



**COOS COUNTY, OREGON**

**ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2017**

**COOS COUNTY, OREGON  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2017**

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**BOARD OF COMMISSIONERS**

**COOS COUNTY, OREGON**  
**BOARD OF COMMISSIONERS**  
**June 30, 2017**

	<u>Term Expires</u>
John Sweet, Chair 250 N. Baxter Coquille, OR 97423	December 31, 2018
Bob Main, Commissioner 250 N. Baxter Coquille, OR 97423	December 31, 2020
Melissa Cribbins, Commissioner 250 N. Baxter Coquille Bay, OR 97423	December 31, 2018

**ELECTED OFFICIALS**

Melissa Cribbins, County Commissioner	December 31, 2018
Mike Dado, County Surveyor	December 31, 2020
R. Paul Frasier, County District Attorney	December 31, 2020
Debbie Heller, County Clerk	December 31, 2018
Steve Jansen, County Assessor	December 31, 2020
Robert Main, County Commissioner	December 31, 2020
Megan Simms, County Treasurer	December 31, 2020
John W. Sweet, County Commissioner	December 31, 2018
Craig Zanni, County Sheriff	December 31, 2017

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**MAILING ADDRESS**

Coos County Courthouse  
250 N. Baxter  
Coquille, Oregon 97423  
(541) 396-3121 Ext. 7535

# **FINANCIAL SECTION**





## INDEPENDENT AUDITOR'S REPORT

February 26, 2017

To the Board of Commissioners of Coos County:

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Coos County, Oregon, (the County) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### 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 Coos County, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for the General Fund and major special revenue funds, the Schedule of Net Other Post-Employment Benefits Liability, the Schedule of Changes in Total Post-Employment Benefits Liability, and the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions of Net Pension Liability as listed in the table of contents, 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 management's discussion and analysis, the Schedule of Net Other Post-Employment Benefits Liability, the Schedule of Changes in Total Post-Employment Benefits Liability, and the Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions of Net Pension Liability 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 management's discussion and analysis, the Schedule of Net Other Post-Employment Benefits Liability, the Schedule of Changes in Total Post-Employment Benefits Liability, the Schedule of Proportionate Share of Net Pension Liability or the Schedule of Contributions of Net Pension Liability because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budget and actual schedules, as listed in the table of contents, 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.

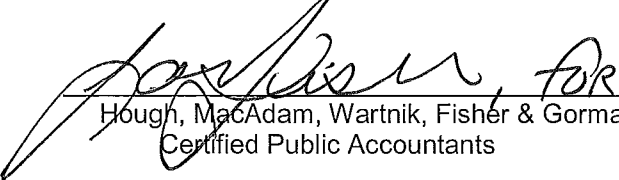
### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coos County's basic financial statements. The supplementary financial information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is also presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. The supplementary financial information 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards and Oregon Revised Statutes**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2017 on our consideration of Coos 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 result 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* in considering Coos County's internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated February 26 2017, on our consideration of the Coos County's internal control over financial reporting and on tests of its compliance with the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 to 162-010-0330. 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.



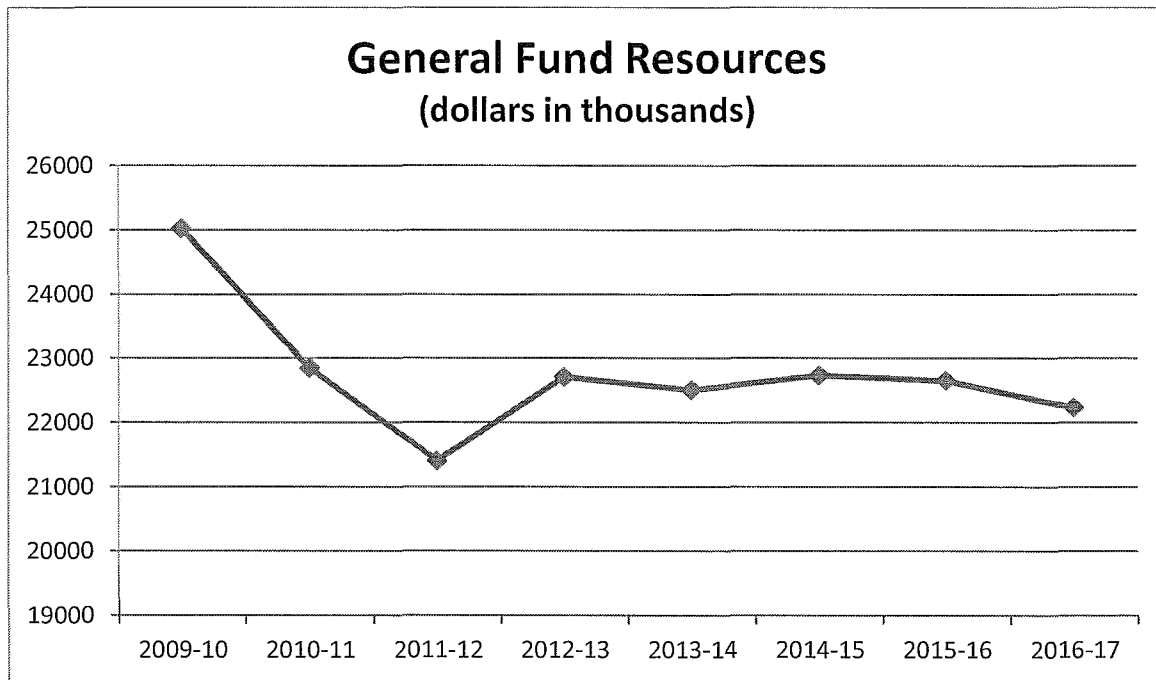
Hough, MacAdam, Wartnik, Fisher & Gorman, LLC  
Certified Public Accountants

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

The management of Coos County, Oregon offers this overview and analysis of the financial activities of the County, for the fiscal year ended June 30, 2017. We encourage readers to consider the information here in conjunction with the accompanying basic financial statements.

**Financial Highlights (*dollars in thousands*)**

- The County's assets exceeded its liabilities at June 30, 2017 by \$147,714 (*net position*) – a decrease of \$3,951 or 2.61%. Of this amount, \$2,012 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's revenues decreased by 14.4% in the Governmental activities, they decreased by 3.6% in the Proprietary activities. Expenses for the Governmental activities decreased by \$5,858 or 9.7%, and Proprietary increased by \$68 or 1.6%. Net position in Governmental funds decreased \$3,186 or 2.9% and Proprietary funds decreased by \$766 or 1.9%.



**Overview of the Financial Statements**

Coos County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements** are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business. The government-wide financial statements include not only the County itself (known as the primary government), but also three legally separate component units, Coos County Library Service District, Coos County 4-H Extension Service District, and the Coos County Area Transit Service District, for which the County is financially accountable. Although legally separate, the governing body of each component unit is identical to the County's, and because the services of the component units are exclusively for the benefit of the County, they are included as an integral part of the primary government. Complete financial statements for each may be obtained from the Coos County Treasurer's Office, 250 N. Baxter, Coquille, OR 97423.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

»The *statement of net position* presents information on all the County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

» The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

*Governmental funds.* The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental funds are used to account for the financial resources of the County that are not accounted for in any other fund. Principal sources of revenue are Oregon and California land grant proceeds, state and federal revenues, property taxes, licenses and permits, charges for services and interest. Ordinary expenditures are for general administration, public safety, community services, and welfare and health services.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented *for governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. There is a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Public Works fund, Health & Wellness fund, and County Forest fund which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for these non-major governmental funds is provided in the supplementary statements section of this report.

The County adopts an annual budget for all of its funds except the fiduciary funds. A budgetary comparison statement has been provided for the governmental funds as part of the basic financial statements. There are also individual budgetary statements for all major and non-major funds to demonstrate compliance with this budget elsewhere in this report.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

Special Revenue Funds – Special Revenue funds are used to account for proceeds of specific revenue sources that are restricted to expenditures for specified purposes. Funds included in the category are: Animal Control, Public Works, Public Health, Planning, LNG, Law Library, County Parks, Community Corrections, Crime Victim Assistance, South Coast Interagency Narcotics Team (SCINT), Coos Health & Wellness, Economic Development, PL110-343 Title III, County Forest, Administrative Grants, County School, Foot Paths and Bicycle Trails, Industrial Development, Public Health-Title XIX, Mental Health-Title XIX, County Family Mediation, 911/Dispatch, County Clerk Records, Public Land Corner Preservation, and the Environmental Service funds.

Component Units-Special Revenue Funds – The Coos County Library Service District and the 4-H Extension Service District are reported as special revenue funds of the County.

Debt Service Fund – Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond and loan principal and interest. Funds included in this category are: Bonded Debt. The Bonded Debt Fund is for Coos County's outstanding bond issues.

On July 1, 2003, the County issued bonds for the local share of the natural gas pipeline project. Coos County voters passed a bond measure in 1999 authorizing an amount not to exceed \$27 million. Prior to the sale, Coos County received a bond rating from Moody's Investors Services of A3. The total of the general obligation bonds sold was \$17,760 (including issuance costs). The bonds were taxable and sold for an interest cost of 4.56%.

**Bonded Indebtedness**

*in thousands*

<b>General Obligation Debt Capacity</b>	<b>June 30, 2016</b>		<b>June 30, 2017</b>	
Taxable Real Market Value	\$	6,061,059	\$	6,468,660
General Obligation Bond Debt Limitation (2% of Real Market Value)		121,221		129,373
Less: Outstanding debt subject to limit		7,845		6,875
Less: Principal payments due within one year		(970)		(1,015)
		6,875		5,860
Remaining Legal General Obligation Debt Capacity	\$	114,346	\$	123,513
Percent of Capacity Issued		5.7%		4.5%

Under Oregon Revised Statute (ORS) 287A.100 the aggregate amount of general obligation bonded indebtedness of the County is limited to two percent of the real market value of all taxable property in the County, computed in accordance with ORS 308.207. Additional information on the County's bonded debt can be found in the Notes to the Financial Statements.

**Proprietary Funds**

Proprietary funds are used to account for activities where the emphasis is placed on net income determination. The County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its County Fair fund, Waste Disposal fund, Waste Disposal Reserve fund and Gas Pipeline fund, which are financed primarily by admission charges, waste disposal fees, bond sales and intergovernmental revenues.

Component Unit-Enterprise Funds – The Coos County Area Transit Service District is reported as an enterprise fund of the County.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

The proprietary fund financial statements provide separate information for business-type funds. Individual fund data for the funds is provided in the form of *combining statements* elsewhere in this report.

**Fiduciary Funds**

*Trust and Agency Funds* – These funds account for resources received and held by the County in a fiduciary capacity or as an agent for other governments and other funds. Fiduciary funds are *not* reflected in the government-wide statement because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements can be found immediately following the basic financial statements of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *supplementary information* referred to earlier in connection with non-major governmental funds and other schedules and information that are required by the State of Oregon. This information can be found in the supplementary statements section of this report.

**Government-wide Financial Analysis (*dollars in thousands*)**

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$147,714 at the close of the most recent fiscal year. The County's investment in capital assets (land, construction in progress, buildings, improvements, machinery and equipment, bridges and infrastructure), less any related debt to acquire those assets is approximately 83.93% of total net position. The County uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

**Coos County's Net Position**

*in thousands*

	Governmental		Business-type		Total		Comparison	
	Activities		Activities					
	2017	2016	2017	2016	2017	2016	Difference	
Current and other assets	\$ 41,689	\$ 43,910	\$ 5,438	\$ 6,525	\$ 47,127	\$ 50,435	\$ (3,308)	-6.56%
Capital assets	87,783	86,956	43,072	43,490	130,855	130,446	409	0.31%
Total assets	129,472	130,866	48,510	50,015	177,982	180,881	(2,899)	-1.60%
Deferred outflow related to pensions	15,938	3,169	260	51	16,198	3,220	12,978	403.04%
Long-term liabilities	1,277	1,715	7,426	8,336	8,703	10,051	(1,348)	-13.41%
Other liabilities	34,795	18,097	1,997	1,591	36,792	19,688	17,104	86.88%
Total liabilities	36,072	19,812	9,423	9,927	45,495	29,739	15,756	52.98%
Deferred inflow related to pensions	955	2,653	16	43	971	2,696	(1,725)	-63.98%
Net position:								
Invested in capital assets	87,783	86,956	36,197	35,645	123,980	122,601	1,379	1.12%
Restricted	21,418	23,425	304	591	21,722	24,016	(2,294)	-9.55%
Unrestricted	(818)	1,188	2,830	3,860	2,012	5,048	(3,036)	-60.14%
Total net position	\$ 108,383	\$ 111,569	\$ 39,331	\$ 40,096	\$ 147,714	\$ 151,665	\$ (3,951)	-2.61%

**Changes in Net Position**

The County's *unrestricted net position* of \$2,012 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the County is able to report positive balances in almost all categories of net position. The government as a whole as well as its separate governmental activities all reported a positive balance. In Governmental Activities, the unrestricted net position is negative due to the County's pension liability. The County reported positive balances in all other categories for the prior fiscal year.



**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

**Coos County's Changes in Net Position**

*in thousands*

	Governmental		Business-Type		Total		Comparison		
	Activities		Activities				Difference		
	2017	2016	2017	2016	2017	2016			
<b>REVENUE:</b>									
Program revenues:									
Charges for services & contracts	\$ 9,111	\$ 10,538	\$ 2,919	\$ 3,152	\$ 12,030	\$ 13,690	\$ (1,660)	-12.13%	
Operating grants & contributions	26,397	25,874	746	721	27,143	26,595	548	2.06%	
Capital grants & contributions	645	621	70	-	715	621	94	15.14%	
General revenues:									
Property Taxes	10,366	10,123	-	-	10,366	10,123	243	2.40%	
Grants & contributions not restricted									
to specific programs	2,905	3,023	-	-	2,905	3,023	(118)	-3.90%	
Interest on investments	432	240	-	-	432	240	192	80.00%	
Other revenue	694	860	-	-	694	860	(166)	-19.30%	
<b>Total revenue</b>	<b>50,550</b>	<b>51,279</b>	<b>3,735</b>	<b>3,873</b>	<b>54,285</b>	<b>55,152</b>	<b>(867)</b>	<b>-1.57%</b>	
<b>EXPENDITURES:</b>									
Current:									
General Government	8,698	9,501	-	-	8,698	9,501	(803)	-8.45%	
Public Safety	14,426	16,879	-	-	14,426	16,879	(2,453)	-14.53%	
Public Works	8,137	8,398	1,437	1,508	9,574	9,906	(332)	-3.35%	
Health & Welfare	16,316	18,496	-	-	16,316	18,496	(2,180)	-11.79%	
Culture & Recreation	5,380	5,385	383	440	5,763	5,825	(62)	-1.06%	
Conservation	-	-	-	-	-	-	-	0.00%	
Community Development	274	348	-	-	274	348	(74)	-21.26%	
Intergovernmental	851	893	-	-	851	893	(42)	-4.70%	
Sanitation	-	-	1,700	1,564	1,700	1,564	136	8.70%	
Transportation	-	-	806	742	806	742	64	8.63%	
Debt Service	378	418	-	-	378	418	(40)	-9.57%	
<b>Total expenditures</b>	<b>54,460</b>	<b>60,318</b>	<b>4,326</b>	<b>4,254</b>	<b>58,786</b>	<b>64,572</b>	<b>(5,786)</b>	<b>-8.96%</b>	
Change in net position before transfers	(3,910)	(9,039)	(591)	(381)	(4,501)	(9,420)	4,919	-52.22%	
Transfers	184	(680)	(184)	680	-	-	-	0.00%	
Change in net position	(3,726)	(9,719)	(775)	299	(4,501)	(9,420)	4,919	-52.22%	
Net position beginning	111,569	137,111	40,096	40,042	151,665	177,153	(25,488)	-14.39%	
Prior period adjustment	541	(15,823)	9	(245)	550	(16,068)	16,618	-103.42%	
Net position beginning, restated	112,110	121,288	40,105	39,797	152,215	161,085	(8,870)	-5.51%	
<b>Net position ending</b>	<b>\$ 108,384</b>	<b>\$ 111,569</b>	<b>\$ 39,330</b>	<b>\$ 40,096</b>	<b>\$ 147,714</b>	<b>\$ 151,665</b>	<b>\$ (20,569)</b>	<b>-2.61%</b>	

**Capital Assets and Debt Administration**

The County has no capital debt except for general obligation bonds.

*Bonded Debt.* At the end of the current fiscal year, Coos County had total bonded debt outstanding of \$6,875. This entire amount is debt backed by the full faith and credit of the government through assessment to property owners.

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounted to \$131,155 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, improvements other than buildings, equipment, and infrastructure.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

**COOS COUNTY'S CAPITAL ASSETS (In thousands)**

	Governmental Activities	Business-type Activities	Total
Land	\$ 5,608	\$ 709	\$ 6,317
Construction in progress	3,342	333	3,675
Buildings and building improvements	21,807	2,526	24,333
Infrastructure	115,077	52,576	167,653
Machinery and equipment	18,987	1,410	20,397
Improvements other than buildings	4,629	2,501	7,130
	<u>\$ 169,450</u>	<u>\$ 60,055</u>	<u>\$ 229,505</u>

Major capital asset events during the current fiscal year by Coos County included the following:

Work continues to bring the Coos County Pipeline into compliance with the US Army Corps of Engineers Consent Decree.

There was much discussion in the budget process with regard to deferred maintenance of buildings, facilities and County owned infrastructure as well as management and timely replacement of vehicles and equipment. Planned maintenance and replacement of capital items is a necessary challenge that must be addressed to ensure the ability to provide essential county services in the future.

Coos County Health & Wellness started construction on a new building in Coos Bay. It will be located in a complex with Western Oregon Advanced Health (WOAH) and Oregon Coast Community Action (ORCCA). Each of these organizations will be able to work more efficiently as they have overlapping and/or related services. They will also be able to share some operating costs (security, landscaping, etc.).

**Budgetary Highlights**

The County budgets all funds (except fiduciary funds) in compliance with Oregon Budget law. Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

Minor transfers of appropriations between line items within funds

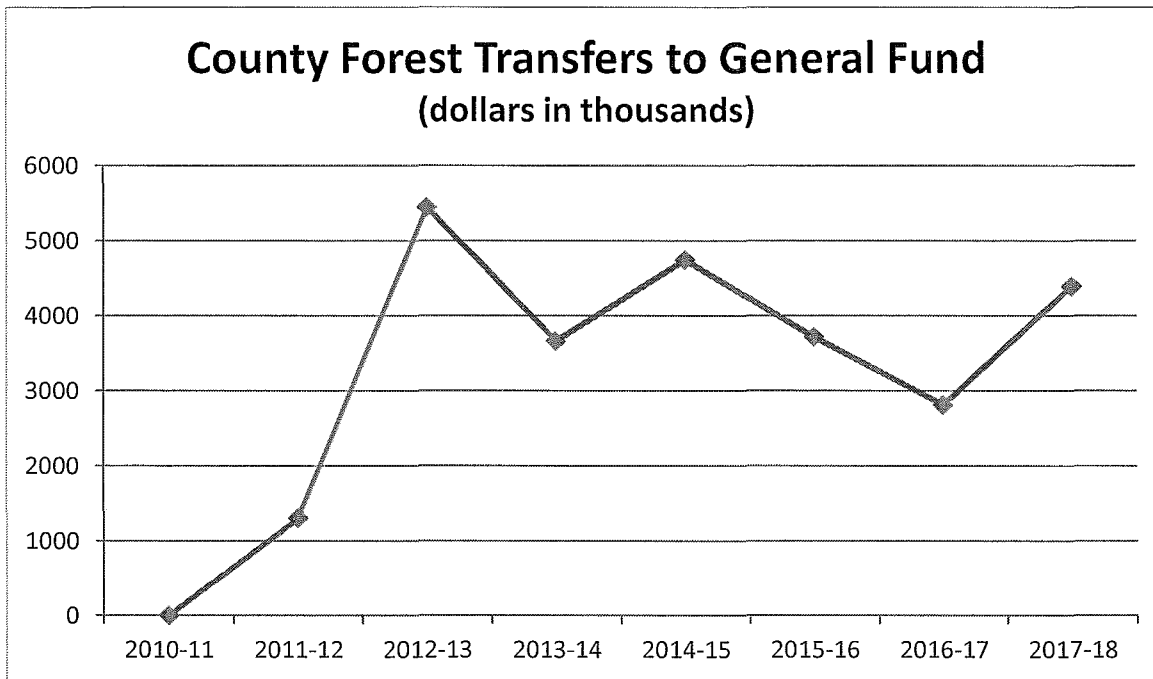
All of the budget changes were done by resolution or a supplemental budget as required by Oregon budget law.

**Economic Factors and Next Year's Budgets**

- ◆ The General Fund is the chief operating fund of Coos County. The County will continue to have to adjust the amount of spending available in future fiscal year budgets. Program services will have to be adjusted or eliminated to balance the budget. No taxes can be increased, other than the allowable 3 percent increase on taxable property value allowed by state law. The General Fund budgeted a beginning fund balance of \$4,330. The County placed \$2,058 in an operating contingency for 2017-2018.
- ◆ The General Fund's proposed expenditures total \$23,121, with resources other than taxes of \$18,141. The amount budgeted for current year taxes is \$4,980, based upon our full tax rate authority of \$1.0799 per thousand. The County provides property tax assessment/collection services for all taxing districts, such as schools, cities, ports, and other districts at a cost of \$1,906.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

- ◆ Coos County created the County Forest Fund in 1999 to serve as a revenue stabilization fund. All receipts from the sale of timber and/or forest related products are deposited into the fund each year. In previous budget cycles a 5-year rolling average of the receipts into the fund were appropriated into the General Fund. Annual transfers were calculated as the total receipts for the previous five years, divided by five, less the current years' budgeted operating expenses. The FY 2017-2018 Forestry Department operating budget is \$776. The County Forest Fund balance on June 30, 2017 was \$7,519.



