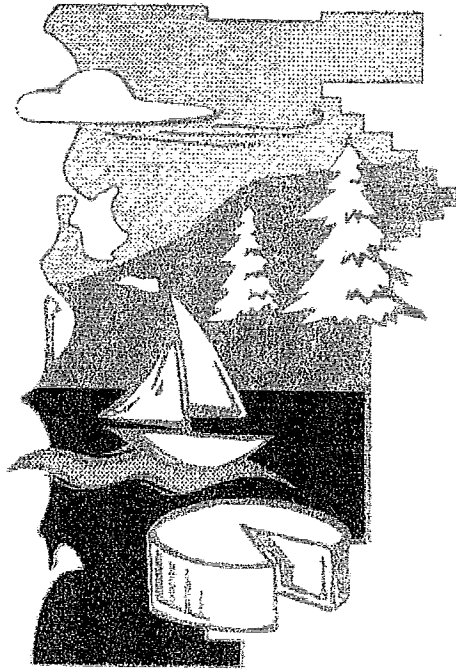


Tillamook County, Oregon



Comprehensive Annual Financial Report

For the Year Ended June 30, 2011

TILLAMOOK COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended June 30, 2011

Prepared by the Office of County Treasurer

Debbie Clark, Treasurer

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

BOARD OF COMMISSIONERS

For the Year Ended June 30, 2011

<u>Commissioners</u>	<u>Term Expires December 31,</u>
Charles J. Hurliman 12985 Highway 101 S Tillamook, OR 97141	2012
Tim Josi 6750 Baseline Road Tillamook, OR 97141	2014
Mark Labhart 9190 Mill Creek Road Tillamook, OR 97141	2012

County Counsel

William K. Sargent

Treasurer

Karen L. Richards-Dye (Term Ended August 31, 2011)
Debbie Clark (Term Began September 1, 2011)

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
TABLE OF CONTENTS
For the Year Ended June 30, 2011

	<u>Page</u>
INTRODUCTORY SECTION	
Transmittal letter	i – v
Certificate of Achievement for Excellence in Financial Reporting	vi
Organization Chart	vii
Principal Officials.....	viii
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	A, B
MANAGEMENT’S DISCUSSION AND ANALYSIS.....	<i>a - i</i>
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Assets.....	1
Statement of Activities	2
Fund Financial Statements:	
Governmental Funds	
Balance Sheet	3, 4
Statement of Revenues, Expenditures and Changes in Fund Balances.....	5, 6
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	7
Statements of Revenues, Expenditures, and Changes in Fund Balance (Budgetary Basis) – Budget and Actual:	
General	8, 9
Road	10
County School.....	11
Health Services	12
Library.....	13
Commission on Children and Families.....	14
Community Corrections.....	15
Community Development.....	16
Proprietary Funds	
Statement of Net Assets.....	17
Statement of Revenues, Expenses and Changes in Fund Net Assets	18
Statement of Cash Flows.....	19
Fiduciary Funds	
Statement of Fiduciary Net Assets	20
Statement of Changes in Fiduciary Net Assets	21
Notes to Basic Financial Statements	22 – 48

TABLE OF CONTENTS (Continued)

	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
Building Improvement - A Major Capital Project Fund	49
General Fund	
Combining Balance Sheet	50
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	51
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) –	
Budget and Actual:	
Revenue Stabilization	52
Post Employment Liability Reserve	53
Other Governmental Funds	
Combining Balance Sheet	54, 55
Combining Statement of Revenues, Expenditures and Changes in Fund Balance	56, 57
Combining Balance Sheets	
Special Revenue Funds	
General Government	58, 59
Public Safety	60
Culture and Recreation	61
Capital Project Funds	62
Combining Statements of Revenues, Expenditures and Changes in Fund Balance –	
Special Revenue Funds	
General Government	63, 64
Public Safety	65
Culture and Recreation	66
Health and Welfare	67
Capital Project Funds	68
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) –	
Budget and Actual:	
Special Revenue Funds	
General Government	
Mitigation Grants	69
Video Lottery	70
Forest Timber Trust	71
Juvenile Trust	72
Law Library	73
Building, Planning and Sanitation (BPS) Surcharge	74
Public Land Corners Preservation (PLCP)	75
Clerks Records	76
Federal Title III	77
Veteran’s Services	78
Nestucca Valley Community Campus	79
Technology Fund	80
Public Safety	
Court Security	81
Law Enforcement	82
Sheriff Trust	83
SB 1065 Assessment and Conviction	84
Emergency Fire and Radio Local Option Tax	85
Tillamook Narcotics Team	86

TABLE OF CONTENTS (Continued)

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES
(Continued)**

Other Governmental Funds (continued)	
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) –	
Budget and Actual (continued)	
Special Revenue Funds (continued)	
North Coast Drug Task Force.....	87
Highways and Streets	
Bike Path.....	88
Culture and Recreation	
County Fair	89
Parks Operations	90
Health and Welfare	
Mental Health.....	91
Mediation Program	92
Education	
Tillamook County 4-H and Extension Service District	93
Debt Service Funds	
Hospital	94
Jail	95
Library.....	96
Capital Project Funds	
Vehicle Reserve	97
Library Reserve.....	98
Fair	99
Tillamook County 4-H and Extension Building Reserve	100
Oregon Community Development Block Grant	101
OTIA Bridge Construction	102
Trask Road Project.....	103
Other Enterprise Funds:	
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budgetary Basis) –	
Budget and Actual:	
Solid Waste.....	104
Solid Waste Sinking	105
Fiduciary Funds:	
Statement of Changes in Assets and Liabilities – Agency	106
Capital Assets Used in the Operation of Governmental Funds:	
Schedule of Capital Assets	107
Schedule by Capital Assets by Function and Activity	108
Schedule of Changes in Capital Assets by Function and Activity	109
Other Financial Schedules:	
Schedule of General Obligation Bonds Principal and Interest Transactions	110
Schedule of Future Debt Service Requirements.....	111, 112
Schedule of Cash Receipts and Turnovers for Elected Officials	113

TABLE OF CONTENTS (Continued)

	<u>Page</u>
STATISTICAL SECTION	
Net Assets by Component.....	114
Changes in Net Assets.....	115
Governmental Activities Tax Revenues by Source	116
Fund Balances of Governmental Funds	117
Changes in Fund Balances of Governmental Funds	118
Assessed Value and Estimated Actual Value of Taxable Property.....	119
Property Tax Rates Direct and Overlapping Governments.....	120
Principal Tax Payers	121
Property Taxes Levies and Collections.....	122
Ratio Outstanding Debt by Type.....	123
Ratios of General Bonded Debt Outstanding.....	124
Direct and Overlapping Governmental Activities Debt.....	125
Legal Debt Margin Information.....	126
Demographic and Economic Statistics.....	127
Principal Employers	128
Full-time Equivalent County Government Employers by Function	129
Operating Indicators by Function.....	130
Capital Asset Statistics by Function.....	131
INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS	132, 133
GRANT COMPLIANCE – SINGLE AUDIT	
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.....	134, 135
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	136, 137
Schedule of Findings and Questions Costs	138
Schedule of Expenditures of Federal Awards	139 – 141
Notes to Schedule of Expenditures of Federal Awards	142

INTRODUCTORY SECTION



TILLAMOOK COUNTY TREASURER'S OFFICE

Land of Cheese, Trees and Ocean Breeze

Debbie Clark
County Treasurer
(503) 842-3439
FAX (503) 842-1829

December 9, 2011

To the Board of Commissioners and the
Citizens of Tillamook County, Oregon

In accordance with state statutes, I hereby submit the Comprehensive Annual Financial Report (CAFR) of Tillamook County, Oregon, as of June 30, 2011. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with Tillamook County. It is believed that the data, as presented, is accurate in all material aspects and is presented in a manner designed to present fairly the financial position and results of the operation of Tillamook County as measured by the financial activity of its various funds and component units. All disclosures necessary to enable the reader to gain the maximum understanding of Tillamook County's financial affairs have been included.

INTRODUCTION

The Management Discussion and Analysis (MD&A) contained in the financial section is required by Generally Accepted Accounting Principles (GAAP). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

Oregon State Law requires that every municipal corporation submits an annual financial report to the Secretary of State; to have its combined general purpose financial statements audited by an independent certified public accountant in accordance with generally accepted auditing standards and Minimum Standards for Audits of Oregon Municipal Corporations; and to have an independent auditor express an opinion upon the financial position, results of operations and cash flows for the period under audit. The accounting firm of Boldt, Carlisle, and Smith, LLC was selected by the Board of County 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.

Managers of the County are responsible for establishing internal control structures that ensure assets of the County are protected from loss, theft or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

TILLAMOOK COUNTY PROFILE

Tillamook County was established December 15, 1853 on lands that previously were part of Clatsop, Yamhill and Polk counties. The county was named after the Tillamook Indians who occupied the areas around the Tillamook and Nehalem Bays. The County is located on the Northern Oregon Coast and has a population of 25,250 as per the 2010 US Census Bureau. The County's boundaries consist of 75 miles of coastline extending from Lincoln County on the south, to Clatsop County on the north. The Pacific Ocean is the County's western boundary and Yamhill and Washington Counties are the eastern boundaries. The city of Tillamook is the county seat and located in the central part of the county 75 miles west of Portland.

Tillamook County land area in square miles is 1,125. Per the 2010 US Census Bureau, there are 22.9 persons per square mile. The State of Oregon, the US Bureau of Land management, the US Forest Service, County of Tillamook and private timber companies control more than ninety percent (90%) of the land. The Tillamook State Forest is a key aspect of the county's economy. The 500,000-acre forest which was destroyed by disastrous fires in the 1930s and 1940s has now begun to come of age. This helps drive growth in timber harvesting and processing which supports local educations through timber revenues. Five percent (5%) of the land in Tillamook County is designated agricultural and the remainder is in urban and other uses.

There are eight (8) major stream systems in Tillamook County. Each discharges the County's annual average ninety (90) inches of precipitation into the Pacific Ocean by way of a coastal bay – five (5) into Tillamook Bay, two (2) into Nestucca Bay, and one (1) into Nehalem Bay. Mild summers and wet winters characterize the climate. Average temperatures range from forty-two (42) degrees in January to fifty-eight (58) degrees in July.

The county encompasses seven (7) incorporated cities and three (3) school districts. The majority of the population resides in or around the discontinuous coastal plain, running the entire length of the County. Seasonal population swells the County's population total in excess of fifty percent (50%) during peak periods. There are 377 miles of roads and 99 bridges under County jurisdiction.

Tillamook County is governed by a Board of Commissioners, consisting of three (3) commissioners, who are elected to four-year terms. The Board of Commissioners conduct all legislative business of the County and are responsible for setting County policy, general administration of the County and holding public hearings on certain issues required by law. The Commissioners are active at state and federal levels representing the concerns and interests of the county. 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's budget is prepared on the cash basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The annual budget maintains a variety of budgetary controls to ensure compliance with legal provisions and is adopted and appropriated by the Board of County Commissioners. Activities of the general fund, special revenue funds, debt service funds and capital project funds are included in the annual appropriated budget. The level of budgetary control is established by department within the general fund and by expenditure category with the other individual funds. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Appropriation transfers may be made throughout the fiscal year and, if required, are approved by the Board of Commissioners in public meetings.

FINANCIAL CONDITIONS AND OUTLOOK

In June 2011, the unemployment rate for Tillamook County was 8.6 percent. Oregon's rate was 9.4 percent. Last year for the same period, Tillamook County's rate was 9.5 percent while Oregon's was 10.5 percent. Construction of new homes has continued to slow down and sales of new and existing homes have declined. The Real market Value of property in Tillamook County is \$6,103,214,368 and the Assessed Value is \$3,897,063,492 for the 2010/2011 tax year.

Tillamook County, like other local governments in Oregon continues to struggle with the impacts of Property Tax Limitation Measures that passed in the 1990's. With the passage of BM5 and in 1997 BM50, rates were capped at \$10.00 per thousand dollars of value for general government and phased in a limit of \$5.00 per thousand dollars for schools. Growth of property tax revenues is limited to three percent (3%) per year, except for new construction, which now results in new revenues rather than an adjustment in the tax rate.

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. 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

Revenues from federal and state sources have declined (except for one-time federal Recovery Act funds); revenues from these sources will continue to decline as the state and federal governments reduce spending. In response to the continued economic crisis, the County's Management Team has worked to reduce or maintain the status quo in operating costs. Recovery Act funds did provide for maintenance of staff in Public Safety, however those funds have expired and further staff reductions may occur in this area unless new funding can be acquired.

A major economic impact on the County's finances is the elimination of federal funding through the Secure Rural Schools and Community Self Determination Act ("Safety Net Payments"). The Act was reauthorized by Public Law 110-343, but at reduced revenues for the County and phase out when the act expires in 2012. Historically, fifty percent (50%) of annual operating revenues for the Road fund come from this source.

Management and local citizens continue their efforts to identify funding sources for capital road repair and replacement projects. Tillamook County's road system is among the worst in the State with a Condition Pavement Index of forty eight (48). The County Roads Advisory Committee and a local political action committee recommended that the County submit a General Obligation Bond measure to the voters. On November 8, 2011, there was a Special Election that included Measure 29-124, Tillamook County Road General Obligation Bond. This measure failed with 3,785 or 47.18% yes votes and 4,237 or 52.82% no votes. Total number voting, 8,029 or 56.4% of registered voters. Proceeds from this bond would have provided \$15 million to fund identified projects.

OTHER FINANCIAL INFORMATION

The County's enterprise operation is comprised of the Solid Waste Service District. This district is included in the CAFR as a component unit of Tillamook County. The Board of County Commissioners serves as its governing body. The District is responsible for countywide solid waste management planning, recycling education and coordination, illegal dumping cleanup and prevention, as well as enforcement coordination. The District collects municipal solid waste at a transit station in order to transport it to the Coffin Butte Landfill in Corvallis, Oregon. The operations of the transit station and transport of solid waste to the Coffin Butte Landfill are performed by a private company under contract with the District.

The County recognizes a liability for post-closure care and maintenance of the Tillamook County closed landfill. A Solid Waste Post Closure Reserve fund was established in FY2011-2012 to satisfy DEQ requirements of financial assurance. The County, on behalf of the District, files an Annual Financial Assurance Update and Recertification with DEQ no later than December 31 each year. The County expects that transfer station fees and assessments to property owners will continue to be sufficient to cover the post-closure costs.

The Tillamook County 4-H Extension Service district is included in the CAFR as a component unit of Tillamook County. The Board of County Commissioners serves as its governing body, making appointments and approving the budget. The District was formed in 1986 under the provisions of ORS Chapter 451 to provide Oregon State university Extension educations programs, training and information to residents of Tillamook County.

The County provides a retirement program for its employees. All fulltime employees are eligible to participate in the program after six (6) months of employment.

The County issues various types of debt. This debt is comprised of capital lease obligations, accumulated unpaid vacation and sick leave, notes payable and bonds payable relating to three General Obligations Bonds. Outstanding debts on the bonds payable relate to the Library General Obligation Bonds, Refunding Bonds for the Jail and Justice Facility and Refunding Bonds for the Hospital.

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.

The County invests excess funds considering state statutes, security of the investment and cash flow requirements. Investments are comprised of the State of Oregon Treasurer's Investment Pool and US Government Agencies. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Tillamook County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. 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.

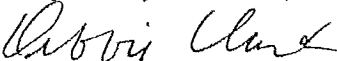
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal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

A Certificate of Achievement is valid for a period of one year only. Tillamook County has received a Certificate of Achievement for twenty-two (22) 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.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the County's accounting staff. In addition, I would like to express my appreciation to 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,



Debbie Clark
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, 2010

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.



Linda C. Dandson

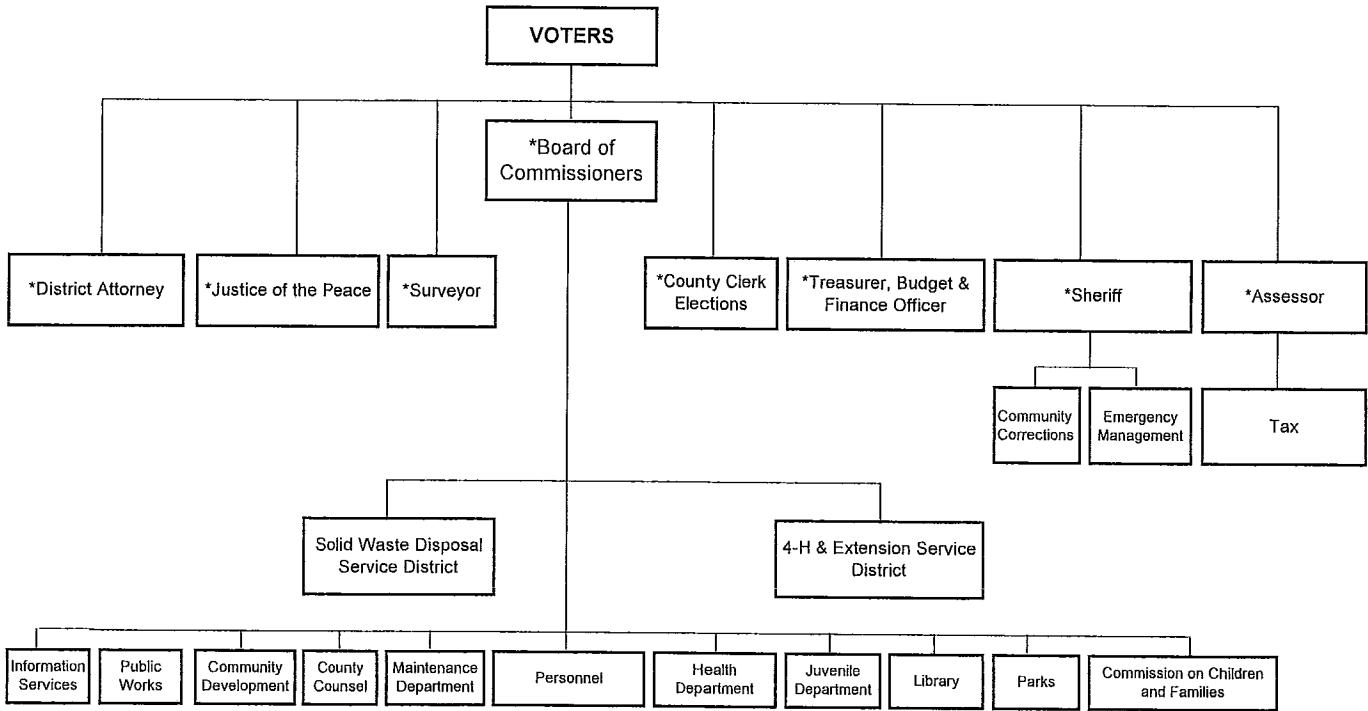
President

Jeffrey R. Enev

Executive Director

Tillamook County

Organizational Chart Year Ended June 30, 2011



*Elected Official

TILLAMOOK COUNTY
PRINCIPAL OFFICIALS
For the Year Ended June 30, 2011

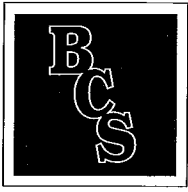
Board of Commissioners

<u>Name</u>	<u>Term Expires/Expired</u>
Charles J. Hurliman	December 31, 2012
Tim Josi	December 31, 2014
Mark Labhart	December 31, 2012

Other Elected Officials

Timothy Lutz, Assessor	July 31, 2011
Denise Vandecouvering, Assessor	December 31, 2012
Tassi O'Neil, County Clerk	December 31, 2012
William Porter, District Attorney	December 31, 2014
Neal Lemery, Justice of the Peace	December 31, 2012
Todd Anderson, Sheriff	October 31, 2011
Wm. Andy Long, Sheriff	December 31, 2012
Dan McNutt, Surveyor	December 31, 2012
Karen L. Richards-Dye, Treasurer	August 31, 2011
Debbie Clark, Treasurer	December 31, 2012

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, 2011, 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 the 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, 2011, 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, and Community Development 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 December 14, 2011, 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 should be considered in assessing the results of our audit.

A

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Established - 1968

SALEM: 480 CHURCH STREET SE ■ SALEM, OR 97301 ■ PHONE: (503) 585-7751 ■ FAX: (503) 370-3781

STAYTON: 408 NORTH THIRD AVENUE ■ STAYTON, OR 97383 ■ PHONE: (503) 769-2186 ■ FAX: (503) 769-4312

ALBANY: 321 1st AVENUE E STE 2A ■ ALBANY, OR 97321 ■ PHONE: (541) 928-6500 ■ FAX: (541) 928-6501

INDEPENDENT AUDITOR'S REPORT (Continued)

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages *a* through *i* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. 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 financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

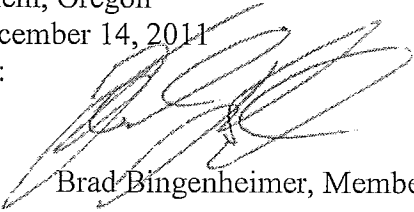
Boldt, Carlisle & Smith, LLC

Certified Public Accountants

Salem, Oregon

December 14, 2011

By:



Brad Bingenheimer, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS

Tillamook County



Land of Cheese, Trees and Ocean Breeze

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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

FINANCIAL HIGHLIGHTS

The County's assets exceeded its liabilities at June 30, 2011 by \$62,125,321 (*net assets*). Of this amount \$40,805,954 was invested in capital assets, net of related debt; \$9,617,647 was restricted for specific purposes and \$11,701,720 was unrestricted.

The County's net assets increased by \$812,249 (or 1.32%) which was due primarily to increases from 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 decreased fund balances by \$130,277, with the General Fund experiencing an increase in its fund balance by \$31,414 and the County School, Health Services, Commissions on Children and Families, Community Development and Building Improvement Funds having a combined decrease in fund balance of \$703,489.

