



COOS COUNTY, OREGON

**ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2016**

**COOS COUNTY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2016**

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BOARD OF COMMISSIONERS

COOS COUNTY, OREGON
BOARD OF COMMISSIONERS
June 30, 2016

	<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

Mary Barton, County Treasurer	December 31, 2016
Melissa Cribbins, County Commissioner	December 31, 2018
Mike Dado, County Surveyor	December 31, 2020
R. Paul Frasier, County District Attorney	December 31, 2020
Steve Jansen, County Assessor	December 31, 2020
Robert Main, County Commissioner	December 31, 2020
John W. Sweet, County Commissioner	December 31, 2018
Terri Turi, County Clerk	December 31, 2017
Craig Zanni, County Sheriff	December 31, 2017

MAILING ADDRESS

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

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

March 22, 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, 2016, 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, 2016, 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 Funding Progress on Other PostEmployment Benefits and the Schedule of Net Pension Liability and Contributions 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 Funding Progress on Other PostEmployment Benefits and the Schedule of Net Pension Liability and Contributions 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 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.

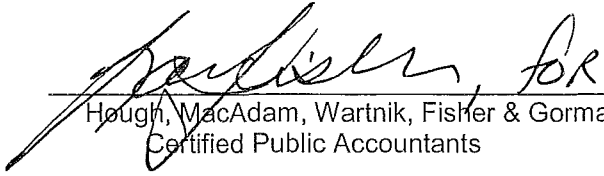
Supplementary Information

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, Audits of States, Local Governments, and Non-Profit Organizations*, 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 March 22, 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 March 22, 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 162-10-000 to 162-10-320. 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.

 *[Handwritten signature]*, for

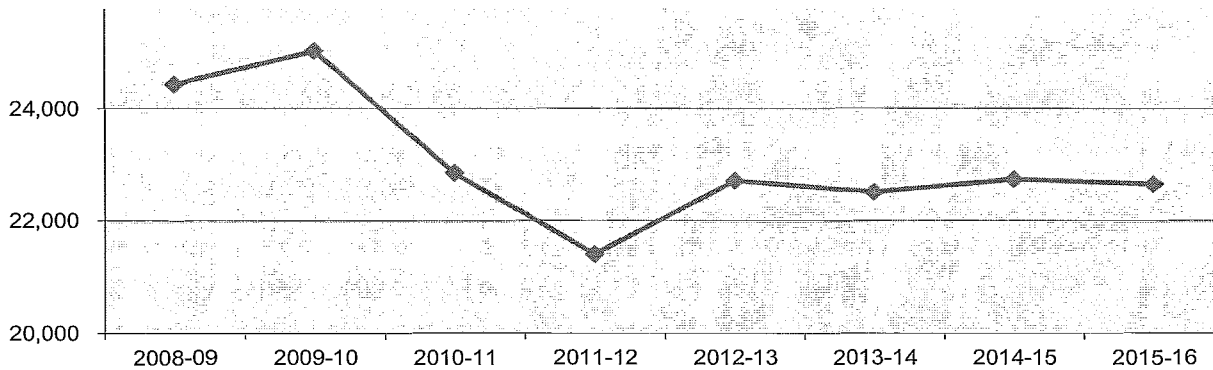
Hough, MacAdam, Wartnik, Fisher & Gorman, LLC
Certified Public Accountants

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

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, 2016. 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, 2016 by \$151,665 (*net position*) – a decrease of \$25,488 or 14.39%. Of this amount, \$5,048 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's revenues increased by 22.7% in the Governmental activities, they decreased by 17.9% in the Proprietary activities. Expenses for the Governmental activities increased by \$19,651 or 48.3%, and Proprietary decreased by \$1,459 or 25.5%. Overall net position had only modest changes in Proprietary funds increased by \$54 or 0.1%. While Governmental funds saw an overall decrease in net position of \$25,542 or 18.6% mostly due to the GASB 68 net pension liability.
- The County's increase in the Propriety funds net position continues to be based on the inactivation of all waste disposal sites during FY 2012-13. The inactivation decreased the Closure/Post-Closure Cost liability by \$173 in FY 2015-16. Since inactivation in FY 2012-13 Closure/Post-Closure Cost liability has decreased by a total of \$3,993.



2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
24,438	25,023	22,845	21,402	22,705	22,503	22,731	22,648

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.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

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.

»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*.

**COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS**

For the Year Ended June 30, 2016

The County maintains 30 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 26 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.

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, Law Library, County Parks, Community Corrections, Crime Victim Assistance, South Coast Interagency Narcotics Team (SCINT), Mental Health, Children and Families, 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, Environmental Service, Child Support Enforcement, and the New Construction Reserve 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

General Obligation Debt Capacity	June 30, 2015	June 30, 2016
Taxable Real Market Value	\$ 6,026,086	\$ 6,061,059
General Obligation Bond Debt Limitation (2% of Real Market Value)	120,522	121,221
Less: Outstanding debt subject to limit	8,775	7,845
Less: Principal payments due within one year	(930)	(970)
	<u>7,845</u>	<u>6,875</u>
Remaining Legal General Obligation Debt Capacity	\$ 112,677	\$ 114,346
Percent of Capacity Issued	6.5%	5.7%

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.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

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.

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 \$151,665 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 80.84% 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, 2016

Coos County's Net Position
in thousands

	Governmental		Business-type		Total		Comparison	
	Activities		Activities				Difference	
	2016	2015	2016	2015	2016	2015		
Current and other assets	\$ 43,910	\$ 40,440	\$ 6,525	\$ 6,404	\$ 50,435	\$ 46,844	\$ 3,591	7.67%
Net pension asset	-	20,988	-	316	-	21,304	(21,304)	-100.00%
Capital assets	86,956	89,400	43,490	44,673	130,446	134,073	(3,627)	-2.71%
Total assets	130,866	150,828	50,015	51,393	180,881	202,221	(21,340)	-10.55%
Deferred outflow related to pensions	3,169	3,039	51	46	3,220	3,085	135	4.38%
Long-term liabilities	1,715	1,633	8,336	9,685	10,051	11,318	(1,267)	-11.19%
Other liabilities	18,097	5,992	1,591	1,575	19,688	7,567	12,121	160.18%
Total liabilities	19,812	7,625	9,927	11,260	29,739	18,885	10,854	57.47%
Deferred inflow related to pensions	2,653	9,131	43	137	2,696	9,268	(6,572)	-70.91%
Net position:								
Invested in capital assets	86,956	89,400	35,645	35,898	122,601	125,298	(2,697)	-2.15%
Restricted	23,425	21,229	591	767	24,016	21,996	2,020	9.18%
Unrestricted	1,188	26,482	3,860	3,377	5,048	29,859	(24,811)	-83.09%
Total net position	\$ 111,569	\$ 137,111	\$ 40,096	\$ 40,042	\$ 151,665	\$ 177,153	\$ (25,488)	-14.39%

Changes in Net Position

The County's *unrestricted net position* \$5,048 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. The Waste Disposal Operating fund, a proprietary fund, reported a negative balance due to closure/post closure liabilities. 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, 2016

Coos County's Changes in Net Position

in thousands

	Governmental		Business-Type		Total		Comparison		
	Activities		Activities						
	2016	2015	2016	2015	2016	2015	Difference		
REVENUE:									
Program revenues:									
Charges for services & contracts	\$ 10,538	\$ 9,343	\$ 3,152	\$ 3,911	\$ 13,690	\$ 13,254	\$ 436	3.29%	
Operating grants & contributions	25,874	23,618	721	804	26,595	24,422	2,173	8.90%	
Capital grants & contributions	621	164	-	-	621	164	457	278.66%	
General revenues:									
Property Taxes	10,123	10,854	-	-	10,123	10,854	(731)	-6.73%	
Grants & contributions not restricted									
to specific programs	3,023	3,018	-	-	3,023	3,018	5	0.17%	
Interest on investments	240	186	-	-	240	186	54	29.03%	
Other revenue	860	916	-	-	860	916	(56)	-6.11%	
Total revenue	51,279	48,099	3,873	4,715	55,152	52,814	2,338	4.43%	
EXPENDITURES:									
Current:									
General Government	9,501	6,535	-	-	9,501	6,535	2,966	45.39%	
Public Safety	16,879	9,436	-	-	16,879	9,436	7,443	78.88%	
Public Works	8,398	6,568	1,508	3,093	9,906	9,661	245	2.54%	
Health & Welfare	18,496	11,523	-	-	18,496	11,523	6,973	60.51%	
Culture & Recreation	5,385	4,861	440	337	5,825	5,198	627	12.06%	
Conservation	-	-	-	-	-	-	-	0.00%	
Community Development	348	192	-	-	348	192	156	81.25%	
Intergovernmental	893	758	-	-	893	758	135	17.81%	
Sanitation	-	-	1,564	1,544	1,564	1,544	20	1.30%	
Transportation	-	-	742	739	742	739	3	0.41%	
Debt Service	418	794	-	-	418	794	(376)	-47.36%	
Total expenditures	60,318	40,667	4,254	5,713	64,572	46,380	18,192	39.22%	
Change in net position before transfers	(9,039)	7,431	(381)	(998)	(9,420)	6,433	(15,853)	-246.43%	
Transfers	(680)	(1,325)	680	1,325	-	-	-	0.00%	
Change in net position	(9,719)	6,106	299	327	(9,420)	6,433	(15,853)	-246.43%	
Net position beginning	137,111	123,403	40,042	39,600	177,153	163,003	14,150	8.68%	
Prior period adjustment	(15,823)	7,602	(245)	115	(16,068)	7,717	(23,785)	-308.22%	
Net position beginning, restated	121,288	131,005	39,797	39,715	161,085	170,720	(9,635)	-5.64%	
Net position ending	\$ 111,569	\$ 137,111	\$ 40,096	\$ 40,042	\$ 151,665	\$ 177,153	\$ (1,703)	-14.39%	

Overall, County wide expenses increased by \$18,192 from the previous year. This increase is primarily due to the required reporting of pension plan changes. Due to a recent court case, an actuarially determined pension plan asset was reported for the 2014-15 fiscal year but an actuarially determined pension plan liability was reported for the 2015-16 fiscal year. Adjusting the plan to reflect the liability resulted in an increase of pension expense of \$11,600. This increased expense was allocated to each functional category by a percentage of pension contributions made for the year. Absent this increase related to pension expense, there increase in expenses between the current fiscal year and the prior fiscal year was \$6,592 or 14.21%. See the Plan Changes Reflected section on page 37 of the footnotes.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

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 \$7,845. 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, 2016 amounted to \$130,447 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, improvements other than buildings, equipment, and infrastructure.

COOS COUNTY'S CAPITAL ASSETS

	Governmental Activities	Business-type Activities	Total
Land	\$ 5,557,992	\$ 709,402	\$ 6,267,394
Construction in progress	2,150,896	332,701	2,483,597
Buildings and building improvements	21,440,550	2,337,042	23,777,592
Infrastructure	114,199,742	52,255,070	166,454,812
Machinery and equipment	18,217,398	1,350,984	19,568,382
Improvements other than buildings	3,010,212	2,509,017	5,519,229
	<u>\$ 164,576,790</u>	<u>\$ 59,494,216</u>	<u>\$ 224,071,006</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.

