586
Less: allowance for uncollectible accounts	-	-	-	(164,053)	-	-	-	-	-	(164,053)
	<u>\$2,817,097</u>	<u>\$ 694,480</u>	<u>\$1,645,873</u>	<u>\$ 901,596</u>	<u>\$ 207,542</u>	<u>\$ 41,626</u>	<u>\$ 13,280</u>	<u>\$ 458,499</u>	<u>\$ 296,557</u>	<u>\$ 7,076,550</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables (continued)

	Business-type	
	Activities/ Enterprise Fund	Fiduciary Fund
	<u>Solid Waste</u>	<u>Agency</u>
Property taxes	\$ -	\$ 2,391,280
Unsegregated taxes	-	304,871
Assessments	16,319	-
Accounts	207,432	-
State timber allotment	-	3,578,097
Court fines	-	3,726,764
Less: allowance for uncollectible accounts	-	(3,166,215)
	<u>\$ 223,751</u>	<u>\$ 6,834,797</u>

5. Interfund balances and transfers

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 421,822	\$ 323,000
Road	920,189	18,750
Health Services	165,000	86,200
Transient Lodging Tax	-	1,083,361
Nonmajor governmental	181,750	177,450
Solid Waste	-	170,000
Solid Waste Sinking	70,000	-
Solid Waste Post Closure Reserve	<u>100,000</u>	<u>-</u>
	<u>\$ 1,858,761</u>	<u>\$ 1,858,761</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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Capital assets

A. Capital asset activity for governmental activities for the year ended June 30, 2018 was as follows:

	Balances		Reclassifications	Balances
	July 1, 2017	Additions	and Deletions	June 30, 2018
Capital assets not being depreciated				
Land	\$ 7,738,469	\$ -	\$ -	\$ 7,738,469
Construction in progress	<u>6,123,727</u>	<u>12,584,151</u>	<u>4,025,256</u>	<u>14,682,622</u>
Total capital assets not being depreciated	<u>\$ 13,862,196</u>	<u>\$ 12,584,151</u>	<u>\$ 4,025,256</u>	<u>\$ 22,421,091</u>
Capital assets being depreciated				
Land improvements	\$ 2,515,038	\$ 298,211	\$ 110,289	\$ 2,702,960
Buildings	30,149,723	4,400,091	-	34,549,814
Equipment	10,072,473	562,429	138,999	10,495,903
Infrastructure	<u>27,906,121</u>	<u>510,072</u>	<u>-</u>	<u>28,416,193</u>
Total capital assets being depreciated	<u>70,643,355</u>	<u>5,770,803</u>	<u>249,288</u>	<u>76,164,870</u>
Less accumulated depreciation for:				
Land improvements	838,130	104,451	36,356	906,225
Buildings	12,405,519	790,675	-	13,196,194
Equipment	8,519,399	387,848	138,999	8,768,248
Infrastructure	<u>8,737,444</u>	<u>507,091</u>	<u>-</u>	<u>9,244,535</u>
Total accumulated depreciation	<u>30,500,492</u>	<u>1,790,065</u>	<u>175,355</u>	<u>32,115,202</u>
Total capital assets being depreciated	<u>\$ 40,142,863</u>	<u>\$ 3,980,738</u>	<u>\$ 73,933</u>	<u>\$ 44,049,668</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Capital assets (continued)

B. Capital asset activity for business-type activities for the year ended June 30, 2018 was as follows:

	Balances		Reclassifications	Balances
	July 1, 2017	Additions	and Deletions	June 30, 2018
Capital assets not being depreciated				
Land	<u>\$ 125,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125,000</u>
Capital assets being depreciated				
Land improvements	\$ 625,506	\$ -	\$ -	\$ 625,506
Buildings	3,646,138	-	-	3,646,138
Equipment	<u>181,111</u>	<u>17,207</u>	<u>-</u>	<u>198,318</u>
Total capital assets being depreciated	<u>4,452,755</u>	<u>17,207</u>	<u>-</u>	<u>4,469,962</u>
Less accumulated depreciation for:				
Land improvements	572,898	25,147	-	598,045
Buildings	1,838,920	106,835	-	1,945,755
Equipment	<u>146,055</u>	<u>8,784</u>	<u>-</u>	<u>154,839</u>
Total accumulated depreciation	<u>2,557,873</u>	<u>140,766</u>	<u>-</u>	<u>2,698,639</u>
Total capital assets being depreciated	<u>\$ 1,894,882</u>	<u>\$ (123,559)</u>	<u>\$ -</u>	<u>\$ 1,771,323</u>

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

Governmental activities

General government	\$ 175,420
Public safety	390,507
Highways and streets	457,123
Culture and recreation	335,168
Health and welfare	415,832
Education	<u>16,015</u>

Total governmental activities \$ 1,790,065

Business-type activities

Solid waste	<u>\$ 140,766</u>
-------------	-------------------

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Unavailable revenue

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

	<u>General</u>	<u>Library</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
Property taxes	\$ 380,988	\$ 154,480	\$ 102,349	\$ 637,817

8. Long-term obligations

A. Long-term obligation transactions for the year ended June 30, 2018, are as follows:

	<u>Balances July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2018</u>	<u>Balances Due Within One Year</u>
<i>Governmental activities</i>					
<u>Long-term debt</u>					
Bonded Debt					
2013 General Obligation Refunding	\$ 1,530,000	\$ -	\$ 195,000	\$ 1,335,000	\$ 200,000
2013 Road Bond	2,510,000	-	1,230,000	1,280,000	1,280,000
Loans					
Oregon Economic Development					
Department (OEDD)	97,878	-	30,745	67,133	32,589
TLC Federal Credit Union (TLC)	225,000	-	75,000	150,000	75,000
Chase Bank	2,715,000	-	215,000	2,500,000	225,000
Capital Lease					
US Bancorp	92,559	-	45,709	46,850	46,850
US Bancorp	94,293	-	30,763	63,530	31,535
US Bancorp	134,219	-	32,421	101,798	33,165
Total long-term debt	7,398,949	-	1,854,638	5,544,311	1,924,139
<u>Other long-term obligations</u>					
Premiums on long-term debt	142,669	-	71,461	71,208	33,872
Compensated absences	1,272,286	862,081	809,737	1,324,630	810,000
Net pension liability	23,190,730	-	4,075,721	19,115,009	-
Other postemployment benefit liability	17,604,736	-	1,561,537	16,043,199	-
Total long-term obligations	<u>\$49,609,370</u>	<u>\$ 862,081</u>	<u>\$ 8,373,094</u>	<u>\$ 42,098,357</u>	<u>\$ 2,768,011</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
Compensated absences	6,022	10,633	10,956	5,699	5,699
Net pension liability	206,724	-	24,068	182,656	-
Other postemployment benefit liability	196,906	-	17,466	179,440	-
Total other long-term obligations	<u>\$ 1,609,912</u>	<u>\$ 10,633</u>	<u>\$ 52,490</u>	<u>\$ 1,568,055</u>	<u>\$ 114,225</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. 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.

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, 2018, are as follows:

i. Bonded debt:

Fiscal Year	2013 Refunding		Road Bond		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
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	235,000	14,500	-	-	235,000	14,500
2024-28	245,000	4,900	-	-	245,000	4,900
	<u>\$ 1,335,000</u>	<u>\$ 166,300</u>	<u>\$ 1,280,000</u>	<u>\$ 26,225</u>	<u>\$ 2,615,000</u>	<u>\$ 192,525</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-term obligations (continued)

ii. Loans:

Fiscal Year	OEDD		TLC	Chase		Totals	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
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	-	-	-	245,000	39,564	245,000	39,564
2024-28	-	-	-	1,325,000	101,934	1,325,000	101,934
	<u>\$ 67,133</u>	<u>\$ 6,101</u>	<u>\$ 150,000</u>	<u>\$ 2,500,000</u>	<u>\$ 358,974</u>	<u>\$ 2,717,133</u>	<u>\$ 365,075</u>

iii. Capital leases:

Fiscal Year	US Bancorp		US Bancorp		US Bancorp		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
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>\$ 46,850</u>	<u>\$ 1,169</u>	<u>\$ 63,530</u>	<u>\$ 2,414</u>	<u>\$ 101,798</u>	<u>\$ 4,708</u>	<u>\$ 212,178</u>	<u>\$ 8,291</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, 2018 accumulated and unpaid compensated absences amounted to \$1,324,630 for governmental activities and \$5,699 for business-type activities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-term obligations (continued)

ii. 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.

iii. Other post-employment benefit liability

Other postemployment benefit liability represents the implicit benefit for the difference between the premiums for health insurance for retirees under the group insurance plan and the premium retirees would pay for comparable benefits under other insurance plans as more fully discussed in note 10 below. The General, Road, Health Services, Parks, Library and Solid Waste Funds have typically been used to liquidate the liability for other postemployment benefits.

iv. Landfill post-closure care liability

The landfill post-closure care liability of \$1,200,260 does not have established future maturities. Currently, management estimates that \$108,526 will mature and be retired within the ensuing fiscal year. However, future maturities are subject to changes due to inflation, changes in technology, or changes to applicable laws or regulations.

9. Defined benefit pension plan

A. Plan description

Substantially all employees of the County are provided pensions through the Retirement Plan for Certain Employees of Tillamook County, Oregon (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, 2018, there were 228 active plan members, 45 inactive plan members entitled to but not yet receiving benefits, 7 disabled plan members receiving benefits, and 181 retired plan members receiving benefits for a total of 461 plan members. Of the 228 active employees covered by the Plan, 93 were non-vested, 121 were vested, and 14 were over retirement age. Of the 45 terminated members, 6 were entitled to their account balances only and 39 were members with vested accrued benefits.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

C. Description of benefit terms

Normal retirement

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

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

Early retirement

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

Late retirement

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

Disability

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

Death benefits

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

D. Contributions

The County is required by the Plan's provisions to pay the employees' contribution to the Plan of seven percent of covered salaries (six percent if monthly base pay is less than \$1,500). In addition the County will contribute additional amount necessary to fund the Plan sufficient to pay benefits when due based on annual actuarial valuations. Plan members are permitted to contribute up to ten percent of their annual covered salary. County contributions to the plan for the year ended June 30, 2018 were \$4,238,277.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

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

At June 30, 2018, the County reported a net pension liability of \$19,297,665. The net pension liability was measured as of June 30, 2017, 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	\$ 81,589,969
Plan fiduciary net position	<u>62,292,304</u>
Net pension liability	<u>\$ 19,297,665</u>
Fiduciary net position as a percentage of total pension liability	76.35%

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	\$ 77,624,280	\$ 54,226,826	\$ 23,397,454
Changes for the year:			
Service cost	2,291,678	-	2,291,678
Interest on total pension liability	5,084,829	-	5,084,829
Effect of economic/demographic losses	(35,169)	-	(35,169)
Benefit payments	(3,888,052)	(3,888,052)	-
Administrative expenses	-	(53,157)	53,157
Member contributions	512,403	512,403	-
Net investment income	-	6,277,384	(6,277,384)
Employer contributions	-	5,216,900	(5,216,900)
Ending balances	<u>\$ 81,589,969</u>	<u>\$ 62,292,304</u>	<u>\$ 19,297,665</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

For the year ended June 30, 2018, the County recognized pension expense of \$6,116,022. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ --	\$ (418,318)
Changes of assumptions	597,197	(328,254)
Net difference between projected and actual earnings		
On pension plan investments	22,004	--
County's contributions subsequent to the measurement date	<u>4,238,277</u>	<u>--</u>
	<u>\$ 4,857,478</u>	<u>\$ (746,572)</u>

\$4,238,277 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, 2019. 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,	
2019	\$ (51,318)
2020	495,471
2021	(32,617)
2022	(538,907)

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)

9. Defined benefit pension plan (continued)

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

Valuation Date	July 1, 2017
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	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs</p> <p>Members with disabilities: 70% of RP 2000 Disabled for males and 95% for females, sex distinct, generational projection per Scale BB</p>

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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined benefit pension plan (continued)

Depletion date projection

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

Long-term expected rate of return

The long-term expected rate of return assumption of 6.5 percent is based on a blending of the projected return on plan assets and a 20-year tax-exempt, high quality general obligation municipal bond yield or index rate.

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	\$ 30,422,897	\$ 19,297,665	\$ 10,137,007

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefits

A. Plan description and benefits provided

The County provides other postemployment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. 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 the 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 75. The plan does not issue a separate stand-alone financial report.

B. Plan membership

As of June 30, 2018, there were 207 active employees and 137 eligible retirees for a total of 344 plan members.

C. 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	\$	716
For spouses of retirees		781

D. Total OPEB liability, changes in total OPEB liability, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

At June 30, 2018, the County reported a total OPEB liability of \$16,222,639. The total OPEB liability was measured as of June 30, 2017 and determined by an actuarial valuation as of that date.

Changes in the total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balances at June 30, 2017	\$ 17,801,642
Changes for the year:	
Service cost	358,236
Interest on total OPEB liability	508,711
Changes in assumptions or other inputs	(1,820,833)
Benefit payments	<u>(625,117)</u>
Balances at June 30, 2018	<u>\$ 16,222,639</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefits (continued)

For the year ended June 30, 2018, the County recognized OPEB expense of \$405,634. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ --	\$ (1,269,065)
County's contributions subsequent to the measurement Date	<u>715,572</u>	<u>--</u>
	<u>\$ 715,572</u>	<u>\$ (1,269,065)</u>

Deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date in the amount of \$715,572 will be recognized as an adjustment to the Total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ends June 30,	
2019	\$ (551,768)
2020	(551,768)
2021	(165,529)

E. Actuarial valuation

The County contributions are based on the accruing benefit costs measured using the individual entry age normal actuarial cost method. The present value of benefits is allocated over the service for each active employee from their date of hire to their expected retirement age, as a level percent of the employee's pay. This level percent times pay is referred to as the service cost and is that portion of the present value of benefits attributable to an employee's service in a current year. The service cost equals \$0 for retired members. The total OPEB liability is the present value of benefits less the actuarial present value of future normal costs and represents the liabilities allocated to service up to the valuation date. For retirees, the total OPEB liability is equal to the present value of benefits.

