

TILLAMOOK COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Year Ended June 30, 2008

Prepared by the Office of County Treasurer

Karen L. Richards-Dye, Treasurer

TILLAMOOK COUNTY
BOARD OF COMMISSIONERS
Year Ended June 30, 2008

<u>Commissioners</u>	<u>Term Expires December 31,</u>
Charles J. Hurliman 12985 Highway 101 S Tillamook, OR 97141	2008
Tim Josi 6750 Baseline Road Tillamook, OR 97141	2010
Mark Labhart 9190 Mill Creek Road Tillamook, OR 97141	2008

County Counsel

William K. Sargent

Treasurer

Karen L. Richards-Dye

TILLAMOOK COUNTY

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INTRODUCTORY SECTION



TILLAMOOK COUNTY TREASURER'S OFFICE

Land of Cheese, Trees and Ocean Breeze

Karen Richards-Dye
County Treasurer
(503) 842-3425
FAX 842-1829

November 5, 2008

Board of Commissioners
Tillamook County, Oregon
201 Laurel Avenue
Tillamook, Oregon 97141

Members of the Board:

In accordance with state statutes, I hereby submit the Comprehensive Annual Financial Report (CAFR) of Tillamook County, Oregon, as of June 30, 2008. 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.

The management discussion and analysis (MD&A) contained in the financial section is required by generally accepted accounting principles. 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 submits an annual financial report to the Secretary of State; to have its 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, and Smith, LLC was selected by the County's Board of Commissioners to perform this work. The County complies with the aforementioned requirement, and the auditor's opinion has been included in this report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act and US Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of expenditures of Federal awards, findings and questioned costs, and auditor's reports on the internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grants is included in this document.

Tillamook County Government Profile

Tillamook County was established on 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 has three full-time commissioners who are elected for four-year terms. The Commission is responsible for, enacting ordinances; adopting the budget, appointing committees and overseeing the daily operations of the government. The Commissioners are active at state and federal levels representing the concerns and interests of the county. The County also has an elected sheriff, surveyor, clerk, assessor, treasurer, district attorney and justice of the peace.

The financial reporting entity (the County) includes all funds and activities of the primary government (i.e., Tillamook County as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. The County provides a full range of services, which include sheriff protection; the construction and maintenance of streets and related infrastructure; and other County public services. 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, population 25,038, is located on the Northern Oregon Coast. It has approximately 75 miles of coastline extending from Lincoln County on the south, to Clatsop County on the north. The County's western boundary is the Pacific Ocean and the eastern boundaries are Yamhill and Washington counties. The city of Tillamook, population 4,675, is the county seat. It is located near Tillamook Bay, about 74 miles west of Portland, 74 miles northwest of Salem, 69 miles north of Newport, and 66 miles south of Astoria.

Tillamook County contains 713,600 acres, of which approximately 65% are public lands; of this, about 1/3 is federally owned and 2/3 is state owned or managed. Some 90% of all available land in the County is designated as forest resource land and 5% is designated agricultural with the remainder in urban and other uses.

The elevation range is from sea level along the coast to the top of Mt. Hebo, with an elevation of 3,174 feet above sea level. A few peaks in the northwestern part of the County exceed 3,000. Except for the valleys along the coast, Tillamook County is rugged and mountainous. The County is characterized with broad and narrow coastal valleys and a narrow discontinuous coastal plain up to four miles wide. The coastline is relatively straight and has moderately broad, sandy beaches between isolated, rugged headlands.

There are eight major stream systems in Tillamook County. Each discharges the County's annual average 90 inches of precipitation into the Pacific Ocean by way of a coastal bay – five into Tillamook Bay, two into Nestucca Bay, and one into Nehalem Bay.

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 50% during peak periods.

Factors Affecting Financial Condition

In June 2008, the unemployment rate for Tillamook County was 4.3 percent. Oregon's rate was 5.4 percent. Last year for the same period, Tillamook County's rate was 4.7 percent while Oregon's was 5.1 percent. The most frequently recruited positions were food and motel industry workers, farm workers, retail salespersons and housekeepers. These requests are consistent with the county's seasonal tourism industry.

Property taxes in the State of Oregon are no longer computed on real market values. Voters approved BM50 in 1997. This measure bases property taxation on rolled back assessed values and caps annual increases in assessed value at 3 percent with additional increases allowed for major remodeling and new construction. The taxable assessed value of property within Tillamook County in January 2008 was \$3,405,694,928 and in 1998-99 was \$2,102,853,991, or a 61 percent increase.

Tillamook County Government is primarily dependent on forestry revenues. The Tillamook State Forest consisting of 360,000 acres in Tillamook, Washington, Clatsop, Columbia and Yamhill counties is the largest block of public forest in the north Coast Range. The bulk of this forest (308,000 acres) is in Tillamook County. Local governments rely on these revenues to help fund schools and other essential services. In fiscal year 2007-08, Tillamook County taxing district revenues from timber sales totaled \$15,219,307.

A forest management plan allows for timber harvests using a "structured bases management strategy. Current national and local economic factors are impacting sale prices of current and future timber sales. It is expected that revenue from this source will decrease significantly over the next three years.

Historically, Tillamook County's Public Works department has received fifty (50) percent of its' funding from the federal government. A federal law enacted in 1908 provided that harvest receipts on federal lands would be distributed to counties. Shared harvest revenues decreased when the Endangered Species Act curtailed logging in Western Oregon. Congress mitigated this revenue loss by enacting "safety net" funding through the Secure Rural School and Community Self-Determination Act. This source of funding expired in 2007.

Tillamook County formed a Road Service District and submitted a property tax proposal to the voters in May 2008. This measure was defeated. Local officials and a citizen's advisory group are researching other funding options. Without reauthorization of the "safety net" or new sources of revenue, the county will be forced to reduce the Public Works Department.

A hurricane force storm occurred in December 2007. Roads, bridges, and the railroad were severely damaged or destroyed. Tillamook County received a Presidential Disaster Declaration. Infrastructure damage estimates exceeded \$50 million. Federal and local officials have not reached a consensus regarding funding for repairs to the railroad which is expected to cost at least \$26 million. The railroad had been a primary mode of transportation for lumber and the dairy industry to the Portland area.

Since 1996, Tillamook County has experienced numerous catastrophic storms. Local governments continue to focus on flood mitigation and disaster preparedness. Tillamook County was designated an Oregon Solutions Project. The State Legislature awarded \$1 million to the county for various mitigation projects. Grants from the Department of Homeland Security, Federal Highways and State Grants have also provided funding for recovery, mitigation and communication issues throughout the county.

The Tillamook County Fairgrounds was established in 1891. There are 27 buildings on the site which house the Tillamook County Fair and numerous events throughout the year. The biggest event is the Tillamook County Rodeo. New grandstand facilities were constructed this year. The \$1.5 million project was funded by a loan from the TLC Credit Union, an Oregon Economic Development Grant and sale of property to the Tillamook Bay Community College. The new grandstands replace the nearly 90 year old wooden structure. Replacement of surrounding bleachers is scheduled for 2009.

Tillamook County and the Tillamook People's Utility District (PUD) formed the Tillamook Intergovernmental Development Entity (TIDE) to focus on ocean energy development issues. TIDE is working with a firm that is proposing to develop off-shore wind generators on floating platforms. TIDE was recently awarded a Federal preliminary permit for wave energy site development. The entity hopes to create contractual relationships that result in orderly and appropriately located alternative energy options that minimize resource impacts.

Tillamook County is a major tourist destination. The Tillamook County Parks System consists of over 2,700 acres of parklands and facilities in over 50 locations. The Department is responsible for 21 boat launch facilities and 10 Day Use areas. Major initiatives primarily funded by grants include repair, rehabilitation and replacement of park infrastructure. The largest park in the system is Barview Jetty Park. It is located on the Pacific Ocean at the entrance of Tillamook Bay. Timber and Tourism, Agriculture/Dairy and Fisheries remain significant contributors to the local economy.

Future initiatives include upgrading/replacement of the County's Tsunami Warning System, relocating the Department of Community Development and funding county services within the constraints of decreasing resources.

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 generally accepted accounting principles. 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.

Single Audit. As a recipient of federal and state financial assistance, the County also is responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to those programs. These internal controls are subject to periodic evaluation by management.

As a part of the County's single audit, described earlier, tests were made to determine the adequacy of the internal controls, including that portion related to federal financial assistance programs, as well as to determine that the County has complied with applicable laws and regulations. The auditor's reports related specifically to the single audit are included in this report. Although this testing was not sufficient to support an opinion on the government's internal controls or its compliance with laws and regulations related to federal financial assistance programs, the audit for the year ended June 30, 2008, disclosed no material internal control weaknesses or material violations of laws and regulations.

Budgeting Controls. In addition to internal controls, the County also maintains a variety of budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the County Board of Commissioners.

Activities of most County funds are included in the annual appropriated budget. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Appropriations by department in the General Fund and personal services, materials and services, capital outlay and other expenditures for all other funds are the level of control for each fund established by the resolution.

As demonstrated by the statements and schedules included in the financial section of this report, the government continues its responsibility for sound financial management.

Enterprise Operations. The County's enterprise operation is comprised of the Solid Waste Service District. This District disposes of certain solid waste generated in Tillamook County. 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.

In accordance with governmental accounting standards, the County has recognized a liability for post-closure care and maintenance of the Tillamook County landfill in the Solid Waste Disposal District Fund. State and federal laws require the County to perform maintenance and monitoring functions for 30 years after closure of the Landfill. The liability at June 30, 2008, amounted to \$984,550 and represents an estimate of the total cost of landfill monitoring and maintenance over the remaining post-closure care period of approximately 15 years. The County estimates that approximately \$87,100 in monitoring and maintenance costs will be paid each year. Although the estimate may be affected by inflation and changes in regulations, the County expects that transit station fees and assessments to property owners will be sufficient to cover these costs and other operating costs of the District in the future.

Pension Trust Fund Operations. The County provides a retirement program for its employees. All fulltime employees are eligible to participate in the program after six months of employment. The operations of the retirement plan remained stable in fiscal 2008. The County's combined contribution for 2008 was \$2,206,855.

Debt Administration. The County's long-term debt is comprised of bonds payable in the amount of \$3,145,000 relating to the Library General Obligation Bonds, \$3,380,000 relating to refunding bonds used to defease a portion of the bonds relating to the Jail and Justice Facility and \$5,540,000 relating to refunding bonds used to defease a portion of the bonds relating to the Hospital. Other long-term debt is comprised of capital lease obligations, accumulated unpaid vacation and sick leave, and notes payable.

Cash Management. 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 U.S. Government Agencies. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Risk Management. The County aggressively seeks to improve its awareness of claims liability. A safety committee provides inspections, training and equipment to create a safe working environment for its employees. A safe work environment reduces the risk of worker's compensation claims. Field employees received continued training in identifying and responding to hazardous materials sites. While the County is not self-insured, every effort is made to reduce costs, while still providing adequate coverage. An insurance agent of record provides counseling to the County on insurance matters. A wellness committee creates programs targeted to enhance the employees' physical condition and in return reduce sick leave usage. The Human Resource Director and County Counsel provide risk

management by monitoring issues that may cause liability exposure to the County and advises the Board of County Commissioners regarding such matters.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tillamook County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. The Certificate of Achievement is a prestigious national award and recognizes conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. Tillamook County has received a Certificate of Achievement for nineteen consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the County's accounting staff. In addition, I would like to express my appreciation to all members of other departments who assisted and contributed to its preparation. Finally, I would also like to thank the County Commissioners for their interest and support in our continued effort to improve the County's financial reporting.

Respectfully submitted,

Karen Richards-Dye
County Treasurer

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, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

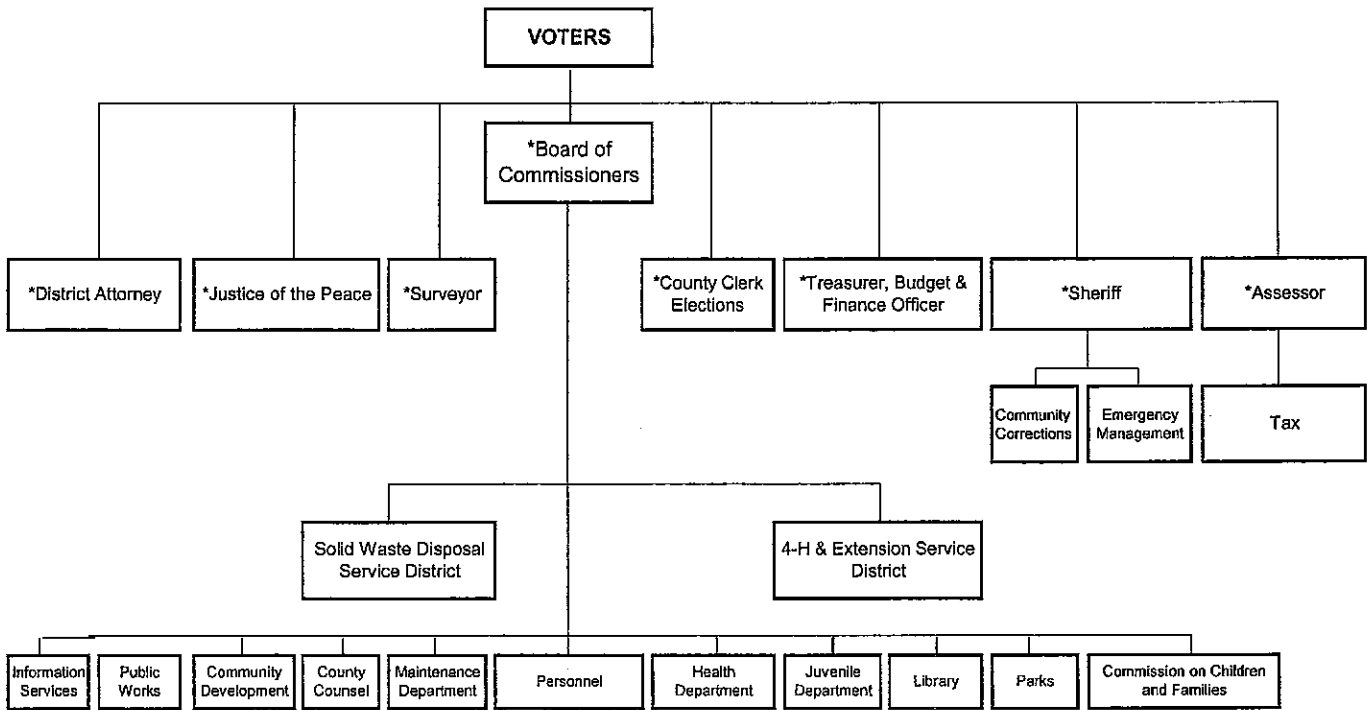
President

Jeffrey R. Emery

Executive Director

Tillamook County

Organizational Chart
Year Ended June 30, 2008



*Elected Official

TILLAMOOK COUNTY

**PRINCIPAL OFFICIALS
Year Ended June 30, 2008**

Board of County Commissioners

<u>Name</u>	<u>Term Expires December 31,</u>
Charles J. Hurliman	2008
Tim Josi	2010
Mark Labhart	2008

Other Elected Officials

Timothy Lutz, Assessor	2008
Tassi O'Neil, Clerk	2008
William Porter, District Attorney	2010
Neal Lemery, Justice of the Peace	2010
Todd Anderson, Sheriff	2008
Dan McNutt, Surveyor	2008
Karen L. Richards-Dye, Treasurer	2010

FINANCIAL SECTION



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2008, the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, Road, County School, Health Services, Library, Commission on Children and Families, and Community Corrections Funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2008, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

A

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Established - 1968

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INDEPENDENT AUDITOR'S REPORT (Continued)

The management's discussion and analysis on pages *a* through *i* is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards as listed in the Grant Compliance – Single Audit section of the table of contents is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of **TILLAMOOK COUNTY**. The combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

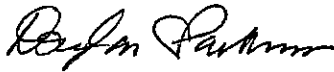
Boldt, Carlisle & Smith, LLC

Certified Public Accountants

Salem, Oregon

November 12, 2008

By:



Douglas C. Parham, 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 *v*) and the County's financial statements.

FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities at June 30, 2008 by \$55,759,337 (*net assets*). Of this amount \$33,496,435 was invested in capital assets, net of related debt; \$4,756,637 was restricted for specific purposes and \$17,506,265 was unrestricted.

The County's net assets increased by \$4.6 million (or 9%) which was due primarily to increases from capital grants and contributions, unrestricted grants and contributions, property taxes, unrestricted investment earnings and miscellaneous disposition of property. Reduction in long term obligations and increase in unrestricted assets contributed to the overall increase.

The County's Governmental Funds experienced an increase of \$232,113 in fund balances, with the General Fund experiencing a decrease in its fund balance by \$516,638. The decrease in the general fund balance was due primarily to state timber receipts, licenses, permits and fees being less than the previous year. The overall increase in the County's Governmental Funds was primarily due to the activity in non-major governmental funds.

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 Assets, a Statement of Activities, fund financial statements and the notes to basic financial statements.

Statements of Net Assets 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 "Other Governmental Funds." Budgetary comparison statements are presented for the General, Road, Health Services, Library, Commission on Children and Families, Community Corrections, County School Funds and OTIA Bridge Construction Funds. Statements for the County's proprietary funds follow the governmental funds and include statements of net assets, revenues, expenses and changes in fund net assets, and cash flows. Fiduciary funds account for resources held for the benefit of others and have not been reflected in the Statements of Net Assets and Activities as they are not available to the County.

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 this report. Included within this section are:

- Combining Statements of other governmental funds which are classified as non-major. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
- Budgetary Comparisons. Budgetary information for all funds, except General and the major Special Revenue Funds, which are presented within the Basic Financial Statements, are presented here.
- Fiduciary Fund statement for changes in assets and liabilities.
- Other Financial Schedules covering capital assets and long-term obligations complete the Financial Section of the report.

Statistical Section. Trend information and demographics.

Audit comments and disclosures required by state regulations. Supplemental communication on county compliance and internal controls as required by Oregon statutes.

Grant compliance – Single Audit. Additional reports by the county's independent auditor and the schedule of expenditures of federal awards as required by Government Auditing Standards and the Single Audit Act.

FINANCIAL SUMMARY AND ANALYSIS

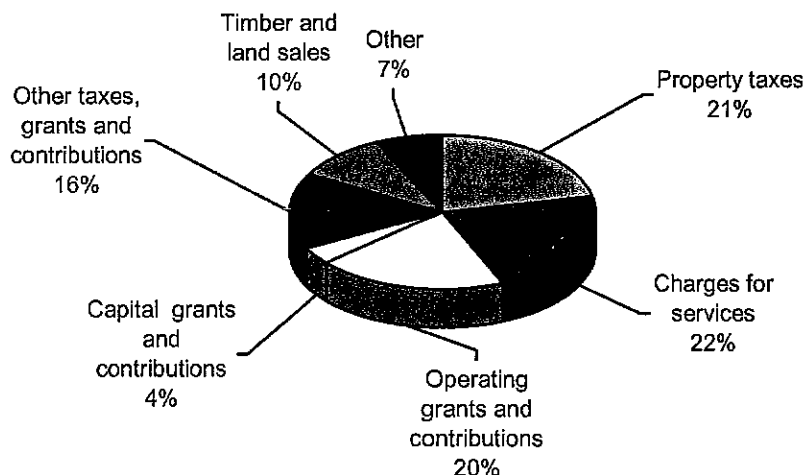
As mentioned earlier, the County’s net assets as of June 30, 2008 were \$55,759,337. By far the largest portion of net assets is comprised of the county’s investment in capital assets (e.g., land, buildings, equipment and public infrastructure), less any related debt outstanding that was used to acquire 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	
	2008	2007	2008	2007	2008	2007
<u>ASSETS</u>						
Current and other assets	\$ 23,769,843	\$ 23,295,656	\$ 2,172,558	\$ 2,060,822	\$ 25,942,401	\$ 25,356,478
Capital assets	<u>45,287,721</u>	<u>42,306,299</u>	<u>1,633,850</u>	<u>1,454,638</u>	<u>46,921,571</u>	<u>43,760,937</u>
Total assets	<u>69,057,564</u>	<u>65,601,955</u>	<u>3,806,408</u>	<u>3,515,460</u>	<u>72,863,972</u>	<u>69,117,415</u>
<u>LIABILITIES</u>						
Other liabilities	1,546,989	1,749,530	183,000	132,473	1,729,989	1,882,003
Long-term liabilities	<u>14,390,096</u>	<u>15,156,407</u>	<u>984,550</u>	<u>936,741</u>	<u>15,374,646</u>	<u>16,093,148</u>
Total liabilities	<u>15,937,085</u>	<u>16,905,937</u>	<u>1,167,550</u>	<u>1,069,214</u>	<u>17,104,635</u>	<u>17,975,151</u>
<u>NET ASSETS</u>						
Invested in capital assets						
net of related debt	31,862,585	28,288,674	1,633,850	1,454,638	33,496,435	29,743,312
Restricted	4,756,637	5,995,709	-	-	4,756,637	5,995,709
Unrestricted	<u>16,501,257</u>	<u>14,411,635</u>	<u>1,005,008</u>	<u>991,608</u>	<u>17,506,265</u>	<u>15,403,243</u>
Total net assets	<u>\$ 53,120,479</u>	<u>\$ 48,696,018</u>	<u>\$ 2,638,858</u>	<u>\$ 2,446,246</u>	<u>\$ 55,759,337</u>	<u>\$ 51,142,264</u>

The unrestricted net assets 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 assets increased by \$4,617,073. The revenue of the county comes primarily from property taxes, charges for services and operating grants and contributions. The county’s expenses cover a wide variety of services, with general government, public safety, and health and welfare accounting for over half of the expenses.

Tillamook County Revenue



Property taxes, comprising 21.7% 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 Veterans Services are funded by the local option tax levies (expiring in 2012). General Obligation Debt consists of the Justice Facility Construction Debt, Hospital Construction Debt, Library Construction Debt and subsequent refundings.

For the year ended June 30, 2008, the largest percentage of revenues comes from charges for services (21.8%) and operating grants and contributions (19.9%). This include 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.

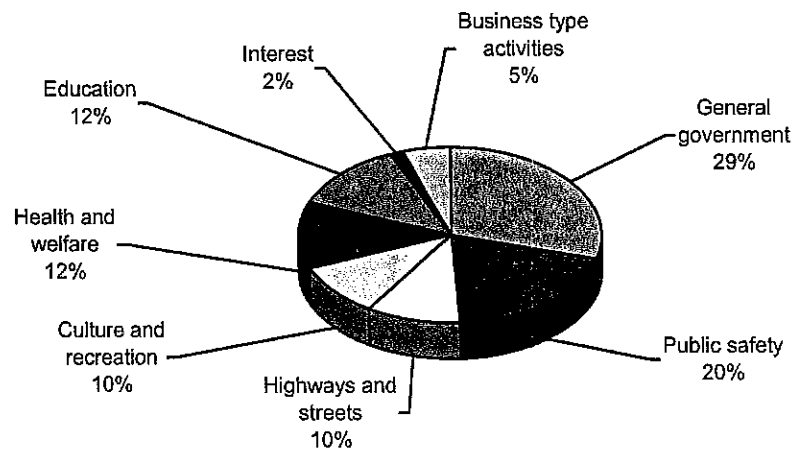
Expenses for General Government and Public Safety comprise 49% of all expenditures. The County Justice Facility, opened in 1997, houses the Sheriff's Department, Community Corrections, State Police, Emergency Management and the jail.