A permanent transfer site for the solid waste stream disposal was established. The DEQ approved closure of the Joe Ney and Bandon sites, and the Beaver Hill ash trench, Household Hazardous Waste, and implementation of a Countywide franchise fee are all items being implemented at this time.

Coos County has purchased a ten (10) percent share in Western Oregon Advanced Health, a Coordinated Care Organization (CCO) that was created by Governor Kitzhaber's initiative to reform health care in Oregon and provide care to more people for less money. All Mental Health funding will now be flowing through the CCO, and the County feels that it is important to remain part of the decision making process.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

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

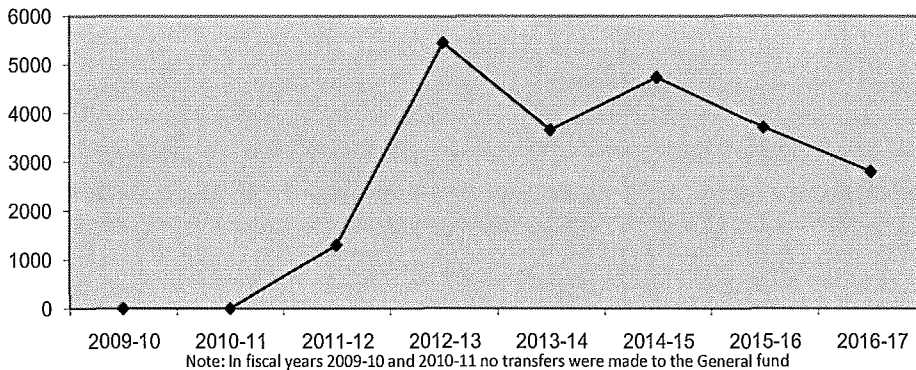
All of the budget changes were done by resolution or a supplemental budget as required by Oregon budget law.

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 \$4,593. The County placed \$2,015 in an operating contingency for 2016-2017.
- ◆ The General Fund's proposed expenditures total \$21,129, with resources other than taxes of \$16,343. The amount budgeted for current year taxes is \$4,786, 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 \$1,843.
- ◆ 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 2016-2017 Forestry Department operating budget is \$738. The County Forest Fund balance on June 30, 2016 was \$7,483.

◆

County Forest Transfers to General Fund
(dollars in thousands)



COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2016

- ◆ 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 means that in 2016 the County will be 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 2016-2017 the SRS net payment to the General Fund (Title I), for the O&C lands, will be \$1,758. The County Road Department FY 2016-2017 SRS Title I payment, for the CBWR lands and U.S. Forest Service, is budgeted to be \$240.

- ◆ 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 2016-2017 total \$3,554 with resources other than taxes of \$234.
- ◆ The 4-H Extension Service District's adopted expenditures for 2016-2017 total \$636, with resources other than taxes of \$231. The Library and 4-H Extension Service Districts both intend to certify their total permanent tax rates in 2016-2017. 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 2016-2017 fiscal year.

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 Treasurer's Office, 250 N Baxter, Coquille, Oregon 97423.

BASIC FINANCIAL STATEMENTS

COOS COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2016

ASSETS	Governmental Activities	Business-type Activities	Total
Cash and cash equivalents	\$ 39,296,925	\$ 6,215,838	\$ 45,512,763
Receivables	3,582,162	203,431	3,785,593
Internal balances	(60,714)	60,714	-
Prepaid expenses	56,664	17,704	74,368
Inventories	475,614	-	475,614
Noncurrent assets:			
Prepaid bond insurance	-	26,716	26,716
Temporarily restricted assets-cash	28,026	-	28,026
Equity interest in WOAH	530,716	-	530,716
Capital assets:			
Land	5,557,992	709,402	6,267,394
Construction in process	2,150,896	332,701	2,483,597
Other capital assets (net)	79,247,459	42,448,160	121,695,619
Total assets	130,865,740	50,014,666	180,880,406
 DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	3,168,948	50,988	3,219,936
 LIABILITIES			
Current liabilities:			
Accounts payable	1,612,863	174,017	1,786,880
Payroll liabilities	306,008	16,529	322,537
Unearned revenue	2,711,170	54,541	2,765,711
Accrued interest payable	-	31,458	31,458
Compensated absences payable	1,535,602	75,597	1,611,199
Net pension liability	11,931,972	191,982	12,123,954
Current portion of long-term liabilities:			
Landfill closure/postclosure care costs	-	76,900	76,900
Bonds	-	970,000	970,000
Noncurrent liabilities:			
Portions due or payable after one year:			
Bonds	-	6,875,000	6,875,000
Accrued other postemployment benefits obligation	1,714,823	58,053	1,772,876
Accrued landfill closure/postclosure care costs	-	1,402,660	1,402,660
Total liabilities	19,812,438	9,926,737	29,739,175
 DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	2,652,918	42,685	2,695,603
 NET POSITION			
Net Investment in capital assets	86,956,347	35,645,263	122,601,610
Restricted for:			
Roads, sidewalks, footpaths	6,734,683	-	6,734,683
Capital projects	-	590,665	590,665
Health	12,870,354	-	12,870,354
Public safety	2,614,765	-	2,614,765
Other programs	1,205,684	-	1,205,684
Unrestricted	1,187,499	3,860,304	5,047,803
Total net position	\$ 111,569,332	\$ 40,096,232	\$ 151,665,564

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, 2016

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
Governmental activities:							
General government	\$ 9,500,789	\$ 6,325,754	\$ 467,342	\$ 255,234	\$ (2,452,459)	\$ -	\$ (2,452,459)
Public safety	16,878,679	1,076,457	4,622,192	269,857	(10,910,173)	-	(10,910,173)
Public works	8,397,966	86,716	5,098,913	96,003	(3,116,334)	-	(3,116,334)
Health and welfare	18,495,769	2,080,678	13,956,968	-	(2,458,123)	-	(2,458,123)
Community development	347,978	6,305	184,771	-	(156,902)	-	(156,902)
Culture and recreation	5,384,859	937,147	598,571	-	(3,849,141)	-	(3,849,141)
Intergovernmental	892,614	2,719	944,999	-	55,104	-	55,104
Interest and fiscal charges	417,770	22,118	-	-	(395,652)	-	(395,652)
Total governmental activities	60,316,424	10,537,894	25,873,756	621,094	(23,283,680)	-	(23,283,680)
Business-type activities:							
Sanitation	1,564,352	2,226,525	-	-	-	662,173	662,173
Gas pipeline	1,507,857	523,039	-	-	-	(984,818)	(984,818)
County fair	439,936	305,795	53,667	-	-	(80,474)	(80,474)
Transportation	742,199	96,642	667,771	-	-	22,214	22,214
Total business-type activities	4,254,344	3,152,001	721,438	-	-	(380,905)	(380,905)
Total government	\$ 64,570,768	\$ 13,689,895	\$ 26,595,194	\$ 621,094	(23,283,680)	(380,905)	(23,664,585)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					5,074,276	-	5,074,276
Property taxes, levied for 4-H & Extension services					413,661	-	413,661
Property taxes, levied for library services					3,394,775	-	3,394,775
Property taxes, levied for debt service					1,239,717	-	1,239,717
Foreclosed property sales					44,980	-	44,980
Grants and contributions not restricted to specific programs					3,022,540	-	3,022,540
Earnings on investments					239,698	-	239,698
Miscellaneous					839,200	-	839,200
Gain (loss) on disposition of capital assets					(24,164)	-	(24,164)
Total General Revenues					14,244,683	-	14,244,683
Transfers					(680,000)	680,000	-
Changes in net position					(9,718,997)	299,095	(9,419,902)
Net position - beginning of year					137,111,312	40,041,762	177,153,074
Prior period adjustment					(15,822,983)	(244,625)	(16,067,608)
Net position - beginning of year, restated					121,288,329	39,797,137	161,085,466
Net position - ending					\$ 111,569,332	\$ 40,096,232	\$ 151,665,564

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

**COOS COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016**

	General	Public Works	Health & Wellness	County Forest	Other Governmental Funds	Total
ASSETS						
Cash and cash equivalents	\$ 7,340,199	\$ 5,853,495	\$ 10,398,852	\$ 6,919,515	\$ 8,784,864	\$ 39,296,925
Restricted cash	-	-	-	-	28,026	28,026
Receivables:						
Property taxes	497,695	-	-	-	545,613	1,043,308
Accounts	585,940	671,729	92,401	594,000	583,249	2,527,319
Notes	-	-	-	-	11,535	11,535
Due from other funds	-	65,353	-	-	4,801	70,154
Prepaid expenses	-	-	-	-	56,664	56,664
Inventories	-	475,614	-	-	-	475,614
Total assets	\$ 8,423,834	\$ 7,066,191	\$ 10,491,253	\$ 7,513,515	\$ 10,014,752	\$ 43,509,545
LIABILITIES						
Accounts payable	\$ 536,352	\$ 176,123	\$ 450,139	\$ 26,676	\$ 423,573	\$ 1,612,863
Payroll liabilities	306,008	-	-	-	-	306,008
Due to other funds	27,475	-	3,158	3,580	96,655	130,868
Unearned revenue	1,770,845	-	-	-	940,325	2,711,170
Total liabilities	2,640,680	176,123	453,297	30,256	1,460,553	4,760,909
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue:						
Property taxes	433,210	-	-	-	474,610	907,820
Installment sale	-	-	-	-	11,535	11,535
Assessments	-	70,308	-	-	-	70,308
Total deferred inflows of resource	433,210	70,308	-	-	486,145	989,663
FUND BALANCES						
Nonspendable	-	475,614	-	-	56,664	532,278
Restricted	59,514	6,344,146	10,037,956	-	6,895,592	23,337,208
Committed	-	-	-	-	989,239	989,239
Assigned	-	-	-	7,483,259	126,559	7,609,818
Unassigned	5,290,430	-	-	-	-	5,290,430
Total fund balances	5,349,944	6,819,760	10,037,956	7,483,259	8,068,054	37,758,973
Total liabilities, deferred inflows of resources and fund balances	\$ 8,423,834	\$ 7,066,191	\$ 10,491,253	\$ 7,513,515	\$ 10,014,752	\$ 43,509,545

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, 2016

Total fund balances - governmental funds \$ 37,758,973

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. (11,931,972)

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. 516,030

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	\$ 5,557,992	
Construction in process	2,150,896	
Depreciable assets	156,867,903	
Accumulated depreciation	<u>(77,620,444)</u>	
		86,956,347

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.