F. Actuarial methods and assumptions used in developing total OPEB liability

Valuation Date	July 1, 2016
Actuarial Cost Method	Entry Age Normal, Level Percent of Pay
Actuarial Assumptions:	
Inflation Rate	2.5 percent
Projected Salary Increases	3.5 percent
Mortality	Healthy retirees and beneficiaries: RP-2000 white collar male and female set back one year for male, generational per Scale BB for males and females

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefits (continued)

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

Discount rate

The discount rate used to measure the total OPEB liability was 3.58 percent. The discount rate is based on the Bond Buyer 20-year General Obligation Bond Index. The discount rate at the prior measurement date was 2.85 percent.

Healthcare cost trend rate

The assumed healthcare cost trend for medical and vision costs is as follows:

<u>Year</u>	<u>Pre-65 Trend</u>	<u>Post-65 Trend</u>
2016	7.00%	8.75%
2017	7.50%	8.00%
2018	6.00%	7.00%
2019	5.50%	6.25%
2020	5.25%	5.25%
2021	5.25%	5.75%
2022-2025	5.25%	5.50%
2026	5.00%	5.50%
2027-2029	5.25%	5.50%
2030	5.75%	5.50%
2031-2035	6.25%	5.50%
2036-2040	6.00%	5.50%
2041-2043	5.75%	5.25%
2044-2045	5.50%	5.25%
2046-2052	5.50%	5.00%
2053-2059	5.25%	5.00%
2060+	5.25%	4.75%

Dental costs are assumed to increase 4.5 percent in all future years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Other postemployment benefits (continued)

Sensitivity of the County total OPEB liability to changes in the discount and healthcare cost trend rates

The following presents the County total OPEB liability calculated using the discount rate of 3.58 percent, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate. A similar sensitivity analysis is then presented for changes in the healthcare cost trend assumption.

	<u>1 Percentage Point Lower</u>		<u>Current Discount Rate</u>		<u>1 Percentage Point Higher</u>
County's total OPEB liability	\$ 18,849,195	\$	16,222,639	\$	14,125,272
	<u>1 Percentage Point Lower</u>		<u>Current Trend Rate</u>		<u>1 Percentage Point Higher</u>
County's total OPEB liability	\$ 14,034,197	\$	16,222,639	\$	18,962,420

11. 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 \$ 49,196

Education:

The 4H Extension Service District has its own taxing authority \$ 611,774

Culture, recreation and tourism (County Library):

The voters of Tillamook County approved a separate levy for library operations \$ 1,971,225

Other purposes:

Transient lodging tax \$ 2,215,836

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. 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, 2018, the County property taxes revenues have been reduced by \$8,048.

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.

13. 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, 2018, employees of the County had accumulated 7,237 days of sick leave.

14. 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. 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:	General	Road	County	Health	Library	Community	Mitigation	Transient	Nonmajor	Total
			School	Services		Corrections	Grants	Lodging		
Restricted for:										
Highways and streets	\$ -	\$4,247,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 104,621	\$ 4,352,268
Road improvement projects	-	-	-	-	-	-	-	-	80,374	80,374
Education	-	-	1,645,873	-	-	-	-	-	595,506	2,241,379
Health services	-	-	-	2,391,642	-	-	-	-	91,626	2,483,268
Library purposes	-	-	-	-	1,816,745	-	-	-	-	1,816,745
Corrections	-	-	-	-	-	1,299,872	-	-	-	1,299,872
Jail improvements	-	-	-	-	-	-	-	-	16,247	16,247
Law enforcement	-	-	-	-	-	-	-	-	327,248	327,248
County fair operations	-	-	-	-	-	-	-	-	357,469	357,469
Park operations	-	-	-	-	-	-	-	-	2,718,067	2,718,067
General obligation debt	-	-	-	-	-	-	-	-	97,071	97,071
Tourism	-	-	-	-	-	-	-	2,215,836	-	2,215,836
Other purposes	-	-	-	-	-	-	48,314	-	1,939,905	1,988,219
Assigned for:										
Building improvements	-	-	-	-	-	-	-	-	2,716,478	2,716,478
Vehicle replacement	-	-	-	-	-	-	-	-	16,199	16,199
Road improvement projects	-	-	-	-	-	-	-	-	160,515	160,515
Computer replacement	-	-	-	-	-	-	-	-	62,973	62,973
Revenue stabilization	1,620,081	-	-	-	-	-	-	-	-	1,620,081
Post-employment liabilities	635,136	-	-	-	-	-	-	-	-	635,136
Unassigned	<u>10,107,555</u>	-	-	-	-	-	-	-	<u>(4,033)</u>	<u>10,103,522</u>
Total fund balances	<u>\$12,362,772</u>	<u>\$4,247,647</u>	<u>\$ 1,645,873</u>	<u>\$ 2,391,642</u>	<u>\$ 1,816,745</u>	<u>\$ 1,299,872</u>	<u>\$ 48,314</u>	<u>\$ 2,215,836</u>	<u>\$ 9,280,266</u>	<u>\$35,308,967</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, 2018:

BPS Surcharge \$ (4,033)

REQUIRED SUPPLEMENTARY INFORMATION



TILLAMOOK COUNTY
SCHEDULE OF NET PENSION LIABILITY AND CHANGES IN NET PENSION LIABILITY
Last 10 Plan Fiscal Years*

	June 30,			
	2018	2017	2016	2015
Beginning of year				
Total pension liability	\$ 77,624,280	\$ 75,429,462	\$ 62,740,169	\$ 57,770,013
Fiduciary net position	<u>54,226,826</u>	<u>53,462,427</u>	<u>53,071,797</u>	<u>46,309,270</u>
Net pension liability	<u>\$ 23,397,454</u>	<u>\$ 21,967,035</u>	<u>\$ 9,668,372</u>	<u>\$ 11,460,743</u>
Changes in total pension liability				
Service cost	\$ 2,291,678	\$ 2,092,168	\$ 1,711,278	\$ 1,728,883
Interest on total pension liability	5,084,829	4,941,849	4,422,266	4,089,355
Effect of economic/demographic losses	(35,169)	(977,496)	(446,953)	101,325
Effect of assumption changes or inputs	-	(875,344)	9,555,140	1,209,681
Benefit payments	(3,888,052)	(3,487,342)	(3,048,614)	(2,653,815)
Member contributions	<u>512,403</u>	<u>500,983</u>	<u>496,176</u>	<u>494,727</u>
Net change in total pension liability	<u>\$ 3,965,689</u>	<u>\$ 2,194,818</u>	<u>\$ 12,689,293</u>	<u>\$ 4,970,156</u>
Changes in fiduciary net position				
Employer contributions	\$ 5,216,900	\$ 2,911,410	\$ 2,561,276	\$ 2,462,234
Member contributions	512,403	500,983	496,175	494,727
Investment income net of expenses	6,277,384	932,483	442,703	6,514,529
Benefit payments	(3,888,052)	(3,487,342)	(3,048,614)	(2,653,815)
Administrative expenses	<u>(53,157)</u>	<u>(93,135)</u>	<u>(60,910)</u>	<u>(55,148)</u>
Net change in fiduciary net position	<u>\$ 8,065,478</u>	<u>\$ 764,399</u>	<u>\$ 390,630</u>	<u>\$ 6,762,527</u>
End of year				
Total pension liability	\$ 81,589,969	\$ 77,624,280	\$ 75,429,462	\$ 62,740,169
Fiduciary net position	<u>62,292,304</u>	<u>54,226,826</u>	<u>53,462,427</u>	<u>53,071,797</u>
Net pension liability	<u>\$ 19,297,665</u>	<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	76.4%	69.9%	70.9%	84.6%
Covered payroll	\$ 12,527,664	\$ 11,823,780	\$ 12,170,772	\$ 11,452,068
Net pension liability as a percent of covered payroll	154.0%	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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarilly determined contribution	\$ 4,532	\$ 4,363	\$ 3,042	\$ 3,042	\$ 2,994	\$ 2,717	\$ 2,396	\$ 1,979	\$ 1,825	\$ 1,708
Actual employer contribution	4,238	5,217	2,911	2,561	2,462	2,311	1,956	1,896	1,977	2,284
Contribution deficiency (excess)	294	(854)	131	481	532	406	440	83	(152)	(576)
Covered payroll	12,415	12,528	11,824	12,171	11,452	11,770	10,846	10,509	10,051	9,885
Contribution as a percent of covered payroll	34.14%	41.64%	24.62%	21.04%	21.50%	19.63%	18.03%	18.04%	19.67%	23.11%
Valuation date	7/1/2016	7/1/2015	7/1/2014	7/1/2013	7/1/2012	7/1/2011	7/1/2010	7/1/2009	7/1/2010	7/1/2007
Assumed investment rate of return	6.50%	6.50%	6.50%	7.00%	7.00%	7.00%	7.00%	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 dolar 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 femailes, 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 ot July 1, 2011: 1994 group annuity mortality
Cost of living increases	1.5 percent per year
Salary increases	5 percent per year
Investment return	Effective July 1, 2015: 6.5% Effective July 1, 2011: 7% Effective July 1, 2006: 7.25% Effective July 1, 2005: 7.5%

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>
2018	10.77
2017	11.44
2016	1.75
2015	0.83
2014	14.02
2013	8.71
2012	2.66
2011	12.13
2010	11.29
2009	-7.16

TILLAMOOK COUNTY
SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OTHER POSTEMPLOYMENT
BENEFIT LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	June 30, 2018
Service cost	\$ 358,236
Interest on total OPEB liability	508,711
Effect of assumptions changes or inputs	(1,820,833)
Benefit payments	(625,117)
Net change in total OPEB liability	(1,579,003)
Total OPEB liability - beginning of year	17,801,642
Total OPEB liability - end of year	\$ 16,222,639
Covered payroll	\$ 12,527,664
Total OPEB liability as a percentage of covered payroll	129.5%

Notes to schedule

Information will be accumulated until 10 years are presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**COMBINING FINANCIAL STATEMENTS AND
INDIVIDUAL FUND SCHEDULES**



GENERAL FUNDS

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

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

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



TILLAMOOK COUNTY

COMBINING BALANCE SHEET

GENERAL FUNDS

June 30, 2018

	<u>General</u>	<u>Revenue Stabilization</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents	\$ 768,171	\$ 1,620,081	\$ 635,136	\$ 3,023,388
Investments	7,546,075	-	-	7,546,075
Receivables, net	<u>2,817,097</u>	<u>-</u>	<u>-</u>	<u>2,817,097</u>
TOTAL ASSETS	<u>\$ 11,131,343</u>	<u>\$ 1,620,081</u>	<u>\$ 635,136</u>	<u>\$ 13,386,560</u>
LIABILITIES				
Accounts payable and accrued liabilities	\$ 642,800	\$ -	\$ -	\$ 642,800
TOTAL LIABILITIES	<u>642,800</u>	<u>-</u>	<u>-</u>	<u>642,800</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	<u>380,988</u>	<u>-</u>	<u>-</u>	<u>380,988</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>380,988</u>	<u>-</u>	<u>-</u>	<u>380,988</u>
FUND BALANCES				
Assigned	-	1,620,081	635,136	2,255,217
Unassigned	<u>10,107,555</u>	<u>-</u>	<u>-</u>	<u>10,107,555</u>
TOTAL FUND BALANCES	<u>10,107,555</u>	<u>1,620,081</u>	<u>635,136</u>	<u>12,362,772</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,131,343</u>	<u>\$ 1,620,081</u>	<u>\$ 635,136</u>	<u>\$ 13,386,560</u>

TILLAMOOK COUNTY

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

For the Year Ended June 30, 2018

	<u>General</u>	<u>Revenue Stabilization</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
REVENUES				
Property taxes	\$ 7,244,394	\$ -	\$ -	\$ 7,244,394
Licenses, permits and fees	852,485	-	-	852,485
Intergovernmental	2,257,999	-	-	2,257,999
Charges for services	141,097	-	-	141,097
Fines and forfeitures	351,509	-	-	351,509
Timber and land sales	4,968,024	-	-	4,968,024
Interest	160,369	21,841	8,563	190,773
Intercounty charges	1,562,285	-	-	1,562,285
Miscellaneous	186,440	-	-	186,440
TOTAL REVENUES	<u>17,724,602</u>	<u>21,841</u>	<u>8,563</u>	<u>17,755,006</u>
EXPENDITURES				
Current				
General government	9,332,577	-	-	9,332,577
Public safety	6,375,277	-	-	6,375,277
Health and welfare	2,727	-	-	2,727
Capital outlay	36,070	-	-	36,070
Debt service				
Principal	340,857	-	-	340,857
Interest	75,248	-	-	75,248
TOTAL EXPENDITURES	<u>16,162,756</u>	<u>-</u>	<u>-</u>	<u>16,162,756</u>
Excess (deficiency) of revenues over expenditures	<u>1,561,846</u>	<u>21,841</u>	<u>8,563</u>	<u>1,592,250</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	421,822	-	-	421,822
Sale of capital assets	14,084	-	-	14,084
Transfers out	(323,000)	-	-	(323,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>112,906</u>	<u>-</u>	<u>-</u>	<u>112,906</u>
Net change in fund balances	1,674,752	21,841	8,563	1,705,156
Fund balances at beginning of year	<u>8,432,803</u>	<u>1,598,240</u>	<u>626,573</u>	<u>10,657,616</u>
Fund balances at end of year	<u>\$ 10,107,555</u>	<u>\$ 1,620,081</u>	<u>\$ 635,136</u>	<u>\$ 12,362,772</u>