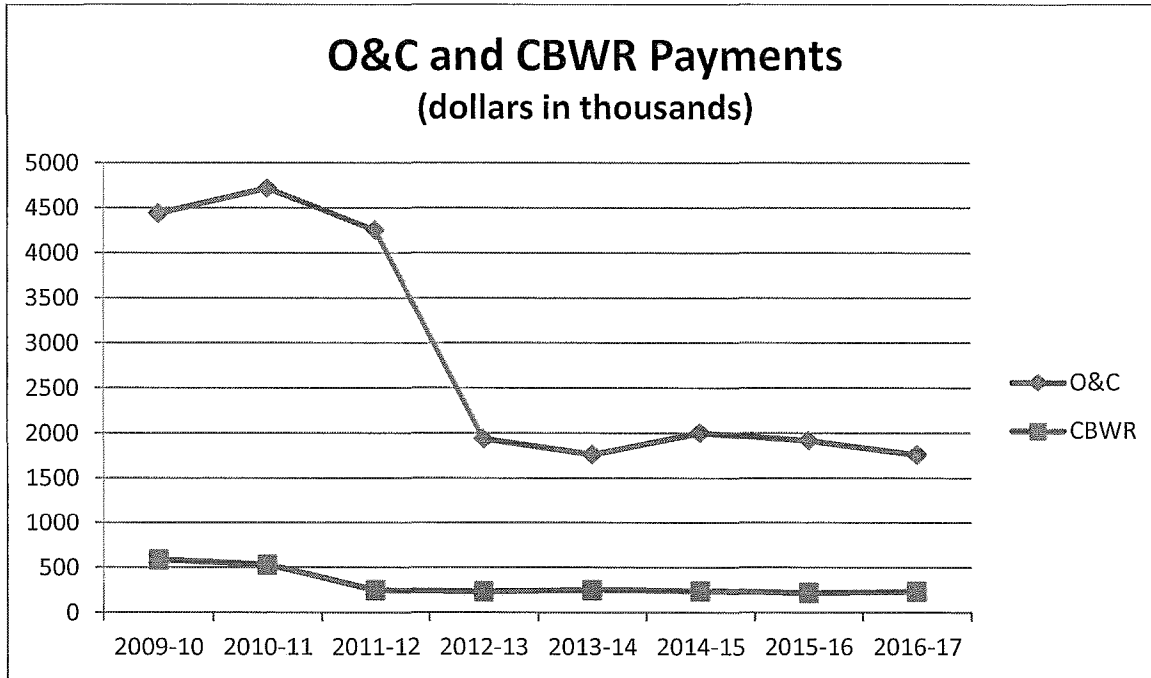
Note: In fiscal year 2010-11 no transfers were made to the General fund and in fiscal year 2017-18 excess funds of \$1.1 million from a comparison of Budget and Actual expenses since fiscal year 2001-02 were transferred in addition to the formula.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
 For the Year Ended June 30, 2017

- ◆ Retention of federal in-lieu of timber revenue continues to be a problem.

In March 2015, Congress reauthorized the Secure Rural Schools and Community Self-Determination Program Act (SRS) for two additional years. The two year reauthorization meant that in 2016 the County was back under the Oregon and California Act (O&C) and Coos Bay Wagon Road (CBWR) statutory payment methods. This requires timber to be harvested in order for payments to be made to the County.

In FY 2017-2018 the SRS net payment to the General Fund (Title I), for the O&C lands, will be \$1,192. The County Road Department FY 2017-2018 SRS Title I payment, for the CBWR lands and U.S. Forest Service, is budgeted to be \$234.



- ◆ Current County services and activities are either state mandated or considered essential to public safety or health. Future across the board budget cuts are not practical in that further reductions will not allow program criteria to be met, thus the inability to function.
- ◆ The Board of Commissioners also serves as the Governing Board for the Coos County Library Service District, 4-H Extension Service District, and the Coos County Area Transit Service District, which are separate entities from Coos County. There are four funds that require the levying of taxes; the General Fund, Bonded Debt Fund, Library Service District Fund and the 4-H Extension Service District Fund.
- ◆ The Library Service District's adopted expenditures for 2017-2018 total \$3,637 with resources other than taxes of \$183. The 4-H Extension Service District's adopted expenditures for 2017-2018 total \$808, with resources other than taxes of \$387. The Library and 4-H Extension Service Districts both intend to certify their total permanent tax rates in 2017-2018. The Library rate is \$.7289 per thousand and the 4-H Extension rate is \$.0888 per thousand.
- ◆ All of these factors were considered in preparing the County's budgets for the 2017-2018 fiscal year.

**COOS COUNTY, OREGON**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended June 30, 2017

**Requests for Information**

This financial report is designed to provide a general overview of Coos County's finances for all those with an interest in the County's finances. For more information on the component units of Coos County please refer to each component unit's separately issued financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Coos County Finance Department, 250 N Baxter, Coquille, Oregon 97423.

# **BASIC FINANCIAL STATEMENTS**

**COOS COUNTY, OREGON**  
**STATEMENT OF NET POSITION**  
June 30, 2017

<b>ASSETS</b>	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 37,553,873	\$ 5,174,964	\$ 42,728,837
Receivables	2,995,395	192,455	3,187,850
Internal balances	(27,212)	27,212	-
Prepaid expenses	33,053	20,095	53,148
Inventories	474,196	-	474,196
Noncurrent assets:			
Prepaid bond insurance	-	22,899	22,899
Temporarily restricted assets-cash	19,936	-	19,936
Equity interest in WOAHA	639,622	-	639,622
Capital assets:			
Land	5,607,555	709,402	6,316,957
Construction in process	3,341,969	332,701	3,674,670
Other capital assets (net)	78,833,855	42,029,881	120,863,736
<b>Total assets</b>	<b>129,472,242</b>	<b>48,509,609</b>	<b>177,981,851</b>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	15,938,255	259,816	16,198,071
 <b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,649,581	239,533	1,889,114
Payroll liabilities	790,132	29,325	819,457
Unearned revenue	1,921,856	71,679	1,993,535
Accrued interest payable	-	27,958	27,958
Compensated absences payable	1,578,751	75,201	1,653,952
Net pension liability	28,855,048	470,380	29,325,428
Current portion of long-term liabilities:			
Landfill closure/postclosure care costs	-	68,200	68,200
Bonds	-	1,015,000	1,015,000
Noncurrent liabilities:			
Portions due or payable after one year:			
Bonds	-	5,860,000	5,860,000
Accrued other postemployment benefits obligation	1,276,380	51,082	1,327,462
Accrued landfill closure/postclosure care costs	-	1,515,000	1,515,000
<b>Total liabilities</b>	<b>36,071,748</b>	<b>9,423,358</b>	<b>45,495,106</b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	955,334	15,574	970,908
 <b>NET POSITION</b>			
Net Investment in capital assets	87,783,379	36,196,984	123,980,363
Restricted for:			
Roads, sidewalks, footpaths	6,378,925	-	6,378,925
Capital projects	-	303,504	303,504
Health	11,074,260	-	11,074,260
Public safety	2,993,631	-	2,993,631
Other programs	848,674	-	848,674
Unrestricted	(695,454)	2,830,005	2,134,551
<b>Total net position</b>	<b>\$ 108,383,415</b>	<b>\$ 39,330,493</b>	<b>\$ 147,713,908</b>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services & Contracts	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 8,698,384	\$ 4,506,648	\$ 441,253	\$ 9,608	\$ (3,740,875)	\$ -	\$ (3,740,875)
Public safety	14,425,869	1,663,045	4,383,498	117,885	(8,261,441)	-	(8,261,441)
Public works	8,136,697	122,947	4,757,576	484,297	(2,771,877)	-	(2,771,877)
Health and welfare	16,316,666	1,787,904	15,058,318	-	529,556	-	529,556
Community development	273,971	8,569	186,002	-	(79,400)	-	(79,400)
Culture and recreation	5,380,338	979,699	585,399	32,940	(3,782,300)	-	(3,782,300)
Intergovernmental	850,502	24,093	985,256	-	158,847	-	158,847
Interest and fiscal charges	377,501	18,174	-	-	(359,327)	-	(359,327)
<b>Total governmental activities</b>	<b>54,459,928</b>	<b>9,111,079</b>	<b>26,397,302</b>	<b>644,730</b>	<b>(18,306,817)</b>	<b>-</b>	<b>(18,306,817)</b>
<b>Business-type activities:</b>							
Sanitation	1,696,330	1,892,640	-	70,000	-	266,310	266,310
Gas pipeline	1,437,039	650,138	-	-	-	(786,901)	(786,901)
County fair	382,654	283,156	53,667	-	-	(45,831)	(45,831)
Transportation	806,059	93,533	691,978	-	-	(20,548)	(20,548)
<b>Total business-type activities</b>	<b>4,322,082</b>	<b>2,919,467</b>	<b>745,645</b>	<b>70,000</b>	<b>-</b>	<b>(586,970)</b>	<b>(586,970)</b>
<b>Total government</b>	<b>\$ 58,782,010</b>	<b>\$ 12,030,546</b>	<b>\$ 27,142,947</b>	<b>\$ 714,730</b>	<b>(18,306,817)</b>	<b>(586,970)</b>	<b>(18,893,787)</b>
<b>General revenues:</b>							
Taxes:							
Property taxes, levied for general purposes					5,257,426	-	5,257,426
Property taxes, levied for 4-H & Extension services					429,095	-	429,095
Property taxes, levied for library services					3,518,167	-	3,518,167
Property taxes, levied for debt service					1,161,023	-	1,161,023
Foreclosed property sales					13,107	-	13,107
Grants and contributions not restricted to specific programs					2,904,482	-	2,904,482
Earnings on investments					431,604	-	431,604
Miscellaneous					628,786	-	628,786
Gain (loss) on disposition of capital assets					52,290	(3,779)	48,511
<b>Total General Revenues</b>					<b>14,395,980</b>	<b>(3,779)</b>	<b>14,392,201</b>
Transfers					183,643	(183,643)	-
<b>Changes in net position</b>					<b>(3,727,194)</b>	<b>(774,392)</b>	<b>(4,501,586)</b>
Net position - beginning of year					111,569,332	40,096,232	151,665,564
Prior period adjustment					541,277	8,653	549,930
Net position - beginning of year, restated					112,110,609	40,104,885	152,215,494
Net position - ending					<b>\$ 108,383,415</b>	<b>\$ 39,330,493</b>	<b>\$ 147,713,908</b>

The notes to the basic financial statements are an integral part of this statement.



**COOS COUNTY, OREGON  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2017**

	General	Public Works	Health & Wellness	County Forest	Other Governmental Funds	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ 5,955,995	\$ 5,799,125	\$ 9,307,834	\$ 7,538,544	\$ 8,952,375	\$ 37,553,873
Restricted cash	-	-	-	-	19,936	19,936
Receivables:						
Property taxes	520,335	-	-	-	540,681	1,061,016
Accounts	725,151	522,201	66,434	5,306	604,428	1,923,520
Notes	-	-	-	-	10,859	10,859
Due from other funds	-	35,357	-	-	2,218	37,575
Prepaid expenses	-	-	-	-	33,053	33,053
Inventories	-	474,196	-	-	-	474,196
<b>Total assets</b>	<b>\$ 7,201,481</b>	<b>\$ 6,830,879</b>	<b>\$ 9,374,268</b>	<b>\$ 7,543,850</b>	<b>\$ 10,163,550</b>	<b>\$ 41,114,028</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 311,682	\$ 194,929	\$ 683,296	\$ 13,660	\$ 446,014	\$ 1,649,581
Payroll liabilities	395,070	66,861	170,229	8,996	148,976	790,132
Due to other funds	7,994	-	1,789	1,841	53,163	64,787
Unearned revenue	-	-	-	-	692,410	692,410
<b>Total liabilities</b>	<b>714,746</b>	<b>261,790</b>	<b>855,314</b>	<b>24,497</b>	<b>1,340,563</b>	<b>3,196,910</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue:						
Property taxes	1,566,693	-	-	-	471,201	2,037,894
Installment sale	-	-	-	-	10,859	10,859
Assessments	-	154,345	-	-	-	154,345
<b>Total deferred inflows of resources</b>	<b>1,566,693</b>	<b>154,345</b>	<b>-</b>	<b>-</b>	<b>482,060</b>	<b>2,203,098</b>
<b>FUND BALANCES</b>						
Nonspendable	-	474,196	-	-	33,053	507,249
Restricted	-	5,940,548	8,518,954	-	7,117,123	21,576,625
Committed	-	-	-	-	1,111,166	1,111,166
Assigned	-	-	-	7,519,353	79,585	7,598,938
Unassigned	4,920,042	-	-	-	-	4,920,042
<b>Total fund balances</b>	<b>4,920,042</b>	<b>6,414,744</b>	<b>8,518,954</b>	<b>7,519,353</b>	<b>8,340,927</b>	<b>35,714,020</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,201,481</b>	<b>\$ 6,830,879</b>	<b>\$ 9,374,268</b>	<b>\$ 7,543,850</b>	<b>\$ 10,163,550</b>	<b>\$ 41,114,028</b>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2017**

<b>Total fund balances - governmental funds</b>		<b>\$ 35,714,020</b>
Amounts reported for governmental activities in the Statement of Net Position are different because:		
The net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		(28,855,048)
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projected and actual earnings, and contributions subsequent to the measurement date.		14,982,921
Capital assets are not current financial resources in governmental funds, but are reported in the Statement of Net Position at their net depreciable value:		
Land	\$ 5,607,555	
Construction in process	3,341,969	
Depreciable assets	160,500,965	
Accumulated depreciation	<u>(81,667,110)</u>	
		87,783,379
The Statement of Net Position reports receivables at their net realizable value. However, taxes and certain receivables are not available to pay for current period expenditures so they are deferred in governmental funds.		
		973,652
All assets and liabilities are reported in the Statement of Net Position; however, if they are not due and payable in the current period, or do not provide resources that can be used in the current period, they are not recorded in the governmental funds:		
Equity interest in Western Oregon Advanced Health	639,622	
Accrued other postemployment benefits	(1,276,380)	
Compensated absences	<u>(1,578,751)</u>	
		<u>(2,215,509)</u>
<b>Total net position - governmental activities</b>		<b><u><u>\$ 108,383,415</u></u></b>

The notes to the basic financial statements are an integral part of this statement.

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

	General	Public Works	Health & Wellness	County Forest	Other Governmental Funds	Total
<b>Revenues:</b>						
Property taxes	\$ 5,234,985	\$ -	\$ -	\$ -	\$ 5,111,692	\$ 10,346,677
Taxes - other	254,888	-	-	-	112,609	367,497
Intergovernmental	5,114,111	5,198,384	13,900,923	9,608	5,380,641	29,603,667
Licenses, fees and permits	585,350	52,745	68,810	-	2,977,712	3,684,617
Charges for services	846,116	1,011,089	130,519	43,661	679,440	2,710,825
Timber sales	-	-	-	3,365,404	-	3,365,404
Fines and forfeitures	112,700	34,366	-	-	232,763	379,829
Interest on investments	91,361	63,598	105,571	64,050	107,037	431,617
Other	373,395	50,198	4,555	20,824	64,084	513,056
<b>Total revenues</b>	<b>12,612,906</b>	<b>6,410,380</b>	<b>14,210,378</b>	<b>3,503,547</b>	<b>14,665,978</b>	<b>51,403,189</b>
<b>Expenditures:</b>						
General government	5,295,720	-	-	621,477	1,040,501	6,957,698
Public safety	9,484,367	-	-	-	3,492,742	12,977,109
Public works	-	6,666,287	-	-	-	6,666,287
Health and welfare	462,057	-	15,983,600	-	2,033,786	18,479,443
Community development	-	-	-	-	271,917	271,917
Culture and recreation	-	-	-	-	5,106,323	5,106,323
Intergovernmental	-	-	-	-	849,821	849,821
Capital outlay	1,215,456	177,555	47,256	34,793	519,710	1,994,770
<b>Debt service:</b>						
Principal	-	-	-	-	970,000	970,000
Interest	-	-	-	-	377,501	377,501
<b>Total expenditures</b>	<b>16,457,600</b>	<b>6,843,842</b>	<b>16,030,856</b>	<b>656,270</b>	<b>14,662,301</b>	<b>54,650,869</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(3,844,694)</b>	<b>(433,462)</b>	<b>(1,820,478)</b>	<b>2,847,277</b>	<b>3,677</b>	<b>(3,247,680)</b>
<b>Other financing sources (uses):</b>						
Sales of capital assets	11,269	28,446	1,476	-	7,893	49,084
Transfers in	4,256,861	-	300,000	-	873,681	5,430,542
Transfers out	(853,338)	-	-	(2,811,183)	(612,378)	(4,276,899)
<b>Total other financing sources (uses)</b>	<b>3,414,792</b>	<b>28,446</b>	<b>301,476</b>	<b>(2,811,183)</b>	<b>269,196</b>	<b>1,202,727</b>
<b>Net change in fund balances</b>	<b>(429,902)</b>	<b>(405,016)</b>	<b>(1,519,002)</b>	<b>36,094</b>	<b>272,873</b>	<b>(2,044,953)</b>
<b>Fund balances at beginning of year</b>	<b>5,349,944</b>	<b>6,819,760</b>	<b>10,037,956</b>	<b>7,483,259</b>	<b>8,068,054</b>	<b>37,758,973</b>
<b>Fund balances at end of year</b>	<b>\$ 4,920,042</b>	<b>\$ 6,414,744</b>	<b>\$ 8,518,954</b>	<b>\$ 7,519,353</b>	<b>\$ 8,340,927</b>	<b>\$ 35,714,020</b>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**For the Year Ended June 30, 2017**

**Total net change in fund balances - governmental funds** \$ (2,044,953)

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

Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.

Property taxes	\$ (62,812)	
Equity interest in Western Oregon Advanced Health	108,906	
Assessments and notes receivable	<u>46,801</u>	
		92,895

Pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.

(2,456,185)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. This is the amount expended for depreciation and capital outlay in the period and any gain or loss on disposal of capital assets.

Capital assets	4,874,271	
Gain (Loss) on disposition	(573)	
Depreciation	<u>(4,046,666)</u>	
		827,032

Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:

Changes in compensated absences payable	(43,149)	
Change in accrued other postemployment benefits	<u>(102,834)</u>	
		<u>(145,983)</u>

**Change in net position of governmental activities** \$ (3,727,194)

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**STATEMENT OF NET POSITION**  
**ENTERPRISE FUNDS**  
**June 30, 2017**

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 2,905,001	\$ 2,006,976	\$ 262,987	\$ 5,174,964
Receivable				
Accounts	161,737	23,783	6,935	192,455
Prepays	-	-	20,095	20,095
Noncurrent assets:				
Prepaid bond insurance	-	22,899	-	22,899
Capital assets:				
Land	9,862	551,192	148,348	709,402
Construction in process	-	332,701	-	332,701
Other capital assets (net of accumulated depreciation)	1,670,001	39,574,243	785,637	42,029,881
<b>Total assets</b>	<b>4,746,601</b>	<b>42,511,794</b>	<b>1,224,002</b>	<b>48,482,397</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred amounts related to pensions	198,880	-	60,936	259,816
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	92,001	111,505	36,027	239,533
Accrued payroll benefits	10,906	-	18,419	29,325
Compensated absences payable	45,049	-	30,152	75,201
Due to other funds	1,797	-	(29,009)	(27,212)
Accrued interest payable	-	27,958	-	27,958
Deposits, etc.	-	25,000	46,679	71,679
Current portion of long-term liabilities				
Bonds	-	1,015,000	-	1,015,000
Landfill closure/post-closure care cost	68,200	-	-	68,200
Noncurrent liabilities:				
Net pension liability	360,058	-	110,322	470,380
Long-term liabilities (net of current portion)				
Bonds	-	5,860,000	-	5,860,000
Accrued other postemployment benefits obligation	44,954	-	6,128	51,082
Accrued landfill closure/post-closure care cost	1,515,000	-	-	1,515,000
<b>Total liabilities</b>	<b>2,137,965</b>	<b>7,039,463</b>	<b>218,718</b>	<b>9,396,146</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to pensions	11,921	-	3,653	15,574
<b>NET POSITION</b>				
Net investment in capital assets	1,679,863	33,583,136	933,985	36,196,984
Restricted for:				
Capital projects/debt service	-	303,504	-	303,504
Unrestricted	1,115,732	1,585,691	128,582	2,830,005
<b>Total net position</b>	<b>\$ 2,795,595</b>	<b>\$ 35,472,331</b>	<b>\$ 1,062,567</b>	<b>\$ 39,330,493</b>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2017**

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Operating revenues:				
Waste disposal fees	\$ 1,923,475	\$ -	\$ -	\$ 1,923,475
Operational charges	-	-	307,520	307,520
Charges for services	32,837	-	-	32,837
Pipeline operations	-	627,471	-	627,471
Intergovernmental revenues	70,000	-	745,645	815,645
Miscellaneous	2,439	-	68,217	70,656
Total operating revenues	<u>2,028,751</u>	<u>627,471</u>	<u>1,121,382</u>	<u>3,777,604</u>
Operating expenses:				
Personnel service	344,620	-	433,747	778,367
Materials and services	1,116,896	387,617	693,408	2,197,921
Depreciation	131,174	1,052,922	61,558	1,245,654
Total operating expenses	<u>1,592,690</u>	<u>1,440,539</u>	<u>1,188,713</u>	<u>4,221,942</u>
Operating income (loss)	<u>436,061</u>	<u>(813,068)</u>	<u>(67,331)</u>	<u>(444,338)</u>
Other revenues (expense)				
Interest on investments	28,632	26,167	952	55,751
Change in estimated post closure cost	(103,640)	-	-	(103,640)
Gain (Loss) on disposition of capital assets	(94,743)	-	-	(94,743)
Total other revenues (expenses)	<u>(169,751)</u>	<u>26,167</u>	<u>952</u>	<u>(142,632)</u>
Income (loss) before transfers	<u>266,310</u>	<u>(786,901)</u>	<u>(66,379)</u>	<u>(586,970)</u>
Transfers from other funds (net)	<u>(203,779)</u>	<u>16,357</u>	<u>-</u>	<u>(187,422)</u>
Change in net position	<u>62,531</u>	<u>(770,544)</u>	<u>(66,379)</u>	<u>(774,392)</u>
Net position at beginning of year	2,726,502	36,242,875	1,126,855	40,096,232
Prior period adjustment	<u>6,562</u>	<u>-</u>	<u>2,091</u>	<u>8,653</u>
Net position at beginning of year, restated	<u>2,733,064</u>	<u>36,242,875</u>	<u>1,128,946</u>	<u>40,104,885</u>
Net position at end of year	<u>\$ 2,795,595</u>	<u>\$ 35,472,331</u>	<u>\$ 1,062,567</u>	<u>\$ 39,330,493</u>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
For the Year Ended June 30, 2017**

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Cash flows from operating activities:				
Cash received from customers and users	\$ 2,036,424	\$ 620,323	\$ 446,019	\$ 3,102,766
Cash received from grantors	-	-	732,593	732,593
Cash paid to employees	(293,237)	-	(437,635)	(730,872)
Cash paid to suppliers	(1,104,460)	(318,420)	(696,182)	(2,119,062)
Net cash provided (used) by operating activities	<u>638,727</u>	<u>301,903</u>	<u>44,795</u>	<u>985,425</u>
Cash flows from noncapital financing activities:				
Due to/from other funds	(455)	-	-	(455)
Interfund transfers (net)	(200,000)	16,357	1,444	(182,199)
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	-	(970,000)	-	(970,000)
Proceeds from sale of capital assets	25,038	-	-	25,038
Capital expenditures	(565,285)	(291,085)	(94,564)	(950,934)
Net cash (used) by capital and related financing activities	<u>(540,247)</u>	<u>(1,261,085)</u>	<u>(94,564)</u>	<u>(1,895,896)</u>
Cash flows from investing activities:				
Interest received	28,632	22,667	952	52,251
Net increase (decrease) in cash and cash equivalents	(73,343)	(920,158)	(47,373)	(1,040,874)
Cash and cash equivalents at beginning of year	2,978,344	2,927,134	310,360	6,215,838
Cash and cash equivalents at end of year	<u>\$ 2,905,001</u>	<u>\$ 2,006,976</u>	<u>\$ 262,987</u>	<u>\$ 5,174,964</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 436,061	\$ (813,068)	\$ (67,331)	\$ (444,338)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	131,174	1,052,922	61,558	1,245,654
Change in assets and liabilities:				
Accounts receivable	7,673	(7,148)	40,094	40,619
Prepays	-	3,817	(2,390)	1,427
Accounts payable	12,436	65,380	(13,317)	64,499
Payroll payable	10,906	-	-	10,906
Assets donated for operations	-	-	397	397
OPEB liability	1,285	-	-	1,285
Assets and liabilities related to pension	33,811	-	8,646	42,457
Compensated absences payable	5,381	-	-	5,381
Unearned revenue	-	-	17,138	17,138
Net cash provided (used) by operating activities	<u>\$ 638,727</u>	<u>\$ 301,903</u>	<u>\$ 44,795</u>	<u>\$ 985,425</u>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**STATEMENT OF ASSETS AND LIABILITIES**  
**FIDUCIARY FUNDS**  
**June 30, 2017**

	<u>Total Agency Funds</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,821,261
Receivables:	
Property/Taxes	<u>5,266,972</u>
Total assets	<u><u>\$ 8,088,233</u></u>
<b>LIABILITIES</b>	
Due to other agencies and taxing districts	<u><u>\$ 8,088,233</u></u>

The notes to the basic financial statements are an integral part of this statement.