989,663

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	530,716	
Accrued other postemployment benefits	(1,714,823)	
Compensated absences	<u>(1,535,602)</u>	
		<u>(2,719,709)</u>

Total net position - governmental activities \$ 111,569,332

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, 2016

	General	Public Works	Health & Wellness	County Forest	Other Governmental Funds	Total
Revenues:						
Property taxes	\$ 5,067,896	\$ -	\$ -	\$ -	\$ 5,082,666	\$ 10,150,562
Taxes - other	249,234	-	-	-	124,443	373,677
Intergovernmental	5,715,453	5,151,518	12,881,699	-	5,439,786	29,188,456
Licenses, fees and permits	548,425	49,317	41,871	-	3,296,672	3,936,285
Charges for services	625,059	982,359	105,407	40,872	379,058	2,132,755
Timber sales	-	-	-	5,081,975	-	5,081,975
Fines and forfeitures	127,744	2,250	-	-	245,217	375,211
Interest on investments	58,355	33,917	59,656	29,903	57,858	239,689
Other	439,489	144,741	34,042	-	231,535	849,807
Total revenues	12,831,655	6,364,102	13,122,675	5,152,750	14,857,235	52,328,417
Expenditures:						
General government	5,321,894	-	-	619,148	621,851	6,562,893
Public safety	9,616,044	-	-	-	3,349,223	12,965,267
Public works	-	5,537,595	-	-	-	5,537,595
Health and welfare	434,602	-	12,689,370	-	2,259,827	15,383,799
Community development	-	-	-	-	347,978	347,978
Culture and recreation	-	-	-	-	4,973,393	4,973,393
Intergovernmental	-	-	-	-	892,613	892,613
Capital outlay	1,215,456	177,555	47,256	65,129	222,063	1,727,459
Debt service:						
Principal	-	-	-	-	930,000	930,000
Interest	-	-	-	-	417,770	417,770
Total expenditures	16,587,996	5,715,150	12,736,626	684,277	14,014,718	49,738,767
Excess (deficiency) of revenues over (under) expenditures	(3,756,341)	648,952	386,049	4,468,473	842,517	2,589,650
Other financing sources (uses):						
Sales of capital assets	1,850	327	-	-	1,999	4,176
Transfers in	3,998,665	-	360,000	-	710,422	5,069,087
Transfers out	(710,422)	-	-	(3,713,728)	(394,937)	(4,819,087)
Total other financing sources (uses)	3,290,093	327	360,000	(3,713,728)	317,484	254,176
Net change in fund balances	(466,248)	649,279	746,049	754,745	1,160,001	2,843,826
Fund balances at beginning of year	5,816,192	6,170,481	9,291,907	6,728,514	6,908,053	34,915,147
Fund balances at end of year	\$ 5,349,944	\$ 6,819,760	\$ 10,037,956	\$ 7,483,259	\$ 8,068,054	\$ 37,758,973

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, 2016

Total net change in fund balances - governmental funds	\$ 2,843,826	
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Property taxes	\$ (100,690)	
Equity interest in Western Oregon Advanced Health	96,134	
Assessments and notes receivable	<u>81,843</u>	77,287
<p>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.</p>		
		(10,055,704)
<p>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.</p>		
Capital assets	1,422,049	
Gain (Loss) on disposition	23,932	
Depreciation	<u>(3,890,213)</u>	(2,444,232)
<p>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:</p>		
Changes in compensated absences payable	(58,867)	
Change in accrued other postemployment benefits	<u>(81,307)</u>	(140,174)
Change in net position of governmental activities		<u><u>\$ (9,718,997)</u></u>

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, 2016

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,978,344	\$ 2,927,134	\$ 310,360	\$ 6,215,838
Receivable				
Grants	-	-	-	-
Accounts	169,410	16,635	17,386	203,431
Prepays	-	-	17,704	17,704
Noncurrent assets:				
Prepaid bond insurance	-	26,716	-	26,716
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)	1,359,449	40,336,080	752,631	42,448,160
Total assets	4,517,065	44,190,458	1,246,429	49,953,952
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	38,666	-	12,322	50,988
LIABILITIES				
Current liabilities:				
Accounts payable	79,565	46,125	48,327	174,017
Accrued payroll benefits	-	-	16,529	16,529
Compensated absences payable	39,668	-	35,929	75,597
Due to other funds	2,252	-	(62,966)	(60,714)
Accrued interest payable	-	31,458	-	31,458
Deposits, etc.	-	25,000	29,541	54,541
Current portion of long-term liabilities				
Bonds	-	970,000	-	970,000
Landfill closure/post-closure care cost	76,900	-	-	76,900
Noncurrent liabilities:				
Net pension liability	145,584	-	46,398	191,982
Long-term liabilities (net of current portion)				
Bonds	-	6,875,000	-	6,875,000
Accrued other postemployment benefits obligation	50,231	-	7,822	58,053
Accrued landfill closure/post-closure care cost	1,402,660	-	-	1,402,660
Total liabilities	1,796,860	7,947,583	121,580	9,866,023
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	32,369	-	10,316	42,685
NET POSITION				
Net investment in capital assets	1,369,311	33,374,973	900,979	35,645,263
Restricted for:				
Capital projects/debt service	-	590,665	-	590,665
Unrestricted	1,357,191	2,277,237	225,876	3,860,304
Total net position	\$ 2,726,502	\$ 36,242,875	\$ 1,126,855	\$ 40,096,232

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, 2016

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Operating revenues:				
Waste disposal fees	\$ 1,854,746	\$ -	\$ -	\$ 1,854,746
Operational charges	-	-	330,071	330,071
Pipeline operations	-	500,012	-	500,012
Intergovernmental revenues	-	-	721,438	721,438
Miscellaneous	2,033	-	71,745	73,778
	<u>1,856,779</u>	<u>500,012</u>	<u>1,123,254</u>	<u>3,480,045</u>
Total operating revenues				
Operating expenses:				
Personal service	432,284	-	459,254	891,538
Materials and services	935,811	464,625	652,481	2,052,917
Depreciation	137,105	1,043,232	70,400	1,250,737
	<u>1,505,200</u>	<u>1,507,857</u>	<u>1,182,135</u>	<u>4,195,192</u>
Total operating expenses				
Operating income (loss)	<u>351,579</u>	<u>(1,007,845)</u>	<u>(58,881)</u>	<u>(715,147)</u>
Other revenues (expense)				
Interest on investments	17,062	23,027	621	40,710
Change in estimated post closure cost	352,684	-	-	352,684
Gain (Loss) on disposition of capital assets	(59,152)	-	-	(59,152)
	<u>310,594</u>	<u>23,027</u>	<u>621</u>	<u>334,242</u>
Total other revenues (expenses)				
Income (loss) before transfers	<u>662,173</u>	<u>(984,818)</u>	<u>(58,260)</u>	<u>(380,905)</u>
Transfers from other funds (net)	<u>-</u>	<u>680,000</u>	<u>-</u>	<u>680,000</u>
Change in net position	<u>662,173</u>	<u>(304,818)</u>	<u>(58,260)</u>	<u>299,095</u>
Net position at beginning of year	2,253,746	36,547,693	1,240,323	40,041,762
Prior period adjustment	<u>(189,417)</u>	<u>-</u>	<u>(55,208)</u>	<u>(244,625)</u>
Net position at beginning of year, restated	<u>2,064,329</u>	<u>36,547,693</u>	<u>1,185,115</u>	<u>39,797,137</u>
Net position at end of year	<u>\$ 2,726,502</u>	<u>\$ 36,242,875</u>	<u>\$ 1,126,855</u>	<u>\$ 40,096,232</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, 2016**

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Cash flows from operating activities:				
Cash received from customers and users	\$ 1,825,885	\$ 500,013	\$ 450,754	\$ 2,776,652
Cash received from grantors	-	-	780,168	780,168
Cash paid to employees	(303,511)	-	(418,634)	(722,145)
Cash paid to suppliers	(1,176,182)	(473,921)	(663,660)	(2,313,763)
Net cash provided (used) by operating activities	<u>346,192</u>	<u>26,092</u>	<u>148,628</u>	<u>520,912</u>
Cash flows from noncapital financing activities:				
Interfund transfers (net)	-	680,000	(844)	679,156
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	-	(930,000)	-	(930,000)
Proceeds from sale of capital assets	25,000	-	-	25,000
Capital expenditures	(143,292)	332,221	(8,204)	180,725
Net cash (used) by capital and related financing activities	<u>(118,292)</u>	<u>(597,779)</u>	<u>(8,204)</u>	<u>(724,275)</u>
Cash flows from investing activities:				
Interest received	17,061	19,672	621	37,354
Net increase (decrease) in cash and cash equivalents	244,961	127,985	140,201	513,147
Cash and cash equivalents at beginning of year (including restricted cash of \$2,287,981)	<u>2,733,383</u>	<u>3,131,850</u>	<u>170,159</u>	<u>6,035,392</u>
Cash and cash equivalents at end of year	<u>\$ 2,978,344</u>	<u>\$ 3,259,835</u>	<u>\$ 310,360</u>	<u>\$ 6,548,539</u>

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

Operating income (loss)	\$ 351,579	\$ (1,007,845)	\$ (58,881)	\$ (715,147)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	137,105	1,043,232	70,400	1,250,737
Change in assets and liabilities:				
Accounts receivable	(30,894)	1	107,985	77,092
Prepays	-	3,816	(1,550)	2,266
Accounts payable	(38,816)	(13,112)	(9,129)	(61,057)
Assets donated for operations	-	-	347	347
OPEB liability	1,090	-	-	1,090
Assets and liabilities related to pension	123,439	-	39,773	163,212
Compensated absences payable	4,245	-	-	4,245
Landfill closure/post-closure care cost	(201,556)	-	-	(201,556)
Unearned revenue	-	-	(317)	(317)
Net cash provided (used) by operating activities	<u>\$ 346,192</u>	<u>\$ 26,092</u>	<u>\$ 148,628</u>	<u>\$ 520,912</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, 2016

ASSETS	<u>Total Agency Funds</u>
Cash and cash equivalents	\$ 2,512,022
Receivables:	
Property/Taxes	<u>5,059,629</u>
Total assets	<u><u>\$ 7,571,651</u></u>
 LIABILITIES	
Due to other agencies and taxing districts	<u><u>\$ 7,571,651</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, 2016

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 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 budgets 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 nonexchange transactions.

Business-type activities – The County's business-type activities include operating a waste disposal, 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. Nonexchange 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 nonexchange 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 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, which 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 and is payable upon termination at 25% of the accrued 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.

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. 72, Fair Value Measurement and Application. Issued February 2015, this statement establishes accounting and financial reporting standards for fair value measurements, the level of fair value hierarchy, and valuation techniques. GASB Statement No. 72 was effective for the County as of fiscal year ending June 30, 2016. The County anticipates no financial impact as a result of implementing this statement.

GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. Issued June 2015, this statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. There is no financial impact as a result of implementing this standard.

15. New Accounting Pronouncements Upcoming

The County will implement new GASB pronouncements in the fiscal year no later than the required effective date. Management has not yet determined the effect on the financial statements from implementing any of the following new pronouncements.

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 fiscal years beginning after June 15, 2016. Management does not expect this statement to have a 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. Management has not yet determined the financial impact of this statement on the County.

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. At present, management does not expect this statement to have a financial impact on the County.

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, 2016 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. 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	Commissioners	District Attorney	Sheriff	Surveyor	Treasurer	Total
Cash on hand July 1, 2015	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 45,578,039	\$ 45,598,664
Receipts	57,290	825,399	714,815	296,674	2,179,334	29,263	102,004,201	106,106,976
Turnovers and disbursements:								
To County Treasurer and to others	(57,290)	(825,399)	(714,815)	(296,674)	(2,179,334)	(29,263)	(99,550,054)	(103,652,829)
Cash on hand June 30, 2016	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 48,032,186	\$ 48,052,811
Consists of:								
Change and revolving funds	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 3,268	\$ 23,893
Deposits w/County Treasurer	-	-	-	-	-	-	48,028,918	48,028,918
Total	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 48,032,186	\$ 48,052,811

C. 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 2015-16.

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, 2016. 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, 2016, the carrying amounts of the County's deposits in various financial institutions were \$2,489,634 and the bank balance was \$3,789,341. All deposits are held in the name of the County. Of the bank balance, \$742,559 was insured by the Federal Depository Insurance Corporation and \$3,046,782 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, 2016, the County had invested \$45,385,739 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 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, 2016 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, 2016.