TILLAMOOK COUNTY

**REVENUE STABILIZATION - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 5,000	\$ 21,841	\$ 16,841
TOTAL REVENUES	<u>5,000</u>	<u>21,841</u>	<u>16,841</u>
EXPENDITURES			
Contingency	<u>255,000</u>	<u>-</u>	<u>255,000</u>
TOTAL EXPENDITURES	<u>255,000</u>	<u>-</u>	<u>255,000</u>
Excess (deficiency) of revenues over expenditures	<u>(250,000)</u>	<u>21,841</u>	<u>271,841</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(750,000)</u>	<u>-</u>	<u>750,000</u>
Net change in fund balance	(1,000,000)	21,841	1,021,841
Fund balance at beginning of year	<u>1,590,000</u>	<u>1,598,240</u>	<u>8,240</u>
Fund balance at end of year	<u>\$ 590,000</u>	<u>\$ 1,620,081</u>	<u>\$ 1,030,081</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	<u>\$ 2,400</u>	<u>\$ 8,563</u>	<u>\$ 6,163</u>
TOTAL REVENUES	<u>2,400</u>	<u>8,563</u>	<u>6,163</u>
EXPENDITURES			
Contingency	<u>627,400</u>	<u>-</u>	<u>627,400</u>
TOTAL EXPENDITURES	<u>627,400</u>	<u>-</u>	<u>627,400</u>
Net change in fund balance	(625,000)	8,563	633,563
Fund balance at beginning of year	<u>625,000</u>	<u>626,573</u>	<u>1,573</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 635,136</u>	<u>\$ 635,136</u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for revenues derived from specific taxes or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities. Funds included in this category are:

GENERAL GOVERNMENT

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, 2018

	<u>Special Revenue Funds</u>					
	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets - Bike Path</u>	<u>Culture and Recreation</u>	<u>Health and Welfare - Mediation Program</u>	<u>Education - Tillamook County 4-H and Extension Service District</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 1,990,531	\$ 328,898	\$ 104,621	\$ 3,060,461	\$ 93,426	\$ 554,517
Investments	-	-	-	-	-	-
Receivables	34,825	-	-	101,015	-	57,652
TOTAL ASSETS	<u>\$ 2,025,356</u>	<u>\$ 328,898</u>	<u>\$ 104,621</u>	<u>\$ 3,161,476</u>	<u>\$ 93,426</u>	<u>\$ 612,169</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	79,005	1,650	-	85,940	1,800	395
TOTAL LIABILITIES	<u>79,005</u>	<u>1,650</u>	<u>-</u>	<u>85,940</u>	<u>1,800</u>	<u>395</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	10,479	-	-	-	-	16,268
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>10,479</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,268</u>
<u>FUND BALANCES</u>						
Restricted	1,939,905	327,248	104,621	3,075,536	91,626	595,506
Assigned	-	-	-	-	-	-
Unassigned	(4,033)	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,935,872</u>	<u>327,248</u>	<u>104,621</u>	<u>3,075,536</u>	<u>91,626</u>	<u>595,506</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,025,356</u>	<u>\$ 328,898</u>	<u>\$ 104,621</u>	<u>\$ 3,161,476</u>	<u>\$ 93,426</u>	<u>\$ 612,169</u>

Debt Service Funds

<u>Road</u>	<u>Library</u>	<u>Capital Projects Funds</u>	<u>Totals</u>
\$ 64,638	\$ 4,970	\$ 2,227,504	\$ 8,429,566
-	-	1,058,000	1,058,000
<u>85,314</u>	<u>17,751</u>	<u>-</u>	<u>296,557</u>
<u>\$ 149,952</u>	<u>\$ 22,721</u>	<u>\$ 3,285,504</u>	<u>\$ 9,784,123</u>
-	-	<u>232,718</u>	<u>401,508</u>
-	-	<u>232,718</u>	<u>401,508</u>
<u>62,111</u>	<u>13,491</u>	<u>-</u>	<u>102,349</u>
<u>62,111</u>	<u>13,491</u>	<u>-</u>	<u>102,349</u>
87,841	9,230	96,621	6,328,134
-	-	2,956,165	2,956,165
<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,033)</u>
<u>87,841</u>	<u>9,230</u>	<u>3,052,786</u>	<u>9,280,266</u>
<u>\$ 149,952</u>	<u>\$ 22,721</u>	<u>\$ 3,285,504</u>	<u>\$ 9,784,123</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2018**

	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	\$ 234,692	\$ -	\$ -	\$ -	\$ -	\$ 324,948
Timber and land sales	60,000	-	-	9,393	-	84,910
Licenses, permits and fees	1,156,032	-	-	-	-	-
Intergovernmental	500,311	-	-	80,500	1,753,660	-
Charges for services	11,915	21,173	-	3,225,952	14,436	-
Fines and forfeitures	67,350	45,946	-	-	-	-
Interest	16,439	4,601	1,279	42,008	1,300	8,866
Miscellaneous	6,911	41,790	-	48,256	-	-
TOTAL REVENUES	<u>2,053,650</u>	<u>113,510</u>	<u>1,279</u>	<u>3,406,109</u>	<u>1,769,396</u>	<u>418,724</u>
EXPENDITURES						
Current:						
General government	1,267,164	-	-	-	-	-
Public safety	-	80,808	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	3,016,929	-	-
Health and welfare	-	-	-	-	1,800,091	-
Education	-	-	-	-	-	333,531
Capital outlay	8,376	-	15,000	272,602	-	20,000
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>1,275,540</u>	<u>80,808</u>	<u>15,000</u>	<u>3,289,531</u>	<u>1,800,091</u>	<u>353,531</u>
Excess (deficiency) of revenues over expenditures	778,110	32,702	(13,721)	116,578	(30,695)	65,193
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	18,750	-	-	-
Sale of capital assets	552	-	-	-	-	-
Transfers out	(122,450)	(50,000)	-	(5,000)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(121,898)</u>	<u>(50,000)</u>	<u>18,750</u>	<u>(5,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	656,212	(17,298)	5,029	111,578	(30,695)	65,193
Fund balances - beginning	1,279,660	344,546	99,592	2,963,958	122,321	530,313
Fund balances - ending	<u>\$ 1,935,872</u>	<u>\$ 327,248</u>	<u>\$ 104,621</u>	<u>\$ 3,075,536</u>	<u>\$ 91,626</u>	<u>\$ 595,506</u>

Debt Service Funds

		Capital Projects Funds	
Road	Library	Funds	Totals
\$ 1,351,842	\$ 260,536	\$ -	\$ 2,172,018
-	-	-	154,303
-	-	-	1,156,032
-	-	-	2,334,471
-	-	-	3,273,476
-	-	-	113,296
405	100	51,356	126,354
-	-	-	96,957
<u>1,352,247</u>	<u>260,636</u>	<u>51,356</u>	<u>9,426,907</u>
-	-	93,261	1,360,425
-	-	-	80,808
-	-	262,206	262,206
-	-	-	3,016,929
-	-	-	1,800,091
-	-	-	333,531
-	-	1,434,208	1,750,186
1,230,000	195,000	88,781	1,513,781
<u>77,050</u>	<u>57,300</u>	<u>6,685</u>	<u>141,035</u>
<u>1,307,050</u>	<u>252,300</u>	<u>1,885,141</u>	<u>10,258,992</u>
<u>45,197</u>	<u>8,336</u>	<u>(1,833,785)</u>	<u>(832,085)</u>
-	-	163,000	181,750
-	-	-	552
-	-	-	(177,450)
-	-	163,000	4,852
45,197	8,336	(1,670,785)	(827,233)
<u>42,644</u>	<u>894</u>	<u>4,723,571</u>	<u>10,107,499</u>
<u>\$ 87,841</u>	<u>\$ 9,230</u>	<u>\$ 3,052,786</u>	<u>\$ 9,280,266</u>

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT
June 30, 2018

	Community	Video	Forest	Juvenile	Law	BPS
	Development	Lottery	Timber	Trust	Library	Surcharge
<u>ASSETS</u>						
Cash and cash equivalents	\$ 960,111	\$ 39,053	\$ 39,502	\$ 17,567	\$ 69,745	\$ 28,027
Receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 960,111</u>	<u>\$ 39,053</u>	<u>\$ 39,502</u>	<u>\$ 17,567</u>	<u>\$ 69,745</u>	<u>\$ 28,027</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ 36,014	\$ -	\$ -	\$ -	\$ 894	\$ 32,060
TOTAL LIABILITIES	<u>36,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>894</u>	<u>32,060</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	924,097	39,053	39,502	17,567	68,851	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,033)</u>
TOTAL FUND BALANCES	<u>924,097</u>	<u>39,053</u>	<u>39,502</u>	<u>17,567</u>	<u>68,851</u>	<u>(4,033)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 960,111</u>	<u>\$ 39,053</u>	<u>\$ 39,502</u>	<u>\$ 17,567</u>	<u>\$ 69,745</u>	<u>\$ 28,027</u>

<u>PLCP</u>	<u>Clerks Records</u>	<u>Federal Title III</u>	<u>Veteran's Services</u>	<u>Technology</u>	<u>Totals</u>
\$ 34,743	\$ 33,253	\$ 331,785	\$ 146,190	\$ 290,555	\$ 1,990,531
<u>-</u>	<u>-</u>	<u>-</u>	<u>34,825</u>	<u>-</u>	<u>34,825</u>
<u>\$ 34,743</u>	<u>\$ 33,253</u>	<u>\$ 331,785</u>	<u>\$ 181,015</u>	<u>\$ 290,555</u>	<u>\$ 2,025,356</u>
\$ 536	\$ 30	\$ -	\$ 9,471	\$ -	\$ 79,005
<u>536</u>	<u>30</u>	<u>-</u>	<u>9,471</u>	<u>-</u>	<u>79,005</u>
-	-	-	10,479	-	10,479
<u>-</u>	<u>-</u>	<u>-</u>	<u>10,479</u>	<u>-</u>	<u>10,479</u>
34,207	33,223	331,785	161,065	290,555	1,939,905
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,033)</u>
<u>34,207</u>	<u>33,223</u>	<u>331,785</u>	<u>161,065</u>	<u>290,555</u>	<u>1,935,872</u>
<u>\$ 34,743</u>	<u>\$ 33,253</u>	<u>\$ 331,785</u>	<u>\$ 181,015</u>	<u>\$ 290,555</u>	<u>\$ 2,025,356</u>

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY
June 30, 2018

	<u>Court Security</u>	<u>Law Enforcement</u>	<u>Sheriff Trust</u>	<u>SB 1065 Assessment and Conviction</u>	<u>Tillamook Narcotics Team</u>	<u>Totals</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 191,510	\$ 34,305	\$ 50,701	\$ 2,865	\$ 49,517	\$ 328,898
TOTAL ASSETS	<u>\$ 191,510</u>	<u>\$ 34,305</u>	<u>\$ 50,701</u>	<u>\$ 2,865</u>	<u>\$ 49,517</u>	<u>\$ 328,898</u>
<u>LIABILITIES</u>						
Accounts payable and accrued liabilities	\$ -	\$ 1,650	\$ -	\$ -	\$ -	\$ 1,650
TOTAL LIABILITIES	<u>-</u>	<u>1,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,650</u>
<u>FUND BALANCES</u>						
Restricted	191,510	32,655	50,701	2,865	49,517	327,248
TOTAL FUND BALANCES	<u>191,510</u>	<u>32,655</u>	<u>50,701</u>	<u>2,865</u>	<u>49,517</u>	<u>327,248</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 191,510</u>	<u>\$ 34,305</u>	<u>\$ 50,701</u>	<u>\$ 2,865</u>	<u>\$ 49,517</u>	<u>\$ 328,898</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
CULTURE AND RECREATION
June 30, 2018**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 357,469	\$ 2,702,992	\$ 3,060,461
Receivables	<u>-</u>	<u>101,015</u>	<u>101,015</u>
 TOTAL ASSETS	 <u>\$ 357,469</u>	 <u>\$ 2,804,007</u>	 <u>\$ 3,161,476</u>
 <u>LIABILITIES</u>			
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ 85,940</u>	<u>\$ 85,940</u>
 TOTAL LIABILITIES	 <u>-</u>	 <u>85,940</u>	 <u>85,940</u>
 <u>FUND BALANCES</u>			
Restricted	<u>357,469</u>	<u>2,718,067</u>	<u>3,075,536</u>
 TOTAL FUND BALANCES	 <u>357,469</u>	 <u>2,718,067</u>	 <u>3,075,536</u>
 TOTAL LIABILITIES AND FUND BALANCES	 <u>\$ 357,469</u>	 <u>\$ 2,804,007</u>	 <u>\$ 3,161,476</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS**

June 30, 2018

	<u>Vehicle Reserve</u>	<u>Library Reserve</u>	<u>Fair Reserve</u>	<u>Tillamook County 4-H and Extension Building Reserve</u>	<u>Trask Road Project</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 16,199	\$ 1,048,858	\$ 15,170	\$ 74,504	\$ 76,510
Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 16,199</u>	<u>\$ 1,048,858</u>	<u>\$ 15,170</u>	<u>\$ 74,504</u>	<u>\$ 76,510</u>
 <u>LIABILITIES</u>					
Accounts payable and accrued liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,314</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,314</u>
 <u>FUND BALANCES</u>					
Restricted	-	-	-	-	49,196
Assigned	<u>16,199</u>	<u>1,048,858</u>	<u>15,170</u>	<u>74,504</u>	<u>-</u>
TOTAL FUND BALANCES	<u>16,199</u>	<u>1,048,858</u>	<u>15,170</u>	<u>74,504</u>	<u>49,196</u>
 TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 16,199</u>	<u>\$ 1,048,858</u>	<u>\$ 15,170</u>	<u>\$ 74,504</u>	<u>\$ 76,510</u>

Road Improvement Construction	Road Construction Grant Projects	Building Improvement	Jail Capital Improvement Projects	Computer Reserve	Totals
\$ 203,623	\$ 160,515	\$ 546,031	\$ 16,247	\$ 69,847	\$ 2,227,504
-	-	1,058,000	-	-	1,058,000
<u>\$ 203,623</u>	<u>\$ 160,515</u>	<u>\$ 1,604,031</u>	<u>\$ 16,247</u>	<u>\$ 69,847</u>	<u>\$ 3,285,504</u>
\$ 172,445	\$ -	\$ 26,085	\$ -	\$ 6,874	\$ 232,718
172,445	-	26,085	-	6,874	232,718
31,178	-	-	16,247	-	96,621
-	160,515	1,577,946	-	62,973	2,956,165
31,178	160,515	1,577,946	16,247	62,973	3,052,786
<u>\$ 203,623</u>	<u>\$ 160,515</u>	<u>\$ 1,604,031</u>	<u>\$ 16,247</u>	<u>\$ 69,847</u>	<u>\$ 3,285,504</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, 2018