General Government includes expenditures 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 expenditures 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.

Tillamook County Functional Expenses



Governmental activities increased the County's net assets by \$4,424,461 which represents 96 percent of the increase in net assets. The key elements of this increase are as follows:

TILLAMOOK COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Totals	
	2008	2007	2008	2007	2008	2007
Revenues						
Program revenues:						
Charges for services	\$ 7,308,425	\$ 7,973,733	\$ 1,925,292	\$ 1,828,136	\$ 9,233,717	\$ 9,801,869
Operating grants and contributions	8,445,756	7,956,196	5,972	34,093	8,451,728	7,990,289
Capital grants and contributions	1,529,350	489,909	-	-	1,529,350	489,909
General revenues:						
Property taxes	9,206,760	8,278,392	-	-	9,206,760	8,278,392
Other taxes	177,285	179,739	-	-	177,285	179,739
Other grants and contributions	6,722,787	7,017,641	-	-	6,722,787	7,017,641
Timber and land sales	4,072,039	4,517,564	-	-	4,072,039	4,517,564
Other	2,839,967	2,309,422	99,048	88,776	2,939,015	2,398,198
Total revenues	40,302,369	38,722,596	2,030,312	1,951,005	42,332,681	40,673,601
Expenses						
General government	11,151,831	10,329,572	-	-	11,151,831	10,329,572
Public safety	7,356,213	7,626,060	-	-	7,356,213	7,626,060
Highways and streets	3,847,477	3,810,554	-	-	3,847,477	3,810,554
Culture and recreation	3,583,838	2,989,953	-	-	3,583,838	2,989,953
Health and welfare	4,673,434	5,141,431	-	-	4,673,434	5,141,431
Education	4,650,449	4,260,607	-	-	4,650,449	4,260,607
Interest on long-term debt	614,666	634,634	-	-	614,666	634,634
Solid waste	-	-	1,837,700	1,748,418	1,837,700	1,748,418
Total expenses	35,877,908	34,792,811	1,837,700	1,748,418	37,715,608	36,541,229
Change in net assets	4,424,461	3,929,785	192,612	202,587	4,617,073	4,132,372
Net assets - beginning	48,696,018	44,278,940	2,446,246	2,243,659	51,142,264	46,522,599
Prior period adjustment	-	487,293	-	-	-	487,293
Net assets - ending	\$ 53,120,479	\$ 48,696,018	\$ 2,638,858	\$ 2,446,246	\$ 55,759,337	\$ 51,142,264

Governmental Activities

The growth in net assets is attributed to increased receipts from capital grants and contributions, unrestricted grants and contributions, property taxes, unrestricted investment earnings and miscellaneous disposition of property.

Business-type Activities

The Solid Waste Fund accounts for disposal of solid waste generated in Tillamook County. The growth in net assets is attributed to increased program revenue and reduction in post-closure liability.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2008 the County's governmental funds reported a combined fund balance of \$21,543,937, which is an increase of \$232,113 from June 30, 2007.

The general fund is the primary operating fund of the County. As of June 30, 2008, the general fund balance is \$6,821,346, which is a decrease of \$516,638 from June 30, 2007.

The decrease in the General Fund fund balance is related primarily decreases in revenues. Licenses, permits and fees revenue was down by \$549,639 from the prior year and timber and land sales were down \$527,853. The General Fund revenues were \$1,116,310 higher than budgeted and expenditures were less than budget by \$1,072,470. The General Fund also transferred resources to other funds in the amount of \$699,300.

The Road Fund is primarily supported by state fuel taxes and federal forest fees. Its fund balance decreased by \$121,160 during 2007-08 due primarily to amounts transferred to other funds.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. Its fund balance may fluxuate depending upon state timber harvest; however its fund balance decreased \$570,147.

The Health Services Fund continues to improve its financial position; with the fund balance increasing \$104,950 from \$149,389 at June 30, 2007. This increase was due to intergovernmental revenues and charges for services. The General Fund transferred \$500,000 to the Health Services fund on June 30, 2005. The transfer from Health to General during this reporting period was \$55,000. It is anticipated that the Health Services Fund will make subsequent transfers to the General Fund on an annual basis.

The Library Fund had an increase in fund balance of \$383,031. This increase was due primarily to property taxes levied for library operations.

The Commission on Children and Families fund balance decreased \$3,327, which is not a significant change.

The Community Corrections fund also experienced a slight decrease in fund balances of \$2,730. The programs funding is determined biennially by the Oregon State Legislature.

The OTIA Bridge Construction fund was established beginning July 1, 2004 to account for \$8,003,000 received from the Oregon Department of Transportation to be used for bridge replacement projects. During the year \$1,335,296 was expended for this purpose resulting in a decrease in fund balance of \$1,212,376.

Proprietary funds provide the same type of information as presented in the government-wide statements of net assets and activities, but in more detail. The proprietary funds net assets amounted to \$2,638,858 as of June 30, 2008.

BUDGETARY HIGHLIGHTS

The changes between the original and final budget of the general fund were enacted to transfer relatively small amounts between appropriation categories. A supplemental budget was adopted during the year to create appropriation for various grants.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2008, the County had invested \$46,921,571 in total capital assets, net of depreciation, which is a net increase of \$3,160,634 from June 30, 2007. This investment includes land and land improvements, buildings, equipment and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$2,981,422, and business-type activities increased by \$179,212. Significant additions during the year ended June 30, 2008 were as follows:

- Long Prairie Road improvements - \$618,945
- Bridges funded by OTIA - \$1,644,671
- County Fair grandstand replacement - \$1,420,616

Additional information on the County's capital assets may be found in Note 6 of the financial statements.

During the year the County issued \$700,000 of long-term debt under a loan agreement with the TLC Federal Credit Union. The credit union provided the loan at no interest to be used as partial financing for the County Fair grandstand replacement. The total obligations outstanding as of June 30, 2008 amounted to \$14,390,096. Additionally, the County's estimated liability for landfill post-closure care costs is reported as a long-term obligation.

During the year the County retired \$1,292,489 in principal on long-term debt, a reduction of 8.5 percent of the balance outstanding at the beginning of the year.

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

General Obligations Bonds	\$	12,065,000
Loans payable		1,345,759
Capital leases		14,377
Accumulated unpaid compensation		964,960
Landfill post-closure care liability		984,550

Additional information on the County's long-term obligations may be found in Note 8 to the financial statements.

ECONOMIC FACTORS

Oregon law limits increases in property tax revenue. Assessed values may increase 3% per year, plus the value of new construction. Tillamook County's tax increase each year is insufficient to cover the rising cost of services.

General Government operations rely heavily on timber revenues 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 look at new ways to provide fair compensation to the 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 the County's finances and to demonstrate the County's accountability. Additionally, the component units have separately issued financial statements that are available to provide information on their finances and activities.

If you have questions about the report or need additional financial information, please contact the County Treasurer's office at 201 Laurel Ave., Tillamook, Oregon.

BASIC FINANCIAL STATEMENTS

TILLAMOOK COUNTY
STATEMENT OF NET ASSETS
June 30, 2008

	Governmental Activities	Business-type Activities	Totals
<u>ASSETS</u>			
Cash and investments	\$ 20,360,147	\$ 2,053,531	\$ 22,413,678
Restricted cash and investments	7,449	--	7,449
Receivables, net	2,872,800	119,027	2,991,827
Deferred charges	308,869	--	308,869
Net pension obligation	220,578	--	220,578
Capital assets:			
Land, improvements and construction in progress	8,292,812	230,515	8,523,327
Other capital assets, net of depreciation	36,994,909	1,403,335	38,398,244
TOTAL ASSETS	69,057,564	3,806,408	72,863,972
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	1,221,569	183,000	1,404,569
Accrued interest payable	199,447	--	199,447
Unearned revenue	125,973	--	125,973
Long-term obligations:			
Due within one year	2,378,926	87,100	2,466,026
Due in more than one year	12,011,170	897,450	12,908,620
TOTAL LIABILITIES	15,937,085	1,167,550	17,104,635
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	31,862,585	1,633,850	33,496,435
Restricted for:			
Debt service	305,154	--	305,154
Capital projects	1,853,325	--	1,853,325
Other purposes	2,598,158	--	2,598,158
Unrestricted	16,501,257	1,005,008	17,506,265
TOTAL NET ASSETS	\$ 53,120,479	\$ 2,638,858	\$ 55,759,337

See notes to basic financial statements

TILLAMOOK COUNTY
STATEMENT OF ACTIVITIES
Year Ended June 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-	Totals
						type Activities	
Functions/Programs							
Governmental activities							
General government	\$ 11,151,831	\$ 2,846,402	\$ 1,795,222	\$ 792,779	\$ (5,717,428)		\$ (5,717,428)
Public safety	7,356,213	734,387	1,960,648	--	(4,661,178)		(4,661,178)
Highways and streets	3,847,477	204,262	1,717,836	506,692	(1,418,687)		(1,418,687)
Culture and recreation	3,583,838	1,672,903	54,904	229,879	(1,626,152)		(1,626,152)
Health and welfare	4,673,434	1,850,471	2,813,536	--	(9,427)		(9,427)
Education	4,650,449	--	103,610	--	(4,546,839)		(4,546,839)
Interest on long-term debt	614,666	--	--	--	(614,666)		(614,666)
TOTAL GOVERNMENTAL ACTIVITIES	35,877,908	7,308,425	8,445,756	1,529,350	(18,594,377)		(18,594,377)
Business-type activities							
Solid Waste	1,837,700	1,925,292	5,972	--		\$ 93,564	93,564
Totals	\$ 37,715,608	\$ 9,233,717	\$ 8,451,728	\$ 1,529,350	(18,594,377)	93,564	(18,500,813)
General revenues							
Taxes:							
Property taxes levied for:							
General purposes					7,793,228	--	7,793,228
Debt service					1,413,532	--	1,413,532
Other taxes					177,285	--	177,285
Other grants and contributions not restricted for							
specific programs					6,722,787	--	6,722,787
Timber and land sales					4,072,039	--	4,072,039
Unrestricted investment earnings					983,707	97,007	1,080,714
Miscellaneous					1,121,335	2,041	1,123,376
Gain on sale of capital assets					734,925	--	734,925
TOTAL GENERAL REVENUES					23,018,838	99,048	23,117,886
CHANGES IN NET ASSETS					4,424,461	192,612	4,617,073
NET ASSETS - BEGINNING					48,696,018	2,446,246	51,142,264
NET ASSETS - ENDING					\$ 53,120,479	\$ 2,638,858	\$ 55,759,337

See notes to basic financial statements

TILLAMOOK COUNTY
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2008

	General	Road	County School	Health Services	Library	Commission on Children and Families
ASSETS						
Cash and investments	\$ 5,937,770	\$ 2,373,153	\$ --	\$ 184,273	\$ 1,129,349	\$ 227,392
Restricted cash and investments	--	--	--	--	--	--
Receivables, net	1,421,652	225,478	628,880	168,319	141,030	49,204
TOTAL ASSETS	\$ 7,359,422	\$ 2,598,631	\$ 628,880	\$ 352,592	\$ 1,270,379	\$ 276,596
LIABILITIES						
Accounts payable and accrued expenditures	\$ 270,394	\$ 259,462	\$ --	\$ 98,253	\$ 29,429	\$ 2,363
Deferred revenue	267,682	--	--	--	105,903	--
TOTAL LIABILITIES	538,076	259,462	--	98,253	135,332	2,363
FUND BALANCES						
Reserved for debt service	--	--	--	--	--	--
Unreserved, reported in						
General Fund	6,821,346	--	--	--	--	--
Special revenue funds	--	2,339,169	628,880	254,339	1,135,047	274,233
Capital projects funds	--	--	--	--	--	--
TOTAL FUND BALANCES	6,821,346	2,339,169	628,880	254,339	1,135,047	274,233
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,359,422	\$ 2,598,631	\$ 628,880	\$ 352,592	\$ 1,270,379	\$ 276,596

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

- Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.
- Deferred charges relating to debt issuances 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 deferred 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 assets
- The net pension obligation is reported as a liability in the statement of net assets but is not reported as a liability in the fund financial statements
- Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

NET ASSETS OF GOVERNMENTAL ACTIVITIES

See notes to basic financial statements

<u>Community</u>	<u>OTIA</u>	<u>Other</u>		
<u>Corrections</u>	<u>Bridge</u>	<u>Governmental</u>		
	<u>Construction</u>	<u>Funds</u>	<u>Totals</u>	
\$ 211,224	\$ 2,128,888	\$ 8,168,098	\$ 20,360,147	
--	--	7,449	7,449	
--	--	238,237	2,872,800	
<u>\$ 211,224</u>	<u>\$ 2,128,888</u>	<u>\$ 8,413,784</u>	<u>\$ 23,240,396</u>	
\$ 7,628	\$ 455,253	\$ 98,787	\$ 1,221,569	
--	--	101,305	474,890	
<u>7,628</u>	<u>455,253</u>	<u>200,092</u>	<u>1,696,459</u>	
--	--	215,949	215,949	
--	--	--	6,821,346	
203,596	--	5,555,092	10,390,356	
--	1,673,635	2,442,651	4,116,286	
<u>203,596</u>	<u>1,673,635</u>	<u>8,213,692</u>	<u>21,543,937</u>	
<u>\$ 211,224</u>	<u>\$ 2,128,888</u>	<u>\$ 8,413,784</u>		
			45,287,721	
			308,869	
			(474,890)	
			(125,973)	
			220,578	
			<u>(14,589,543)</u>	
			<u>\$ 53,120,479</u>	

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2008**

	General	Road	County School	Health Services	Library	Commission on Children and Families
REVENUES						
Property taxes	\$ 4,976,430	\$ --	\$ 589	\$ --	\$ 2,138,335	\$ --
Licenses, permits and fees	1,422,257	67,299	--	--	--	--
Intergovernmental	2,330,562	4,029,802	3,619,843	1,982,880	5,499	469,883
Donations	--	--	--	--	--	--
Charges for services	1,120,811	32,708	--	1,834,074	--	--
Fines and forfeitures	439,320	--	--	--	10,176	--
Timber and land sales	3,776,190	--	--	--	--	--
Interest	387,718	94,456	35,841	3,699	48,912	11,051
Intercounty charges	891,294	15,000	--	--	--	--
Miscellaneous	503,948	210,669	--	31,659	23,415	27,919
TOTAL REVENUES	15,848,530	4,449,934	3,656,273	3,852,312	2,226,337	508,853
EXPENDITURES						
Current						
General government	9,051,775	--	--	--	--	--
Public safety	5,639,464	--	--	--	--	550,480
Highways and streets	--	3,779,028	--	--	--	--
Culture and recreation	836,608	--	--	--	1,828,412	--
Health and welfare	55,250	--	--	3,791,728	--	--
Education	--	--	4,226,420	--	--	--
Capital outlay	111,453	638,666	--	5,894	13,894	--
Debt service						
Principal	17,168	36,717	--	3,604	--	--
Interest	19,450	1,883	--	1,136	--	--
TOTAL EXPENDITURES	15,731,168	4,456,294	4,226,420	3,802,362	1,842,306	550,480
Excess (deficiency) of revenues over expenditures	117,362	(6,360)	(570,147)	49,950	384,031	(41,627)
OTHER FINANCING SOURCES (USES)						
Transfers in	65,000	--	--	110,000	--	38,300
Sale of assets	300	--	--	--	--	--
Issuance of debt	--	--	--	--	--	--
Transfers out	(699,300)	(114,800)	--	(55,000)	(1,000)	--
TOTAL OTHER FINANCING SOURCES (USES)	(634,000)	(114,800)	--	55,000	(1,000)	38,300
Net change in fund balances	(516,638)	(121,160)	(570,147)	104,950	383,031	(3,327)
Fund balances at beginning of year	7,337,984	2,460,329	1,199,027	149,389	752,016	277,560
Fund balances at end of year	\$ 6,821,346	\$ 2,339,169	\$ 628,880	\$ 254,339	\$ 1,135,047	\$ 274,233

See notes to basic financial statements

<u>Community</u>	<u>OTIA</u>	<u>Other</u>	
<u>Corrections</u>	<u>Bridge</u>	<u>Governmental</u>	<u>Totals</u>
	<u>Construction</u>	<u>Funds</u>	
\$ --	\$ --	\$ 1,991,579	\$ 9,106,933
--	--	4,875	1,494,431
813,177	--	3,864,943	17,116,589
--	--	26,233	26,233
103,080	--	1,060,281	4,150,954
--	--	119,683	569,179
--	--	220,598	3,996,788
--	122,920	279,110	983,707
--	--	--	906,294
4,541	--	329,150	1,131,301
<u>920,798</u>	<u>122,920</u>	<u>7,896,452</u>	<u>39,482,409</u>
--	--	2,112,985	11,164,760
923,528	--	82,788	7,196,260
--	131,349	4,223	3,914,600
--	--	684,089	3,349,109
--	--	838,767	4,685,745
--	--	423,821	4,650,241
--	1,203,947	1,899,878	3,873,732
--	--	1,235,000	1,292,489
--	--	558,528	580,997
<u>923,528</u>	<u>1,335,296</u>	<u>7,840,079</u>	<u>40,707,933</u>
<u>(2,730)</u>	<u>(1,212,376)</u>	<u>56,373</u>	<u>(1,225,524)</u>
--	--	666,800	880,100
--	--	757,337	757,637
--	--	700,000	700,000
--	--	(10,000)	(880,100)
--	--	2,114,137	1,457,637
(2,730)	(1,212,376)	2,170,510	232,113
<u>206,326</u>	<u>2,886,011</u>	<u>6,043,182</u>	<u>21,311,824</u>
\$ <u>203,596</u>	\$ <u>1,673,635</u>	\$ <u>8,213,692</u>	\$ <u>21,543,937</u>

TILLAMOOK COUNTY

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2008**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 232,113

*Amounts reported for governmental activities in the
Statement of Activities are different because of the following:*

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

Capitalized expenditures	\$ 4,255,299	
Depreciation	<u>(1,251,165)</u>	3,004,134

In the Statement of Activities, only the gain on sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus the change in net assets differs by the depreciated cost of the capital assets disposed. (22,712)

In the Statement of Activities, property taxes are reported as revenue when assessed. However in the governmental fund, property taxes are reported as revenues when they are measurable and available. This revenue recognition results in differences in amounts reported for property tax revenue 99,827

Governmental funds report as revenues certain payments for services to be provided in future periods. (14,792)

Proceeds from long-term obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. (700,000)

Debt issuance costs are reported as a reduction in the proceeds from long-term debt in the governmental funds. However in the Statement of Net Assets these amounts are reported as deferred charges and amortized over the debt repayment period as additional interest expense

Amortization of deferred charges		(54,530)
----------------------------------	--	----------

In the Statement of Activities, the change in the net pension obligation is reported as additional expenses for increases and a reduction of expenses for decreases 393,249

Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Assets. 1,292,489

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	20,861	
Compensated absences	<u>173,822</u>	<u>194,683</u>

CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 4,424,461

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2008**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 4,932,000	\$ 4,932,000	\$ 4,980,357	48,357
Licenses, permits and fees	1,391,550	1,391,550	1,417,323	25,773
Intergovernmental	1,709,569	2,330,569	2,340,661	10,092
Charges for services	1,086,500	1,086,500	1,097,302	10,802
Fines and forfeitures	400,000	400,000	439,320	39,320
Timber and land sales	3,665,000	3,665,000	4,507,573	842,573
Interest	375,000	375,000	387,718	12,718
Intercounty charges	911,600	911,600	891,294	(20,306)
Miscellaneous	399,051	389,051	536,032	146,981
TOTAL REVENUES	14,870,270	15,481,270	16,597,580	1,116,310
EXPENDITURES				
Board of County Commissioners	672,310	698,510	686,593	11,917
Land Sales	4,850	4,850	892	3,958
Justice Court	228,125	239,125	222,868	16,257
Juvenile Department	729,370	735,370	682,829	52,541
District Attorney	933,960	949,960	884,620	65,340
County Clerk	511,540	554,440	525,310	29,130
County Assessor	1,230,145	1,255,145	1,187,192	67,953
County Treasurer	397,690	402,690	385,781	16,909
Tax Department	162,975	162,975	149,090	13,885
Parks and Recreation	810,000	837,000	826,942	10,058
Courthouse Building	378,620	398,620	393,631	4,989
Sheriff - Criminal	2,704,120	2,704,120	2,595,824	108,296
Sheriff - Jail	2,555,820	2,551,020	2,401,620	149,400
Sheriff - Marine	281,900	286,700	268,860	17,840
Communications	166,760	166,760	144,512	22,248
Emergency Services	251,510	251,510	205,533	45,977
County Surveyor	239,425	239,425	224,704	14,721
Community Development	1,611,130	1,646,130	1,557,267	88,863
Information Services	1,012,420	1,012,420	935,141	77,279
General Government	743,800	793,800	778,519	15,281
Non Departmental	292,070	292,070	281,765	10,305
Mental Health Services	64,000	64,000	55,000	9,000
Motorpool	1,000	2,500	1,636	864
Personnel	262,430	335,455	308,371	27,084
Operating Contingency	250,000	192,375	—	192,375
TOTAL EXPENDITURES	16,495,970	16,776,970	15,704,500	1,072,470