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	\$ 2,489,634
Carrying amount of investments	45,385,739
Cash on hand	22,706
Deposit in transit	<u>154,732</u>
Total deposits and investments	<u>\$ 48,052,811</u>
<u>Governmental Activities:</u>	
General Fund	\$ 7,340,199
Public Works Fund	5,853,495
Coos Health and Wellness Fund	10,398,852
County Forest Fund	6,919,515
Governmental nonmajor funds in aggregate	<u>8,812,890</u>
	<u>39,324,951</u>
<u>Business-Type Activities:</u>	
Waste Disposal Fund	2,978,344
Gas Pipeline Fund	2,927,134
Business-type non-major funds in aggregate	<u>310,360</u>
	<u>6,215,838</u>
<u>Agency Fund:</u>	
Deposits and investments	<u>2,512,022</u>
Total cash and cash equivalents	<u>\$ 48,052,811</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 \$63,428,175 for the fiscal year 2015-2016. For the 2015-2016 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, 2016, property tax allocation for receivables between funds consisted of the following:

General Fund	\$ 497,695
Bond Debt Fund	172,947
Library Service District	332,206
4-H & Extension Service District	<u>40,460</u>
Subtotal	1,043,308
Trust and Agency Fund	<u>5,059,629</u>
	<u>\$ 6,102,937</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, 2016, the General Fund, Bonded Debt Service Fund, and the non-major funds reported deferred inflows of resources for property taxes totaling \$ \$907,820, which are not yet available to liquidate liabilities. The Governmental Funds Balance Sheet also reports as deferred outflows of revenue, assessments receivable in the Public Works Fund of \$70,308, and installment sale income in other governmental funds of \$11,535, 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 \$2,695,603 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 \$3,219,936 in deferred inflows 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	\$ -	\$ 475,614	\$ -	\$ -	\$ -	\$ 475,614
Prepaid expenses	-	-	-	-	56,664	56,664
Restricted:						
Debt service	-	-	-	-	298,431	298,431
Public safety services	59,514	-	-	-	2,439,084	2,498,598
Health services	-	-	10,037,956	-	2,399,760	12,437,716
Economic dev. services	-	-	-	-	570,014	570,014
Roads, sidewalks, footpaths	-	6,344,146	-	-	390,537	6,734,683
Other	-	-	-	-	797,766	797,766
Committed:						
Public safety	-	-	-	-	255,893	255,893
Parks	-	-	-	-	664,842	664,842
Industrial development	-	-	-	-	68,504	68,504
Assigned:						
Forest management	-	-	-	7,483,259	-	7,483,259
Planning services	-	-	-	-	126,559	126,559
Unassigned:						
	5,290,430	-	-	-	-	5,290,430
Total fund balance	\$ 5,349,944	\$ 6,819,760	\$ 10,037,956	\$ 7,483,259	\$ 8,068,054	\$ 37,758,973

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	\$ 3,998,665	\$ 710,422
Coos Health and Wellness Fund	360,000	-
County Forest Fund	-	3,713,728
Non-major governmental funds	<u>710,422</u>	<u>394,937</u>
Total Governmental Activities Transfers	<u>5,069,087</u>	<u>4,819,087</u>
Business-type Activities:		
Gas Pipeline Fund	<u>-</u>	<u>250,000</u>
Total before non-budgetary transfers	<u>5,069,087</u>	<u>5,069,087</u>
Non-budgetary transfers		
Gas Pipeline Fund	930,000	-
Non-major governmental funds	<u>-</u>	<u>930,000</u>
Total non-budgetary transfers	<u>\$ 930,000</u>	<u>\$ 930,000</u>

The transfers from the General Fund were routine transfers to support various activities of several nonmajor funds. The transfers into the General Fund consisted of routine transfers from several nonmajor 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	\$ 27,475	\$ -
Public Works Fund	-	65,353
Coos Health and Wellness Fund	3,158	-
County Forest Fund	3,580	-
Nonmajor governmental funds	<u>96,655</u>	<u>4,801</u>
Total Governmental Activities	<u>130,868</u>	<u>70,154</u>
Business-type Activities:		
Waste Disposal Fund	2,252	-
Nonmajor funds	<u>-</u>	<u>62,966</u>
Total Business-type Activities	<u>2,252</u>	<u>62,966</u>
	<u><u>\$ 133,120</u></u>	<u><u>\$ 133,120</u></u>

G. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

Governmental Activities:	Balance 6/30/2015	Transfers & Additions	Transfers & Deletions	Balance 6/30/2016
<i>Non-depreciable capital assets:</i>				
Land	\$ 5,525,474	\$ 87,224	\$ (54,706)	\$ 5,557,992
Construction in progress	7,709,460	224,389	(5,782,953)	2,150,896
Total non-depreciable capital assets	13,234,934	311,613	(5,837,659)	7,708,888
<i>Depreciable capital assets:</i>				
Buildings	21,106,276	384,517	(50,243)	21,440,550
Improvements	2,978,126	37,395	(5,309)	3,010,212
Equipment & vehicles	17,413,494	1,073,328	(269,424)	18,217,398
Infrastructure	108,397,979	5,819,757	(17,994)	114,199,742
Total depreciable capital assets	149,895,875	7,314,997	(342,970)	156,867,902
<i>Less accumulated depreciation for:</i>				
Buildings	(9,160,529)	(399,237)	1,407	(9,558,359)
Improvements	(1,067,894)	(79,917)	5,309	(1,142,502)
Equipment & vehicles	(11,241,094)	(877,716)	262,841	(11,855,969)
Infrastructure	(52,260,713)	(2,806,369)	3,469	(55,063,613)
Total accumulated depreciation	(73,730,230)	(4,163,239)	273,026	(77,620,443)
Total depreciable capital assets (net)	76,165,645	3,151,758	(69,944)	79,247,459
Governmental Activities capital assets (net)	\$ 89,400,579	\$ 3,463,371	\$ (5,907,603)	\$ 86,956,347

Business-type activities:	Balance 6/30/2015	Additions & Transfers	Deletions & Transfers	Balance 6/30/2016
<i><u>Non-depreciable capital assets:</u></i>				
Land	\$ 709,402	\$ -	\$ -	\$ 709,402
Construction in progress	358,342	480	(26,121)	332,701
Total Non-depreciable capital assets	<u>1,067,744</u>	<u>480</u>	<u>(26,121)</u>	<u>1,042,103</u>
<i><u>Depreciable capital assets:</u></i>				
Improvements	2,509,017	-	-	2,509,017
Buildings	2,308,416	57,065	(28,439)	2,337,042
Infrastructure	52,177,963	77,107	-	52,255,070
Equipment & vehicles	1,475,162	86,569	(210,747)	1,350,984
Total depreciable capital assets	<u>58,470,558</u>	<u>220,741</u>	<u>(239,186)</u>	<u>58,452,113</u>
<i><u>Less accumulated depreciation for:</u></i>				
Improvements	(1,760,177)	(75,869)	-	(1,836,046)
Buildings	(1,237,107)	(49,925)	9,252	(1,277,780)
Infrastructure	(10,787,657)	(1,046,769)	-	(11,834,426)
Equipment & vehicles	(1,080,185)	(78,173)	102,657	(1,055,701)
Total accumulated depreciation	<u>(14,865,126)</u>	<u>(1,250,736)</u>	<u>111,909</u>	<u>(16,003,953)</u>
Total depreciable capital assets (net)	<u>43,605,432</u>	<u>(1,029,995)</u>	<u>(127,277)</u>	<u>42,448,160</u>
Business-Type activities capital assets (net)	<u>\$ 44,673,176</u>	<u>\$ (1,029,515)</u>	<u>\$ (153,398)</u>	<u>\$ 43,490,263</u>

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

Governmental activities:		
General government		\$ 652,303
Public safety		324,511
Health & welfare		42,904
Public works		2,924,750
Culture and recreation		218,771
Total depreciation expense - governmental activities		<u>\$ 4,163,239</u>
Business-type activities:		
Sanitation		\$ 137,105
County fair		28,992
Gas pipeline		1,043,232
Transportation		41,407
Total depreciation expense - business-type activities		<u>\$ 1,250,736</u>

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% through 2017, then increases to 4.88% 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, 2016 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016-2017	\$ 970,000	\$ 377,501	\$ 1,347,501
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	<u>1,285,000</u>	<u>62,708</u>	<u>1,347,708</u>
Total	<u>\$ 7,845,000</u>	<u>\$ 1,597,745</u>	<u>\$ 9,442,745</u>

Changes in long-term debt are as follows:

	<u>Balance June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2016</u>	<u>Amounts due Within one year</u>
<u>Business-Type Funds</u>					
General obligation bonds	<u>\$ 8,775,000</u>	<u>\$ -</u>	<u>\$ 930,000</u>	<u>\$ 7,845,000</u>	<u>\$ 970,000</u>

Changes in other long-term liabilities:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Amounts due Within one year
<u>Governmental Fund Types</u>					
Compensated absences	\$ 1,476,735	\$ 1,626,634	\$ 1,567,767	\$ 1,535,602	\$ 1,535,602
Other postemployment benefits	1,633,516	81,307	-	1,714,823	-
Total governmental fund types	<u>\$ 3,110,251</u>	<u>\$ 1,707,941</u>	<u>\$ 1,567,767</u>	<u>\$ 3,250,425</u>	<u>\$ 1,535,602</u>
<u>Business-Type Funds</u>					
Compensated absences	\$ 71,896	\$ 55,219	\$ 51,518	\$ 75,597	\$ 75,597
Closure/post closure costs	2,033,800	-	554,240	1,479,560	76,900
Other postemployment benefits	56,616	1,437	-	58,053	-
Total proprietary fund types	<u>\$ 2,162,312</u>	<u>\$ 56,656</u>	<u>\$ 605,758</u>	<u>\$ 1,613,210</u>	<u>\$ 152,497</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.

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, 2016 were \$3,527,907. This consisted of \$2,641,466 from the District and \$886,441 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, 2016, the County reported a liability of \$12,123.953 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015.

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, 2015, the County's proportion was 0.21116494 percent, which was a decrease of .0072892 from its proportion measured as of June 30, 2014. For the year ended June 30, 2016, the County's actuarially determined pension expense was \$11,920,779.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 653,785	\$ -
Net difference between projected and actual earnings on investments	-	2,541,455
Changes in proportionate share	-	12,515
Differences between employer contributions and employer's proportionate share of system contributions	78,395	141,633
Contributions subsequent to the MD	2,487,756	-
Total	<u>\$ 3,219,936</u>	<u>\$ 2,695,603</u>

The \$2,487,756 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, 2016.