	Community Development	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library	BPS Surcharge
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Timber and land sales	-	-	60,000	-	-	-
Licenses, permits and fees	1,058,691	-	-	-	20,693	-
Intergovernmental	-	228,315	-	-	-	112,149
Charges for services	11,915	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	10,048	106	-	237	-	-
Miscellaneous	6,692	-	-	-	-	-
TOTAL REVENUES	1,087,346	228,421	60,000	237	20,693	112,149
EXPENDITURES						
General government	727,341	67,650	32,328	-	9,445	114,092
Capital outlay	4,482	-	-	-	-	-
TOTAL EXPENDITURES	731,823	67,650	32,328	-	9,445	114,092
Excess (deficiency) of revenues over expenditures	355,523	160,771	27,672	237	11,248	(1,943)
OTHER FINANCING SOURCES (USES)						
Sale of assets	-	-	-	-	-	-
Transfers out	-	(122,450)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(122,450)	-	-	-	-
Net change in fund balances	355,523	38,321	27,672	237	11,248	(1,943)
Fund balances - beginning	568,574	732	11,830	17,330	57,603	(2,090)
Fund balances - ending	\$ 924,097	\$ 39,053	\$ 39,502	\$ 17,567	\$ 68,851	\$ (4,033)

PLCP	Clerks Records	Federal Title III	Veteran's Services	Technology	Totals
\$ -	\$ -	\$ -	\$ 234,692	\$ -	\$ 234,692
-	-	-	-	-	60,000
65,704	10,944	-	-	-	1,156,032
-	-	65,426	94,421	-	500,311
-	-	-	-	-	11,915
-	-	-	-	67,350	67,350
470	407	3,378	1,793	-	16,439
65	-	-	154	-	6,911
<u>66,239</u>	<u>11,351</u>	<u>68,804</u>	<u>331,060</u>	<u>67,350</u>	<u>2,053,650</u>
65,339	6,423	220	219,996	24,330	1,267,164
1,979	1,915	-	-	-	8,376
<u>67,318</u>	<u>8,338</u>	<u>220</u>	<u>219,996</u>	<u>24,330</u>	<u>1,275,540</u>
<u>(1,079)</u>	<u>3,013</u>	<u>68,584</u>	<u>111,064</u>	<u>43,020</u>	<u>778,110</u>
552	-	-	-	-	552
-	-	-	-	-	(122,450)
<u>552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(121,898)</u>
(527)	3,013	68,584	111,064	43,020	656,212
<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>\$ 34,207</u>	<u>\$ 33,223</u>	<u>\$ 331,785</u>	<u>\$ 161,065</u>	<u>\$ 290,555</u>	<u>\$ 1,935,872</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
PUBLIC SAFETY
For the Year Ended June 30, 2018**

	Court Security	Law Enforcement	Sheriff Trust	SB 1065 Assessment and Conviction	Tillamook Narcotics Team	Totals
REVENUES						
Charges for services	\$ -	\$ -	\$ 21,173	\$ -	\$ -	\$ 21,173
Fines and forfeitures	34,620	-	-	2,730	8,596	45,946
Interest	3,015	-	796	15	775	4,601
Miscellaneous	-	39,311	213	-	2,266	41,790
TOTAL REVENUES	<u>37,635</u>	<u>39,311</u>	<u>22,182</u>	<u>2,745</u>	<u>11,637</u>	<u>113,510</u>
EXPENDITURES						
Public safety	<u>3,258</u>	<u>28,116</u>	<u>32,759</u>	<u>-</u>	<u>16,675</u>	<u>80,808</u>
TOTAL EXPENDITURES	<u>3,258</u>	<u>28,116</u>	<u>32,759</u>	<u>-</u>	<u>16,675</u>	<u>80,808</u>
Excess (deficiency) of revenues over expenditures	<u>34,377</u>	<u>11,195</u>	<u>(10,577)</u>	<u>2,745</u>	<u>(5,038)</u>	<u>32,702</u>
OTHER FINANCING SOURCES (USES)						
Transfers out	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(50,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balances	(15,623)	11,195	(10,577)	2,745	(5,038)	(17,298)
Fund balances - beginning	<u>207,133</u>	<u>21,460</u>	<u>61,278</u>	<u>120</u>	<u>54,555</u>	<u>344,546</u>
Fund balances - ending	<u>\$ 191,510</u>	<u>\$ 32,655</u>	<u>\$ 50,701</u>	<u>\$ 2,865</u>	<u>\$ 49,517</u>	<u>\$ 327,248</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, 2018**

	<u>County Fair</u>	<u>Parks Operations</u>	<u>Totals</u>
REVENUES			
Timber and land sales	\$ -	\$ 9,393	\$ 9,393
Intergovernmental	53,167	27,333	80,500
Charges for services	955,872	2,270,080	3,225,952
Interest	3,315	38,693	42,008
Miscellaneous	<u>39,845</u>	<u>8,411</u>	<u>48,256</u>
 TOTAL REVENUES	 <u>1,052,199</u>	 <u>2,353,910</u>	 <u>3,406,109</u>
 EXPENDITURES			
Culture and recreation	1,005,629	2,011,300	3,016,929
Capital outlay	<u>-</u>	<u>272,602</u>	<u>272,602</u>
 TOTAL EXPENDITURES	 <u>1,005,629</u>	 <u>2,283,902</u>	 <u>3,289,531</u>
 Excess (deficiency) of revenues over expenditures	 <u>46,570</u>	 <u>70,008</u>	 <u>116,578</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	 41,570	 70,008	 111,578
Fund balances - beginning	<u>315,899</u>	<u>2,648,059</u>	<u>2,963,958</u>
 Fund balances - ending	 <u>\$ 357,469</u>	 <u>\$ 2,718,067</u>	 <u>\$ 3,075,536</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, 2018

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 1,753,660	\$ -	\$ 1,753,660
Charges for services	-	14,436	14,436
Interest	-	1,300	1,300
	<u>1,753,660</u>	<u>15,736</u>	<u>1,769,396</u>
TOTAL REVENUES			
EXPENDITURES			
Health and welfare	<u>1,789,859</u>	<u>10,232</u>	<u>1,800,091</u>
TOTAL EXPENDITURES	<u>1,789,859</u>	<u>10,232</u>	<u>1,800,091</u>
Net change in fund balances	(36,199)	5,504	(30,695)
Fund balances - beginning	<u>36,199</u>	<u>86,122</u>	<u>122,321</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 91,626</u>	<u>\$ 91,626</u>

TILLAMOOK COUNTY

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

For the Year Ended June 30, 2018

				Tillamook County 4-H and Extension Building Reserve	Trask Road Project
	Vehicle Reserve	Library Reserve	Fair Reserve		
REVENUES					
Interest	\$ 1,165	\$ 14,140	\$ -	\$ 1,845	\$ 3,269
TOTAL REVENUES	<u>1,165</u>	<u>14,140</u>	<u>-</u>	<u>1,845</u>	<u>3,269</u>
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Highways and streets	-	-	-	-	262,206
Capital outlay	125,192	-	-	155,000	-
Debt service					
Principal	88,781	-	-	-	-
Interest	6,685	-	-	-	-
TOTAL EXPENDITURES	<u>220,658</u>	<u>-</u>	<u>-</u>	<u>155,000</u>	<u>262,206</u>
Excess (deficiency) of revenues over expenditures	<u>(219,493)</u>	<u>14,140</u>	<u>-</u>	<u>(153,155)</u>	<u>(258,937)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	5,000	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(219,493)	14,140	5,000	(153,155)	(258,937)
Fund balances - beginning	<u>235,692</u>	<u>1,034,718</u>	<u>10,170</u>	<u>227,659</u>	<u>308,133</u>
Fund balances - ending	<u>\$ 16,199</u>	<u>\$ 1,048,858</u>	<u>\$ 15,170</u>	<u>\$ 74,504</u>	<u>\$ 49,196</u>

<u>Road Improvement Construction</u>	<u>Road Construction Grant Projects</u>	<u>Building Improvement</u>	<u>Jail Capital Improvement Projects</u>	<u>Computer Reserve</u>	<u>Totals</u>
\$ 6,957	\$ 2,164	\$ 21,816	\$ -	\$ -	\$ 51,356
<u>6,957</u>	<u>2,164</u>	<u>21,816</u>	<u>-</u>	<u>-</u>	<u>51,356</u>
-	-	46,234	-	47,027	93,261
-	-	-	-	-	262,206
1,049,388	-	-	104,628	-	1,434,208
-	-	-	-	-	88,781
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,685</u>
<u>1,049,388</u>	<u>-</u>	<u>46,234</u>	<u>104,628</u>	<u>47,027</u>	<u>1,885,141</u>
(1,042,431)	2,164	(24,418)	(104,628)	(47,027)	(1,833,785)
<u>-</u>	<u>-</u>	<u>-</u>	<u>108,000</u>	<u>50,000</u>	<u>163,000</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>108,000</u>	<u>50,000</u>	<u>163,000</u>
(1,042,431)	2,164	(24,418)	3,372	2,973	(1,670,785)
<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>
<u>\$ 31,178</u>	<u>\$ 160,515</u>	<u>\$ 1,577,946</u>	<u>\$ 16,247</u>	<u>\$ 62,973</u>	<u>\$ 3,052,786</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 1,008,550	\$ 1,058,691	\$ 50,141
Charges for services	7,000	11,915	4,915
Investment earnings	100	10,048	9,948
Miscellaneous	<u>600</u>	<u>6,692</u>	<u>6,092</u>
TOTAL REVENUES	<u>1,016,250</u>	<u>1,087,346</u>	<u>71,096</u>
EXPENDITURES			
Personal services	628,850	569,277	59,573
Materials and services	151,000	140,399	10,601
Capital outlay	38,000	4,482	33,518
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL EXPENDITURES	<u>832,850</u>	<u>714,158</u>	<u>118,692</u>
Net change in fund balance	183,400	373,188	189,788
Fund balance at beginning of year	<u>200,000</u>	<u>584,113</u>	<u>384,113</u>
Fund balance at end of year	<u>\$ 383,400</u>	<u>\$ 957,301</u>	<u>\$ 573,901</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 190,000	\$ 228,315	\$ 38,315
Investment earnings	<u>100</u>	<u>106</u>	<u>6</u>
TOTAL REVENUES	<u>190,100</u>	<u>228,421</u>	<u>38,321</u>
EXPENDITURES			
Materials and services	<u>67,650</u>	<u>67,650</u>	<u>-</u>
TOTAL EXPENDITURES	<u>67,650</u>	<u>67,650</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>122,450</u>	<u>160,771</u>	<u>38,321</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(122,450)</u>	<u>(122,450)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(122,450)</u>	<u>(122,450)</u>	<u>-</u>
Net change in fund balance	-	38,321	38,321
Fund balance at beginning of year	<u>-</u>	<u>732</u>	<u>732</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 39,053</u>	<u>\$ 39,053</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Timber and land sales	<u>\$ 60,000</u>	<u>\$ 60,000</u>	<u>\$ -</u>
TOTAL REVENUES	<u>60,000</u>	<u>60,000</u>	<u>-</u>
EXPENDITURES			
Materials and services	<u>90,000</u>	<u>44,782</u>	<u>45,218</u>
TOTAL EXPENDITURES	<u>90,000</u>	<u>44,782</u>	<u>45,218</u>
Net change in fund balance	(30,000)	15,218	45,218
Fund balance at beginning of year	<u>30,000</u>	<u>24,284</u>	<u>(5,716)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 39,502</u>	<u>\$ 39,502</u>

TILLAMOOK COUNTY

**JUVENILE TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ -	\$ 237	\$ 237
Miscellaneous	500	-	(500)
TOTAL REVENUES	500	237	(263)
EXPENDITURES			
Materials and services	10,000	-	10,000
TOTAL EXPENDITURES	10,000	-	10,000
Net change in fund balance	(9,500)	237	9,737
Fund balance at beginning of year	15,600	17,330	1,730
Fund balance at end of year	\$ 6,100	\$ 17,567	\$ 11,467

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, 2018**

	Budget	Actual	Variance
REVENUES			
Licenses, permits and fees	\$ 15,000	\$ 20,693	\$ 5,693
TOTAL REVENUES	15,000	20,693	5,693
EXPENDITURES			
Materials and services	30,000	9,247	20,753
TOTAL EXPENDITURES	30,000	9,247	20,753
Net change in fund balance	(15,000)	11,446	26,446
Fund balance at beginning of year	30,000	58,299	28,299
Fund balance at end of year	\$ 15,000	\$ 69,745	\$ 54,745