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, Community Development and County School 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

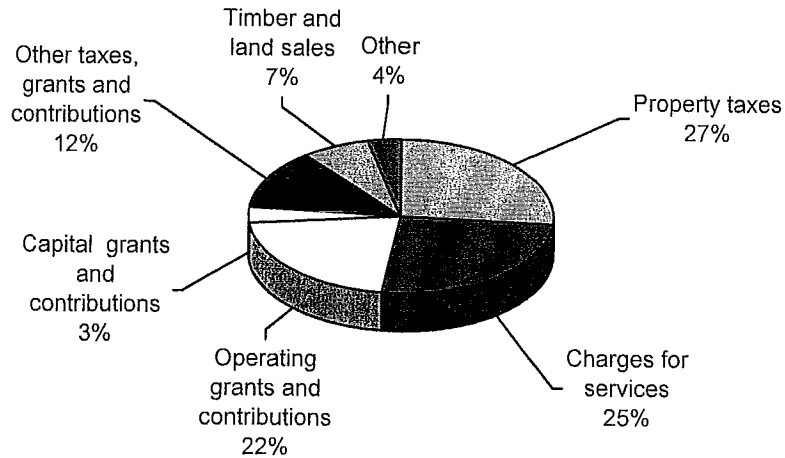
As mentioned earlier, the County's net assets as of June 30, 2011 were \$62,125,321. By far the largest portion of net assets is comprised of the county's investment in capital assets (e.g., land, buildings, equipment and public infrastructure), less any related debt outstanding that was used to acquire 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	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>						
Current and other assets	\$ 25,576,928	\$ 25,106,929	\$ 1,709,608	\$ 1,741,317	\$ 27,286,536	\$ 26,848,246
Capital assets	<u>47,862,505</u>	<u>47,807,311</u>	<u>2,156,940</u>	<u>2,085,051</u>	<u>50,019,445</u>	<u>49,892,362</u>
Total assets	<u>73,439,433</u>	<u>72,914,240</u>	<u>3,866,548</u>	<u>3,826,368</u>	<u>77,305,981</u>	<u>76,740,608</u>
<u>LIABILITIES</u>						
Other liabilities	1,463,160	845,531	146,874	121,959	1,610,034	967,490
Long-term liabilities	<u>12,667,600</u>	<u>13,565,603</u>	<u>903,026</u>	<u>894,443</u>	<u>13,570,626</u>	<u>14,460,046</u>
Total liabilities	<u>14,130,760</u>	<u>14,411,134</u>	<u>1,049,900</u>	<u>1,016,402</u>	<u>15,180,660</u>	<u>15,427,536</u>
<u>NET ASSETS</u>						
Invested in capital assets net of related debt	38,649,014	37,071,660	2,156,940	2,085,051	40,805,954	39,156,711
Restricted	9,617,647	3,777,499	-	-	9,617,647	3,777,499
Unrestricted	<u>11,042,012</u>	<u>17,653,947</u>	<u>659,708</u>	<u>724,915</u>	<u>11,701,720</u>	<u>18,378,862</u>
Total net assets	<u>\$ 59,308,673</u>	<u>\$ 58,503,106</u>	<u>\$ 2,816,648</u>	<u>\$ 2,809,966</u>	<u>\$ 62,125,321</u>	<u>\$ 61,313,072</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 \$812,249. 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 27% of Tillamook County's revenue, are derived from the Permanent Tax Rate, Local Option Taxes and General Obligation debt levies.

The permanent tax rate provides funding for general government. Countywide library services and 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, 2011, a large percentage of revenues come from property taxes (27%), charges for services (25%) and operating grants and contributions (22%). This includes such items as permits, licenses, recreation fees, recording fees, health services patient fees, other user fees, solid waste disposal fees and assessments and fines.

Operating grants and contributions primarily fund the Community Health Center, Public Works, Community Corrections, Children and Families Programs and Mental Health Services.

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

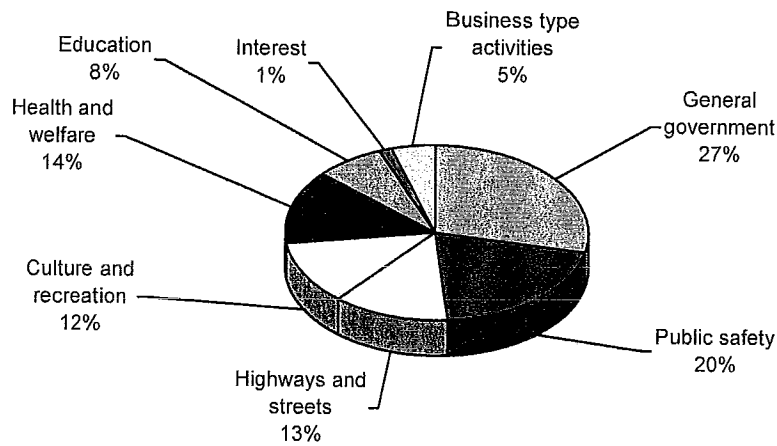
Expenses for General Government and Public Safety comprise 49% of total expenses. The County Justice Facility, opened in 1997, houses the Sheriff's Department, Community Corrections, State Police, Emergency Management and the jail.

General Government includes 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 \$812,249 which represents 99 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	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for services	\$ 8,225,665	\$ 7,719,001	\$ 1,710,689	\$ 1,675,149	\$ 9,936,354	\$ 9,394,150
Operating grants and contributions	8,476,992	7,693,145	-	-	8,476,992	7,693,145
Capital grants and contributions	1,275,535	95,231	46,200	-	1,321,735	95,231
General revenues:						
Property taxes	10,414,096	10,083,863	-	-	10,414,096	10,083,863
Other taxes	161,778	200,083	-	-	161,778	200,083
Other grants and contributions	4,746,992	5,449,169	-	-	4,746,992	5,449,169
Timber and land sales	2,789,366	3,304,836	-	-	2,789,366	3,304,836
Other	1,315,943	891,713	113,283	15,935	1,429,226	907,648
Total revenues	<u>37,406,367</u>	<u>35,437,041</u>	<u>1,870,172</u>	<u>1,691,084</u>	<u>39,276,539</u>	<u>37,128,125</u>
Expenses						
General government	10,897,384	9,331,403	-	-	10,897,384	9,331,403
Public safety	7,754,878	7,482,483	-	-	7,754,878	7,482,483
Highways and streets	4,825,966	4,482,036	-	-	4,825,966	4,482,036
Culture and recreation	4,490,789	4,288,657	-	-	4,490,789	4,288,657
Health and welfare	5,290,597	5,093,360	-	-	5,290,597	5,093,360
Education	2,887,100	3,019,596	-	-	2,887,100	3,019,596
Interest on long-term debt	454,086	511,485	-	-	454,086	511,485
Solid waste	-	-	1,863,490	1,563,107	1,863,490	1,563,107
Total expenses	<u>36,600,800</u>	<u>34,209,020</u>	<u>1,863,490</u>	<u>1,563,107</u>	<u>38,464,290</u>	<u>35,772,127</u>
Change in net assets	805,567	1,228,021	6,682	127,977	812,249	1,355,998
Net assets - beginning	<u>58,503,106</u>	<u>57,275,085</u>	<u>2,809,966</u>	<u>2,681,989</u>	<u>61,313,072</u>	<u>59,957,074</u>
Net assets - ending	<u>\$ 59,308,673</u>	<u>\$ 58,503,106</u>	<u>\$ 2,816,648</u>	<u>\$ 2,809,966</u>	<u>\$ 62,125,321</u>	<u>\$ 61,313,072</u>

Governmental Activities

The growth in net assets is attributed to increased receipts from charges for services, property taxes and reductions in general government and education expenditures.

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, 2011 the County's governmental funds reported a combined fund balance of \$21,650,923, which is a decrease of \$130,277 from June 30, 2010.

The general fund is the primary operating fund of the County. As of June 30, 2011, the general fund balance is \$10,718,830, which is an increase of \$31,414 from June 30, 2010. GASB 54 requires governmental type fund balance amounts to be reported in categories nonspendable, restricted, committed, assigned and unassigned. With the implementation of GASB 54, the County has two funds, Revenue Stabilization and Post Employment Liability Reserve, which are separately budgeted, that no longer qualify to be presented as separate funds in accordance with generally accepted accounting principles. Accordingly, these funds have been combined with the General Fund. Therefore, the General Fund balance at the beginning of the year as reported in this CAFR, accounts for this increase of \$2,644,125 over last years CAFR ending fund balance of \$8,043,291.

The Road Fund is primarily supported by state fuel taxes and federal forest fees. Its fund balance increased by \$140,449 during 2010-11 due primarily to a continued decrease in personnel.

The County School Fund receives state timber revenues which are passed on to public school districts within the County. The fund balance decreased \$26,015 due to timing of pass-through distributions.

The Health Services Fund balance decreased to \$274,102 from \$300,993 at June 30, 2010. This decrease was due to a decrease in health and welfare revenues and an increase of uncollectible accounts payable. The General Fund transferred \$589,000 to the Health Services fund during the year. Of the \$589,000, \$158,000 was budgeted for General Fund support for public health programs, the additional transfer of \$431,000 was to cover an anticipated year end cash deficit. 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 \$313,427. This increase was due primarily to property taxes levied for library operations.

The Commission on Children and Families fund balance decreased \$43,060, which was primarily due to a decrease in intergovernmental revenues.

The Community Corrections fund experienced a slight increase in fund balances of \$2,840. The programs funding is determined biennially by the Oregon State Legislature.

The Department of Community Development budget was eliminated from the General fund and reclassified as a Special Revenue Fund. Community Development is reported as a major governmental fund in accordance with generally accepted accounting principles. The ending fund balance was (\$4,370). The General Fund transferred \$171,000 to Community Development to cover an anticipated year end cash deficit. This deficit reflects the decline in permits issued relating to the downturn in the economy and new housing starts.

The Building Improvement fund balance decreased by \$530,629 due to expenditures for repairs and improvements to County buildings.

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 \$2,816,648 as of June 30, 2011.

BUDGETARY HIGHLIGHTS

The County prepares its budget on the cash receipts and disbursements basis of accounting.

The changes between the original and final budget of the general fund were enacted to transfer relatively small amounts between appropriation categories. Actual receipts in the general fund were \$42,879 more than anticipated and actual disbursements were \$1,198,448 less than appropriations, demonstrating a generally prudent spending policy.

A supplemental budget was adopted during the year to create appropriation for unanticipated transfers from the General Fund to the Health and Community Development Funds for anticipated deficit year end cash balances and an increase in unanticipated revenue for special revenue funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2011, the County had invested \$50,019,445 in total capital assets, net of depreciation, which is a net increase of \$127,083 from June 30, 2010. This investment includes land and land improvements, buildings, equipment and public infrastructure of roads and bridges. The investment in governmental activities capital assets had a minimal increase of \$55,194 due to reclassifications, and business-type activities increased by \$71,889. Additional information on the County's capital assets may be found in Note 6 of the financial statements.

The total obligations outstanding as of June 30, 2011 amounted to \$13,703,274. Additionally, the County's estimated liabilities for other post-employment benefit obligations and landfill post-closure care costs are reported as long-term obligations.

During the year the County retired \$2,482,964 in principal on long-term debt, a reduction of 18 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	\$	8,060,000
Loans payable		1,151,551
Capital leases		1,940
Accumulated unpaid compensation		996,397
Other post-employment benefits		2,591,978
Landfill post-closure care liability		901,408

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.

Concerns regarding declining revenues and increased costs remain for FY12. The Secure Rural Schools funding bill was extended by Congress through FY2011, but with funding trending downward each year.

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.

Tillamook County



Land of Cheese, Trees and Ocean Breeze

BASIC FINANCIAL STATEMENTS

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

STATEMENT OF NET ASSETS

June 30, 2011

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 19,582,166	\$ 1,502,380	\$ 21,084,546
Receivables, net	3,978,148	207,228	4,185,376
Deferred charges	145,279	-	145,279
Net pension obligation asset	1,871,335	-	1,871,335
Capital assets:			
Land, improvements, and construction in progress	6,754,475	224,338	6,978,813
Other capital assets, net	41,108,030	1,932,602	43,040,632
TOTAL ASSETS	<u>73,439,433</u>	<u>3,866,548</u>	<u>77,305,981</u>
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	1,110,366	146,874	1,257,240
Accrued interest	127,364	-	127,364
Unearned revenue	225,430	-	225,430
Long-term obligations:			
Due within one year	2,575,852	99,431	2,675,283
Due in more than one year	10,091,748	803,595	10,895,343
TOTAL LIABILITIES	<u>14,130,760</u>	<u>1,049,900</u>	<u>15,180,660</u>
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	38,649,014	2,156,940	40,805,954
Restricted for:			
Debt service	334,804	-	334,804
Highways and streets	3,473,847	-	3,473,847
Schools and education	933,511	-	933,511
Health services	367,351	-	367,351
County library	2,255,290	-	2,255,290
Grants	298,149	-	298,149
Public safety	827,792	-	827,792
County fair	301,503	-	301,503
Parks	288,050	-	288,050
Other purposes	537,350	-	537,350
Unrestricted	11,042,012	659,708	11,701,720
TOTAL NET ASSETS	<u>\$ 59,308,673</u>	<u>\$ 2,816,648</u>	<u>\$ 62,125,321</u>

See notes to basic financial statements

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Assets		Totals
	Expenses	Charges for Services	Operating	Capital Grants	Governmental Activities	Business-type Activities	
			Grants and Contributions	and Contributions			
Governmental activities:							
General Government	\$ 10,897,384	\$ 3,350,795	\$ 546,138	\$ 1,044,483	\$ (5,955,968)		\$ (5,955,968)
Public Safety	7,754,878	812,281	2,640,389	-	(4,302,208)		(4,302,208)
Public Works	4,825,966	533,556	1,955,702	550	(2,336,158)		(2,336,158)
Culture and Recreation	4,490,789	1,844,767	57,147	230,502	(2,358,373)		(2,358,373)
Health, Welfare and Sanitation	5,290,597	1,684,237	3,277,616	-	(328,744)		(328,744)
Education	2,887,100	29	-	-	(2,887,071)		(2,887,071)
Interest on Long-term debt	454,086	-	-	-	(454,086)		(454,086)
Total governmental activities	<u>36,600,800</u>	<u>8,225,665</u>	<u>8,476,992</u>	<u>1,275,535</u>	<u>(18,622,608)</u>		<u>(18,622,608)</u>
Business-type activities:							
Solid Waste	<u>1,863,490</u>	<u>1,710,689</u>	<u>-</u>	<u>46,200</u>	<u>46,200</u>	<u>\$ (106,601)</u>	<u>(106,601)</u>
Totals	<u>\$ 38,464,290</u>	<u>\$ 9,936,354</u>	<u>\$ 8,476,992</u>	<u>\$ 1,321,735</u>	<u>(18,622,608)</u>	<u>(106,601)</u>	<u>(18,729,209)</u>
General revenues							
Taxes:							
Property taxes levied for:							
General purposes					8,622,990	-	8,622,990
Debt service					1,791,106	-	1,791,106
Other taxes					161,778	-	161,778
Other grants and contributions not restricted for specific programs					4,746,992	-	4,746,992
Timber and land sales					2,789,366	-	2,789,366
Unrestricted investment earnings					98,664	7,351	106,015
Miscellaneous					1,214,859	105,932	1,320,791
Gain on sale of capital assets					2,420	-	2,420
TOTAL GENERAL REVENUES					<u>19,428,175</u>	<u>113,283</u>	<u>19,541,458</u>
CHANGES IN NET ASSETS					805,567	6,682	812,249
NET ASSETS - BEGINNING					<u>58,503,106</u>	<u>2,809,966</u>	<u>61,313,072</u>
NET ASSETS - ENDING					<u>\$ 59,308,673</u>	<u>\$ 2,816,648</u>	<u>\$ 62,125,321</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2011

	General	Road	County School	Health Services	Library	Commission on Children and Families
ASSETS						
Cash and cash equivalents	\$ 9,615,545	\$ 3,010,235	\$ 273	\$ 644	\$ 2,015,640	\$ 3,360
Receivables, net	1,717,320	333,974	667,129	379,777	248,046	94,047
Due from other funds	23,317	-	-	-	-	-
TOTAL ASSETS	<u>\$ 11,356,182</u>	<u>\$ 3,344,209</u>	<u>\$ 667,402</u>	<u>\$ 380,421</u>	<u>\$ 2,263,686</u>	<u>\$ 97,407</u>
LIABILITIES						
Accounts payable	\$ 194,602	\$ 258,970	\$ -	\$ 106,319	\$ 38,017	\$ 16,288
Due to other funds	-	-	-	-	-	-
Deferred revenue	442,750	-	-	-	187,931	-
TOTAL LIABILITIES	<u>637,352</u>	<u>258,970</u>	<u>-</u>	<u>106,319</u>	<u>225,948</u>	<u>16,288</u>
FUND BALANCES						
Restricted	-	3,085,239	667,402	274,102	2,037,738	81,119
Assigned	2,656,512	-	-	-	-	-
Unassigned	8,062,318	-	-	-	-	-
TOTAL FUND BALANCES	<u>10,718,830</u>	<u>3,085,239</u>	<u>667,402</u>	<u>274,102</u>	<u>2,037,738</u>	<u>81,119</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,356,182</u>	<u>\$ 3,344,209</u>	<u>\$ 667,402</u>	<u>\$ 380,421</u>	<u>\$ 2,263,686</u>	<u>\$ 97,407</u>

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 (asset) is reported in the statement of net assets but is not reported in the funds
- The net post-employment benefits obligations is reported in the statement of net assets but is not reported in the funds
- 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

Community Corrections	Community Development	Building Improvement	Other Governmental Funds	Totals
\$ 218,540	\$ 590	\$ 1,016,738	\$ 3,700,601	\$ 19,582,166
772	18,418	-	518,665	3,978,148
-	-	-	-	23,317
<u>\$ 219,312</u>	<u>\$ 19,008</u>	<u>\$ 1,016,738</u>	<u>\$ 4,219,266</u>	<u>\$ 23,583,631</u>
\$ 5,396	23,378	\$ 222,676	\$ 244,720	\$ 1,110,366
-	-	-	23,317	23,317
-	-	-	168,344	799,025
<u>5,396</u>	<u>23,378</u>	<u>222,676</u>	<u>436,381</u>	<u>1,932,708</u>
213,916	-	-	2,900,668	9,260,184
-	-	794,062	882,217	4,332,791
-	(4,370)	-	-	8,057,948
<u>213,916</u>	<u>(4,370)</u>	<u>794,062</u>	<u>3,782,885</u>	<u>21,650,923</u>
<u>\$ 219,312</u>	<u>\$ 19,008</u>	<u>\$ 1,016,738</u>	<u>\$ 4,219,266</u>	

47,862,505

145,279

799,025

(225,430)

1,871,335

(2,459,330)

(10,335,634)

\$ 59,308,673

TILLAMOOK COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General	Road	County School	Health Services	Library	Commission on Children and Families
REVENUES						
Property taxes	\$ 5,703,639	\$ -	\$ 446	\$ -	\$ 2,471,641	\$ -
Licenses, permits and fees	330,945	51,111	-	-	-	-
Intergovernmental	2,304,199	3,273,229	2,557,434	2,439,153	3,376	402,533
Charges for services	335,043	272,839	-	1,673,997	-	-
Fines and forfeitures	378,550	-	-	-	9,772	-
Timber and land sales	2,743,241	-	-	-	-	-
Interest	53,014	11,852	2,274	68	8,608	453
Intercounty charges	1,379,253	30,000	-	-	-	-
Miscellaneous	325,374	755,608	-	6,112	13,135	38,053
TOTAL REVENUES	<u>13,553,258</u>	<u>4,394,639</u>	<u>2,560,154</u>	<u>4,119,330</u>	<u>2,506,532</u>	<u>441,039</u>
EXPENDITURES						
Current						
General government	7,300,092	-	-	-	-	-
Public safety	5,343,955	-	-	-	-	504,099
Highways and streets	-	3,926,935	-	-	-	-
Culture and recreation	-	-	-	-	2,065,882	-
Health and welfare	56,250	-	-	4,277,762	-	-
Education	-	-	2,586,169	-	-	-
Capital outlay	113,769	271,405	-	397,719	27,223	-
Debt service						
Principal	95,447	37,276	-	4,436	-	-
Interest	16,170	1,324	-	304	-	-
TOTAL EXPENDITURES	<u>12,925,683</u>	<u>4,236,940</u>	<u>2,586,169</u>	<u>4,680,221</u>	<u>2,093,105</u>	<u>504,099</u>
Excess (deficiency) of revenues over expenditures	<u>627,575</u>	<u>157,699</u>	<u>(26,015)</u>	<u>(560,891)</u>	<u>413,427</u>	<u>(63,060)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	337,074	-	-	589,000	-	20,000
Sale of capital assets	1,765	-	-	-	-	-
Transfers out	(935,000)	(17,250)	-	(55,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(596,161)</u>	<u>(17,250)</u>	<u>-</u>	<u>534,000</u>	<u>(100,000)</u>	<u>20,000</u>
Net change in fund balances	31,414	140,449	(26,015)	(26,891)	313,427	(43,060)
Fund balances at beginning of year	<u>10,687,416</u>	<u>2,944,790</u>	<u>693,417</u>	<u>300,993</u>	<u>1,724,311</u>	<u>124,179</u>
Fund balances at end of year	<u>\$ 10,718,830</u>	<u>\$ 3,085,239</u>	<u>\$ 667,402</u>	<u>\$ 274,102</u>	<u>\$ 2,037,738</u>	<u>\$ 81,119</u>

See notes to basic financial statements

Community Corrections	Community Development	Building Improvement	Other Governmental Funds	Totals
\$ -	\$ -	\$ -	\$ 2,157,484	\$ 10,333,210
-	207,805	-	11,112	600,973
713,799	42,000	-	2,801,191	14,536,914
74,401	844,147	-	2,180,728	5,381,155
-	-	-	242,667	630,989
-	-	-	-	2,743,241
-	127	5,973	16,295	98,664
-	-	-	-	1,409,253
4,081	3,293	-	533,390	1,679,046
<u>792,281</u>	<u>1,097,372</u>	<u>5,973</u>	<u>7,942,867</u>	<u>37,413,445</u>
-	1,345,266	75,486	1,807,818	10,528,662
789,441	-	-	483,769	7,121,264
-	-	-	335,515	4,262,450
-	-	-	1,880,107	3,945,989
-	-	-	859,122	5,193,134
-	-	-	294,337	2,880,506
-	-	611,116	244,714	1,665,946
-	-	-	1,385,000	1,522,159
-	-	-	407,579	425,377
<u>789,441</u>	<u>1,345,266</u>	<u>686,602</u>	<u>7,697,961</u>	<u>37,545,487</u>
<u>2,840</u>	<u>(247,894)</u>	<u>(680,629)</u>	<u>244,906</u>	<u>(132,042)</u>
-	171,000	150,000	135,960	1,403,034
-	-	-	-	1,765
-	-	-	(295,784)	(1,403,034)
-	171,000	150,000	(159,824)	1,765
2,840	(76,894)	(530,629)	85,082	(130,277)
211,076	72,524	1,324,691	3,697,803	21,781,200
<u>\$ 213,916</u>	<u>\$ (4,370)</u>	<u>\$ 794,062</u>	<u>\$ 3,782,885</u>	<u>\$ 21,650,923</u>