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	
2017	\$ (1,077,285)
2018	(1,077,285)
2019	(1,077,285)
2020	1,223,011
2021	45,419
Thereafter	-
Total	\$ (1,963,425)

Actuarial Assumptions

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the projected unit credit 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, 2013, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2013
Measurement date	June 30, 2015
Experience Study	2014, published September 2015
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Inflation rate	2.75 percent
Long-term expected rate of return	7.75 percent
Discount rate	7.75 percent
Projected salary increases	3.75 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>Healthy retirees and beneficiaries:</p> <p>RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:</p> <p>Mortality rates are a percentage of healthy retirees rates that vary by group, as described in the valuation.</p> <p>Disabled retirees:</p> <p>Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct 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 expected rate of return assumption, in July 2013, 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.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range		High Range		Target	
Cash	0	%	3	%	0	%
Debt Securities	15		25		20	
Public Equity	32.5		42.5		37.5	
Private Equity	16		24		20	
Real Estate	9.5		15.5		12.5	
Alternative Equity	0		10		10	
Opportunity Portfolio	0		3		0	
Total					100	%

Long-Term Expected Rate of Return:

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00	3.70
Intermediate -Term Bonds	3.00	4.10
High Yield Bonds	1.80	6.66
Large Cap US Equities	11.65	7.20
Mid Cap US Equities	3.88	7.30
Small Cap US Equities	2.27	7.45
Developed Foreign Equities	14.21	6.90
Emerging Foreign Equities	5.49	7.40
Private Equity	20.00	8.26
Opportunity Funds/Absolute Return	5.00	6.01
Real Estate (Property)	13.75	6.51
Real Estate (REITS)	2.50	6.76
Commodities	1.25	6.07
Assumed Inflation - Mean		2.75%

Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent, the same as the prior year. 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.

Measurement Date [MD] of the Net Pension Liability/(Asset) [NPL/(A)]	06/30/2015
Actuarial Valuation Date (liability rolled forward to MD)	12/31/2013
Discount rate	7.75%
Employer's proportionate share at prior MD	0.21189386%
Employer's proportionate share at MD	0.21116494%
Employer's proportionate share of system NPL/(A) at prior MD	\$ (4,803,029)
Employer's proportionate share of system NPL/(A) at MD	\$ 12,123,954
Sensitivity: NPL/(A) using discount rate 1.00% lower	\$ 29,260,710
Sensitivity: NPL/(A) using discount rate 1.00% higher	\$ (2,317,831)

Employer Pension Expense for Measurement Period

Employer's proportionate share of system Pension Expense/(Income)	\$ 11,934,036
Net Amortization of deferred amounts from:	
Changes in proportionate share	(2,844)
Differences between employer contributions and employer's proportionate share of system contributions	<u>(10,413)</u>
Employer's Total Pension Expense/(Income)	<u>\$ 11,920,779</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, 2015, 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. 45, *Accounting and Financial Reporting for Employers for Postemployment Benefits Other Than Pensions* for the fiscal year ended June 30, 2009. 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.

Funding Policy. This plan is funded on the pay-as-you-go basis. Benefits paid by the County during the year totaled \$7,170, 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 45 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 collects insurance premiums from retirees each month. The County then 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 2015-2016, the County collected and contributed \$25,238 consisting of retiree payments. The County has elected not to prefund the actuarially determined future cost amount of the preceding two plans of \$1,712,241.

Applicable to Both Other Post Employment Benefit Programs

In the July 1, 2014 actuarial valuation, which is the most recent actuarial valuation, the projected unit credit 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.

The present value of benefits accrued as of the valuation date is called the accrued liability. The difference between the accrued liability and the actuarial value of plan assets is called the unfunded accrued liability. The unfunded accrued liability is being amortized as a level percentage of projected payroll, over a closed period of two years for explicit medical benefits and over an open period of 30 years for implicit medical benefits.

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 schedule of funding progress immediately following the notes presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years in the case of the health insurance continuation plan. For the negotiated direct health insurance payments, the amortization period is two years. The following table show the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's OPEB obligation to the plan.

	For the Fiscal Year Ending June 30, 2016
Annual required contribution	\$ 202,170
Interest on prior year net OPEB obligation	67,605
Adjustment to ARC	<u>(75,590)</u>
Annual OPEB cost	194,185
Explicit benefit payments	(15,739)
Implicit benefit payments	<u>(95,702)</u>
Increase in net OPEB obligation	82,744
Net OPEB obligation - beginning of year	1,690,132
Net OPEB obligation - end of year	<u>\$ 1,772,876</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the past three fiscal years was as follows:

Funded Status. As of July 1, 2014, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits for the year ending June 30, 2014 was \$1,712,241, and the actuarial value of assets was zero, resulting in an unfunded accrued liability of \$1,712,241.

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 Projected Unit Credit Actuarial Cost Method.

The actuarial assumptions included a 4 percent discount rate for unfunded liabilities, and annual cost increase rates for medical, prescription drugs, and vision premiums of: 7.00 percent in the fiscal year 2014-15, 76.5 percent in the second year, 6.4 percent in the third year, 6.3 percent in the fourth year, then grading down from 6.2 percent to 5.0 percent over the next 17 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 6/30/16	Estimated Remaining Life (Years)
Bandon disposal site	\$ 500	100%	\$ 500	-
Beaver Hill disposal site (municipal solid waste)	887,860	100%	887,860	-
Joe Ney disposal site (construction demolition)	591,200	100%	591,200	-
	<u>\$ 1,479,560</u>		<u>\$ 1,479,560</u>	

The above dollar amounts are based on the estimated cost to perform all closure and post-closure in 2015-2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. During 2015-2016, actual landfill closure and post-closure costs were \$201,556. The liability for special projects, closure and post closure costs was adjusted from \$2,033,800 to \$1,479,560, as a result of the 2016 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, 2016, the cash and investment balance in the reserve fund is \$867,024. 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, 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 and Waterfront Development Partnership. 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, 2015, reported the County's interest at \$530,716, an increase of \$96,134 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. Prior Period Adjustments

During the 2014-15 fiscal year, the County implemented GASB Statement No. 68. This statement improves financial accounting and reporting by local governments employers for pensions. Adoption of this statement required the County to record a net pension asset, deferred inflows of resources and deferred outflows of resources as well as to restate the 2014-15 beginning net position.

During 2015-16 it was determined that the entries to implement GASB Statement No. 68 were not recorded correctly. This was corrected by restating the 2015-16 beginning net position.

In February 2016 Western Oregon Advanced Health LLC provided the County with a 2015 Schedule K-1 (Form 1065) Partner's Share of Income, Deductions, Credits, Etc, reported the value of the County's share of the capital account as \$434,582 as of December 31, 2014. As the Schedule K-1 was not received within the County's ninety-day cut-off period for closing the fiscal year and the County did not record this activity for the year ending June 30, 2015, the activity is being recorded by restating the 2015-16 beginning net position.

Neither of the above adjustments had an effect on the budgetary statements.

	<u>Gov't Activities</u>	<u>Waste Disposal</u>	<u>Other Enterprise Funds</u>
Net position, beginning of year	\$ 137,111,312	\$ 2,253,747	\$ 1,240,323
Change in pension asset	(16,257,430)	(189,417)	(55,208)
Change in equity interest	434,582	-	-
Net position, end of year as restated	<u>\$ 121,288,464</u>	<u>\$ 2,064,330</u>	<u>\$ 1,185,115</u>

I. Subsequent Events

Public Safety and Tourism Promotion Assessment - Coos County entered into an agreement with Bandon Dunes Golf Resort (Bandon Dunes) on June 6, 2016 under which Bandon Dunes will provide a Public Safety and Tourism Promotion Assessment. The assessment will be levied at a rate of 6% on room fees of guests staying at Bandon Dunes Golf Resort. The County will retain the Public Safety portion, with the Tourism Promotion portion being distributed to Coos County Tourism Workgroup (an Oregon non-profit corporation) according to the following schedule:

<u>Period</u>	<u>Public Safety</u>	<u>Coos County Tourism Workgroup</u>
January 1, 2017 – June 30, 2018	60%	40%
July 1, 2018 – June 30, 2019	63%	37%
July 1, 2019 – June 30, 2020	67%	33%
July 1, 2020 – indefinitely	70%	30%

This agreement will automatically renew on January 1st of each year for assessments to be levied for the following fiscal year (July 1 to June 30). If a ballot measure is passed that implements a Coos County Tourism Lodging Tax that overlays Bandon Dunes, Bandon Dunes may terminate the Agreement by providing sixty days' notice from the date the result is certified by the County Clerk.

New Building Project for Coos Health & Wellness – Constructing of a new building to house the Coos County Health and Wellness Department began late in 2016. The building will be located next to Western Oregon Advanced Health, a Coordinated Care Organization, and Southwestern Oregon IPA. The land was purchased in August of 2016 with construction beginning in January of 2017. The expected total cost, including the land purchase, is \$4.6 million. The entire cost of the project will be paid for out of the Health & Wellness Fund.

**REQUIRED SUPPLEMENTARY
INFORMATION**

COOS COUNTY, OREGON

OTHER POST EMPLOYMENT BENEFITS
 SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
 June 30, 2016

Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets	Accrued Actuarial Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2008	\$ -	\$ 3,970,499	\$ 3,970,499	0.0%	\$ 13,105,003	30%
7/1/2010	\$ -	\$ 2,691,579	\$ 2,691,579	0.0%	\$ 12,861,136	21%
7/1/2012	\$ -	\$ 2,214,366	\$ 2,214,366	0.0%	\$ 12,342,285	18%
7/1/2014	\$ -	\$ 1,712,241	\$ 1,712,241	0.0%	\$ 13,937,930	12%

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

Employer Contributions:

Fiscal Year Ended	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 33,864	18%	\$ 60,724
6/30/2012	\$ 343,842	29%	\$ 99,056
6/30/2013	\$ 269,509	30%	\$ 81,317
6/30/2014	\$ 264,770	41%	\$ 107,921
6/30/2015	\$ 192,668	44%	\$ 33,928
6/30/2016	\$ 193,462	58%	\$ 111,441

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

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

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FOR THE LAST THREE 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%	103.6%
2015	0.211894%	\$ (4,803,029)	\$ 13,937,930	34.46%	91.9%
2016	0.211165%	\$ 11,934,036	\$ 10,038,808	-118.88%	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) District'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)	\$ -	\$ 10,038,808	35.14%

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

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, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 4,870,640	\$ 4,870,640	\$ 5,067,896	\$ 197,256
Taxes - other	207,100	207,100	249,234	42,134
Intergovernmental	5,370,768	5,495,424	5,715,453	220,029
Licenses, fees, and permits	771,965	771,965	548,425	(223,540)
Charges for services	779,658	927,398	625,059	(302,339)
Fines and forfeiture	115,250	115,250	127,744	12,494
Interest on investments	50,000	50,000	58,355	8,355
Other	274,395	283,317	439,489	156,172
Total revenues	12,439,776	12,721,094	12,831,655	110,561
Expenditures:				
General Government:				
Assessor	1,189,288	1,189,288	1,124,705	64,583
Board of Commissioners/Admin.	364,181	364,181	357,485	6,696
Board of Commissioners/Infor. Tech.	794,447	794,447	640,996	153,451
Clerk/Records	551,417	663,664	639,653	24,011
County Counsel	470,421	470,421	360,450	109,971
District Attorney/Prosecution	1,010,209	1,010,209	913,897	96,312
Human Resources	264,715	264,715	163,322	101,393
Maintenance	747,501	736,501	710,212	26,289
Surveyor	281,893	281,893	279,105	2,788
Treasurer and Tax	590,118	590,118	487,772	102,346
Miscellaneous nondepartmental:				
Personnel services	100,000	100,000	7,106	92,894
Materials and services	850,066	830,666	511,100	319,566
Payment of advanced taxes	-	-	19,789	(19,789)
Capital outlay	567,849	582,349	321,758	260,591
Total General Government	\$ 7,782,105	\$ 7,878,452	\$ 6,537,350	\$ 1,341,102