*See notes to basic financial statements
Continued on page 9*

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

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES (continued)				
Excess (deficiency) of revenues over expenditures	\$ (1,625,700)	\$ (1,295,700)	\$ 893,080	\$ 2,188,780
OTHER FINANCING SOURCES (USES)				
Transfers in	55,000	65,000	65,000	--
Sale of assets	--	--	300	300
Transfers out	(699,300)	(699,300)	(699,300)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>(644,300)</u>	<u>(634,300)</u>	<u>(634,000)</u>	<u>300</u>
Net change in fund balance	(2,270,000)	(1,930,000)	259,080	2,189,080
Fund balance at beginning of year	6,020,000	5,680,000	5,584,702	(95,298)
Fund balance at end of year	<u>\$ 3,750,000</u>	<u>\$ 3,750,000</u>	<u>\$ 5,843,782</u>	<u>\$ 2,093,782</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
ROAD FUND
Year Ended June 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,747,600	\$ 4,547,600	\$ 3,809,573	\$ (738,027)
Charges for services	97,000	97,000	31,783	(65,217)
Licences, permits and fees	75,000	75,000	64,930	(10,070)
Interest	50,000	50,000	94,456	44,456
Intercounty charges	15,000	15,000	15,000	--
Miscellaneous	33,000	33,000	209,852	176,852
TOTAL REVENUES	<u>3,017,600</u>	<u>4,817,600</u>	<u>4,225,594</u>	<u>(592,006)</u>
EXPENDITURES				
Personal services	2,015,010	2,065,010	1,935,840	129,170
Materials and services	1,339,600	2,069,600	1,810,976	258,624
Capital outlay	1,040,730	1,240,730	503,360	737,370
Contingency	275,000	675,000	--	675,000
TOTAL EXPENDITURES	<u>4,670,340</u>	<u>6,050,340</u>	<u>4,250,176</u>	<u>1,800,164</u>
Excess (deficiency) of revenues over expenditures	(1,652,740)	(1,232,740)	(24,582)	1,208,158
OTHER FINANCING SOURCES (USES)				
Transfers out	(44,800)	(114,800)	(114,800)	--
Net change in fund balance	(1,697,540)	(1,347,540)	(139,382)	1,208,158
Fund balance at beginning of year	<u>1,822,740</u>	<u>1,822,740</u>	<u>2,503,411</u>	<u>680,671</u>
Fund balance at end of year	<u>\$ 125,200</u>	<u>\$ 475,200</u>	<u>\$ 2,364,029</u>	<u>\$ 1,888,829</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
COUNTY SCHOOL FUND
Year Ended June 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 4,000,000	\$ 4,400,000	\$ 4,189,990	\$ (210,010)
Property taxes	500	500	589	89
Interest	20,000	20,000	35,841	15,841
TOTAL REVENUES	<u>4,020,500</u>	<u>4,420,500</u>	<u>4,226,420</u>	<u>(194,080)</u>
EXPENDITURES				
Materials and services	<u>4,020,500</u>	<u>4,420,500</u>	<u>4,226,420</u>	<u>194,080</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 notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
HEALTH SERVICES FUND
Year Ended June 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,841,105	\$ 1,866,105	\$ 1,934,706	\$ 68,601
Charges for services	1,865,500	1,940,500	1,892,176	(48,324)
Interest	3,500	3,500	3,699	199
Miscellaneous	13,500	13,500	31,659	18,159
TOTAL REVENUES	<u>3,723,605</u>	<u>3,823,605</u>	<u>3,862,240</u>	<u>38,635</u>
EXPENDITURES				
Personal services	2,722,708	2,618,708	2,609,062	9,646
Materials and services	1,034,397	1,248,897	1,242,785	6,112
Capital outlay	21,500	11,000	10,634	366
TOTAL EXPENDITURES	<u>3,778,605</u>	<u>3,878,605</u>	<u>3,862,481</u>	<u>16,124</u>
Excess (deficiency) of revenues over expenditures	<u>(55,000)</u>	<u>(55,000)</u>	<u>(241)</u>	<u>54,759</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	110,000	110,000	110,000	--
Transfers out	(55,000)	(55,000)	(55,000)	--
TOTAL OTHER FINANCING SOURCES (USES)	<u>55,000</u>	<u>55,000</u>	<u>55,000</u>	<u>--</u>
Net change in fund balance	--	--	54,759	54,759
Fund balance at beginning of year	--	--	101,640	101,640
Fund balance at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 156,399</u>	<u>\$ 156,399</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
LIBRARY FUND
Year Ended June 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,095,000	\$ 2,095,000	\$ 2,135,497	\$ 40,497
Intergovernmental	5,000	5,000	20,283	15,283
Fines and forfeitures	10,000	10,000	10,176	176
Interest	15,000	15,000	48,912	33,912
Miscellaneous	8,000	8,000	23,415	15,415
TOTAL REVENUES	<u>2,133,000</u>	<u>2,133,000</u>	<u>2,238,283</u>	<u>105,283</u>
EXPENDITURES				
Personal services	1,449,500	1,434,250	1,305,115	129,135
Materials and services	493,000	525,250	517,206	8,044
Capital outlay	39,500	39,500	13,894	25,606
Contingency	165,000	148,000	--	148,000
TOTAL EXPENDITURES	<u>2,147,000</u>	<u>2,147,000</u>	<u>1,836,215</u>	<u>310,785</u>
Excess (deficiency) of revenues over expenditures	(14,000)	(14,000)	402,068	416,068
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000)	(1,000)	(1,000)	--
Net change in fund balance	(15,000)	(15,000)	401,068	416,068
Fund balance at beginning of year	<u>315,000</u>	<u>315,000</u>	<u>712,997</u>	<u>397,997</u>
Fund balance at end of year	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 1,114,065</u>	<u>\$ 814,065</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
COMMISSION ON CHILDREN AND FAMILIES FUND
Year Ended June 30, 2008**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 612,235	\$ 612,235	\$ 475,974	\$ (136,261)
Interest	4,500	4,500	11,051	6,551
Miscellaneous	29,315	29,315	27,919	(1,396)
TOTAL REVENUES	<u>646,050</u>	<u>646,050</u>	<u>514,944</u>	<u>(131,106)</u>
EXPENDITURES				
Personal services	285,285	285,285	218,533	66,752
Materials and services	427,590	427,590	360,337	67,253
TOTAL EXPENDITURES	<u>712,875</u>	<u>712,875</u>	<u>578,870</u>	<u>134,005</u>
Excess (deficiency) of revenues over expenditures	(66,825)	(66,825)	(63,926)	2,899
OTHER FINANCING SOURCES (USES)				
Transfers in	38,300	38,300	38,300	--
Net change in fund balance	(28,525)	(28,525)	(25,626)	2,899
Fund balance at beginning of year	40,525	28,525	253,348	224,823
Fund balance at end of year	<u>\$ 12,000</u>	<u>\$ --</u>	<u>\$ 227,722</u>	<u>\$ 227,722</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
COMMUNITY CORRECTIONS FUND
Year Ended June 30, 2008**

	Original and Final Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 777,280	\$ 813,177	\$ 35,897
Charges for services	80,000	103,080	23,080
Miscellaneous	3,000	4,541	1,541
	<u>860,280</u>	<u>920,798</u>	<u>60,518</u>
EXPENDITURES			
Personal services	615,700	556,215	59,485
Materials and services	487,550	368,912	118,638
Contingency	57,030	--	57,030
	<u>1,160,280</u>	<u>925,127</u>	<u>235,153</u>
Net change in fund balance	(300,000)	(4,329)	295,671
Fund balance at beginning of year	300,000	212,665	(87,335)
	<u>300,000</u>	<u>212,665</u>	<u>(87,335)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 208,336</u>	<u>\$ 208,336</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2008**

	Business-type Activities/Enterprise Funds		
	Solid Waste	Solid Waste Sinking	Totals
<u>ASSETS</u>			
Current assets			
Cash and investments	\$ 813,565	\$ 1,239,966	\$ 2,053,531
Receivables	119,027	--	119,027
	932,592	1,239,966	2,172,558
Total current assets			
Capital assets			
Land and construction in progress	230,515	--	230,515
Other capital assets, net of depreciation	1,403,335	--	1,403,335
	2,566,442	1,239,966	3,806,408
TOTAL ASSETS	2,566,442	1,239,966	3,806,408
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable and accrued expenses	132,441	50,559	183,000
Current portion of landfill post-closure care liability	87,100	--	87,100
	219,541	50,559	270,100
Total current liabilities			
Landfill post-closure care liability	897,450	--	897,450
	1,116,991	50,559	1,167,550
TOTAL LIABILITIES	1,116,991	50,559	1,167,550
<u>NET ASSETS</u>			
Invested in capital assets	1,633,850	--	1,633,850
Unrestricted	(184,399)	1,189,407	1,005,008
	\$ 1,449,451	\$ 1,189,407	\$ 2,638,858
TOTAL NET ASSETS	\$ 1,449,451	\$ 1,189,407	\$ 2,638,858

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2008**

	<u>Business-type Activities/Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Solid Waste Sinking</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for services	\$ 1,703,151	\$ --	\$ 1,703,151
OPERATING EXPENSES			
Personal services	68,133	--	68,133
Materials and services	1,708,823	1,319	1,710,142
Depreciation	59,425	--	59,425
Total operating expenses	<u>1,836,381</u>	<u>1,319</u>	<u>1,837,700</u>
Operating (loss)	<u>(133,230)</u>	<u>(1,319)</u>	<u>(134,549)</u>
NONOPERATING REVENUES (EXPENSES)			
Assessments	222,141	--	222,141
Intergovernmental	5,972	--	5,972
Interest	39,459	57,548	97,007
Miscellaneous	2,041	--	2,041
Total nonoperating revenues (expenses)	<u>269,613</u>	<u>57,548</u>	<u>327,161</u>
Income before transfers	136,383	56,229	192,612
Transfers in (out)	<u>18,637</u>	<u>(18,637)</u>	<u>--</u>
Changes in net assets	155,020	37,592	192,612
Net assets - beginning	<u>1,294,431</u>	<u>1,151,815</u>	<u>2,446,246</u>
Net assets - ending	<u>\$ 1,449,451</u>	<u>\$ 1,189,407</u>	<u>\$ 2,638,858</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2008**

	<u>Business-type Activities/Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Solid Waste Sinking</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 1,699,942	\$ -	\$ 1,699,942
Payments to suppliers	(1,652,085)	(7,480)	(1,659,565)
Payments to employees	(70,933)	-	(70,933)
Other	2,041	-	2,041
Net cash (used in) operating activities	<u>(21,035)</u>	<u>(7,480)</u>	<u>(28,515)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Assessments of property owners	216,485	-	216,485
Grants	5,972	-	5,972
Transfers in	-	220,000	220,000
Transfers out	(220,000)	-	(220,000)
Net cash provided by non-capital financing activities	<u>2,457</u>	<u>220,000</u>	<u>222,457</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	-	(188,078)	(188,078)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	39,459	57,548	97,007
Net increase in cash and cash equivalents	20,881	81,990	102,871
Cash and cash equivalents - beginning of year	792,684	1,157,976	1,950,660
Cash and cash equivalents - end of year	<u>\$ 813,565</u>	<u>\$ 1,239,966</u>	<u>\$ 2,053,531</u>
Reconciliation of operating (loss) to net cash (used in) operating activities			
Operating (loss)	\$ (133,230)	\$ (1,319)	\$ (134,549)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities			
Depreciation	59,425	-	59,425
Other	2,041	-	2,041
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	2,920	(6,161)	(3,241)
Accumulated compensated absences	(2,741)	-	(2,741)
Landfill post-closure care liability	50,550	-	50,550
Net cash (used in) operating activities	<u>\$ (21,035)</u>	<u>\$ (7,480)</u>	<u>\$ (28,515)</u>

See notes to basic financial statements

TILLAMOOK COUNTY
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2008

	Tillamook County	
	Oregon	
	Retirement Plan	
	for Employees	
	Pension Trust	Agency
<u>ASSETS</u>		
Cash and investments	\$ 946,074	\$ 814,282
Receivables	--	3,579,575
Investments, at fair value:		
Fixed income securities	11,889,595	
Mutual funds	20,334,677	--
TOTAL ASSETS	33,170,346	\$ 4,393,857
<u>LIABILITIES</u>		
Due to other governments	--	\$ 4,393,857
<u>NET ASSETS</u>		
Held in trust for pension benefits	\$ 33,170,346	

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUND
Year Ended June 30, 2008**

	Tillamook County Oregon Retirement Plan for Employees Pension Trust
ADDITIONS	
Employer contributions	\$ 2,542,678
Earnings on investments	<u>324,039</u>
Total additions	<u>2,866,717</u>
DEDUCTIONS	
Administration expenses	442,160
Benefit payments	<u>1,167,895</u>
Total deductions	<u>1,610,055</u>
Change in net assets	1,256,662
Net assets - beginning of year	<u>31,913,684</u>
Net assets - end of year	<u>\$ 33,170,346</u>

See notes to basic financial statements

**NOTES TO BASIC
FINANCIAL STATEMENTS**

TILLAMOOK COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS Year Ended June 30, 2008

1. Summary of Significant Accounting Policies

The Reporting Entity

Tillamook County was established December 15, 1853. A three-member Board of County 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 source is user charges and assessments. The Solid Waste Fund and the Solid Waste Sinking 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 on February 12, 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 County Commissioners acts as the governing board 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 at the courthouse.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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 removed 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 funds, proprietary funds, 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.

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 fund and fiduciary fund financial statements. 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.

The government-wide statements and proprietary funds have applied all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, basis of accounting and financial statement presentation (continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental fund financial statements 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 maintenance activities related to maintaining and inspecting the County's highways and roads.

County School - accounts for State timber and Federal Forest Fees revenues which are distributed to school districts within the County.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, basis of accounting and financial statement presentation (continued)

Health Services - accounts for the revenues and expenditures of the County's Health Department which provides medical assistance to residents of the County.

Library - accounts for the operation of the County's public library.

Commission on Children and Families - accounts for Oregon Children and Youth Services Commission grants for the development, administration and evaluation of an annual Comprehensive Juvenile Services Plan for the County.

Community Corrections - accounts for the custodial and supervisory services for offenders adjudicated through the criminal justice system of the County.

OTIA Bridge Construction - accounts for funds provided by the Oregon Department of Transportation for reconstruction of bridges within the County.

The County reports the following major proprietary fund:

Solid Waste - accounts for disposal of solid waste generated in Tillamook County. The principal funding sources are collection fees and assessments from property owners.

The County reports the following fiduciary funds:

Tillamook County Oregon Retirement Plan for Employee Pension Trust - accounts for the assets held, contributions to and benefit payments of Tillamook County's pension plan to provide retirement benefits to its employees.

Agency - account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

Additionally, the County reports the following fund types:

Special revenue - account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service - account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Measurement Focus, basis of accounting and financial statement presentation (continued)

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.

Enterprise - account for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis, and internal service funds account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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.

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)

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.

Assessments

The Solid Waste Service District (an Enterprise Fund) assesses each unit of property within the County a \$12 fee to support waste collection and disposal operations. Assessments are recorded as levied.

Grants and Entitlements

Receivables for federal and state grants and state shared revenue are recorded as revenue in all fund types as earned.

Other Receivables

In governmental fund types, the portion of the receivable which is available to finance expenditures of the current period is recorded as revenue and the remaining balance is recorded as deferred revenue. Revenues are recorded when earned in proprietary fund types.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets, which include property, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, sewers, street lighting, and similar items), and their improvements, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of at least one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the County, as well as the component units, are depreciated using the straight-line method over estimated useful lives as follows:

• Motor vehicles	5 to 10 years
• Equipment, including software	5 to 15 years
• Buildings	45 to 50 years
• Buildings improvements	20 years
• Public domain infrastructure	50 to 75 years

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in the statement of activities.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs and the excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Accumulated Vacation – Employees of the County are permitted to accumulate vacation leave up to one and one-half times the employees' annual accrual rate. The annual accrual rate is from 12 to 24 days per year. Accumulated vacation is accrued when incurred in the government-wide and proprietary fund financial statements

Sick Leave – Employees of the County earn sick leave at a rate of one day per month and may accumulate up to 180 days. The right to receive any payments for unused sick leave does not vest with employees during their employment, and no payments for unused sick leave are made upon termination of employment. However, in accordance with the County's collective bargaining agreements, upon retirement from the County or death, employees will be paid for up to 480 hours of unused sick leave. The County has accrued a liability for the estimated amount of these sick leave payments in the government-wide and proprietary fund statements.

Interfund Loans

Lending and borrowing arrangements between funds, which are outstanding at the end of the year, are presented as either "interfund receivables/payables" for the current portion or advances to/from other funds" for the non-current portion of the interfund loan. All other outstanding balances between funds are reported as due to/from other funds. Advances to other funds are offset by a reservation of fund equity to indicate that they are not available financial resources.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Retirement Plan

Substantially all of the County's employees are participants in the Tillamook County, Oregon Retirement Plan for Employees. Contributions to the plan are made on a current basis as required by the plan and are charged to expenditures or expenses when due and the employer has made a formal commitment to provide the contribution.

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

Solid Waste 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. The Solid Waste Service District received a closed landfill permit from the Oregon Department of Environmental Quality in November 1992. State and federal laws and regulations require the District to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The District has recorded a liability for the estimated cost of landfill post-closure care. Annually, the District evaluates the liability by examining the estimated costs needed to perform the post-closure care over the remaining life and adjusts the liability accordingly. Due to increasing costs associated with post-closure care, the estimated liability increased by \$137,650. During the current fiscal year, the balance was decreased by \$87,100 to reflect an estimated liability of \$984,550 at June 30, 2008.

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)

2. Reconciliation of Generally Accepted Accounting Principles Basis to Budgetary Basis

The budget of the County is prepared differently from accounting principles generally accepted in the United States of America. Therefore, the Statements of Revenues, Expenditures and Changes in Fund Balances (Budgetary Basis) – Budget and Actual for governmental funds is presented on the budgetary basis and is adjusted to the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds in accordance with accounting principles generally accepted in the United States of America. The following is a reconciliation of the differences between the budgetary basis and accounting principles generally accepted in the United States of America for revenues and other financing sources over (under) expenditures and other financing uses for the aforementioned financial statements:

	General	Road	County School	Health Services	Library	Commission on Children and Families	Community Corrections
Net change in fund balances - generally accepted accounting principles basis	<u>\$(516,638)</u>	<u>\$(121,160)</u>	<u>\$(570,147)</u>	<u>\$ 104,950</u>	<u>\$ 383,031</u>	<u>\$ (3,327)</u>	<u>\$ (2,730)</u>
Revenues:							
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	694,111	(224,340)	570,147	9,928	(19,087)	6,091	-
Increase (decrease) in deferred revenues	<u>54,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,033</u>	<u>-</u>	<u>-</u>
	<u>749,050</u>	<u>(224,340)</u>	<u>570,147</u>	<u>9,928</u>	<u>11,946</u>	<u>6,091</u>	<u>-</u>
Expenditures:							
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	<u>26,668</u>	<u>206,118</u>	<u>-</u>	<u>(60,119)</u>	<u>6,091</u>	<u>(28,390)</u>	<u>(1,599)</u>
Net change in fund balances - budgetary basis	<u>\$ 259,080</u>	<u>\$(139,382)</u>	<u>\$ -</u>	<u>\$ 54,759</u>	<u>\$401,068</u>	<u>\$ (25,626)</u>	<u>\$ (4,329)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments

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

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

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

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

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

As of June 30, 2008, the County had the following investments:

	<u>Maturities</u>	<u>Rating</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	Not Rated	\$ 11,781,107
Money market funds	N/A	Not Rated	707,944
U.S. Government Agencies			
Federal National Mortgage Association	7/23/08-4/20/08	Aaa/AAA	3,307,944
Federal Home Loan Bank	7/21/08-6/30/09	Aaa/AAA	2,044,760
Federal Home Loan Mortgage Corporation	8/13/08-6/15/09	AAA/AAA	588,943
Federal Farm Credit Bank	7/28/08-11/5/08	AAA/AAA	263,248
U S Bank National Association	12/15/08	Aa2/AA	1,012,515
Credit Suisse First Boston USA	1/15/09	Aa1/AA-	1,016,358
Mutual Funds (Pension Trust)	N/A	Not Rated	<u>33,170,346</u>
Total			<u>\$ 53,893,165</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments (continued)

Interest Rate Risk. The County does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk. The County does not have a formal policy that places a limit on the amount that may be invested in any one issuer. 50 percent of the County's investments, other than the Pension Trust investments, are in the State Treasurer's Investment Pool.

Custodial Credit Risk – Investments. This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. Investments, other than the Pension Trust investments, amounting to \$8,941,712 has custodial credit risk because the related securities are uninsured, unregistered and held by the County's brokerage firm, which is the counterparty to those securities. The County does not have a policy which limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits. This is the risk that, in the event of a bank failure, the County's deposits may not be returned. The County's policy is to comply with Oregon Revised Statute 295 which requires collateralization of deposits in excess of amounts insured by the Federal Depository Insurance Corporation by financial institutions with eligible securities having values of not less than 25 percent of the amount so collateralized. As of June 30, 2008, \$2,328,130 of the County's bank balance of \$3,304,774 was exposed to custodial credit risk because it was uninsured and uncollateralized.

A. The County's deposits and investments at June 30, 2008, are as follows:

Total investments	\$ 53,893,165
Cash on hand	13,331
Deposits with financial institutions	<u>2,499,259</u>
Total deposits and investments	<u>\$ 56,405,755</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments (continued)

B. Cash and investments by fund:

Governmental activities/funds

Unrestricted

General	\$ 5,937,770
Road	2,373,153
Health Services	184,273
Library	1,129,349
Commission on Children and Families	227,392
Community Corrections	211,224
OTIA Bridge Construction	2,128,888
Other governmental funds	<u>8,168,098</u>

Total unrestricted 20,360,147

Restricted

Other governmental funds	<u>7,449</u>
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Total governmental activities/funds 20,367,596

Business-type activities/Enterprise funds

Unrestricted

Solid Waste	813,565
Solid Waste Sinking	<u>1,239,966</u>

Total business-type activities/Enterprise funds 2,053,531

Fiduciary funds

Tillamook County, Oregon Retirement Plan for Employees Pension Trust	33,170,346
Agency	<u>814,282</u>

Total fiduciary funds 33,984,628

Total cash and investments \$ 56,405,755

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables

A. The County's receivables at June 30, 2008, are as follows:

	General	Road	County School	Health Services	Library	Commission on Children and Families	Other Governmental Funds	Total Governmental Activities	Solid Waste	Agency Funds	Totals
Property taxes	\$ 319,444	\$ -	\$ -	\$ -	\$ 126,527	\$ -	\$ 121,918	\$ 567,889	\$ -	\$ 1,713,179	\$ 2,281,068
Unsegregated taxes	36,131	-	-	-	14,503	-	14,149	64,783	1,574	194,039	260,396
Assessments	-	-	-	-	-	-	-	-	13,920	-	13,920
Accounts	-	1,048	-	390,626	-	-	-	391,674	100,324	-	491,998
State timber allotment	817,252	-	628,880	-	-	-	13,827	1,459,959	-	1,335,061	2,795,020
Other	796,168	224,430	-	48,174	-	49,204	88,343	1,206,319	3,209	2,131,288	3,340,816
Less: allowance for uncollectible accounts	(547,343)	-	-	(270,481)	-	-	-	(817,824)	-	(1,793,992)	(2,611,816)
	<u>\$ 1,421,652</u>	<u>\$ 225,478</u>	<u>\$ 628,880</u>	<u>\$ 168,319</u>	<u>\$ 141,030</u>	<u>\$ 49,204</u>	<u>\$ 238,237</u>	<u>\$ 2,872,800</u>	<u>\$ 119,027</u>	<u>\$ 3,579,575</u>	<u>\$ 6,571,402</u>

B. Property taxes

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15.

ii. Transactions

	Balances July 1, 2007	2007-08 Levies	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2008
Current	\$ -	\$ 38,024,568	\$ (58,313)	\$ (895,570)	\$ (35,618,840)	\$ 1,451,845
2006-07	1,050,562	-	(6,885)	81	(555,835)	487,923
2005-06	426,406	-	(3,693)	32	(169,369)	253,376
2004-05	213,128	-	(1,501)	22	(144,997)	66,652
2003-04	48,110	-	(1,299)	21	(41,036)	5,796
2002-03	6,046	-	(1,218)	21	(360)	4,489
Prior	14,376	-	(373)	-	(3,016)	10,987
	<u>\$ 1,758,628</u>	<u>\$ 38,024,568</u>	<u>\$ (73,282)</u>	<u>\$ (895,393)</u>	<u>\$ (36,533,453)</u>	<u>\$ 2,281,068</u>

iii. Ensuing year's levies

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

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

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

In addition, the County will levy \$1,872,000 for the retirement of long-term debt principal and interest due in 2008-09.