## COOS COUNTY, OREGON

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2017

#### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. Reporting Entity

Coos County (the County) operates under Oregon Revised Statutes (ORS) Title 20. Control of the County is vested in its Board of Commissioners, who are elected to office by voters within the County. Other elected officials of the County whose general duties and responsibilities are covered by various ORS chapters include the Assessor, Clerk, District Attorney, Sheriff, Surveyor, and Treasurer.

The basic financial statements include all financial activities, organizations and functions for which the Board is responsible for financial accountability, based on criteria established by the Governmental Accounting Standards Board. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Therefore, although legally separate entities, component units are, in substance, part of the primary government's operations and data from these units are included in the financial statements of the primary government. Additionally, if the governing body of the component unit is substantially the same as that of the primary government (the County) and the management of the primary government has operational responsibility for the component unit, the component unit's financial data is to be blended with the primary government's financial data.

In evaluating how to define the County for financial reporting purposes, management has considered all potential component units. Based on application of the aforementioned criteria established by the Governmental Accounting Standards Board (GASB), the County has three component units, Coos County Library Service District, the Coos County 4-H & Extension Service District and the Coos County Area Transit Service District.

*Coos County Library Service District and the Coos County 4-H & Extension Service District* - The Districts serve all citizens of the county and are governed by the County's Board of Commissioners. The Board approves the Districts' budgets, levies taxes, and approves contracts with all cities and universities receiving County support payments. The Districts are reported as special revenue funds within the County's financial statements using blended method of presentation. Financial statements for the Districts may be obtained from the Coos County Clerk.

*Coos County Area Transit Service District* - The District serves all citizens of the County and is governed by the County's Board of Commissioners. The Board approves the District's budget and approves contracts. The District is reported as a business-type fund within the County's financial statements using blended method of presentation. Financial statements for the District may be obtained from the Coos County Clerk.

##### B. Measurement Focus, Basis of Accounting and Basis of Presentation

The financial statements of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

*Government-wide Statements:* The government-wide statements are prepared using the economic resources measurement focus and are reported on the accrual basis. This is the same approach used in preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared.

Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The government-wide statements are the Statement of Net Position and the Statement of Activities. They display information about the primary government (the County) and its component units.

These statements include the financial activities of the overall government, except for fiduciary activities. Inter-fund activity such as loans and transfers are eliminated to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the County.

Governmental activities – The County's general government activities are reported in this category, including general government, public safety, public works, health and welfare, conservation, community development, culture and recreation and intergovernmental. Governmental activities generally are financed through taxes, intergovernmental revenue, and other non-exchange transactions.

Business-type activities – The County's business-type activities include operating a waste disposal facility, natural gas pipeline, County fair and transportation service district. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the Statement of Activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* Fund financial statements report detailed information about the County. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

The accounts of the County are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The various funds of the County are grouped into the categories governmental, proprietary and fiduciary.

Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are used to account for the County's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The County considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, licenses, and interest are considered to be susceptible to accrual.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grant, categorical block grant, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grant, and then by general revenues.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

An accrual for deferred revenue arises in the Governmental Funds Balance Sheet when potential revenue does not meet the earned and available criteria for recognition in the current period. Unavailable deferred revenue consists of uncollected property taxes not deemed available to finance operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue is recognized as soon as it is earned regardless of its availability. Thus, the deferred inflow created on the Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Unearned revenues arise outside the scope of measurement focus and basis of accounting, such as when the County received resources before it has a legal claim to them. An example of this would be when grant monies are received prior to the incurrence of qualifying expenses.

Proprietary funds operating revenues, such as charges for services, result from exchange transactions associated with the principal activities of the funds. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investments earnings, result from non-exchange transaction or ancillary activities.

The County reports the following major governmental funds:

*General Fund* – This is the County's primary operating fund. It accounts for and reports the financial resources of the County that are not accounted for and reported in any other fund. Principal sources of revenue are Oregon and California land grant proceeds, state and federal revenues, property taxes, licenses and permits, charges for services, and interest. Primary expenditures are for general administration, public safety, community services and health services.

*Public Works Fund* – The fund accounts for and reports the general operations of the Road Department. Primary revenue resources include federal forest fees, motor vehicle fuel taxes and interest allocation. Expenditures are for the construction and maintenance of roads and bridges.

*Coos Health and Wellness Fund* – This fund accounts for and reports the County's mental health and wellness operations. Primary revenue sources include State mental health grants and contracts.

*County Forest Fund* – This fund accounts for and reports the management of the County's forest. Primary source of revenue is from the sale of forest products. Expenditures consist of forestry management and transfers to the General Fund.

The County reports the following major enterprise funds:

*Waste Disposal Fund* – This fund accounts for and reports the operations, maintenance, development, and closure/post closure care of various disposal sites. The fund's primary revenue source is waste disposal fees.

*Gas Pipeline Fund* – This fund accounts for and reports the construction and operations of a natural gas pipeline from Roseburg to the Coos Bay-North Bend Area. Initially funded by bonds, the fund's primary revenue source is from operational fees.

The County reports the following fiduciary fund types:

*Agency Funds* – These funds account for and report monies held by the County in a fiduciary capacity or as an agent for other governments and other funds.

### **C. Assets, Liability, and Equity**

#### *1. Cash and Cash Equivalents*

The cash and cash equivalents reported on the balance sheets include cash on hand, demand deposits, cash with fiscal agents and amounts in investment pools that have the general characteristics of demand deposit accounts with highly liquid debt instruments purchased with a maturity of three months or less.

The State of Oregon authorizes municipalities to invest in general obligations of the United States and its agencies, certain debt of Oregon municipalities, savings accounts, certificates of deposit, bankers' acceptances, the Oregon State Treasurer's Local Government Investment Pool (LGIP) and certain highly rated commercial paper. Investments are recorded at fair value. Fair value of the LGIP is stated at amortized cost, which approximates fair value. Fair value of the LGIP is the same as the County's value in the pool shares.

For purposes of the statement of cash flows, the proprietary fund type considers all highly liquid investments (including restricted cash) with maturity of three months or less when purchased to be cash equivalents.

#### *2. Receivables and Payables*

All receivables are reported at their gross value. There is no provision for uncollectible amounts. The management of Coos County believes all receivables are collectible with no material uncollectible amounts.

Property taxes receivable for the governmental fund types which have been collected within 60 days subsequent to year end are considered measurable and available and are recognized as revenue. All other property taxes receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue on the budgetary basis. Property taxes are levied and attached as an enforceable lien on property as of July 1. Taxes are payable in three installments on November 15, February 15, and May 15. All property tax receivables are due from property owners within the County and are billed and collected by Coos County, Oregon and turned over to the taxing districts within the County.

Assessments receivable are offset by deferred revenue and, accordingly, have not been recorded as revenue.

Receivables of the proprietary fund types are recorded as revenue earned, including services earned but not billed.

Receivables for federal and state grants, and state, county, and local shared revenue are recorded as revenue in all fund types as earned. The receivables for state, county, and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as interest income.

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

### 3. Inventories

Materials and supplies inventories are used for road and equipment repairs and are carried in the Public Works Fund. Except for aggregate produced by the County, which is valued at a cost, that is different from the cost that would be derived using a method that is in accordance with generally accepted accounting principles, inventories are valued at actual cost and recorded with the Purchase Method. Inventories are shown on the balance sheet as an asset and a reservation of fund balance, which indicates that they do not constitute available expendable resources although they are a component of net current assets.

### 4. Restricted Assets

Certain resources are set aside and are classified as restricted assets on the Statement of Net Position because their use is limited by outside parties. Restricted amounts may include resources set aside for specific purposes including making principal and interest payments on bonds and post-closure costs.

### 5. Capital Assets

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The County maintains a capitalization threshold of \$5,000 and an initial estimated useful life extending beyond a single reporting period. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during construction is not capitalized.

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. For governmental activities these costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities. Capital assets utilized by the proprietary funds are reported in the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Capital assets are depreciated using straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Waste disposal plant	5-40
Buildings and improvements	20-60
Infrastructure	10-40
Machinery and equipment	5-15
Vehicles and other mobile equipment	2-20

### 6. Compensated Absences

The County's policy is for employees to accumulate up to twice their annual accrual rate of vacation leave. Sick leave may be accumulated without limit, but is payable upon termination at only 25 percent of the first 960 hours, up to a maximum of 240 hours paid. Compensatory time-off may be accrued in lieu of overtime pay, limited to 40 hours.

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of unpaid, accumulated annual vacation, compensatory and sick leave balances. All unused vacation leave and twenty-five percent of unused sick leave vests with employees and is payable upon termination of employment.

A liability for these amounts is reported in governmental funds only if they have matured, for example, as the result of employee resignations and retirements. The governmental funds typically used in prior years to liquidate the liability for compensated absences are any of the funds with payroll, which include: General Fund, Special Revenue Funds and the Enterprise Funds.

#### 7. *Deferred Outflows/Inflows of Resources*

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has one type of deferred outflows of resources, related to pension assets. This is reported only on the government-wide financial statements.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of deferred inflows, one of which arises only under the modified accrual basis of accounting. This item, unavailable revenue from future property taxes and notes receivable, is reported on the governmental funds balance sheet. The District has a second type of deferred inflows, related to pension obligations, that is reported only on the government-wide financial statements.

#### 8. *Long-term Obligations*

In the government-wide financial statements and the proprietary fund type financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts as well as issuance costs are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as issuance costs during the current period. Debt proceeds, premiums and discounts are reported as other financing sources/uses, while issuance costs are reported as debt service expenditures.

#### 9. *Pensions*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### 10. *Interfund Transactions*

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures or expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

#### 11. *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## 12. *Fund Equity*

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. As a result, in the fund financial statements, fund balances are classified as follows:

**Nonspendable**—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 the local, state or federal laws, or externally imposed conditions by grantors or creditors or enabling legislation.

**Committed**—Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Commissioners. These amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed.

**Assigned** — Amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Intent must be expressed by the Board of Commissioners, the budget committee or the Board's authorized designee. The Board of Commissioners has authorized the County Treasurer to assign components of ending fund balance.

**Unassigned**—All amounts not included in other classifications.

The amounts in the various categories of fund balance are included in the governmental funds balance sheet. As discussed in Note 1 B, restricted funds are used first as appropriate. Decreases to the remaining fund balance categories first reduce committed fund balance, followed by assigned fund balance, then unassigned fund balance when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

## 13. *Net Position*

Government-wide and proprietary fund net position is divided into three components:

**Net investment in capital assets** - consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

**Restricted net position** - consists of assets that are restricted by the county's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

**Unrestricted** – all other net position is reported in this category.

## 14. *Newly Implemented Accounting Standards*

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.* The statement establishes accounting and financial reporting requirements related to pensions provided by governments that are not within the scope of GASB Statement No. 68, extending that approach to all pensions. The statement is effective for the fiscal year ending June 30, 2017. Management has determined there was no significant financial impact on the County.

GASB Statement No. 75, *“Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.”* The statement establishes accounting and financial reporting requirements related to other postemployment benefits (OPEB), replacing GASB Statements No. 45 and No. 57. The statement is effective for fiscal years beginning after June 15, 2017, however the County has chosen to early-implement. The financial impact of this statement is shown in Note IV I.

GASB Statement No. 77, *“Tax Abatement Disclosures.”* The statement establishes accounting and reporting guidance on tax abatement agreements for governments. The statement is effective for fiscal years beginning after December 15, 2015. Management has determined there was no significant financial impact on the County.

GASB Statement No. 82, *“Pension Issues: an amendment of GASB Statements No. 67, No. 68, and No. 73.”* This statement addresses issues regarding the presentation of payroll-related measures in required supplementary information, the selection of assumptions and the treatment of deviations from the guidance in an actuarial standard of practice for financial reporting purposes, and the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement was effective for the fiscal year ending June 30, 2017. Management has determined there was no significant financial impact of this statement on the County.

#### *15. New Accounting Pronouncements Upcoming*

The County’s policy is to implement new GASB pronouncements in the fiscal year no later than the required effective date.

GASB Statement No. 87, *“Leases.”* This statement establishes a single approach for reporting leases in which the Lessee records an asset representing the right to use an asset for a period of time as well as a liability for lease payments. The lease asset is amortized over the shorter of the lease term or the useful life of the asset. This statement is effective for reporting periods beginning after December 15, 2019 (FYE 6-30-21). Management has not determined the financial impact of this statement.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

The County is required by State law to budget all funds. Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the governmental funds. The annual budget for proprietary funds is adopted on a basis not consistent with accounting principles generally accepted in the United States of America to comply with Oregon Local Budget Law. Proprietary Funds are budgeted on a working capital non-GAAP basis. The County defines working capital as current assets less current liabilities excluding current portions of noncurrent liabilities. All annual appropriations lapse at fiscal year-end.

Oregon Local Budget Law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The Board of Commissioners, on or before June 30 of each year, authorizes appropriations for each fund, which sets the level by which expenditures cannot exceed appropriations. The level of control for the General Fund, Public Works, the Health and Wellness Special Revenue Fund and various non-major funds is by department, while the level of control in all other Special Revenue Funds, Debt Service and Proprietary Funds is by total personnel services, materials and services, capital outlay, debt service and support of schools. The budget document contains more specific, detailed information for the aforementioned expenditure categories.

Original appropriations may be increased through resolutions by transferring amounts between appropriations categories or between funds. A supplemental budget is needed to increase appropriations when appropriations transfers are unauthorized. Unexpected resources and certain other changes may be made through use of a supplemental budget.

The County had numerous appropriation transfers between levels of control during the year ended June 30, 2017 and the budgets are reported as originally adopted or as amended by the Board of Commissioners. Management may reassign resources within functions without seeking approval of the Board.



## B. Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations in the following amounts:

<u>Fund</u>	<u>Amount</u>
Pipeline Fund	
Materials and services	<u>\$ 49,734</u>

## C. Schedule of Accountability

The County is required by State law to disclose the financial transactions of elected officials. This includes a schedule of cash receipts and turnovers for all elected officials with cash transactions.

	Assessor	Clerk	Commis- sioners	District Attorney	Sheriff	Surveyor	Treasurer	Total
Cash on hand July 1, 2016	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 48,032,186	\$ 48,052,811
Receipts	45,008	889,375	767,992	296,337	2,606,713	29,729	103,942,066	108,577,220
Turnovers and disbursements:								
To County Treasurer								
and to others	(45,008)	(889,375)	(767,992)	(296,337)	(2,606,713)	(29,729)	(106,424,844)	(111,059,998)
Cash on hand June 30, 2017	<u>\$ 50</u>	<u>\$ 100</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 20,300</u>	<u>\$ 50</u>	<u>\$ 45,549,408</u>	<u>\$ 45,570,033</u>
Consists of:								
Change and revolving funds	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 3,186	\$ 23,811
Deposits w /County Treasurer	-	-	-	-	-	-	45,546,222	45,546,222
Total	<u>\$ 50</u>	<u>\$ 100</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 20,300</u>	<u>\$ 50</u>	<u>\$ 45,549,408</u>	<u>\$ 45,570,033</u>

## D. Investment Limitations

With the consent of the governing body, local governments may place in the aggregate up to \$47,390,998 of its funds in the State of Oregon Local Government Investment Pool (Pool). The limitation is adjusted annually by the Consumer Price Index for All Urban Consumers of the Portland, Oregon Standard Metropolitan Statistical Area. The County complied with the limitations as set out in Oregon Revised Statutes 294.810 during fiscal year 2016-17.

## III. DETAILED NOTES ON ALL FUNDS

### A. Deposits and Investments

The County maintains a cash management pool for its cash and cash equivalents in which each fund participates. Interest earnings are distributed quarterly based on average daily balances.

**Deposits** - The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the County at June 30, 2017. If bank deposits at year end are not entirely insured or collateralized with securities held by the County or by its agent in the County's name, the County must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits.

For deposits in excess of federal depository insurance, Oregon Revised Statutes require the depository institution to participate in the Public Funds Collateralization Program. The Public Funds Collateralization Pool is a multiple financial institution collateral pool administered by the Oregon State Treasurer's Office.

For the fiscal year ended June 30, 2017, the carrying amounts of the County's deposits in various financial institutions were \$4,166,507 and the bank balance was \$4,701,218. All deposits are held in the name of the County. Of the bank balance, \$691,125 was insured by the Federal Depository Insurance Corporation and \$4,010,093 was covered under the Public Funds Collateralization Program.

*Custodial Credit Risk.* Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The County's formal deposit policy for custodial credit risk is to deposit funds with qualified institutions. A qualified institution is defined by County policy as including approved security broker/dealers maintaining minimum net capital of \$10,000,000 and having a history of at least 10 years of operation. These may include "primary" dealers or regional dealers that qualify under the Securities and Exchange Commission (SEC) Rule 15C3-1 (uniform net capital rule).

The Oregon State Treasurer is responsible for monitoring public funds held by bank depositories in excess of FDIC insured amounts, and for assuring that public funds on deposit are collateralized to the extent required by Oregon Revised Statutes (ORS) 295. ORS Chapter 295 requires depository banks to place and maintain on deposit with a third party custodian bank securities having a value of 10 percent, 25 percent or 110 percent of public funds on deposit depending primarily on the capitalization level of the depository bank. Deposits in the Public Funds Collateralization Pool are not 100% guaranteed.

**Investments** - The purpose of the County's investment policy is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment related activities. The County has delegated investment responsibilities to the County Treasurer, who is primarily responsible for implementing the investment policy.

At June 30, 2017, the County had invested \$41,271,756 with the Oregon Short-Term Fund (OSTF), which is a cash and investment pool available for use by all state funds and local governments and is maintained by the State Treasurer. The Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to eligible participants, including any municipality, political subdivision, or public corporation of the state. Currently, there are more than 1,500 participants in the Pool. Local government pooled assets are reported as an Investment Trust Fund in Oregon's Comprehensive Annual Financial Report. The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon Investment Council and the Oregon State Treasury in the management and investments of the LGIP.

The State of Oregon Local Government Investment Pool (LGIP or Pool) is an unrated external investment pool and is not registered with the U.S. Securities and Exchange Commission as an investment company. Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. Withdrawals in excess of \$15 million may require 48 hours' notice. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2017 was unqualified.

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

*Credit Risk.* Credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The State of Oregon LGIP is not registered with the U.S. Securities and Exchange Commission as an investment company.

State statutes authorize the County to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's investment pool, among others. The County has no formal investment policy that further restricts its investment choices.

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Oregon Short-Term Fund Board manages this risk by limiting the maturity of the investments held by the fund. The County does not have a formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

*Concentration of Credit Risk.* The County is required to provide information about the concentration of credit risk associated with its investments in one issuer that represent five percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The County had no such investments during the year ended June 30, 2017.

A reconciliation of cash and investments as shown on the Statement of Net Position and Balance Sheet is as follows:

<u>Deposits and Investments:</u>	
Carrying amount of deposits	\$ 4,166,507
Carrying amount of investments	41,240,888
Cash on hand	25,106
Deposits in transit	<u>137,533</u>
Total deposits and investments	<u>\$ 45,570,034</u>
<u>Governmental Activities:</u>	
General Fund	\$ 5,955,995
Public Works Fund	5,799,125
Coos Health and Wellness Fund	9,307,834
County Forest Fund	7,538,544
Governmental nonmajor funds in aggregate	<u>8,972,311</u>
	<u>37,573,809</u>
<u>Business-Type Activities:</u>	
Waste Disposal Fund	2,905,001
Gas Pipeline Fund	2,006,976
Business-type non-major funds in aggregate	<u>262,987</u>
	<u>5,174,964</u>
<u>Agency Fund:</u>	
Deposits and investments	<u>2,821,261</u>
Total cash and cash equivalents	<u>\$ 45,570,034</u>

## **B. Property Taxes Receivable**

Coos County makes all assessments of property value, and collects the taxes for all taxing districts within its boundaries. The certified tax roll for all taxing districts in Coos County totaled \$65,204,996 for the fiscal year 2016-2017. For the 2016-2017 tax year, the County's permanent tax rate is \$1.0799 per \$1,000 of assessed value for all taxable property within the County's boundaries..