TILLAMOOK COUNTY

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS**

TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (130,277)
<p>Amounts reported for governmental activities in the Statement of Activities are different because of the following:</p>		
<p>Governmental funds report outlays for capital assets as expenditures while governmental activities report depreciation expenses to allocate those expenditures over the estimated useful life of the assets. The difference between these two amounts is:</p>		
Capitalized expenditures	\$ 1,683,125	
Depreciation	<u>(1,627,931)</u>	55,194
<p>In the Statement of Activities, property taxes are reported as revenues when assessed. However in the governmental funds, property taxes are reported when they are measurable and available. This revenue recognition results in differences in amounts reported for property tax revenues</p>		
		80,886
<p>Governmental funds report as revenues certain payments for services to be provided in future periods</p>		
		(71,888)
<p>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.</p>		
		(54,530)
<p>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.</p>		
		2,358
<p>The change in other post-employment benefits are reported as additional expenses in the Statement of Activities</p>		
		(736,352)
<p>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.</p>		
		1,522,159
<p>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.</p>		
Accrued interest	25,821	
Compensated absences	<u>112,196</u>	<u>138,017</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES		<u>\$ 805,567</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 5,600,000	\$ 5,600,000	\$ 5,704,584	\$ 104,584
Timber and land sales	2,840,000	2,840,000	2,777,324	(62,676)
Intergovernmental	2,219,753	2,219,753	2,247,736	27,983
Fines and forfeitures	425,000	425,000	410,445	(14,555)
Licenses, permits and fees	333,000	333,000	333,183	183
Charges for services	268,600	268,600	319,309	50,709
Investment earnings	100,000	100,000	40,627	(59,373)
Intercounty	1,388,000	1,388,000	1,369,193	(18,807)
Miscellaneous	293,400	293,400	308,231	14,831
TOTAL REVENUES	<u>13,467,753</u>	<u>13,467,753</u>	<u>13,510,632</u>	<u>42,879</u>
EXPENDITURES				
Board of County Commissioners	751,665	751,665	728,502	23,163
Land Sales	1,750	3,750	2,675	1,075
Justice Court	277,590	277,590	269,396	8,194
Juvenile Department	566,560	566,560	478,358	88,202
District Attorney	976,060	996,060	942,267	53,793
County Clerk	489,385	489,385	455,040	34,345
County Assessor	1,291,545	1,291,545	1,248,262	43,283
County Treasurer	520,225	520,225	484,643	35,582
Tax Department	181,625	181,625	174,900	6,725
Courthouse Building	334,270	362,570	321,501	41,069
Sheriff - Criminal	2,541,030	2,541,030	2,457,000	84,030
Sheriff - Jail	2,612,062	2,612,062	2,431,750	180,312
Sheriff - Marine	300,755	300,755	274,965	25,790
Communications	109,370	109,370	84,849	24,521
Emergency Services	184,160	184,160	149,810	34,350
County Surveyor	266,760	266,760	257,883	8,877
Information Services	910,550	910,550	834,524	76,026
General Government	815,850	815,850	638,774	177,076
Non-Departmental	309,954	309,954	299,041	10,913
Mental Health Services	59,000	59,000	56,250	2,750
Motorpool	500	500	-	500
Personnel	321,087	351,087	332,915	18,172
Operating Contingency	300,000	219,700	-	219,700
TOTAL EXPENDITURES	<u>14,121,753</u>	<u>14,121,753</u>	<u>12,923,305</u>	<u>1,198,448</u>

See notes to basic financial statements

Continued on page 9

GENERAL FUND (Continued)

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

	Budget		Actual	Variance
	Original	Final		
Excess (deficiency) of revenues over expenditures	\$ (654,000)	\$ (654,000)	\$ 587,327	\$ 1,241,327
OTHER FINANCING SOURCES (USES)				
Transfers in	387,000	387,000	337,074	(49,926)
Transfers out	(333,000)	(1,333,000)	(935,000)	(398,000)
TOTAL OTHER FINANCING SOURCES (USES)	54,000	(946,000)	(596,161)	(446,161)
Net change in fund balances	(600,000)	(1,600,000)	(8,834)	1,591,166
Fund balances - beginning	5,600,000	6,600,000	6,912,702	312,702
Fund balances - ending	\$ 5,000,000	\$ 5,000,000	\$ 6,903,868	\$ 1,903,868

See notes to basic financial statements

TILLAMOOK COUNTY

ROAD FUND

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

For the Year Ended June 30, 2011

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 3,302,706	\$ 3,302,706	\$ 3,123,341	\$ (179,365)
Licenses, permits and fees	55,000	55,000	51,111	(3,889)
Charges for services	251,700	251,700	350,952	99,252
Investment earnings	28,000	28,000	11,852	(16,148)
Intercounty	30,000	30,000	30,000	-
Miscellaneous	98,700	98,700	602,426	503,726
TOTAL REVENUES	<u>3,766,106</u>	<u>3,766,106</u>	<u>4,169,682</u>	<u>403,576</u>
EXPENDITURES				
Personal services	1,971,592	1,971,592	1,825,424	146,168
Materials and services	1,831,129	2,031,129	1,910,003	121,126
Capital outlay	352,400	352,400	310,005	42,395
Contingency	444,541	244,541	-	244,541
TOTAL EXPENDITURES	<u>4,599,662</u>	<u>4,599,662</u>	<u>4,045,432</u>	<u>554,230</u>
Excess (deficiency) of revenues over expenditures	(833,556)	(833,556)	124,250	957,806
OTHER FINANCING SOURCES (USES)				
Transfers out	(17,250)	(17,250)	(17,250)	-
Net change in fund balance	(850,806)	(850,806)	107,000	957,806
Fund balance at beginning of year	<u>1,957,221</u>	<u>1,957,221</u>	<u>2,891,177</u>	<u>933,956</u>
Fund balance at end of year	<u>\$ 1,106,415</u>	<u>\$ 1,106,415</u>	<u>\$ 2,998,177</u>	<u>\$ 1,891,762</u>

TILLAMOOK COUNTY

COUNTY SCHOOL FUND

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ -	\$ -	\$ 446	\$ 446
Intergovernmental	4,000,000	4,000,000	2,583,722	(1,416,278)
Investment earnings	10,000	10,000	2,274	(7,726)
	<u>4,010,000</u>	<u>4,010,000</u>	<u>2,586,442</u>	<u>(1,423,558)</u>
TOTAL REVENUES	4,010,000	4,010,000	2,586,442	(1,423,558)
EXPENDITURES				
Materials and services	4,010,000	4,010,000	2,586,169	1,423,831
Net change in fund balance	-	-	273	273
Fund balance at beginning of year	-	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ 273</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**HEALTH SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,461,700	\$ 2,461,700	\$ 2,437,947	\$ (23,753)
Charges for services	2,414,800	2,414,800	1,581,381	(833,419)
Investment earnings	1,000	1,000	68	(932)
Miscellaneous	<u>10,500</u>	<u>10,500</u>	<u>6,108</u>	<u>(4,392)</u>
TOTAL REVENUES	<u>4,888,000</u>	<u>4,888,000</u>	<u>4,025,504</u>	<u>(862,496)</u>
EXPENDITURES				
Personal services	3,483,640	3,483,640	3,156,170	327,470
Materials and services	1,116,130	1,142,130	1,138,661	3,469
Capital outlay	405,000	405,000	400,336	4,664
Contingency	<u>36,230</u>	<u>10,230</u>	<u>-</u>	<u>10,230</u>
TOTAL EXPENDITURES	<u>5,041,000</u>	<u>5,041,000</u>	<u>4,695,167</u>	<u>345,833</u>
Excess (deficiency) of revenues over expenditures	<u>(153,000)</u>	<u>(153,000)</u>	<u>(669,663)</u>	<u>(516,663)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	158,000	158,000	589,000	(431,000)
Transfers out	<u>(55,000)</u>	<u>(55,000)</u>	<u>(55,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>103,000</u>	<u>103,000</u>	<u>534,000</u>	<u>(431,000)</u>
Net change in fund balance	(50,000)	(50,000)	(135,663)	(85,663)
Fund balance at beginning of year	<u>50,000</u>	<u>50,000</u>	<u>101,789</u>	<u>51,789</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (33,874)</u>	<u>\$ (33,874)</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**LIBRARY FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 2,420,000	\$ 2,420,000	\$ 2,470,531	\$ 50,531
Intergovernmental	5,000	5,000	3,376	(1,624)
Fines and forfeitures	10,000	10,000	9,917	(83)
Investment earnings	25,000	25,000	8,608	(16,392)
Miscellaneous	17,500	17,500	13,259	(4,241)
TOTAL REVENUES	<u>2,477,500</u>	<u>2,477,500</u>	<u>2,505,691</u>	<u>28,191</u>
EXPENDITURES				
Personal services	1,458,965	1,458,965	1,399,814	59,151
Materials and services	713,495	738,495	656,995	81,500
Capital outlay	39,500	39,500	17,234	22,266
Contingency	205,540	180,540	-	180,540
TOTAL EXPENDITURES	<u>2,417,500</u>	<u>2,417,500</u>	<u>2,074,043</u>	<u>343,457</u>
Excess (deficiency) of revenues over expenditures	60,000	60,000	431,648	371,648
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(100,000)	-
Net change in fund balance	(40,000)	(40,000)	331,648	371,648
Fund balance at beginning of year	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,675,261</u>	<u>175,261</u>
Fund balance at end of year	<u>\$ 1,460,000</u>	<u>\$ 1,460,000</u>	<u>\$ 2,006,909</u>	<u>\$ 546,909</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**COMMISSION ON CHILDREN AND FAMILIES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 444,800	\$ 444,800	\$ 308,799	\$ (136,001)
Investment earnings	2,500	2,500	453	(2,047)
Miscellaneous	30,500	30,500	37,890	7,390
TOTAL REVENUES	<u>477,800</u>	<u>477,800</u>	<u>347,142</u>	<u>(130,658)</u>
EXPENDITURES				
Personal services	259,095	259,095	200,543	58,552
Materials and services	367,305	367,305	315,471	51,834
TOTAL EXPENDITURES	<u>626,400</u>	<u>626,400</u>	<u>516,014</u>	<u>110,386</u>
Excess (deficiency) of revenues over expenditures	(148,600)	(148,600)	(168,872)	(20,272)
OTHER FINANCING SOURCES (USES)				
Transfers in	20,000	20,000	20,000	-
Net change in fund balance	(128,600)	(128,600)	(148,872)	(20,272)
Fund balance at beginning of year	128,600	128,600	153,215	24,615
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,343</u>	<u>\$ 4,343</u>

See notes to basic financial statements

TILLAMOOK COUNTY

COMMUNITY CORRECTIONS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2011

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 757,000	\$ 757,000	\$ 713,799	\$ (43,201)
Charges for services	100,000	100,000	74,401	(25,599)
Miscellaneous	5,000	5,000	3,309	(1,691)
TOTAL REVENUES	<u>862,000</u>	<u>862,000</u>	<u>791,509</u>	<u>(70,491)</u>
EXPENDITURES				
Personal services	494,840	494,840	466,343	28,497
Materials and services	393,050	393,050	321,431	71,619
Contingency	99,110	99,110	-	99,110
TOTAL EXPENDITURES	<u>987,000</u>	<u>987,000</u>	<u>787,774</u>	<u>199,226</u>
Net change in fund balance	(125,000)	(125,000)	3,735	128,735
Fund balance at beginning of year	125,000	125,000	212,452	87,452
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,187</u>	<u>\$ 216,187</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 77,100	\$ 28,000	\$ (49,100)
Licenses, permits and fees	229,000	207,420	(21,580)
Charges for services	968,000	840,114	(127,886)
Investment earnings	-	127	127
Miscellaneous	-	3,293	3,293
	<u>1,274,100</u>	<u>1,078,954</u>	<u>(195,146)</u>
EXPENDITURES			
Personal services	1,071,950	1,046,362	25,588
Materials and services	301,700	298,244	3,456
	<u>1,373,650</u>	<u>1,344,606</u>	<u>29,044</u>
Excess (deficiency) of revenues over expenditures	(99,550)	(265,652)	(166,102)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	171,000	(171,000)
Net change in fund balance	(99,550)	(94,652)	4,898
Fund balance at beginning of year	99,550	75,263	(24,287)
Fund balance at end of year	<u>\$ -</u>	<u>\$ (19,389)</u>	<u>\$ (19,389)</u>

See notes to basic financial statements

TILLAMOOK COUNTY
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	<u>Business-type Activities / Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Solid Waste Sinking</u>	<u>Totals</u>
<u>ASSETS</u>			
Current assets			
Cash and investments	\$ 542,625	\$ 959,755	\$ 1,502,380
Receivables	207,228	-	207,228
	<hr/>	<hr/>	<hr/>
Total current assets	749,853	959,755	1,709,608
Capital assets			
Land and construction in progress	224,338	-	224,338
Other capital assets, net	1,932,602	-	1,932,602
	<hr/>	<hr/>	<hr/>
Total capital assets	2,156,940	-	2,156,940
TOTAL ASSETS	<hr/> 2,906,793	<hr/> 959,755	<hr/> 3,866,548
<u>LIABILITIES</u>			
Current liabilities			
Accounts payable and accrued expenses	131,281	15,593	146,874
Accumulated compensated absences	1,618	-	1,618
Current portion of landfill post-closure care liability	97,813	-	97,813
	<hr/>	<hr/>	<hr/>
Total current liabilities	230,712	15,593	246,305
Landfill post-closure care liability	803,595	-	803,595
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES	<hr/> 1,034,307	<hr/> 15,593	<hr/> 1,049,900
<u>NET ASSETS</u>			
Invested in capital assets	2,156,940	-	2,156,940
Unrestricted	(284,454)	944,162	659,708
	<hr/>	<hr/>	<hr/>
TOTAL NET ASSETS	<hr/> \$ 1,872,486	<hr/> \$ 944,162	<hr/> \$ 2,816,648

See notes to basic financial statements

TILLAMOOK COUNTY

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

For the Year Ended June 30, 2011

	<u>Business-type Activities / Enterprise Funds</u>		
	<u>Solid Waste</u>	<u>Sinking</u>	<u>Totals</u>
REVENUES			
Charges for services	\$ 1,408,720	\$ -	\$ 1,408,720
OPERATING EXPENSES			
Personal services	92,685	-	92,685
Other supplies and expenses	1,613,487	56,719	1,670,206
Depreciation	100,599	-	100,599
Total operating expenses	1,806,771	56,719	1,863,490
Operating (loss)	(398,051)	(56,719)	(454,770)
NON-OPERATING REVENUES (EXPENSES)			
Assessments	301,969	-	301,969
Intergovernmental	46,200	-	46,200
Interest and investment earnings	2,808	4,543	7,351
Miscellaneous	105,932	-	105,932
Total non-operating revenue (expenses)	456,909	4,543	461,452
Income (loss) before transfers	58,858	(52,176)	6,682
Transfers	(27,512)	27,512	-
Change in net assets	31,346	(24,664)	6,682
Total net assets - beginning	1,841,140	968,826	2,809,966
Total net assets - ending	<u>\$ 1,872,486</u>	<u>\$ 944,162</u>	<u>\$ 2,816,648</u>

See notes to basic financial statements

TILLAMOOK COUNTY

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2011

	<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	\$ 1,334,295	\$ -	\$ 1,334,295
Payments to suppliers	(1,598,002)	(47,289)	(1,645,291)
Payments to employees	(84,102)	-	(84,102)
Other	105,932	-	105,932
Net cash (used in) operating activities	<u>(241,877)</u>	<u>(47,289)</u>	<u>(289,166)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Assessments of property owners	301,969	-	301,969
Transfers in	-	200,000	200,000
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>(200,000)</u>
Net cash provided by non-capital financing activities	<u>101,969</u>	<u>200,000</u>	<u>301,969</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	46,200	-	46,200
Purchases of capital assets	<u>-</u>	<u>(172,488)</u>	<u>(172,488)</u>
Net cash provided by (used in) capital and related financing activities	<u>46,200</u>	<u>(172,488)</u>	<u>(126,288)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	<u>2,808</u>	<u>4,543</u>	<u>7,351</u>
Net (decrease) in cash and cash equivalents	(90,900)	(15,234)	(106,134)
Cash and cash equivalents - beginning of year	<u>633,525</u>	<u>974,989</u>	<u>1,608,514</u>
Cash and cash equivalents - end of year	<u>\$ 542,625</u>	<u>\$ 959,755</u>	<u>\$ 1,502,380</u>
Reconciliation of operating (loss) to net cash (used in) operating activities			
Operating (loss)	\$ (398,051)	\$ (56,719)	\$ (454,770)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities			
Depreciation	100,599	-	100,599
Other	105,932	-	105,932
(Increase) in accounts receivable	(74,425)	-	(74,425)
Increase (decrease) in liabilities			
Accounts payable and accrued expenses	15,485	9,430	24,915
Accumulated compensated absences	(125)	-	(125)
Landfill post-closure care liability	<u>8,708</u>	<u>-</u>	<u>8,708</u>
Net cash (used in) operating activities	<u>\$ (241,877)</u>	<u>\$ (47,289)</u>	<u>\$ (289,166)</u>

See notes to basic financial statements

TILLAMOOK COUNTY

**STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2011**

	Tillamook County Retirement Plan for Employees Pension	
	Trust	Agency
ASSETS		
Cash and investments	\$ 2,249,597	\$ 844,371
Receivables, net	-	5,065,187
Investments, at fair value:		
Fixed income securities	9,230,917	-
Mutual funds	29,643,628	-
TOTAL ASSETS	41,124,142	<u><u>\$ 5,909,558</u></u>
LIABILITIES		
Due to other governments	-	<u><u>\$ 5,909,558</u></u>
NET ASSETS		
Held in trust for pension benefits	<u><u>\$ 41,124,142</u></u>	

See notes to basic financial statements

TILLAMOOK COUNTY

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

For the Year Ended June 30, 2011

	Tillamook County Retirement Plan for Employees Pension Trust
ADDITIONS	
Employer contributions	\$ 2,308,343
Investment earnings	<u>4,688,274</u>
Total additions	<u>6,996,617</u>
DEDUCTIONS	
Benefits	1,899,991
Administrative	<u>162,794</u>
Total deductions	<u>2,062,785</u>
Change in net assets	4,933,832
Net assets - beginning of year	<u>36,190,310</u>
Net assets - end of year	<u><u>\$ 41,124,142</u></u>

See notes to basic financial statements

**NOTES TO BASIC
FINANCIAL STATEMENTS**

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2011

1. Summary of Significant Accounting Policies

The Reporting Entity

Tillamook County was established December 15, 1853. A three-member Board of Commissioners governs the County under provisions of ORS 203.230.

The accompanying basic financial statements present all activities, funds, and component units for which the County is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the County is a primary government with the following blended component units:

Solid Waste Service District

The Solid Waste Service District was formed in June 1976 to dispose of solid waste generated in Tillamook County. The principal funding 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 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.

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, except for the agency funds which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. The County has elected to not follow FASB pronouncements issued after November 30, 1989.

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.

Community Development - accounts for the operations of the Community Development Department.

Building Improvement - accounts for capital improvements to County buildings.

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 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 receivables 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 may accumulate vacation leave up to one and one-half times the employees' annual accrual rate. The annual accrual rate is from 12 to 24 days per year. Accumulated vacation is accrued when 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. During the current fiscal year, the balance was increased by \$8,708 to reflect an estimated liability of \$901,408 at June 30, 2011.

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.

Equity Classification

Government-wide statements

On the Statement of Net Assets equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

Governmental Fund Type Fund Balance Reporting

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different fund balance categories that a governmental entity must use for financial reporting purposes in its governmental fund types.

GASB 54 requires governmental type fund balance amounts to be properly reported within one of the fund balance categories list below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board of Commissioners is the highest level of decision making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Commissioners.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The County Treasurer has the authority to assign fund balance amounts.

Unassigned — the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Commissioners has provided otherwise in its commitment or assignment actions.

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 are presented on the budgetary basis and are adjusted to the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds in accordance with accounting principles generally accepted in the United States of America. The following is a reconciliation of the differences between the budgetary basis and accounting principles generally accepted in the United States of America for revenues and other financing sources over (under) expenditures and other financing uses for the aforementioned financial statements:

	General	Road	County School	Health Services	Library	Commission on Children and Families	Community Corrections	Community Development
Net change in fund balances - generally accepted accounting principles basis	\$ 31,414	\$ 140,449	\$ (26,015)	\$ (26,891)	\$ 313,427	\$ (43,060)	\$ 2,840	\$ (76,894)
Revenues:								
Revenues of separately budgeted funds which are included in the general fund on the governmental fund statements	(12,387)	-	-	-	-	-	-	-
(Increase) decrease in property taxes and other receivables susceptible to accrual, recognized as revenues on the generally accepted accounting principles basis	(73,004)	(224,957)	26,288	(93,901)	(19,126)	(93,897)	(772)	(18,418)
Increase (decrease) in deferred revenues	42,765	-	-	-	18,285	-	-	-
	<u>(42,626)</u>	<u>(224,957)</u>	<u>26,288</u>	<u>(93,901)</u>	<u>(841)</u>	<u>(93,897)</u>	<u>(772)</u>	<u>(18,418)</u>
Expenditures:								
Increase (decrease) in accounts and accrued expenditures recognized as expenditures on the generally accepted accounting principles basis	2,378	191,508	-	(14,871)	19,062	(11,915)	1,667	660
Net change in fund balances - budgetary basis	\$ (8,834)	\$ 107,000	\$ 273	\$ (135,663)	\$ 331,648	\$ (148,872)	\$ 3,735	\$ (94,652)

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. The County's policy on the credit risk of investments is based on Oregon statutes which authorize the County to invest in obligations of the U. S. Treasury and U. S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-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, 2011, 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	\$ 16,189,528
GE Capital Corp	11/15/11	Aa2/AA+	183,964
Berkshire Hathaway, Inc.	5/15/12	Aa2/AA+	208,662
Procter & Gamble Co NTS	8/1/12	Aa3/AA+	192,544
XTO Energy Inc.	8/1/12	Aaa/AAA	216,156
Federal Farm Credit Bank	10/5/11	Aaa/AAA	1,003,471
Certificates of Deposit	8/10/11-9/21/11	Not Rated	620,071
Pension Trust Investments:			
Certificates of Deposit	7/1/11-12/10/13	Not Rated	1,542,016
U.S. Treasury Notes	8/15/13-2/15/17	AAA	7,688,900
Mutual Funds	N/A	Not Rated	<u>29,644,428</u>
Total			<u>\$ 57,489,740</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. 87 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 \$2,424,868 has custodial credit risk because the related securities are uninsured, unregistered and held by the County's brokerage firm, which is the counterparty to those securities. The County does not have a policy which limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits. This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2011, \$2,697,652 of the County's bank balances were exposed to custodial credit risk as they were collateralized with securities held by the pledging financial institution's agent but not in the County's name.