Also, the voters of the County approved local option taxes for the County Library and Veteran's Services of \$.65 and \$.03 per thousand of assessed value, respectively.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Interfund Transfers

Interfund transfers used to reallocate financial resources to funds where they will be expended were as follows:

<u>Fund</u>	<u>Transfer In</u>	<u>Transfer out</u>
General	\$ 65,000	\$ 699,300
Road	--	114,800
Health Services	110,000	55,000
Library	--	1,000
Commission on Children and Families	38,300	--
Other Governmental Funds	666,800	10,000
Solid Waste – Cash		220,000
– Non-cash	238,637	--
Solid Waste Sinking – Cash	220,000	--
– Non-cash	--	238,637
	<u>\$ 1,338,737</u>	<u>\$ 1,338,737</u>

Non-cash transfer result from the Solid Waste Sinking fund purchasing capital assets which are reported in the Solid Waste fund.

6. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	<u>Balances July 1, 2007</u>	<u>Additions</u>	<u>Reclassifications and Deletions</u>	<u>Balances June 30, 2008</u>
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 5,180,640	\$ 82,500	\$ -	\$ 5,263,140
Construction in progress	<u>2,323,279</u>	<u>3,673,649</u>	<u>2,967,256</u>	<u>3,029,672</u>
Total capital assets not being depreciated	<u>\$ 7,503,919</u>	<u>\$ 3,756,149</u>	<u>\$ 2,967,256</u>	<u>\$ 8,292,812</u>
Capital assets being depreciated				
Land improvements	\$ 1,506,695	\$ 198,873	\$ -	\$ 1,705,568
Buildings	28,361,548	51,320	24,582	28,388,286
Equipment	8,349,486	248,957	106,699	8,491,744
Infrastructure	<u>14,209,582</u>	<u>2,967,256</u>	<u>-</u>	<u>17,176,838</u>
Total capital assets being depreciated	<u>52,427,311</u>	<u>3,466,406</u>	<u>131,281</u>	<u>55,762,436</u>
Less accumulated depreciation for:				
Land improvements	647,045	89,874	-	736,919
Buildings	5,586,560	579,314	24,582	6,141,292
Equipment	5,704,417	383,856	83,987	6,004,286
Infrastructure	<u>5,686,909</u>	<u>198,121</u>	<u>-</u>	<u>5,885,030</u>
Total accumulated depreciation	<u>17,624,931</u>	<u>1,251,165</u>	<u>108,569</u>	<u>18,767,527</u>
Total capital assets being depreciated	<u>\$ 34,802,380</u>	<u>\$ 2,215,241</u>	<u>\$ 22,712</u>	<u>\$ 36,994,909</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Capital Assets (continued)

	Balances July 1, 2007	Additions	Reclassifications and Deletions	Balances June 30, 2008
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land	\$ 125,000	\$ -	\$ -	\$ 125,000
Construction in progress	<u>-</u>	<u>105,515</u>	<u>-</u>	<u>105,515</u>
Total capital assets not being depreciated	<u>\$ 125,000</u>	<u>\$ 105,515</u>	<u>\$ -</u>	<u>\$ 230,515</u>
Capital assets being depreciated				
Land improvements	\$ 664,158	\$ 24,617	\$ -	\$ 688,775
Buildings	2,062,167	97,757	-	2,159,924
Equipment	<u>111,093</u>	<u>10,748</u>	<u>-</u>	<u>121,841</u>
Total capital assets being depreciated	<u>2,837,418</u>	<u>133,122</u>	<u>-</u>	<u>2,970,540</u>
Less accumulated depreciation for:				
Land improvements	289,594	22,110	-	311,704
Buildings	1,110,910	36,885	-	1,147,795
Equipment	<u>107,276</u>	<u>430</u>	<u>-</u>	<u>107,706</u>
Total accumulated depreciation	<u>1,507,780</u>	<u>59,425</u>	<u>-</u>	<u>1,567,205</u>
Total capital assets being depreciated	<u>\$ 1,329,638</u>	<u>\$ 73,697</u>	<u>\$ -</u>	<u>\$ 1,403,335</u>

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

<i>Governmental activities</i>	
General government	\$ 173,075
Public safety	360,109
Highways and streets	376,135
Culture and recreation	306,336
Health and welfare	29,640
Education	<u>5,870</u>
Total governmental activities	<u>\$1,251,165</u>
Business-type activities	
Solid waste	<u>\$ 59,425</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Deferred Revenue

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

	<u>General</u>	<u>Library</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Property taxes	<u>\$ 267,682</u>	<u>\$ 105,903</u>	<u>\$ 101,305</u>	<u>\$ 474,890</u>

8. Long-Term Obligations

a. Long-term obligation transactions for the year ended June 30, 2008, are as follows:

<i>Governmental activities</i>	<u>Balances July 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2008</u>	<u>Balances Due Within One Year</u>
<u>Bonded Debt</u>					
1999 General Obligation					
Refunding Bonds – original issue \$5,115,000, 15 years, interest from 3.2 to 4.7 percent					
Principal	\$ 3,865,000	\$ -	\$ 485,000	\$ 3,380,000	\$ 505,000
Interest	84,888	160,835	170,720	75,003	
	<u>3,949,888</u>	<u>160,835</u>	<u>655,720</u>	<u>3,455,003</u>	
2002 General Obligation					
Refunding Bonds – original issue \$6,580,000, 14 years, interest from 1.8 to 4.7 percent					
Principal	6,145,000	-	605,000	5,540,000	630,000
Interest	118,805	248,869	259,080	108,594	
	<u>6,263,805</u>	<u>248,869</u>	<u>864,080</u>	<u>5,648,594</u>	
2003 General Obligation – original issue \$3,700,000, 20 years, interest from 2.0 to 4.5 percent					
Percent	3,290,000	-	145,000	3,145,000	150,000
Interest	5,371	128,538	128,728	5,181	
	<u>3,295,371</u>	<u>128,538</u>	<u>273,728</u>	<u>3,150,181</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined Benefit Pension Plan (continued)

The following table presents a schedule of the County's required annual contributions:

Year Ended June 30,	Annual Required Contributions	Employer Contributions	Percentage Contributed
2008	\$ 1,696,744*	\$ 2,206,855	130%
2007	1,973,585	2,047,728	104%
2006	1,818,310	1,767,869	97%
2005	1,765,601	1,659,665	94%
2004	1,856,843	1,708,295	92%
2003	1,684,691	1,885,456	95%
2002	1,196,311	1,240,426	104%
2001	1,053,505	1,149,637	109%
2000	825,557	1,070,940	130%

* Estimated based upon the July 1, 2007 actuarial valuation. The actual amount of annual required contributions cannot be determined until after the end of the fiscal year.

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

Actuarial Valuation as of July 1,	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll
2007	\$ 31,906,678	\$ 34,117,986	\$ 2,211,308	94%	\$ 9,767,064	23%
2006	27,006,079	31,325,724	4,319,645	86%	9,624,036	45%
2005	23,979,112	27,451,673	3,472,561	87%	9,428,172	37%
2004	20,883,296	24,904,338	4,028,403	84%	9,628,464	42%
2003	16,879,927	22,026,636	5,146,709	77%	9,312,900	55%
2002	15,601,685	19,594,076	3,992,391	80%	9,083,832	44%
2001	14,830,542	15,415,448	584,906	96%	8,452,824	7%
2000	13,180,056	13,611,176	431,120	97%	8,192,196	5%
1999	11,986,412	11,789,666	(196,746)	102%	6,939,300	(3%)

The following table presents the annual pension cost and change in net pension obligation for the County estimated as of June 30, 2008 and 2007 as of the July 1, 2007 actuarial valuations

	2008	2007
Annual Required Contribution (ARC)	\$ 1,696,744	\$ 1,973,585
Interest on Net Pension Obligation	(15,992)	(12,519)
Adjustment to Annual Required Contribution	27,175	21,273
Annual Pension Cost	1,707,927	1,982,339
Contributions made	(2,206,855)	(2,030,246)
Change in Net Pension Obligation	(498,928)	(47,907)
Net Pension Obligation (Asset) - beginning of year	(220,578)	(172,671)
Net Pension Obligation (Asset) - end of year	\$ (719,506)	\$ (220,578)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined Benefit Pension Plan (continued)

Three-year trend information

	<u>Annual Pension Cost</u>	<u>Amount Contributed</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
June 30, 2008	\$ 1,707,927*	\$ 2,206,855	129.2%	\$ (719,506)
June 30, 2007	1,982,339	2,030,246	102.4%	(220,578)
June 30, 2006	1,828,886	1,767,869	96.7%	(172,671)

* Estimated based upon the July 1, 2007 actuarial valuation. The actual annual pension cost and net pension obligations cannot be determined until after the end of the fiscal year. Accordingly, the County reports a net pension liability based on the July 1, 2007 actuarial valuation and not the amount estimated as of June 30, 2008.

10. Contingency – Sick Leave

Portions of amounts accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2008, employees of the County had accumulated 8,962 days of sick leave.

11. Litigation

The County, in the regular course of business, is named as a defendant in various lawsuits. The likely outcome of these suits is not determinable at this time and the County does not believe that the ultimate resolution of these lawsuits will have a material adverse effect on the County's General Fund.

12. Post-Employment Health Care Benefits

In addition to providing pension benefits, the County provides certain health care benefits for retired employees. The County provides these benefits in order to meet Oregon State statutory requirements to offer employee benefits equal to or better than benefits under the Oregon State Public Employees Retirement System. Employees become eligible for those benefits after five years of coverage under the County's group health insurance plan. For employees hired before July 1, 2003, the County pays group health insurance premiums for retired employees. For employees hired after July 1, 2003, the retirees eligible for coverage are required to pay the full premium for Major medical, dental and vision insurance. When early retirees reach age 65, or when employees retire at age 65, the County pays Medicare supplemental insurance premiums. Retirees continue receiving health care benefits as long as they receive pension benefits. Retired employees receiving benefits under group health insurance totaled 27 and retired employees receiving benefits under Medicare supplemental insurance totaled 69 during the year ended June 30, 2008. The County's contributions are financed on a pay-as-you-go basis; i.e., the cost of retiree health care benefits is recognized as an expenditure as premiums are paid. For fiscal 2008, those payments amounted to \$224,641 for group health insurance and \$138,363 for Medicare supplemental insurance.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Post-Employment Health Care Benefits (continued)

The Governmental Accounting Standards Board has issued statement number 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions. This statement will require the County to recognize the cost of benefits in the periods in which services are received by the County, provide information about the actuarial accrued liabilities for these benefits, and report a net other post-employment benefit liability to the extent the actuarial accrued liability is unfunded. This statement will be effective for the County's year end of June 30, 2009. In preparing for the implementation of GASB 45, the County had an actuarial valuation of its post-employment health care benefits as of July 1, 2005. This valuation computed an accrued actuarial liability of \$7,064,921.

13. Net Assets Restricted Through Enabling Legislation

Net assets which are restricted through enabling legislation are as follows:

Capital projects:

Oregon Transportation Improvement Act was enacted by the State of Oregon to provide funding to the County for the repair or replacement of bridges	\$ 1,673,635
The Board of Commissioners of Tillamook County enacted a fee charged to logging operators using Trask Road for use in making repairs and improvements to Trask Road	<u>179,690</u>
Total	<u>\$ 1,853,325</u>

Other projects:

Oregon and Federal laws restrict the usage of state gas tax and Federal Forest Fees for road repairs and improvements	\$ 2,458,178
Oregon law restricts the usage of fines collected under SB 1065	125,885
The voters of Tillamook County approved a local option tax to provide improvements in emergency communication systems	<u>14,095</u>
Total	<u>\$ 2,598,158</u>

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS AND SCHEDULES**

TILLAMOOK COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
OTIA BRIDGE CONSTRUCTION - CAPITAL PROJECTS FUND (A MAJOR FUND)
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 800,000	\$ --	\$ (800,000)
Interest	99,200	122,920	23,720
TOTAL REVENUES	<u>899,200</u>	<u>122,920</u>	<u>776,280</u>
EXPENDITURES			
Materials and services	353,250	126,461	226,789
Capital outlay	3,685,950	1,081,754	2,604,196
TOTAL EXPENDITURES	<u>4,039,200</u>	<u>1,208,215</u>	<u>2,830,985</u>
Net change in fund balance	(3,140,000)	(1,085,295)	2,054,705
Fund balance at beginning of year	3,140,000	3,214,183	74,183
Fund balance at end of year	<u>\$ --</u>	<u>\$ 2,128,888</u>	<u>\$ 2,128,888</u>

OTHER GOVERNMENTAL FUNDS (NON-MAJOR)

Special Revenue Funds

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

GENERAL GOVERNMENT

Mitigation Grants – accounts for grant funds related to a Corps of Engineers feasibility study.

Video Lottery – accounts for revenues received from state video lottery funds for gambling enforcement activities, gambling addiction programs and economic development.

Forest Timber Trust– accounts for the distributions of monies to certain agencies for protection of the County's forest lands.

Juvenile Trust – accounts for donated revenues to the Juvenile Department. The revenues are to be used for incentives to help juveniles.

Law Library – accounts for fees in accordance with state statute to provide legal research and reference materials.

Building, Planning and Sanitation (BPS) Surcharge – accounts for surcharges and certain permit fees charged by the state which the County collects.

Public Land Corners Preservation (PLCP) – accounts for fees for the remonumentation of government survey corners.

Vehicle Reserve – accounts for funds set aside for replacement of County general fund vehicles.

Parks Sinking – accounts for monies accumulated for the future minor capital needs of the Parks Department.

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.

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

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.

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

OTHER GOVERNMENTAL FUNDS (NON-MAJOR)

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.

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.

Emergency Fire and Radio Local Option Tax – accounts for property tax revenues from a voter approved local option tax levy to finance the construction of an emergency radio communications system.

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.

Library Sinking – provides a reserve for future capital needs of County Library for replacement of the County Bookmobile.

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.

OTHER GOVERNMENTAL FUNDS (NON-MAJOR)

Special Revenue Funds (continued)

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.

Debt Service Funds

Debt service funds account for the payment of principal and interest on the County's general obligation bonds. Revenue is mainly derived from property taxes levied against property owners. Funds included in this category are:

Hospital – accounts for payment of general obligation bond principal and interest related to the construction and remodel of the Tillamook County Hospital.

Jail – accounts for payment of general obligation bond principal and interest related to the construction of a new correctional facility and the remodel of the existing facility.

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:

Building Improvement – accounts for revenues and transfers from the General Fund for the purpose of developing a reserve for future building maintenance and other capital improvements.

Tillamook County 4-H and Extension Building Reserve – accounts for resources to acquire or construct offices, meeting rooms and educational facilities.

Library Construction – accounts for the construction of a new public library funded by proceeds from long-term debt.

Fair – accounts for resources to acquire or construct fairground improvements.

Oregon Community Development Block Grant – accounts for grant funds received for the purpose of construction of a child care center.

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.

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (NON-MAJOR)
June 30, 2008

	<u>Special Revenue Funds</u>						
	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>		<u>Culture and Recreation</u>	<u>Health and Welfare</u>	<u>Education</u>
			<u>Bike Path</u>				<u>Tillamook County 4-H and Extension Service Dist.</u>
<u>ASSETS</u>							
Cash and investments	\$ 4,266,631	\$ 563,988	\$ 142,808	\$ 226,316	\$ 96,299	\$ 206,972	
Restricted cash and investments	7,449	--	--	--	--	--	
Receivables	49,194	106	--	--	--	29,760	
TOTAL ASSETS	<u>\$ 4,323,274</u>	<u>\$ 564,094</u>	<u>\$ 142,808</u>	<u>\$ 226,316</u>	<u>\$ 96,299</u>	<u>\$ 236,732</u>	
<u>LIABILITIES</u>							
Accounts payable and accrued expenditures	\$ 14,738	\$ 4,903	\$ --	\$ --	\$ 75	\$ 2,615	
Deferred revenue	--	106	--	--	--	11,994	
TOTAL LIABILITIES	<u>14,738</u>	<u>5,009</u>	<u>--</u>	<u>--</u>	<u>75</u>	<u>14,609</u>	
<u>FUND BALANCES</u>							
Reserved for debt service	--	--	--	--	--	--	
Unreserved	4,308,536	559,085	142,808	226,316	96,224	222,123	
TOTAL FUND BALANCES	<u>4,308,536</u>	<u>559,085</u>	<u>142,808</u>	<u>226,316</u>	<u>96,224</u>	<u>222,123</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 4,323,274</u>	<u>\$ 564,094</u>	<u>\$ 142,808</u>	<u>\$ 226,316</u>	<u>\$ 96,299</u>	<u>\$ 236,732</u>	

<u>Debt Service Funds</u>				<u>Capital Projects Funds</u>						
				Tillamook County 4-H and Extension				Oregon Community Development	Trask Road Project	Totals
Hospital	Jail	Library	Building Improvement	Building Reserve	Library Construction	Fair	Block Grant			
\$ 109,124	\$ 59,176	\$ 16,826	\$ 1,590,971	\$ 59,421	\$ 585	\$ 240,326	\$ 408,965	\$ 179,690	\$ 8,168,098	
--	--	--	--	--	--	--	--	--	7,449	
57,896	43,861	18,271	--	--	--	--	39,149	--	238,237	
<u>\$ 167,020</u>	<u>\$ 103,037</u>	<u>\$ 35,097</u>	<u>\$ 1,590,971</u>	<u>\$ 59,421</u>	<u>\$ 585</u>	<u>\$ 240,326</u>	<u>\$ 448,114</u>	<u>\$ 179,690</u>	<u>\$ 8,413,784</u>	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 76,456	\$ --	\$ --	98,787	
43,177	32,729	13,299	--	--	--	--	--	--	101,305	
43,177	32,729	13,299	--	--	--	76,456	--	--	200,092	
123,843	70,308	21,798	--	--	--	--	--	--	215,949	
--	--	--	1,590,971	59,421	585	163,870	448,114	179,690	7,997,743	
123,843	70,308	21,798	1,590,971	59,421	585	163,870	448,114	179,690	8,213,692	
<u>\$ 167,020</u>	<u>\$ 103,037</u>	<u>\$ 35,097</u>	<u>\$ 1,590,971</u>	<u>\$ 59,421</u>	<u>\$ 585</u>	<u>\$ 240,326</u>	<u>\$ 448,114</u>	<u>\$ 179,690</u>	<u>\$ 8,413,784</u>	

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS (NON-MAJOR)
Year Ended June 30, 2008**

	<u>Special Revenue Funds</u>					
	General Government	Public Safety	Highways and Streets		Health and Welfare	Education
			Bike Path	Culture and Recreation		Tillamook County 4-H and Extension Service District
REVENUES						
Property taxes	\$ 95,422	\$ 94	\$ --	\$ --	\$ --	\$ 227,396
Licences, permits and fees	4,875	--	--	--	--	--
Intergovernmental	1,922,322	9,000	--	49,405	830,656	170,781
Charges for services	288,712	--	--	665,917	16,397	--
Fines and forfeitures	--	119,683	--	--	--	--
Timber and land sales	289	--	--	--	--	663
Interest	146,487	17,083	6,025	9,737	4,107	13,150
Miscellaneous	216,993	18,666	--	17,163	--	12,903
TOTAL REVENUES	2,675,100	164,526	6,025	742,222	851,160	424,893
EXPENDITURES						
Current						
General government	1,718,411	--	--	--	--	--
Public safety	--	82,788	--	--	--	--
Highways and streets	--	--	--	--	--	--
Culture and recreation	--	--	--	675,969	--	--
Health and welfare	--	--	--	--	838,767	--
Education	--	--	--	--	--	423,821
Capital outlay	289,448	34,787	--	75,558	--	15,480
Debt service						
Principal	--	--	--	--	--	--
Interest	--	--	--	--	--	--
TOTAL EXPENDITURES	2,007,859	117,575	--	751,527	838,767	439,301
Excess (deficiency) of revenues over expenditures	667,241	46,951	6,025	(9,305)	12,393	(14,408)
OTHER FINANCING SOURCES (USES)						
Transfers in	361,000	--	14,800	41,000	--	--
Sale of assets	7,337	--	--	--	--	--
Issuance of debt	--	--	--	--	--	--
Transfers out	--	(10,000)	--	--	--	--
TOTAL OTHER FINANCING SOURCES (USES)	368,337	(10,000)	14,800	41,000	--	--
Net change in fund balances	1,035,578	36,951	20,825	31,695	12,393	(14,408)
Fund balances at beginning of year	3,272,958	522,134	121,983	194,621	83,831	236,531
Fund balances at end of year	\$ 4,308,536	\$ 559,085	\$ 142,808	\$ 226,316	\$ 96,224	\$ 222,123

Debt Service Funds			Capital Projects Funds							
Hospital	Jail	Library	Building Improvement	Tillamook County 4-H Building Reserve	and Extension Building Reserve	Library Construction	Fair	Oregon Community Development Block Grant	Trask Road Project	Totals
\$ 805,905	\$ 605,872	\$ 256,890	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 1,991,579
--	--	--	--	--	--	--	--	--	--	4,875
--	--	--	--	--	--	--	90,000	792,779	--	3,864,943
--	--	--	--	--	--	--	--	--	89,255	1,060,281
--	--	--	--	--	--	--	--	--	--	119,683
2,345	1,762	745	214,794	--	--	--	--	--	--	220,598
8,507	3,751	3,148	56,743	2,662	542	284	--	--	6,884	279,110
--	--	--	21,775	--	--	--	22,734	45,149	--	355,383
<u>816,757</u>	<u>611,385</u>	<u>260,783</u>	<u>293,312</u>	<u>2,662</u>	<u>542</u>	<u>113,018</u>	<u>837,928</u>	<u>96,139</u>	<u>7,896,452</u>	
530	530	--	3,700	--	--	--	--	389,814	--	2,112,985
--	--	--	--	--	--	--	--	--	--	82,788
--	--	--	--	--	--	--	--	--	4,223	4,223
--	--	530	--	--	--	--	7,590	--	--	684,089
--	--	--	--	--	--	--	--	--	--	838,767
--	--	--	--	--	--	--	--	--	--	423,821
--	--	--	55,450	--	35,841	1,393,314	--	--	--	1,899,878
605,000	485,000	145,000	--	--	--	--	--	--	--	1,235,000
<u>259,080</u>	<u>170,720</u>	<u>128,728</u>	--	--	--	--	--	--	--	<u>558,528</u>
<u>864,610</u>	<u>656,250</u>	<u>274,258</u>	<u>59,150</u>	--	<u>35,841</u>	<u>1,400,904</u>	<u>389,814</u>	<u>4,223</u>	<u>7,840,079</u>	
<u>(47,853)</u>	<u>(44,865)</u>	<u>(13,475)</u>	<u>234,162</u>	<u>2,662</u>	<u>(35,299)</u>	<u>(1,287,886)</u>	<u>448,114</u>	<u>91,916</u>	<u>56,373</u>	
--	--	--	250,000	--	--	--	--	--	--	666,800
--	--	--	--	--	--	750,000	--	--	--	757,337
--	--	--	--	--	--	700,000	--	--	--	700,000
--	--	--	--	--	--	--	--	--	--	(10,000)
--	--	--	250,000	--	--	1,450,000	--	--	--	2,114,137
<u>(47,853)</u>	<u>(44,865)</u>	<u>(13,475)</u>	<u>484,162</u>	<u>2,662</u>	<u>(35,299)</u>	<u>162,114</u>	<u>448,114</u>	<u>91,916</u>	<u>2,170,510</u>	
<u>171,696</u>	<u>115,173</u>	<u>35,273</u>	<u>1,106,809</u>	<u>56,759</u>	<u>35,884</u>	<u>1,756</u>	--	<u>87,774</u>	<u>6,043,182</u>	
<u>\$ 123,843</u>	<u>\$ 70,308</u>	<u>\$ 21,798</u>	<u>\$ 1,590,971</u>	<u>\$ 59,421</u>	<u>\$ 585</u>	<u>\$ 163,870</u>	<u>\$ 448,114</u>	<u>\$ 179,690</u>	<u>\$ 8,213,692</u>	