At June 30, 2017, property tax allocation for receivables between funds consisted of the following:

General Fund	\$ 520,335
Bond Debt Fund	150,783
Library Service District	347,559
4-H & Extension Service District	<u>42,339</u>
Subtotal	1,061,016
Trust and Agency Fund	<u>5,266,972</u>
	<u>\$ 6,327,988</u>

### C. Deferred Outflows/Inflows of Resources

The Governmental Funds Balance Sheet report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

At June 30, 2017, the General Fund, Bonded Debt Service Fund, and the non-major funds reported deferred inflows of resources for property taxes totaling \$ \$2,037,894, which are not yet available to liquidate liabilities. The Governmental Funds Balance Sheet also reports as deferred inflows of revenue, assessments receivable in the Public Works Fund of \$154,345, and installment sale income in other governmental funds of \$10,859, which are also not available to liquidate current liabilities.

In connection with the County's proportionate share of the Oregon PERS pension obligations, the Statement of Net Position reports deferred inflows of resources totaling \$970,908 for differences between employer contributions and the District's proportionate share of liabilities related to pension obligations. The Statement of Net Position also reports a total of \$16,198,071 in deferred outflows of resources for the net difference between projected and actual earnings on investments related to pension assets.

### D. Fund Balance

The County has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

	General Fund	Public Works Fund	Coos Health & Wellness Fund	County Forest Fund	Nonmajor Funds	Total
Nonspendable:						
Inventory	\$ -	\$ 474,196	\$ -	\$ -	\$ -	\$ 474,196
Prepaid expenses	-	-	-	-	33,053	33,053
Restricted:						
Debt service	-	-	-	-	158,840	158,840
Public safety services	-	-	-	-	2,993,631	2,993,631
Health services	-	-	8,518,954	-	2,555,306	11,074,260
Economic dev. services	-	-	-	-	122,295	122,295
Roads, sidewalks, footpaths	-	5,940,548	-	-	438,377	6,378,925
Other	-	-	-	-	848,675	848,675
Committed:						
Public safety	-	-	-	-	201,392	201,392
Parks	-	-	-	-	840,542	840,542
Industrial development	-	-	-	-	69,231	69,231
Assigned:						
Forest management	-	-	-	7,519,353	-	7,519,353
Planning services	-	-	-	-	79,585	79,585
Unassigned:	<u>4,920,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,920,042</u>
Total fund balance	<u>\$ 4,920,042</u>	<u>\$ 6,414,744</u>	<u>\$ 8,518,954</u>	<u>\$ 7,519,353</u>	<u>\$ 8,340,927</u>	<u>\$ 35,714,020</u>

**E. Interfund transfers and balances due to/from other funds:**

During the year, transfers were made between funds as shown below:

Fund:	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Activities:		
General Fund	\$ 4,256,861	\$ 853,338
Coos Health and Wellness Fund	300,000	-
County Forest Fund	-	2,811,183
Non-major governmental funds	<u>873,681</u>	<u>612,378</u>
Total Governmental Activities Transfers	<u>5,430,542</u>	<u>4,276,899</u>
Business-type Activities:		
Waste Disposal Fund	-	200,000
Gas Pipeline Fund	<u>-</u>	<u>953,643</u>
Total Business-type Activities Transfers	<u>-</u>	<u>1,153,643</u>
Total before non-budgetary transfers	<u>5,430,542</u>	<u>5,430,542</u>
Non-budgetary transfers		
Gas Pipeline Fund	970,000	-
Non-major governmental funds	<u>-</u>	<u>970,000</u>
Total non-budgetary transfers	<u>\$ 970,000</u>	<u>\$ 970,000</u>

The transfers from the General Fund were routine transfers to support various activities of several non-major funds. The transfers into the General Fund consisted of routine transfers from several non-major funds as well as a large transfer from the County Forest Fund to offset a reduction in the Secure Rural Schools and Community Self-Determination Program Act funding.

The General Obligation Series 2003B debt is held in the Gas Pipeline Fund, a business-type activity. Debt is serviced through collection of property taxes in the Bonded Debt Fund, a non-major governmental-type activity. A non-budgetary adjustment to transfers has been made to reduce the principal outstanding in the Gas Pipeline Fund.

At year-end, certain balances were remaining payable to and from other funds. These interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

These balances were as follows:

Fund:	<u>Due To Other Funds</u>	<u>Due From Other Funds</u>
Governmental Activities:		
General Fund	\$ 7,994	\$ -
Public Works Fund	-	35,357
Coos Health and Wellness Fund	1,789	-
County Forest Fund	1,841	-
Nonmajor governmental funds	<u>53,163</u>	<u>2,218</u>
Total Governmental Activities	<u>64,787</u>	<u>37,575</u>
Business-type Activities:		
Waste Disposal Fund	1,797	-
Nonmajor funds	<u>-</u>	<u>29,009</u>
Total Business-type Activities	<u>1,797</u>	<u>29,009</u>
	<u>\$ 66,584</u>	<u>\$ 66,584</u>

## G. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

Governmental Activities:	Balance 06/30/2016	Transfers & Additions	Transfers & Deletions	Balance 06/30/2017
<i>Non-depreciable capital assets:</i>				
Land	\$ 5,557,992	\$ 69,810	\$ (20,247)	\$ 5,607,555
Construction in progress	2,150,896	3,141,455	(1,950,382)	3,341,969
Total non-depreciable capital assets	7,708,888	3,211,265	(1,970,629)	8,949,524
<i>Depreciable capital assets:</i>				
Buildings	21,440,550	1,621,683	(2,500)	23,059,733
Improvements	3,010,212	366,331	-	3,376,543
Equipment & vehicles	18,217,398	1,032,919	-	19,250,317
Infrastructure	114,199,742	877,748	(263,119)	114,814,371
Total depreciable capital assets	156,867,902	3,898,681	(265,619)	160,500,964
<i>Less accumulated depreciation for:</i>				
Buildings	(9,558,359)	(399,338)	-	(9,957,697)
Improvements	(1,142,502)	(132,367)	2,500	(1,272,369)
Equipment & vehicles	(11,855,969)	(909,907)	235,764	(12,530,112)
Infrastructure	(55,063,613)	(2,843,318)	-	(57,906,931)
Total accumulated depreciation	(77,620,443)	(4,284,930)	238,264	(81,667,109)
Total depreciable capital assets (net)	79,247,459	(386,249)	(27,355)	78,833,855
Governmental Activities capital assets (net)	\$ 86,956,347	\$ 2,825,016	\$ (1,997,984)	\$ 87,783,379

Business-type activities:	Balance 6/30/2016	Additions & Transfers	Deletions & Transfers	Balance 6/30/2017
<i>Non-depreciable capital assets:</i>				
Land	\$ 709,402	\$ -	\$ -	\$ 709,402
Construction in progress	332,701	-	-	332,701
Total Non-depreciable capital assets	1,042,103	-	-	1,042,103
<i>Depreciable capital assets:</i>				
Improvements	2,509,017	6,920	(14,517)	2,501,420
Buildings	2,337,042	393,587	(205,132)	2,525,497
Infrastructure	52,255,070	337,584	(16,351)	52,576,303
Equipment & vehicles	1,350,984	212,844	(153,980)	1,409,848
Total depreciable capital assets	58,452,113	950,935	(389,980)	59,013,068
<i>Less accumulated depreciation for:</i>				
Improvements	(1,836,046)	(75,824)	12,469	(1,899,401)
Buildings	(1,277,780)	(48,171)	107,287	(1,218,664)
Infrastructure	(11,834,426)	(1,058,403)	6,218	(12,886,611)
Equipment & vehicles	(1,055,701)	(63,256)	140,446	(978,511)
Total accumulated depreciation	(16,003,953)	(1,245,654)	266,420	(16,983,187)
Total depreciable capital assets (net)	42,448,160	(294,719)	(123,560)	42,029,881
Business-Type activities capital assets (net)	\$ 43,490,263	\$ (294,719)	\$ (123,560)	\$ 43,071,984

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

Governmental activities:		
General government		\$ 908,691
Public safety		69,341
Health & welfare		50,900
Public works		3,034,393
Culture and recreation		215,584
Total depreciation expense - governmental activities		\$ 4,278,909
Business-type activities:		
Sanitation		\$ 131,174
County fair		25,634
Gas pipeline		1,052,922
Transportation		35,924
Total depreciation expense - business-type activities		\$ 1,245,654



## H. Bonds Payable

The full faith and credit of the County is pledged for all outstanding general obligation bonds, and the majority of funds necessary for the retirement of these bonds are provided by property taxes.

On July 1, 2003 the County issued \$17,760,000 of Series 2003B taxable general obligation bonds. The proceeds are being used to finance a portion of the costs of designing, acquiring, constructing and equipping a natural gas pipeline from Roseburg, Oregon to Coos Bay/North Bend, Oregon. The interest rate on the bonds is 4.33 percent through 2017, then increases to 4.88 percent until paid in full. The Bonds are not subject to optional redemption prior to their stated maturities; however, the 2017 Term Bond and the 2023 Term Bond are subject to mandatory redemption. The payments are paid from the Bonded Debt Fund, from taxes levied for debt service.

Future general obligation bonded debt requirements as of June 30, 2017 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017-2018	\$ 1,015,000	\$ 335,500	\$ 1,350,500
2018-2019	1,065,000	285,968	1,350,968
2019-2020	1,115,000	233,996	1,348,996
2020-2021	1,170,000	179,584	1,349,584
2021-2022	1,225,000	122,488	1,347,488
2022-2023	1,285,000	62,708	1,347,708
Total	<u>\$ 6,875,000</u>	<u>\$ 1,220,244</u>	<u>\$ 8,095,244</u>

Changes in long-term debt are as follows:

	<u>Balance June 30, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>	<u>Amounts due Within one year</u>
<u>Business-Type Funds</u>					
General obligation bonds	\$ 7,845,000	\$ -	\$ 970,000	\$ 6,875,000	\$ 1,015,000

Changes in other long-term liabilities:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Amounts due Within one year
<b><u>Governmental Fund Types</u></b>					
Compensated absences	\$ 1,535,602	\$ 1,772,469	\$ 1,729,320	\$ 1,578,751	\$ 1,578,751
Other postemployment benefits	1,173,751	102,629	-	1,276,380	-
Total governmental fund types	<u>\$ 2,709,353</u>	<u>\$ 1,875,098</u>	<u>\$ 1,729,320</u>	<u>\$ 2,855,131</u>	<u>\$ 1,578,751</u>
<b><u>Business-Type Funds</u></b>					
Compensated absences	\$ 75,597	\$ 60,436	\$ 60,832	\$ 75,201	\$ 75,201
Closure/post closure costs	1,479,560	103,640	-	1,583,200	68,200
Other postemployment benefits	49,199	1,883	-	51,082	-
Total proprietary fund types	<u>\$ 1,604,356</u>	<u>\$ 165,959</u>	<u>\$ 60,832</u>	<u>\$ 1,709,483</u>	<u>\$ 143,401</u>

**IV. OTHER INFORMATION**

**A. Employee Retirement Systems and Plans**

*Plan Description*

The County contributes to the State of Oregon Public Employees Retirement System (PERS), which is governed by ORS Chapter 238. PERS is a single cost-sharing multiple-employer defined benefit pension plan that provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. Oregon Revised Statutes 238 and 238A assign the authority to establish and amend benefit provisions to the state legislature.

***Plan Benefits.***

*Tier One/Tier Two Retirement Benefit (Chapter 238):*

**Pension Benefits** - The PERS retirement allowance may be selected from 13 retirement benefit options. These options include annuities, survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

**Death Benefits** - Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest) and employer funds equal to the account balance, provided certain conditions are met.

**Disability Benefits** - This is available for qualifying employees for both duty and non-duty connected causes.

**Benefit Changes After Retirement** - Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Also, monthly benefits are adjusted annually through cost-of-living changes.

*OPSRP Pension Program (ORS Chapter 238A):*

Pension Benefits - The Pension Program provides benefits to members hired on or after August 29, 2003. OPSRP provides a life pension funded by employer contributions. Benefits are based upon the number of years of service and the final average salary.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits - Upon the death of a non-retired member, the beneficiary receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

Disability Benefits - This is available for qualifying employees for both duty and non-duty connected causes.

Benefit Changes After Retirement - Monthly benefits are adjusted annually through cost-of-living changes.

*OPSRP Individual Account Program (OPSRP IAP):*

Pension Benefits – An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits – Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump sum payment.

Recordkeeping – PERS contracts with VOYA Financial to maintain IAP participant records.

*Pension Plan CAFR:*

Both PERS and OPSRP are administered by the Oregon Public Employees Retirement Board ("OPERB"). The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377, or by accessing the PERS web site at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

Contributions:

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The County paid 20.88 percent for Tier 1 and Tier II employees, 13.90 percent for OPSRP members and 18.01 percent for OPSRP Police and Fire for the fiscal year.

Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation as subsequently modified by April 2015 legislated changes in benefit provisions. The State of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer cash payments for the year ended June 30, 2017 were \$3,630,390. This consisted of \$2,708,643 from the District and \$921,747 paid by the County on behalf of employees. These payments added to the County's fiduciary net position.

***Pension Assets, Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:***

At June 30, 2017, the County reported a liability of \$29,325,428 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2014 rolled forward to June 30, 2016.

The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined.

At June 30, 2016, the County's proportion was 0.19534246 percent, which was a decrease of .01582248 from its proportion measured as of June 30, 2014. For the year ended June 30, 2017, the County's actuarially determined pension expense was \$5,158,946.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 970,212	\$ -
Changes in assumptions	6,254,410	-
Net difference between projected and actual earnings on investments	5,793,473	-
Changes in proportionate share	-	861,464
Differences between employer contributions and employer's proportionate share of system contributions	553,491	109,444
Contributions subsequent to the MD	2,626,485	-
Total	<u>\$ 16,198,071</u>	<u>\$ 970,908</u>

The \$2,626,485 reported as deferred outflow of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30	
2018	\$ 2,247,051
2019	2,247,051
2020	4,374,334
2021	3,285,574
2022	446,676
Thereafter	-
Total	\$12,600,686

*Actuarial Assumptions*

The employer contribution rates effective July 1, 2016, through June 30, 2017, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2014
Measurement date	June 30, 2016
Experience Study	2014, published September 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.50 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2% COLA and graded COLA (1.25% / .15%) in accordance with Moro decision; blended based on service.
Mortality	<p><b>Healthy retirees and beneficiaries:</b></p> <p>RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active members:</b></p> <p>Mortality rates are a percentage of healthy retirees rates that vary by group, as described in the valuation.</p> <p><b>Disabled retirees:</b></p> <p>Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study, which reviewed experience for the four-year period ending on December 31, 2014.

To develop an analytical basis for the selection of the long-term table asset classes expected rate of return assumption, in July 2015, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Long-Term Expected Rate of Return:

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00	3.61
Bank/Leveraged Loans	3.00	5.42
High Yield Bonds	1.00	6.20
Large/Mid Cap US Equities	15.75	6.70
Small Cap US Equities	1.31	6.99
Micro Cap US Equities	1.31	7.01
Developed Foreign Equities	13.13	6.73
Emerging Foreign Equities	4.12	7.25
Non-US Small Cap Equities	1.88	7.22
Private Equity	17.50	7.97
Real Estate (Property)	10.00	5.84
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds - Diversified	2.50	4.64
Hedge Fund - Event-driven	0.63	6.72
Timber	1.88	5.85
Farmland	1.88	6.37
Infrastructure	3.75	7.13
Commodities	1.88	4.58
Assumed Inflation - Mean		2.50%

Assumed Asset Allocation:

Asset Class/Strategy	Low Range		High Range		Target	
Cash	0.0	%	3.0	%	0.0	%
Debt Securities	15.0		25.0		20.0	
Public Equity	32.5		42.5		37.5	
Private Equity	16.0		24.0		20.0	
Real Estate	9.5		15.5		12.5	
Alternative Equity	0.0		10.0		10.0	
Opportunity Portfolio	0.0		3.0		0.0	
Total					100.0	%

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

<b>Measurement Date [MD] of the Net Pension Liability/(Asset) [NPL/(A)]</b>	06/30/2016
Actuarial Valuation Date (liability rolled forward to MD)	12/31/2014
Discount rate	7.50%
Employer's proportionate share at prior MD	0.21116494%
Employer's proportionate share at MD	0.19534246%
Employer's proportionate share of system NPL/(A) at prior MD	\$ 12,123,953
Employer's proportionate share of system NPL/(A) at MD	\$ 29,325,428
Sensitivity: NPL/(A) using discount rate 1.00% lower	\$ 47,350,806
Sensitivity: NPL/(A) using discount rate 1.00% higher	\$ 14,259,386

**Employer Pension Expense for Measurement Period**

Employer's proportionate share of system Pension Expense/(Income)	\$ 5,254,742
Net amortization of deferred amounts from:	
Changes in proportionate share	(200,935)
Differences between employer contributions and employer's proportionate share of system contributions	105,139
	<hr/>
Employer's Total Pension Expense/(Income)	<u>\$ 5,158,946</u>

**Plan Changes Reflected**

The Oregon Supreme Court decision in *Moro v. State of Oregon* (issued on April 30, 2015) occurred after the December 31, 2013, valuation date but affected the plan provisions reflected for financial reporting purposes. The *Moro* decision modified the COLA-related changes of Senate Bills 822 and 861, creating a blended COLA for members who earned service both before and after the effective dates of the legislation.

For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability must be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the System. Due to the timing of the Supreme Court decision, this means the COLA change due to *Moro* is reflected in the June 30, 2015, Total Pension Liability, but was not reflected in the June 30, 2014 Total Pension Liability. To reflect the *Moro* decision, the actuary estimated the blended COLA based on creditable service before and after the effective dates of the legislation. This approach is consistent with OAR 459-005-0510, adopted by the PERS Board in September 2015.

### **Changes Subsequent to the Measurement Date**

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

Management is not aware of any changes subsequent to the June 30, 2016, Measurement Date that meet this requirement. The assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated May 23, 2016.

## **B. Other Postemployment Benefits**

The County implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* for the fiscal year ended June 30, 2017. This implementation allows the County to report its liability for other postemployment benefits consistent with newly established generally accepted accounting principles and to reflect an actuarially determined liability for the present value of projected benefits for retired and active employees on the financial statements.

The OPEB for Coos County combines two separate early retirement programs. The County provides an implicit rate subsidy for retiree health insurance continuation premiums and an explicitly negotiated amount of medical premiums for one named retiree until Medicare eligibility.

### Negotiated Direct Health Insurance Payments

#### *Plan Description*

This program is single employer, defined benefit plan standalone plan administered by Coos County. The County contributes a specific negotiated amount toward the monthly premium for the participant. The Coos County Board of Commissioners has the authority to determine the amount to be contributed by the County and by the employee. The County currently contributes 100%. Qualified spouses and domestic partners may qualify for coverage. No dependents are covered. Coverage includes medical, dental and vision premiums. Coverage continues until the earlier of the participant's death or age 65. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

*Funding Policy.* This plan is funded on the pay-as-you-go basis. Benefits paid by the County during the year totaled \$7,711, for the one remaining employee covered under the plan.

### Health Insurance Continuation

#### *Plan Description*

The County has a health insurance continuation option available for eligible retirees and their spouses and dependents until Medicare eligibility. The County is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. Thus GASB 75 is applicable to the County due to the implicit rate subsidy. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements. The plan is a single-employer defined-benefit plan administered by the County.



*Funding Policy.* The County pays health, dental and vision insurance premiums for those retirees at the blended rate for each family classification. The required contributions to the plan consist of the amount paid by retirees.

For fiscal year 2016-2017, the County collected and contributed \$36,630 consisting of retiree payments. The County has elected not to prefund the actuarially determined future cost amount of the preceding two plans of \$1,327,456.

Applicable to Both Other Post Employment Benefit Programs

In the July 1, 2016 actuarial valuation, which is the most recent actuarial valuation, the Entry Age Normal, level percent of salary, actuarial cost method was used. Under this method, the expected accrued benefit of each participant at benefit commencement (reflecting future expected increases in salaries and medical premiums) is allocated in equal proportion over the participant's years of service from hire to expected retirement. The normal cost is the value of benefits expected to accrue in the current year.

Under Statement 75, the Total OPEB Liability is determined. This is equal to the present value of the portion of future expected benefit payments that is considered to have been already earned by participants. The difference between Total OPEB Liability and the actuarial value of plan assets is called the unfunded accrued actuarial liability.

Participant Statistics

Number of active participants	305
Number of inactive participants	<u>3</u>
Total number of participants	<u>308</u>

The County's Total OPEB Liability was \$1,327,456 as of June 30, 2017. This amount was determined by an actuarial evaluation on July 1, 2016, using the following actuarial assumptions:

Valuation Date	July 1, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry Age Normal, level percent of salary
Actuarial assumptions:	
Inflation rate	2.50 percent
Discount rate	3.00 percent
Projected salary increases	3.00 percent
Mortality	<p><b>Male:</b></p> <p>RP 2000 male table, combined active/healthy annuitant, blended 25% blue collar, 75% white collar, set back 12 months, and projected generationally with Scale BB</p> <p><b>Female:</b></p> <p>RP 2000 female table, combined active/healthy annuitant, blended 25% blue collar, 75% white collar, and projected generationally with Scale BB</p> <p>Mortality rates for active male and female participants are 75% and 60% of the above rates, respectively</p>

Changes in the Total OPEB Liability:

	Total OPEB Liability
<b>Balance at 6/30/16:</b>	<u>\$ 1,222,950</u>
<b>Changes for the year:</b>	
Service Cost	111,158
Interest	37,693
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	-
Benefit payments	<u>(44,339)</u>
<b>Net changes</b>	<u>104,512</u>
<b>Balance at 6/30/17</b>	<u><u>\$ 1,327,462</u></u>
Covered payroll	\$15,233,004
Total OPEB Liability as a percentage of covered payroll	8.71%

The following presents the Total OPEB Liability for the County, as well as what the County's Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point higher or lower, as well as a medical trend rate that is 1 percentage point higher or lower:

	1% Decrease	<b>Current Discount Rate</b>	1% Increase
	2.00%	3.00%	4.00%
Total OPEB Liability	<u>\$ 1,438,213</u>	<u>\$ 1,327,462</u>	<u>\$ 1,224,586</u>
	1% Decrease	<b>Current Medical Trend Rate</b>	1% Increase
	5.50% Graded Down to 4.00%	6.50% Graded Down to 5.00%	7.50% Graded Down to 6.00%
Total OPEB Liability	<u>\$ 1,172,865</u>	<u>\$ 1,327,462</u>	<u>\$ 1,509,418</u>

For the year ending June 30, 2017, the County recognized OPEB expense (credit) of (\$401,079).