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 150,000	\$ 112,149	\$ (37,851)
TOTAL REVENUES	<u>150,000</u>	<u>112,149</u>	<u>(37,851)</u>
EXPENDITURES			
Materials and services	<u>150,000</u>	<u>114,893</u>	<u>35,107</u>
TOTAL EXPENDITURES	<u>150,000</u>	<u>114,893</u>	<u>35,107</u>
Net change in fund balance	-	(2,744)	(2,744)
Fund balance at beginning of year	<u>-</u>	<u>30,771</u>	<u>30,771</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 28,027</u>	<u>\$ 28,027</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 70,000	\$ 65,704	\$ (4,296)
Investment earnings	100	470	370
Miscellaneous	<u>-</u>	<u>65</u>	<u>65</u>
TOTAL REVENUES	<u>70,100</u>	<u>66,239</u>	<u>(3,861)</u>
EXPENDITURES			
Personal services	63,000	57,819	5,181
Materials and services	11,300	7,537	3,763
Capital outlay	2,800	1,979	821
Contingency	<u>13,000</u>	<u>-</u>	<u>13,000</u>
TOTAL EXPENDITURES	<u>90,100</u>	<u>67,335</u>	<u>22,765</u>
Excess (deficiency) of revenues over expenditures	<u>(20,000)</u>	<u>(1,096)</u>	<u>18,904</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	<u>-</u>	<u>552</u>	<u>(552)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>552</u>	<u>(552)</u>
Net change in fund balance	(20,000)	(544)	19,456
Fund balance at beginning of year	<u>20,000</u>	<u>34,751</u>	<u>14,751</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 34,207</u>	<u>\$ 34,207</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 10,000	\$ 10,944	\$ 944
Investment earnings	<u>100</u>	<u>407</u>	<u>307</u>
TOTAL REVENUES	<u>10,100</u>	<u>11,351</u>	<u>1,251</u>
EXPENDITURES			
Materials and services	20,000	6,423	13,577
Capital outlay	<u>10,100</u>	<u>1,916</u>	<u>8,184</u>
TOTAL EXPENDITURES	<u>30,100</u>	<u>8,339</u>	<u>21,761</u>
Net change in fund balance	(20,000)	3,012	23,012
Fund balance at beginning of year	<u>20,000</u>	<u>30,241</u>	<u>10,241</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 33,253</u>	<u>\$ 33,253</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 50,000	\$ 65,426	\$ 15,426
Investment earnings	<u>900</u>	<u>3,378</u>	<u>2,478</u>
TOTAL REVENUES	<u>50,900</u>	<u>68,804</u>	<u>17,904</u>
EXPENDITURES			
Materials and services	<u>310,900</u>	<u>220</u>	<u>310,680</u>
TOTAL EXPENDITURES	<u>310,900</u>	<u>220</u>	<u>310,680</u>
Net change in fund balance	(260,000)	68,584	328,584
Fund balance at beginning of year	<u>260,000</u>	<u>263,201</u>	<u>3,201</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 331,785</u>	<u>\$ 331,785</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 224,500	\$ 233,758	\$ 9,258
Intergovernmental	84,260	73,356	(10,904)
Investment earnings	100	1,793	1,693
Miscellaneous	<u>100</u>	<u>154</u>	<u>54</u>
TOTAL REVENUES	<u>308,960</u>	<u>309,061</u>	<u>101</u>
EXPENDITURES			
Personal services	217,760	194,123	23,637
Materials and services	25,210	23,793	1,417
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
TOTAL EXPENDITURES	<u>257,970</u>	<u>217,916</u>	<u>40,054</u>
Net change in fund balance	50,990	91,145	40,155
Fund balance at beginning of year	<u>10,350</u>	<u>52,198</u>	<u>41,848</u>
Fund balance at end of year	<u>\$ 61,340</u>	<u>\$ 143,343</u>	<u>\$ 82,003</u>

TILLAMOOK COUNTY

**TECHNOLOGY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 40,000	\$ 67,350	\$ 27,350
TOTAL REVENUES	<u>40,000</u>	<u>67,350</u>	<u>27,350</u>
EXPENDITURES			
Materials and services	125,000	24,330	100,670
Capital outlay	<u>50,000</u>	<u>-</u>	<u>50,000</u>
TOTAL EXPENDITURES	<u>175,000</u>	<u>24,330</u>	<u>150,670</u>
Net change in fund balance	(135,000)	43,020	178,020
Fund balance at beginning of year	<u>200,000</u>	<u>247,535</u>	<u>47,535</u>
Fund balance at end of year	<u>\$ 65,000</u>	<u>\$ 290,555</u>	<u>\$ 225,555</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, 2018**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 30,000	\$ 34,620	\$ 4,620
Investment earnings	1,200	3,015	1,815
TOTAL REVENUES	31,200	37,635	6,435
EXPENDITURES			
Materials and services	13,000	4,018	8,982
Capital outlay	168,200	-	168,200
TOTAL EXPENDITURES	181,200	4,018	177,182
Excess (deficiency) of revenues over expenditures	(150,000)	33,617	183,617
OTHER FINANCING SOURCES (USES)			
Transfers out	(50,000)	(50,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(50,000)	(50,000)	-
Net change in fund balance	(200,000)	(16,383)	183,617
Fund balance at beginning of year	200,000	207,893	7,893
Fund balance at end of year	\$ -	\$ 191,510	\$ 191,510

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Miscellaneous	\$ 30,000	\$ 39,311	\$ 9,311
TOTAL REVENUES	<u>30,000</u>	<u>39,311</u>	<u>9,311</u>
EXPENDITURES			
Materials and services	<u>40,000</u>	<u>26,466</u>	<u>13,534</u>
TOTAL EXPENDITURES	<u>40,000</u>	<u>26,466</u>	<u>13,534</u>
Net change in fund balance	(10,000)	12,845	22,845
Fund balance at beginning of year	<u>10,000</u>	<u>21,460</u>	<u>11,460</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 34,305</u>	<u>\$ 34,305</u>

TILLAMOOK COUNTY

**SHERIFF TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 20,000	\$ 21,173	\$ 1,173
Investment earnings	-	796	796
Miscellaneous	<u>5,000</u>	<u>213</u>	<u>(4,787)</u>
TOTAL REVENUES	<u>25,000</u>	<u>22,182</u>	<u>(2,818)</u>
EXPENDITURES			
Materials and services	35,000	16,009	18,991
Capital outlay	<u>20,000</u>	<u>16,750</u>	<u>3,250</u>
TOTAL EXPENDITURES	<u>55,000</u>	<u>32,759</u>	<u>22,241</u>
Net change in fund balance	(30,000)	(10,577)	19,423
Fund balance at beginning of year	<u>30,000</u>	<u>61,278</u>	<u>31,278</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 50,701</u>	<u>\$ 50,701</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, 2018**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 2,000	\$ 2,730	\$ 730
Investment earnings	50	15	(35)
TOTAL REVENUES	2,050	2,745	695
EXPENDITURES			
Materials and services	2,050	-	2,050
TOTAL EXPENDITURES	2,050	-	2,050
Net change in fund balance	-	2,745	2,745
Fund balance at beginning of year	-	120	120
Fund balance at end of year	\$ -	\$ 2,865	\$ 2,865

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 10,000	\$ 8,596	\$ (1,404)
Investment earnings	-	775	775
Miscellaneous	-	2,266	2,266
TOTAL REVENUES	<u>10,000</u>	<u>11,637</u>	<u>1,637</u>
EXPENDITURES			
Materials and services	<u>46,000</u>	<u>17,225</u>	<u>28,775</u>
TOTAL EXPENDITURES	<u>46,000</u>	<u>17,225</u>	<u>28,775</u>
Net change in fund balance	(36,000)	(5,588)	30,412
Fund balance at beginning of year	<u>36,000</u>	<u>55,105</u>	<u>19,105</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 49,517</u>	<u>\$ 49,517</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, 2018**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 300	\$ 1,279	\$ 979
TOTAL REVENUES	300	1,279	979
EXPENDITURES			
Capital outlay	50,000	15,000	35,000
Contingency	40,000	-	40,000
TOTAL EXPENDITURES	90,000	15,000	75,000
Excess (deficiency) of revenues over expenditures	(89,700)	(13,721)	75,979
OTHER FINANCING SOURCES (USES)			
Transfers in	18,750	18,750	-
TOTAL OTHER FINANCING SOURCES (USES)	18,750	18,750	-
Net change in fund balance	(70,950)	5,029	75,979
Fund balance at beginning of year	78,300	99,592	21,292
Fund balance at end of year	\$ 7,350	\$ 104,621	\$ 97,271

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, 2018**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 50,500	\$ 53,167	\$ 2,667
Charges for services	843,300	955,872	112,572
Investment earnings	1,000	3,315	2,315
Miscellaneous	21,300	39,845	18,545
TOTAL REVENUES	916,100	1,052,199	136,099
EXPENDITURES			
Personal services	306,100	284,341	21,759
Materials and services	692,500	721,288	(28,788)
Contingency	40,000	-	40,000
TOTAL EXPENDITURES	1,038,600	1,005,629	32,971
Excess (deficiency) of revenues over expenditures	(122,500)	46,570	169,070
OTHER FINANCING SOURCES (USES)			
Transfers out	(5,000)	(5,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(5,000)	(5,000)	-
Net change in fund balance	(127,500)	41,570	169,070
Fund balance at beginning of year	164,300	315,899	151,599
Fund balance at end of year	\$ 36,800	\$ 357,469	\$ 320,669

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, 2018**

	Budget	Actual	Variance
REVENUES			
Timber and land sales	\$ -	\$ 9,393	\$ 9,393
Intergovernmental	128,300	66,071	(62,229)
Charges for services	1,910,310	2,223,914	313,604
Investment earnings	2,000	38,693	36,693
Miscellaneous	3,100	7,950	4,850
TOTAL REVENUES	2,043,710	2,346,021	302,311
EXPENDITURES			
Personal services	656,250	621,008	35,242
Materials and services	1,471,520	1,415,338	56,182
Capital outlay	2,346,490	274,985	2,071,505
Contingency	25,000	-	25,000
TOTAL EXPENDITURES	4,499,260	2,311,331	2,187,929
Net change in fund balance	(2,455,550)	34,690	2,490,240
Fund balance at beginning of year	2,629,300	2,653,871	24,571
Fund balance at end of year	\$ 173,750	\$ 2,688,561	\$ 2,514,811

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, 2018**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,600,000	\$ 1,753,660	\$ 153,660
TOTAL REVENUES	1,600,000	1,753,660	153,660
EXPENDITURES			
Materials and services	1,600,000	1,789,859	(189,859)
TOTAL EXPENDITURES	1,600,000	1,789,859	(189,859)
Net change in fund balance	-	(36,199)	(36,199)
Fund balance at beginning of year	-	36,199	36,199
Fund balance at end of year	\$ -	\$ -	\$ -

TILLAMOOK COUNTY

**MEDIATION PROGRAM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 13,000	\$ 14,436	\$ 1,436
Investment earnings	<u>300</u>	<u>1,300</u>	<u>1,000</u>
TOTAL REVENUES	<u>13,300</u>	<u>15,736</u>	<u>2,436</u>
EXPENDITURES			
Materials and services	<u>97,300</u>	<u>8,701</u>	<u>88,599</u>
TOTAL EXPENDITURES	<u>97,300</u>	<u>8,701</u>	<u>88,599</u>
Net change in fund balance	(84,000)	7,035	91,035
Fund balance at beginning of year	<u>84,000</u>	<u>86,391</u>	<u>2,391</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 93,426</u>	<u>\$ 93,426</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 300,000	\$ 324,913	\$ 24,913
Timber and land sales	52,000	77,592	25,592
Investment earnings	<u>1,800</u>	<u>8,866</u>	<u>7,066</u>
TOTAL REVENUES	<u>353,800</u>	<u>411,371</u>	<u>57,571</u>
EXPENDITURES			
Personal services	263,400	263,400	-
Materials and services	163,900	117,783	46,117
Capital outlay	40,000	20,000	20,000
Contingency	<u>45,500</u>	<u>-</u>	<u>45,500</u>
TOTAL EXPENDITURES	<u>512,800</u>	<u>401,183</u>	<u>111,617</u>
Net change in fund balance	(159,000)	10,188	169,188
Fund balance at beginning of year	<u>466,900</u>	<u>544,329</u>	<u>77,429</u>
Fund balance at end of year	<u>\$ 307,900</u>	<u>\$ 554,517</u>	<u>\$ 246,617</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 1,307,550	\$ 1,352,366	\$ 44,816
Investment earnings	<u>-</u>	<u>405</u>	<u>405</u>
TOTAL REVENUES	<u>1,307,550</u>	<u>1,352,771</u>	<u>45,221</u>
EXPENDITURES			
Debt service	<u>1,307,050</u>	<u>1,307,050</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,307,050</u>	<u>1,307,050</u>	<u>-</u>
Net change in fund balance	500	45,721	45,221
Fund balance at beginning of year	<u>-</u>	<u>18,917</u>	<u>18,917</u>
Fund balance at end of year	<u>\$ 500</u>	<u>\$ 64,638</u>	<u>\$ 64,138</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 252,800	\$ 260,677	\$ 7,877
Investment earnings	-	100	100
TOTAL REVENUES	<u>252,800</u>	<u>260,777</u>	<u>7,977</u>
EXPENDITURES			
Debt service	<u>252,300</u>	<u>252,300</u>	-
TOTAL EXPENDITURES	<u>252,300</u>	<u>252,300</u>	-
Net change in fund balance	500	8,477	7,977
Fund balance at beginning of year	<u>-</u>	<u>(3,507)</u>	<u>(3,507)</u>
Fund balance at end of year	<u>\$ 500</u>	<u>\$ 4,970</u>	<u>\$ 4,470</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, 2018**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 1,000	\$ 1,165	\$ 165
TOTAL REVENUES	1,000	1,165	165
EXPENDITURES			
Capital outlay	235,200	125,192	110,008
Debt service	116,800	95,466	21,334
Contingency	10,000	-	10,000
TOTAL EXPENDITURES	362,000	220,658	141,342
Excess (deficiency) of revenues over expenditures	(361,000)	(219,493)	141,507
OTHER FINANCING SOURCES (USES)			
Issuance of debt	145,000	-	(145,000)
TOTAL OTHER FINANCING SOURCES (USES)	145,000	-	(145,000)
Net change in fund balance	(216,000)	(219,493)	(3,493)
Fund balance at beginning of year	216,000	235,692	19,692
Fund balance at end of year	\$ -	\$ 16,199	\$ 16,199

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 2,000	\$ 14,140	\$ 12,140
TOTAL REVENUES	<u>2,000</u>	<u>14,140</u>	<u>12,140</u>
EXPENDITURES			
Materials and services	500,000	-	500,000
Capital outlay	200,000	-	200,000
Contingency	<u>312,000</u>	<u>-</u>	<u>312,000</u>
TOTAL EXPENDITURES	<u>1,012,000</u>	<u>-</u>	<u>1,012,000</u>
Net change in fund balance	(1,010,000)	14,140	1,024,140
Fund balance at beginning of year	<u>1,010,000</u>	<u>1,034,718</u>	<u>24,718</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,048,858</u>	<u>\$ 1,048,858</u>