A. The County's deposits and investments at June 30, 2011, are as follows:

Total investments	\$ 57,489,740
Cash on hand	20,524
Deposits with financial institutions	<u>5,542,795</u>
Total deposits and investments	<u>\$ 63,053,059</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Deposits and Investments (continued)

B. Cash and investments by fund:

Governmental activities/funds

Unrestricted

General	\$ 9,615,545
Road	3,010,235
County School	273
Health Services	644
Library	2,015,640
Commission on Children and Families	3,360
Community Corrections	218,540
Community Development	590
Building Improvement	1,016,738
Other governmental funds	<u>3,700,601</u>

Total governmental activities/funds 19,582,166

Business-type activities/Enterprise funds

Unrestricted

Solid Waste	542,625
Solid Waste Sinking	<u>959,755</u>

Total business-type activities/Enterprise funds 1,502,380

Fiduciary funds

Tillamook County Retirement Plan for
Employees Pension Trust
Agency

41,124,142
844,371

Total fiduciary funds 41,968,513

Total cash and investments \$ 63,053,059

4. Receivables

A. The County's receivables at June 30, 2011, are as follows:

Governmental Funds / Activities

	General	Road	County School	Health Services	Library	Commission on Children and Families	Community Corrections	Community Development	Other Governmental Funds	Totals
Property taxes	\$ 532,649	\$ -	\$ -	\$ -	\$ 226,149	\$ -	\$ -	\$ -	\$ 202,481	\$ 961,279
Unsegregated taxes	51,492	-	-	-	21,897	-	-	-	19,470	92,859
Federal funds	31,290	153,182	-	-	-	-	-	14,000	181,339	379,811
Accounts	163,380	180,792	-	837,032	-	-	-	-	95,133	1,276,337
State timber allotment	849,646	-	667,100	-	-	-	-	-	14,409	1,531,155
Other	88,863	-	29	-	-	94,047	772	4,418	5,833	193,962
Less: allowance for uncollectible accounts	-	-	-	(457,255)	-	-	-	-	-	(457,255)
	<u>\$ 1,717,320</u>	<u>\$ 333,974</u>	<u>\$ 667,129</u>	<u>\$ 379,777</u>	<u>\$ 248,046</u>	<u>\$ 94,047</u>	<u>\$ 772</u>	<u>\$ 18,418</u>	<u>\$ 518,665</u>	<u>\$ 3,978,148</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Receivables (continued)

	Activities/ Enterprise Fund	Fiduciary Fund
	Solid Waste	Agency
Property taxes	\$ -	\$ 2,859,549
Unsegregated taxes	-	285,431
Federal funds		14,497
Assessments	120,837	-
Accounts	86,391	-
State timber allotment	-	1,433,733
Other	-	2,722,663
Less: allowance for uncollectible accounts	-	(2,250,686)
	<u>\$ 207,228</u>	<u>\$ 5,065,187</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, 2010	2010-11 Levies	Adjustments	Net Interest (Discounts)	Collections	Balances June 30, 2011
Current	\$ -	\$ 41,621,481	\$ (36,413)	\$ (977,963)	\$ (38,670,780)	\$ 1,936,325
2009-10	2,035,155	-	(10,049)	56	(943,072)	1,082,090
2008-09	912,144	-	(7,482)	18	(334,283)	570,397
2007-08	441,735	-	(396)	15	(274,743)	166,611
2006-07	131,135	-	(4,663)	14	(104,796)	21,690
2005-06	13,297	-	(32)	-	(952)	12,313
Prior	34,080	-	(31)	1	(2,648)	31,402
	<u>\$ 3,567,546</u>	<u>\$ 41,621,481</u>	<u>\$ (59,066)</u>	<u>\$ (977,859)</u>	<u>\$ (40,331,274)</u>	<u>\$ 3,820,828</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 \$1,824,500 for the retirement of long-term debt principal and interest due in 2011-12.

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 Balances and Transfers

As of June 30, 2011 \$23,317 was due from the Oregon Community Development Block Grant fund to the General fund for cash advances on grant programs that operate on a reimbursement basis.

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	\$ 337,074	\$ 935,000
Road	--	17,250
Health Services	589,000	55,000
Library	--	100,000
Commission on Children and Families	20,000	--
Community Development	171,000	--
Building Improvement	150,000	--
Other Governmental Funds	135,960	295,784
Solid Waste – Cash	--	200,000
– Non-cash	172,488	--
Solid Waste Sinking – Cash	200,000	--
– Non-cash	--	172,488
	<u>\$ 1,775,522</u>	<u>\$ 1,775,522</u>

The Non-cash transfer results 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, 2011 was as follows:

	<u>Balances</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Reclassifications</u> <u>and Deletions</u>	<u>Balances</u> <u>June 30, 2011</u>
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 5,377,282	\$ -	\$ -	\$ 5,377,282
Construction in progress	<u>3,412,223</u>	<u>820,174</u>	<u>2,855,204</u>	<u>1,377,193</u>
Total capital assets not being depreciated	<u>\$ 8,789,505</u>	<u>\$ 820,174</u>	<u>\$ 2,855,204</u>	<u>\$ 6,754,475</u>
Capital assets being depreciated				
Land improvements	\$ 1,814,491	\$ 57,627	\$ 28,793	\$ 1,843,325
Buildings	30,419,977	608,571	18,580	31,009,968
Equipment	9,352,527	421,964	468,510	9,305,981
Infrastructure	<u>18,772,742</u>	<u>2,629,993</u>	<u>-</u>	<u>21,402,735</u>
Total capital assets being depreciated	<u>60,359,737</u>	<u>3,718,155</u>	<u>515,883</u>	<u>63,562,009</u>
Less accumulated depreciation for:				
Land improvements	795,665	29,345	28,793	796,217
Buildings	7,354,564	625,002	12,170	7,967,396
Equipment	6,867,132	616,974	429,083	7,055,023
Infrastructure	<u>6,324,570</u>	<u>310,773</u>	<u>-</u>	<u>6,635,343</u>
Total accumulated depreciation	<u>21,341,931</u>	<u>1,582,094</u>	<u>470,046</u>	<u>22,453,979</u>
Total capital assets being depreciated	<u>\$ 39,017,806</u>	<u>\$ 2,136,061</u>	<u>\$ 45,837</u>	<u>\$ 41,108,030</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Capital Assets (continued)

	Balances July 1, 2010	Additions	Reclassifications and Deletions	Balances June 30, 2011
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land	\$ 125,000	\$ -	\$ -	\$ 125,000
Construction in progress	-	99,338	-	99,338
Total capital assets not being depreciated	<u>\$ 125,000</u>	<u>\$ 99,338</u>	<u>\$ -</u>	<u>\$ 224,338</u>
Capital assets being depreciated				
Land improvements	\$ 953,640	\$ 73,150	\$ -	\$ 1,026,790
Buildings	2,515,233	-	-	2,515,233
Equipment	<u>215,698</u>	<u>-</u>	<u>-</u>	<u>215,698</u>
Total capital assets being depreciated	<u>3,684,571</u>	<u>73,150</u>	<u>-</u>	<u>3,757,721</u>
Less accumulated depreciation for:				
Land improvements	355,924	25,147	-	381,071
Buildings	1,260,460	67,620	-	1,328,080
Equipment	<u>108,136</u>	<u>7,832</u>	<u>-</u>	<u>115,968</u>
Total accumulated depreciation	<u>1,724,520</u>	<u>100,599</u>	<u>-</u>	<u>1,825,119</u>
Total capital assets being depreciated	<u>\$ 1,960,051</u>	<u>\$ (27,449)</u>	<u>\$ -</u>	<u>\$ 1,932,602</u>

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

<i>Governmental activities</i>	
General government	\$ 136,982
Public safety	409,974
Public works	510,250
Culture and recreation	504,232
Health, welfare and sanitation	14,012
Education	<u>6,644</u>
Total governmental activities	<u>\$1,582,094</u>
<i>Business-type activities</i>	
Solid waste	<u>\$ 100,599</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	\$ 442,750	\$ 187,931	\$ 168,344	\$ 799,025

8. Long-Term Obligations

a. Long-term obligation transactions for the year ended June 30, 2011, are as follows:

<i>Governmental activities</i>	<u>Balances July 1, 2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances June 30, 2011</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	\$ 2,350,000	\$ -	\$ 550,000	\$ 1,800,000	\$ 575,000
Interest	53,525	94,950	107,050	41,425	
	<u>2,403,525</u>	<u>94,950</u>	<u>657,050</u>	<u>1,841,425</u>	
2002 General Obligation					
Refunding Bonds – original					
issue \$6,580,000, 14 years,					
interest from 1.8 to 4.7					
percent					
Principal	4,255,000	-	680,000	3,575,000	710,000
Interest	85,360	173,462	186,240	72,582	
	<u>4,340,360</u>	<u>173,462</u>	<u>866,240</u>	<u>3,647,582</u>	
2003 General Obligation –					
original issue \$3,700,000,					
20 years, interest from 2.0					
to 4.5 percent					
Percent	2,840,000	-	155,000	2,685,000	160,000
Interest	4,867	114,062	114,289	4,640	
	<u>2,844,867</u>	<u>114,062</u>	<u>269,289</u>	<u>2,689,640</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-Term Obligations (continued)

a. (Continued)

<i>Governmental activities (continued)</i>	Balances July 1, 2010	Additions	Reductions	Balances June 30, 2011	Balances Due Within One Year
<u>Loans</u>					
Oregon Economic Development Department (OEDD) - annual installments of \$36,617.51, including interest at 6 percent					
Principal	\$ 269,507	\$ -	\$ 20,447	\$ 249,060	\$ 21,674
Interest	9,433	15,454	16,170	8,717	
	<u>278,940</u>	<u>15,454</u>	<u>36,617</u>	<u>257,777</u>	
Oregon Department of Transportation (ODOT) - annual installments of \$65,833.07, including interest at 0.5 percent					
Principal	264,767	-	37,276	227,491	37,459
Interest	-	1,324	1,324	-	
	<u>264,767</u>	<u>1,324</u>	<u>38,600</u>	<u>227,491</u>	
TLC Federal Credit Union - annual installments of \$75,000 with no interest					
Principal	750,000	-	75,000	675,000	75,000
<u>Capital Leases</u>					
Ford Motor Credit Co. - monthly installments of \$397.97, including interest at 6.95 percent					
Principal	6,376	-	4,436	1,940	1,940
Interest	-	304	304	-	
	<u>6,376</u>	<u>304</u>	<u>4,740</u>	<u>1,940</u>	
Compensated absences	<u>1,106,975</u>	<u>848,609</u>	<u>960,805</u>	<u>994,779</u>	<u>994,779</u>
Net other post-employment benefits	<u>1,722,978</u>	<u>736,352</u>	<u>-</u>	<u>2,459,330</u>	
Total long-term obligations	13,718,788	1,984,517	2,908,341	12,794,964	<u>\$ 2,575,852</u>
Interest	<u>153,185</u>	<u>399,556</u>	<u>425,377</u>	<u>127,364</u>	
Principal	<u>\$ 13,565,603</u>	<u>\$ 1,584,961</u>	<u>\$ 2,482,964</u>	<u>\$ 12,667,600</u>	
<u>Business-type activities</u>					
Landfill post-closure care liability	\$ 892,700	\$ 95,308	\$ 86,600	\$ 901,408	\$ 97,813
Compensated absences	<u>1,743</u>	<u>1,618</u>	<u>1,743</u>	<u>1,618</u>	<u>1,618</u>
	<u>\$ 894,443</u>	<u>\$ 96,926</u>	<u>\$ 88,343</u>	<u>\$ 903,026</u>	<u>\$ 99,431</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-Term Obligations (continued)

b. Future maturities

The future maturities of obligation outstanding as of June 30, 2011, are as follows:

i. Bonded debt:

Fiscal Year	1999 Refunding		2002 Refunding		2003		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 575,000	\$ 82,850	\$ 710,000	\$ 158,360	\$ 160,000	\$ 108,970	\$ 1,445,000	\$ 350,180
2013	600,000	56,975	745,000	128,540	170,000	103,110	1,515,000	288,625
2014	625,000	29,375	775,000	96,505	175,000	96,769	1,575,000	222,649
2015	-	-	810,000	62,405	180,000	90,112	990,000	152,517
2016	-	-	535,000	25,145	190,000	83,033	725,000	108,178
2017-21	-	-	-	-	1,060,000	288,889	1,060,000	288,889
2022-26	-	-	-	-	750,000	51,525	750,000	51,525
	<u>\$ 1,800,000</u>	<u>\$ 169,200</u>	<u>\$ 3,575,000</u>	<u>\$ 470,955</u>	<u>\$ 2,685,000</u>	<u>\$ 822,408</u>	<u>\$ 8,060,000</u>	<u>\$ 1,462,563</u>

ii. Loans:

Fiscal Year	OEDD		ODOT		TLC	Totals	
	Principal	Interest	Principal	Interest	Principal	Principal	Interest
2012	\$ 21,674	\$ 14,944	\$ 37,459	\$ 1,141	\$ 75,000	\$ 134,133	\$ 16,085
2013	22,974	13,643	37,650	950	75,000	135,624	14,593
2014	24,353	12,265	37,838	762	75,000	137,191	13,027
2015	25,814	10,804	38,027	573	75,000	138,841	11,377
2016	27,363	9,255	38,216	384	75,000	140,579	9,639
2017-20	126,882	19,587	38,301	192	300,000	465,183	19,779
	<u>\$ 249,060</u>	<u>\$ 80,498</u>	<u>\$ 227,491</u>	<u>\$ 4,002</u>	<u>\$ 675,000</u>	<u>\$ 1,151,551</u>	<u>\$ 84,500</u>

iii. Capital Lease:

Year Ending June 30,	FMC	
	Principal	Interest
2012	<u>\$ 1,940</u>	<u>\$ 35</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Long-Term Obligations (continued)

c. Other long-term obligations

Compensated absences

As described in Note 1, employees of the County are allowed to accumulate vacation up to amounts equal to one and one-half times the employee's annual accrual rate. Employees also accumulate 'comp' time and holidays as permitted by County employment policies and agreements. Amounts so accumulated are vested and will be paid out upon termination or retirement. The General, Road, Health Services, Parks, Community Development and Library funds have typically been used to liquidate the liability for compensated absences.

Compensated absences amounted to \$994,779 for governmental activities and \$1,618 for business-type activities. The County expects these amounts to mature and be retired within the ensuing fiscal year and therefore are reported as due within one year.

Net other post-employment benefits

Net other post-employment benefits represents the accumulated differences between the annual required contribution to the other post-employment benefit plan and the amounts actually contributed to the plan as discussed more fully in note 12 below. The General, Road, Health Services, Parks, Community Development and Library funds have typically been used to liquidate the liability for net other post-employment benefits.

Landfill post-closure care liability

The landfill post-closure care liability of \$901,408 does not have established future maturities. Currently management estimates that \$97,813 will mature and be retired within the ensuing fiscal year. However, future maturities are subject to changes due to inflation, changes in technology or changes to applicable laws or regulations.

9. Defined Benefit Pension Plan

Plan Description

Substantially all employees are participants in the defined benefit retirement plan of Tillamook County, Oregon (the Plan), a single employer defined benefit public employee retirement system.

All full-time employees are eligible to participate in the Plan after six months of employment. Benefits generally vest after five years of continuous service. Retirement is allowed at the ages of 50, 55, and 60 depending upon whether the employee is uniformed (fire and police) or nonuniformed and is included or excluded from a bargaining unit. Retirement benefits are reduced if retirement occurs prior to the age of 50 (uniformed employees) or 55 (nonuniformed employees), and the employee has less than 25 years of service (uniformed employees) or 30 years of service (nonuniformed employees). Employees may work after their normal retirement date with employer consent.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. Defined Benefit Pension Plan (continued)

Retirement benefits are calculated using a formula based on salary and length of service and are payable in a lump sum or monthly. The Plan also provides death and disability benefits. These benefit provisions, contributions and other requirements are established by state statutes.

The total Plan membership at July 1, 2010, of 373 includes 221 active employees, 7 disabled employees, 32 terminated employees entitled to benefits and 113 retired employees with deferred benefits. Of the 221 active employees covered by the Plan, 81 were non-vested, 130 were vested, and 10 were over retirement age. Of the 32 terminated members, 6 were entitled to their account balances only and 26 were members with vested accrued benefits.

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

Funding Policy

Plan members are permitted to contribute up to ten percent of their annual covered salary. The County is required by the Plan's provisions to pay the employees' contribution to the Plan of seven percent of covered salaries in addition to the remaining amount necessary to fund the Plan. Costs of administering the Plan are paid by the Plan.

Annual Pension Cost

The Plan's funding policy provides for actuarially determined periodic contributions that are sufficient to pay benefits when due. The actuarial costing method used to determine the contribution required for formula benefits in excess of employee and employer account balances was the "individual entry age method." The actuarial values of the Plan assets are determined by the fair value of the mutual fund investments of the Plan as of the actuarial valuation date. The July 1, 2010, actuarial assumptions included:

- Future investment earnings of the assets of the plan will accrue at a net annual rate of 7.25%.
- Interest on member contributions will accrue at a net annual rate of 8%.
- Projected salary increases of 5 percent per annum (includes both merit and cost of living increases).
- Post-retirement benefit increases of 1.5 percent per year.

The unfunded actuarial accrued liability is being amortized as a level percentage of base salary on an open basis over twenty years.

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
2011	\$ 2,305,985	\$ 2,308,343	100%
2010	2,349,149	2,360,441	100%
2009	987,382	2,639,374	267%
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%

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
2010	\$ 38,715,898	\$ 43,997,559	\$ 5,281,661	88%	\$ 10,050,564	53%
2009	36,825,432	40,405,515	3,580,083	91%	9,884,760	36%
2008	34,815,703	37,449,276	2,633,573	93%	9,426,660	28%
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%

The following table presents the annual pension cost and change in net pension obligation for the County estimated as of June 30, 2011 and 2010

	2011	2010
Annual Required Contribution (ARC)	\$ 1,825,381	\$ 1,754,507
Interest on Net Pension Obligation	(93,480)	(93,480)
Adjustment to Annual Required Contribution	<u>574,084</u>	<u>688,122</u>
Annual Pension Cost	2,305,985	2,349,149
Contributions made	<u>(2,308,343)</u>	<u>(2,360,441)</u>
Change in Net Pension Obligation	(2,358)	(11,292)
Net Pension Obligation (Asset) - beginning of year	<u>(1,868,977)</u>	<u>(1,857,685)</u>
Net Pension Obligation (Asset) - end of year	<u><u>\$(1,871,335)</u></u>	<u><u>\$(1,868,977)</u></u>

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, 2011	\$ 2,305,985	\$ 2,308,343	100.10%	\$ (1,871,335)
June 30, 2010	2,349,149	2,360,441	100.48%	(1,868,977)
June 30, 2009	1,501,195	2,639,374	175.80%	(1,857,685)

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, 2011, employees of the County had accumulated 7,954 days of sick leave.

11. Litigation

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

12. Other Post-Employment Benefits

Plan description and benefits provided

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

Membership

The County's membership in the plan at August 1, 2010 (the date of the latest actuarial valuation) consisted of the following:

Active employees	213
Retirees, spouses or dependents	<u>131</u>
Total	<u><u>344</u></u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Other Post-Employment Benefits (continued)

Funding policy and contributions

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

For retirees hired before July 1, 2003	\$ 598
For retirees hired after July 1, 2003	189

The County has not established an irrevocable trust to accumulate assets to fund the cost of the net OPEB obligation that arises from the implicit subsidy.

Annual OPEB cost and net OPEB Obligation

The County had its first actuarial valuation performed as of August 1, 2006 to determine the *unfunded accrued actuarial liability* (UAAL), *annual required contribution* (ARC) and NOPEBO as of that date. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost is equal to the ARC as follows:

Normal cost	\$ 501,443
Amortization of UAAL	<u>841,785</u>
Annual required contribution	<u>\$1,343,228</u>

The net OPEB obligation as of June 30, 2011 was calculated as follows:

Annual required contribution	\$1,343,228
Interest on prior year Net OPEB	77,534
Adjustment to ARC	121,619
Contributions made	<u>(562,791)</u>
Increase in net OPEB obligation	736,352
Net OPEB obligation at beginning of year	<u>1,722,978</u>
Net OPEB obligation at end of year	<u>\$2,459,330</u>

Three-year trend information

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2011, 2010 and 2009 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2011	\$ 1,299,143	43.32%	\$ 2,459,330
June 30, 2010	1,395,594	37.73%	1,722,978
June 30, 2009	1,348,957	36.69%	853,973

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. Other Post-Employment Benefits (continued)

Actuarial methods and assumptions

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

In the August 1, 2010 actuarial valuation, the projected unit credit cost method was used to determine contributions levels comprised of normal cost and amortization payments. The actuarial assumptions included a 4.5 percent rate for discounting future liabilities, a payroll growth of 3.75 percent per year, annual premium rate increases from 8 percent initially to 5 percent in 2037, and participation rate of 70 percent of future retirees hired after July 1, 2003 electing coverage under the plan. The unfunded actuarial liability is being amortized using the level-dollar method over a rolling period of 15 years.

Funded status and funding progress

The schedule of funding progress presents information about the actuarial value of plan assets and the unfunded actuarial liability.

<u>Actuarial Valuation as of August 1,</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Accrued Liability as a Percent of Covered Payroll</u>
2010	\$ --	\$ 15,137,898	\$ 15,137,898	0%	\$ 10,050,564	151%
2008	--	10,623,438	10,623,438	0%	9,426,660	113%
2006	--	9,928,424	9,928,424	0%	9,624,036	103%

13. Net Assets Restricted Through Enabling Legislation

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

Highways and streets:

Oregon Transportation Improvement Act was enacted by the State of Oregon to provide funding to the County for the repair or replacement of bridges \$ 25,389

The Board of Commissioners of Tillamook County enacted a fee charged to logging operators using Trask Road for use in making repairs and improvements 194,108

Oregon and Federal laws restrict the usage of state gas tax and Federal Forest Fees for road repairs and improvements 3,254,350

Total \$ 3,473,847

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Net Assets Restricted Through Enabling Legislation (continued)

Other purposes:

Oregon law restricts the usage of fines collected under SB 1065 \$ 114,346

14. Governmental Fund Balances

A. Categories

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

Fund balances:	General	Road	County School	Health Services	Library	Commission on Children and Families	Community Corrections	Community Development	Building Improvement	Other Governmental Funds	Total
Restricted for:											
Highways and streets	\$ -	\$ 3,085,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,608	\$ 3,473,847
Schools and education	-	-	667,402	-	-	-	-	-	-	266,109	933,511
Health services	-	-	-	274,102	-	-	-	-	-	93,249	367,351
County library	-	-	-	-	2,037,738	-	-	-	-	-	2,037,738
Grants	-	-	-	-	-	81,119	-	-	-	217,030	298,149
Public safety	-	-	-	-	-	-	213,916	-	-	613,876	827,792
County fair	-	-	-	-	-	-	-	-	-	301,503	301,503
Parks	-	-	-	-	-	-	-	-	-	288,050	288,050
Debt service	-	-	-	-	-	-	-	-	-	194,893	194,893
Other purposes	-	-	-	-	-	-	-	-	-	537,350	537,350
Assigned for:											
Capital projects	-	-	-	-	-	-	-	-	794,062	882,217	1,676,279
Revenue stabilization	2,047,010	-	-	-	-	-	-	-	-	-	2,047,010
Post employment liabilities	609,502	-	-	-	-	-	-	-	-	-	609,502
Unassigned:	8,062,318	-	-	-	-	-	-	(4,370)	-	-	8,057,948
Total fund balances	\$ 10,718,830	\$ 3,085,239	\$ 667,402	\$ 274,102	\$ 2,037,738	\$ 81,119	\$ 213,916	\$ (4,370)	\$ 794,062	\$ 3,782,885	\$ 21,650,923

The County has established the revenue stabilization fund to provide financial resources in future periods. The County may provide access to those funds during its budget process.

14. Deficit Fund Balances

The Community Development Fund has a deficit fund balance of \$4,370 as of June 30, 2011. This deficit will be eliminated as grant funds are requested and received from the State of Oregon.