*Actuarial Methods and Assumptions.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and the plan members to that point.

The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial method used is the Entry Age Normal, level percent of salary, method.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The actuarial assumptions included a 3.0 percent discount rate for unfunded liabilities, and annual cost increase rates for medical, prescription drugs, and vision premiums of: 6.5 percent in the fiscal year 2016-17, 6.4 percent in the second year, 6.3 percent in the third year, 6.2 percent in the fourth year, then grading down from 6.2 percent to 5.0 percent over the next 12 years. Health cost trends affect both the projected health care costs as well as the projected health care premiums.

The payroll growth assumption is 3.0 percent, compounded annually for purposes of amortizing the unfunded AAL, and a general inflation increase of 2.5 percent.

**C. Landfill Closure and Post-Closure Care Costs**

The County has adopted Governmental Accounting Standards Board Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure Care Costs*. This statement requires municipalities to record the estimated closure and post-closure care costs of landfills over the useful life of the landfill.

State and federal laws and regulations require the County to place a final cover on its landfill sites when the landfills stop accepting waste and to perform certain maintenance and monitoring functions at these sites for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date the landfills stop accepting waste, the County is required to report these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

During the 2012, the Beaver Hill disposal site became inactive and an interim cover was put in place on the trench. The landfill was closed during fiscal year 2014-15. The site continues to function as a transfer station for solid waste. The Joe Ney disposal site became inactive in summer 2013, received the final cover in 2014, and required repairs in late June 2015. The Bandon Landfill is closed, and has a soil cover. In 2014, DEQ approved the County’s application for termination of environmental monitoring of the Bandon site.

The following schedule shows details of landfill closure and post-closure liability:

	Landfill Closure and Post-Closure Care Liability	% of Capacity Used	Cost to be Recognized at 6/30/17	Estimated Remaining Life (Years)
Bandon disposal site	\$ -	100%	\$ -	-
Beaver Hill disposal site (municipal solid waste)	863,300	100%	863,300	-
Joe Ney disposal site (construction demolition)	719,900	100%	719,900	-
	<u>\$ 1,583,200</u>		<u>\$ 1,583,200</u>	

The above dollar amounts are based on the estimated cost to perform all closure and post-closure in 2016-2017. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. During 2016-2017, actual landfill closure and post-closure costs were \$211,738. The liability for special projects, closure and post closure costs was adjusted from \$1,479,560 to \$1,583,200, as a result of the 2017 engineering cost estimate.

The County is required by state and federal laws and regulations to meet certain financial assurance requirements for closure and post-closure care. The County demonstrates that it has met these financial assurance requirements through submission of a Local Government Financial Test to the Oregon Department of Environmental Quality in accordance with Oregon Administrative Rule 304-094-0140.

The County has established a reserve fund to account for their annual contributions to finance closure and post-closure care. As of June 30, 2017, the cash and investment balance in the reserve fund is \$716,728. The County expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or from future tax revenue.

#### **D. Risk Management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. Worker's compensation insurance is also provided through a commercial carrier. There has been no significant reduction in insurance coverage from the prior year and the County has not been required to pay any settlements in excess of insurance coverage during the past three fiscal years.

#### **E. Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

#### **F. Jointly Governed Organizations**

The following organizations have County Commissioners on their respective boards: South Coast Business Employment Corporation, Coos County Urban Renewal Agency, Southwest Advisory Committee on Transportation, Council on Forest Trust Lands, Oregon and California Counties, Bay Area Enterprise Zone, CCD Business Development Corp., Western Oregon Advanced Health, South Slough Commission, Rural Development Initiatives, Energy Trust of Oregon, Small Business Development Center, Bay Area Chamber of Commerce, Coos Bay-North Bend Water Board, Oregon Land Conservation and Development Commission, United Way of Southwest Oregon, South Coast Development Corporation, Association of Oregon Counties, South Coast Community Foundation, Southern Oregon Workforce Investment Board, Waterfront Development Partnership, Coos Watershed Association, Travel Oregon South Coast, and the Ocean Policy Advisory Council. The organizations have various purposes, including local economic development and social services. The Commissioners do not have a voting majority on the organizations' boards, nor are the organizations fiscally dependent on the County.

In November 2013, the County became a member of Western Oregon Advanced Health, LLC (WOAH), a limited liability company which was formed to operate as a coordinated care organization in Oregon and whose members consist of various Oregon health care organizations. The County's investment in WOAH represents an approximate 10% ownership interest. WOAH's most recently available financial information, as of ending December 31, 2016, reported the County's interest at \$639,622, an increase of \$108,906 over the prior year. WOAH does not prepare publicly available financial statements.

One County Commissioner serves on the governing Board of WOAH. Under terms of a contract with WOAH, the County provides health care services to certain OHP patients, for whom WOAH has agreed with OHP to provide health care services.

#### **G. Other**

*Funding decrease* - In March 2015, Congress reauthorized the Secure Rural Schools and Community Self-Determination Program Act (SRS) for only two additional years. The two year reauthorization means that, in 2016 the County was back under the Oregon & California (O&C), Coos Bay Wagon Road (CBWR) and Federal Forest statutory payment regimes. This requires timber to be harvested in order for payments to be made to the county.

Timber dependent counties continue to work with the Oregon delegation in Congress to secure some type of funding to keep southern Oregon counties from becoming insolvent.

## H. Construction in Progress

At June 30, 2017, the County was involved in various phases of improvement projects. The significant contracts and remaining amounts are shown below:

<u>Fund</u>	<u>Description</u>	<u>Original Contract Amount</u>	<u>Outstanding Contract Amount</u>	<u>Percentage of Completion</u>
Coos Health & Wellness Fund	Building	<u>\$ 3,282,517</u>	<u>\$ 1,373,707</u>	58%

## I. Prior Period Adjustments

Coos County early-implemented GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." The statement establishes accounting and financial reporting requirements related to other postemployment benefits (OPEB), replacing GASB Statements No. 45 and No. 57. The statement was effective for fiscal years beginning after June 15, 2017, but early implementation was encouraged. The results of implementing this standard are shown below:

	<u>Gov't Activities</u>	<u>Waste Disposal</u>	<u>Other Enterprise Funds</u>
Net position, beginning of year	\$ 111,569,332	\$ 2,726,502	\$ 1,126,855
Change in OPEB liability	541,277	6,562	2,091
Net position, beginning of year as restated	<u>\$ 112,110,609</u>	<u>\$ 2,733,064</u>	<u>\$ 1,128,946</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**COOS COUNTY, OREGON**  
**SCHEDULE OF NET OPEB LIABILITY**  
June 30, 2017

Year Ended June 30,	County's total OPEB liability	Plan fiduciary net position	County's net OPEB liability	County's covered payroll	County's net OPEB liability as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total OPEB liability
2016	\$ 1,222,950	\$ -	\$ 1,222,950	\$ 15,233,004	8.03%	\$ -
2017	\$ 1,327,456	\$ -	\$ 1,327,456	\$ 15,233,004	8.71%	\$ -

The above table presents the most recent actuarial valuations for the County's post-employment health insurance benefits plan and it provides information that approximates the funding progress of the plan.

These schedules are presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County is showing one year's progress.

**COOS COUNTY, OREGON**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY**  
**AND RELATED RATIOS**  
June 30, 2017

	Fiscal Year Ending <u>June 30, 2017</u>
Total OPEB liability:	
Service cost	\$ 111,162
Interest	37,691
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other input	-
Benefit payments	<u>(44,341)</u>
Net change in total OPEB liability	104,512
Total OPEB liability at June 30, 2016	<u>1,222,950</u>
Total OPEB liability at June 30, 2017	<u><u>\$ 1,327,462</u></u>
Covered employee payroll	\$ 15,233,004
Total OPEB liability as a percentage of covered payroll	8.71%

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the County is showing one year's progress.



**COOS COUNTY, OREGON  
REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2016**

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY  
FOR THE LAST FOUR YEARS\***

Year Ended June 30,	(a) County's proportion of the net pension liability (asset)	(b) County's proportionate share of the net pension liability (asset)	(c) County's covered payroll	(b/c) County's proportionate share of the net pension liability/asset as a percentage of its covered payroll	Plan fiduciary net position as a percentage of total pension liability
2014	0.211894%	\$ 10,813,254	\$ 12,342,285	-87.61%	92.0%
2015	0.211894%	\$ (4,803,029)	\$ 13,937,930	34.46%	103.6%
2016	0.211165%	\$ 12,123,953	\$ 14,808,919	-81.87%	91.9%
2017	0.195342%	\$ 29,325,428	\$ 15,357,123	-190.96%	80.5%

**SCHEDULE OF CONTRIBUTIONS OF NET PENSION LIABILITY**

Year Ended June 30,	(a) Contractually required contribution	(b) Contributions in relation to the contractually required contribution	(a-b) Contribution deficiency (excess)	(c) County's covered payroll	(b/c) Contributions as a percent of covered payroll
2014	\$ 4,803,029	\$ (4,803,029)	\$ -	\$ 12,342,285	38.92%
2015	\$ 3,146,324	\$ (3,146,324)	\$ -	\$ 13,937,930	22.57%
2016	\$ 3,527,907	\$ (3,527,907)	\$ -	\$ 14,808,919	23.82%
2017	\$ 3,630,390	\$ (3,630,390)	\$ -	\$ 15,357,123	23.64%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

\*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

The notes to the basic financial statements are an integral part of this statement.

## MAJOR GOVERNMENTAL FUNDS

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**General Fund** – The General Fund is the general operating fund of the County. It is used to account for and report all financial resources except those required to be accounted for and reported in another fund. The major revenue sources are property taxes, federal apportionments (e.g. O&C Land Grants), state apportionments (e.g. shared liquor and cigarette tax revenues, and grant funds), service fees, licenses and permits, and investment income. The general fund accounts for and reports the general operating expenditures of the County not accounted for or reported elsewhere.

### **Special Revenue Funds:**

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects.

**Public Works Fund** – The Public Works Fund accounts for and reports the general operations of the County road department. Major revenue sources are from federal forest sales, motor vehicle fees, and interest allocation. Major expenditures are for road construction and maintenance, departmental personnel costs, and interfund transfers.

**Health and Wellness Fund** – The Health and Wellness Fund accounts for and reports the County's Health and Wellness operations. Primary revenue sources include state mental health grants and contracts and mental health Title XIX funds.

**County Forest Fund** – The County Forest Fund accounts for and reports the management of the County's forest. Timber sales are the primary source of revenue in this fund. Expenditures consist of forestry management and transfers to the general fund.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**GENERAL FUND**  
For the Year Ended June 30, 2017

	Budget		Actual	Variance
	Original	Final		
<b>Revenues:</b>				
Property taxes	\$ 5,003,861	\$ 5,003,861	\$ 5,234,985	\$ 231,124
Taxes - other	230,180	230,180	254,888	24,708
Intergovernmental	4,963,244	5,090,411	5,114,111	23,700
Licenses, fees, and permits	459,331	459,331	585,350	126,019
Charges for services	983,707	983,707	846,116	(137,591)
Fines and forfeiture	120,000	120,000	112,700	(7,300)
Interest on investments	47,000	47,000	91,361	44,361
Other	194,408	194,408	373,395	178,987
<b>Total revenues</b>	<b>12,001,731</b>	<b>12,128,898</b>	<b>12,612,906</b>	<b>484,008</b>
<b>Expenditures:</b>				
<b>General Government:</b>				
Assessor	1,231,565	1,231,565	1,172,967	58,598
Board of Commissioners/Admin.	364,042	367,456	363,290	4,166
Board of Commissioners/Infor. Tech.	723,429	723,429	620,246	103,183
Clerk/Records	549,869	549,869	537,608	12,261
County Counsel	630,722	630,722	502,693	128,029
District Attorney/Prosecution	1,025,305	1,045,805	1,037,543	8,262
Maintenance	737,016	737,016	670,611	66,405
Surveyor	210,679	210,679	200,264	10,415
Finance and Tax	636,376	636,376	535,866	100,510
Treasurer	100,805	100,805	89,551	11,254
<b>Miscellaneous nondepartmental:</b>				
Personnel services	100,000	46,586	28,656	17,930
Materials and services	763,279	898,014	682,745	215,269
Payment of advanced taxes	20,000	20,000	19,874	126
Capital outlay	326,500	326,500	49,262	277,238
<b>Total General Government</b>	<b>\$ 7,419,587</b>	<b>\$ 7,524,822</b>	<b>\$ 6,511,176</b>	<b>\$ 1,013,646</b>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**GENERAL FUND (continued)**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance
	Original	Final		
Health and Welfare:				
District Attorney/Medical Examiner	\$ 192,348	\$ 192,348	\$ 181,251	\$ 11,097
District Attorney/Support Enforcement	150,638	150,638	148,466	2,172
Veterans	144,488	144,488	132,340	12,148
Total Health and Welfare	<u>487,474</u>	<u>487,474</u>	<u>462,057</u>	<u>25,417</u>
Public Safety:				
Juvenile	838,747	838,747	735,989	102,758
Sheriff/Criminal	3,703,396	3,830,563	3,575,629	254,934
Sheriff/Dunes	368,745	368,745	309,849	58,896
Sheriff/Jail	5,155,813	5,205,813	4,562,412	643,401
Sheriff/Marine	302,055	308,730	300,488	8,242
Total Public Safety	<u>10,368,756</u>	<u>10,552,598</u>	<u>9,484,367</u>	<u>1,068,231</u>
Contingency	<u>2,014,885</u>	<u>1,837,667</u>	<u>-</u>	<u>1,837,667</u>
Total expenditures	<u>20,290,702</u>	<u>20,402,561</u>	<u>16,457,600</u>	<u>3,944,961</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,288,971)</u>	<u>(8,273,663)</u>	<u>(3,844,694)</u>	<u>4,428,969</u>
Other financing sources (uses)				
Sale of capital assets	-	-	11,269	11,269
Transfer in	4,534,001	4,534,001	4,256,861	(277,140)
Transfer out	(838,030)	(853,338)	(853,338)	-
Total other financing sources	<u>3,695,971</u>	<u>3,680,663</u>	<u>3,414,792</u>	<u>(265,871)</u>
Net change in fund balance	<u>(4,593,000)</u>	<u>(4,593,000)</u>	<u>(429,902)</u>	<u>4,163,098</u>
Fund balance at beginning of year	<u>4,593,000</u>	<u>4,593,000</u>	<u>5,349,944</u>	<u>756,944</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,920,042</u>	<u>\$ 4,920,042</u>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC WORKS FUND**  
For the Year Ended June 30, 2017

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,301,422	\$ 5,301,422	\$ 5,198,384	\$ (103,038)
Licenses, fees, and permits	35,000	35,000	52,745	17,745
Charges for services	845,000	845,000	1,011,089	166,089
Interest on investments	16,000	16,000	63,598	47,598
Fines and forfeitures	1,500	1,500	34,366	32,866
Other	162,028	162,028	50,198	(111,830)
<b>Total revenues</b>	<b>6,360,950</b>	<b>6,360,950</b>	<b>6,410,380</b>	<b>49,430</b>
Expenditures:				
Public Works:				
Road Survey	25,905	25,905	25,208	697
Road Maintenance	4,175,672	4,375,672	4,284,461	91,211
Fleet Services	1,121,310	1,171,310	1,086,853	84,457
Capital Projects	1,610,130	2,079,130	1,447,320	631,810
ORC Road Maintenance	6,985	6,985	-	6,985
Contingency	5,000,000	4,281,000	-	4,281,000
<b>Total expenditures</b>	<b>11,940,002</b>	<b>11,940,002</b>	<b>6,843,842</b>	<b>5,096,160</b>
Excess (deficiency) of revenues over (under) expenditures	(5,579,052)	(5,579,052)	(433,462)	5,145,590
Other financing sources (uses):				
Sale of capital assets	-	-	28,446	28,446
<b>Total other financing sources</b>	<b>-</b>	<b>-</b>	<b>28,446</b>	<b>28,446</b>
<b>Net change in fund balance</b>	<b>(5,579,052)</b>	<b>(5,579,052)</b>	<b>(405,016)</b>	<b>5,174,036</b>
Fund balance at beginning of year	5,579,052	5,579,052	6,819,760	1,240,708
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,414,744</u>	<u>\$ 6,414,744</u>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COOS HEALTH & WELLNESS FUND**  
For the Year Ended June 30, 2017

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 13,134,179	\$ 13,134,179	\$ 13,900,923	\$ 766,744
Licenses, fees, and permits	36,060	36,060	68,810	32,750
Interest on investments	44,000	44,000	105,571	61,571
Charges for services	109,077	109,077	130,519	21,442
Other	5,300	5,300	4,555	(745)
Total revenues	<u>13,328,616</u>	<u>13,328,616</u>	<u>14,210,378</u>	<u>881,762</u>
Expenditures:				
Health and Welfare:				
Local Administration	9,200,408	9,200,408	5,435,334	3,765,074
Mental Health Services	12,365,646	12,365,646	10,030,994	2,334,652
Alcohol and Drug Services	650,791	650,791	564,528	86,263
Contingency	2,446,209	2,446,209	-	2,446,209
Total expenditures	<u>24,663,054</u>	<u>24,663,054</u>	<u>16,030,856</u>	<u>8,632,198</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,334,438)</u>	<u>(11,334,438)</u>	<u>(1,820,478)</u>	<u>9,513,960</u>
Other financing sources (uses):				
Transfer in	300,000	300,000	300,000	-
Sale of assets	-	-	1,476	1,476
Total other financing sources (uses)	<u>300,000</u>	<u>300,000</u>	<u>301,476</u>	<u>1,476</u>
Net change in fund balance	<u>(11,034,438)</u>	<u>(11,034,438)</u>	<u>(1,519,002)</u>	<u>9,515,436</u>
Fund balance at beginning of year	<u>11,034,438</u>	<u>11,034,438</u>	<u>10,037,956</u>	<u>(996,482)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,518,954</u>	<u>\$ 8,518,954</u>

The notes to the basic financial statements are an integral part of this statement.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNTY FOREST FUND**  
For the Year Ended June 30, 2017

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental revenues	\$ -	\$ 214,618	\$ 9,608	\$ (205,010)
Charges for services	61,500	61,500	43,661	(17,839)
Timber sales	4,265,600	4,265,600	3,365,404	(900,196)
Interest on investments	18,000	18,000	64,050	46,050
Other	-	-	20,824	20,824
Total revenues	<u>4,345,100</u>	<u>4,559,718</u>	<u>3,503,547</u>	<u>(1,056,171)</u>
Expenditures:				
General Government:				
Personnel services	353,406	353,406	320,289	33,117
Materials and services	355,172	355,172	301,188	53,984
Capital outlay	29,500	244,118	34,793	209,325
Contingency	6,874,302	6,874,302	-	6,874,302
Total expenditures	<u>7,612,380</u>	<u>7,826,998</u>	<u>656,270</u>	<u>7,170,728</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,267,280)</u>	<u>(3,267,280)</u>	<u>2,847,277</u>	<u>6,114,557</u>
Other financing sources (uses):				
Transfer out	<u>(2,811,183)</u>	<u>(2,811,183)</u>	<u>(2,811,183)</u>	<u>-</u>
Total other financing sources (uses)	<u>(2,811,183)</u>	<u>(2,811,183)</u>	<u>(2,811,183)</u>	<u>-</u>
Net change in fund balance	(6,078,463)	(6,078,463)	36,094	6,114,557
Fund balance at beginning of year	<u>6,078,463</u>	<u>6,078,463</u>	<u>7,483,259</u>	<u>1,404,796</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,519,353</u>	<u>\$ 7,519,353</u>

The notes to the basic financial statements are an integral part of this statement.

**SUPPLEMENTARY INFORMATION**



## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds:

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt or capital projects.

**Animal Control Fund** – This fund accounts for and reports revenues collected from the sale of dog licenses and transfers from the General Fund. Fund expenditures are for operation of the County Domestic Animal Control Service.

**Public Health Fund** – This fund accounts for and reports the County's public health operations. Primary revenue sources include state public health grants and contracts and Public Health Title XIX funds.

**Planning Fund** – Revenues in this fund consist primarily of licenses, fees and permits, as well as grants for regional planning. Expenditures are for department operations.

**Law Library Fund** – Revenues for this fund consist of court fees. Expenditures are primarily for furniture, fixtures, and books for the library.

**LNG Fund** – Revenues in this fund consist of payments from developers to cover the cost of additional public safety services provided by the County that are specific to the North Spit development area. Expenditures include wages, training, supplies, and equipment.

**County Parks Fund** – Parks and recreation accounts for and reports the County's park operations. Primary revenue sources are state grants and fees from operations. Expenditures are for park operations and capital improvements.

**Community Corrections Fund** – Revenues in this fund consist primarily of grants from the Oregon Department of Corrections and Community Correction Fees. Expenditures are for probation and post-confinement consulting operations.

**Crime Victim Assistance Fund** – Court fines and grants are the primary source of revenue for this fund. Expenditures are for crime victim assistance.

**South Coast Interagency Narcotics Team (SCINT) Fund** – This fund is used to account for and reports funds collected for the purpose of enforcing drug laws. Revenues include federal grants and civil forfeitures. Expenditures are to operate this program.

**Economic Development Fund** – This fund primarily receives revenues from gambling revenues and other state economic development programs. Expenditures are for small business loans to the public.

**Administrative Grants Fund** – Revenues in this fund consist primarily of grants from various state and federal sources. Expenditures are for senior and handicapped transportation and other community development activities.

**County School Fund** – This fund accounts for and reports resources that are receipted from tax revenues, federal apportionments, and interest allocations. Expenditures are distributing to County school districts.

**Footpaths and Bicycle Trails Fund** – Revenues for this fund are the portions of state gas tax apportionments which are restricted for footpath and bicycle routes. Expenditures are for those purposes.

**Industrial Development Fund** – Revenues for this fund include proceeds from the sale or lease of County owned property located in an industrial use area. This revolving fund is for the development of industrial facilities as authorized by ORS Chapters 271 and 280.

**Public Health – Title XIX Fund** – Public health fees are the primary source of revenue in this fund. Expenditures consist of transfers to the public health fund.