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, 2016

	Budget		Actual	Variance
	Original	Final		
Health and Welfare:				
District Attorney/Medical Examiner	\$ 219,407	\$ 219,407	\$ 207,811	\$ 11,596
District Attorney/Support Enforcement	142,068	142,068	141,244	824
Veterans	118,314	118,314	85,547	32,767
Total Health and Welfare	479,789	479,789	434,602	45,187
Public Safety:				
Juvenile	904,986	904,986	825,461	79,525
Sheriff/Criminal	3,736,234	3,825,212	3,526,801	298,411
Sheriff/Dunes	340,688	340,688	297,661	43,027
Sheriff/Jail	5,148,385	5,148,385	4,544,656	603,729
Sheriff/Marine	332,999	342,599	291,684	50,915
Sheriff/LNG Planning	-	198,640	129,781	68,859
Total Public Safety	10,463,292	10,760,510	9,616,044	1,144,466
Contingency	2,042,409	1,930,162	-	1,930,162
Total expenditures	20,767,595	21,048,913	16,587,996	4,460,917
Excess (deficiency) of revenues over (under) expenditures	(8,327,819)	(8,327,819)	(3,756,341)	4,571,478
Other financing sources (uses)				
Sale of capital assets	-	-	1,850	1,850
Transfer in	3,998,665	3,998,665	3,998,665	-
Transfer out	(774,346)	(774,346)	(710,422)	63,924
Total other financing sources	3,224,319	3,224,319	3,290,093	65,774
Net change in fund balance	(5,103,500)	(5,103,500)	(466,248)	4,637,252
Fund balance at beginning of year	5,123,500	5,123,500	5,816,192	692,692
Fund balance at end of year	\$ 20,000	\$ 20,000	\$ 5,349,944	\$ 5,329,944

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, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,166,812	\$ 5,166,812	\$ 5,151,518	\$ (15,294)
Licenses, fees, and permits	30,000	30,000	49,317	19,317
Charges for services	900,000	900,000	982,359	82,359
Interest on investments	16,000	16,000	33,917	17,917
Fines and forfeitures	1,500	1,500	2,250	750
Other	5,000	5,000	144,741	139,741
Total revenues	6,119,312	6,119,312	6,364,102	244,790
Expenditures:				
Public Works:				
Road Survey	27,704	27,704	27,118	586
Road Maintenance	3,841,721	4,271,721	4,061,159	210,562
Fleet Services	1,193,924	1,093,924	1,029,944	63,980
Capital Projects	1,235,873	1,235,873	596,929	638,944
ORC Road Maintenance	6,985	6,985	-	6,985
Contingency	4,500,000	4,170,000	-	4,170,000
Total expenditures	10,806,207	10,806,207	5,715,150	5,091,057
Excess (deficiency) of revenues over (under) expenditures	(4,686,895)	(4,686,895)	648,952	5,335,847
Other financing sources (uses):				
Sale of capital assets	-	-	327	327
Net change in fund balance	(4,686,895)	(4,686,895)	649,279	5,336,174
Fund balance at beginning of year	-	-	6,170,481	6,170,481
Fund balance at end of year	\$ (4,686,895)	\$ (4,686,895)	\$ 6,819,760	\$ 11,506,655

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, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,766,248	\$ 10,766,248	\$ 12,881,699	\$ 2,115,451
Licenses, fees, and permits	22,800	22,800	41,871	19,071
Interest on investments	47,500	47,500	59,656	12,156
Charges for services	88,500	88,500	105,407	16,907
Other	250	250	34,042	33,792
Total revenues	10,925,298	10,925,298	13,122,675	2,197,377
Expenditures:				
Health and Welfare:				
Local Administration	3,900,687	5,400,687	2,299,496	3,101,191
Mental Health Services	13,424,934	13,424,934	9,800,064	3,624,870
Alcohol and Drug Services	884,567	884,567	637,066	247,501
Contingency	1,500,000	-	-	-
Total expenditures	19,710,188	19,710,188	12,736,626	6,973,562
Excess (deficiency) of revenues over (under) expenditures	(8,784,890)	(8,784,890)	386,049	9,170,939
Other financing sources (uses):				
Transfer in	495,000	495,000	360,000	(135,000)
Total other financing sources (uses)	495,000	495,000	360,000	(135,000)
Net change in fund balance	(8,289,890)	(8,289,890)	746,049	9,035,939
Fund balance at beginning of year	8,289,890	8,289,890	9,291,907	1,002,017
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,037,956</u>	<u>\$ 10,037,956</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, 2016

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 25,000	\$ 25,000	\$ 40,872	\$ 15,872
Timber sales	4,259,451	4,259,451	5,081,975	822,524
Interest on investments	18,000	18,000	29,903	11,903
Total revenues	<u>4,302,451</u>	<u>4,302,451</u>	<u>5,152,750</u>	<u>850,299</u>
Expenditures:				
General Government:				
Personnel services	320,761	320,761	298,973	21,788
Materials and services	389,994	369,994	320,175	49,819
Capital outlay	50,000	85,129	65,129	20,000
Contingency	6,400,174	6,385,045	-	6,385,045
Total expenditures	<u>7,160,929</u>	<u>7,160,929</u>	<u>684,277</u>	<u>6,476,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,858,478)</u>	<u>(2,858,478)</u>	<u>4,468,473</u>	<u>7,326,951</u>
Other financing sources (uses):				
Transfer in	201,200	201,200	200,985	(215)
Transfer out	(3,713,728)	(3,713,728)	(3,713,728)	-
Total other financing sources (uses)	<u>(3,512,528)</u>	<u>(3,512,528)</u>	<u>(3,512,743)</u>	<u>(215)</u>
Net change in fund balance	(6,371,006)	(6,371,006)	955,730	7,326,736
Fund balance at beginning of year	6,371,006	6,371,006	6,527,529	156,523
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,483,259</u>	<u>\$ 7,483,259</u>

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

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

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.

Construction Reserve Fund - This fund was created to act as a reserve to assist in future construction projects. The primary source of revenues is transfers from other funds. This fund was closed at the end of the 2015-16 year and the residual balance was transferred into the County Forest Fund.

Debt Service Funds:

Bonded Debt Fund – This fund is used to account for and report on payment of bond principal and interest for the nondefeased 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, 2016

	Animal Control	Public Health	Planning	Law Library	LNG
ASSETS					
Cash and cash equivalents	\$ 257,551	\$ 1,028,424	\$ 115,939	\$ 162,096	\$ 88,261
Restricted cash	28,026	-	-	-	-
Prepaid expenses	-	56,664	-	-	-
Receivables:					
Property taxes	-	-	-	-	-
Accounts	502	127,045	9,435	-	-
Note receivable	11,535	-	-	-	-
Due from other funds	-	-	4,801	-	-
Total assets	\$ 297,614	\$ 1,212,133	\$ 130,175	\$ 162,096	\$ 88,261
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 573	\$ 67,491	\$ 3,616	\$ -	\$ 3,768
Unearned revenue	-	15,714	-	-	-
Due to other funds	1,587	1,143	-	-	-
Total liabilities	2,160	84,348	3,616	-	3,768
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-installment sale	11,535	-	-	-	-
Unavailable revenue-property taxes	-	-	-	-	-
Total deferred inflows of resources	11,535	-	-	-	-
Fund balances:					
Nonspendable	-	56,664	-	-	-
Restricted	28,026	1,071,121	-	162,096	84,493
Committed	255,893	-	-	-	-
Assigned	-	-	126,559	-	-
Total fund balances	283,919	1,127,785	126,559	162,096	84,493
Total liabilities, deferred inflows of resources and fund balances	\$ 297,614	\$ 1,212,133	\$ 130,175	\$ 162,096	\$ 88,261

See auditor's report.

<u>County Parks</u>	<u>Community Corrections</u>	<u>Crime Victim Assistance</u>	<u>SCINT</u>	<u>Economic Development</u>	<u>Administrative Grants</u>	<u>County School</u>	<u>Footpaths and Bicycle Trails</u>
\$ 898,306	\$ 2,041,905	\$ 12,359	\$ 75,761	\$ 617,802	\$ 168,638	\$ 18	\$ 386,773
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
119,232	16,484	18,490	89,148	-	70,755	-	3,764
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,017,538</u>	<u>\$ 2,058,389</u>	<u>\$ 30,849</u>	<u>\$ 164,909</u>	<u>\$ 617,802</u>	<u>\$ 239,393</u>	<u>\$ 18</u>	<u>\$ 390,537</u>
\$ 49,027	\$ 13,840	\$ 1,401	\$ 25,965	\$ 47,788	\$ 8,820	\$ 18	\$ -
295,666	109,416	-	-	-	-	-	-
8,003	6,035	415	414	-	78,405	-	-
352,696	129,291	1,816	26,379	47,788	87,225	18	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
664,842	1,929,098	29,033	138,530	570,014	152,168	-	390,537
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
664,842	1,929,098	29,033	138,530	570,014	152,168	-	390,537
<u>\$ 1,017,538</u>	<u>\$ 2,058,389</u>	<u>\$ 30,849</u>	<u>\$ 164,909</u>	<u>\$ 617,802</u>	<u>\$ 239,393</u>	<u>\$ 18</u>	<u>\$ 390,537</u>

COOS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 South
ASSETS					
Cash and cash equivalents	\$ 68,504	\$ 225,186	\$ 797,976	\$ 99,472	\$ 148,097
Restricted cash	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Receivables:					
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	38,130	-	85,992
Note receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 68,504	\$ 225,186	\$ 836,106	\$ 99,472	\$ 234,089
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,394	\$ 3,693
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	492
Total liabilities	-	-	-	1,394	4,185
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-installment sale	-	-	-	-	-
Unavailable revenue-property taxes	-	-	-	-	-
	-	-	-	-	-
Fund balances:					
Nonspendable	-	-	-	-	-
Restricted	-	225,186	836,106	98,078	229,904
Committed	68,504	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	68,504	225,186	836,106	98,078	229,904
Total liabilities, deferred inflows of resources and fund balances	\$ 68,504	\$ 225,186	\$ 836,106	\$ 99,472	\$ 234,089

See auditor's report.