Tillamook County



Land of Cheese, Trees and Ocean Breeze

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

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

**BUILDING IMPROVEMENT - A MAJOR CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 10,000	\$ 5,973	\$ (4,027)
EXPENDITURES			
Materials and services	210,000	73,275	136,725
Capital outlay	400,000	393,278	6,722
TOTAL EXPENDITURES	610,000	466,553	143,447
Excess (deficiency) of revenues over expenditures	(600,000)	(460,580)	139,420
OTHER FINANCING SOURCES (USES)			
Transfers in	150,000	150,000	-
Net change in fund balance	(450,000)	(310,580)	139,420
Fund balance at beginning of year	1,150,000	1,327,318	177,318
Fund balance at end of year	\$ 700,000	\$ 1,016,738	\$ 316,738

Tillamook County



Land of Cheese, Trees and Ocean Breeze

GENERAL FUNDS

With the implementation of GASB 54, the County has two funds, which are separately budgeted, that no longer qualify to be presented as separate funds in accordance with generally accepted accounting principles. Accordingly, these funds have been combined with the General Fund for the purpose of the fund financial statements:

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

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

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

COMBINING BALANCE SHEET

GENERAL FUNDS

June 30, 2011

	General	Revenue Stabilization	Post Employment Liability Reserve	Totals
ASSETS				
Cash and cash equivalents	\$ 6,959,033	\$ 2,047,010	\$ 609,502	\$ 9,615,545
Receivables, net	1,717,320	-	-	1,717,320
Due from other funds	23,317	-	-	23,317
	<u>\$ 8,699,670</u>	<u>\$ 2,047,010</u>	<u>\$ 609,502</u>	<u>\$ 11,356,182</u>
TOTAL ASSETS				
LIABILITIES				
Accounts payable	\$ 194,602	\$ -	\$ -	\$ 194,602
Deferred revenue	442,750	-	-	442,750
	<u>637,352</u>	<u>-</u>	<u>-</u>	<u>637,352</u>
TOTAL LIABILITIES				
FUND BALANCES				
Assigned	-	2,047,010	609,502	2,656,512
Unassigned	8,062,318	-	-	8,062,318
	<u>8,062,318</u>	<u>2,047,010</u>	<u>609,502</u>	<u>10,718,830</u>
TOTAL FUND BALANCES				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 8,699,670</u>	<u>\$ 2,047,010</u>	<u>\$ 609,502</u>	<u>\$ 11,356,182</u>

TILLAMOOK COUNTY

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

For the Year Ended June 30, 2011

	<u>General</u>	<u>Revenue Stabilization</u>	<u>Post Employment Liability Reserve</u>	<u>Totals</u>
REVENUES				
Property taxes	\$ 5,703,639	\$ -	\$ -	\$ 5,703,639
Licenses, permits and fees	330,945	-	-	330,945
Intergovernmental	2,304,199	-	-	2,304,199
Charges for services	335,043	-	-	335,043
Fines and forfeitures	378,550	-	-	378,550
Timber and land sales	2,743,241	-	-	2,743,241
Interest	40,627	9,545	2,842	53,014
Intercounty charges	1,379,253	-	-	1,379,253
Miscellaneous	325,374	-	-	325,374
TOTAL REVENUES	<u>13,540,871</u>	<u>9,545</u>	<u>2,842</u>	<u>13,553,258</u>
EXPENDITURES				
Current				
General government	7,300,092	-	-	7,300,092
Public safety	5,343,955	-	-	5,343,955
Health and welfare	56,250	-	-	56,250
Capital outlay	113,769	-	-	113,769
Debt service				
Principal	95,447	-	-	95,447
Interest	16,170	-	-	16,170
TOTAL EXPENDITURES	<u>12,925,683</u>	<u>-</u>	<u>-</u>	<u>12,925,683</u>
Excess (deficiency) of revenues over expenditures	<u>615,188</u>	<u>9,545</u>	<u>2,842</u>	<u>627,575</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	337,074	-	-	337,074
Sale of capital assets	1,765	-	-	1,765
Transfers out	(935,000)	-	-	(935,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(596,161)</u>	<u>-</u>	<u>-</u>	<u>(596,161)</u>
Net change in fund balances	19,027	9,545	2,842	31,414
Fund balances at beginning of year	8,043,291	2,037,465	606,660	10,687,416
Fund balances at end of year	<u>\$ 8,062,318</u>	<u>\$ 2,047,010</u>	<u>\$ 609,502</u>	<u>\$ 10,718,830</u>

TILLAMOOK COUNTY

**REVENUE STABILIZATION - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ -	\$ 9,545	\$ 9,545
Fund balance at beginning of year	<u>2,040,000</u>	<u>2,037,465</u>	<u>(2,535)</u>
Fund balance at end of year	<u>\$ 2,040,000</u>	<u>\$ 2,047,010</u>	<u>\$ 7,010</u>

TILLAMOOK COUNTY

**POST EMPLOYMENT LIABILITY RESERVE - GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 10,000	\$ 2,842	\$ (7,158)
EXPENDITURES			
Contingency	620,000	-	620,000
Net change in fund balance	(610,000)	2,842	612,842
Fund balance at beginning of year	610,000	606,660	(3,340)
Fund balance at end of year	\$ -	\$ 609,502	\$ 609,502

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.

Clerks Records – to account for monies accumulated to preserve County records.

Federal Title III – to account for grant monies received and expended under Federal Oregon and California Land Grant Title III and Federal Forest Fees Title III.

Veteran's Services – to account for funds from a five-year local option tax levy for programs that benefit veterans who reside in Tillamook County.

Nestucca Valley Community Campus - to account for revenues and expenses related to County owned property located in Hebo.

Technology - to account for a special assessment on traffic citations to fund the purchase of new technology for E-ticketing.

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).

North Coast Drug Task Force - accounts for grant revenues used for expenditures for drug enforcement activities in Lincoln, Tillamook and Clatsop Counties.

HIGHWAYS AND STREETS

Bike Path – accounts for maintenance activities related to constructing and maintaining bike paths and County roads.

CULTURE AND RECREATION

County Fair – accounts for the operations and management of the fairground facilities and provides various services to the public, including the annual County Fair.

Parks Operations - accounts for the operations and management of County parks.

HEALTH AND WELFARE

Mental Health – accounts for funds received related to the County's responsibility for Mental Health Services.

Mediation Program – accounts for program costs related to a court program for settling domestic disputes outside of the courtroom setting.

EDUCATION

Tillamook County 4-H and Extension Service District – accounts for property tax revenues raised to fund the educational and training activities of the Tillamook County 4-H and Extension Service District.

OTHER GOVERNMENTAL FUNDS (NON-MAJOR)

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:

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

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

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

Oregon Community Development Block Grant – accounts for grant funds received for the purpose of construction of an upgrade to the Hebo water system.

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

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.

Fair – accounts for funds which are assigned for capital improvements to the fairgrounds.

TILLAMOOK COUNTY
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (NON-MAJOR)
June 30, 2011

	<u>Special Revenue Funds</u>					
	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets - Bike Path</u>	<u>Culture and Recreation</u>	<u>Health and Welfare - Mediation Program</u>	<u>Education - Tillamook County 4-H and Extension Service District</u>
<u>ASSETS</u>						
Cash and investments	\$ 807,898	\$ 560,043	\$ 169,111	\$ 562,267	\$ 93,008	\$ 250,919
Receivables	69,196	128,585	-	70,749	1,750	40,670
TOTAL ASSETS	<u>\$ 877,094</u>	<u>\$ 688,628</u>	<u>\$ 169,111</u>	<u>\$ 633,016</u>	<u>\$ 94,758</u>	<u>\$ 291,589</u>
<u>LIABILITIES</u>						
Accounts payable and accrued expenditures	\$ 114,192	\$ 74,752	\$ -	\$ 43,463	\$ 1,509	\$ 5,569
Due to other funds	-	-	-	-	-	-
Deferred revenue	8,522	-	-	-	-	19,911
TOTAL LIABILITIES	<u>122,714</u>	<u>74,752</u>	<u>-</u>	<u>43,463</u>	<u>1,509</u>	<u>25,480</u>
<u>FUND BALANCES</u>						
Restricted	754,380	613,876	169,111	589,553	93,249	266,109
Assigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>754,380</u>	<u>613,876</u>	<u>169,111</u>	<u>589,553</u>	<u>93,249</u>	<u>266,109</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 877,094</u>	<u>\$ 688,628</u>	<u>\$ 169,111</u>	<u>\$ 633,016</u>	<u>\$ 94,758</u>	<u>\$ 291,589</u>

Debt Service Funds

Hospital	Jail	Library	Capital Project Funds	Totals
\$ 96,015	\$ 47,481	\$ 6,910	\$ 1,106,949	\$ 3,700,601
<u>89,233</u>	<u>67,326</u>	<u>27,839</u>	<u>23,317</u>	<u>518,665</u>
<u>\$ 185,248</u>	<u>\$ 114,807</u>	<u>\$ 34,749</u>	<u>\$ 1,130,266</u>	<u>\$ 4,219,266</u>
\$ -	\$ -	\$ -	\$ 5,235	\$ 244,720
-	-	-	23,317	23,317
<u>67,761</u>	<u>51,105</u>	<u>21,045</u>	<u>-</u>	<u>168,344</u>
<u>67,761</u>	<u>51,105</u>	<u>21,045</u>	<u>28,552</u>	<u>436,381</u>
117,487	63,702	13,704	219,497	2,900,668
<u>-</u>	<u>-</u>	<u>-</u>	<u>882,217</u>	<u>882,217</u>
<u>117,487</u>	<u>63,702</u>	<u>13,704</u>	<u>1,101,714</u>	<u>3,782,885</u>
<u>\$ 185,248</u>	<u>\$ 114,807</u>	<u>\$ 34,749</u>	<u>\$ 1,130,266</u>	<u>\$ 4,219,266</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL FUNDS (NON-MAJOR)
For the Year Ended June 30, 2011**

	Special Revenue Funds					Education - Tillamook County 4-H and Extension Service District
	General	Public Safety	Highways and Streets -	Culture and	Health and	
	Government		Bike Path	Recreation	Welfare	
REVENUES						
Property taxes	\$ 115,323	\$ -	\$ -	\$ -	\$ -	\$ 260,795
Licenses, permits and fees	11,112	-	-	-	-	-
Intergovernmental	283,319	553,472	-	36,031	838,345	45,541
Charges for services	89,228	-	-	1,896,997	14,347	-
Fines and forfeitures	122,529	119,368	-	770	-	-
Interest	2,787	2,294	855	3,473	460	1,260
Miscellaneous	108,628	5,729	-	98,119	-	16,110
TOTAL REVENUES	<u>732,926</u>	<u>680,863</u>	<u>855</u>	<u>2,035,390</u>	<u>853,152</u>	<u>323,706</u>
EXPENDITURES						
Current:						
General government	781,159	-	-	-	-	-
Public safety	-	483,769	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	1,880,107	-	-
Health and welfare	-	-	-	-	859,122	-
Education	-	-	-	-	-	294,337
Capital outlay	58,392	22,127	25,374	138,821	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>839,551</u>	<u>505,896</u>	<u>25,374</u>	<u>2,018,928</u>	<u>859,122</u>	<u>294,337</u>
Excess (deficiency) of revenues over expenditures	<u>(106,625)</u>	<u>174,967</u>	<u>(24,519)</u>	<u>16,462</u>	<u>(5,970)</u>	<u>29,369</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	5,000	3,710	17,250	-	-	-
Issuance of debt	-	-	-	-	-	-
Transfers out	(75,000)	(210,784)	-	-	-	(10,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(70,000)</u>	<u>(207,074)</u>	<u>17,250</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balances	(176,625)	(32,107)	(7,269)	16,462	(5,970)	19,369
Fund balances - beginning	931,005	645,983	176,380	573,091	99,219	246,740
Fund balances - ending	<u>\$ 754,380</u>	<u>\$ 613,876</u>	<u>\$ 169,111</u>	<u>\$ 589,553</u>	<u>\$ 93,249</u>	<u>\$ 266,109</u>

Debt Service Funds

Hospital	Jail	Library	Capital Project Funds	Totals
\$ 858,040	\$ 649,706	\$ 273,620	\$ -	\$ 2,157,484
-	-	-	-	11,112
-	-	-	1,044,483	2,801,191
-	-	-	180,156	2,180,728
-	-	-	-	242,667
614	177	131	4,244	16,295
-	-	-	304,804	533,390
<u>858,654</u>	<u>649,883</u>	<u>273,751</u>	<u>1,533,687</u>	<u>7,942,867</u>
530	530	530	1,025,069	1,807,818
-	-	-	-	483,769
-	-	-	335,515	335,515
-	-	-	-	1,880,107
-	-	-	-	859,122
-	-	-	-	294,337
-	-	-	-	244,714
680,000	550,000	155,000	-	1,385,000
186,240	107,050	114,289	-	407,579
<u>866,770</u>	<u>657,580</u>	<u>269,819</u>	<u>1,360,584</u>	<u>7,697,961</u>
(8,116)	(7,697)	3,932	173,103	244,906
-	-	-	110,000	135,960
-	-	-	-	-
-	-	-	-	(295,784)
-	-	-	110,000	(159,824)
(8,116)	(7,697)	3,932	283,103	85,082
125,603	71,399	9,772	818,611	3,697,803
<u>\$ 117,487</u>	<u>\$ 63,702</u>	<u>\$ 13,704</u>	<u>\$ 1,101,714</u>	<u>\$ 3,782,885</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
GENERAL GOVERNMENT FUNDS**

June 30, 2011

	<u>Mitigation</u>	<u>Video</u>	<u>Forest Timber</u>	<u>Juvenile</u>	<u>Law</u>	<u>BPS</u>
	<u>Grants</u>	<u>Lottery</u>	<u>Trust</u>	<u>Trust</u>	<u>Library</u>	<u>Surcharge</u>
<u>ASSETS</u>						
Cash and investments	\$ 121,180	\$ 127,175	\$ 37,214	\$ 16,561	\$ 18,784	\$ 44,078
Receivables	<u>30,000</u>	<u>16,579</u>	<u>-</u>	<u>101</u>	<u>2,502</u>	<u>284</u>
TOTAL ASSETS	<u>\$ 151,180</u>	<u>\$ 143,754</u>	<u>\$ 37,214</u>	<u>\$ 16,662</u>	<u>\$ 21,286</u>	<u>\$ 44,362</u>
<u>LIABILITIES</u>						
Accounts payable and accrued expenditures	\$ 63,875	\$ -	\$ -	\$ 100	\$ 7,425	\$ 37,837
Deferred revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	63,875	-	-	100	7,425	37,837
<u>FUND BALANCES</u>						
Restricted	<u>87,305</u>	<u>143,754</u>	<u>37,214</u>	<u>16,562</u>	<u>13,861</u>	<u>6,525</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 151,180</u>	<u>\$ 143,754</u>	<u>\$ 37,214</u>	<u>\$ 16,662</u>	<u>\$ 21,286</u>	<u>\$ 44,362</u>

Nestucca
Valley

PLCP	Clerks Records	Federal Title III	Veteran's Services	Community Campus	Technology	Totals
\$ 109,052	\$ 18,740	\$ 129,725	\$ 29,497	\$ 3,375	\$ 152,517	\$ 807,898
<u>540</u>	<u>93</u>	<u>-</u>	<u>19,097</u>	<u>-</u>	<u>-</u>	<u>69,196</u>
<u>\$ 109,592</u>	<u>\$ 18,833</u>	<u>\$ 129,725</u>	<u>\$ 48,594</u>	<u>\$ 3,375</u>	<u>\$ 152,517</u>	<u>\$ 877,094</u>
\$ 2,693	\$ -	\$ -	\$ 2,262	\$ -	\$ -	\$ 114,192
<u>-</u>	<u>-</u>	<u>-</u>	<u>8,522</u>	<u>-</u>	<u>-</u>	<u>8,522</u>
2,693	-	-	10,784	-	-	122,714
<u>106,899</u>	<u>18,833</u>	<u>129,725</u>	<u>37,810</u>	<u>3,375</u>	<u>152,517</u>	<u>754,380</u>
<u>\$ 109,592</u>	<u>\$ 18,833</u>	<u>\$ 129,725</u>	<u>\$ 48,594</u>	<u>\$ 3,375</u>	<u>\$ 152,517</u>	<u>\$ 877,094</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
June 30, 2011**

	SB 1065						
	Court	Law	Sheriff	Assessment and	Tillamook	North Coast	
	Security	Enforcement	Trust	Conviction	Narcotics Team	Drug Task Force	Totals
<u>ASSETS</u>							
Cash and investments	\$ 316,037	\$ 5,915	\$ 17,919	\$ 114,107	\$ 58,345	\$ 47,720	\$ 560,043
Receivables	159	166	-	239	-	128,021	128,585
TOTAL ASSETS	<u>\$ 316,196</u>	<u>\$ 6,081</u>	<u>\$ 17,919</u>	<u>\$ 114,346</u>	<u>\$ 58,345</u>	<u>\$ 175,741</u>	<u>\$ 688,628</u>
<u>LIABILITIES</u>							
Accounts payable and accrued expenditures	\$ 359	\$ 1,330	\$ 1,081	\$ -	\$ -	\$ 71,982	\$ 74,752
<u>FUND BALANCES</u>							
Restricted	<u>315,837</u>	<u>4,751</u>	<u>16,838</u>	<u>114,346</u>	<u>58,345</u>	<u>103,759</u>	<u>613,876</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 316,196</u>	<u>\$ 6,081</u>	<u>\$ 17,919</u>	<u>\$ 114,346</u>	<u>\$ 58,345</u>	<u>\$ 175,741</u>	<u>\$ 688,628</u>

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
CULTURE AND RECREATION FUNDS**

June 30, 2011

	County Fair	Parks Operations	Totals
<u>ASSETS</u>			
Cash and investments	\$ 301,503	\$ 260,764	\$ 562,267
Receivables	-	70,749	70,749
TOTAL ASSETS	\$ 301,503	\$ 331,513	\$ 633,016
<u>LIABILITIES</u>			
Accounts payable and accrued expenditures	\$ -	\$ 43,463	\$ 43,463
<u>FUND BALANCES</u>			
Restricted	301,503	288,050	589,553
TOTAL LIABILITIES AND FUND BALANCES	\$ 301,503	\$ 331,513	\$ 633,016

TILLAMOOK COUNTY

**COMBINING BALANCE SHEET
OTHER GOVERNMENTAL CAPITAL PROJECT FUNDS
June 30, 2011**

	Vehicle Reserve	Library Reserve	Tillamook County 4-H and Extension Building Reserve	Oregon Community Development Block Grant	OTIA Bridge Construction	Trask Road Project	Fair	Totals
<u>ASSETS</u>								
Cash and investments	\$ 267,798	\$ 217,552	\$ 92,013	\$ -	\$ 30,624	\$ 194,108	\$ 304,854	\$1,106,949
Receivables	-	-	-	23,317	-	-	-	23,317
TOTAL ASSETS	<u>\$ 267,798</u>	<u>\$ 217,552</u>	<u>\$ 92,013</u>	<u>\$ 23,317</u>	<u>\$ 30,624</u>	<u>\$ 194,108</u>	<u>\$ 304,854</u>	<u>\$1,130,266</u>
<u>LIABILITIES</u>								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 5,235	\$ -	\$ -	\$ 5,235
Due to other funds	-	-	-	23,317	-	-	-	23,317
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,317</u>	<u>5,235</u>	<u>-</u>	<u>-</u>	<u>28,552</u>
<u>FUND BALANCES</u>								
Restricted	-	-	-	-	25,389	194,108	-	219,497
Assigned	267,798	217,552	92,013	-	-	-	304,854	882,217
TOTAL FUND BALANCES	<u>267,798</u>	<u>217,552</u>	<u>92,013</u>	<u>-</u>	<u>25,389</u>	<u>194,108</u>	<u>304,854</u>	<u>1,101,714</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 267,798</u>	<u>\$ 217,552</u>	<u>\$ 92,013</u>	<u>\$ 23,317</u>	<u>\$ 30,624</u>	<u>\$ 194,108</u>	<u>\$ 304,854</u>	<u>\$1,130,266</u>

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

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

OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS

GENERAL GOVERNMENT FUNDS

For the Year Ended June 30, 2011

	<u>Mitigation</u>	<u>Video</u>	<u>Forest</u>	<u>Juvenile</u>	<u>Law</u>
	<u>Grants</u>	<u>Lottery</u>	<u>Timber</u>	<u>Trust</u>	<u>Library</u>
			<u>Trust</u>		
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits and fees	-	-	-	-	-
Intergovernmental	30,000	136,328	-	-	-
Charges for services	-	-	-	-	24,887
Fines and forfeitures	-	-	-	-	-
Interest	647	651	-	75	-
Miscellaneous	104,807	-	-	1,229	-
	<u>135,454</u>	<u>136,979</u>	<u>-</u>	<u>1,304</u>	<u>24,887</u>
TOTAL REVENUES					
	<u>135,454</u>	<u>136,979</u>	<u>-</u>	<u>1,304</u>	<u>24,887</u>
EXPENDITURES					
General government	271,211	119,250	17,235	525	34,648
Capital outlay	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES					
	<u>271,211</u>	<u>119,250</u>	<u>17,235</u>	<u>525</u>	<u>34,648</u>
Excess (deficiency) of revenues over expenditures	<u>(135,757)</u>	<u>17,729</u>	<u>(17,235)</u>	<u>779</u>	<u>(9,761)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	5,000
Transfers out	-	(75,000)	-	-	-
	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)					
	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Net change in fund balances	(135,757)	(57,271)	(17,235)	779	(4,761)
Fund balances - beginning	223,062	201,025	54,449	15,783	18,622
	<u>223,062</u>	<u>201,025</u>	<u>54,449</u>	<u>15,783</u>	<u>18,622</u>
Fund balances - ending	<u>\$ 87,305</u>	<u>\$ 143,754</u>	<u>\$ 37,214</u>	<u>\$ 16,562</u>	<u>\$ 13,861</u>

		Nestucca Valley						
BPS Surcharge	PLCP	Clerks Records	Federal Title III	Veteran's Services	Community Campus	Technology	Totals	
\$ -	\$ -	\$ -	\$ -	\$ 115,323	\$ -	\$ -	\$ 115,323	
-	-	11,112	-	-	-	-	11,112	
77,515	-	-	-	39,476	-	-	283,319	
-	64,341	-	-	-	-	-	89,228	
-	-	-	-	-	-	122,529	122,529	
-	592	56	576	190	-	-	2,787	
-	19	-	-	248	2,325	-	108,628	
<u>77,515</u>	<u>64,952</u>	<u>11,168</u>	<u>576</u>	<u>155,237</u>	<u>2,325</u>	<u>122,529</u>	<u>732,926</u>	
87,296	91,400	764	-	157,414	-	1,416	781,159	
-	-	-	-	-	-	58,392	58,392	
<u>87,296</u>	<u>91,400</u>	<u>764</u>	<u>-</u>	<u>157,414</u>	<u>-</u>	<u>59,808</u>	<u>839,551</u>	
<u>(9,781)</u>	<u>(26,448)</u>	<u>10,404</u>	<u>576</u>	<u>(2,177)</u>	<u>2,325</u>	<u>62,721</u>	<u>(106,625)</u>	
-	-	-	-	-	-	-	5,000	
-	-	-	-	-	-	-	(75,000)	
-	-	-	-	-	-	-	(70,000)	
(9,781)	(26,448)	10,404	576	(2,177)	2,325	62,721	(176,625)	
<u>16,306</u>	<u>133,347</u>	<u>8,429</u>	<u>129,149</u>	<u>39,987</u>	<u>1,050</u>	<u>89,796</u>	<u>931,005</u>	
<u>\$ 6,525</u>	<u>\$ 106,899</u>	<u>\$ 18,833</u>	<u>\$ 129,725</u>	<u>\$ 37,810</u>	<u>\$ 3,375</u>	<u>\$ 152,517</u>	<u>\$ 754,380</u>	