**Mental Health– Title XIX Fund** – Mental Health fees are the primary source of revenue in this fund. Expenditures consist of transfers to the Mental Health fund.

**County Family Mediation Fund** – Family mediation fees are the only sources of revenue in this fund. Expenditures consist of contracted family mediation services.

**911/Dispatch Fund** – This fund accounts for 911 emergency resources funded primarily by federal telephone excise taxes. Expenditures are restricted to the purpose of providing Coos County with emergency telephone services.

**County Clerk Records Fund** – County Clerk record fees are the primary resource of revenue in this fund. Expenditures consist of operating costs related to records maintenance.

**Public Land Corner Preservation Fund** – County Clerk recording fee is the primary source of revenue for this fund. Expenditures are for establishing or reestablishing public land survey corners as defined under ORS Chapter 209.

**Environmental Service Fund** – Environmental service fees are the primary source of revenue in this fund. Expenditures consist of personnel and material costs for the provision of services.

**PL 110-343 Title III Fund** – Revenues from Public Law 110-343 Safety Net Payments for revested Oregon and California Railroad grant land and reconveyed Coos Bay Wagon Road grant lands. Expenditures are as allowed under Title III of the Act.

**Library Service District Fund** – This fund is used to account the operations of the Library District. This fund is financed primarily by property taxes levied within the District area which are re-distributed to libraries within the District.

**4-H and Extension Service District Fund** – This fund is used to account for the activities of the 4-H and Extension Service District. Primary revenue sources are property taxes, grants and interest. Primary expenditures are to provide citizens of the District with research-based knowledge and education that focus on strengthening communities and economies, sustaining natural resources, and promoting healthy families and individuals.

**Debt Service Funds:**

**Bonded Debt Fund** – This fund is used to account for and report on payment of bond principal and interest for the non-defeased portions of all County general obligation bonds issues. Revenues consist primarily of property taxes.

**COOS COUNTY, OREGON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
June 30, 2017

	Animal Control	Public Health	Planning	Law Library	LNG
<b>ASSETS</b>					
Cash and cash equivalents	\$ 317,367	\$ 1,126,942	\$ 81,204	\$ 176,550	\$ 281,531
Restricted cash	19,936	-	-	-	-
Prepaid expenses	-	33,053	-	-	-
Receivables:					
Property taxes	-	-	-	-	-
Accounts	1,219	183,989	11,045	-	-
Note receivable	10,859	-	-	-	-
Due from other funds	-	2,218	-	-	-
<b>Total assets</b>	<b>\$ 349,381</b>	<b>\$ 1,346,202</b>	<b>\$ 92,249</b>	<b>\$ 176,550</b>	<b>\$ 281,531</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 10,233	\$ 58,679	\$ 2,736	\$ -	\$ 3,186
Payroll payable	5,242	33,904	9,525	-	3,814
Unearned revenue	-	9,139	-	-	-
Due to other funds	616	-	403	-	219
<b>Total liabilities</b>	<b>16,091</b>	<b>101,722</b>	<b>12,664</b>	<b>-</b>	<b>7,219</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-installment sale	10,859	-	-	-	-
Unavailable revenue-property taxes	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>10,859</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances:					
Nonspendable	-	33,053	-	-	-
Restricted	121,039	1,211,427	-	176,550	274,312
Committed	201,392	-	-	-	-
Assigned	-	-	79,585	-	-
<b>Total fund balances</b>	<b>322,431</b>	<b>1,244,480</b>	<b>79,585</b>	<b>176,550</b>	<b>274,312</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 349,381</b>	<b>\$ 1,346,202</b>	<b>\$ 92,249</b>	<b>\$ 176,550</b>	<b>\$ 281,531</b>

See auditor's report.

County Parks	Community Corrections	Crime Victim Assistance	SCINT	Economic Development	Administrative Grants	County School	Footpaths and Bicycle Trails
\$ 1,022,079	\$ 2,265,470	\$ 12,146	\$ 145,506	\$ 129,485	\$ 169,551	\$ 3	\$ 434,729
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
211,519	17,451	20,905	45	-	33,865	-	3,648
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,233,598</u>	<u>\$ 2,282,921</u>	<u>\$ 33,051</u>	<u>\$ 145,551</u>	<u>\$ 129,485</u>	<u>\$ 203,416</u>	<u>\$ 3</u>	<u>\$ 438,377</u>
\$ 48,019	\$ 15,217	\$ -	\$ 10,040	\$ 7,190	\$ 7,631	\$ 3	\$ -
18,169	51,132	1,836	1,556	-	-	-	-
315,755	-	-	-	-	-	-	-
11,112	3,305	261	296	-	33,865	-	-
<u>393,055</u>	<u>69,654</u>	<u>2,097</u>	<u>11,892</u>	<u>7,190</u>	<u>41,496</u>	<u>3</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	2,213,267	30,954	133,659	122,295	161,920	-	438,377
840,543	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>840,543</u>	<u>2,213,267</u>	<u>30,954</u>	<u>133,659</u>	<u>122,295</u>	<u>161,920</u>	<u>-</u>	<u>438,377</u>
<u>\$ 1,233,598</u>	<u>\$ 2,282,921</u>	<u>\$ 33,051</u>	<u>\$ 145,551</u>	<u>\$ 129,485</u>	<u>\$ 203,416</u>	<u>\$ 3</u>	<u>\$ 438,377</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2017

	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 South
<b>ASSETS</b>					
Cash and cash equivalents	\$ 69,231	\$ 227,575	\$ 793,574	\$ 124,297	\$ 154,696
Restricted cash	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Receivables:					
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	23,525	-	88,337
Note receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 69,231</b>	<b>\$ 227,575</b>	<b>\$ 817,099</b>	<b>\$ 124,297</b>	<b>\$ 243,033</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,559	\$ 6,791
Payroll payable	-	-	-	-	15,445
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	397
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,559</b>	<b>22,633</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-installment sale	-	-	-	-	-
Unavailable revenue-property taxes	-	-	-	-	-
	-	-	-	-	-
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	227,575	817,099	122,738	220,400
Committed	69,231	-	-	-	-
Assigned	-	-	-	-	-
<b>Total fund balances</b>	<b>69,231</b>	<b>227,575</b>	<b>817,099</b>	<b>122,738</b>	<b>220,400</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 69,231</b>	<b>\$ 227,575</b>	<b>\$ 817,099</b>	<b>\$ 124,297</b>	<b>\$ 243,033</b>

See auditor's report.

County Clerk Records	Public Land Corner Preservation	Environmental Service	PL110-343 Title III	Library District Service	4-H & Extension Service District	Bonded Debt	Totals
\$ 108,948	\$ 110,567	\$ 187,983	419,218	\$ 165,609	\$ 290,214	\$ 137,900	\$ 8,952,375
-	-	-	-	-	-	-	19,936
-	-	-	-	-	-	-	33,053
-	-	-	-	347,559	42,339	150,783	540,681
1,845	5,540	1,495	-	-	-	-	604,428
-	-	-	-	-	-	-	10,859
-	-	-	-	-	-	-	2,218
<u>\$ 110,793</u>	<u>\$ 116,107</u>	<u>\$ 189,478</u>	<u>\$ 419,218</u>	<u>\$ 513,168</u>	<u>\$ 332,553</u>	<u>\$ 288,683</u>	<u>\$ 10,163,550</u>
\$ -	\$ 295	\$ 3,678	\$ 29,177	\$ 165,609	\$ 75,971	\$ -	\$ 446,014
-	1,709	6,644	-	-	-	-	148,976
-	-	-	367,516	-	-	-	692,410
-	-	2,689	-	-	-	-	53,163
-	2,004	13,011	396,693	165,609	75,971	-	1,340,563
-	-	-	-	-	-	-	10,859
-	-	-	-	304,296	37,062	129,843	471,201
-	-	-	-	304,296	37,062	129,843	482,060
-	-	-	-	-	-	-	33,053
110,793	114,103	176,467	22,525	43,263	219,520	158,840	7,117,123
-	-	-	-	-	-	-	1,111,166
-	-	-	-	-	-	-	79,585
<u>110,793</u>	<u>114,103</u>	<u>176,467</u>	<u>22,525</u>	<u>43,263</u>	<u>219,520</u>	<u>158,840</u>	<u>8,340,927</u>
<u>\$ 110,793</u>	<u>\$ 116,107</u>	<u>\$ 189,478</u>	<u>\$ 419,218</u>	<u>\$ 513,168</u>	<u>\$ 332,553</u>	<u>\$ 288,683</u>	<u>\$ 10,163,550</u>

See auditor's report.

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

	Animal Control	Public Health	Planning	Law Library	LNG
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-
Intergovernmental	-	897,507	1,262	-	-
Licenses, fees, and permits	23,682	899,901	270,453	-	-
Charges for services	65,628	29,718	4,125	-	413,259
Fines and forfeitures	-	-	-	57,745	-
Interest on investments	3,829	10,943	974	2,016	1,627
Other revenue	16,538	10,006	600	-	-
Total revenues	<u>109,677</u>	<u>1,848,075</u>	<u>277,414</u>	<u>59,761</u>	<u>414,886</u>
Expenditures:					
General government	-	-	344,731	33,307	274,236
Public safety	214,702	-	-	-	-
Health and welfare	-	1,733,078	-	-	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay	36,806	-	-	-	10,345
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>251,508</u>	<u>1,733,078</u>	<u>344,731</u>	<u>33,307</u>	<u>284,581</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,831)</u>	<u>114,997</u>	<u>(67,317)</u>	<u>26,454</u>	<u>130,305</u>
Other financing sources (uses):					
Sale of assets	1,192	1,698	-	-	-
Transfers in	179,151	-	20,343	-	59,514
Transfers out	-	-	-	(12,000)	-
Total other financing sources (uses)	<u>180,343</u>	<u>1,698</u>	<u>20,343</u>	<u>(12,000)</u>	<u>59,514</u>
Net change in fund balance	38,512	116,695	(46,974)	14,454	189,819
Net assets at beginning of year	<u>283,919</u>	<u>1,127,785</u>	<u>126,559</u>	<u>162,096</u>	<u>84,493</u>
Fund balances at end of year	<u>\$ 322,431</u>	<u>\$ 1,244,480</u>	<u>\$ 79,585</u>	<u>\$ 176,550</u>	<u>\$ 274,312</u>

See auditor's report.

County Parks	Community Corrections	Crime Victim Assistance	SCINT	Economic Development	Administrative Grants	County School	Footpaths and Bicycle Trails
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	112,609	-
618,339	2,165,497	119,387	93,275	186,002	714,919	5,980	43,488
958,982	136,587	-	-	8,569	-	-	-
-	-	-	-	-	24,093	-	-
-	65,936	-	70,190	-	-	-	-
10,354	26,275	171	1,262	3,800	1,949	23	4,352
887	12,703	-	17,601	-	-	-	-
<u>1,588,562</u>	<u>2,406,998</u>	<u>119,558</u>	<u>182,328</u>	<u>198,371</u>	<u>740,961</u>	<u>118,612</u>	<u>47,840</u>
-	-	134,443	-	-	-	-	-
-	1,999,494	-	187,199	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	271,917	-	-	-
1,148,519	-	-	-	-	-	-	-
-	-	-	-	-	731,209	118,612	-
129,345	88,585	-	-	248,545	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,277,864</u>	<u>2,088,079</u>	<u>134,443</u>	<u>187,199</u>	<u>520,462</u>	<u>731,209</u>	<u>118,612</u>	<u>-</u>
<u>310,698</u>	<u>318,919</u>	<u>(14,885)</u>	<u>(4,871)</u>	<u>(322,091)</u>	<u>9,752</u>	<u>-</u>	<u>47,840</u>
5,003	-	-	-	-	-	-	-
-	-	16,806	-	-	-	-	-
<u>(140,000)</u>	<u>(34,750)</u>	<u>-</u>	<u>-</u>	<u>(125,628)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(134,997)</u>	<u>(34,750)</u>	<u>16,806</u>	<u>-</u>	<u>(125,628)</u>	<u>-</u>	<u>-</u>	<u>-</u>
175,701	284,169	1,921	(4,871)	(447,719)	9,752	-	47,840
664,842	1,929,098	29,033	138,530	570,014	152,168	-	390,537
<u>\$ 840,543</u>	<u>\$ 2,213,267</u>	<u>\$ 30,954</u>	<u>\$ 133,659</u>	<u>\$ 122,295</u>	<u>\$ 161,920</u>	<u>\$ -</u>	<u>\$ 438,377</u>

See auditor's report.



**COOS COUNTY, OREGON**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (Continued)**  
**For the Year Ended June 30, 2017**

	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 South
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-
Intergovernmental	-	-	-	40,171	342,801
Licenses, fees, and permits	-	-	272,550	-	25
Charges for services	-	-	-	-	138,103
Fines and forfeitures	-	-	-	-	-
Interest on investments	727	2,389	8,443	1,381	1,083
Other revenue	-	-	-	-	1,964
Total revenues	<u>727</u>	<u>2,389</u>	<u>280,993</u>	<u>41,552</u>	<u>483,976</u>
Expenditures:					
General government	-	-	-	-	-
Public safety	-	-	-	-	1,091,347
Health and welfare	-	-	-	16,892	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,892</u>	<u>1,091,347</u>
Excess (deficiency) of revenues over (under) expenditures	<u>727</u>	<u>2,389</u>	<u>280,993</u>	<u>24,660</u>	<u>(607,371)</u>
Other financing sources (uses):					
Sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	597,867
Transfers out	-	-	(300,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>597,867</u>
Net change in fund balance	727	2,389	(19,007)	24,660	(9,504)
Net assets at beginning of year	<u>68,504</u>	<u>225,186</u>	<u>836,106</u>	<u>98,078</u>	<u>229,904</u>
Fund balances at end of year	<u>\$ 69,231</u>	<u>\$ 227,575</u>	<u>\$ 817,099</u>	<u>\$ 122,738</u>	<u>\$ 220,400</u>

See auditor's report.

County Clerk Records	Public Land Corner Preservation	Environmental Service	PL110-343 Title III	Library Service District	4-H & Extension Service District	Bonded Debt	Totals
\$ -	\$ -	\$ -	\$ -	\$ 3,502,990	\$ 427,241	\$ 1,181,461	\$ 5,111,692
-	-	-	-	-	-	-	112,609
-	-	-	152,013	-	-	-	5,380,641
23,997	97,869	285,097	-	-	-	-	2,977,712
-	4,514	-	-	-	-	-	679,440
-	-	-	-	18,465	2,252	18,175	232,763
1,108	1,124	2,132	5,159	3,981	3,661	8,274	107,037
-	-	3,785	-	-	-	-	64,084
25,105	103,507	291,014	157,172	3,525,436	433,154	1,207,910	14,665,978
13,376	94,479	-	152,013	-	-	-	1,046,585
-	-	-	-	-	-	-	3,492,742
-	-	283,816	-	-	-	-	2,033,786
-	-	-	-	-	-	-	271,917
-	-	-	-	3,525,259	432,545	-	5,106,323
-	-	-	-	-	-	-	849,821
-	-	-	-	-	-	-	513,626
-	-	-	-	-	-	970,000	970,000
-	-	-	-	-	-	377,501	377,501
13,376	94,479	283,816	152,013	3,525,259	432,545	1,347,501	14,662,301
11,729	9,028	7,198	5,159	177	609	(139,591)	3,677
-	-	-	-	-	-	-	7,893
-	-	-	-	-	-	-	873,681
-	-	-	-	-	-	-	(612,378)
-	-	-	-	-	-	-	269,196
11,729	9,028	7,198	5,159	177	609	(139,591)	272,873
99,064	105,075	169,269	17,366	43,086	218,911	298,431	8,068,054
\$ 110,793	\$ 114,103	\$ 176,467	\$ 22,525	\$ 43,263	\$ 219,520	\$ 158,840	\$ 8,340,927

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ANIMAL CONTROL FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 22,000	\$ 23,682	\$ 1,682
Charges for services	62,000	65,628	3,628
Interest on investments	1,000	3,829	2,829
Other	500	16,538	16,038
	<hr/>	<hr/>	<hr/>
Total revenues	85,500	109,677	24,177
Expenditures:			
Public Safety:			
Personnel services	214,808	146,399	68,409
Materials and services	138,176	68,303	69,873
Capital outlay	60,000	36,806	23,194
Contingency	126,995	-	126,995
	<hr/>	<hr/>	<hr/>
Total expenditures	539,979	251,508	288,471
Excess (deficiency) of revenues over (under) expenditures	<hr/> (454,479)	<hr/> (141,831)	<hr/> 312,648
Other financing sources (uses):			
Sale of assets	-	1,192	1,192
Transfer in	184,072	179,151	(4,921)
	<hr/>	<hr/>	<hr/>
Total other financing sources	184,072	180,343	(3,729)
Net change in fund balance	(270,407)	38,512	308,919
Fund balance at beginning of year	<hr/> 270,407	<hr/> 283,919	<hr/> 13,512
Fund balance at end of year	<hr/> <hr/> \$ -	<hr/> <hr/> \$ 322,431	<hr/> <hr/> \$ 322,431

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC HEALTH FUND**  
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,274,157	\$ 897,507	\$ (376,650)
Licenses, fees, and permits	848,220	899,901	51,681
Charges for services	15,000	29,718	14,718
Interest on investments	5,000	10,943	5,943
Other	6,500	10,006	3,506
Total revenues	<u>2,148,877</u>	<u>1,848,075</u>	<u>(300,802)</u>
Expenditures:			
Public Health:			
CCPH / Health Division	2,411,467	1,733,078	678,389
Contingency	637,410	-	637,410
Total expenditures	<u>3,048,877</u>	<u>1,733,078</u>	<u>1,315,799</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(900,000)</u>	<u>114,997</u>	<u>1,014,997</u>
Other financing sources (uses):			
Sale of capital assets	-	1,698	1,698
Transfer in	100,000	-	(100,000)
Total other financing sources	<u>100,000</u>	<u>1,698</u>	<u>(98,302)</u>
Net change in fund balance	(800,000)	116,695	916,695
Fund balance at beginning of year	<u>800,000</u>	<u>1,127,785</u>	<u>327,785</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,244,480</u>	<u>\$ 1,244,480</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PLANNING FUND**  
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 120,629	\$ 1,262	\$ (119,367)
Licenses, fees, and permits	290,000	270,453	(19,547)
Charges for services	1,500	4,125	2,625
Interest on investments	-	974	974
Other	-	600	600
	<hr/>	<hr/>	<hr/>
Total revenues	412,129	277,414	(134,715)
Expenditures:			
General Government:			
Personnel services	309,940	283,813	26,127
Materials and services	126,615	60,918	65,697
Contingency	49,297	-	49,297
	<hr/>	<hr/>	<hr/>
Total expenditures	485,852	344,731	141,121
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	(73,723)	(67,317)	6,406
Other financing sources (uses):			
Transfer in	49,200	20,343	(28,857)
	<hr/>	<hr/>	<hr/>
Total other financing sources	49,200	20,343	(28,857)
Net change in fund balance	(24,523)	(46,974)	(22,451)
Fund balance at beginning of year	98,700	126,559	27,859
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ 74,177	\$ 79,585	\$ 5,408
	<hr/>	<hr/>	<hr/>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LAW LIBRARY FUND**  
**For the Year Ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fines and forfeitures	\$ 57,745	\$ 57,745	\$ -
Interest on investments	600	2,016	1,416
	<hr/>	<hr/>	<hr/>
Total revenues	58,345	59,761	1,416
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	2,879	689	2,190
Materials and services	175,065	32,618	142,447
Capital outlay	5,000	-	5,000
Contingency	19,301	-	19,301
	<hr/>	<hr/>	<hr/>
Total expenditures	202,245	33,307	168,938
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(143,900)	26,454	170,354
Other financing sources (uses):			
Transfer out	(12,000)	(12,000)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(155,900)	14,454	170,354
Fund balance at beginning of year	155,900	162,096	6,196
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 176,550</u>	<u>\$ 176,550</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LNG FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Police services	\$ 2,390,718	\$ 413,259	\$ (1,977,459)
Interest on investments	-	1,627	1,627
	<hr/>	<hr/>	<hr/>
Total revenues	2,390,718	414,886	(1,975,832)
Expenditures:			
General Government:			
Personnel services	1,276,521	195,223	1,081,298
Materials and services	334,753	79,013	255,740
Capital outlay	552,723	10,345	542,378
	<hr/>	<hr/>	<hr/>
Total expenditures	2,163,997	284,581	1,879,416
Excess (deficiency) of revenues over (under) expenditures	226,721	130,305	(96,416)
Other financing sources (uses):			
Transfer out	(286,235)	-	286,235
Transfer in	59,514	59,514	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(226,721)	189,819	189,819
Fund balance at beginning of year	-	84,493	84,493
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 274,312</u>	<u>\$ 274,312</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNTY PARKS FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 801,112	\$ 618,339	\$ (182,773)
Licenses, fees, and permits	900,000	958,982	58,982
Interest on investments	1,500	10,354	8,854
Other	200	887	687
	<u>1,702,812</u>	<u>1,588,562</u>	<u>(114,250)</u>
Total revenues			
Expenditures:			
Culture and Recreation:			
Personnel services	608,434	595,427	13,007
Materials and services	617,918	553,092	64,826
Capital outlay	385,835	129,345	256,490
Contingency	93,906	-	93,906
	<u>1,706,093</u>	<u>1,277,864</u>	<u>428,229</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(3,281)</u>	<u>310,698</u>	<u>313,979</u>
Other financing sources (uses):			
Sale of assets	-	5,003	5,003
Transfer out	(140,000)	(140,000)	-
	<u>(140,000)</u>	<u>(134,997)</u>	<u>5,003</u>
Total other financing sources			
Net change in fund balance	(143,281)	175,701	318,982
Fund balance at beginning of year	420,410	664,842	244,432
Fund balance at end of year	<u>\$ 277,129</u>	<u>\$ 840,543</u>	<u>\$ 563,414</u>

See auditor's report.