TILLAMOOK COUNTY

**FAIR RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2018**

	Budget	Actual	Variance
EXPENDITURES			
Capital outlay	\$ 15,000	\$ -	\$ 15,000
TOTAL EXPENDITURES	15,000	-	15,000
Excess (deficiency) of revenues over expenditures	(15,000)	-	15,000
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	5,000	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	5,000	-
Net change in fund balance	(10,000)	5,000	15,000
Fund balance at beginning of year	10,000	10,170	170
Fund balance at end of year	\$ -	\$ 15,170	\$ 15,170

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 100	\$ 1,845	\$ 1,745
TOTAL REVENUES	<u>100</u>	<u>1,845</u>	<u>1,745</u>
EXPENDITURES			
Materials and services	67,600	-	67,600
Capital outlay	<u>160,000</u>	<u>155,000</u>	<u>5,000</u>
TOTAL EXPENDITURES	<u>227,600</u>	<u>155,000</u>	<u>72,600</u>
Excess (deficiency) of revenues over expenditures	<u>(227,500)</u>	<u>(153,155)</u>	<u>74,345</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	<u>200,000</u>	<u>200,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net change in fund balance	(27,500)	46,845	74,345
Fund balance at beginning of year	<u>27,500</u>	<u>27,659</u>	<u>159</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 74,504</u>	<u>\$ 74,504</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, 2018**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 500	\$ 3,269	\$ 2,769
TOTAL REVENUES	500	3,269	2,769
EXPENDITURES			
Materials and services	234,900	234,892	8
Capital outlay	65,100	-	65,100
Contingency	6,200	-	6,200
TOTAL EXPENDITURES	306,200	234,892	71,308
Net change in fund balance	(305,700)	(231,623)	74,077
Fund balance at beginning of year	305,700	308,133	2,433
Fund balance at end of year	\$ -	\$ 76,510	\$ 76,510

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, 2018**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 5,000	\$ 6,957	\$ 1,957
TOTAL REVENUES	5,000	6,957	1,957
EXPENDITURES			
Materials and services	552,900	551,483	1,417
Capital outlay	362,100	325,702	36,398
TOTAL EXPENDITURES	915,000	877,185	37,815
Net change in fund balance	(910,000)	(870,228)	39,772
Fund balance at beginning of year	910,000	1,073,851	163,851
Fund balance at end of year	\$ -	\$ 203,623	\$ 203,623

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ -	\$ 2,164	\$ 2,164
TOTAL REVENUES	<u>-</u>	<u>2,164</u>	<u>2,164</u>
EXPENDITURES			
Capital outlay	<u>157,000</u>	<u>-</u>	<u>157,000</u>
TOTAL EXPENDITURES	<u>157,000</u>	<u>-</u>	<u>157,000</u>
Net change in fund balance	(157,000)	2,164	159,164
Fund balance at beginning of year	<u>157,000</u>	<u>158,351</u>	<u>1,351</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 160,515</u></u>	<u><u>\$ 160,515</u></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, 2018**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 2,000	\$ 21,816	\$ 19,816
TOTAL REVENUES	2,000	21,816	19,816
EXPENDITURES			
Materials and services	450,500	20,149	430,351
Capital outlay	951,500	11,582	939,918
TOTAL EXPENDITURES	1,402,000	31,731	1,370,269
Net change in fund balance	(1,400,000)	(9,915)	1,390,085
Fund balance at beginning of year	1,400,000	1,613,946	213,946
Fund balance at end of year	\$ -	\$ 1,604,031	\$ 1,604,031

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, 2018**

	Budget	Actual	Variance
EXPENDITURES			
Materials and services	\$ 158,000	\$ 157,989	\$ 11
TOTAL EXPENDITURES	158,000	157,989	11
Excess (deficiency) of revenues over expenditures	(158,000)	(157,989)	11
OTHER FINANCING SOURCES (USES)			
Transfers in	108,000	108,000	-
TOTAL OTHER FINANCING SOURCES (USES)	108,000	108,000	-
Net change in fund balance	(50,000)	(49,989)	11
Fund balance at beginning of year	50,000	66,236	16,236
Fund balance at end of year	\$ -	\$ 16,247	\$ 16,247

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 100	\$ -	\$ (100)
TOTAL REVENUES	<u>100</u>	<u>-</u>	<u>(100)</u>
EXPENDITURES			
Materials and services	100,100	40,153	59,947
Capital outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>
TOTAL EXPENDITURES	<u>110,100</u>	<u>40,153</u>	<u>69,947</u>
Excess (deficiency) of revenues over expenditures	<u>(110,000)</u>	<u>(40,153)</u>	<u>69,847</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	(60,000)	9,847	69,847
Fund balance at beginning of year	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 69,847</u>	<u>\$ 69,847</u>



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, 2018**

	Budget	Actual	Variance
REVENUES			
Assessments	\$ 235,000	\$ 236,247	\$ 1,247
Charges for services	2,455,000	2,401,064	(53,936)
Investment earnings	1,000	2,522	1,522
Miscellaneous	20,000	26,974	6,974
TOTAL REVENUES	2,711,000	2,666,807	(44,193)
EXPENDITURES			
Personal services	248,900	246,366	2,534
Materials and services	2,276,370	2,276,154	216
Capital outlay	36,250	17,915	18,335
Contingency	3,680	-	3,680
TOTAL EXPENDITURES	2,565,200	2,540,435	24,765
Excess (deficiency) of revenues over expenditures	145,800	126,372	(19,428)
OTHER FINANCING SOURCES (USES)			
Transfers out	(170,000)	(170,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(170,000)	(170,000)	-
Net change in fund balance	(24,200)	(43,628)	(19,428)
Fund balance at beginning of year	36,200	189,108	152,908
Fund balance at end of year	\$ 12,000	145,480	\$ 133,480
Reconciliation to generally accepted accounting principles:			
Receivables		223,751	
Capital assets, net		1,896,323	
Deferred outflows of resources		53,892	
Accounts payable and accrued liabilities		(192,232)	
Accumulated compensated absences		(5,699)	
Other postemployment benefit liability		(179,440)	
Net pension liability		(182,656)	
Landfill post-closure care liability		(1,200,260)	
Deferred inflows of resources		(21,103)	
Net position at end of year		\$ 538,056	

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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 2,000	\$ 7,510	\$ 5,510
TOTAL REVENUES	<u>2,000</u>	<u>7,510</u>	<u>5,510</u>
EXPENDITURES			
Capital outlay	200,000	-	200,000
Contingency	132,000	-	132,000
TOTAL EXPENDITURES	<u>332,000</u>	<u>-</u>	<u>332,000</u>
Excess (deficiency) of revenues over expenditures	<u>(330,000)</u>	<u>7,510</u>	<u>337,510</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	70,000	70,000	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>70,000</u>	<u>70,000</u>	<u>-</u>
Net change in fund balance	(260,000)	77,510	337,510
Fund balance at beginning of year	<u>520,000</u>	<u>520,850</u>	<u>850</u>
Fund balance at end of year	<u>\$ 260,000</u>	<u>\$ 598,360</u>	<u>\$ 338,360</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, 2018**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ 2,500	\$ 11,579	\$ 9,079
TOTAL REVENUES	<u>2,500</u>	<u>11,579</u>	<u>9,079</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	102,500	111,579	9,079
Fund balance at beginning of year	<u>801,500</u>	<u>806,221</u>	<u>4,721</u>
Fund balance at end of year	<u>\$ 904,000</u>	<u>\$ 917,800</u>	<u>\$ 13,800</u>



Agency Fund

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



TILLAMOOK COUNTY

**AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2018**

	Balances July 1, 2017	Additions	Deductions	Balances June 30, 2018
ASSETS				
Cash and investments	\$ 922,681	\$ 70,229,884	\$ 70,138,479	\$ 1,014,086
Receivables	<u>6,235,128</u>	<u>71,164,620</u>	<u>70,564,951</u>	<u>6,834,797</u>
TOTAL ASSETS	<u>\$ 7,157,809</u>	<u>\$ 141,394,504</u>	<u>\$ 140,703,430</u>	<u>\$ 7,848,883</u>
LIABILITIES				
Due to other governments	<u>\$ 7,157,809</u>	<u>\$ 141,394,504</u>	<u>\$ 140,703,430</u>	<u>\$ 7,848,883</u>



**CAPITAL ASSETS USED IN
GOVERNMENTAL ACTIVITIES**



TILLAMOOK COUNTY

SCHEDULE OF CAPITAL ASSETS
GOVERNMENTAL ACTIVITIES

June 30, 2018

CAPITAL ASSETS

Land	\$ 7,738,469
Land improvements	2,702,960
Buildings	34,549,814
Equipment	10,495,903
Infrastructure	28,416,193
Construction in progress	<u>14,682,622</u>

TOTAL CAPITAL ASSETS \$ 98,585,961

INVESTMENT IN CAPITAL ASSETS

General fund	\$ 17,105,235
Special revenue funds	46,794,621
Capital project funds	<u>34,686,105</u>

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 98,585,961

TILLAMOOK COUNTY

**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENTAL ACTIVITIES
June 30, 2018**

<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	99,869	11,581	-
County Surveyor	55,991	-	-	-	55,991	-	-
Community Development	772,410	550,186	-	-	222,224	-	-
Data processing	708,250	-	-	33,782	674,468	-	-
Juvenile	57,709	-	-	-	57,709	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	1,814,852	345,056	-	514,508	937,015	-	18,273
Total general government	<u>6,892,647</u>	<u>1,597,609</u>	<u>-</u>	<u>2,661,499</u>	<u>2,603,685</u>	<u>11,581</u>	<u>18,273</u>
Public safety							
County Sheriff	1,771,346	-	42,678	-	1,728,668	-	-
Communications	70,288	-	-	31,258	39,030	-	-
Corrections	12,241,591	-	-	11,661,115	552,590	-	27,886
Courts	261,837	-	-	225,316	36,521	-	-
Total public safety	<u>14,345,062</u>	<u>-</u>	<u>42,678</u>	<u>11,917,689</u>	<u>2,356,809</u>	<u>-</u>	<u>27,886</u>
Highways and streets	<u>47,861,107</u>	<u>1,475,557</u>	<u>159,804</u>	<u>85,102</u>	<u>4,196,653</u>	<u>27,524,720</u>	<u>14,419,271</u>
Culture and recreation							
Parks	7,626,239	2,227,960	2,172,205	1,859,543	432,874	716,465	217,192
Library	647,865	97,155	-	123,715	263,568	163,427	-
Fair	4,738,332	54,156	88,128	4,195,491	400,557	-	-
Total culture and recreation	<u>13,012,436</u>	<u>2,379,271</u>	<u>2,260,333</u>	<u>6,178,749</u>	<u>1,096,999</u>	<u>879,892</u>	<u>217,192</u>
Health and welfare	<u>14,748,092</u>	<u>2,286,032</u>	<u>12,545</u>	<u>12,213,227</u>	<u>236,288</u>	<u>-</u>	<u>-</u>
Education	<u>1,726,617</u>	<u>-</u>	<u>227,600</u>	<u>1,493,548</u>	<u>5,469</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>\$ 98,585,961</u>	<u>\$ 7,738,469</u>	<u>\$ 2,702,960</u>	<u>\$ 34,549,814</u>	<u>\$ 10,495,903</u>	<u>\$ 28,416,193</u>	<u>\$ 14,682,622</u>

TILLAMOOK COUNTY

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENT ACTIVITIES
For the Year Ended June 30, 2018**

<u>Function and Activity</u>	<u>Balances July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2018</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	-	-	2,927,026
County Surveyor	55,991	-	-	55,991
Community Development	772,410	-	-	772,410
Data processing	708,250	-	-	708,250
Juvenile	68,723	-	11,014	57,709
Personnel	18,578	-	-	18,578
Other - unclassified	1,639,465	203,812	28,425	1,814,852
Total general government	<u>6,728,274</u>	<u>203,812</u>	<u>39,439</u>	<u>6,892,647</u>
Public safety				
County Sheriff	1,780,863	73,319	82,836	1,771,346
Communications	70,288	-	-	70,288
Corrections	12,096,095	145,496	-	12,241,591
Courts	261,837	-	-	261,837
Total public safety	<u>14,209,083</u>	<u>218,815</u>	<u>82,836</u>	<u>14,345,062</u>
Highways and streets	<u>35,381,809</u>	<u>12,496,023</u>	<u>16,725</u>	<u>47,861,107</u>
Culture and recreation				
Parks	7,488,017	248,510	110,288	7,626,239
Library	622,872	24,993	-	647,865
Fair	4,738,332	-	-	4,738,332
Total culture and recreation	<u>12,849,221</u>	<u>273,503</u>	<u>110,288</u>	<u>13,012,436</u>
Health and welfare	<u>14,735,547</u>	<u>12,545</u>	<u>-</u>	<u>14,748,092</u>
Education	<u>601,617</u>	<u>1,125,000</u>	<u>-</u>	<u>1,726,617</u>
Total capital assets	<u>\$ 84,505,551</u>	<u>\$ 14,329,698</u>	<u>\$ 249,288</u>	<u>\$ 98,585,961</u>



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



TILLAMOOK COUNTY

**SCHEDULE OF LONG-TERM OBLIGATIONS PRINCIPAL AND INTEREST TRANSACTIONS
GOVERNMENTAL ACTIVITIES
For the Year Ended June 30, 2018**