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT FUNDS
June 30, 2008**

	<u>Mitigation</u>	<u>Video</u>	<u>Forest</u>	<u>Juvenile</u>	<u>Law</u>	<u>BPS</u>
	<u>Grants</u>	<u>Lottery</u>	<u>Timber</u>	<u>Trust</u>	<u>Library</u>	<u>Surcharge</u>
<u>ASSETS</u>						
Cash and investments	\$ 481,554	\$ 309,525	\$ 47,783	\$ 14,260	\$ 26,728	\$ 12,820
Restricted cash and investments	7,449	--	--	--	--	--
Receivables	--	--	--	--	--	343
TOTAL ASSETS	\$ 489,003	\$ 309,525	\$ 47,783	\$ 14,260	\$ 26,728	\$ 13,163
<u>LIABILITIES</u>						
Accounts payable and accrued expenditures	\$ 1,833	\$ --	\$ --	\$ --	\$ 4,466	\$ 2,880
<u>FUND BALANCES</u>						
Unreserved	487,170	309,525	47,783	14,260	22,262	10,283
TOTAL LIABILITIES AND FUND BALANCES	\$ 489,003	\$ 309,525	\$ 47,783	\$ 14,260	\$ 26,728	\$ 13,163

<u>PLCP</u>	<u>Vehicle Reserve</u>	<u>Parks Sinking</u>	<u>Clerks Records</u>	<u>Federal Title III</u>	<u>Revenue Stabilization</u>	<u>Veteran's Services</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
\$ 163,319	\$ 441,333	\$ 90,042	\$ 20,256	\$ 54,221	\$ 1,970,526	\$ 47,535	\$ 586,729	\$ 4,266,631
--	--	--	--	--	--	--	--	7,449
--	--	48,851	--	--	--	--	--	49,194
<u>\$ 163,319</u>	<u>\$ 441,333</u>	<u>\$ 138,893</u>	<u>\$ 20,256</u>	<u>\$ 54,221</u>	<u>\$ 1,970,526</u>	<u>\$ 47,535</u>	<u>\$ 586,729</u>	<u>\$ 4,323,274</u>
\$ 536	--	--	--	--	--	5,023	--	14,738
<u>162,783</u>	<u>441,333</u>	<u>138,893</u>	<u>20,256</u>	<u>54,221</u>	<u>1,970,526</u>	<u>42,512</u>	<u>586,729</u>	<u>4,308,536</u>
<u>\$ 163,319</u>	<u>\$ 441,333</u>	<u>\$ 138,893</u>	<u>\$ 20,256</u>	<u>\$ 54,221</u>	<u>\$ 1,970,526</u>	<u>\$ 47,535</u>	<u>\$ 586,729</u>	<u>\$ 4,323,274</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
June 30, 2008**

	<u>Court</u>	<u>Law</u>	<u>Sheriff</u>	<u>SB 1065</u>	<u>Emergency</u>	<u>Tillamook</u>	<u>Totals</u>
	<u>Security</u>	<u>Enforcement</u>	<u>Trust</u>	<u>Assessment</u>	<u>Fire and Radio</u>	<u>Narcotics</u>	
				<u>and</u>	<u>Local</u>	<u>Team</u>	
				<u>Conviction</u>	<u>Option Tax</u>		
<u>ASSETS</u>							
Cash and investments	\$ 319,894	\$ 79,861	\$ 6,785	\$ 125,885	\$ 13,989	\$ 17,574	\$ 563,988
Receivables	--	--	--	--	106	--	106
TOTAL ASSETS	\$ 319,894	\$ 79,861	\$ 6,785	\$ 125,885	\$ 14,095	\$ 17,574	\$ 564,094
<u>LIABILITIES</u>							
Accounts payable	\$ 918	\$ 3,219	\$ 736	--	--	\$ 30	\$ 4,903
Deferred revenue	--	--	--	--	106	--	106
TOTAL LIABILITIES	918	3,219	736	--	106	30	5,009
<u>FUND BALANCES</u>							
Unreserved	318,976	76,642	6,049	125,885	13,989	17,544	559,085
TOTAL LIABILITIES AND FUND BALANCES	\$ 319,894	\$ 79,861	\$ 6,785	\$ 125,885	\$ 14,095	\$ 17,574	\$ 564,094

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
CULTURE AND RECREATION FUNDS
June 30, 2008

	County Fair	Library Sinking	Totals
<u>ASSETS</u>			
Cash and investments	\$ 211,291	\$ 15,025	\$ 226,316
<u>FUND BALANCES</u>			
Unreserved	\$ 211,291	\$ 15,025	\$ 226,316

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
HEALTH AND WELFARE FUNDS
June 30, 2008**

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 1,642	\$ 94,657	\$ 96,299
<u>LIABILITIES</u>			
Accounts payable and accrued expenditures	\$ --	\$ 75	\$ 75
<u>FUND BALANCES</u>			
Unreserved	<u>1,642</u>	<u>94,582</u>	<u>96,224</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,642</u>	<u>\$ 94,657</u>	<u>\$ 96,299</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT FUNDS
Year Ended June 30, 2008**

	Mitigation Grants	Video Lottery	Forest Timber Trust	Juvenile Trust	Law Library
REVENUES					
Property taxes	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses, permits and fees	--	--	--	--	--
Intergovernmental	1,233,115	223,553	--	--	--
County land sales	--	--	--	--	--
Charges for services	--	--	--	--	22,197
Interest	--	5,318	--	602	--
Miscellaneous	22,214	163,663	8,319	2,351	19
	<u>1,255,329</u>	<u>392,534</u>	<u>8,319</u>	<u>2,953</u>	<u>22,216</u>
TOTAL REVENUES					
EXPENDITURES					
General government	790,409	199,800	20,126	541	29,331
Capital outlay	--	--	--	--	--
	<u>790,409</u>	<u>199,800</u>	<u>20,126</u>	<u>541</u>	<u>29,331</u>
TOTAL EXPENDITURES					
Excess (deficiency) of revenues over expenditures	464,920	192,734	(11,807)	2,412	(7,115)
OTHER FINANCING SOURCES (USES)					
Transfers in	--	--	--	--	5,000
Sale of assets	--	--	--	--	--
	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>5,000</u>
TOTAL OTHER FINANCING SOURCES (USES)					
Net change in fund balances	464,920	192,734	(11,807)	2,412	(2,115)
Fund balances at beginning of year	22,250	116,791	59,590	11,848	24,377
	<u>22,250</u>	<u>116,791</u>	<u>59,590</u>	<u>11,848</u>	<u>24,377</u>
Fund balances at end of year	<u>\$ 487,170</u>	<u>\$ 309,525</u>	<u>\$ 47,783</u>	<u>\$ 14,260</u>	<u>\$ 22,262</u>

BPS		Vehicle	Parks	Clerks	Federal	Revenue	Veteran's	Post Employment	Totals
Surcharge	PLCP	Reserve	Sinking	Records	Title III	Stabilization	Services	Liability Reserve	
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 95,422	\$ --	\$ 95,422
--	--	--	--	4,875	--	--	--	--	4,875
70,591	--	--	117,573	--	244,460	--	33,030	--	1,922,322
--	--	--	--	--	--	--	289	--	289
--	81,918	--	184,597	--	--	--	--	--	288,712
--	--	15,270	4,078	819	7,991	85,773	1,607	25,029	146,487
--	7,821	--	4,285	--	--	--	8,321	--	216,993
<u>70,591</u>	<u>89,739</u>	<u>15,270</u>	<u>310,533</u>	<u>5,694</u>	<u>252,451</u>	<u>85,773</u>	<u>138,669</u>	<u>25,029</u>	<u>2,675,100</u>
100,345	81,830	--	2,804	958	340,110	--	152,157	--	1,718,411
--	28,425	--	261,023	--	--	--	--	--	289,448
<u>100,345</u>	<u>110,255</u>	<u>--</u>	<u>263,827</u>	<u>958</u>	<u>340,110</u>	<u>--</u>	<u>152,157</u>	<u>--</u>	<u>2,007,859</u>
(29,754)	(20,516)	15,270	46,706	4,736	(87,659)	85,773	(13,488)	25,029	667,241
--	--	150,000	--	--	--	100,000	56,000	50,000	361,000
--	--	--	7,337	--	--	--	--	--	7,337
<u>--</u>	<u>--</u>	<u>150,000</u>	<u>7,337</u>	<u>--</u>	<u>--</u>	<u>100,000</u>	<u>56,000</u>	<u>50,000</u>	<u>368,337</u>
(29,754)	(20,516)	165,270	54,043	4,736	(87,659)	185,773	42,512	75,029	1,035,578
40,037	183,299	276,063	84,850	15,520	141,880	1,784,753	--	511,700	3,272,958
<u>\$ 10,283</u>	<u>\$ 162,783</u>	<u>\$ 441,333</u>	<u>\$ 138,893</u>	<u>\$ 20,256</u>	<u>\$ 54,221</u>	<u>\$ 1,970,526</u>	<u>\$ 42,512</u>	<u>\$ 586,729</u>	<u>4,308,536</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
Year Ended June 30, 2008**

	<u>Court Security</u>	<u>Law Enforcement</u>	<u>Sheriff Trust</u>	<u>SB 1065 Assessment and Conviction</u>
REVENUES				
Property taxes	\$ --	\$ --	\$ --	--
Intergovernmental	--	--	--	--
Fines and forfeitures	43,956	39,547	--	35,975
Interest	14,670	--	965	--
Miscellaneous	--	6,586	4,394	5,558
TOTAL REVENUES	<u>58,626</u>	<u>46,133</u>	<u>5,359</u>	<u>41,533</u>
EXPENDITURES				
Public safety	5,441	35,595	4,129	18,060
Capital outlay	34,787	--	--	--
TOTAL EXPENDITURES	<u>40,228</u>	<u>35,595</u>	<u>4,129</u>	<u>18,060</u>
Excess (deficiency) of revenues over expenditures	<u>18,398</u>	<u>10,538</u>	<u>1,230</u>	<u>23,473</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	--	--	--	(10,000)
Net change in fund balances	18,398	10,538	1,230	13,473
Fund balances at beginning of year	<u>300,578</u>	<u>66,104</u>	<u>4,819</u>	<u>112,412</u>
Fund balances at end of year	<u>\$ 318,976</u>	<u>\$ 76,642</u>	<u>\$ 6,049</u>	<u>\$ 125,885</u>

Emergency		
Fire and Radio	Tillamook	
Local	Narcotics	
Option Tax	Team	Totals
\$ 94	\$ --	\$ 94
--	9,000	9,000
--	205	119,683
623	825	17,083
--	2,128	18,666
<u>717</u>	<u>12,158</u>	<u>164,526</u>
--	19,563	82,788
--	--	<u>34,787</u>
--	19,563	117,575
<u>717</u>	<u>(7,405)</u>	<u>46,951</u>
--	--	<u>(10,000)</u>
717	(7,405)	36,951
<u>13,272</u>	<u>24,949</u>	<u>522,134</u>
<u>\$ 13,989</u>	<u>\$ 17,544</u>	<u>\$ 559,085</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
CULTURE AND RECREATION FUNDS
Year Ended June 30, 2008**

	County Fair	Library Sinking	Totals
REVENUES			
Intergovernmental	\$ 49,405	\$ --	\$ 49,405
Charges for services	665,917	--	665,917
Interest	9,089	648	9,737
Miscellaneous	17,163	--	17,163
	741,574	648	742,222
TOTAL REVENUES			
EXPENDITURES			
Culture and recreation	675,969	--	675,969
Capital outlay	75,558	--	75,558
	751,527	--	751,527
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	(9,953)	648	(9,305)
OTHER FINANCING SOURCES (USES)			
Transfers in	40,000	1,000	41,000
Net change in fund balances	30,047	1,648	31,695
Fund balances at beginning of year	181,244	13,377	194,621
Fund balances at end of year	\$ 211,291	\$ 15,025	\$ 226,316

TILLAMOOK COUNTY

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

OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS

HEALTH AND WELFARE FUNDS

Year Ended June 30, 2008

	Mental Health	Mediation Program	Totals
REVENUES			
Intergovernmental	\$ 830,656	\$ --	830,656
Charges for services	--	16,397	16,397
Interest	--	4,107	4,107
TOTAL REVENUES	830,656	20,504	851,160
EXPENDITURES			
Health and welfare	829,014	9,753	838,767
Net change in fund balances	1,642	10,751	12,393
Fund balances at beginning of year	--	83,831	83,831
Fund balances at end of year	\$ 1,642	\$ 94,582	\$ 96,224

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
MITIGATION GRANTS - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Grants	\$ 3,480,000	\$ 1,619,365	\$ (1,860,635)
Miscellaneous	109,000	22,214	(86,786)
TOTAL REVENUES	<u>3,589,000</u>	<u>1,641,579</u>	<u>(1,947,421)</u>
EXPENDITURES			
Materials and services	3,480,000	1,174,826	2,305,174
Capital outlay	100,000	--	100,000
Contingency	19,000	--	19,000
TOTAL EXPENDITURES	<u>3,599,000</u>	<u>1,174,826</u>	<u>2,424,174</u>
Net change in fund balance	(10,000)	466,753	476,753
Fund balance at beginning of year	10,000	22,250	12,250
Fund balance at end of year	<u>\$ --</u>	<u>\$ 489,003</u>	<u>\$ 489,003</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
VIDEO LOTTERY - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 175,000	\$ 223,553	\$ 48,553
Interest	4,500	5,318	818
Miscellaneous	55,000	163,663	108,663
TOTAL REVENUES	234,500	392,534	158,034
EXPENDITURES			
Materials and services	294,500	199,800	94,700
Capital outlay	55,000	--	55,000
TOTAL EXPENDITURES	349,500	199,800	149,700
Net change in fund balance	(115,000)	192,734	307,734
Fund balance at beginning of year	175,000	116,791	(58,209)
Fund balance at end of year	\$ 60,000	\$ 309,525	\$ 249,525

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
FOREST TIMBER TRUST - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 150,000	\$ --	\$ (150,000)
Miscellaneous	--	8,319	8,319
TOTAL REVENUES	<u>150,000</u>	<u>8,319</u>	<u>(141,681)</u>
EXPENDITURES			
Materials and services	<u>160,000</u>	<u>30,669</u>	<u>129,331</u>
Net change in fund balance	(10,000)	(22,350)	(12,350)
Fund balance at beginning of year	<u>10,000</u>	<u>70,133</u>	<u>60,133</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 47,783</u>	<u>\$ 47,783</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
JUVENILE TRUST - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 200	\$ 602	\$ 402
Miscellaneous	2,100	2,351	251
TOTAL REVENUES	2,300	2,953	653
EXPENDITURES			
Materials and services	11,300	541	10,759
Net change in fund balance	(9,000)	2,412	11,412
Fund balance at beginning of year	9,000	11,848	2,848
Fund balance at end of year	\$ --	\$ 14,260	\$ 14,260

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
LAW LIBRARY - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 20,000	\$ 22,197	\$ 2,197
Miscellaneous	--	19	19
TOTAL REVENUES	<u>20,000</u>	<u>22,216</u>	<u>2,216</u>
EXPENDITURES			
Materials and services	43,500	29,331	14,169
Capital outlay	1,500	--	1,500
TOTAL EXPENDITURES	<u>45,000</u>	<u>29,331</u>	<u>15,669</u>
Excess (deficiency) of revenues over expenditures	(25,000)	(7,115)	17,885
OTHER FINANCING SOURCES (USES):			
Transfers in	5,000	5,000	--
Net change in fund balance	(20,000)	(2,115)	17,885
Fund balance at beginning of year	20,000	28,843	8,843
Fund balance at end of year	<u>\$ --</u>	<u>\$ 26,728</u>	<u>\$ 26,728</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
BUILDING, PLANNING AND SANITATION (BPS) SURCHARGE - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 100,000	\$ 70,248	\$ (29,752)
EXPENDITURES			
Materials and services	100,000	97,465	2,535
Net change in fund balance	--	(27,217)	(27,217)
Fund balances at beginning of year	--	40,037	40,037
Fund balances at end of year	\$ --	\$ 12,820	\$ 12,820

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
PUBLIC LAND CORNERS PRESERVATION (PLCP) - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 91,000	\$ 81,918	\$ (9,082)
Miscellaneous	--	7,821	7,821
Interest	4,000	--	(4,000)
	<u>95,000</u>	<u>89,739</u>	<u>(5,261)</u>
TOTAL REVENUES			
EXPENDITURES			
Personal services	75,845	71,667	4,178
Materials and services	89,155	10,140	79,015
Capital outlay	30,000	28,425	1,575
Contingency	25,000	--	25,000
	<u>220,000</u>	<u>110,232</u>	<u>109,768</u>
TOTAL EXPENDITURES			
Net change in fund balance	(125,000)	(20,493)	104,507
Fund balance at beginning of year	175,000	183,321	8,321
	<u>50,000</u>	<u>162,828</u>	<u>112,828</u>
Fund balance at end of year	<u>\$ 50,000</u>	<u>\$ 162,828</u>	<u>\$ 112,828</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
VEHICLE RESERVE - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 5,000	\$ 15,270	\$ 10,270
EXPENDITURES			
Capital outlay	430,000	--	430,000
Excess (deficiency) of revenues over expenditures	(425,000)	15,270	440,270
OTHER FINANCING SOURCES (USES)			
Transfers in	150,000	150,000	--
Net change in fund balance	(275,000)	165,270	440,270
Fund balance at beginning of year	275,000	276,063	1,063
Fund balance at end of year	\$ --	\$ 441,333	\$ 441,333

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
PARKS SINKING - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 400,000	\$ 199,702	\$ (200,298)
Charges for services	187,000	183,567	(3,433)
Interest	2,000	4,078	2,078
Miscellaneous	--	4,285	4,285
	<u>589,000</u>	<u>391,632</u>	<u>(197,368)</u>
TOTAL REVENUES			
EXPENDITURES			
Materials and services	51,000	2,954	48,046
Capital outlay	495,500	275,602	219,898
Contingency	92,500	--	92,500
	<u>639,000</u>	<u>278,556</u>	<u>360,444</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	(50,000)	113,076	(163,076)
OTHER FINANCING SOURCES (USES)			
Sale of assets	--	7,337	(7,337)
	<u>(50,000)</u>	<u>120,413</u>	<u>170,413</u>
Net change in fund balance	(50,000)	120,413	170,413
Fund balance at beginning of year	50,000	(30,371)	(80,371)
	<u>50,000</u>	<u>(30,371)</u>	<u>(80,371)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 90,042</u>	<u>\$ 90,042</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
CLERKS RECORDS - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fees	\$ 6,000	\$ 4,875	\$ (1,125)
Interest	500	819	319
TOTAL REVENUES	<u>6,500</u>	<u>5,694</u>	<u>(806)</u>
EXPENDITURES			
Materials and services	18,500	958	17,542
Capital outlay	5,000	--	5,000
TOTAL EXPENDITURES	<u>23,500</u>	<u>958</u>	<u>22,542</u>
Net change in fund balance	(17,000)	4,736	21,736
Fund balance at beginning of year	<u>17,000</u>	<u>15,520</u>	<u>(1,480)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 20,256</u>	<u>\$ 20,256</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
FEDERAL TITLE III - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 245,000	\$ 244,460	\$ (540)
Interest	--	7,991	7,991
TOTAL REVENUES	245,000	252,451	7,451
EXPENDITURES			
Materials and services	385,000	340,110	44,890
Net change in fund balance	(140,000)	(87,659)	52,341
Fund balance at beginning of year	140,000	141,880	1,880
Fund balance at end of year	<u>\$ --</u>	<u>\$ 54,221</u>	<u>\$ 54,221</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
REVENUE STABILIZATION - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 75,000	\$ 85,773	\$ 10,773
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	100,000	--
Net change in fund balance	175,000	185,773	10,773
Fund balance at beginning of year	1,750,000	1,784,753	34,753
Fund balance at end of year	\$ 1,925,000	\$ 1,970,526	\$ 45,526

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
VETERAN'S SERVICES - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 92,000	\$ 95,422	\$ 3,422
Intergovernmental	32,000	33,030	1,030
County land sales	--	289	289
Interest	--	1,607	1,607
Miscellaneous	--	8,321	8,321
TOTAL REVENUES	<u>124,000</u>	<u>138,669</u>	<u>14,669</u>
EXPENDITURES			
Personal services	142,720	116,005	26,715
Materials and services	35,780	32,666	3,114
Capital outlay	1,500	--	1,500
TOTAL EXPENDITURES	<u>180,000</u>	<u>148,671</u>	<u>31,329</u>
Excess (deficiency) of revenues over expenditures	(56,000)	(10,002)	45,998
OTHER FINANCING SOURCES (USES)			
Transfers in	56,000	56,000	--
Net change in fund balance	--	45,998	45,998
Fund balance at beginning of year	--	--	--
Fund balance at end of year	<u>\$ --</u>	<u>\$ 45,998</u>	<u>\$ 45,998</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
POST EMPLOYMENT LIABILITY RESERVE - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 5,000	\$ 25,029	\$ 20,029
 OTHER FINANCING SOURCES (USES)			
Transfers in	50,000	50,000	--
Net change in fund balance	55,000	75,029	20,029
Fund balance at beginning of year	510,000	511,700	1,700
Fund balance at end of year	\$ 565,000	\$ 586,729	\$ 21,729