<u>County Clerk Records</u>	<u>Public Land Corner Preservation</u>	<u>Environmental Service</u>	<u>PL110-343 Title III</u>	<u>Library District Service</u>	<u>4-H & Extension Service District</u>	<u>Bonded Debt</u>	<u>Totals</u>
\$ 97,309	\$ 105,554	\$ 175,864	559,436	\$ 67,607	\$ 310,259	\$ 275,767	\$ 8,784,864
-	-	-	-	-	-	-	28,026
-	-	-	-	-	-	-	56,664
-	-	-	-	332,206	40,460	172,947	545,613
1,755	798	1,719	-	-	-	-	583,249
-	-	-	-	-	-	-	11,535
-	-	-	-	-	-	-	4,801
<u>\$ 99,064</u>	<u>\$ 106,352</u>	<u>\$ 177,583</u>	<u>\$ 559,436</u>	<u>\$ 399,813</u>	<u>\$ 350,719</u>	<u>\$ 448,714</u>	<u>\$ 10,014,752</u>
\$ -	\$ 1,277	\$ 8,153	\$ 22,541	\$ 67,607	\$ 96,601	\$ -	\$ 423,573
-	-	-	519,529	-	-	-	940,325
-	-	161	-	-	-	-	96,655
-	1,277	8,314	542,070	67,607	96,601	-	1,460,553
-	-	-	-	-	-	-	11,535
-	-	-	-	289,119	35,208	150,283	474,610
-	-	-	-	289,119	35,208	150,283	486,145
-	-	-	-	-	-	-	56,664
99,064	105,075	169,269	17,366	43,087	218,910	298,431	6,895,592
-	-	-	-	-	-	-	989,239
-	-	-	-	-	-	-	126,559
<u>99,064</u>	<u>105,075</u>	<u>169,269</u>	<u>17,366</u>	<u>43,087</u>	<u>218,910</u>	<u>298,431</u>	<u>8,068,054</u>
<u>\$ 99,064</u>	<u>\$ 106,352</u>	<u>\$ 177,583</u>	<u>\$ 559,436</u>	<u>\$ 399,813</u>	<u>\$ 350,719</u>	<u>\$ 448,714</u>	<u>\$ 10,014,752</u>

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2016

	Animal Control	Public Health	Planning	Law Library	LNG
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-
Intergovernmental	-	844,251	(159)	-	-
Licenses, fees, and permits	23,656	1,130,386	333,170	-	-
Charges for services	56,315	85,521	8,150	-	95,860
Fines and forfeitures	-	-	-	67,745	-
Interest on investments	1,304	6,551	587	1,119	90
Other revenue	189,077	9,232	227	-	-
Total revenues	<u>270,352</u>	<u>2,075,941</u>	<u>341,975</u>	<u>68,864</u>	<u>95,950</u>
Expenditures:					
General government	-	-	302,597	50,571	11,457
Public safety	260,857	-	-	-	-
Health and welfare	-	1,983,659	-	-	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay	39,471	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>300,328</u>	<u>1,983,659</u>	<u>302,597</u>	<u>50,571</u>	<u>11,457</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,976)</u>	<u>92,282</u>	<u>39,378</u>	<u>18,293</u>	<u>84,493</u>
Other financing sources (uses):					
Sale of assets	-	-	-	-	-
Transfers in	172,638	-	-	-	-
Transfers out	-	(60,000)	-	(10,000)	-
Total other financing sources (uses)	<u>172,638</u>	<u>(60,000)</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	142,662	32,282	39,378	8,293	84,493
Net assets at beginning of year	<u>141,257</u>	<u>1,095,503</u>	<u>87,181</u>	<u>153,803</u>	<u>-</u>
Fund balances at end of year	<u>\$ 283,919</u>	<u>\$ 1,127,785</u>	<u>\$ 126,559</u>	<u>\$ 162,096</u>	<u>\$ 84,493</u>

See auditor's report.

<u>County Parks</u>	<u>Community Corrections</u>	<u>Crime Victim Assistance</u>	<u>SCINT</u>	<u>Economic Development</u>	<u>Administrative Grants</u>	<u>County School</u>	<u>Footpaths and Bicycle Trails</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	102,002	-
598,572	2,165,052	107,971	263,240	184,771	774,004	62,985	43,161
912,104	149,698	-	-	6,305	-	-	-
-	-	-	-	-	2,719	-	-
-	74,822	-	55,489	-	-	-	-
4,674	12,546	121	508	3,929	939	22	2,262
6,517	9,040	548	2,034	-	13,360	-	-
<u>1,521,867</u>	<u>2,411,158</u>	<u>108,640</u>	<u>321,271</u>	<u>195,005</u>	<u>791,022</u>	<u>165,009</u>	<u>45,423</u>
-	-	129,079	-	-	-	-	-
-	1,779,700	-	328,530	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	347,978	-	-	-
1,170,271	-	-	-	-	-	-	-
-	-	-	-	-	727,604	165,009	-
85,712	72,996	-	17,800	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,255,983</u>	<u>1,852,696</u>	<u>129,079</u>	<u>346,330</u>	<u>347,978</u>	<u>727,604</u>	<u>165,009</u>	<u>-</u>
<u>265,884</u>	<u>558,462</u>	<u>(20,439)</u>	<u>(25,059)</u>	<u>(152,973)</u>	<u>63,418</u>	<u>-</u>	<u>45,423</u>
-	-	-	1,999	-	-	-	-
-	-	31,205	-	-	-	-	-
-	(24,937)	-	-	-	-	-	-
-	(24,937)	31,205	1,999	-	-	-	-
265,884	533,525	10,766	(23,060)	(152,973)	63,418	-	45,423
398,958	1,395,573	18,267	161,590	722,987	88,750	-	345,114
<u>\$ 664,842</u>	<u>\$ 1,929,098</u>	<u>\$ 29,033</u>	<u>\$ 138,530</u>	<u>\$ 570,014</u>	<u>\$ 152,168</u>	<u>\$ -</u>	<u>\$ 390,537</u>

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Year Ended June 30, 2016

	<u>Industrial Development</u>	<u>Public Health Title XIX</u>	<u>Mental Health Title XIX</u>	<u>County Family Mediation</u>	<u>911 South</u>
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-
Intergovernmental	-	-	-	21,630	331,670
Licenses, fees, and permits	-	-	350,767	-	150
Charges for services	-	-	-	-	130,493
Fines and forfeitures	-	-	-	-	-
Interest on investments	423	1,388	5,428	650	674
Other revenue	-	-	-	-	1,500
Total revenues	<u>423</u>	<u>1,388</u>	<u>356,195</u>	<u>22,280</u>	<u>464,487</u>
Expenditures:					
General government	-	-	-	-	-
Public safety	-	-	-	-	980,136
Health and welfare	-	-	-	16,703	-
Community development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,703</u>	<u>980,136</u>
Excess (deficiency) of revenues over (under) expenditures	<u>423</u>	<u>1,388</u>	<u>356,195</u>	<u>5,577</u>	<u>(515,649)</u>
Other financing sources (uses):					
Sale of assets	-	-	-	-	-
Transfers in	-	-	-	-	506,579
Transfers out	-	-	(300,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(300,000)</u>	<u>-</u>	<u>506,579</u>
Net change in fund balance	423	1,388	56,195	5,577	(9,070)
Net assets at beginning of year	<u>68,081</u>	<u>223,798</u>	<u>779,911</u>	<u>92,501</u>	<u>238,974</u>
Fund balances at end of year	<u>\$ 68,504</u>	<u>\$ 225,186</u>	<u>\$ 836,106</u>	<u>\$ 98,078</u>	<u>\$ 229,904</u>

See auditor's report.

County Clerk Records	Public Land Corner Preservation	Environmental Service	PL.110-343 Title III	Library Service District	4-H & Extension Service District	Bonded Debt	Totals
\$ -	\$ -	\$ -	\$ -	\$ 3,390,509	\$ 413,143	\$ 1,279,014	\$ 5,082,666
-	-	-	-	15,080	1,838	5,523	124,443
-	-	-	42,638	-	-	-	5,439,786
21,512	91,941	276,983	-	-	-	-	3,296,672
-	-	-	-	-	-	-	379,058
-	-	-	-	22,348	2,695	22,118	245,217
575	640	1,096	2,894	2,118	1,895	5,425	57,858
-	-	-	-	-	-	-	231,535
<u>22,087</u>	<u>92,581</u>	<u>278,079</u>	<u>45,532</u>	<u>3,430,055</u>	<u>419,571</u>	<u>1,312,080</u>	<u>14,857,235</u>
16,592	68,917	-	42,638	-	-	-	621,851
-	-	-	-	-	-	-	3,349,223
-	-	259,465	-	-	-	-	2,259,827
-	-	-	-	-	-	-	347,978
-	-	-	-	3,425,943	377,179	-	4,973,393
-	-	-	-	-	-	-	892,613
-	6,084	-	-	-	-	-	222,063
-	-	-	-	-	-	930,000	930,000
-	-	-	-	-	-	417,770	417,770
<u>16,592</u>	<u>75,001</u>	<u>259,465</u>	<u>42,638</u>	<u>3,425,943</u>	<u>377,179</u>	<u>1,347,770</u>	<u>14,014,718</u>
<u>5,495</u>	<u>17,580</u>	<u>18,614</u>	<u>2,894</u>	<u>4,112</u>	<u>42,392</u>	<u>(35,690)</u>	<u>842,517</u>
-	-	-	-	-	-	-	1,999
-	-	-	-	-	-	-	710,422
-	-	-	-	-	-	-	(394,937)
-	-	-	-	-	-	-	317,484
5,495	17,580	18,614	2,894	4,112	42,392	(35,690)	1,160,001
93,569	87,495	150,655	14,472	38,975	176,518	334,121	6,908,053
<u>\$ 99,064</u>	<u>\$ 105,075</u>	<u>\$ 169,269</u>	<u>\$ 17,366</u>	<u>\$ 43,087</u>	<u>\$ 218,910</u>	<u>\$ 298,431</u>	<u>\$ 8,068,054</u>

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ANIMAL CONTROL FUND
For the Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 21,000	\$ 23,656	\$ 2,656
Charges for services	62,000	56,315	(5,685)
Interest on investments	1,000	1,304	304
Other	500	189,077	188,577
	<u>84,500</u>	<u>270,352</u>	<u>185,852</u>
Total revenues			
Expenditures:			
Public Safety:			
Personnel services	207,506	198,052	9,454
Materials and services	136,705	62,805	73,900
Capital outlay	63,560	39,471	24,089
	<u>407,771</u>	<u>300,328</u>	<u>107,443</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(323,271)</u>	<u>(29,976)</u>	<u>293,295</u>
Other financing sources (uses):			
Transfer in	<u>172,638</u>	<u>172,638</u>	<u>-</u>
Net change in fund balance	(150,633)	142,662	293,295
Fund balance at beginning of year	<u>150,633</u>	<u>141,257</u>	<u>(9,376)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 283,919</u>	<u>\$ 283,919</u>