TILLAMOOK COUNTY

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
PUBLIC SAFETY FUNDS
For the Year Ended June 30, 2011

	Court Security	Law Enforcement	Sheriff Trust	SB 1065 Assessment and Conviction	Emergency Fire and Radio Local Option Tax	Tillamook Narcotics Team	North Coast Drug Task Force	Totals
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ 5,064	\$ 545,408	\$ 553,472
Fines and forfeitures	38,821	20,279	10,604	30,585	-	19,079	-	119,368
Interest	1,459	-	53	567	-	215	-	2,294
Miscellaneous	-	1,434	4,295	-	-	-	-	5,729
TOTAL REVENUES	40,280	21,713	17,952	31,152	-	24,358	545,408	680,863
EXPENDITURES								
Public safety	12,112	37,664	9,968	18,600	-	15,400	390,025	483,769
Capital outlay	14,001	8,126	-	-	-	-	-	22,127
TOTAL EXPENDITURES	26,113	45,790	9,968	18,600	-	15,400	390,025	505,896
Excess (deficiency) of revenues over expenditures	14,167	(24,077)	7,984	12,552	-	8,958	155,383	174,967
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	3,710	-	3,710
Transfers out	-	-	-	(20,000)	(588)	-	(190,196)	(210,784)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(20,000)	(588)	3,710	(190,196)	(207,074)
Net change in fund balances	14,167	(24,077)	7,984	(7,448)	(588)	12,668	(34,813)	(32,107)
Fund balances - beginning	301,670	28,828	8,854	121,794	588	45,677	138,572	645,983
Fund balances - ending	\$ 315,837	\$ 4,751	\$ 16,838	\$ 114,346	\$ -	\$ 58,345	\$ 103,759	\$ 613,876

TILLAMOOK COUNTY

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

OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS

CULTURE AND RECREATION FUNDS

For the Year Ended June 30, 2011

	County	Parks	
	Fair	Operations	Totals
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 36,031	\$ -	\$ 36,031
Charges for services	789,846	1,107,151	1,896,997
Fines and forfeitures	-	770	770
Interest	1,649	1,824	3,473
Miscellaneous	33,669	64,450	98,119
	<u> </u>	<u> </u>	<u> </u>
TOTAL REVENUES	<u>861,195</u>	<u>1,174,195</u>	<u>2,035,390</u>
EXPENDITURES			
Culture and recreation	800,208	1,079,899	1,880,107
Capital outlay	29,925	108,896	138,821
	<u> </u>	<u> </u>	<u> </u>
TOTAL EXPENDITURES	<u>830,133</u>	<u>1,188,795</u>	<u>2,018,928</u>
Net change in fund balances	31,062	(14,600)	16,462
Fund balances - beginning	270,441	302,650	573,091
	<u> </u>	<u> </u>	<u> </u>
Fund balances - ending	<u>\$ 301,503</u>	<u>\$ 288,050</u>	<u>\$ 589,553</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL SPECIAL REVENUE FUNDS
HEALTH AND WELFARE FUNDS
For the Year Ended June 30, 2011**

	<u>Mental Health</u>	<u>Mediation Program</u>	<u>Totals</u>
REVENUES			
Intergovernmental	\$ 838,345	\$ -	\$ 838,345
Charges for services	-	14,347	14,347
Interest	-	460	460
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	838,345	14,807	853,152
EXPENDITURES			
Health and welfare	<u>838,345</u>	<u>20,777</u>	<u>859,122</u>
Net change in fund balances	-	(5,970)	(5,970)
Fund balances - beginning	<u>-</u>	<u>99,219</u>	<u>99,219</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 93,249</u>	<u>\$ 93,249</u>

TILLAMOOK COUNTY

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
OTHER GOVERNMENTAL CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2011**

	Tillamook							Totals
	Vehicle Reserve	Library Reserve	Tillamook County 4-H and Extension Building Reserve	Oregon Community Development Block Grant	OTIA Bridge Construction	Trask Road Project	Fair	
REVENUES								
Intergovernmental	-	\$ -	\$ -	\$ 1,044,483	\$ -	\$ -	\$ -	\$ 1,044,483
Charges for services	-	-	-	-	-	180,156	-	180,156
Interest	1,249	714	399	-	175	1,657	50	4,244
Miscellaneous	-	-	-	-	-	-	304,804	304,804
TOTAL REVENUES	<u>1,249</u>	<u>714</u>	<u>399</u>	<u>1,044,483</u>	<u>175</u>	<u>181,813</u>	<u>304,854</u>	<u>1,533,687</u>
EXPENDITURES								
Current:								
General government	-	-	-	1,025,069	-	-	-	1,025,069
Highways and streets	-	-	-	-	9,721	325,794	-	335,515
Capital outlay	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,025,069</u>	<u>9,721</u>	<u>325,794</u>	<u>-</u>	<u>1,360,584</u>
Excess (deficiency) of revenues over expenditures	1,249	714	399	19,414	(9,546)	(143,981)	304,854	173,103
OTHER FINANCING SOURCES (USES)								
Transfers in	-	100,000	10,000	-	-	-	-	110,000
Net change in fund balances	1,249	100,714	10,399	19,414	(9,546)	(143,981)	304,854	283,103
Fund balances - beginning	266,549	116,838	81,614	(19,414)	34,935	338,089	-	818,611
Fund balances - ending	<u>\$ 267,798</u>	<u>\$ 217,552</u>	<u>\$ 92,013</u>	<u>\$ -</u>	<u>\$ 25,389</u>	<u>\$ 194,108</u>	<u>\$ 304,854</u>	<u>\$ 1,101,714</u>

TILLAMOOK COUNTY

**MITIGATION GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 7,040,000	\$ -	\$ (7,040,000)
Investment earnings	-	647	647
Miscellaneous	<u>159,000</u>	<u>104,807</u>	<u>(54,193)</u>
 TOTAL REVENUES	 7,199,000	 105,454	 (7,093,546)
EXPENDITURES			
Materials and services	<u>7,199,000</u>	<u>230,492</u>	<u>6,968,508</u>
 Net change in fund balance	 -	 (125,038)	 (125,038)
Fund balance at beginning of year	<u>-</u>	<u>246,218</u>	<u>246,218</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 121,180</u>	 <u>\$ 121,180</u>

TILLAMOOK COUNTY

**VIDEO LOTTERY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 125,000	\$ 161,511	\$ 36,511
Investment earnings	<u>1,000</u>	<u>651</u>	<u>(349)</u>
TOTAL REVENUES	126,000	162,162	36,162
EXPENDITURES			
Materials and services	<u>128,500</u>	<u>119,250</u>	<u>9,250</u>
Excess (deficiency) of revenues over expenditures	(2,500)	42,912	45,412
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balance	(77,500)	(32,088)	45,412
Fund balance at beginning of year	<u>150,000</u>	<u>159,263</u>	<u>9,263</u>
Fund balance at end of year	<u>\$ 72,500</u>	<u>\$ 127,175</u>	<u>\$ 54,675</u>

TILLAMOOK COUNTY

**FOREST TIMBER TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 48,000	\$ 50,000	\$ 2,000
EXPENDITURES			
Materials and services	<u>48,000</u>	<u>17,235</u>	<u>30,765</u>
Net change in fund balance	-	32,765	32,765
Fund balance at beginning of year	<u>40,000</u>	<u>4,449</u>	<u>(35,551)</u>
Fund balance at end of year	<u>\$ 40,000</u>	<u>\$ 37,214</u>	<u>\$ (2,786)</u>

TILLAMOOK COUNTY

**JUVENILE TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ -	\$ 75	\$ 75
Miscellaneous	<u>1,500</u>	<u>1,128</u>	<u>(372)</u>
TOTAL REVENUES	1,500	1,203	(297)
EXPENDITURES			
Materials and services	<u>11,500</u>	<u>425</u>	<u>11,075</u>
Net change in fund balance	(10,000)	778	10,778
Fund balance at beginning of year	<u>15,000</u>	<u>15,783</u>	<u>783</u>
Fund balance at end of year	<u>\$ 5,000</u>	<u>\$ 16,561</u>	<u>\$ 11,561</u>

TILLAMOOK COUNTY

**LAW LIBRARY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 20,000	\$ 22,385	\$ 2,385
EXPENDITURES			
Materials and services	<u>43,000</u>	<u>32,852</u>	<u>10,148</u>
Excess (deficiency) of revenues over expenditures	(23,000)	(10,467)	12,533
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	(18,000)	(5,467)	12,533
Fund balance at beginning of year	<u>18,000</u>	<u>24,251</u>	<u>6,251</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 18,784</u>	<u>\$ 18,784</u>

TILLAMOOK COUNTY

**BUILDING, PLANNING AND SANITATION (BPS) SURCHARGE
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 150,000	\$ 77,231	\$ (72,769)
EXPENDITURES			
Materials and services	<u>150,000</u>	<u>49,459</u>	<u>100,541</u>
Net change in fund balance	-	27,772	27,772
Fund balance at beginning of year	<u>-</u>	<u>16,306</u>	<u>16,306</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 44,078</u>	<u>\$ 44,078</u>

TILLAMOOK COUNTY

**PUBLIC LAND CORNER PRESERVATION (PLCP) - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 50,000	\$ 64,206	\$ 14,206
Investment earnings	1,000	592	(408)
Miscellaneous	-	19	19
	<u>51,000</u>	<u>64,817</u>	<u>13,817</u>
TOTAL REVENUES	<u>51,000</u>	<u>64,817</u>	<u>13,817</u>
EXPENDITURES			
Personal services	87,335	83,327	4,008
Materials and services	77,065	6,960	70,105
Capital outlay	15,100	-	15,100
Contingency	27,500	-	27,500
	<u>207,000</u>	<u>90,287</u>	<u>116,713</u>
TOTAL EXPENDITURES	<u>207,000</u>	<u>90,287</u>	<u>116,713</u>
Net change in fund balance	(156,000)	(25,470)	130,530
Fund balance at beginning of year	<u>156,000</u>	<u>133,121</u>	<u>(22,879)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 107,651</u>	<u>\$ 107,651</u>

TILLAMOOK COUNTY

**CLERKS RECORDS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses, permits and fees	\$ 9,000	\$ 11,090	\$ 2,090
Investment earnings	<u>100</u>	<u>56</u>	<u>(44)</u>
TOTAL REVENUES	9,100	11,146	2,046
EXPENDITURES			
Materials and services	<u>13,600</u>	<u>764</u>	<u>12,836</u>
Net change in fund balance	(4,500)	10,382	14,882
Fund balance at beginning of year	<u>4,500</u>	<u>8,358</u>	<u>3,858</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 18,740</u>	<u>\$ 18,740</u>

TILLAMOOK COUNTY

**FEDERAL TITLE III - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 100,000	\$ -	\$ (100,000)
Investment earnings	<u>-</u>	<u>576</u>	<u>576</u>
TOTAL REVENUES	100,000	576	(99,424)
EXPENDITURES			
Materials and services	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Net change in fund balance	(50,000)	576	50,576
Fund balance at beginning of year	<u>50,000</u>	<u>129,149</u>	<u>79,149</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 129,725</u>	<u>\$ 129,725</u>

TILLAMOOK COUNTY

**VETERAN'S SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 111,000	\$ 113,634	\$ 2,634
Intergovernmental	17,500	31,670	14,170
Investment earnings	500	190	(310)
Miscellaneous	<u>-</u>	<u>248</u>	<u>248</u>
TOTAL REVENUES	<u>129,000</u>	<u>145,742</u>	<u>16,742</u>
EXPENDITURES			
Personal services	131,565	125,984	5,581
Materials and services	38,030	31,639	6,391
Capital outlay	<u>515</u>	<u>-</u>	<u>515</u>
TOTAL EXPENDITURES	<u>170,110</u>	<u>157,623</u>	<u>12,487</u>
Net change in fund balance	(41,110)	(11,881)	29,229
Fund balance at beginning of year	<u>41,110</u>	<u>39,417</u>	<u>(1,693)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 27,536</u>	<u>\$ 27,536</u>

TILLAMOOK COUNTY

**NESTUCCA VALLEY COMMUNITY CAMPUS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Miscellaneous	\$ 5,000	\$ 2,325	\$ (2,675)
EXPENDITURES			
Materials and services	5,000	-	5,000
Net change in fund balance	-	2,325	2,325
Fund balance at beginning of year	-	1,050	1,050
Fund balance at end of year	\$ -	\$ 3,375	\$ 3,375

TILLAMOOK COUNTY

**TECHNOLOGY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 50,000	\$ 144,228	\$ 94,228
EXPENDITURES			
Materials and services	41,605	1,416	40,189
Capital outlay	58,395	58,392	3
TOTAL EXPENDITURES	100,000	59,808	40,192
Net change in fund balance	(50,000)	84,420	134,420
Fund balance at beginning of year	50,000	68,097	18,097
Fund balance at end of year	\$ -	\$ 152,517	\$ 152,517

TILLAMOOK COUNTY

**COURT SECURITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 40,000	\$ 38,662	\$ (1,338)
Investment earnings	5,000	1,459	(3,541)
TOTAL REVENUES	45,000	40,121	(4,879)
EXPENDITURES			
Materials and services	27,200	11,753	15,447
Capital outlay	317,800	14,001	303,799
TOTAL EXPENDITURES	345,000	25,754	319,246
Net change in fund balance	(300,000)	14,367	314,367
Fund balance at beginning of year	300,000	301,670	1,670
Fund balance at end of year	\$ -	\$ 316,037	\$ 316,037

TILLAMOOK COUNTY

**LAW ENFORCEMENT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ 20,000	\$ 20,113	\$ 113
Miscellaneous	<u>2,500</u>	<u>1,434</u>	<u>(1,066)</u>
TOTAL REVENUES	<u>22,500</u>	<u>21,547</u>	<u>(953)</u>
EXPENDITURES			
Materials and services	59,300	38,629	20,671
Capital outlay	<u>8,200</u>	<u>8,126</u>	<u>74</u>
TOTAL EXPENDITURES	<u>67,500</u>	<u>46,755</u>	<u>20,745</u>
Net change in fund balance	(45,000)	(25,208)	19,792
Fund balance at beginning of year	<u>45,000</u>	<u>31,123</u>	<u>(13,877)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 5,915</u>	<u>\$ 5,915</u>

TILLAMOOK COUNTY

**SHERIFF TRUST - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ -	\$ 3,000	\$ 3,000
Fines and forfeitures	5,000	10,604	5,604
Investment earnings	-	53	53
Miscellaneous	<u>4,295</u>	<u>4,295</u>	<u>-</u>
TOTAL REVENUES	9,295	17,952	8,657
EXPENDITURES			
Materials and services	<u>14,295</u>	<u>9,316</u>	<u>4,979</u>
Net change in fund balance	(5,000)	8,636	13,636
Fund balance at beginning of year	<u>5,000</u>	<u>9,283</u>	<u>4,283</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 17,919</u></u>	<u><u>\$ 17,919</u></u>

TILLAMOOK COUNTY

**SB 1065 ASSESSMENT AND CONVICTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Fines and forfeitures	\$ 30,000	\$ 30,346	\$ 346
Investment earnings	1,000	567	(433)
TOTAL REVENUES	31,000	30,913	(87)
EXPENDITURES			
Materials and services	126,000	18,600	107,400
Contingency	5,000	-	5,000
TOTAL EXPENDITURES	131,000	18,600	112,400
Excess (deficiency) of revenues over expenditures	(100,000)	12,313	112,313
OTHER FINANCING SOURCES (USES)			
Transfers out	(20,000)	(20,000)	-
Net change in fund balance	(120,000)	(7,687)	112,313
Fund balance at beginning of year	120,000	121,794	1,794
Fund balance at end of year	\$ -	\$ 114,107	\$ 114,107

TILLAMOOK COUNTY

EMERGENCY FIRE AND RADIO LOCAL OPTION TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	\$ -	\$ (588)	\$ 588
Fund balance at beginning of year	<u>-</u>	<u>588</u>	<u>588</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TILLAMOOK COUNTY

**TILLAMOOK NARCOTICS TEAM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 3,000	\$ 5,064	\$ 2,064
Fines and forfeitures	10,000	19,079	9,079
Investment earnings	<u>250</u>	<u>215</u>	<u>(35)</u>
TOTAL REVENUES	<u>13,250</u>	<u>24,358</u>	<u>11,108</u>
EXPENDITURES			
Materials and services	32,400	15,400	17,000
Contingency	<u>10,850</u>	<u>-</u>	<u>10,850</u>
TOTAL EXPENDITURES	<u>43,250</u>	<u>15,400</u>	<u>27,850</u>
Net change in fund balance	(30,000)	12,668	42,668
Fund balance at beginning of year	<u>30,000</u>	<u>45,677</u>	<u>15,677</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 58,345</u>	<u>\$ 58,345</u>

TILLAMOOK COUNTY

**NORTH COAST DRUG TASK FORCE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 574,090	\$ 555,959	\$ (18,131)
EXPENDITURES			
Materials and services	337,090	318,043	19,047
Excess (deficiency) of revenues over expenditures	237,000	237,916	916
OTHER FINANCING SOURCES (USES)			
Transfers out	(237,000)	(190,196)	(46,804)
Net change in fund balance	-	47,720	47,720
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ 47,720	\$ 47,720

TILLAMOOK COUNTY

**BIKE PATH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 2,000	\$ 855	\$ (1,145)
EXPENDITURES			
Capital outlay	60,000	25,374	34,626
Excess (deficiency) of revenues over expenditures	(58,000)	(24,519)	33,481
OTHER FINANCING SOURCES (USES)			
Transfers in	17,250	17,250	-
Net change in fund balance	(40,750)	(7,269)	33,481
Fund balance at beginning of year	173,225	176,380	3,155
Fund balance at end of year	\$ 132,475	\$ 169,111	\$ 36,636

TILLAMOOK COUNTY

**COUNTY FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 35,600	\$ 36,031	\$ 431
Charges for services	706,000	789,846	83,846
Investment earnings	1,600	1,649	49
Miscellaneous	<u>29,350</u>	<u>33,669</u>	<u>4,319</u>
TOTAL REVENUES	<u>772,550</u>	<u>861,195</u>	<u>88,645</u>
EXPENDITURES			
Personal services	266,225	265,587	638
Materials and services	552,325	534,621	17,704
Capital outlay	30,000	29,925	75
Contingency	<u>40,000</u>	<u>-</u>	<u>40,000</u>
TOTAL EXPENDITURES	<u>888,550</u>	<u>830,133</u>	<u>58,417</u>
Net change in fund balance	(116,000)	31,062	147,062
Fund balance at beginning of year	<u>116,000</u>	<u>270,441</u>	<u>154,441</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 301,503</u>	<u>\$ 301,503</u>

TILLAMOOK COUNTY

**PARKS OPERATIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Fines and forfeitures	\$ -	\$ 770	\$ 770
Charges for services	1,139,500	1,106,638	(32,862)
Investment earnings	2,000	1,824	(176)
Miscellaneous	<u>37,900</u>	<u>64,450</u>	<u>26,550</u>
TOTAL REVENUES	<u>1,179,400</u>	<u>1,173,682</u>	<u>(5,718)</u>
EXPENDITURES			
Personal services	654,050	602,852	51,198
Materials and services	480,300	460,827	19,473
Capital outlay	<u>169,345</u>	<u>106,805</u>	<u>62,540</u>
TOTAL EXPENDITURES	<u>1,303,695</u>	<u>1,170,484</u>	<u>133,211</u>
Net change in fund balance	(124,295)	3,198	127,493
Fund balance at beginning of year	<u>124,295</u>	<u>245,913</u>	<u>121,618</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 249,111</u>	<u>\$ 249,111</u>

TILLAMOOK COUNTY

**MENTAL HEALTH - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,500,000	\$ 838,345	\$ (661,655)
EXPENDITURES			
Materials and services	1,500,000	838,345	661,655
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -

TILLAMOOK COUNTY

**MEDIATION PROGRAM - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 10,000	\$ 12,597	\$ 2,597
Investment earnings	1,000	460	(540)
TOTAL REVENUES	11,000	13,057	2,057
EXPENDITURES			
Materials and services	106,000	20,546	85,454
Net change in fund balance	(95,000)	(7,489)	87,511
Fund balance at beginning of year	95,000	100,497	5,497
Fund balance at end of year	\$ -	\$ 93,008	\$ 93,008

TILLAMOOK COUNTY

**TILLAMOOK COUNTY 4-H AND EXTENSION SERVICE DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 247,800	\$ 260,845	\$ 13,045
Intergovernmental	35,700	46,040	10,340
Investment earnings	2,600	1,260	(1,340)
Miscellaneous	<u>16,100</u>	<u>16,110</u>	<u>10</u>
 TOTAL REVENUES	 <u>302,200</u>	 <u>324,255</u>	 <u>22,055</u>
 EXPENDITURES			
Personal services	204,200	188,150	16,050
Materials and services	151,500	102,042	49,458
Contingency	<u>50,600</u>	<u>-</u>	<u>50,600</u>
 TOTAL EXPENDITURES	 <u>406,300</u>	 <u>290,192</u>	 <u>116,108</u>
 Excess (deficiency) of revenues over expenditures	 (104,100)	 34,063	 138,163
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
 Net change in fund balance	 (114,100)	 24,063	 138,163
Fund balance at beginning of year	<u>199,100</u>	<u>226,856</u>	<u>27,756</u>
 Fund balance at end of year	 <u>\$ 85,000</u>	 <u>\$ 250,919</u>	 <u>\$ 165,919</u>

TILLAMOOK COUNTY

**HOSPITAL - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 851,490	\$ 858,836	\$ 7,346
Investment earnings	<u>750</u>	<u>614</u>	<u>(136)</u>
TOTAL REVENUES	<u>852,240</u>	<u>859,450</u>	<u>7,210</u>
EXPENDITURES			
Materials and services	1,000	530	470
Debt service	<u>866,240</u>	<u>866,240</u>	<u>-</u>
TOTAL EXPENDITURES	<u>867,240</u>	<u>866,770</u>	<u>470</u>
Net change in fund balance	(15,000)	(7,320)	7,680
Fund balance at beginning of year	<u>95,000</u>	<u>103,335</u>	<u>8,335</u>
Fund balance at end of year	<u>\$ 80,000</u>	<u>\$ 96,015</u>	<u>\$ 16,015</u>