Obligation	Interest Rates	Date of Issue	Principal			Outstanding June 30, 2018	Interest Matured and Paid
			Outstanding July 1, 2017	Issued Current Year	Matured and Paid		
General obligation bond issues							
2013 Refunding	3.0% -4.1%	9/23/2013	\$ 1,530,000	\$ -	\$ 195,000	\$ 1,335,000	\$ 57,300
2013 Road	3.0% -4.1%	9/23/2013	2,510,000	-	1,230,000	1,280,000	77,050
Total general obligation bond issues			4,040,000	-	1,425,000	2,615,000	134,350
Loans							
OEDD	6.00%	3/1/2000	97,878	-	30,745	67,133	5,873
TLC	0%	2/25/2008	225,000	-	75,000	150,000	-
Chase	2.52%	9/3/2015	2,715,000	-	215,000	2,500,000	68,418
Total loans			3,037,878	-	320,745	2,717,133	74,291
Capital leases							
US Bancorp	2.50%	8/22/2014	92,559	-	45,709	46,850	2,310
US Bancorp	2.509%	11/30/2015	94,293	-	30,763	63,530	2,374
US Bancorp	2.295%	8/15/2016	134,219	-	32,421	101,798	3,081
Total capital leases			321,071	-	108,893	212,178	7,765
Total			\$ 7,398,949	\$ -	\$ 1,854,638	\$ 5,544,311	\$ 216,406

TILLAMOOK COUNTY

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

June 30, 2018

	General Obligation Bond Issues				Loans		
	2013 Refunding		2013 Road		OEDD		TLC
	Principal	Interest	Principal	Interest	Principal	Interest	Principal
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>\$ 1,335,000</u>	<u>\$ 166,300</u>	<u>\$ 1,280,000</u>	<u>\$ 26,225</u>	<u>\$ 67,133</u>	<u>\$ 6,102</u>	<u>\$ 150,000</u>

Loans		Capital Leases							
Chase		US Bank		US Bank		US Bank		Totals	
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
\$ 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>\$ 2,500,000</u>	<u>\$ 358,974</u>	<u>\$ 46,850</u>	<u>\$ 1,169</u>	<u>\$ 63,530</u>	<u>\$ 2,413</u>	<u>\$ 101,798</u>	<u>\$ 4,708</u>	<u>\$ 5,544,311</u>	<u>\$ 565,891</u>

TILLAMOOK COUNTY

**SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS
As of and for the Year Ended June 30, 2018**

Elected Officials	Cash and Investments Balances July 1, 2017	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2018
County Clerk	\$ -	\$ 313,831	\$ 313,831	\$ -
Justice of the Peace	-	318,897	318,897	-
Sheriff	40,699	95,204	79,615	56,288
Tax Collector	-	53,388,087	53,388,087	-
Treasurer	29,231,388	165,200,062	161,399,211	33,032,239
Totals	\$ 29,272,087	\$ 219,316,081	\$ 215,499,641	\$ 33,088,527
Cash and investments as of June 30, 2018				
Deposits with financial institutions				\$ 2,679,613
Cash on hand				10,724
U.S. Government Agencies				4,986,144
Corporate debt obligation securities				6,208,239
State treasurer's investment pool				<u>19,203,807</u>
Cash and investments for elected officials				33,088,527
Cash held by County Fair Board				372,639
Held by custodian under pension plan, primarily mutual funds				<u>68,028,065</u>
Total cash and investments				<u>\$ 101,489,231</u>
Reported in the basic financial statements as:				
Governmental activities - cash and cash equivalents				\$ 20,472,307
Business-type activities - cash and cash equivalents				1,670,698
Governmental activities - investments				10,304,075
Pension trust				
Cash and cash equivalents				475,933
Investments				67,552,132
Agency funds				
Cash and cash equivalents				123,778
Investments				<u>890,308</u>
				<u>\$ 101,489,231</u>

STATISTICAL SECTION



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

NET POSITION BY COMPONENT Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Net investment capital asset	\$60,973,873	\$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
Restricted	20,631,880	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
Unrestricted	<u>(17,954,689)</u>	<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>
Total governmental activities net position	<u>\$63,651,064</u>	<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>
Business-type activities										
Net investment capital asset	\$ 1,896,323	\$ 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
Unrestricted	<u>157,893</u>	<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>
Total business-type activities net position	<u>\$ 2,054,216</u>	<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>
Totals - all activities										
Net investment capital asset	\$62,870,196	\$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
Restricted	20,631,880	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
Unrestricted	<u>(17,796,796)</u>	<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>
Total net position	<u>\$65,705,280</u>	<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>

The beginning net position of the governmental activities and business-type activities as of July 1, 2014 was adjusted for the implementation of GASB 68 in the amount of \$(9,589,455) and \$(63,590), respectively

The beginning net position of the governmental activities as of July 1, 2016 was adjusted for a correction in capital assets in the amount of \$(4,992,510)

The beginning net position of the governmental activities and business-type activities as of July 1, 2017 was adjusted for the implementation of GASB 75 in the amount of \$(7,677,087) and \$(158,795), respectively

TILLAMOOK COUNTY
CHANGES IN NET POSITION
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities										
General government	\$ 13,574,920	\$ 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
Public safety	8,116,563	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
Highways and streets	4,488,096	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
Culture and recreation	6,762,342	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
Health and welfare	9,693,664	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
Education	4,106,960	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
Interest	152,207	187,662	197,854	187,015	214,280	363,477	393,364	454,086	511,485	564,404
Total governmental activities	46,894,752	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
Business-type activities										
Solid waste	2,657,787	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
Total expenses	\$ 49,552,539	\$ 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
Program revenues										
Governmental activities										
Charges for services										
General government	\$ 3,792,869	\$ 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
Public safety	921,514	902,971	1,055,835	891,028	798,203	916,654	827,688	812,281	679,201	713,007
Highways and streets	123,302	123,557	118,038	639,894	1,106,357	549,505	574,350	533,556	282,259	437,649
Culture and recreation	3,210,426	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
Health and welfare	4,259,743	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
Education	-	-	-	-	-	-	-	29	-	267
Operating grants and contributions	11,436,960	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
Capital grants and contributions	12,015,458	2,019,080	81,151	65,661	134,813	125,774	2,506,529	1,275,535	95,231	1,498,018
Total governmental activities	35,760,272	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
Business-type activities										
Charges for services	2,733,663	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
Operating grants	-	25,000	-	-	1,371	-	1,000	46,200	-	5,757
Capital grants	-	116,860	-	-	-	19,800	70,000	-	-	-
Total business-type activities	2,733,663	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
Total program revenues	\$ 38,493,935	\$ 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
Net (expense) / revenue										
Governmental activities	\$ (11,134,480)	\$ (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)
Business-type activities	75,876	(39,159)	(268,191)	(228,778)	105,001	(199,028)	(148,485)	(106,601)	112,042	(3,919)
Total net (expense) / revenue	\$ (11,058,604)	\$ (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)
General revenues										
Governmental activities										
Property taxes	\$ 12,439,328	\$ 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
Other taxes	4,023,197	3,158,895	2,990,229	2,626,521	644,452	187,171	179,630	161,778	200,083	197,973
Unrestricted grants and contributions	1,616,791	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
Timber and land sales	9,013,375	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
Unrestricted investment earnings	432,019	231,618	126,381	95,435	93,112	86,255	86,692	98,664	187,697	534,977
Miscellaneous	1,104,098	1,269,440	1,033,094	896,357	1,130,594	858,761	1,235,353	1,214,859	704,016	1,022,062
Gain (loss) on disposition of property	-	-	-	-	-	1,137	16,460	2,420	-	28,917
Total governmental activities	28,628,808	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
Business-type activities										
Unrestricted investment earnings	21,611	10,389	6,420	5,279	4,742	5,056	5,068	7,351	14,499	45,084
Miscellaneous	27,155	29,592	24,888	6,016	12,959	2,283	1,259	105,932	1,436	1,966
Total business-type activities	48,766	39,981	31,308	11,295	17,701	7,339	6,327	113,283	15,935	47,050
Total general revenues	\$ 28,677,574	\$ 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
Change in net position										
Governmental activities	\$ 17,494,328	\$ 4,082,557	\$ 1,733,843	\$ 2,737,996	\$ (374,434)	\$ (568,767)	\$ 1,495,920	\$ 805,567	\$ 1,228,021	\$ 4,154,605
Business-type activities	124,642	822	(236,883)	(217,483)	122,702	(191,689)	(142,158)	6,682	127,977	43,131
Total change in net position	\$ 17,618,970	\$ 4,083,379	\$ 1,496,960	\$ 2,520,513	\$ (251,732)	\$ (760,456)	\$ 1,353,762	\$ 812,249	\$ 1,355,998	\$ 4,197,736

TILLAMOOK COUNTY

FUND BALANCES - GOVERNMENTAL FUNDS Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011*	2010	2009
General Fund										
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,043,291	\$ 6,882,209
Assigned	2,255,217	2,224,813	2,207,567	2,197,426	2,687,585	2,678,311	-	-	-	-
Unassigned	10,107,555	8,432,803	7,787,620	6,554,855	6,538,976	7,508,823	10,416,940	10,718,830	-	-
Total general fund	<u>\$12,362,772</u>	<u>\$10,657,616</u>	<u>\$ 9,995,187</u>	<u>\$ 8,752,281</u>	<u>\$ 9,226,561</u>	<u>\$10,187,134</u>	<u>\$10,416,940</u>	<u>\$10,718,830</u>	<u>\$ 8,043,291</u>	<u>\$ 6,882,209</u>
All other governmental funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 206,774	\$ 235,337
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	11,771,220	11,575,922
Capital projects funds	-	-	-	-	-	-	-	-	1,759,915	1,886,440
Restricted	19,994,063	16,498,708	16,105,425	15,669,130	15,797,133	9,392,145	8,907,041	9,477,736	-	-
Assigned	2,956,165	3,328,954	1,965,513	2,628,863	2,410,145	1,589,910	1,644,400	1,458,727	-	-
Unassigned	(4,033)	(2,090)	(1,304)	(21,784)	-	-	-	(4,370)	-	-
Total all other governmental funds	<u>\$22,946,195</u>	<u>\$19,825,572</u>	<u>\$18,069,634</u>	<u>\$18,276,209</u>	<u>\$18,207,278</u>	<u>\$10,982,055</u>	<u>\$10,551,441</u>	<u>\$10,932,093</u>	<u>\$13,737,909</u>	<u>\$13,697,699</u>

* 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,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Property taxes	\$ 12,506,373	\$ 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
Transient lodging tax	3,638,113	2,971,997	2,805,887	2,431,178	468,760	-	-	-	-	-
Licences, permits and fees	2,101,998	1,927,988	652,098	1,348,248	1,201,714	1,180,674	627,586	600,973	1,303,389	1,171,341
Intergovernmental	13,790,277	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
Charges for services	7,839,014	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
Fines and forfeitures	478,792	423,681	595,486	417,618	426,011	436,745	552,940	630,989	631,219	486,735
Timber and land sales	9,009,611	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
Interest	432,019	231,618	126,604	95,435	93,112	86,350	86,692	98,664	187,697	534,977
Intercounty charges	1,603,807	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
Miscellaneous	1,243,736	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
Total revenues	52,643,740	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
Expenditures										
Current:										
General government	12,954,793	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
Public safety	7,255,820	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
Highways and streets	3,880,229	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
Culture and recreation	6,194,801	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
Health and welfare	8,884,283	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
Education	4,090,945	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
Capital outlay	2,500,805	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
Debt service:										
Principal	1,854,638	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
Interest	216,283	278,508	343,687	371,310	386,385	302,268	366,414	425,377	480,636	532,455
Total expenditures	47,832,597	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
Excess (deficiency) of revenues over expenditures	4,811,143	2,182,464	(2,286,559)	(650,483)	(1,500,033)	199,671	(716,096)	(132,042)	1,169,492	(1,173,981)
Other financing sources (uses)										
Transfers in	1,688,761	2,229,332	1,548,231	1,962,253	1,532,089	987,965	596,881	1,403,034	658,665	600,626
Transfers (out)	(1,688,761)	(2,229,332)	(1,548,231)	(1,962,253)	(1,532,089)	(987,965)	(596,881)	(1,403,034)	(658,665)	(600,626)
Issuance of debt	-	169,721	3,307,772	228,684	9,275,000	-	22,882	-	31,800	168,200
Premium on issuance of debt	-	-	-	-	713,930	-	-	-	-	-
Payments to refund bond escrow agent	-	-	-	-	(2,227,146)	-	-	-	-	-
Sale of capital assets	14,636	66,182	15,118	16,450	2,899	1,137	10,672	1,765	-	41,751
Total other financing sources (uses)	14,636	235,903	3,322,890	245,134	7,764,683	1,137	33,554	1,765	31,800	209,951
Net change in fund balances	\$ 4,825,779	\$ 2,418,367	\$ 1,036,331	\$ (405,349)	\$ 6,264,650	\$ 200,808	\$ (682,542)	\$ (130,277)	\$ 1,201,292	\$ (964,030)
Debt service as a percentage of non-capital expenditures	4.57%	4.41%	5.91%	6.43%	8.22%	5.21%	5.77%	5.43%	5.89%	5.54%

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>
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
2018	12,439,328	2,207,337	4,023,197	18,669,862

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
	Residential	Commercial						Estimated True Cash Value
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%
2018	4,461,674,006	286,227,156	39,601,190	34,725,452	4,822,227,804	2.52436	6,438,143,587	74.90%

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	
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
2018	2.1847	0.3397	2.5244	0.4547	5.9003	2.0704	10.9498

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

<u>Taxpayer</u>	<u>2017-18 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>	<u>2007-08 Assessed Valuation</u>	<u>Rank</u>	<u>Percentage of Total Assessed Value</u>
Private Enterprises:						
Tillamook County Creamery Association	\$ 72,836,215	2	1.510 %	\$ 45,319,775	2	1.331 %
Stimson Lumber	62,396,317	3	1.294	17,835,758	6	0.524
Green Diamond Resource Company	-	n/a	n/a	23,571,284	4	0.692
Hampton Lumber	14,052,610	7	0.291	27,910,430	3	0.820
Port of Tillamook Bay	-	n/a	n/a	19,324,590	5	0.567
Nehalem Communications	-	n/a	n/a	8,944,100	9	0.263
Pacific Carriage Limited	13,576,900	8	0.282	7,702,000	13	0.226
Tillamook Country Smoker Inc.	8,696,510	10	0.180	9,570,540	8	0.281
Fred Meyer Stores Inc.	16,441,260	6	0.341	-	n/a	n/a
Nestucca Forests LLC	9,783,930	9	0.203	-	n/a	n/a
Subtotal	<u>197,783,742</u>		<u>4.102</u>	<u>160,178,477</u>		<u>4.703</u>
Public Utilities:						
Tillamook Public Utility District	78,138,769	1	1.620	57,934,610	1	1.701
United Telephone Co. of NW	-	n/a	n/a	16,940,100	7	0.497
Centurylink	24,795,800	4	0.514	-	n/a	n/a
Charter Communications	20,630,600	5	0.428	-	n/a	n/a
Subtotal	<u>123,565,169</u>		<u>2.562</u>	<u>74,874,710</u>		<u>2.199</u>
All other	<u>4,500,878,893</u>		<u>93.336</u>	<u>3,170,641,741</u>		<u>93.098</u>
Total	<u>\$4,822,227,804</u>		<u>100.000 %</u>	<u>\$3,405,694,928</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
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%	748,939	10,598,589	99.97%
2013	6,153,490	2,810,936	1,841,518	10,805,944	10,321,146	95.51%	447,880	10,769,026	99.66%
2014	6,342,504	2,896,381	3,331,328	12,570,213	12,102,656	96.28%	413,756	12,516,412	99.57%
2015	6,493,637	2,966,993	2,615,387	12,076,017	11,707,616	96.95%	321,851	12,029,467	99.61%
2016	6,698,082	3,060,487	2,022,774	11,781,343	11,421,305	96.94%	254,832	11,676,137	99.11%
2017	6,905,652	3,157,356	1,559,376	11,622,384	11,297,035	97.20%	169,324	11,466,359	98.66%
2018	7,159,951	3,375,157	1,637,937	12,173,045	11,862,646	97.45%	-	11,862,646	97.45%

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		
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	1.15%	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	4,040,000	3,037,878	321,071	7,398,949	n/a	283.02
2018	2,615,000	2,717,133	212,178	5,544,311	n/a	207.73

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 140.