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
COURT SECURITY - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 45,000	\$ 43,956	\$ (1,044)
Interest	8,000	14,670	6,670
TOTAL REVENUES	<u>53,000</u>	<u>58,626</u>	<u>5,626</u>
EXPENDITURES			
Materials and services	15,000	4,523	10,477
Capital outlay	338,000	34,787	303,213
TOTAL EXPENDITURES	<u>353,000</u>	<u>39,310</u>	<u>313,690</u>
Net change in fund balance	(300,000)	19,316	319,316
Fund balance at beginning of year	<u>300,000</u>	<u>300,578</u>	<u>578</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 319,894</u>	<u>\$ 319,894</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
LAW ENFORCEMENT - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 30,000	\$ 39,547	\$ 9,547
Miscellaneous	--	6,586	6,586
TOTAL REVENUES	<u>30,000</u>	<u>46,133</u>	<u>(16,133)</u>
EXPENDITURES			
Materials and services	70,300	35,375	34,925
Contingency	29,700	--	29,700
TOTAL EXPENDITURES	<u>100,000</u>	<u>35,375</u>	<u>64,625</u>
Net change in fund balance	(70,000)	10,758	80,758
Fund balance at beginning of year	<u>70,000</u>	<u>69,103</u>	<u>(897)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 79,861</u>	<u>\$ 79,861</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
SHERIFF TRUST - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 12,500	\$ 4,322	\$ (8,178)
Interest	--	965	965
Miscellaneous	--	72	72
TOTAL REVENUES	<u>12,500</u>	<u>5,359</u>	<u>(7,141)</u>
EXPENDITURES			
Materials and services	<u>15,500</u>	<u>3,798</u>	<u>11,702</u>
Net change in fund balance	(3,000)	1,561	4,561
Fund balance at beginning of year	<u>7,500</u>	<u>5,224</u>	<u>(2,276)</u>
Fund balance at end of year	<u>\$ 4,500</u>	<u>\$ 6,785</u>	<u>\$ 2,285</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
SB 1065 ASSESSMENT AND CONVICTION - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 30,000	\$ 35,975	\$ 5,975
Interest	2,000	--	(2,000)
Miscellaneous	--	5,558	5,558
	<u>32,000</u>	<u>41,533</u>	<u>9,533</u>
TOTAL REVENUES			
EXPENDITURES			
Materials and services	122,000	18,060	103,940
Contingency	5,000	--	5,000
	<u>127,000</u>	<u>18,060</u>	<u>108,940</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	(95,000)	23,473	118,473
OTHER FINANCING SOURCES (USES)			
Transfers out	(10,000)	(10,000)	--
Net change in fund balance	(105,000)	13,473	118,473
Fund balance at beginning of year	105,000	112,412	7,412
Fund balance at end of year	<u>\$ --</u>	<u>\$ 125,885</u>	<u>\$ 125,885</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
EMERGENCY FIRE AND RADIO LOCAL OPTION TAX- SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 5,000	\$ 96	\$ (4,904)
Interest	--	623	623
TOTAL REVENUES	5,000	719	(4,281)
EXPENDITURES			
Capital outlay	15,000	--	15,000
Net change in fund balance	(10,000)	719	10,719
Fund balance at beginning of year	10,000	13,270	3,270
Fund balance at end of year	\$ --	\$ 13,989	\$ 13,989

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
TILLAMOOK NARCOTICS TEAM - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 5,000	\$ 13,500	\$ 8,500
Fines and forfeitures	12,000	205	(11,795)
Interest	500	825	325
Miscellaneous	--	2,128	2,128
	17,500	16,658	(842)
TOTAL REVENUES			
EXPENDITURES			
Materials and services	34,000	19,571	14,429
Net change in fund balance	(16,500)	(2,913)	13,587
Fund balance at beginning of year	16,500	20,487	3,987
Fund balance at end of year	\$ --	\$ 17,574	\$ 17,574

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
BIKE PATH - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 5,000	\$ 6,025	\$ 1,025
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>14,800</u>	<u>14,800</u>	<u>--</u>
Net change in fund balance	19,800	20,825	1,025
Fund balance at beginning of year	<u>120,000</u>	<u>121,983</u>	<u>1,983</u>
Fund balance at end of year	<u>\$ 139,800</u>	<u>\$ 142,808</u>	<u>\$ 3,008</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
COUNTY FAIR - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 49,400	\$ 49,405	\$ 5
Charges for services	620,300	665,917	45,617
Interest	9,000	9,089	89
Miscellaneous	13,400	17,163	3,763
TOTAL REVENUES	<u>692,100</u>	<u>741,574</u>	<u>49,474</u>
EXPENDITURES			
Personal services	224,525	224,398	127
Materials and services	451,975	451,571	404
Capital outlay	75,600	75,558	42
Contingency	40,000	--	40,000
TOTAL EXPENDITURES	<u>792,100</u>	<u>751,527</u>	<u>40,573</u>
Excess (deficiency) of revenues over expenditures	(100,000)	(9,953)	90,047
OTHER FINANCING SOURCES (USES)			
Transfers in	40,000	40,000	--
Net change in fund balances	(60,000)	30,047	90,047
Fund balance at beginning of year	60,000	181,244	121,244
Fund balance at end of year	<u>\$ --</u>	<u>\$ 211,291</u>	<u>\$ 211,291</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
LIBRARY SINKING - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 500	\$ 648	\$ 148
EXPENDITURES			
Capital outlay	13,000	--	13,000
Excess (deficiency) of revenues over expenditures	(12,500)	648	13,148
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000	1,000	--
Net change in fund balance	(11,500)	1,648	13,148
Fund balance at beginning of year	11,500	13,377	1,877
Fund balance at end of year	\$ --	\$ 15,025	\$ 15,025

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
MENTAL HEALTH - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 2,000,000	\$ 830,656	\$ (1,169,344)
EXPENDITURES			
Materials and services	2,000,000	829,014	1,170,986
Net change in fund balance	--	1,642	1,642
Fund balance at beginning of year	--	--	--
Fund balance at end of year	\$ --	\$ 1,642	\$ 1,642

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
MEDIATION PROGRAM - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 15,000	\$ 16,397	\$ 1,397
Interest	2,000	4,107	2,107
TOTAL REVENUES	17,000	20,504	3,504
EXPENDITURES			
Materials and services	97,000	11,659	85,341
Net change in fund balance	(80,000)	8,845	88,845
Fund balance at beginning of year	80,000	85,812	5,812
Fund balance at end of year	\$ --	\$ 94,657	\$ 94,657

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
TILLAMOOK COUNTY 4-H AND EXTENSION SERVICE DISTRICT - SPECIAL REVENUE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 209,625	\$ 227,583	\$ 17,958
Intergovernmental	148,410	184,388	35,978
Timber and land sales	--	663	663
Interest	4,000	13,150	9,150
Miscellaneous	12,509	12,903	394
TOTAL REVENUES	<u>374,544</u>	<u>438,687</u>	<u>64,143</u>
EXPENDITURES			
Personal services	274,986	270,273	4,713
Materials and services	172,102	153,762	18,340
Capital outlay	16,000	15,480	520
Contingency	35,618	--	35,618
TOTAL EXPENDITURES	<u>498,706</u>	<u>439,515</u>	<u>59,191</u>
Net change in fund balance	(124,162)	(828)	123,334
Fund balances at beginning of year	<u>179,162</u>	<u>207,800</u>	<u>28,638</u>
Fund balances at end of year	<u>\$ 55,000</u>	<u>\$ 206,972</u>	<u>\$ 151,972</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
HOSPITAL - DEBT SERVICE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 829,600	\$ 806,702	\$ (22,898)
Timber and land sales	--	2,345	2,345
Interest	5,000	8,507	3,507
	834,600	817,554	(17,046)
TOTAL REVENUES			
EXPENDITURES			
Materials and services	2,500	530	1,970
Debt service	864,100	864,080	20
	866,600	864,610	1,990
TOTAL EXPENDITURES			
Net change in fund balance	(32,000)	(47,056)	(15,056)
Fund balance at beginning of year	150,000	156,180	6,180
	\$ 118,000	\$ 109,124	\$ (8,876)
Fund balance at end of year			

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
JAIL - DEBT SERVICE FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 618,700	\$ 606,741	\$ (11,959)
Timber and land sales	--	1,762	1,762
Interest	5,000	3,751	(1,249)
TOTAL REVENUES	<u>623,700</u>	<u>612,254</u>	<u>(11,446)</u>
EXPENDITURES			
Materials and services	2,500	530	1,970
Debt service	655,800	655,720	80
TOTAL EXPENDITURES	<u>658,300</u>	<u>656,250</u>	<u>2,050</u>
Net change in fund balance	(34,600)	(43,996)	(9,396)
Fund balance at beginning of year	<u>110,000</u>	<u>103,172</u>	<u>(6,828)</u>
Fund balance at end of year	<u>\$ 75,400</u>	<u>\$ 59,176</u>	<u>\$ (16,224)</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
LIBRARY - DEBT SERVICE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Property taxes	\$ 254,300	\$ 256,663	\$ 2,363
Timber and land sales	--	745	745
Interest	1,000	3,148	2,148
TOTAL REVENUES	255,300	260,556	5,256
EXPENDITURES			
Materials and services	1,500	530	970
Debt service	273,800	273,728	72
TOTAL EXPENDITURES	275,300	274,258	1,042
Net change in fund balance	(20,000)	(13,702)	6,298
Fund balance at beginning of year	20,000	30,528	10,528
Fund balance at end of year	\$ --	\$ 16,826	\$ 16,826

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
BUILDING IMPROVEMENT - CAPITAL PROJECTS FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
County timber sales	\$ --	\$ 214,794	\$ 214,794
Interest	10,000	56,743	46,743
Miscellaneous	--	21,775	21,775
	<u>10,000</u>	<u>293,312</u>	<u>(283,312)</u>
TOTAL REVENUES			
EXPENDITURES			
Materials and services	5,000	3,700	1,300
Capital outlay	1,380,000	60,334	1,319,666
	<u>1,385,000</u>	<u>64,034</u>	<u>1,320,966</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	(1,375,000)	229,278	1,604,278
OTHER FINANCING SOURCES (USES)			
Transfers in	250,000	250,000	--
	<u>(1,125,000)</u>	<u>479,278</u>	<u>1,604,278</u>
Net change in fund balance			
Fund balance at beginning of year	1,125,000	1,111,693	(13,307)
	<u>1,125,000</u>	<u>1,111,693</u>	<u>(13,307)</u>
Fund balance at end of year	\$ --	\$ 1,590,971	\$ 1,590,971
	<u>\$ --</u>	<u>\$ 1,590,971</u>	<u>\$ 1,590,971</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
TILLAMOOK COUNTY 4-H AND EXTENSION BUILDING RESERVE -
CAPITAL PROJECTS FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Interest	\$ 1,000	\$ 2,662	\$ 1,662
EXPENDITURES			
Capital outlay	57,000	--	57,000
Net change in fund balance	(56,000)	2,662	58,662
Fund balance at beginning of year	56,000	56,759	759
Fund balance at end of year	\$ --	\$ 59,421	\$ 59,421

TILLAMOOK COUNTY, OREGON

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
LIBRARY CONSTRUCTION - CAPITAL PROJECTS FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ --	\$ 542	\$ 542
EXPENDITURES			
Capital outlay	<u>36,000</u>	<u>35,841</u>	<u>159</u>
Net change in fund balance	(36,000)	(35,299)	701
Fund balance at beginning of year	<u>36,000</u>	<u>35,884</u>	<u>(116)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 585</u>	<u>\$ 585</u>

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
FAIR - CAPITAL PROJECTS FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Donations	\$ 22,000	\$ 21,911	\$ (89)
Grants	100,000	90,000	(10,000)
Interest	1,000	284	(716)
Miscellaneous	--	823	823
	123,000	113,018	(9,982)
EXPENDITURES			
Materials and services	50,000	6,830	43,170
Capital outlay	1,574,000	1,317,618	256,382
	1,624,000	1,324,448	299,552
Excess (deficiency) of revenues over expenditures	(1,501,000)	(1,211,430)	289,570
OTHER FINANCING SOURCES (USES)			
Sale of assets	750,000	750,000	--
Loan proceeds	750,000	700,000	(50,000)
	1,500,000	1,450,000	(50,000)
Net change in fund balance	(1,000)	238,570	239,570
Fund balance at beginning of year	1,000	1,756	756
Fund balance at end of year	\$ --	\$ 240,326	\$ 240,326

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
OREGON COMMUNITY DEVELOPMENT BLOCK GRANT - CAPITAL PROJECTS FUND
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 1,800,000	\$ 792,779	\$ (1,007,221)
Miscellaneous	--	6,000	6,000
TOTAL REVENUES	<u>1,800,000</u>	<u>798,779</u>	<u>(1,001,221)</u>
EXPENDITURES			
Personal services	904,000	389,814	514,186
Materials and services	896,000	--	896,000
TOTAL EXPENDITURES	<u>1,800,000</u>	<u>389,814</u>	<u>1,410,186</u>
Net change in fund balance	--	408,965	408,965
Fund balance at beginning of year	--	--	--
Fund balance at end of year	<u>\$ --</u>	<u>\$ 408,965</u>	<u>\$ 408,965</u>

TILLAMOOK COUNTY

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
TRASK ROAD PROJECT - CAPITAL PROJECTS FUND
Year Ended June 30, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 100,000	\$ 89,255	\$ (10,745)
Interest	5,000	6,884	1,884
TOTAL REVENUES	105,000	96,139	(8,861)
EXPENDITURES			
Materials and services	180,000	4,223	175,777
Net change in fund balance	(75,000)	91,916	166,916
Fund balance at beginning of year	120,000	87,774	(32,226)
Fund balance at end of year	<u>\$ 45,000</u>	<u>\$ 179,690</u>	<u>\$ 134,690</u>

Proprietary Funds

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

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
SOLID WASTE - ENTERPRISE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 1,700,000	\$ 1,699,942	\$ (58)
Assessments	215,000	216,485	1,485
Intergovernmental	--	5,972	5,972
Land sales	--	630	630
Interest	20,000	39,459	19,459
Miscellaneous	2,500	1,411	(1,089)
	<u>1,937,500</u>	<u>1,963,899</u>	<u>26,399</u>
TOTAL REVENUES			
EXPENDITURES			
Personal services	73,700	70,874	2,826
Materials and services	1,714,335	1,652,085	62,250
Contingency	300,000	--	300,000
	<u>2,088,035</u>	<u>1,722,959</u>	<u>365,076</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	(150,535)	240,940	391,475
OTHER FINANCING SOURCES (USES)			
Transfers out	(220,000)	(220,000)	--
	<u>(220,000)</u>	<u>(220,000)</u>	<u>--</u>
Net change in fund balance	(370,535)	20,940	391,475
Fund balances at beginning of year	551,000	792,066	241,066
	<u>551,000</u>	<u>792,066</u>	<u>241,066</u>
Fund balances at end of year	\$ 180,465	813,006	\$ 632,541
	<u>\$ 180,465</u>	<u>813,006</u>	<u>\$ 632,541</u>
Reconciliation to generally accepted accounting principles:			
Receivables		119,027	
Capital assets		1,633,850	
Accounts payable and accrued expenses		(131,882)	
Landfill post-closure care costs		(984,550)	
		<u>119,027</u>	
Net assets at end of year		\$ 1,449,451	
		<u>\$ 1,449,451</u>	

TILLAMOOK COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
SOLID WASTE SINKING - ENTERPRISE FUND
Year Ended June 30, 2008**

	Budget	Actual	Variance
REVENUES			
Interest	20,000	57,548	37,548
EXPENDITURES			
Materials and services	250,000	23,407	226,593
Capital outlay	590,000	172,151	417,849
Contingency	500,000	--	500,000
TOTAL EXPENDITURES	1,340,000	195,558	1,144,442
Excess (deficiency) of revenues over expenditures	(1,320,000)	(138,010)	1,181,990
OTHER FINANCING SOURCES (USES)			
Transfers in	220,000	220,000	--
Net change in fund balance	(1,100,000)	81,990	1,181,990
Fund balance at beginning of year	1,100,000	1,157,976	57,976
Fund balance at end of year	\$ --	1,239,966	\$ 1,239,966
Reconciliation to generally accepted accounting principles:			
Accounts payable and accrued expenses		(50,559)	
Net assets at end of year		\$ 1,189,407	

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

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended June 30, 2008

	<u>Balances</u> <u>June 30, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2008</u>
<u>ASSETS</u>				
Cash and investments	\$ 895,410	\$ 46,001,870	\$ 46,082,998	\$ 814,282
Receivables	4,511,016	28,508,216	29,439,657	3,579,575
	<u>\$ 5,406,426</u>	<u>\$ 74,510,086</u>	<u>\$ 75,522,655</u>	<u>\$ 4,393,857</u>
<u>LIABILITIES</u>				
Due to other governments	<u>\$ 5,406,426</u>	<u>\$ 74,510,086</u>	<u>\$ 75,522,655</u>	<u>\$ 4,393,857</u>

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

TILLAMOOK COUNTY

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
 GOVERNMENTAL ACTIVITIES
 June 30, 2008

<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	\$ 9,789	\$ -	\$ -	\$ -	\$ 9,789	\$ -	\$ -
District Attorney	59,397	-	-	-	59,397	-	-
County Clerk	245,975	-	-	-	245,975	-	-
County Assessor	162,386	-	-	-	162,386	-	-
Tax Department	7,144	-	-	-	7,144	-	-
Courthouse Building	1,134,424	-	13,552	752,979	367,893	-	-
County Surveyor	93,412	-	-	-	93,412	-	-
Community Development	132,960	-	-	-	132,960	-	-
Data Processing	390,383	-	-	-	390,383	-	-
Juvenile	11,014	-	-	-	11,014	-	-
Motorpool	55,429	-	-	-	55,429	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	2,535,640	1,523,467	70,250	694,445	142,478	-	105,000
Total general government	4,856,531	1,523,467	83,802	1,447,424	1,696,838	-	105,000
Public safety							
County Sheriff	1,683,535	-	89,830	76,120	1,517,585	-	-
Communications	262,842	-	-	20,808	242,034	-	-
Commission on Children and Families	17,332	-	-	-	17,332	-	-
Corrections	8,241,999	-	-	7,899,105	342,894	-	-
Courts	200,654	-	-	184,391	16,263	-	-
Total public safety	10,406,362	-	89,830	8,180,424	2,136,108	-	-
Highways and streets	23,904,532	1,475,557	11,560	112,750	3,623,771	17,176,838	1,504,056
Culture and recreation							
Parks	4,722,072	2,227,960	1,335,602	750,780	407,730	-	-
Library	4,586,650	22,000	-	4,444,962	119,688	-	-
Fair	3,137,076	14,156	184,774	1,400,555	116,975	-	1,420,616
Total culture and recreation	12,445,798	2,264,116	1,520,376	6,596,297	644,393	-	1,420,616
Health and welfare	12,124,900	-	-	11,792,303	332,597	-	-
Education	317,125	-	-	259,088	58,037	-	-
Total capital assets	\$64,055,248	\$5,263,140	\$ 1,705,568	\$28,388,286	\$ 8,491,744	\$ 17,176,838	\$ 3,029,672

TILLAMOOK COUNTY

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENT ACTIVITIES
Year Ended June 30, 2008**

<u>Function and Activity</u>	<u>Balances June 30, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2008</u>
General government				
Board of County Commissioners	\$ 17,788	\$ -	\$ 7,999	\$ 9,789
District Attorney	59,397	-	-	59,397
County Clerk	245,975	-	-	245,975
County Assessor	162,386	-	-	162,386
Tax Department	7,144	-	-	7,144
Courthouse Building	1,073,669	60,755	-	1,134,424
County Surveyor	64,987	28,425	-	93,412
Community Development	146,789	-	13,829	132,960
Data Processing	350,005	40,378	-	390,383
Juvenile	11,014	-	-	11,014
Motorpool	55,429	-	-	55,429
Personnel	-	18,578	-	18,578
Other - unclassified	2,397,690	137,950	-	2,535,640
Total general government	4,592,273	286,086	21,828	4,856,531
Public safety				
County Sheriff	1,754,932	8,524	79,921	1,683,535
Communications	262,842	-	-	262,842
Commission on Children and Families	17,332	-	-	17,332
Corrections	8,241,999	-	-	8,241,999
Courts	200,654	-	-	200,654
Total public safety	10,477,759	8,524	79,921	10,406,362
Highways and streets	21,631,778	2,272,754	-	23,904,532
Culture and recreation				
Parks	4,519,827	202,245	-	4,722,072
Library	4,542,950	43,700	-	4,586,650
Fair	1,745,993	1,420,616	29,533	3,137,076
Total culture and recreation	10,808,770	1,666,561	29,533	12,445,798
Health and welfare	12,119,005	5,895	-	12,124,900
Education	301,645	15,480	-	317,125
Total capital assets	\$ 59,931,230	\$ 4,255,300	\$ 131,282	\$ 64,055,248

OTHER FINANCIAL SCHEDULES

TILLAMOOK COUNTY

**SCHEDULE OF GENERAL OBLIGATION BONDS
PRINCIPAL AND INTEREST TRANSACTIONS
Year Ended June 30, 2008**

<u>General Obligation Bond Issues</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Outstanding July 1, 2007</u>	<u>Principal</u>		<u>Interest Matured and Paid</u>
				<u>Matured and Paid</u>	<u>Outstanding June 30, 2008</u>	
1999 Refunding	3.2% - 4.7%	3/11/1999	\$ 3,865,000	\$ 485,000	\$ 3,380,000	\$ 170,720
2002 Refunding	1.8% - 4.7%	5/2/2002	6,145,000	605,000	5,540,000	259,080
2003	2.0% - 4.5%	12/17/2003	<u>3,290,000</u>	<u>145,000</u>	<u>3,145,000</u>	<u>128,728</u>
Totals			<u>\$ 13,300,000</u>	<u>\$ 1,235,000</u>	<u>\$ 12,065,000</u>	<u>\$ 558,528</u>

TILLAMOOK COUNTY

SCHEDULE OF LONG-TERM OBLIGATION FUTURE REQUIREMENTS

June 30, 2008

	Bonded Debt					
	1999 Refunding		2002 Refunding		2003	
	Principal	Interest	Principal	Interest	Principal	Interest
2008-09	\$ 505,000	\$ 150,835	\$ 630,000	\$ 236,695	\$ 150,000	\$ 123,932
2009-10	525,000	129,625	655,000	212,440	155,000	119,132
2010-11	550,000	107,050	680,000	186,240	155,000	114,289
2011-12	575,000	82,850	710,000	158,360	160,000	108,970
2012-13	600,000	56,975	745,000	128,540	170,000	103,110
2013-14	625,000	29,375	775,000	96,505	175,000	96,769
2014-15	-	-	810,000	62,405	180,000	90,112
2015-16	-	-	535,000	25,145	190,000	83,033
2016-17	-	-	-	-	195,000	75,379
2017-18	-	-	-	-	205,000	67,125
2018-19	-	-	-	-	210,000	58,410
2019-20	-	-	-	-	220,000	49,050
2019-21	-	-	-	-	230,000	38,925
2019-22	-	-	-	-	240,000	28,350
2019-23	-	-	-	-	250,000	17,325
2019-24	-	-	-	-	260,000	5,850
	<u>\$ 3,380,000</u>	<u>\$ 556,710</u>	<u>\$ 5,540,000</u>	<u>\$ 1,106,330</u>	<u>\$ 3,145,000</u>	<u>\$ 1,179,761</u>