TILLAMOOK COUNTY

**JAIL - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 643,650	\$ 650,129	\$ 6,479
Investment earnings	<u>500</u>	<u>177</u>	<u>(323)</u>
TOTAL REVENUES	<u>644,150</u>	<u>650,306</u>	<u>6,156</u>
EXPENDITURES			
Materials and services	600	530	70
Debt service	<u>657,050</u>	<u>657,050</u>	<u>-</u>
TOTAL EXPENDITURES	<u>657,650</u>	<u>657,580</u>	<u>70</u>
Net change in fund balance	(13,500)	(7,274)	6,226
Fund balance at beginning of year	<u>55,000</u>	<u>54,755</u>	<u>(245)</u>
Fund balance at end of year	<u>\$ 41,500</u>	<u>\$ 47,481</u>	<u>\$ 5,981</u>

TILLAMOOK COUNTY

**LIBRARY - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 269,639	\$ 273,881	\$ 4,242
Investment earnings	<u>250</u>	<u>131</u>	<u>(119)</u>
TOTAL REVENUES	<u>269,889</u>	<u>274,012</u>	<u>4,123</u>
EXPENDITURES			
Materials and services	600	530	70
Debt service	<u>269,289</u>	<u>269,289</u>	<u>-</u>
TOTAL EXPENDITURES	<u>269,889</u>	<u>269,819</u>	<u>70</u>
Net change in fund balance	-	4,193	4,193
Fund balance at beginning of year	<u>3,500</u>	<u>2,717</u>	<u>(783)</u>
Fund balance at end of year	<u>\$ 3,500</u>	<u>\$ 6,910</u>	<u>\$ 3,410</u>

TILLAMOOK COUNTY

**VEHICLE RESERVE - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 2,500	\$ 1,249	\$ (1,251)
EXPENDITURES			
Capital outlay	268,500	-	268,500
Net change in fund balance	(266,000)	1,249	267,249
Fund balance at beginning of year	266,000	266,549	549
Fund balance at end of year	\$ -	\$ 267,798	\$ 267,798

TILLAMOOK COUNTY

**LIBRARY RESERVE - CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 500	\$ 714	\$ 214
EXPENDITURES			
Capital outlay	250,500	-	250,500
Excess (deficiency) of revenues over expenditures	(250,000)	714	250,714
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	100,000	-
Net change in fund balance	(150,000)	100,714	250,714
Fund balance at beginning of year	150,000	116,838	(33,162)
Fund balance at end of year	\$ -	\$ 217,552	\$ 217,552

TILLAMOOK COUNTY

**TILLAMOOK COUNTY 4-H EXTENSION BUILDING RESERVE
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 750	\$ 399	\$ (351)
EXPENDITURES			
Capital outlay	92,250	-	92,250
Excess (deficiency) of revenues over expenditures	(91,500)	399	91,899
OTHER FINANCING SOURCES (USES)			
Transfers in	10,000	10,000	-
Net change in fund balance	(81,500)	10,399	91,899
Fund balance at beginning of year	81,500	81,614	114
Fund balance at end of year	\$ -	\$ 92,013	\$ 92,013

TILLAMOOK COUNTY

**OREGON COMMUNITY DEVELOPMENT BLOCK GRANT
CAPITAL PROJECTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Intergovernmental	\$ 1,230,000	\$ 1,021,166	\$ (208,834)
EXPENDITURES			
Materials and services	<u>1,230,000</u>	<u>1,029,396</u>	<u>200,604</u>
Net change in fund balance	-	(8,230)	(8,230)
Fund balance at beginning of year	<u>-</u>	<u>(15,087)</u>	<u>(15,087)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ (23,317)</u>	<u>\$ (23,317)</u>

TILLAMOOK COUNTY

**OTIA BRIDGE CONSTRUCTION - CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Investment earnings	\$ -	\$ 175	\$ 175
EXPENDITURES			
Materials and services	32,000	21,023	10,977
Capital outlay	<u>30,000</u>	<u>10,590</u>	<u>19,410</u>
TOTAL EXPENDITURES	<u>62,000</u>	<u>31,613</u>	<u>30,387</u>
Net change in fund balance	(62,000)	(31,438)	30,562
Fund balance at beginning of year	<u>62,000</u>	<u>62,062</u>	<u>62</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 30,624</u>	<u>\$ 30,624</u>

TILLAMOOK COUNTY

**TRASK ROAD PROJECT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ -	\$ 180,156	\$ 180,156
Investment earnings	<u>3,000</u>	<u>1,657</u>	<u>(1,343)</u>
TOTAL REVENUES	<u>3,000</u>	<u>181,813</u>	<u>178,813</u>
EXPENDITURES			
Materials and services	325,800	325,794	6
Contingency	<u>7,200</u>	<u>-</u>	<u>7,200</u>
TOTAL EXPENDITURES	<u>333,000</u>	<u>325,794</u>	<u>7,206</u>
Net change in fund balance	(330,000)	(143,981)	186,019
Fund balance at beginning of year	<u>330,000</u>	<u>338,089</u>	<u>8,089</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 194,108</u>	<u>\$ 194,108</u>

TILLAMOOK COUNTY

**FAIR - CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ -	\$ 50	\$ 50
Miscellaneous	-	304,804	304,804
	-	304,854	304,854
Net change in fund balance	-	304,854	304,854
Fund balance at beginning of year	-	-	-
	-	-	-
Fund balance at end of year	\$ -	\$ 304,854	\$ 304,854

Proprietary Funds

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

TILLAMOOK COUNTY

**SOLID WASTE - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Assessments	\$ 215,000	\$ 227,544	\$ 12,544
Intergovernmental	86,000	46,200	(39,800)
Charges for services	1,300,000	1,408,720	108,720
Investment earnings	20,000	2,808	(17,192)
Miscellaneous	-	105,932	105,932
	<u>1,621,000</u>	<u>1,791,204</u>	<u>170,204</u>
TOTAL REVENUES			
EXPENDITURES			
Personal services	96,035	92,810	3,225
Materials and services	1,674,550	1,586,805	87,745
Capital outlay	3,000	3,000	-
Contingency	376,175	-	376,175
	<u>2,149,760</u>	<u>1,682,615</u>	<u>467,145</u>
TOTAL EXPENDITURES			
Excess (deficiency) of revenues over expenditures	(528,760)	108,589	637,349
OTHER FINANCING SOURCES (USES)			
Transfers out	(200,000)	(200,000)	-
Net change in fund balance	(728,760)	(91,411)	637,349
Fund balance at beginning of year	968,760	631,827	(336,933)
	<u>\$ 240,000</u>	<u>540,416</u>	<u>\$ 300,416</u>
Fund balance at end of year			
Reconciliation to generally accepted accounting principles:			
Receivables		207,228	
Capital assets, net		2,156,940	
Accounts payable and accrued expenses		(129,072)	
Accumulated compenstaed absences		(1,618)	
Landfill post-closure costs		(901,408)	
		<u>1,872,486</u>	
Net assets at end of year		<u>\$ 1,872,486</u>	

TILLAMOOK COUNTY

**SOLID WASTE SINKING - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget	Actual	Variance
REVENUES			
Investment earnings	\$ 20,000	\$ 4,543	\$ (15,457)
EXPENDITURES			
Materials and services	60,100	60,087	13
Capital outlay	404,900	159,690	245,210
Contingency	265,000	-	265,000
TOTAL EXPENDITURES	730,000	219,777	510,223
Excess (deficiency) of revenues over expenditures	(710,000)	(215,234)	494,766
OTHER FINANCING SOURCES (USES)			
Transfers in	200,000	200,000	-
Net change in fund balance	(510,000)	(15,234)	494,766
Fund balance at beginning of year	760,000	974,989	214,989
Fund balance at end of year	\$ 250,000	959,755	\$ 709,755
Reconciliation to generally accepted accounting principles:			
Accounts payable and accrued expenses		(15,593)	
Net assets at end of year		\$ 944,162	

Tillamook County



Land of Cheese, Trees and Ocean Breeze

Agency Fund

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

TILLAMOOK COUNTY

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended June 30, 2011

	<u>Balances</u> <u>June 30, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2011</u>
<u>ASSETS</u>				
Cash and investments	\$ 924,725	\$ 41,011,342	\$ 41,091,696	\$ 844,371
Receivables	4,942,462	35,629,668	35,506,943	5,065,187
TOTAL ASSETS	<u>\$ 5,867,187</u>	<u>\$ 76,641,010</u>	<u>\$ 76,598,639</u>	<u>\$ 5,909,558</u>
<u>LIABILITIES</u>				
Due to other governments	<u>\$ 5,867,187</u>	<u>\$ 76,641,010</u>	<u>\$ 76,598,639</u>	<u>\$ 5,909,558</u>

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

TILLAMOOK COUNTY

SCHEDULE OF CAPITAL ASSETS
GOVERNMENTAL ACTIVITIES
June 30, 2011

CAPITAL ASSETS

Land	\$ 5,377,282
Land improvements	1,843,325
Buildings	31,009,968
Equipment	9,305,981
Infrastructure	21,402,735
Construction in progress	<u>1,377,193</u>

TOTAL CAPITAL ASSETS \$ 70,316,484

INVESTMENT IN CAPITAL ASSETS

General fund	\$ 9,724,470
Special revenue funds	26,055,030
Capital project funds	<u>34,536,984</u>

TOTAL INVESTMENT IN CAPITAL ASSETS \$ 70,316,484

TILLAMOOK COUNTY

SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENTAL ACTIVITIES

June 30, 2011

Function and Activity	Totals	Land			Equipment	Infrastructure	Construction in Progress
		Land	Improvements	Buildings			
General government:							
Board of County Commissioners	\$ 36,675	\$ -	\$ -	\$ -	\$ 36,675	\$ -	\$ -
District Attorney	71,512	-	-	-	71,512	-	-
County Clerk	247,888	-	-	-	247,888	-	-
County Assessor	162,386	-	-	-	162,386	-	-
Courthouse Building	1,931,977	702,367	-	1,124,180	99,868	-	5,562
County Surveyor	55,991	-	-	-	55,991	-	-
Community Development	723,912	550,186	-	-	173,726	-	-
Data Processing	461,935	-	-	33,782	428,153	-	-
Juvenile	44,495	-	-	-	44,495	-	-
Personnel	18,578	-	-	-	18,578	-	-
Other - unclassified	1,915,880	345,056	-	705,187	760,637	-	105,000
Total general government	5,671,229	1,597,609	-	1,863,149	2,099,909	-	110,562
Public safety							
County Sheriff	1,718,981	-	42,678	67,628	1,550,283	-	58,392
Communications	59,838	-	-	20,808	39,030	-	-
Commission on Children and Families	11,832	-	-	-	11,832	-	-
Corrections	8,562,500	-	-	8,036,470	526,030	-	-
Courts	251,118	-	-	225,316	25,802	-	-
Total public safety	10,604,269	-	42,678	8,350,222	2,152,977	-	58,392
Highways and streets	27,705,228	1,475,557	11,560	85,103	3,924,493	21,402,735	805,780
Culture and recreation							
Parks	4,946,397	2,227,960	1,473,359	989,791	255,287	-	-
Library	4,734,117	22,000	-	4,444,962	267,155	-	-
Fair	3,590,334	54,156	88,128	3,072,323	375,727	-	-
Total culture and recreation	13,270,848	2,304,116	1,561,487	8,507,076	898,169	-	-
Health and welfare	12,419,726	-	-	11,792,303	224,964	-	402,459
Education	645,184	-	227,600	412,115	5,469	-	-
Total capital assets	\$70,316,484	\$5,377,282	\$ 1,843,325	\$31,009,968	\$ 9,305,981	\$ 21,402,735	\$ 1,377,193

TILLAMOOK COUNTY

**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
GOVERNMENT ACTIVITIES
For the Year Ended June 30, 2011**

<u>Function and Activity</u>	<u>Balances June 30, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances June 30, 2011</u>
General government				
Board of County Commissioners	\$ 29,203	\$ 7,472	\$ -	\$ 36,675
District Attorney	72,611	7,508	8,607	71,512
County Clerk	247,888	-	-	247,888
County Assessor	162,386	-	-	162,386
Courthouse Building	1,456,246	475,731	-	1,931,977
County Surveyor	55,991	-	-	55,991
Community Development	723,912	-	-	723,912
Data Processing	462,686	14,000	14,751	461,935
Juvenile	70,876	5,349	31,730	44,495
Personnel	18,578	-	-	18,578
Other - unclassified	1,915,880	-	-	1,915,880
Total general government	<u>5,216,257</u>	<u>510,060</u>	<u>55,088</u>	<u>5,671,229</u>
Public safety				
County Sheriff	1,569,921	173,529	200,761	1,542,689
Communications	76,842	-	17,004	59,838
Commission on Children and Families	11,832	-	-	11,832
Corrections	8,410,097	152,403	-	8,562,500
Courts	251,059	5,417	5,358	251,118
Total public safety	<u>10,319,751</u>	<u>331,349</u>	<u>223,123</u>	<u>10,427,977</u>
Highways and streets	<u>27,560,611</u>	<u>333,412</u>	<u>12,503</u>	<u>27,881,520</u>
Culture and recreation				
Parks	4,975,523	57,627	86,753	4,946,397
Library	4,787,845	27,118	80,846	4,734,117
Fair	3,589,499	21,100	20,265	3,590,334
Total culture and recreation	<u>13,352,867</u>	<u>105,845</u>	<u>187,864</u>	<u>13,270,848</u>
Health and welfare	<u>12,054,572</u>	<u>402,459</u>	<u>37,305</u>	<u>12,419,726</u>
Education	<u>645,184</u>	<u>-</u>	<u>-</u>	<u>645,184</u>
Total capital assets	<u>\$ 69,149,242</u>	<u>\$ 1,683,125</u>	<u>\$ 515,883</u>	<u>\$ 70,316,484</u>

OTHER FINANCIAL SCHEDULES

Tillamook County



Land of Cheese, Trees and Ocean Breeze

TILLAMOOK COUNTY

**SCHEDULE OF GENERAL OBLIGATION BONDS
PRINCIPAL AND INTEREST TRANSACTIONS
For the Year Ended June 30, 2011**

<u>General Obligation Bond Issues</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Outstanding June 30, 2010</u>	<u>Principal</u>		<u>Interest Matured and Paid</u>
				<u>Matured and Paid</u>	<u>Outstanding June 30, 2011</u>	
1999 Refunding	3.2% - 4.7%	3/11/1999	\$ 2,350,000	\$ 550,000	\$ 1,800,000	\$ 107,050
2002 Refunding	1.8% - 4.7%	5/2/2002	4,255,000	680,000	3,575,000	186,240
2003	2.0% - 4.5%	12/17/2003	<u>2,840,000</u>	<u>155,000</u>	<u>2,685,000</u>	<u>114,289</u>
Totals			<u>\$ 9,445,000</u>	<u>\$ 1,385,000</u>	<u>\$ 8,060,000</u>	<u>\$ 407,579</u>

TILLAMOOK COUNTY

**SCHEDULE OF LONG-TERM OBLIGATION FUTURE REQUIREMENTS
June 30, 2011**

	Bonded Debt					
	1999 Refunding		2002 Refunding		2003	
	Principal	Interest	Principal	Interest	Principal	Interest
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
2020-21	-	-	-	-	230,000	38,925
2021-22	-	-	-	-	240,000	28,350
2022-23	-	-	-	-	250,000	17,325
2023-24	-	-	-	-	260,000	5,850
	<u>\$ 1,800,000</u>	<u>\$ 169,200</u>	<u>\$ 3,575,000</u>	<u>\$ 470,955</u>	<u>\$ 2,685,000</u>	<u>\$ 822,408</u>

OEDD		Loans		Capital Lease		Compensated Absences	Totals		
Principal	Interest	Principal	Interest	TLC Principal	FMC Principal		Interest	Principal	Interest
\$ 21,674	\$ 14,944	\$ 37,459	\$ 1,141	\$ 75,000	\$ 1,940	\$ 35	\$ 994,779	\$ 2,575,852	\$ 366,300
22,974	13,643	37,650	951	75,000	-	-	-	1,650,624	303,219
24,353	12,265	37,838	761	75,000	-	-	-	1,712,191	235,675
25,814	10,804	38,027	573	75,000	-	-	-	1,128,841	163,894
27,363	9,255	38,216	384	75,000	-	-	-	865,579	117,817
29,004	7,612	38,301	192	75,000	-	-	-	337,305	83,183
30,745	5,873	-	-	75,000	-	-	-	310,745	72,998
32,589	4,028	-	-	75,000	-	-	-	317,589	62,438
34,544	2,074	-	-	75,000	-	-	-	329,544	51,124
-	-	-	-	-	-	-	-	230,000	38,925
-	-	-	-	-	-	-	-	240,000	28,350
-	-	-	-	-	-	-	-	250,000	17,325
-	-	-	-	-	-	-	-	260,000	5,850
<u>\$249,060</u>	<u>\$ 80,498</u>	<u>\$227,491</u>	<u>\$ 4,002</u>	<u>\$ 675,000</u>	<u>\$ 1,940</u>	<u>\$ 35</u>	<u>\$ 994,779</u>	<u>\$ 10,208,270</u>	<u>\$ 1,547,098</u>

TILLAMOOK COUNTY

SCHEDULE OF CASH RECEIPTS AND TURNS OVERS FOR ELECTED OFFICIALS

As of and for the Year Ended June 30, 2011

Elected Officials	Cash and Investments Balances June 30, 2010	Cash Receipts	Cash Turnovers and Disbursements to County Treasurer and Others	Cash and Investments Balances June 30, 2011
Clerk	\$ -	\$ 254,188	\$ 254,188	\$ -
Justice of the Peace	-	374,255	374,255	-
Sheriff	21,545	22,828	21,545	22,828
Surveyor	-	28,472	28,472	-
Tax Collector	28,889	42,809,242	42,826,377	11,754
Treasurer	21,732,836	167,001,896	167,151,864	21,582,868
Total cash and investments	\$ 21,783,270	\$210,490,881	\$ 210,656,701	\$ 21,617,450
Cash and investments as of June 30, 2008				
Deposits with financial institutions				\$ 1,841,096
Cash on hand				20,524
Money market funds				1,186,208
Certificates of deposit				620,071
U.S. Government Agencies				1,003,471
Corporate Debt Obligation Securities				801,326
State Treasurer's Investment Pool				16,144,754
Cash and investments for elected officials				21,617,450
Cash held by County Fair Board				301,503
Restricted cash held for Employee Benefits				9,964
Held by custodian under pension plan, primarily mutual funds				41,124,142
Total cash and investments				<u>\$ 63,053,059</u>
Reported in the Basic Financial Statements as:				
Governmental activities				
Governmental activities - cash and investments				\$ 19,582,166
Business-type activities - cash and investments				1,502,380
Pension trust				
Cash and investments				2,249,597
Investments in fixed income securities				9,230,917
Investments in mutual funds				29,643,628
Agency funds - cash and investments				844,371
				<u>\$ 63,053,059</u>

STATISTICAL SECTION



STATISTICAL SECTION

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

Financial Trends

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

Revenue Capacity

These schedules contain information to help the reader assess the 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 Nine Fiscal Years*

	Fiscal Year Ended June 30,								
	2011	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities									
Invested in capital assets, net of related debt	\$ 44,019,014	\$ 37,071,660	\$ 36,042,826	\$ 31,862,585	\$ 28,288,674	\$ 22,952,895	\$ 19,415,441	\$ 15,073,481	\$ 16,553,927
Restricted	9,617,647	3,777,499	4,423,745	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966	3,300,578
Unrestricted	<u>5,672,012</u>	<u>17,653,947</u>	<u>16,808,514</u>	<u>16,501,257</u>	<u>14,411,635</u>	<u>12,707,246</u>	<u>9,788,885</u>	<u>12,545,890</u>	<u>7,807,388</u>
Total governmental activities net assets	\$ 59,308,673	\$ 58,503,106	\$ 57,275,085	\$ 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	\$ 2,156,940	\$ 2,085,051	\$ 2,112,011	\$ 1,633,850	\$ 1,454,638	\$ 1,520,162	\$ 1,585,686	\$ 1,626,812	1,612,165
Unrestricted	<u>659,708</u>	<u>724,915</u>	<u>569,978</u>	<u>1,005,008</u>	<u>991,608</u>	<u>723,497</u>	<u>285,305</u>	<u>11,829</u>	<u>(169,191)</u>
Total business-type activities net assets	\$ 2,816,648	\$ 2,809,966	\$ 2,681,989	\$ 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	\$ 46,175,954	\$ 39,156,711	\$ 38,154,837	\$ 33,496,435	\$ 29,743,312	\$ 24,473,057	\$ 21,001,127	\$ 16,700,293	\$ 18,166,092
Restricted	9,617,647	3,777,499	4,423,745	4,756,637	5,995,709	8,618,799	10,457,167	2,271,966	3,300,578
Unrestricted	<u>6,331,720</u>	<u>18,378,862</u>	<u>17,378,492</u>	<u>17,506,265</u>	<u>15,403,243</u>	<u>13,430,743</u>	<u>10,074,190</u>	<u>12,557,719</u>	<u>7,638,197</u>
Total net assets	\$ 62,125,321	\$ 61,313,072	\$ 59,957,074	\$ 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

**Governmental Activities Tax Revenues by Source
Last Nine Fiscal Years***

Fiscal Year Ended June 30,	Property Taxes	State Fuel Taxes	Other Taxes	Totals
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
2009	9,786,714	1,217,874	197,973	11,202,561
2010	10,083,863	1,333,076	200,083	11,617,022
2011	10,414,096	1,695,486	161,778	12,271,360

* 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,									
	2011*	2010	2009	2008	2007	2006	2005	2004	2003	2002
General fund										
Unreserved	\$ -	\$ 8,043,291	\$ 6,882,209	\$ 6,821,346	\$ 7,337,984	\$ 7,812,327	\$ 6,138,135	\$ 5,626,426	\$ 5,318,223	\$ 4,981,773
Unassigned	<u>10,718,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total General fund	<u>10,718,830</u>	<u>8,043,291</u>	<u>6,882,209</u>	<u>6,821,346</u>	<u>7,337,984</u>	<u>7,812,327</u>	<u>6,138,135</u>	<u>5,626,426</u>	<u>5,318,223</u>	<u>4,981,773</u>
All other governmental funds										
Reserved	-	206,774	235,337	215,949	322,142	470,259	556,992	358,143	392,881	462,708
Unreserved, reported in:										
Special revenue funds	-	11,771,220	11,575,922	10,390,356	9,476,705	7,512,996	5,602,952	5,132,411	5,241,612	5,784,748
Capital projects funds	-	1,759,915	1,886,440	4,116,286	4,174,993	6,922,753	11,667,869	3,761,538	149,358	364,345
Restricted	9,477,736	-	-	-	-	-	-	-	-	-
Assigned	1,458,727	-	-	-	-	-	-	-	-	-
Unassigned	<u>(4,370)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental fund	<u>10,932,093</u>	<u>13,737,909</u>	<u>13,697,699</u>	<u>14,722,591</u>	<u>13,973,840</u>	<u>14,906,008</u>	<u>17,827,813</u>	<u>9,252,092</u>	<u>5,783,851</u>	<u>6,611,801</u>
Total all governmental funds	<u>\$ 21,650,923</u>	<u>\$ 21,781,200</u>	<u>\$ 20,579,908</u>	<u>\$ 21,543,937</u>	<u>\$ 21,311,824</u>	<u>\$ 22,718,335</u>	<u>\$ 23,965,948</u>	<u>\$ 14,878,518</u>	<u>\$ 11,102,074</u>	<u>\$ 11,593,574</u>

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.