**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COMMUNITY CORRECTIONS FUND**  
**For the Year Ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 2,164,069	\$ 2,165,497	\$ 1,428
Licenses, fees, and permits	145,000	136,587	(8,413)
Fines and forfeitures	50,000	65,936	15,936
Interest on investments	5,000	26,275	21,275
Other	-	12,703	12,703
	<u>2,364,069</u>	<u>2,406,998</u>	<u>42,929</u>
Total revenues			
Expenditures:			
Public Safety:			
Personnel services	1,742,117	1,536,555	205,562
Materials and services	534,710	462,939	71,771
Capital outlay	101,150	88,585	12,565
Contingency	1,836,854	-	1,836,854
	<u>4,214,831</u>	<u>2,088,079</u>	<u>2,126,752</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(1,850,762)</u>	<u>318,919</u>	<u>2,169,681</u>
Other financing sources (uses):			
Transfer out	<u>(34,750)</u>	<u>(34,750)</u>	<u>-</u>
Total other financing sources	<u>(34,750)</u>	<u>(34,750)</u>	<u>-</u>
Net change in fund balance	(1,885,512)	284,169	2,169,681
Fund balance at beginning of year	<u>1,885,512</u>	<u>1,929,098</u>	<u>43,586</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 2,213,267</u>	<u>\$ 2,213,267</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CRIME VICTIM ASSISTANCE FUND**  
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 121,247	\$ 119,387	\$ (1,860)
Interest on investments	-	171	171
Other	250	-	(250)
Total revenues	<u>121,497</u>	<u>119,558</u>	<u>(1,939)</u>
Expenditures:			
General Government:			
Personnel services	125,581	117,100	8,481
Materials and services	25,310	17,343	7,967
Total expenditures	<u>150,891</u>	<u>134,443</u>	<u>16,448</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,394)</u>	<u>(14,885)</u>	<u>14,509</u>
Other financing sources (uses):			
Transfers in	<u>16,806</u>	<u>16,806</u>	<u>-</u>
Net change in fund balance	(12,588)	1,921	14,509
Fund balance at beginning of year	<u>12,588</u>	<u>29,033</u>	<u>16,445</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 30,954</u>	<u>\$ 30,954</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**SOUTH COAST INTERAGENCY NARCOTICS TEAM (SCINT) FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 303,315	\$ 93,275	\$ (210,040)
Fines and forfeitures	-	70,190	70,190
Interest on investments	-	1,262	1,262
Other	-	17,601	17,601
	<hr/>	<hr/>	<hr/>
Total revenues	303,315	182,328	(120,987)
Expenditures:			
Public safety:			
Personnel services	214,864	86,703	128,161
Materials and services	156,729	100,496	56,233
Capital outlay	34,452	-	34,452
	<hr/>	<hr/>	<hr/>
Total expenditures	406,045	187,199	218,846
Excess (deficiency) of revenues over (under) expenditures	(102,730)	(4,871)	97,859
Fund balance at beginning of year	<hr/>	<hr/>	<hr/>
	102,730	138,530	35,800
Fund balance at end of year	<hr/>	<hr/>	<hr/>
	\$ -	\$ 133,659	\$ 133,659

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ECONOMIC DEVELOPMENT FUND**  
**For the Year Ended June 30, 2017**

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 170,000	\$ 186,002	\$ 16,002
Licenses, fees, and permits	5,800	8,569	2,769
Interest on investments	3,500	3,800	300
	<u>179,300</u>	<u>198,371</u>	<u>19,071</u>
Total revenues			
Expenditures:			
Community Development:			
Materials and services	386,315	271,917	114,398
Capital outlay	250,000	248,545	1,455
Operating Contingency	40,654	-	40,654
	<u>676,969</u>	<u>520,462</u>	<u>156,507</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(497,669)	(322,091)	175,578
Other financing sources (uses):			
Transfers out	(171,200)	(125,628)	45,572
	<u>(171,200)</u>	<u>(125,628)</u>	<u>45,572</u>
Net change in fund balance	(668,869)	(447,719)	221,150
Fund balance at beginning of year	668,869	570,014	(98,855)
	<u>668,869</u>	<u>570,014</u>	<u>(98,855)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 122,295</u>	<u>\$ 122,295</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ADMINISTRATIVE GRANT FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,238,090	\$ 714,919	\$ (523,171)
Charges for services	20,000	24,093	4,093
Interest on investments	1,000	1,949	949
Other	15,000	-	(15,000)
	<hr/>	<hr/>	<hr/>
Total revenues	1,274,090	740,961	(533,129)
Expenditures:			
Intergovernmental:			
Materials and services	1,118,292	731,209	387,083
Capital outlay	322,737	-	322,737
	<hr/>	<hr/>	<hr/>
Total expenditures	1,441,029	731,209	709,820
Net change in fund balance	(166,939)	9,752	176,691
Fund balance at beginning of year	166,939	152,168	(14,771)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 161,920	\$ 161,920
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNTY SCHOOL FUND**  
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance
Revenues:			
Taxes - other	\$ 102,170	\$ 112,609	\$ 10,439
Intergovernmental	130,000	5,980	(124,020)
Interest on investments	50	23	(27)
	<u>232,220</u>	<u>118,612</u>	<u>(113,608)</u>
Total revenues			
Expenditures:			
Intergovernmental:			
For support of schools	232,220	118,612	113,608
	<u>232,220</u>	<u>118,612</u>	<u>113,608</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOOT PATHS AND BICYCLE TRAILS FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 42,000	\$ 43,488	\$ 1,488
Interest on investments	2,000	4,352	2,352
Total revenues	<u>44,000</u>	<u>47,840</u>	<u>3,840</u>
Expenditures:			
Public Works:			
Materials and services	30,000	-	30,000
Capital outlay	403,913	-	403,913
Total expenditures	<u>433,913</u>	<u>-</u>	<u>433,913</u>
Net change in fund balance	(389,913)	47,840	437,753
Fund balance at beginning of year	<u>389,913</u>	<u>390,537</u>	<u>624</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 438,377</u>	<u>\$ 438,377</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**INDUSTRIAL DEVELOPMENT FUND**  
**For the Year Ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 400	\$ 727	\$ 327
Expenditures:			
Community Development:			
Materials and services	58,827	-	58,827
Capital outlay	10,000	-	10,000
Total expenditures	68,827	-	68,827
Net change in fund balance	(68,427)	727	69,154
Fund balance at beginning of year	68,427	68,504	77
Fund balance at end of year	<u>\$ -</u>	<u>\$ 69,231</u>	<u>\$ 69,231</u>

See auditor's report.



**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC HEALTH - TITLE XIX FUND**  
**For the Year Ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	<u>\$ 800</u>	<u>\$ 2,389</u>	<u>\$ 1,589</u>
Expenditures:			
Health & Welfare			
Contingency	<u>85,686</u>	<u>-</u>	<u>85,686</u>
Excess (deficiency) of revenues over (under) expenditures	(84,886)	2,389	87,275
Other financing sources (uses):			
Transfer out	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	(184,886)	2,389	187,275
Fund balance at beginning of year	<u>184,886</u>	<u>225,186</u>	<u>40,300</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 227,575</u></u>	<u><u>\$ 227,575</u></u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**MENTAL HEALTH - TITLE XIX FUND**  
**For the Year Ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 308,200	\$ 272,550	\$ (35,650)
Interest on investments	3,660	8,443	4,783
Total revenues	<u>311,860</u>	<u>280,993</u>	<u>(30,867)</u>
Expenditures:			
Health & Welfare:			
Contingency	<u>802,369</u>	<u>-</u>	<u>802,369</u>
Excess (deficiency) of revenues over (under) expenditures	(490,509)	280,993	771,502
Other financing sources (uses):			
Transfer out	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net change in fund balance	(790,509)	(19,007)	771,502
Fund balance at beginning of year	<u>790,509</u>	<u>836,106</u>	<u>45,597</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 817,099</u>	<u>\$ 817,099</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNTY FAMILY MEDIATION FUND**  
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 31,630	\$ 40,171	\$ 8,541
Interest on investments	400	1,381	981
Total revenues	<u>32,030</u>	<u>41,552</u>	<u>9,522</u>
Expenditures:			
Health and Welfare:			
Materials and services	<u>130,161</u>	<u>16,892</u>	<u>113,269</u>
Net change in fund balance	(98,131)	24,660	122,791
Fund balance at beginning of year	<u>98,131</u>	<u>98,078</u>	<u>(53)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 122,738</u>	<u>\$ 122,738</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**911/DISPATCH FUND**  
**For the Year Ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 313,200	\$ 342,801	\$ 29,601
Licenses, fees, and permits	200	25	(175)
Charges for services	133,102	138,103	5,001
Interest on investments	1,000	1,083	83
Other	-	1,964	1,964
	<hr/>	<hr/>	<hr/>
Total revenues	447,502	483,976	36,474
Expenditures:			
Public Safety:			
Dispatch Division	704,102	627,083	77,019
PSAP Division	520,962	464,264	56,698
	<hr/>	<hr/>	<hr/>
Total expenditures	1,225,064	1,091,347	133,717
Excess (deficiency) of revenues over (under) expenditures	(777,562)	(607,371)	170,191
Other financing sources (uses):			
Transfer in	618,756	597,867	(20,889)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(158,806)	(9,504)	149,302
Fund balance at beginning of year	158,806	229,904	71,098
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 220,400	\$ 220,400
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COUNTY CLERK RECORDS FUND**  
**For the Year Ended June 30, 2017**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 23,000	\$ 23,997	\$ 997
Interest on investments	400	1,108	708
Total revenues	<u>23,400</u>	<u>25,105</u>	<u>1,705</u>
Expenditures:			
General Government:			
Materials and services	<u>123,400</u>	<u>13,376</u>	<u>110,024</u>
Net change in fund balance	(100,000)	11,729	111,729
Fund balance at beginning of year	<u>100,000</u>	<u>99,064</u>	<u>(936)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 110,793</u>	<u>\$ 110,793</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PUBLIC LAND CORNER PRESERVATION FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 91,000	\$ 97,869	\$ 6,869
Charges for services	-	4,514	4,514
Interest on investments	500	1,124	624
	<hr/>	<hr/>	<hr/>
Total revenues	91,500	103,507	12,007
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	83,638	76,358	7,280
Materials and services	20,832	18,121	2,711
Contingency	96,030	-	96,030
	<hr/>	<hr/>	<hr/>
Total expenditures	200,500	94,479	106,021
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(109,000)	9,028	118,028
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	109,000	105,075	(3,925)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 114,103</u>	<u>\$ 114,103</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ENVIRONMENTAL SERVICE FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 285,802	\$ 285,097	\$ (705)
Interest on investments	500	2,132	1,632
Other revenues	-	3,785	3,785
	<hr/>	<hr/>	<hr/>
Total revenues	286,302	291,014	4,712
	<hr/>	<hr/>	<hr/>
Expenditures:			
Health and Welfare:			
Licensing Division	463,669	283,816	179,853
	<hr/>	<hr/>	<hr/>
Total expenditures	463,669	283,816	179,853
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(177,367)	7,198	184,565
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	177,367	169,269	(8,098)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 176,467	\$ 176,467
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**PL 110-343 IN LIEU TITLE III FUND**  
**For the Year Ended June 30, 2017**

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 508,843	\$ 152,013	\$ (356,830)
Interest on investments	2,000	5,159	3,159
Total revenues	510,843	157,172	(353,671)
Expenditures:			
General Government:			
Materials and services	527,458	152,013	375,445
Net change in fund balance	(16,615)	5,159	21,774
Fund balance at beginning of year	16,615	17,366	751
Fund balance at end of year	\$ -	\$ 22,525	\$ 22,525

See auditor's report.



**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LIBRARY SERVICE DISTRICT FUND**  
For the Year Ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 3,470,043	\$ 3,502,990	\$ 32,947
Taxes - other	10,000	-	(10,000)
Fines and forfeitures	22,000	18,465	(3,535)
Interest on investments	2,200	3,981	1,781
	<u>3,504,243</u>	<u>3,525,436</u>	<u>21,193</u>
Total revenues			
Expenditures:			
Culture and Recreation:			
Materials and services	3,554,243	3,525,259	28,984
	<u>3,554,243</u>	<u>3,525,259</u>	<u>28,984</u>
Net change in fund balance	(50,000)	177	50,177
Fund balance at beginning of year	50,000	43,086	(6,914)
	<u>50,000</u>	<u>43,086</u>	<u>(6,914)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 43,263</u>	<u>\$ 43,263</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**4-H & EXTENSION SERVICE DISTRICT FUND**  
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 421,472	\$ 427,241	\$ 5,769
Taxes - other	500	-	(500)
Fines and forfeitures	3,500	2,252	(1,248)
Interest on investments	1,500	3,661	2,161
	<hr/>	<hr/>	<hr/>
Total revenues	426,972	433,154	6,182
	<hr/>	<hr/>	<hr/>
Expenditures:			
Culture and Recreation:			
Materials and services	454,347	432,545	21,802
Operating contingency	45,435	-	45,435
	<hr/>	<hr/>	<hr/>
Total expenditures	499,782	432,545	67,237
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(72,810)	609	73,419
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	208,959	218,911	9,952
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 136,149</u>	<u>\$ 219,520</u>	<u>\$ 83,371</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BONDED DEBT FUND**  
For the Year Ended June 30, 2017

	Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 1,123,502	\$ 1,181,461	\$ 57,959
Fines and forfeitures	20,000	18,175	(1,825)
Interest on investments	4,000	8,274	4,274
	<u>1,147,502</u>	<u>1,207,910</u>	<u>60,408</u>
Total revenues			
Expenditures:			
Debt Service:			
Principal	970,000	970,000	-
Interest	377,502	377,501	1
	<u>1,347,502</u>	<u>1,347,501</u>	<u>1</u>
Total expenditures			
Net change in fund balance	(200,000)	(139,591)	60,409
Fund balance at beginning of year	200,000	298,431	98,431
Fund balance at end of year	<u>\$ -</u>	<u>\$ 158,840</u>	<u>\$ 158,840</u>

## PROPRIETARY FUNDS - ENTERPRISE FUNDS

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Proprietary funds are used to account for and report activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The County's enterprise funds are:

**Waste Disposal Operations Fund** – Financial activities of the County's waste disposal operations are primarily accounted for and reported in this fund. The fund's primary revenue source is waste disposal fees.

**Waste Disposal Reserve Fund** – This fund is used to accumulate reserves to assist in closing and post-closing costs of the landfill. The primary source of revenue is transfers and earnings on investments. For generally accepted accounting principles, this fund is combined into the Waste Disposal Operations Fund.

**Gas Pipeline Fund** – This fund is used to account for and report on the County's natural gas pipeline operations. Franchise fees and interest income are the current primary sources of revenue in this fund. Expenditures are for the operations of the natural gas pipeline from Roseburg to the Coos Bay – North Bend area and remedial construction expenses.

**County Fair Fund** – This fund accounts for and reports on the financial operations of the County fair. Major revenue sources are from state apportionments and receipts from operation of the annual fair. Expenditures are for fairgrounds maintenance and construction, fair administration, and general operating costs.

**Coos County Area Transit Service District Fund** – The fund was established for the purpose of providing public transportation service facilities. The District is not empowered to levy taxes, impose assessments, or incur bonded indebtedness, and is financed solely through rider fees, donations, fund raisers, sale of equipment, grants, operating subsidies, and other such non-property tax sources.

**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF NET POSITION**  
**WASTE DISPOSAL FUNDS**  
June 30, 2017

	<u>Waste Disposal</u>	<u>Waste Reserve</u>	<u>Total Waste Disposal</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,188,273	\$ 716,728	\$ 2,905,001
Accounts receivable	161,737	-	161,737
Total current assets	<u>2,350,010</u>	<u>716,728</u>	<u>3,066,738</u>
Noncurrent assets:			
Capital assets:			
Land	9,862	-	9,862
Other capital assets (net of accumulated depreciation)	<u>1,670,001</u>	<u>-</u>	<u>1,670,001</u>
Total noncurrent assets	<u>1,679,863</u>	<u>-</u>	<u>1,679,863</u>
Total assets	<u>4,029,873</u>	<u>716,728</u>	<u>4,746,601</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	<u>198,880</u>	<u>-</u>	<u>198,880</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	92,001	-	92,001
Accrued payroll benefits	10,906	-	10,906
Compensated absences payable	45,049	-	45,049
Due to other funds	1,797	-	1,797
Current portion of long-term liabilities:			
Landfill closure/post closure costs	<u>68,200</u>	<u>-</u>	<u>68,200</u>
Total current liabilities	<u>217,953</u>	<u>-</u>	<u>217,953</u>
Noncurrent liabilities:			
Long-term liabilities (net of current portion)			
Net pension liability	360,058	-	360,058
Accrued other postemployment benefits obligation	44,954	-	44,954
Accrued landfill closure/post-closure care costs	<u>1,515,000</u>	<u>-</u>	<u>1,515,000</u>
Total noncurrent liabilities	<u>1,920,012</u>	<u>-</u>	<u>1,920,012</u>
Total liabilities	<u>2,137,965</u>	<u>-</u>	<u>2,137,965</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	<u>11,921</u>	<u>-</u>	<u>11,921</u>
<b>NET POSITION</b>			
Net investment in capital assets	1,679,863	-	1,679,863
Unrestricted	<u>399,004</u>	<u>716,728</u>	<u>1,115,732</u>
Total net position	<u>\$ 2,078,867</u>	<u>\$ 716,728</u>	<u>\$ 2,795,595</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**WASTE DISPOSAL FUNDS**  
**For the Year Ended June 30, 2017**

	Waste Disposal	Waste Reserve	Totals
Operating revenues:			
Waste disposal fees	\$ 1,923,475	\$ -	\$ 1,923,475
Charges for service	32,837	-	32,837
Miscellaneous	2,439	-	2,439
Intergovernmental revenues	70,000	-	70,000
Total operating revenues	<u>2,028,751</u>	<u>-</u>	<u>2,028,751</u>
Operating expenses:			
Personnel services	344,620	-	344,620
Materials and services	1,116,896	-	1,116,896
Depreciation	131,174	-	131,174
Total operating expenses	<u>1,592,690</u>	<u>-</u>	<u>1,592,690</u>
Operating income (loss)	<u>436,061</u>	<u>-</u>	<u>436,061</u>
Nonoperating revenues (expense):			
Gain (Loss) on disposition of capital assets	(94,743)	-	(94,743)
Interest on investments	19,552	9,080	28,632
Change in estimated post closure costs	(103,640)	-	(103,640)
Total nonoperating revenues (expenses)	<u>(178,831)</u>	<u>9,080</u>	<u>(169,751)</u>
Income (loss) before operating transfers	<u>257,230</u>	<u>9,080</u>	<u>266,310</u>
Transfers:			
Transfer from other funds	159,376	-	159,376
Transfer to other funds	(203,779)	(159,376)	(363,155)
Total transfers	<u>(44,403)</u>	<u>(159,376)</u>	<u>(203,779)</u>
Change in net position	<u>212,827</u>	<u>(150,296)</u>	<u>62,531</u>
Net position (deficit) at beginning of year	1,859,478	867,024	2,726,502
Prior period adjustment	6,562	-	6,562
Net position at beginning of year, restated	<u>1,866,040</u>	<u>867,024</u>	<u>2,733,064</u>
Net positions (deficit) at end of year	<u>\$ 2,078,867</u>	<u>\$ 716,728</u>	<u>\$ 2,795,595</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF CASH FLOWS**  
**WASTE DISPOSAL FUNDS**  
**For the Year Ended June 30, 2017**

	<u>Waste Disposal</u>	<u>Waste Disposal Reserve</u>	<u>Totals</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 2,036,424	\$ -	\$ 2,036,424
Cash paid to employees	(293,237)	-	(293,237)
Cash paid to suppliers	(1,104,460)	-	(1,104,460)
Net cash provided (used) by operating activities	<u>638,727</u>	<u>-</u>	<u>638,727</u>
Cash flows from noncapital financing activities:			
Repayment of loans to/from other funds	(455)	-	(455)
Interfund transfers (net)	(40,624)	(159,376)	(200,000)
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	25,038	-	25,038
Capital expenditures	(565,285)	-	(565,285)
Net cash (used) by capital and related financing activities	<u>(540,247)</u>	<u>-</u>	<u>(540,247)</u>
Cash flows from investing activities:			
Interest received	19,552	9,080	28,632
Net increase (decrease) in cash and cash equivalents	76,953	(150,296)	(73,343)
Cash and cash equivalents at beginning of year	<u>2,111,320</u>	<u>867,024</u>	<u>2,978,344</u>
Cash and cash equivalents at end of year	<u>\$ 2,188,273</u>	<u>\$ 716,728</u>	<u>\$ 2,905,001</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ 436,061	\$ -	\$ 436,061
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	131,174	-	131,174
Change in assets and liabilities:			
Accounts receivable	7,673	-	7,673
Accounts payable	12,436	-	12,436
Payroll payable	10,906	-	10,906
OPEB liability	1,285	-	1,285
Assets and liabilities related to pension	33,811	-	33,811
Compensated absences payable	5,381	-	5,381
Net cash provided (used) by operating activities	<u>\$ 638,727</u>	<u>\$ -</u>	<u>\$ 638,727</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION**  
**BUDGET AND ACTUAL**  
**WASTE DISPOSAL OPERATIONS FUND**  
**For the Year Ended June 30, 2017**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Licenses, fees, and permits	\$ 1,923,475	\$ 22,394	\$ 1,945,869	\$ 1,696,320	\$ 249,549
Intergovernmental	70,000	-	70,000	100,000	(30,000)
Charges for services	32,837	-	32,837	-	32,837
Other	2,439	-	2,439	2,000	439
Total operating revenues	<u>2,028,751</u>	<u>22,394</u>	<u>2,051,145</u>	<u>1,798,320</u>	<u>252,825</u>
Operating expenses:					
Sanitation:					
Disposal Operations	1,385,453	17,546	1,402,999	2,043,788	640,789
Household Hazardous Waste Division	99,139	344,249	443,388	841,588	398,200
Closure/Post-Closure Division	211,738	(49,407)	162,331	300,000	137,669
Total operating expenses	<u>1,696,330</u>	<u>312,388</u>	<u>2,008,718</u>	<u>3,185,376</u>	<u>1,176,658</u>
Operating income (loss)	<u>332,421</u>	<u>(289,994)</u>	<u>42,427</u>	<u>(1,387,056)</u>	<u>1,429,483</u>
Nonoperating revenues (expense):					
Gain (loss) on disposition of capital assets	(94,743)	119,781	25,038	-	25,038
Interest income	19,552	-	19,552	6,000	13,552
Contingency	-	-	-	(118,944)	118,944
Total nonoperating revenues (expenses)	<u>(75,191)</u>	<u>119,781</u>	<u>44,590</u>	<u>(112,944)</u>	<u>157,534</u>
Income (loss) before transfers:	<u>257,230</u>	<u>(170,213)</u>	<u>87,017</u>	<u>(1,500,000)</u>	<u>1,587,017</u>
Other revenues (expenses):					
Transfer in	159,376	-	159,376	300,000	(140,624)
Transfer out	(203,779)	3,779	(200,000)	(200,000)	-
Total other revenues (expenses)	<u>(44,403)</u>	<u>3,779</u>	<u>(40,624)</u>	<u>100,000</u>	<u>(140,624)</u>
Change in net position/fund balance	212,827	(166,434)	46,393	(1,400,000)	1,446,393
Net position/Fund balance at beginning of year	<u>1,859,478</u>	<u>(339,435)</u>	<u>2,198,913</u>	<u>1,400,000</u>	<u>798,913</u>
Prior period adjustment	<u>6,562</u>	<u>(6,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position at beginning of year, restated	<u>1,866,040</u>	<u>(332,873)</u>	<u>2,198,913</u>	<u>1,400,000</u>	<u>798,913</u>
Net position/Fund balance at end of year	<u>\$ 2,078,867</u>	<u>\$ (166,439)</u>	<u>\$ 2,245,306</u>	<u>\$ -</u>	<u>\$ 2,245,306</u>

See auditor's report.