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
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	4,040,000	43,538	3,996,462	0.086%	153
2018	2,615,000	97,071	2,517,929	0.052%	94

Per capita information is derived from demographic statistics presented on page 140.

TILLAMOOK COUNTY

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2018**

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Beaver Water District	\$ 110,000	100.00%	\$ 110,000
City of Bay City	465,959	100.00%	465,959
City of Garibaldi	577,351	100.00%	577,351
City of Manzanita	4,250,896	100.00%	4,250,896
City of Nehalem	2,272,502	100.00%	2,272,502
City of Rockaway Beach	1,841,973	100.00%	1,841,973
City of Tillamook	15,181,627	100.00%	15,181,627
City of Wheeler	929,326	100.00%	929,326
Falcon Cove Beach Water District	87,189	25.83%	22,523
Neahkahnie Water District	1,044,367	100.00%	1,044,367
Nehalem Bay Fire & Rescue	2,125,000	99.56%	2,115,552
Neskowin Regional Water District	411,711	100.00%	411,711
Nestucca RFPD	68,873	100.00%	68,873
Netarts-Oceanside Sanitary District	13,941,790	100.00%	13,941,790
North Lincoln Fire & Rescue District 1	3,385,000	1.04%	35,055
Northwest Regional ESD	3,928,490	5.21%	204,835
Pacific City Joint Water - Sanitary Authority	11,735,566	100.00%	11,735,566
Port of Tillamook Bay	6,708,384	100.00%	6,708,384
Tillamook Bay Community College	7,850,537	100.00%	7,850,537
Tillamook City SD 101 (Nestucca Valley)	9,885,000	99.88%	9,872,762
Tillamook City SD 56 (Neah-Kah-Nie)	8,895,000	100.00%	8,895,000
Tillamook City SD 9 (Tillamook)	19,604,437	100.00%	19,604,437
Tillamook City Transportation District	338,516	100.00%	338,516
Twin Rocks Sanitary District	109,301	100.00%	109,301
Willamette ESD	22,097,050	0.01%	1,790
Yamhill City SD 30J (Willamina)	3,530,000	0.78%	27,421
Total overlapping debt			108,618,054
Tillamook County direct debt	5,544,311	100.0000	5,544,311
Total			<u>\$ 114,162,365</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**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 139,860,376	\$ 131,332,907	\$ 122,064,287	\$ 115,502,812	\$ 109,348,949	\$ 110,897,912	\$ 111,451,061	\$ 116,375,574	\$ 120,169,319	\$ 128,762,872
Total net debt applicable to limit	<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>	<u>4,040,000</u>	<u>2,615,000</u>
Legal debt margin	<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>	<u>\$ 116,129,319</u>	<u>\$ 126,147,872</u>
Legal debt margin as a percentage of debt limit	92.29%	92.81%	93.40%	94.27%	95.34%	91.58%	93.13%	95.14%	96.64%	97.97%

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
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%
2018	26,690	n/a	n/a	3,418	4.7%

n/a - Information is not currently available

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

TILLAMOOK COUNTY

PRINCIPAL EMPLOYERS Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Tillamook County Creamery Association	500	1	5.07%	650	1	5.11%
Tillamook County General Hospital	400	2	4.06%	313	2	2.46%
Tillamook County	300	3	3.04%	300	3	2.36%
Tillamook Country Smoker	250	4	2.54%	300	4	2.36%
Tillamook School District #9	250	5	2.54%	300	5	2.36%
Fred Meyer	220	6	2.23%	218	6	1.71%
Tillamook Lumber	215	7	2.18%	216	7	1.70%
Nestucca Ridge Development	150	8	1.52%	148	10	1.16%
Fallon Logging	130	9	1.32%	140	9	1.10%
Stimson Lumber	127	10	1.29%	120	8	0.94%
Neah-Kah-Nie School District	119	11	1.21%	138	11	1.08%
Total number of individuals employed	9,859			12,728		

Source: Tillamook County Treasurer

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	70.00	63.25	60.94	61.94	63.50	66.25	71.65	62.86	58.50	61.00
Public safety	84.75	75.50	78.77	73.00	74.75	75.75	73.00	70.38	70.50	68.00
Highways and streets	26.00	27.50	24.00	25.00	24.00	26.50	22.00	22.00	25.00	22.00
Culture and recreation	28.53	29.08	39.83	44.33	44.83	28.45	26.83	29.25	33.00	29.00
Health and welfare	40.40	37.90	34.08	36.10	37.50	35.28	39.23	43.51	47.75	43.00
Solid waste	<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>2.75</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>	<u>225.75</u>

Source: Tillamook County Human Resources

TILLAMOOK COUNTY

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

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Arrests	1,765	1,219	1,418	697	563	638	1,178	1,826	1,697	816
Highways and streets										
Resurfacing (miles)	2.6	10.1	7.7	5.0	2.6	6.8	10.4	6.1	2.8	8.5
Culture and recreation										
Library books checked out	379,740	390,669	432,742	407,016	392,097	427,104	349,276	371,247	506,949	520,700
County fair attendance	73,333	74,202	70,762	72,269	72,000	76,798	74,610	74,176	74,982	72,914
Health and welfare										
Health department encounters	18,356	17,729	17,019	13,521	16,071	16,031	16,267	17,197	16,645	17,298
Solid waste										
Refuse collected (tons)	21,655	21,338	20,142	19,712	20,160	20,243	23,514	24,956	26,817	27,613

* 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	32	28	30	17	20	22	22	20	23	19
Inmate beds	120	120	120	120	120	120	96	96	96	96
Highways and streets										
Miles of paved roads	283	286	281	281	280	280	280	280	262	262
Miles of gravel roads	97	100	96	96	96	96	96	96	96	96
Bridges	96	96	99	99	100	101	101	103	103	105
Culture and recreation										
Parks acreage	2,760	2,765	2,765	2,765	2,700	2,700	2,700	2,700	1,882	1,881
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	120,492	131,000	209,333	185,000	122,174	157,051	165,658	168,905	197,041	152,754
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	63	63	63	63	63	63	68	68	68	64
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





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, 2018, and have issued our report thereon dated November 19, 2018.

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>
County Fair			
Materials and services	\$ 692,500	\$ 721,288	\$ (28,788)
Mental Health			
Material and services	1,600,000	1,789,859	(189,859)

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
 November 19, 2018

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, 2018, and the related notes to the financial statements, which collectively comprise TILLAMOOK COUNTY's basic financial statements, and have issued our report thereon dated November 19, 2018.

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.

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 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
November 19, 2018



**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 County's major federal programs for the year ended June 30, 2018. 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 TILLAMOOK 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 TILLAMOOK 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, 2018.

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 TILLAMOOK COUNTY is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered 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 TILLAMOOK 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
November 19, 2018

TILLAMOOK COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

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) No
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)? No
Identification of major federal programs:

CFDA

Number(s) Name of Federal Program or Cluster

10.665 Schools and Roads - Grants to States

93.224, 93.527 Health Centers Cluster

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

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

None reported

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Department of Agriculture</u>			
Food and Nutrition Service			
<i>Passed through Oregon State Health Authority</i>			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 134,012
Forest Service			
<i>Passed through Oregon Department of Administrative Services</i>			
Schools and Roads - Grants to States	10.665		<u>706,852</u>
Total Department of Agriculture			<u>840,864</u>
<u>Department of Commerce</u>			
National Oceanic and Atmospheric Administration			
Habitat Conservation	11.463	NA13NMF4630133	<u>405,922</u>
Total Department of Commerce			<u>405,922</u>
<u>Department of the Interior</u>			
Bureau of Land Management			
Payment in Lieu of Tax	15.226		279,380
Secure Rural Schools and Community Self-Determination	15.234		204,538
U.S.Fish and Wildlife Service			
Fish and Wildlife Management Assistance	15.608	F14AC00452	83,713
<i>Passed through Oregon Watershed Enhancement Board</i>			
Coastal Wetlands Planning, Protection and Restoration	15.614	215-8007-12713	<u>101,045</u>
Total Department of the Interior			<u>668,676</u>
<u>Department of Justice</u>			
Office of Victims of Crime			
<i>Passed through Oregon State Criminal Justice Division</i>			
Crime Victims Assistance	16.575	VOCA NC-FR-2015	10,047
		VOCA NC-FR-2017	33,707
		VOCA SST-2018	672
		VOCA OT-2016	<u>170</u>
Total 16.575 Crime Victims Assistance			<u>44,596</u>
Total Department of Justice			<u>44,596</u>
<u>Department of Transportation</u>			
National Highway Traffic Safety Administration			
<i>Passed through Oregon State Sheriff's Association</i>			
National Priority Safety Programs	20.616		2,722
<i>Passed through Oregon State Police</i>			
National Priority Safety Programs	20.616		<u>56</u>
Total Department of Transportation			<u>2,778</u>
<u>General Services Administration</u>			
<i>Passed through Oregon State Department of Administrative Services</i>			
Donation of Federal Surplus Personal Property	39.003		<u>9,540</u>
Total General Services Administration			<u>9,540</u>

Continued on next page

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>Environmental Protection Agency</u>			
Office of Solid Waste and Emergency Response			
Brownfield Assessment and Cleanup Cooperative Agreement	66.818	BF00J94201	\$ 110,907
<i>Passed through Oregon Business Development Department</i>			
Brownfield Assessment and Cleanup Cooperative Agreement	66.818	Q16003	<u>21,348</u>
Total 66.818 Brownfield Assessment and Cleanup Cooperative Agreement			\$ 132,255
Office of Water			
<i>Passed through Oregon Department of Human Services</i>			
State Public Water System Supervision	66.432		11,974
Capitalization Grants for Drinking Water State Revolving Funds	66.468		<u>8,863</u>
Total Environmental Protection Agency			<u>153,092</u>
<u>Department of Homeland Security</u>			
U.S. Coast Guard			
<i>Passed through Oregon State Marine Board</i>			
Boating Safety Financial Assistance	97.012		193,993
Federal Emergency Management Agency			
<i>Passed through Oregon State Police Office of Emergency Management</i>			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		468,735
Emergency Management Performance Grants	97.042		<u>76,333</u>
Total Department of Homeland Security			<u>739,061</u>
<u>Department of Health and Human Services</u>			
Office of Population Affairs			
<i>Passed through Oregon Health Authority</i>			
Family Planning - Services	93.217		39,817
Administration for Children and Families			
<i>Passed through Oregon Department of Justice</i>			
Child Support Enforcement	93.563		104,236
Centers for Disease Control and Prevention -			
<i>Passed through Oregon State Health Authority</i>			
Public Health Emergency Preparedness	93.069		73,967
Project Grant and Cooperative Agreements for Tuberculosis Control Programs	93.116		144
Centers for Disease Control and Prevention Investigations and Technical Assistance	93.283		196
PPHF 2018: Office of Smoking and Health-National-State-Based Tobacco Control Programs-Financed in part by 2018 Prevention and Public	93.305		136
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		10,999
Health Resources and Services Administration			
Health Center Cluster			
Health Center Program (Community Health Centers, Migrant Health Health Care for the Homeless, and Public Housing Primary Care)	93.224		799,525
Grants for New and Expanded Services under the Health Center Program	93.527		<u>1,454,708</u>
Total Health Center Program Cluster			2,254,233
<i>Passed through Oregon State Health Authority</i>			
Maternal and Child Health Services Block Grant to the States	93.994		20,935
Substance Abuse and Mental Health Services Administration			
<i>Passed through Oregon State Health Authority</i>			
Block Grants for Community Mental Health Services	93.958		27,544
Block Grants for Prevention and Treatment of Substance Abuse	93.959		<u>31,516</u>
Total Department of Health and Human Services			<u>2,563,723</u>
Total Expenditures of Federal Awards			<u>\$ 5,428,252</u>

TILLAMOOK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2018

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, 2018. 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, 2018

Finding 2017-001

Status: The County has taken corrective action to remedy the significant deficiency in internal controls by implementing processes and procedures to accumulate costs of construction projects in progress for inclusion in amounts reported as capital assets.