OEDD		Loans		TLC	Capital Lease		Compensated Absences	Totals	
Principal	Interest	Principal	Interest	Principal	Principal	Interest		Principal	Interest
\$ 18,198	\$ 18,420	\$ 36,906	\$ 1,694	\$ 70,000	\$ 3,862	\$ 878	\$ 964,960	\$ 2,378,926	\$ 532,454
19,290	17,328	37,091	1,509	70,000	4,139	601	-	1,465,520	480,635
20,447	16,170	37,276	1,324	70,000	4,436	304	-	1,517,159	425,377
21,674	14,944	37,460	1,141	70,000	1,940	35	-	1,576,074	366,300
22,974	13,643	37,650	951	70,000	-	-	-	1,645,624	303,219
24,353	12,265	37,838	761	70,000	-	-	-	1,707,191	235,675
25,814	10,804	38,027	573	70,000	-	-	-	1,123,841	163,894
27,363	9,255	38,216	384	70,000	-	-	-	860,579	117,817
29,004	7,612	38,300	191	70,000	-	-	-	332,304	83,182
30,745	5,873	-	-	70,000	-	-	-	305,745	72,998
32,589	4,028	-	-	-	-	-	-	242,589	62,438
34,544	2,072	-	-	-	-	-	-	254,544	51,122
-	-	-	-	-	-	-	-	230,000	38,925
-	-	-	-	-	-	-	-	240,000	28,350
-	-	-	-	-	-	-	-	250,000	17,325
-	-	-	-	-	-	-	-	260,000	5,850
<u>\$ 306,995</u>	<u>\$ 132,414</u>	<u>\$ 338,764</u>	<u>\$ 8,528</u>	<u>\$ 700,000</u>	<u>\$ 14,377</u>	<u>\$ 1,818</u>	<u>\$ 964,960</u>	<u>\$ 14,390,096</u>	<u>\$ 2,985,561</u>

TILLAMOOK COUNTY

**SCHEDULE OF CASH RECEIPTS AND TURNSOVERS FOR ELECTED OFFICIALS
As of and for the Year Ended June 30, 2008**

Elected Officials	Cash and Investments Balances June 30, 2007	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2008
Clerk	\$ -	\$ 326,885	\$ 326,885	\$ -
Justice of the Peace	-	837,048	837,048	-
Sheriff	14,283	51,569	45,163	20,689
Surveyor	-	42,520	42,520	-
Tax Collector	27,954	36,877,029	36,896,682	8,301
Treasurer	21,196,591	131,353,798	129,568,282	22,982,107
Total cash and investments	<u>\$ 21,238,828</u>	<u>\$ 169,488,849</u>	<u>\$ 167,716,580</u>	<u>\$ 23,011,097</u>
Cash and investments as of June 30, 2008				
Deposits with financial institutions				\$ 2,349,126
Cash on hand				13,331
Money market funds				707,944
U.S. Government Agencies				6,204,895
Corporate Debt Obligation Securities				2,028,873
State Treasurer's Investment Pool				<u>11,706,928</u>
Cash and investments for elected officials				23,011,097
Cash held by County Fair Board				211,291
Restricted cash held in escrow for Army Corp of Engineers				7,449
Restricted cash held for Employee Benefits				5,572
Held by custodian under pension plan, primarily mutual funds				<u>33,170,346</u>
Total cash and investments				<u>\$ 56,405,755</u>
Reported in the Basic Financial Statements as:				
Governmental activities				
Cash and investments				\$ 20,360,147
Restricted cash and investments				7,449
Business-type activities - cash and investments				2,053,531
Pension trust				
Cash and investments				946,074
Investments in fixed income securities				11,889,595
Investments in mutual funds				20,334,677
Agency funds - cash and investments				<u>814,282</u>
				<u>\$ 56,405,755</u>

STATISTICAL SECTION

This section of Tillamook County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its most significant revenue source, property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

TILLAMOOK COUNTY

**Net Assets by Component
Last Six Fiscal Years***

	Fiscal Year Ended June 30,					
	2008	2007	2006	2005	2004	2003
Governmental activities						
Invested in capital assets, net of related debt	\$ 31,862,585	\$ 28,288,674	\$ 22,952,895	\$ 19,415,441	\$ 15,073,481	\$ 16,553,927
Restricted	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966	3,300,578
Unrestricted	16,501,257	14,411,635	12,707,246	9,788,885	12,545,890	7,807,388
Total governmental activities net assets	53,120,479	48,696,018	44,278,940	39,661,493	29,891,337	27,661,893
Business-type activities						
Invested in capital assets, net of related debt	\$ 1,633,850	\$ 1,454,638	\$ 1,520,162	\$ 1,585,686	\$ 1,626,812	1,612,165
Unrestricted	1,005,008	991,608	723,497	285,305	11,829	(169,191)
Total business-type activities net assets	2,638,858	2,446,246	2,243,659	1,870,991	1,638,641	1,442,974
Totals - all activities						
Invested in capital assets, net of related debt	\$ 33,496,435	\$ 29,743,312	\$ 24,473,057	\$ 21,001,127	\$ 16,700,293	\$ 18,166,092
Restricted	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966	3,300,578
Unrestricted	17,506,265	15,403,243	13,430,743	10,074,190	12,557,719	7,638,197
Total net assets	55,759,337	51,142,264	46,522,599	41,532,484	31,529,978	29,104,867

* The County implemented the requirements of GASB 34 during the year ended June 30, 2003, which requires the reporting of net assets by component. The above information will be accumulated yearly, until 10 years are reported.

TILLAMOOK COUNTY

**Changes in Net Assets
Last Six Fiscal Years***

	Fiscal Year Ended June 30,					
	2008	2007	2006	2005	2004	2003
Expenses						
Governmental activities						
General government	\$ 11,151,831	\$ 10,329,572	\$ 10,017,377	\$ 8,482,212	\$ 7,789,199	\$ 8,334,185
Public safety	7,356,213	7,626,060	7,094,277	6,993,692	6,072,669	6,512,903
Highways and streets	3,847,477	3,810,554	4,610,247	4,391,196	3,440,140	3,126,249
Culture and recreation	3,583,838	2,989,953	2,809,252	3,118,685	2,807,429	2,797,993
Health and welfare	4,673,434	5,141,431	5,324,185	6,067,370	6,323,321	5,707,406
Education	4,650,449	4,260,607	4,827,179	3,513,958	3,103,404	2,893,407
Interest on long-term debt	614,666	634,634	719,839	805,846	760,816	756,084
Total governmental activities expenses	35,877,908	34,792,811	35,402,356	33,372,959	30,296,978	30,128,227
Business-type activities						
Solid waste	1,837,700	1,748,418	1,379,511	1,277,275	1,132,552	1,074,485
Total expenses	\$ 37,715,608	\$ 36,541,229	\$ 36,781,867	\$ 34,650,234	\$ 31,429,530	\$ 31,202,712
Program revenues						
Governmental activities						
Charges for services						
General government	\$ 2,846,402	\$ 3,479,240	\$ 3,197,562	\$ 2,932,916	\$ 2,773,203	\$ 2,546,269
Public safety	734,387	803,006	890,652	869,356	996,560	894,651
Highways and streets	204,262	485,292	804,708	283,674	138,638	147,362
Culture and recreation	1,672,903	1,554,426	1,508,389	1,329,529	1,255,443	1,158,231
Health and welfare	1,850,471	1,651,769	1,954,317	2,052,064	1,952,027	963,946
Operating grants and contributions	8,445,756	7,956,196	8,108,624	7,243,113	7,773,742	7,436,582
Capital grants and contributions	1,529,350	489,909	417,834	8,518,424	845,177	935,609
Total governmental activities program revenues	17,283,531	16,419,838	16,882,086	23,229,076	15,734,790	14,082,650
Business-type activities						
Charges for services	1,925,292	1,828,136	1,678,723	1,279,263	1,105,658	1,114,952
Operating grants	5,972	34,093	16,416	-	-	-
Total program revenues	\$ 19,214,795	\$ 18,282,067	\$ 18,577,225	\$ 24,508,339	\$ 16,840,448	\$ 15,197,602
Net (expense) / revenue						
Governmental activities	\$ (18,594,377)	\$ (18,372,973)	\$ (18,520,270)	\$ (10,143,883)	\$ (14,562,188)	\$ (16,045,577)
Business-type activities	93,564	113,811	315,628	1,988	(26,894)	40,467
Total net (expense) / revenue	\$ (18,500,813)	\$ (18,259,162)	\$ (18,204,642)	\$ (10,141,895)	\$ (14,589,082)	\$ (16,005,110)
General revenues and other changes in net assets						
Governmental activities						
Property taxes	\$ 9,206,760	\$ 8,278,392	\$ 7,867,969	\$ 7,982,592	\$ 7,096,992	\$ 7,527,695
Other taxes	177,285	179,739	167,918	156,096	157,012	153,151
Unrestricted grants and contributions	6,722,787	7,017,641	7,840,581	6,445,884	6,074,788	5,693,656
Timber and land sales	4,072,039	4,517,564	5,639,887	4,644,545	3,237,047	3,077,861
Unrestricted investment earnings	977,682	1,057,756	902,182	308,439	126,296	180,227
Assessments	-	-	-	37,600	-	-
Miscellaneous	1,127,360	1,243,564	1,134,351	857,047	99,497	607,947
Gain (Loss) on disposition of property	734,925	-	(11,550)	(24,619)	-	-
Transfers	-	8,102	-	-	-	13,293
Prior period adjustments	-	487,293	(403,621)	(493,545)	-	-
Total governmental activities	23,018,838	22,790,051	23,137,717	19,914,039	16,791,632	17,253,830
Business-type activities						
Assessments	-	-	-	15,930	210,021	183,840
Unrestricted investment earnings	97,007	85,932	54,826	211,262	10,678	16,166
Miscellaneous	2,041	2,844	2,214	3,170	1,862	780
(Loss) on disposition of property	-	-	-	-	-	(9,067)
Transfers	-	-	-	-	-	(13,293)
Total business-type activities	99,048	88,776	57,040	230,362	222,561	178,426
Total general revenues and other changes in net assets	\$ 23,117,886	\$ 22,878,827	\$ 23,194,757	\$ 20,144,401	\$ 17,014,193	\$ 17,432,256
Change in net assets						
Governmental activities	\$ 4,424,461	\$ 4,417,078	\$ 4,617,447	\$ 9,770,156	\$ 2,229,444	\$ 1,208,253
Business-type activities	192,612	202,587	372,668	232,350	195,667	218,893
Total change in net assets	\$ 4,617,073	\$ 4,619,665	\$ 4,990,115	\$ 10,002,506	\$ 2,425,111	\$ 1,427,146

* The County implemented the requirements of GASB 34 during the year ended June 30, 2003, which required the reporting of revenues and expenses in the above classifications. The above information will be accumulated yearly until 10 years are reported

TILLAMOOK COUNTY

Governmental Activities Tax Revenues by Source Last Six Fiscal Years*

<u>Fiscal Year Ended June 30,</u>	<u>Property Taxes</u>	<u>State Fuel Taxes</u>	<u>Other Taxes</u>	<u>Totals</u>
2003	\$ 7,527,695	\$ 1,153,640	\$ 153,151	\$8,834,486
2004	7,096,992	1,396,239	157,012	8,650,243
2005	7,982,592	1,430,267	156,096	9,568,955
2006	7,867,969	1,484,109	167,918	9,519,996
2007	8,278,392	1,464,705	179,739	9,922,836
2008	9,206,760	1,477,664	177,285	10,861,709

* The above information is presented on the accrual basis of accounting. For the year ended June 30, 2003, the County implemented the requirements of GASB 34 which required the reporting of the above items on the accrual basis of accounting. The above information will be accumulated yearly until 10 years are presented.

TILLAMOOK COUNTY

Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
General fund										
Unreserved	\$ 6,821,346	\$ 7,337,984	\$ 7,812,327	\$ 6,138,135	\$ 5,626,426	\$ 5,318,223	\$ 4,981,773	\$ 4,368,713	\$ 5,391,484	\$ 3,857,661
All other governmental funds										
Reserved	215,949	322,142	470,259	556,992	358,143	392,881	462,708	469,502	428,595	646,962
Unreserved, reported in:										
Special revenue funds	10,390,356	9,476,705	7,512,996	5,602,952	5,132,411	5,241,612	5,784,748	3,863,331	3,877,802	1,829,666
Capital projects funds	4,116,286	4,174,993	6,922,753	11,667,869	3,761,538	149,358	364,345	393,678	497,248	2,425,310
Total all other governmental fund:	14,722,591	13,973,840	14,906,008	17,827,813	9,252,092	5,783,851	6,611,801	4,726,511	4,803,645	4,901,938
Total all governmental funds	\$ 21,543,937	\$ 21,311,824	\$ 22,718,335	\$ 23,965,948	\$ 14,878,518	\$ 11,102,074	\$ 11,593,574	\$ 9,095,224	\$ 10,195,129	\$ 8,759,599

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

TILLAMOOK COUNTY

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenues										
Property taxes	\$ 9,106,933	\$ 8,271,003	\$ 7,930,381	\$ 8,059,139	\$ 7,189,829	\$ 7,641,537	\$ 6,626,688	\$ 6,407,769	\$ 5,734,610	\$ 5,421,817
Licences, permits and fees	1,494,431	2,075,166	1,946,936	1,558,172	1,438,510	1,280,774	1,079,496	1,159,103	1,126,019	1,113,716
Intergovernmental	17,116,589	16,111,821	16,668,427	22,323,685	15,106,846	14,720,679	14,242,350	10,389,364	11,299,237	10,318,967
Charges for services	4,150,954	4,071,257	4,843,870	4,261,631	3,973,124	2,696,291	3,411,457	3,100,334	3,056,861	2,915,598
Fines and forfeitures	569,179	607,473	445,869	459,416	451,661	477,587	465,055	337,717	447,469	486,150
Timber and land sales	3,996,788	4,306,537	5,471,766	4,483,877	3,084,565	2,940,354	3,122,884	2,176,499	3,464,035	2,357,923
Interest	977,682	1,057,756	902,182	308,439	126,296	180,227	288,138	553,612	557,138	535,444
Assessments	-	-	-	37,600	-	-	37,325	12,531	28,968	14,584
Intercounty charges	906,294	922,130	903,355	1,056,203	998,251	845,570	815,652	722,423	683,506	876,630
Miscellaneous	1,163,559	1,304,906	1,381,282	1,180,136	197,529	695,060	638,028	966,379	704,161	1,536,948
Total revenues	39,482,409	38,728,049	40,494,068	43,728,298	32,566,611	31,478,079	30,727,073	25,827,731	27,102,004	25,577,777
Expenditures										
General government	11,164,760	9,977,228	8,786,171	8,376,287	7,705,725	7,477,199	7,783,699	7,641,436	7,850,822	7,517,428
Public safety	7,196,260	7,230,929	6,704,170	6,662,805	5,808,071	6,229,987	5,408,506	5,460,881	4,851,361	3,642,687
Highways and streets	3,914,600	3,525,984	4,317,729	4,074,452	3,228,909	2,905,702	2,823,944	2,945,586	2,945,586	3,325,689
Culture and recreation	3,349,109	2,959,789	2,750,275	2,894,294	2,720,726	2,608,819	2,377,388	2,227,708	2,004,804	1,626,388
Health and welfare	4,685,745	5,125,135	5,295,462	5,831,335	6,072,876	5,440,020	4,875,662	4,240,394	3,889,903	3,227,433
Education	4,650,241	4,255,495	4,820,624	3,510,257	3,098,897	2,888,900	2,860,133	2,120,741	2,671,236	2,393,329
Capital outlay	3,873,732	5,152,551	7,181,096	1,297,647	1,901,943	2,165,485	1,601,147	1,719,543	3,078,729	5,306,865
Debt service										
Principal	1,292,489	1,301,064	1,196,623	1,184,860	1,227,674	1,626,662	907,743	869,517	1,233,059	656,441
Interest	580,997	634,573	689,531	813,994	652,918	640,043	826,931	863,466	828,163	950,299
Total expenditures	40,707,933	40,162,748	41,741,681	34,645,931	32,417,739	31,982,817	29,465,153	27,967,630	29,353,663	28,646,559
Excess (deficiency) of revenues over expenditures	(1,225,524)	(1,434,699)	(1,247,613)	9,082,367	148,872	(504,738)	1,261,920	(2,139,899)	(2,251,659)	(3,068,782)
Other financing sources (uses)										
Transfers in	880,100	1,885,220	1,424,161	1,061,538	430,975	241,793	290,673	319,000	278,000	499,061
Transfers (out)	(880,100)	(1,877,118)	(1,424,161)	(1,061,538)	(430,975)	(228,500)	(290,673)	(319,000)	(278,000)	(499,061)
Issuance of debt	700,000	20,086	-	-	3,627,572	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	-	6,580,000	-	-	5,084,355
Payments to refund bond escrow agent	-	-	-	-	-	-	(6,450,047)	-	-	(5,049,374)
Proceeds from sale of capital assets	757,637	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,457,637	28,188	-	-	3,627,572	13,293	129,953	-	-	34,981
Net change in fund balances	\$ 232,113	\$ (1,406,511)	\$ (1,247,613)	\$ 9,082,367	\$ 3,776,444	\$ (491,445)	\$ 1,391,873	\$ (2,139,899)	\$ (2,251,659)	\$ (3,033,801)
Debt service as a percentage of non-capital expenditures	5.09%	5.53%	5.46%	5.99%	6.16%	7.60%	6.23%	6.60%	7.84%	6.88%

TILLAMOOK COUNTY

**Assessed Value and Estimated Actual Value of Taxable Property
For the Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Real Property		Personal Property	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$1,000	Estimated True Cash Value	Total Taxable Assessed Vaue as a Percent of Estimated True Cash Value
	Residential	Commercial						
1999	\$2,355,082,132	\$ 84,818,405	\$ 30,976,658	\$368,023,204	\$2,102,853,991	2.46300	\$ 2,614,216,503	80.44%
2000	2,577,025,126	96,564,448	60,808,629	507,978,978	2,226,419,225	2.54980	2,917,096,928	76.32%
2001	2,606,854,432	161,667,623	50,485,749	454,397,582	2,364,610,222	2.69240	3,009,358,490	78.58%
2002	n/a	n/a	n/a	n/a	2,504,055,848	2.62760	3,137,406,189	79.81%
2003	2,622,972,703	191,793,587	48,217,134	249,537,942	2,613,445,482	2.81960	3,212,407,213	81.35%
2004	2,746,188,927	184,816,314	45,667,931	264,608,553	2,712,064,619	2.56770	3,315,641,286	81.80%
2005	2,863,731,929	194,607,847	43,546,749	252,462,220	2,849,424,305	2.76816	3,582,116,191	79.55%
2006	3,019,269,563	205,177,567	47,507,858	262,940,467	3,009,014,521	2.60088	3,573,714,064	84.20%
2007	3,199,178,598	210,113,615	37,436,764	251,192,873	3,195,536,104	2.45830	5,278,805,832	60.54%
2008	3,385,980,549	223,595,793	37,844,699	241,726,113	3,405,694,928	2.66218	6,656,583,154	51.16%

(1) A property tax limitation measure became effective in fiscal 1998. The measure limited taxes on each property to 90 percent of its 1995-96 value. The measure also limits future growth of taxable value to 3 percent per year with certain exceptions as well as establishing permanent tax rates for Oregon's local taxing districts, which replace the former tax base amounts of the districts. The financial impact of the measure to the County was approximately \$2,363,000 during 1997-98.

Source: Tillamook County Department of Assessment and Taxation

n/a - The detail of this information is not currently available from the Department of Assessment and Taxation.

TILLAMOOK COUNTY

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

Fiscal Year Ended June 30,	Tillamook County			Overlapping Rates			Total Direct and Overlapping Tax Rates
	Operating	Debt Service	Total	Cities	Schools	Other Districts	
1999	1.7824	0.6806	2.4630	0.5690	5.1794	1.3792	9.5906
2000	1.9677	0.5821	2.5498	0.5651	5.1714	1.6042	9.8905
2001	2.0187	0.6737	2.6924	0.5464	5.2108	1.7979	10.2475
2002	2.0031	0.6245	2.6276	0.5456	5.2135	1.8607	10.2474
2003	2.2704	0.5492	2.8196	0.5297	5.5380	1.8154	10.7027
2004	2.0202	0.5475	2.5677	0.5753	5.5147	1.8542	10.5119
2005	2.0324	0.7358	2.7682	0.5806	5.4477	1.5179	10.3144
2006	2.0344	0.5665	2.6009	0.5626	5.9489	1.5477	10.6601
2007	2.0361	0.5184	2.5545	0.5372	5.8591	1.5901	10.5409
2008	2.1444	0.5037	2.6481	0.5336	5.9876	1.7710	10.9403

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 TAXPAYERS

June 30, 2008 and 1999

Taxpayer	2007-08 Assessed Valuation	Rank	Percentage of Total Assessed Value	1998-99 Assessed Valuation	Rank	Percentage of Total Assessed Value
Private Enterprises:						
Tillamook County Creamery Association	\$ 45,319,775	2	1.331 %	\$ 22,053,472	2	1.049 %
Hampton Lumber	27,910,430	3	0.820	n/a	n/a	n/a
Green Diamond Resource Company	23,571,284	4	0.692	n/a	n/a	n/a
Port of Tillamook Bay	19,324,590	5	0.567	6,093,058	10	0.290
Stimson Lumber	17,835,758	6	0.524	n/a	n/a	n/a
Farm Credit Leasing Services	n/a	n/a	n/a	8,101,238	6	0.385
Willamina Lumber	n/a	n/a	n/a	8,270,401	5	0.393
Simpson Timber Company	n/a	n/a	n/a	6,659,731	9	0.317
Tillamook Country Smoker Inc.	9,570,540	8	0.281	n/a	n/a	n/a
Nehalem Communications	8,944,100	9	0.263	n/a	n/a	n/a
Port of Garibaldi	8,630,230	10	0.253	7,016,381	7	0.334
Texas Commerce Bank National Associati	7,952,780	11	0.234	6,670,838	8	0.317
Pacific Carriage Limited	7,702,000	13	0.226	n/a	n/a	n/a
Centex Homes	6,446,110	14	0.189	n/a	n/a	n/a
Safeway Inc.	5,711,380	15	0.168	n/a	n/a	n/a
Subtotal	<u>188,918,977</u>		<u>5.547</u>	<u>64,865,119</u>		<u>3.085</u>
Public Utilities:						
Tillamook Public Utility District	57,934,610	1	1.701	26,191,176	1	1.246
United Telephone Co. of NW	16,940,100	7	0.497	12,457,298	3	0.592
Pacific Telecom Cable	n/a	n/a	n/a	7,763,865	4	0.369
WCI Cable Inc.	7,943,600	12	0.233	n/a	n/a	n/a
Subtotal	<u>82,818,310</u>		<u>2.432</u>	<u>46,412,339</u>		<u>2.207</u>
All other	<u>3,133,957,641</u>		<u>92.021</u>	<u>1,991,576,533</u>		<u>94.708</u>
Total	<u>\$3,405,694,928</u>		<u>100.000 %</u>	<u>\$2,102,853,991</u>		<u>100.000 %</u>

Source: Tillamook County Assessor's Department

n/a - not applicable

TILLAMOOK COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS For the Last Ten Fiscal Years

Fiscal Year Ended June 30,	Certified Taxes Levies				Collected Within the		Collections in Subsequent Years	Total Collections to Date	
	General	Special/ Local Option Levies (2)	Debt Service	Totals	Fiscal Year of the Levy			Amount	Percentage of Levy
					Amount	Percent of Levy			
1999	\$ 2,998,039	\$ 750,000	\$ 1,410,594	\$ 5,158,633	\$ 4,980,150	96.5	\$ 178,483	\$ 5,158,633	100.00
2000	3,178,741	1,202,266	1,295,861	5,676,868	5,165,992	91.0	508,682	5,674,674	99.96
2001	3,496,471	1,276,890	1,593,177	6,366,538	5,815,825	91.3	549,967	6,365,792	99.99
2002	3,664,311	1,351,638	1,563,786	6,579,735	6,028,513	91.6	550,103	6,578,616	99.98
2003	3,869,637	2,063,801	1,435,305	7,368,743	6,815,892	92.5	551,372	7,367,264	99.98
2004	4,014,898	1,464,006	1,484,855	6,963,759	6,462,531	92.8	484,207	6,946,738	99.76
2005	4,252,989	1,538,072	2,096,604	7,887,665	6,777,166	85.9	1,056,073	7,833,239	99.31
2006	4,497,252	1,624,238	1,704,606	7,826,096	6,819,481	87.1	944,768	7,764,249	99.21
2007	4,781,050	1,725,278	1,656,568	8,162,896	7,908,010	96.9	136,512	8,044,522	98.55
2008	5,089,615	2,213,408	1,715,611	9,018,634	8,667,941	96.1	-	8,667,941	96.11

Source: Tillamook County Assessment and Taxation Department

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

TILLAMOOK COUNTY

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

Fiscal Year Ended June 30,	Governmental Activities				Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Loans and Notes	Capital Leases	Total		
1999	\$ 16,450,000	\$ 147,604	\$ 125,773	\$ 16,723,377	3.24%	\$ 696.81
2000	15,740,000	2,207,628	82,803	18,030,431	3.36%	748.15
2001	15,025,000	2,114,573	37,367	17,176,940	3.03%	707.98
2002	14,835,000	2,019,515	-	16,854,515	2.73%	685.14
2003	13,890,000	1,337,853	-	15,227,853	2.45%	618.69
2004	16,695,000	985,086	-	17,680,086	2.62%	709.42
2005	15,615,000	880,226	-	16,495,226	2.32%	661.13
2006	14,485,000	813,613	-	15,298,613	2.08%	606.97
2007	13,300,000	699,644	17,981	14,017,625	n/a	552.31
2008	12,065,000	1,345,759	14,377	13,425,136	n/a	536.19

Sources: Department of Human Resources, State of Oregon, Tillamook County Assessor's Office and Comprehensive Annual Financial Reports.