**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION**  
**BUDGET AND ACTUAL**  
**WASTE DISPOSAL RESERVE FUND**  
**For the Year Ended June 30, 2017**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenue (expenses):					
Interest income	\$ 9,080	\$ -	\$ 9,080	\$ 6,500	\$ 2,580
Contingency	-	-	-	(446,500)	446,500
Total operating revenue (expenses):	<u>9,080</u>	<u>-</u>	<u>9,080</u>	<u>(440,000)</u>	<u>449,080</u>
Other revenues (expenses):					
Transfer out	<u>(159,376)</u>	<u>-</u>	<u>(159,376)</u>	<u>(300,000)</u>	<u>140,624</u>
Change in net position/fund balance	(150,296)	-	(150,296)	(740,000)	589,704
Net position/Fund balance at beginning of year	<u>867,024</u>	<u>-</u>	<u>867,024</u>	<u>740,000</u>	<u>127,024</u>
Net position/Fund balance at end year	<u>\$ 716,728</u>	<u>\$ -</u>	<u>\$ 716,728</u>	<u>\$ -</u>	<u>\$ 716,728</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION**  
**BUDGET AND ACTUAL**  
**GAS PIPELINE FUND**  
**For the Year Ended June 30, 2017**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Pipeline operations	\$ 627,471	\$ -	\$ 627,471	\$ 500,000	\$ 127,471
Operating expenses:					
Public works:					
Materials and services	387,617	(4,883)	382,734	333,000	(49,734)
Depreciation	1,052,922	(1,052,922)	-	-	-
Capital outlay	-	292,151	292,151	2,428,030	2,135,879
Total operating expenses	1,440,539	(765,654)	674,885	2,761,030	2,086,145
Operating income (loss)	(813,068)	765,654	(47,414)	(2,261,030)	2,213,616
Other revenues (expense):					
Interest income	26,167	(3,500)	22,667	17,000	5,667
Income (loss) before operating transfers	(786,901)	762,154	(24,747)	(2,244,030)	2,219,283
Transfers to other funds	(953,643)	-	(953,643)	(953,643)	-
Transfers from other funds	970,000	(970,000)	-	-	-
Total transfers to (from) other funds	16,357	(970,000)	(953,643)	(953,643)	-
Change in net position/fund balance	(770,544)	(207,846)	(978,390)	(3,197,673)	2,219,283
Net position/Fund balance at beginning of year	36,242,875	(33,370,231)	2,872,644	3,197,673	(325,029)
Net position/Fund balance at end of year	<u>\$ 35,472,331</u>	<u>\$ (33,578,077)</u>	<u>\$ 1,894,254</u>	<u>\$ -</u>	<u>\$ 1,894,254</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
June 30, 2017

	Fair	Coos County Area Transit Service District	Totals
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 80,109	\$ 182,878	\$ 262,987
Receivable:			
Accounts	-	6,935	6,935
Due from other funds	-	30,995	30,995
Prepays	-	20,095	20,095
<b>Total current assets</b>	<b>80,109</b>	<b>240,903</b>	<b>321,012</b>
Noncurrent assets:			
Capital assets:			
Land	30,605	117,743	148,348
Other capital assets (net of accumulated depreciation)	546,277	239,360	785,637
<b>Total noncurrent assets</b>	<b>576,882</b>	<b>357,103</b>	<b>933,985</b>
<b>Total assets</b>	<b>656,991</b>	<b>598,006</b>	<b>1,254,997</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	60,936	-	60,936
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	5,175	30,852	36,027
Accrued payroll benefits	2,028	16,391	18,419
Compensated absences payable	4,288	25,864	30,152
Prepaid exhibitor deposits	46,679	-	46,679
Pension liability	110,322	-	110,322
Due to other funds	1,986	-	1,986
<b>Total current liabilities</b>	<b>170,478</b>	<b>73,107</b>	<b>243,585</b>
Noncurrent liabilities:			
Long-term liabilities (net of current portion)			
Other postemployment benefits obligation	6,128	-	6,128
<b>Total liabilities</b>	<b>176,606</b>	<b>73,107</b>	<b>249,713</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	3,653	-	3,653
<b>NET POSITION</b>			
Net investment in capital assets	576,882	357,103	933,985
Unrestricted	(39,214)	167,796	128,582
<b>Total net position</b>	<b>\$ 537,668</b>	<b>\$ 524,899</b>	<b>\$ 1,062,567</b>

See auditor's report.

**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Year Ended June 30, 2017

	County Fair	Coos County Area Transit Service District	Totals
Operating revenues:			
Operational charges	\$ 226,487	\$ 81,033	\$ 307,520
Intergovernmental	53,667	691,978	745,645
Other	55,717	12,500	68,217
Total operating revenues	<u>335,871</u>	<u>785,511</u>	<u>1,121,382</u>
Operating expenses:			
Personnel services	112,954	320,793	433,747
Materials and services	244,066	449,342	693,408
Depreciation	25,634	35,924	61,558
Total operating expenses	<u>382,654</u>	<u>806,059</u>	<u>1,188,713</u>
Operating income (loss)	<u>(46,783)</u>	<u>(20,548)</u>	<u>(67,331)</u>
Nonoperating revenues (expense)			
Interest on investments	952	-	952
Change in net position	(45,831)	(20,548)	(66,379)
Net position at beginning of year	<u>581,408</u>	<u>545,447</u>	<u>1,126,855</u>
Prior period adjustment	2,091	-	2,091
Net position at beginning of year, restated	<u>583,499</u>	<u>545,447</u>	<u>1,128,946</u>
Net position at end of year	<u>\$ 537,668</u>	<u>\$ 524,899</u>	<u>\$ 1,062,567</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SUB-COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
**For the Year Ended June 30, 2017**

	<u>Fair</u>	<u>Coos County Area Transit Service District</u>	<u>Totals</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 353,007	\$ 93,012	\$ 446,019
Cash received from grantors	-	732,593	732,593
Cash paid to employees	(110,298)	(327,337)	(437,635)
Cash paid to suppliers	(240,826)	(455,356)	(696,182)
Net cash provided (used) by operating activities	<u>1,883</u>	<u>42,912</u>	<u>44,795</u>
Cash flows from noncapital financing activities:			
Due to/from other funds	<u>1,444</u>	<u>-</u>	<u>1,444</u>
Cash flows from capital and related financing activities:			
Capital expenditures	<u>-</u>	<u>(94,564)</u>	<u>(94,564)</u>
Cash flows from investing activities:			
Interest received	<u>952</u>	<u>-</u>	<u>952</u>
Net increase (decrease) in cash and cash equivalents	4,279	(51,652)	(47,373)
Cash and cash equivalents at beginning of year	<u>75,830</u>	<u>234,530</u>	<u>310,360</u>
Cash and cash equivalents at end of year	<u>\$ 80,109</u>	<u>\$ 182,878</u>	<u>\$ 262,987</u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (46,783)	\$ (20,548)	\$ (67,331)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	25,634	35,924	61,558
Change in assets and liabilities:			
Accounts receivable	-	40,094	40,094
Prepays	-	(2,390)	(2,390)
Accounts payable and accrued expenses	(3,149)	(10,168)	(13,317)
Other post employment benefits	397	-	397
Pensions	8,646	-	8,646
Deposits	17,138	-	17,138
Net cash provided (used) by operating activities	<u>\$ 1,883</u>	<u>\$ 42,912</u>	<u>\$ 44,795</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION**  
**BUDGET AND ACTUAL**  
**COUNTY FAIR FUND**  
**For the Year Ended June 30, 2017**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Intergovernmental	\$ 53,667	\$ 9,036	\$ 62,703	\$ 53,666	\$ 9,037
Licenses, fees, and permits	9,869	-	9,869	10,000	(131)
Charges for services	216,618	450	217,068	262,550	(45,482)
Donations and sponsorships	-	-	-	47,500	(47,500)
Other	55,717	4,784	60,501	7,500	53,001
<b>Total operating revenues</b>	<b>335,871</b>	<b>14,270</b>	<b>350,141</b>	<b>381,216</b>	<b>(31,075)</b>
Operating expenses:					
Culture & Recreation:					
Personnel services	112,954	(9,673)	103,281	128,677	25,396
Materials and services	244,066	14,270	258,336	282,790	24,454
Depreciation	25,634	(25,634)	-	-	-
Capital outlay	-	-	-	15,249	15,249
<b>Total operating expenses</b>	<b>382,654</b>	<b>(21,037)</b>	<b>361,617</b>	<b>426,716</b>	<b>65,099</b>
Operating income (loss)	(46,783)	35,307	(11,476)	(45,500)	34,024
Other revenues (expense):					
Interest income	952	-	952	500	452
Change in net position/fund balance	(45,831)	35,307	(10,524)	(45,000)	34,476
Net position/Fund balance at beginning of year	581,408	(546,642)	34,766	45,000	(10,234)
Net position/Fund balance at end of year	<u>\$ 535,577</u>	<u>\$ (511,335)</u>	<u>\$ 24,242</u>	<u>\$ -</u>	<u>\$ 24,242</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**COOS COUNTY AREA TRANSIT SERVICE DISTRICT FUND**  
**For the Year Ended June 30, 2017**

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Intergovernmental	\$ 691,978	\$ -	\$ 691,978	\$ 957,090	\$ (265,112)
Charges for service	81,033	-	81,033	45,000	36,033
Miscellaneous	12,500	-	12,500	37,520	(25,020)
Total operating revenues	<u>785,511</u>	<u>-</u>	<u>785,511</u>	<u>1,039,610</u>	<u>(254,099)</u>
Operating expenses:					
Personnel services	320,793	174,341	495,134	508,061	12,927
Materials and services	449,342	(167,936)	281,406	306,862	25,456
Capital outlay	-	94,564	94,564	310,910	216,346
Depreciation	35,924	(35,924)	-	-	-
Contingency	-	-	-	20,000	20,000
Total operating expenses	<u>806,059</u>	<u>65,045</u>	<u>871,104</u>	<u>1,145,833</u>	<u>274,729</u>
Operating income (loss)	(20,548)	(65,045)	(85,593)	(106,223)	20,630
Net position/Fund balance at beginning of year	<u>545,447</u>	<u>(320,874)</u>	<u>279,253</u>	<u>106,223</u>	<u>173,030</u>
Net position/Fund balance at end of year	<u>\$ 524,899</u>	<u>\$ (385,919)</u>	<u>\$ 193,660</u>	<u>\$ -</u>	<u>\$ 193,660</u>

See auditor's report.

## **FIDUCIARY FUNDS/AGENCY FUNDS**

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Fiduciary funds are used to account for and report on assets held on behalf of outside parties, including other governmental, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, whether a pension trust fund, a nonexpendable trust fund, or an expendable trust, a trust fund is used. The terms "nonexpendable" and "expendable" refer to whether or not the government is under an obligation to maintain the trust principal. Agency funds generally are used to account for assets that the government holds on behalf of others as their agent.

The Agency Funds are used to account for and report assets held by Coos County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

The Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. At any given point in time, total Agency Fund assets are equally offset by related liabilities including amounts due to the parties for whom the assets are being held by the government.

The Agency Funds of the County are grouped as follows: Taxing Districts and County Trusts.



**COOS COUNTY, OREGON**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
For the Year Ended June 30, 2017

<u>TAXING DISTRICTS</u>	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>ASSETS</b>				
Cash and investments	\$ 1,302,225	\$ 118,024,498	\$ 118,093,327	\$ 1,233,396
Receivables:				
Property taxes	5,059,629	54,524,170	54,316,827	5,266,972
Total assets	<u>\$ 6,361,854</u>	<u>\$ 172,548,668</u>	<u>\$ 172,410,154</u>	<u>\$ 6,500,368</u>
<b>LIABILITIES</b>				
Due to other agencies, funds and taxing districts	<u>\$ 6,361,854</u>	<u>\$ 172,548,668</u>	<u>\$ 172,410,154</u>	<u>\$ 6,500,368</u>

<u>COUNTY TRUSTS</u>	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>ASSETS</b>				
Cash and investments	\$ 1,209,797	\$ 1,068,322	\$ 690,254	\$ 1,587,865
Receivables:				
Contracts	-	112,650	112,650	-
Total assets	<u>\$ 1,209,797</u>	<u>\$ 1,180,972</u>	<u>\$ 802,904</u>	<u>\$ 1,587,865</u>
<b>LIABILITIES</b>				
Due to other agencies, funds and taxing districts	<u>\$ 1,209,797</u>	<u>\$ 1,180,972</u>	<u>\$ 802,904</u>	<u>\$ 1,587,865</u>

See auditor's report.

**COOS COUNTY, OREGON**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>		
<i>Passed through Oregon Health Authority:</i>		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	281,010
<i>Passed through State of Oregon Department of Human Services:</i>		
WIC Grants to States	10.578	2,097
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Forest Service - Schools and Roads--Grants to States	10.665	41,678
Subtotal U.S. Department of Agriculture		<u>324,785</u>
<b>U.S. Department of Interior</b>		
Payments in Lieu of Taxes	15.226	475,950
Distribution of Receipts to State and Local Governments	15.227	* 2,143,935
Secure Rural Schools and Community Self-Determination	15.234	35,411
National Wildlife Refuge Fund	15.659	24,912
<i>Passed through State of Oregon Marine Board</i>		
Clean Vessel Act	15.616	14,000
Subtotal U.S. Department of Interior		<u>2,694,208</u>
<b>U.S. Department of Justice</b>		
State Criminal Alien Assistance Program	16.606	177
<i>Passed through State of Oregon Department of Justice:</i>		
Crime Victim Assistance	16.575	71,611
<i>Passed through Coquille Indian Tribe:</i>		
Public Safety Partnership and Community Policing Grants	16.710	94,993
Subtotal U.S. Department of Justice		<u>166,781</u>
<b>U.S. Department of Transportation</b>		
<i>Passed through State of Oregon Parks and Recreation:</i>		
Recreational Trails Program	20.219	9,608
<i>Passed through State of Oregon Department of Transportation:</i>		
Formula Grants for Rural Areas	20.509	230,948
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	270,564
Subtotal U.S. Department of Transportation		<u>511,120</u>
<b>General Services Administration</b>		
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Disposal of Federal Surplus Real Property	39.002	66
Donation of Federal Surplus Personal Property	39.003	** 881
Subtotal General Services Administration		<u>947</u>
<b>Environmental Protection Agency</b>		
<i>Passed through Oregon Health Authority:</i>		
State Public Water System Supervision	66.432	8,129
Capitalization Grants for Drinking Water State Revolving Funds	66.468	9,001
Subtotal Environmental Protection Agency		<u>17,130</u>

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. Department of Health and Human Services</b>		
<i>Passed through Oregon Health Authority:</i>		
Public Health Emergency Preparedness	93.069	79,358
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative Agreements	93.074	7,900
Project Grants and Cooperative Agreements for Tuberculosis Co	93.116	277
Family Planning Services	93.217	22,149
Block Grants for Community Mental Health Services	93.958	79,450
Block Grants for Prevention and Treatment of Substance Abuse	93.959	143,253
 Maternal and Child Health Services Block Grant to the States	 93.994	 40,138
<i>Passed through Oregon Health &amp; Science University:</i>		
Maternal and Child Health Services Block Grant to the States	93.994	3,000
<i>Passed through State of Oregon Department of Justice:</i>		
Child Support Enforcement	93.563	127,730
Subtotal U.S. Department of Health and Human Services		<u>503,255</u>
<b>U.S. Department of Homeland Security</b>		
<i>Passed through State of Oregon Marine Board</i>		
Boating Safety Financial Assistance	97.012	13,603
<i>Passed through Oregon Military Department:</i>		
Disaster Grants-Public Assistance (Presidentially Declared Disas	97.036	121,032
Emergency Management Performance Grants	97.042	77,309
Homeland Security Grant Program	97.067	164,286
Subtotal U.S. Department of Homeland Security		<u>376,230</u>
 <b>Total Federal Assistance</b>		 <u><u>4,594,456</u></u>

\* Indicates a major program

\*\* Indicates non-cash assistance

**SCHEDULE OF AMOUNTS PROVIDED TO SUBRECIPIENTS  
For the Year Ended June 30, 2017**

<b>Federal Grantor/Pass-Through</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>		
<i>Passed through to Local School Districts:</i>		
Forest Service - Schools and Roads--Grants to States	10.665	5,980
<b>U.S. Department of Transportation</b>		
<i>Passed through to Coos County Area Transit Service District:</i>		
Formula Grants for Rural Areas	20.509	230,948
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	270,564
<b>U.S. Department of Health and Human Services</b>		
<i>Passed through to Adapt:</i>		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	71,573

**COOS COUNTY, OREGON**  
**NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2017**

**Note 1. Purpose of the Schedule**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Coos County, Oregon, under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the County.

**Note 2. Basis of Presentation**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting as described in Note 1 to the County's basic financial statements. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

**Note 3. De Minimis Cost Rate**

The County did not elect to use the 10% de minimis indirect cost rate, as allowed under Uniform Guidance, during the 2016-17 fiscal year.

**Note 4. Federal Financial Assistance**

Pursuant to Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, non-monetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal governments for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

**Note 5. Major Programs**

Uniform Guidance established criteria to be used in defining major federal financial assistance programs. Major programs for the County are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.

**COOS COUNTY, OREGON**  
**SUMMARY OF PRIOR AUDIT FINDINGS RELATED TO FEDERAL AWARDS**  
**For the Fiscal Year Ended June 30, 2017**

Questioned Costs:

There were no questioned costs for the year ended June 30, 2016.

Findings:

There were no findings for the year ended June 30, 2016.

# **AUDITORS REPORTS**



INDEPENDENT AUDITORS' 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*

February 26, 2018

To the Board of Commissioners of Coos County:

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Coos County as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 26, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Coos County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected in a timely manner. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

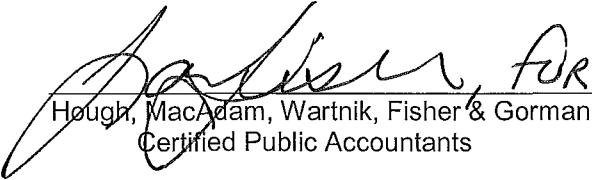
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Coos County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hough, MacAdam, Wartnik, Fisher & Gorman, LLC  
Certified Public Accountants





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**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

February 26, 2018

To the Board of Commissioners of Coos County:

We have audited the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information which comprise the basic financial statements of Coos County ("the County") as of and for the year ended June 30, 2017 and have issued our report thereon dated February 26, 2018. 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 and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

**Compliance**

As part of obtaining reasonable assurance about whether the County's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 to 162-010-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

The use of approved depositories to secure the deposit of public funds (ORS Chapter 295).

The requirements relating to debt.

The requirements relating to the preparation, adoption and execution of annual budgets (ORS Chapter 294).

The requirements relating to insurance and fidelity bond coverage.

The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.

The statutory requirements pertaining to the investment of public funds (ORS Chapter 294).

Factors related to state highway gasoline taxes

The requirements pertaining to the awarding of public contracts and the construction of public improvements (ORS Chapters 279A, 279B, 279C).

In connection with our testing other than as discussed below, nothing came to our attention that caused us to believe that Coos County was not in substantial compliance with certain provisions of laws, regulations, contract and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State.

As described in Note IIA, the results of testing indicated an instance of non-compliance related to excess expenditures over appropriations as follows:

<u>Fund</u>	<u>Amount</u>
Pipeline Fund	
Materials and services	<u>\$ 49,734</u>

**OAR 162-010-0230 Internal Control**

Please see our 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*.

**Purpose of This Report**

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

  
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Hough, MacAdam, Wartnik, Fisher & Gorman, LLC  
Certified Public Accountants



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

February 26, 2018

To the Board of Commissioners of Coos County:

**Report on Compliance for Each Major Federal Program**

We have audited Coos County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended June 30, 2017. Coos County's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Coos County's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of OMB Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Coos County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Coos County's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Coos County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2017.

**Report on Internal Control Over Compliance**

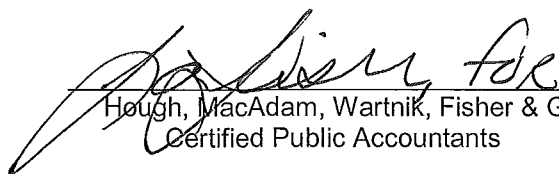
Management of Coos County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Coos County's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Hough, MacAdam, Wartnik, Fisher & Gorman, LLC  
Certified Public Accountants

**COOS COUNTY, OREGON**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Fiscal Year Ended June 30, 2017**

**SECTION I SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued	_____	Qualified	_____	<u>X</u>	Unqualified
Internal control of financial reporting:					
Material weakness(es) identified?	_____	Yes	_____	<u>X</u>	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	_____	Yes	_____	<u>X</u>	No
Noncompliance material to financial statements noted?	_____	Yes	_____	<u>X</u>	No

**Federal Awards:**

Internal control over major programs:					
Any material weaknesses identified?	_____	Yes	_____	<u>X</u>	No
Any significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____	<u>X</u>	None reported
Type of auditor's report issued on compliance for major programs	_____	Qualified	_____	<u>X</u>	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516 of the Uniform Guidance.	_____	Yes	_____	<u>X</u>	No

**Identification of major programs:**

Distribution of Receipts to State and Local Governments	CFDA#	15.227
Dollar threshold used to distinguish between type A and type B programs		<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>X</u>	Yes _____ No

**SECTION II FINDINGS - FINANCIAL STATEMENT FINDINGS**

None

**SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None