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

TILLAMOOK COUNTY

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues										
Property taxes	\$ 10,333,210	\$ 9,987,473	\$ 9,639,855	\$ 9,106,933	\$ 8,271,003	\$ 7,930,381	\$ 8,059,139	\$ 7,189,829	\$ 7,641,537	\$ 6,626,688
Licences, permits and fees	600,973	1,303,389	1,171,341	1,494,431	2,075,166	1,946,936	1,558,172	1,438,510	1,280,774	1,079,496
Intergovernmental	14,536,914	13,526,561	16,274,582	17,116,589	16,111,821	16,668,427	22,323,685	15,106,846	14,720,679	14,242,350
Charges for services	5,381,155	4,384,487	4,208,498	4,150,954	4,071,257	4,843,870	4,261,631	3,973,124	2,696,291	3,411,457
Fines and forfeitures	630,989	631,219	486,735	569,179	607,473	445,869	459,416	451,661	477,587	465,055
Timber and land sales	2,743,241	3,190,547	3,537,254	3,996,788	4,306,537	5,471,766	4,483,877	3,084,565	2,940,354	3,122,884
Interest	98,664	187,697	534,977	977,682	1,057,756	902,182	308,439	126,296	180,227	288,138
Assessments	-	-	-	-	-	-	37,600	-	-	37,325
Intercounty charges	1,409,253	1,174,756	944,018	906,294	922,130	903,355	1,056,203	998,251	845,570	815,652
Miscellaneous	1,679,046	985,109	1,444,040	1,163,559	1,304,906	1,381,282	1,180,136	197,529	695,060	638,028
Total revenues	37,413,445	35,371,238	38,241,300	39,482,409	38,728,049	40,494,068	43,728,298	32,566,611	31,478,079	30,727,073
Expenditures										
General government	10,528,662	8,853,114	10,993,130	11,164,760	9,977,228	8,786,171	8,376,287	7,705,725	7,477,199	7,783,699
Public safety	7,121,264	6,812,616	7,168,431	7,196,260	7,230,929	6,704,170	6,662,805	5,808,071	6,229,987	5,408,506
Highways and streets	4,262,450	3,567,824	3,559,452	3,914,600	3,525,984	4,317,729	4,074,452	3,228,909	2,905,702	2,823,944
Culture and recreation	3,945,989	3,694,391	3,484,882	3,349,109	2,959,789	2,750,275	2,894,294	2,720,726	2,608,819	2,377,388
Health and welfare	5,193,134	4,902,771	4,984,677	4,685,745	5,125,135	5,295,462	5,831,335	6,072,876	5,440,020	4,875,662
Education	2,880,506	3,012,953	3,624,999	4,650,241	4,255,495	4,820,624	3,510,257	3,098,897	2,888,900	2,860,133
Capital outlay	1,665,946	1,406,921	3,648,289	3,873,732	5,152,551	7,181,096	1,297,647	1,901,943	2,165,485	1,601,147
Debt service										
Principal	1,522,159	1,470,520	1,418,966	1,292,489	1,301,064	1,196,623	1,184,860	1,227,674	1,626,662	907,743
Interest	425,377	480,636	532,455	580,997	634,573	689,531	813,994	652,918	640,043	826,931
Total expenditures	37,545,487	34,201,746	39,415,281	40,707,933	40,162,748	41,741,681	34,645,931	32,417,739	31,982,817	29,465,153
Excess (deficiency) of revenues over expenditures	(132,042)	1,169,492	(1,173,981)	(1,225,524)	(1,434,699)	(1,247,613)	9,082,367	148,872	(504,738)	1,261,920
Other financing sources (uses)										
Transfers in	1,403,034	658,665	600,626	880,100	1,885,220	1,424,161	1,061,538	430,975	241,793	290,673
Transfers (out)	(1,403,034)	(658,665)	(600,626)	(880,100)	(1,877,118)	(1,424,161)	(1,061,538)	(430,975)	(228,500)	(290,673)
Issuance of debt	-	31,800	168,200	700,000	20,086	-	-	3,627,572	-	-
Refunding bonds issued	-	-	-	-	-	-	-	-	-	6,580,000
Payments to refund bond escrow agent	-	-	-	-	-	-	-	-	-	(6,450,047)
Proceeds from sale of capital assets	1,765	-	41,751	757,637	-	-	-	-	-	-
Total other financing sources (uses)	1,765	31,800	209,951	1,457,637	28,188	-	-	3,627,572	13,293	129,953
Net change in fund balances	\$ (130,277)	\$ 1,201,292	\$ (964,030)	\$ 232,113	\$ (1,406,511)	\$ (1,247,613)	\$ 9,082,367	\$ 3,776,444	\$ (491,445)	\$ 1,391,873
Debt service as a percentage of non-capital expenditures	5.34%	5.89%	5.54%	5.09%	5.53%	5.46%	5.99%	6.16%	7.60%	6.23%

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						Estimated True Cash Value
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%
2009	3,551,626,421	236,873,215	38,814,289	224,342,768	3,602,971,157	2.67210	6,993,018,810	51.52%
2010	3,530,324,543	224,635,617	36,955,960	23,991,465	3,767,924,655	2.63515	6,566,645,351	57.38%
2011	3,662,030,160	231,781,361	32,730,571	29,478,600	3,897,063,492	2.54783	6,103,214,368	63.85%

(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	
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	2.0361	0.6120	2.6481	0.5336	5.9876	1.7710	10.9403
2009	2.1444	0.5578	2.7021	0.4891	5.9704	1.6992	10.8608
2010	2.2698	0.5174	2.7872	0.4818	6.0263	2.0485	11.3438
2011	2.2433	0.4950	2.7383	0.4699	5.9601	1.9295	11.0978

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, 2011 and 2002

Taxpayer	2010-2011 Assessed Valuation	Rank	Percentage of Total Assessed Value	2001-2002 Assessed Valuation	Rank	Percentage of Total Assessed Value
Private Enterprises:						
Tillamook County Creamery Association	\$ 48,116,471	2	1.235 %	\$ 35,935,692	2	1.435 %
Stimson Lumber	35,002,797	3	0.898	n/a	n/a	n/a
Simpson Timber Company	n/a	n/a	n/a	27,264,026	3	1.089
Willamette Industries	n/a	n/a	n/a	12,421,098	6	0.496
Hampton Lumber	17,030,210	5	0.437	n/a	n/a	n/a
Port of Tillamook Bay	15,820,127	7	0.406	6,687,680	13	0.267
Texas Commerce Bank National Association	13,427,130	6	0.345	6,706,687	12	0.268
Willamina Lumber	n/a	n/a	n/a	11,261,686	7	0.450
Farm Credit Leasing Services	n/a	n/a	n/a	7,714,220	8	0.308
Pacific Telecom Transmission	n/a	n/a	n/a	6,980,470	10	0.279
General Electric Capital Corp	n/a	n/a	n/a	6,719,090	11	0.268
Tillamook Country Smoker Inc.	9,312,930	8	0.239	6,362,159	14	0.254
Port of Garibaldi	n/a	n/a	n/a	7,448,941	9	0.297
Subtotal	<u>138,709,665</u>		<u>3.559</u>	<u>135,501,749</u>		<u>5.411</u>
Public Utilities:						
Tillamook Public Utility District	70,662,220	1	1.813	38,690,574	1	1.545
United Telephone Co. of NW	n/a	n/a	n/a	14,583,152	5	0.582
Charter Communications	9,761,400	9	0.250	n/a	n/a	n/a
Centurylink	20,221,500	4	0.519	n/a	n/a	n/a
Nehalem Telecommunications Inc.	8,932,000	10	0.229	n/a	n/a	n/a
WCI Cable, Inc.	n/a	n/a	n/a	17,171,727	4	0.686
Subtotal	<u>109,577,120</u>		<u>2.812</u>	<u>70,445,453</u>		<u>2.813</u>
All other	<u>3,648,776,707</u>		<u>93.629</u>	<u>2,298,108,646</u>		<u>91.775</u>
Total	<u>\$3,897,063,492</u>		<u>100.000 %</u>	<u>\$2,504,055,848</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 Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	General	Special/ Local Option Levies (2)	Debt Service	Totals	Amount	Percent of Levy		Amount	Percentage of Levy
2002	\$ 3,664,311	\$ 1,351,638	\$ 1,563,786	\$ 6,579,735	\$ 6,028,513	91.6	\$ 548,427	\$ 6,576,940	99.96
2003	3,869,637	2,063,801	1,435,305	7,368,743	6,815,892	92.5	551,807	7,367,699	99.99
2004	4,014,898	1,464,006	1,484,855	6,963,759	6,462,531	92.8	500,272	6,962,803	99.99
2005	4,252,989	1,538,072	2,096,604	7,887,665	6,777,166	85.9	1,106,844	7,884,010	99.95
2006	4,497,252	1,624,238	1,704,606	7,826,096	6,819,481	87.1	1,003,450	7,822,931	99.96
2007	4,781,050	1,725,278	1,656,568	8,162,896	7,908,010	96.9	249,345	8,157,355	99.93
2008	5,089,615	2,213,408	1,715,611	9,018,634	8,667,941	96.1	307,994	8,975,935	99.53
2009	5,375,313	2,449,708	1,910,687	9,735,708	9,280,397	95.3	307,810	9,588,207	98.48
2010	5,616,132	2,561,980	1,864,135	10,042,248	9,545,435	95.1	229,815	9,775,250	97.34
2011	5,803,056	2,649,644	1,865,052	10,317,752	9,712,049	94.1	-	9,712,049	94.13

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		
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	1.75%	552.31
2008	12,065,000	1,345,759	14,377	13,425,136	1.65%	536.19
2009	10,780,000	1,220,655	10,515	12,011,170	1.47%	481.85
2010	9,445,000	1,284,274	6,376	10,735,650	n/a	431.34
2011	8,060,000	1,151,551	1,940	9,213,491	n/a	364.89

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

Percentage of Personal Income and Per Capita information derived from demographic information presented on page 121.

The County has not had any debt associated with business-type activities in the last 10 years.

n/a - Personal income information not available

TILLAMOOK COUNTY

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Amounts expressed in thousands, except for per capita amount)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Totals	Percentage of Estimated Actual Taxable Value of Property	Per Capita
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	11,849,051	0.348%	473
2009	10,780,000	235,337	10,544,663	0.293%	423
2010	9,445,000	206,774	9,238,226	0.245%	371
2011	8,060,000	194,893	7,865,107	0.202%	311

Per Capita information is derived from demographic statistics presented on page 121.

TILLAMOOK COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2011

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percent Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cannon Beach RFPD	\$ 420,000	1.0800	\$ 4,536
Nehalem Bay Rural Fire Protection District	2,600,000	100.0000	2,600,000
North Lincoln Fire and Rescue District #1	6,015,000	1.0800	64,962
City of Bay City	448,572	100.0000	448,572
City of Garibaldi	513,643	100.0000	513,643
City of Rockaway Beach	1,122,491	100.0000	1,122,491
City of Wheeler	1,059,033	100.0000	1,059,033
Tillamook Co. School District No. 9	23,450,587	100.0000	23,450,587
Tillamook Co. School District No. 56	13,945,000	100.0000	13,945,000
Tillamook Co. School District No. 101	12,675,000	99.9300	12,666,128
Tillamook Bay Community College	8,965,000	100.0000	8,965,000
Yamhill Co. School District No. 30J	2,595,000	0.8200	21,279
Willamette Education Service District	1,880,000	0.0100	188
			<hr/>
Total overlapping debt			64,861,419
Tillamook County direct debt	8,060,000	100.0000	<hr/> 8,060,000
Total			<hr/> <hr/> \$ 72,921,419

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 62,748,124	\$ 64,248,144	\$ 66,312,826	\$ 71,642,324	\$ 71,474,281	\$ 105,576,117	\$ 133,131,663	\$ 139,860,376	\$ 131,332,907	\$ 122,064,287
Total net debit applicable to limit	<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>12,065,000</u>	<u>10,780,000</u>	<u>9,445,000</u>	<u>8,060,000</u>
Legal debt margin	<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>\$ 121,066,663</u>	<u>\$ 129,080,376</u>	<u>\$ 121,887,907</u>	<u>\$ 114,004,287</u>
Total net debt applicable to the limit as a percentage of debt limit										<u>\$ 6,103,214,368</u>
										<u>\$ 122,064,287</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
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	802,643	31,625	3,437	4.8%
2008	25,038	815,087	32,554	3,332	4.3%
2009	24,927	816,933	32,773	3,301	9.2%
2010	24,889	n/a	n/a	3,278	8.6%
2011	25,250	n/a	n/a	3,239	8.6%

n/a - Information is not currently available

Source: Population, Personal Income and Per Capita Personal Income estimates are from the U.S. Census Bureau. Public School Enrollment is from the Oregon Department of Education.

TILLAMOOK COUNTY

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

Employer	2011			2002		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Tillamook County Creamery Association	500	1	4.06%	400	1	3.62%
Tillamook County General Hospital	345	2	2.80%	260	2	2.36%
Tillamook School District #9	298	3	2.42%	n/a	n/a	n/a
Tillamook Country Smoker	250	4	2.03%	200	4	1.81%
Tillamook County	234	5	1.90%	250	3	2.26%
Tillamook Lumber	215	6	1.74%	152	5	1.38%
Fred Meyer	220	7	1.79%	102	6	0.92%
Nestucca Ridge Development	150	8	1.22%	n/a	n/a	n/a
Neah-Kah-Nie School District	135	9	1.10%	n/a	n/a	n/a
Fallon Logging	130	10	1.06%	n/a	n/a	n/a
Total number of individuals employed	12,322			11,039		

Source: Tillamook County Almanac

n/a - information is not available

TILLAMOOK COUNTY

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	61.50	63.00	62.50	63.00	72.50	68.40	73.00	70.00	63.25	60.94
Public safety	81.00	80.80	84.30	93.00	85.50	89.55	84.00	84.75	75.50	78.77
Highways and streets	35.00	35.00	35.00	35.00	30.00	30.50	30.50	26.00	27.50	20.00
Culture and recreation	23.31	26.31	25.25	27.00	25.00	25.56	25.50	28.53	29.08	39.83
Health and welfare	59.90	57.80	50.00	50.00	32.75	36.40	38.80	40.40	37.90	34.08
Solid waste	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.50
	<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>	<u>250.68</u>	<u>234.23</u>	<u>235.12</u>

Source: Tillamook County Human Resources

TILLAMOOK COUNTY

**Operating Indicators by Function
Last Ten Fiscal Years**

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Arrests	1,576	1,282	529	765	1,015	1,606	1,547	1,765	1,219	1,418
Highways and streets										
Resurfacing (miles)	3.9	4.8	4.7	*18.2	*12.33	4.0	8.9	2.6	10.1	7.7
Culture and recreation										
Library books checked out	335,728	221,610	344,290	321,610	312,592	323,053	327,328	379,740	390,669	432,742
County fair attendance	63,485	64,881	66,308	69,679	71,180	73,193	71,198	73,333	74,202	70,762
Health and welfare										
Health department encounters	15,796	16,560	17,770	18,487	20,991	19,742	20,646	18,356	17,729	17,019
Solid waste										
Refuse collected (tons)	18,324	18,405	19,538	17,000	23,567	24,201	26,092	21,655	21,338	20,142

* Includes miles paved by federal and state agencies
 Indicators are not available for the general government function
 Source: Various County departments and State of Oregon

TILLAMOOK COUNTY

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Justice centers	1	1	1	1	1	1	1	1	1	1
Patrol units	18	18	18	20	20	20	32	32	28	30
Inmate beds	97	120	120	120	120	120	120	120	120	120
Highways and streets										
Miles of paved roads	281	281	281	281	281	281	281	283	286	281
Miles of gravel roads	97	97	97	97	97	97	97	97	100	96
Bridges	96	96	96	96	96	96	96	96	96	99
Culture and recreation										
Parks acreage	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,760	2,765	2,765
Library branches	6	6	6	6	6	6	6	6	6	6
Library book titles	120,524	138,300	129,292	129,292	113,650	142,550	155,053	120,492	131,000	209,333
Museums	1	1	1	1	1	1	1	1	1	1
Fairground acreage	65	65	65	65	65	65	63	63	63	63
Health and welfare										
Clinics	2	2	3	3	3	3	3	3	3	3
Solid waste										
Transfer stations	3	3	3	3	3	3	3	3	3	3

Source: Various County departments

No capital asset indicators are available for the general government function

Tillamook County



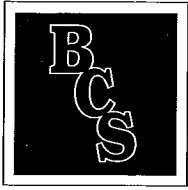
Land of Cheese, Trees and Ocean Breeze

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY
THE MINIMUM STANDARDS FOR AUDITS OF
OREGON MUNICIPAL CORPORATIONS**

Tillamook County



Land of Cheese, Trees and Ocean Breeze



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS

Board of Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

We have audited the basic financial statements of the **TILLAMOOK COUNTY** as of and for the year ended June 30, 2011, and have issued our report thereon dated December 14, 2011. 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.

Compliance

As part of obtaining reasonable assurance about whether the **TILLAMOOK COUNTY's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295).**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the **TILLAMOOK COUNTY** was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

Internal Control OAR 162-10-0230

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 County's internal control over financial reporting.

This report is intended solely for the information and use of the County Commissioners and management of **TILLAMOOK COUNTY** and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

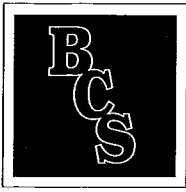
Boldt, Carlisle & Smith, LLC
Certified Public Accountants
Salem, Oregon
December 14, 2011

GRANT COMPLIANCE – SINGLE AUDIT

Tillamook County



Land of Cheese, Trees and Ocean Breeze



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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 14, 2011. 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 opinions 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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)**

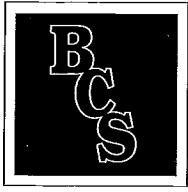
Compliance and Other Matters

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 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
December 14, 2011



BOLDT, CARLISLE & SMITH LLC

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERSHIP ■ ASSURANCE ■ INNOVATION

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON 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 County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. 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 compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Board of County Commissioners
TILLAMOOK COUNTY
Tillamook, Oregon

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

Internal Control Over Compliance

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 to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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 Commissioners, others within the entity, 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
December 14, 2011

TILLAMOOK COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011**

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unqualified*

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: *Unqualified*

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA</u>	<u>Name of Federal Program or Cluster</u>
<u>Number(s)</u>	
14.255	Community Development Block Grants / State's Program and Non-entitlement Grants in Hawaii
15.227	Distributions of Receipts to State and Local Governments
93.224	Consolidated Health Centers

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

Section III - Federal Award Findings and Questioned Costs

None

TILLAMOOK COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011

<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		\$ 119,550
Forest Service			
Passed through Oregon Department of Administrative Services Schools and Roads - Grants to States	10.665		<u>1,756,622</u>
Total Department of Agriculture			<u>1,876,172</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-11-031	<u>28,000</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 Grants / State's Program and Non- Entitlement Grants in Hawaii (Recovery Act Funded)	14.255	CR0903	<u>1,001,752</u>
<i>Department of the Interior</i>			
Bureau of Land Management			
Distribution of Receipts to State and Local Governments	15.227		403,399
Payment in Lieu of Tax	15.226		<u>43,267</u>
Total Department of the Interior			<u>446,666</u>
<i>Department of Justice</i>			
Office of Juvenile Justice and Delinquency Prevention			
Passed through Oregon Commission on Children and Families Juvenile Accountability Incentive Block Grant	16.523		12,500
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540		29,026
Bureau of Justice Assistance			
Passed through Oregon State Criminal Justice Services Division Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580		1,175
Edward Byrne Memorial Justice Assistance Grant Program	16.738	LE19-10	53,651
Recovery Act – Assistance to Rural Law Enforcement to Combat Crime and Drugs Competitive Grant Program	16.810	2009-SD-B9-0164 2009-SD-B9-0029	<u>228,113</u> <u>545,408</u>
Subtotal			<u>773,521</u>

Continued on pages 140 and 141
See note to schedule of expenditures of federal awards

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>			
Office of Victims of Crime			
Passed through Oregon State Criminal Justice Division Crime Victims Assistance	16.575	VOCA NC-fr-2010 VOCA 09-3463	\$ 18,158 6,119
Subtotal			<u>24,277</u>
Total Department of Justice			<u>894,150</u>
<i>Department of Transportation</i>			
Federal Highway Administration			
Passed through Oregon Department of Transportation Highway Planning and Construction	20.205		153,182
		0911WKZN-421 VVV	10,006
National Highway Traffic Safety Administration			
Passed through Oregon State Sheriff's Association Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		3,096
Occupant Protection	20.602		2,184
Total Department of Transportation			<u>168,468</u>
<i>Environmental Protection Agency</i>			
Office of Water			
Passed through Oregon Department of Human Services State Public Water System Supervision	66.432		17,252
Capitalization Grants for Drinking Water State Revolving Funds	66.468		1,820
Total Environmental Protection Agency			<u>19,072</u>
<i>Department of Homeland Security</i>			
Passed through Oregon State Police Office of Emergency Management			
Public Assistance Grants	97.036		257,772
Hazard Mitigation Grants	97.039		30,000
Emergency Management Performance Grants	97.042	09 EMPG	78,182
Total Department of Homeland Security			<u>365,954</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		39,975
Administration for Children and Families			
Passed through Oregon Commission on Children and Families Promoting Safe and Stable Families	93.556		10,347
Foster Care - Title IV-E	93.658		6,435
Social Services Block Grant	93.667		31,752
Passed through Oregon Department of Justice Child Support Enforcement	93.563		107,791

Continued on page 141

See note to schedule of expenditures of federal awards

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 (continued)</i>			
Centers for Medicare and Medicaid Services			
Passed through Oregon Commission on Children and Families Medical Assistance Program	93.778		\$ 22,203
Centers for Disease Control and Prevention -			
Passed through Oregon Department of Human Services Service Division			
Public Health Emergency Preparedness	93.069		101,632
ARRA - Immunization	93.712		2,145
HIV Prevention Activities Health Department Based	93.940		7,435
Preventive Health and Health Services Block Grant	93.991		3,700
Health Resources and Services Administration			
Community Health Centers	93.224		1,350,667
ARRA - Health Center Integrated Services Development Initiative	93.703	C81CS14164	419,700
Passed through Oregon Department of Human Services Service Division			
HIV Care Formula Grants	93.917		14,850
Maternal and Child Health Services Block Grant to the States	93.994		24,829
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		36,959
Block Grants for Prevention and Treatment of Substance Abuse	93.959		88,324
Total Department of Health and Human Services			<u>2,268,744</u>
Total Expenditures of Federal Awards			<u>\$ 7,068,978</u>

See note to schedule of expenditures of federal awards

TILLAMOOK COUNTY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2011

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.