TILLAMOOK COUNTY

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

(Amounts expressed in thousands, except for per capita amount)

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Less: Amounts Available in Debt Service Fund</u>	<u>Totals</u>	<u>Percentage of Estimated Actual Taxable Value of Property</u>	<u>Per Capita</u>
1999	\$ 16,450,000	\$ 646,962	\$ 15,803,038	0.752%	\$ 658
2000	15,740,000	428,595	15,311,405	0.688%	635
2001	15,025,000	487,208	14,537,792	0.615%	599
2002	14,835,000	462,708	14,372,292	0.574%	584
2003	13,890,000	392,881	13,497,119	0.516%	548
2004	16,695,000	358,143	16,336,857	0.602%	656
2005	15,615,000	551,929	15,063,071	0.529%	604
2006	14,485,000	470,259	14,014,741	0.466%	556
2007	13,300,000	322,142	12,977,858	0.406%	511
2008	12,065,000	215,949	12,977,858	0.381%	518

TILLAMOOK COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2008

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cannon Beach RFPD	\$ 785,000	1.3145	\$ 10,319
North Lincoln Fire and Rescue District #1	6,875,000	1.4795	101,716
Tillamook Fire District	555,000	100.0000	555,000
City of Bay City	695,207	100.0000	695,207
City of Garibaldi	550,033	100.0000	550,033
City of Rockaway Beach	35,000	100.0000	35,000
City of Wheeler	1,107,649	100.0000	1,107,649
Tillamook Co. School District No. 9	10,675,000	100.0000	10,675,000
Tillamook Co. School District No. 56	15,410,000	100.0000	15,410,000
Tillamook Co. School District No. 101	11,065,000	100.0000	11,065,000
Tillamook Bay Community College	9,615,000	100.0000	9,615,000
Willamette Education Service District	2,150,000	0.0077	166
			<hr/>
Total overlapping debt			49,820,090
			<hr/>
Tillamook County direct debt	13,300,000	100.0000	13,300,000
			<hr/>
Total			<u>\$ 63,120,090</u>

Source: Oregon State Treasury, Debt Management Division

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those governments that is borne by the residents and businesses of Tillamook County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and therefore responsible for repaying the debt, of each overlapping government.

TILLAMOOK COUNTY

**Legal Debt Margin Information
Last Ten Fiscal Years**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 52,284,330	\$ 58,341,939	\$ 60,187,170	\$ 62,748,124	\$ 64,248,144	\$ 66,312,826	\$ 71,642,324	\$ 71,474,281	\$ 105,576,117	\$ 133,131,663
Total net debit applicable to limit	<u>16,450,000</u>	<u>15,740,000</u>	<u>15,025,000</u>	<u>14,835,000</u>	<u>13,890,000</u>	<u>16,695,000</u>	<u>15,615,000</u>	<u>14,485,000</u>	<u>13,300,000</u>	<u>13,300,000</u>
Legal debt margin	<u>\$ 35,834,330</u>	<u>\$ 42,601,939</u>	<u>\$ 45,162,170</u>	<u>\$ 47,913,124</u>	<u>\$ 50,358,144</u>	<u>\$ 49,617,826</u>	<u>\$ 56,027,324</u>	<u>\$ 56,989,281</u>	<u>\$ 92,276,117</u>	<u>\$ 119,831,663</u>
Total net debt applicable to the limit as a percentage of debt limit										

Legal Debt Margin Calculation for Fiscal Year 2005

Total true cash value	<u>\$ 6,656,583,154</u>
Legal debt margin:	
Debt limitation - 2 percent of true cash value	<u>\$ 133,131,663</u>

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
1998	23,800	\$ 500,228	\$ 21,018	n/a	6.4%
1999	24,000	515,808	21,492	n/a	5.1%
2000	24,100	536,683	22,269	3,798	5.1%
2001	24,262	566,736	23,359	3,766	6.1%
2002	24,600	617,583	25,105	3,739	6.6%
2003	24,613	620,494	25,210	3,654	7.3%
2004	24,922	675,112	27,089	3,478	7.1%
2005	24,950	709,803	28,449	3,444	6.3%
2006	25,205	734,171	29,128	3,422	5.1%
2007	25,380	n/a	n/a	3,437	4.8%
2008	25,038	n/a	n/a	3,332	4.3%

n/a - Information is not currently available

TILLAMOOK COUNTY

**Principal Employers
Current Year and Nine Years Ago**

Employer	2008			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Tillamook County Creamery Association	650	1	5.11%	400	1	4.79%
Tillamook County General Hospital	330	2	2.59%	260	2	3.12%
Tillamook County Smoker	300	3	2.36%	200	3	2.40%
Tillamook County	275	4	2.16%	250	4	3.00%
Tillamook School District #9	275	5	2.16%	n/a	n/a	n/a
Fred Meyer	210	6	1.65%	102	6	1.22%
Tillamook Lumber	190	7	1.49%	152	5	1.82%
Neah-Kah-Nie School District	135	8	1.06%	n/a	n/a	n/a
Fallon Logging	130	9	1.02%	n/a	n/a	n/a
Nestucca Ridge Development	130	10	1.02%	n/a	n/a	n/a
Stimson Lumber Co.	120	11	0.94%	n/a	n/a	n/a
Total number of individuals employed	12,728			8,344		

Source: Tillamook County Almanac

n/a - information is not available

TILLAMOOK COUNTY

**Full-time Equivalent County Government Employees by Function
Last Ten Fiscal Years**

<u>Function</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government	65.50	69.50	66.50	61.50	63.00	62.50	63.00	72.50	68.40	73.00
Public safety	76.00	78.00	81.00	81.00	80.80	84.30	93.00	85.50	89.55	84.00
Highways and streets	40.00	39.00	35.00	35.00	35.00	35.00	35.00	30.00	30.50	30.50
Culture and recreatio	22.75	24.00	26.33	23.31	26.31	25.25	27.00	25.00	25.56	25.50
Health and welfare	41.50	50.50	58.50	59.90	57.80	50.00	50.00	32.75	36.40	38.80
Solid waste	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00
	<u>246.25</u>	<u>261.50</u>	<u>267.83</u>	<u>261.21</u>	<u>263.91</u>	<u>258.05</u>	<u>269.00</u>	<u>246.75</u>	<u>251.41</u>	<u>252.80</u>

Source: Tillamook County Human Resources

TILLAMOOK COUNTY

Operating Indicators by Function
Last Ten Fiscal Years

Function	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety										
Arrests	1,503	1,188	1,100	1,576	1,282	529	765	1,015	1,606	1,547
Highways and streets										
Resurfacing (miles)	2.0	5.4	7.1	3.9	4.8	4.7	18.2	12.3	8.9	8.9
Culture and recreation										
Library books checked out	301,415	314,046	315,162	335,728	221,610	344,290	321,610	312,592	323,053	327,328
County fair attendance	58,401	61,321	62,547	63,485	64,881	66,308	69,679	71,180	73,193	71,198
Health and welfare										
Health department encounters	16,904	15,191	15,642	15,796	16,560	17,770	18,487	20,991	19,742	20,646
Solid waste										
Refuse collected (tons)	15,063	17,446	17,807	18,324	18,405	19,538	17,000	23,567	24,201	26,092

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	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	13	13	16	18	18	18	20	20	20	32
Inmate beds	97	97	97	97	120	120	120	120	120	120
Highways and streets										
Miles of paved roads	281	281	281	281	281	281	281	281	281	281
Miles of gravel roads	97	97	97	97	97	97	97	97	97	97
Bridges	96	96	96	96	96	96	96	96	96	96
Culture and recreation										
Parks acreage	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	113,487	120,043	120,284	120,524	138,300	129,292	129,292	113,650	142,550	155,053
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	65	65	65	65	65	65	65	65	65	63
Health and welfare										
Clinics	1	1	2	2	2	3	3	3	3	3
Solid waste										
Transfer stations	3	3	3	3	3	3	3	3	3	3

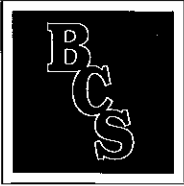
Source: Various County departments

No capital asset indicators are available for the general government function

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in the following pages.

- *Accounting and Internal Controls*
- *Collateral*
- *Indebtedness*
- *Budget*
- *Insurance and Fidelity Bonds*
- *Programs Funded from Outside Sources*
- *Highway Funds*
- *Investments*
- *Public Contracts and Purchasing*



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

TILLAMOOK COUNTY

DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS Year Ended June 30, 2008

Accounting and Internal Controls

The broad objectives of internal accounting control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and that financial records are reliable to permit the preparation of financial statements. The following operative objectives are necessary to achieve the broad objectives:

- a. Transactions are executed in accordance with management's general or specific authorization.
- b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.
- c. Access to assets is permitted only in accordance with management's authorization.
- d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. Any projection of a current evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with prescribed procedures may deteriorate.

The accounting records and internal controls are adequate considering the size and complexity of the municipal corporation's financial activities.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS
(Continued)**

Collateral

ORS 295.015 requires collateral pool certificates of participation to be obtained from the pool manager of the depository in an amount equal to the funds on deposit in excess of the amount insured by the Federal Deposit Insurance Corporation. Collateral pool certificates warrant that the pool manager holds custodian's receipts for eligible securities pledged by the depository bank to secure deposits of public funds of a value as the last calculation date of not less than 25 percent of the aggregate amount of certificates outstanding.

<u>Depository Bank</u>	<u>Pool Manager</u>	<u>Amount</u>
U S Bank	Federal Home Loan Bank of Seattle	\$ 10,000,000
Sterling Savings Bank	Federal Home Loan Bank of Seattle	1,500,000
Sterling Savings Bank	Federal Home Loan Bank of Seattle	650,000*

* Collateral pool certificate issued for the Tillamook County Employee Retirement Plan.

During part of the year, deposits of the Tillamook County Employee Retirement Plan were not adequately secured.

Indebtedness

The County has complied with legal requirements relating to short-term and long-term debt including limitation on the amount of debt which may be incurred, liquidation of debt within prescribed period of time and compliance with provisions of bond indentures or other agreements.

Budget

1. Preparation and adoption

The budgets for the years ended June 30, 2008 and 2007 were prepared and adopted in compliance with legal requirements.

2. Execution

The budget for the year ended June 30, 2008, was executed in compliance with legal requirements.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS
(Continued)**

Insurance and Fidelity Bonds

The County's insurance agent has confirmed that the following insurance coverage was in force at June 30, 2008:

Company	Policy No.	Coverage	Limit	Term
City County Insurance	07LTILC	General & Auto Liability	\$ 500,000	7/1/07 - 6/30/08
	07LTILC	Auto Physical Damage	500,000	7/1/07 - 6/30/08
	07LTILC	Excess Liability	1,500,000	7/1/07 - 6/30/08
	07PTILC	Building & Personal Property	53,055,726	7/1/07 - 6/30/08
	07BTILC	Boiler & Machinery	Various	7/1/07 - 6/30/08

ORS 210.120 to 220.150 establishes bonding requirements for County officials and employees. The County's Board of Commissioners has established the following bonds:

Treasurer	\$ 40,000
Assessor	40,000
Clerk	10,000
Sheriff	10,000
Commissioner Hurliman	20,000
Commissioner Josi	20,000
Commissioner Labhart	20,000
Justice of the Peace	30,000
Public Employee Performance Bond	20,000

Our audit did not include a determination as to the adequacy of insurance coverage since we are not professionally trained to make that determination. However, insurance coverage appears to comply with legal requirements.

Programs Funded From Outside Sources

The County operated various programs funded wholly or partially by governmental agencies. Our reports on compliance with laws and regulations and on internal controls used in administering federal financial assistance programs appear on pages 128 through 131 of this report. In addition to our audit, these grants and projects are subject to further review by federal audit agencies.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS
(Continued)**

Highway Funds

The County used revenue from taxes on motor vehicle use in compliance with ORS 373.240 to 373.250.

Investments

Funds of the County were invested in compliance with ORS 294.035.

Public Contracts and Purchasing

1. Awarding of public contracts:

The County awarded public contracts in accordance with ORS 279.

2. Construction of public improvements:

The County constructed public improvements in accordance with the requirements of ORS 279.

Boldt, Carlisle & Smith, LLC

Certified Public Accountants

Salem, Oregon

November 12, 2008

GRANT COMPLIANCE – SINGLE AUDIT



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

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 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, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 12, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *control deficiency* 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 misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

**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)**

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

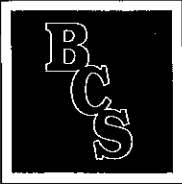
Compliance and Other Matters

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 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*.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Boldt, Carlisle & Smith, LLC

Salem, Oregon
November 12, 2008



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

Compliance

We have audited the compliance of **TILLAMOOK COUNTY** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, **TILLAMOOK COUNTY** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2008-1 and 2008-2.

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)**

Internal Control Over Compliance

The management of **TILLAMOOK COUNTY** is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Boldt, Carlisle & Smith, LLC

Salem, Oregon
November 12, 2008

TILLAMOOK COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2008**

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	<i>Unqualified</i>
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiencies identified that are not considered to be material weakness(es)?	None reported
Type of auditor's report issued on compliance for major programs:	<i>Unqualified</i>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	Yes
Identification of major programs:	

<u>CFDA</u>	<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
	10.665	Schools and Roads - Grants to Counties
	15.227	Distributions of Receipts to State and Local Governments (O&C Lands)
	14.228	Community Development Block Grants/State's Programs

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

Section II - Financial Statement Findings

None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III - Federal Award Findings and Questioned Costs

2008-01	15.227 Distributions of Receipts to State and Local Governments U.S. Department of the Interior 10.665 Schools and Roads - Grants to Counties U.S. Department of Agriculture
<i>Criteria:</i>	Payments to other governmental entities under Title III projects under PL 106-393 should be supported by documentation of the nature and amount of expenditures.
<i>Condition:</i>	The County made payments to other governmental entities without obtaining documentation of the nature and amount of expenditures for Title III projects
<i>Questioned Costs:</i>	\$ 212,500
<i>Context:</i>	The County expended a total of \$340,110 under Title III projects during the year ended June 30, 2008.
<i>Effect:</i>	Tillamook County expended federal awards without documentation that funds were expended for allowable cost by other governmental entities.
<i>Cause:</i>	The County had a weakness in internal control over subrecipient monitoring.
<i>Recommendation:</i>	The County should require documentation of nature and amount of expenditures of Title III projects by other governmental entities prior to making payments on approved projects.
<i>Management's response:</i>	Management will require other governmental entities to provide documentation of the nature and amount of expenditures for Title III projects prior to making payments.
2008-02	14.228 Community Development Block Grant (CDBG) U.S. Department of Housing and Urban Development
<i>Criteria:</i>	Requests for funds from the Oregon Economic and Community Development Department (OECDD) on CDBG projects are on a reimbursement basis of amounts actually expended.
<i>Condition:</i>	The County requested and received funds from OECDD in excess of amounts acutally expended. The reimbursement request included \$15,149.68 representing retainage on a construction contract which had not been paid and was not paid within a reasonable time period after receipt of the funds.
<i>Questioned Costs:</i>	\$ 15,149.68
<i>Context:</i>	The total amount received from OECDD for reimbursments on CDBG projects were \$323,483.
<i>Effect:</i>	The County received and did not expend federal awards within a reasonable time period resulting in noncompliance with cash management requirements.
<i>Cause:</i>	The request for reimbursement for retainage was an error.
<i>Recommendation:</i>	Requests for reimbursements from OECDD should reviewed to ensure that only items which have been paid are included in the request.
<i>Management's response:</i>	Requests for reimbursements to OECDD will be reviewed for accuracy.

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2008

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Agriculture</i>			
Food and Nutrition Service			
Passed through Oregon State Health Division Special Supplemental Nutrition Program for Women, Infants and Children	10.557		\$ 105,928
Forest Service			
Passed through Oregon Department of Administrative Services Schools and Roads - Grants to Counties	10.666		<u>2,617,399</u>
Total Department of Agriculture			<u>2,723,327</u>
<i>Department of Commerce</i>			
National Oceanic and Atmospheric Administration			
Passed through Oregon Department of Land Conservation and Development Coastal Zone Management Administration Awards	11.419	CZM-07-032 TA-306-07-001	14,000 <u>17,728</u>
Total Department of Commerce			<u>31,728</u>
<i>Department of Housing and Urban Development</i>			
Office of Community Planning and Development			
Passed through Oregon Economic and Community Development Department Community Development Block Grant	14.228	C05018 P05047	311,187 <u>12,296</u>
Total Department of Housing and Urban Development			<u>323,483</u>
<i>Department of the Interior</i>			
Bureau of Land Management			
Distribution of Receipts to State and Local Governments	15.227		639,718
Payment in Lieu of Tax	15.226		<u>18,504</u>
Total Department of the Interior			<u>658,222</u>
<i>Department of Justice</i>			
Office of Juvenile Justice and Delinquency Prevention			
Passed through Oregon State Criminal Justice Services Division Juvenile Accountability Incentive Block Grant	16.523		3,631
Passed through Oregon Commission on Children and Families Juvenile Justice and Delinquency Prevention - Allocation to States	16.540		6,096
Part E-State Challenge Activities	16.549		800

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Justice (continued)</i>			
Bureau of Justice Assistance			
Passed through Oregon State Criminal Justice Services Division Byrne Formula Grant Program	16.579	04-001	\$ 110,000
Passed through Oregon State Criminal Justice Division Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		9,000
State Criminal Alien Assistance Program	16.606		58,885
Bulletproof Vest Partnership Program	16.607		7,451
Office of Victims of Crime			
Passed through Oregon State Criminal Justice Division Crime Victims Assistance	16.575	VOCA 05-2575 VOCA 06-2666 VOCA 06-2711 VOCA 07-2939	11,047 4,067 4,832 15,759
Total Department of Justice			<u>231,568</u>
<i>Department of Transportation</i>			
Federal Highway Administration			
Passed through Oregon Department of Transportation Highway Planning and Construction	20.205		27,253
National Highway Traffic Safety Administration			
Passed through Oregon State Sheriff's Association Occupant Protection	20.602		5,005
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.605		<u>2,276</u>
Total Department of Transportation			<u>34,534</u>
<i>General Services Administration</i>			
Passed through Oregon State Department of Administrative Services Donation of Federal Surplus Personal Property	39.003		<u>2,123</u>
<i>Institute of Museum and Library Services</i>			
Laura Bush 21st Century Librarian Program	45.313		<u>14,784</u>
<i>Environmental Protection Agency</i>			
Office of Water			
Passed through Oregon Department of Human Services State Public Water System Supervision	66.432		11,202
Capitalization Grants for Drinking Water State Revolving Funds	66.468		<u>13,600</u>
Total Environmental Protection Agency			<u>24,802</u>
<i>Department of Homeland Security</i>			
Passed through Oregon State Police Office of Emergency Management Flood Mitigation Assistance	97.029	EMS-2005-FM-E0023 EMS-2007-FM-E004	650,615 82,500
Public Assistance Grants	97.036		288,943
Emergency Management Performance Grants	97.042		72,396
State Homeland Security Grant	97.073	05-181	<u>6,048</u>
Total Department of Homeland Security			<u>1,100,502</u>

Continued on page 136

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<i>Department of Health and Human Services</i>			
Office of Population Affairs			
Passed through Oregon Department of Human Services Service Division			
Family Planning - Services	93.217		\$ 33,206
Administration for Children and Families			
Passed through Oregon Commission on Children and Families			
Promoting Safe and Stable Families	93.556		223
Passed through Oregon Department of Human Services Service Division			
Temporary Assistance for Needy Families	93.558		2,650
Passed through Oregon State Adult and Family Services Division			
Child Support Enforcement	93.563		120,749
Passed through Oregon Commission on Children and Families Social Services Block Grant	93.667		753
Centers for Medicare and Medicaid Services			
Passed through Oregon Commission on Children and Families Medical Assistance Program	93.778		8,246
Centers for Disease Control			
Passed through Oregon Department of Human Services Service Division			
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		140,578
HIV Prevention Activities Health Department Based	93.940		6,184
Health Resources and Services Administration			
Community Health Centers	93.224		1,374,000
Passed through Oregon Department of Human Services Service Division			
Abstinence Education	93.235		1,322
HIV Care Formula Grants	93.917		5,369
Maternal and Child Health Services Block Grant	93.994		39,873
Substance Abuse and Mental Health Services Administration			
Passed through Oregon Department of Human Services Service Division			
Block Grants for Community Mental Health Services	93.958		28,122
Block Grants for Prevention and Treatment of Substance Abuse	93.959		68,987
National Institute of Health			
Passed through Oregon Social Learning Center Mental Health Research Grants	93.242		113,040
Total Department of Health and Human Services			<u>1,943,302</u>
Total Expenditures of Federal Awards			<u>\$ 7,088,375</u>

TILLAMOOK COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2008

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards is a summary of the County's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

TILLAMOOK COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2008

2007-01 15.227 Distributions of Receipts to State and Local Governments
U.S. Department of the Interior

The finding related to the use of Title III funds for other than one of the six allowed uses under PL 106-393. The funds were used to pay 1/2 of the cost of a Sheriff deputy that provided law enforcement services on public and private timberlands.

County management implemented a requirement that the Sheriff provide documentation of the time and related costs of deputies who respond to emergencies on federal timberlands and would be reimbursed for those costs as actually incurred.