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,749,364	\$ 844,251	\$ (905,113)
Licenses, fees, and permits	348,220	1,130,386	782,166
Charges for services	75,000	85,521	10,521
Interest on investments	4,800	6,551	1,751
Other	4,000	9,232	5,232
	<u>2,181,384</u>	<u>2,075,941</u>	<u>(105,443)</u>
Total revenues			
Expenditures:			
Public Health:			
CCPH / Health Division	2,493,822	1,983,659	510,163
Contingency	507,446	-	507,446
	<u>3,001,268</u>	<u>1,983,659</u>	<u>1,017,609</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(819,884)</u>	<u>92,282</u>	<u>912,166</u>
Other financing sources (uses):			
Transfers out	(60,000)	(60,000)	-
Transfer in	139,596	-	(139,596)
	<u>79,596</u>	<u>(60,000)</u>	<u>(139,596)</u>
Total other financing sources			
Net change in fund balance	(740,288)	32,282	772,570
Fund balance at beginning of year	<u>740,288</u>	<u>1,095,503</u>	<u>355,215</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,127,785</u>	<u>\$ 1,127,785</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 50,025	\$ (159)	\$ (50,184)
Licenses, fees, and permits	186,000	333,170	147,170
Charges for services	17,400	8,150	(9,250)
Interest on investments	-	587	587
Other	-	227	227
	<hr/>	<hr/>	<hr/>
Total revenues	253,425	341,975	88,550
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	263,776	263,221	555
Materials and services	39,672	39,376	296
	<hr/>	<hr/>	<hr/>
Total expenditures	303,448	302,597	851
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(50,023)	39,378	89,401
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfer in	39,200	-	(39,200)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(10,823)	39,378	50,201
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	85,000	87,181	2,181
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 74,177</u>	<u>\$ 126,559</u>	<u>\$ 52,382</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Police services	\$ 95,860	\$ 95,860	\$ -
Interest on investments	-	90	90
	<hr/>	<hr/>	<hr/>
Total revenues	95,860	95,950	90
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	65,299	3,983	61,316
Materials and services	30,561	7,474	23,087
	<hr/>	<hr/>	<hr/>
Total expenditures	95,860	11,457	84,403
	<hr/>	<hr/>	<hr/>
Net change in fund balance	-	84,493	84,493
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	-	-	-
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 84,493</u>	<u>\$ 84,493</u>

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, 2016

	Final Budget	Actual	Variance
Revenues:			
Fines and forfeitures	\$ 55,329	\$ 67,745	\$ 12,416
Interest on investments	800	1,119	319
	56,129	68,864	12,735
Total revenues			
Expenditures:			
General Government:			
Personnel services	2,879	281	2,598
Materials and services	185,779	50,290	135,489
Capital outlay	5,000	-	5,000
	193,658	50,571	143,087
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(137,529)	18,293	155,822
Other financing sources (uses):			
Transfer out	(10,000)	(10,000)	-
	(147,529)	8,293	155,822
Net change in fund balance			
Fund balance at beginning of year	147,529	153,803	6,274
	\$ -	\$ 162,096	\$ 162,096
Fund balance at end of year			

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 575,862	\$ 598,572	\$ 22,710
Licenses, fees, and permits	757,744	912,104	154,360
Interest on investments	1,000	4,674	3,674
Other	200	6,517	6,317
	<hr/>	<hr/>	<hr/>
Total revenues	1,334,806	1,521,867	187,061
	<hr/>	<hr/>	<hr/>
Expenditures:			
Culture and Recreation:			
Personnel services	591,036	582,997	8,039
Materials and services	648,973	587,274	61,699
Capital outlay	125,962	85,712	40,250
Contingency	257,680	-	257,680
	<hr/>	<hr/>	<hr/>
Total expenditures	1,623,651	1,255,983	367,668
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(288,845)	265,884	554,729
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	288,845	398,958	110,113
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 664,842	\$ 664,842
	<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
COMMUNITY CORRECTIONS FUND
For the Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 2,303,561	\$ 2,165,052	\$ (138,509)
Licenses, fees, and permits	145,000	149,698	4,698
Fines and forfeitures	35,880	74,822	38,942
Interest on investments	5,000	12,546	7,546
Other	-	9,040	9,040
	<u>2,489,441</u>	<u>2,411,158</u>	<u>(78,283)</u>
Total revenues			
Expenditures:			
Public Safety:			
Personnel services	1,630,699	1,362,951	267,748
Materials and services	571,510	416,749	154,761
Capital outlay	73,500	72,996	504
Contingency	1,575,668	-	1,575,668
	<u>3,851,377</u>	<u>1,852,696</u>	<u>1,998,681</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(1,361,936)</u>	<u>558,462</u>	<u>1,920,398</u>
Other financing sources (uses):			
Transfer out	<u>(24,937)</u>	<u>(24,937)</u>	<u>-</u>
Net change in fund balance	(1,386,873)	533,525	1,920,398
Fund balance at beginning of year	<u>1,386,873</u>	<u>1,395,573</u>	<u>8,700</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,929,098</u>	<u>\$ 1,929,098</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 114,550	\$ 107,971	\$ (6,579)
Interest on investments	72	121	49
Other	-	548	548
	<hr/>	<hr/>	<hr/>
Total revenues	114,622	108,640	(5,982)
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	118,722	118,485	237
Materials and services	36,105	10,594	25,511
	<hr/>	<hr/>	<hr/>
Total expenditures	154,827	129,079	25,748
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(40,205)	(20,439)	19,766
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	31,205	31,205	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(9,000)	10,766	19,766
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	9,000	18,267	9,267
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 29,033</u>	<u>\$ 29,033</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 624,623	\$ 263,240	\$ (361,383)
Fines and forfeitures	-	55,489	55,489
Interest on investments	-	508	508
Other	-	2,034	2,034
	<hr/>	<hr/>	<hr/>
Total revenues	624,623	321,271	(303,352)
Expenditures:			
Public safety:			
Personnel services	384,803	130,208	254,595
Materials and services	337,694	198,322	139,372
Capital outlay	19,429	17,800	1,629
	<hr/>	<hr/>	<hr/>
Total expenditures	741,926	346,330	395,596
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	(117,303)	(25,059)	92,244
Other financing sources (uses):			
Sale of assets	-	1,999	1,999
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(117,303)	(23,060)	94,243
Fund balance at beginning of year	<hr/>	<hr/>	<hr/>
	117,303	161,590	44,287
Fund balance at end of year	<hr/>	<hr/>	<hr/>
	\$ -	\$ 138,530	\$ 138,530

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CHILDREN AND FAMILIES FUND
For the Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Interest on investments	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers out	(135,000)	-	135,000
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(135,000)	-	135,000
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	135,000	-	(135,000)
	<hr/>	<hr/>	<hr/>
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
ECONOMIC DEVELOPMENT FUND
For the Year Ended June 30, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 162,000	\$ 184,771	\$ 22,771
Licenses, fees, and permits	5,300	6,305	1,005
Interest on investments	3,500	3,929	429
	<hr/>	<hr/>	<hr/>
Total revenues	170,800	195,005	24,205
	<hr/>	<hr/>	<hr/>
Expenditures:			
Community Development:			
Materials and services	373,894	347,978	25,916
Capital outlay	190,000	-	190,000
Operating Contingency	256,844	-	256,844
	<hr/>	<hr/>	<hr/>
Total expenditures	820,738	347,978	472,760
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(649,938)	(152,973)	496,965
Other financing sources (uses):			
Transfers out	(39,200)	-	39,200
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(689,138)	(152,973)	536,165
Fund balance at beginning of year	689,138	722,987	33,849
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 570,014	\$ 570,014
	<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
ADMINISTRATIVE GRANT FUND
For the Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,096,290	\$ 774,004	\$ (322,286)
Charges for services	20,000	2,719	(17,281)
Interest on investments	500	939	439
Other	10,000	13,360	3,360
	<u>1,126,790</u>	<u>791,022</u>	<u>(335,768)</u>
Total revenues			
Expenditures:			
Intergovernmental:			
Materials and services	888,563	727,604	160,959
Capital outlay	321,622	-	321,622
	<u>1,210,185</u>	<u>727,604</u>	<u>482,581</u>
Total expenditures			
Net change in fund balance	(83,395)	63,418	146,813
Fund balance at beginning of year	83,395	88,750	5,355
Fund balance at end of year	<u>\$ -</u>	<u>\$ 152,168</u>	<u>\$ 152,168</u>

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, 2016

	Final Budget	Actual	Variance
Revenues:			
Taxes - other	\$ 102,150	\$ 102,002	\$ (148)
Intergovernmental	130,000	62,985	(67,015)
Interest on investments	100	22	(78)
Total revenues	<u>232,250</u>	<u>165,009</u>	<u>(67,241)</u>
Expenditures:			
Intergovernmental:			
For support of schools	<u>232,250</u>	<u>165,009</u>	<u>67,241</u>
Net change in fund balance	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 40,000	\$ 43,161	\$ 3,161
Interest on investments	1,500	2,262	762
Total revenues	<u>41,500</u>	<u>45,423</u>	<u>3,923</u>
Expenditures:			
Public Works:			
Materials and services	30,000	-	30,000
Capital outlay	353,959	-	353,959
Total expenditures	<u>383,959</u>	<u>-</u>	<u>383,959</u>
Net change in fund balance	(342,459)	45,423	387,882
Fund balance at beginning of year	<u>342,459</u>	<u>345,114</u>	<u>2,655</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 390,537</u>	<u>\$ 390,537</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 400	\$ 423	\$ 23
Expenditures:			
Community Development:			
Materials and services	58,492	-	58,492
Capital outlay	10,000	-	10,000
Total expenditures	68,492	-	68,492
Net change in fund balance	(68,092)	423	68,515
Fund balance at beginning of year	68,092	68,081	(11)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 68,504</u>	<u>\$ 68,504</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	<u>\$ 754</u>	<u>\$ 1,388</u>	<u>\$ 634</u>
Expenditures:			
Health & Welfare			
Contingency	<u>46,000</u>	<u>-</u>	<u>46,000</u>
Excess (deficiency) of revenues over (under) expenditures	(45,246)	1,388	46,634
Other financing sources (uses):			
Transfer out	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	(145,246)	1,388	146,634
Fund balance at beginning of year	<u>145,246</u>	<u>223,798</u>	<u>78,552</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 225,186</u></u>	<u><u>\$ 225,186</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, 2016

	Final Budget	Actual	Variance
Revenues:			
Licenses, fees, and permits	\$ 216,000	\$ 350,767	\$ 134,767
Interest on investments	4,000	5,428	1,428
	220,000	356,195	136,195
Expenditures:			
Health & Welfare:			
Contingency	532,934	-	532,934
	(312,934)	356,195	669,129
Excess (deficiency) of revenues over (under) expenditures			
Other financing sources (uses):			
Transfer out	(300,000)	(300,000)	-
	(612,934)	56,195	669,129
Net change in fund balance			
Fund balance at beginning of year	612,934	779,911	166,977
Fund balance at end of year	\$ -	\$ 836,106	\$ 836,106

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 41,920	\$ 21,630	\$ (20,290)
Interest on investments	400	650	250
	<u>42,320</u>	<u>22,280</u>	<u>(20,040)</u>
Total revenues			
Expenditures:			
Health and Welfare:			
Materials and services	135,470	16,703	118,767
	<u>(93,150)</u>	<u>5,577</u>	<u>98,727</u>
Net change in fund balance			
Fund balance at beginning of year	93,150	92,501	(649)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 98,078</u>	<u>\$ 98,078</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, 2016

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 310,300	\$ 331,670	\$ 21,370
Licenses, fees, and permits	200	150	(50)
Charges for services	130,492	130,493	1
Interest on investments	1,000	674	(326)
Other	-	1,500	1,500
	<u>441,992</u>	<u>464,487</u>	<u>22,495</u>
Total revenues			
Expenditures:			
Public Safety:			
Dispatch Division	692,236	559,640	132,596
PSAP Division	506,707	420,496	86,211
	<u>1,198,943</u>	<u>980,136</u>	<u>218,807</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(756,951)	(515,649)	241,302
Other financing sources (uses):			
Transfer in	570,503	506,579	(63,924)
Net change in fund balance	(186,448)	(9,070)	177,378
Fund balance at beginning of year	186,448	238,974	52,526
Fund balance at end of year	<u>\$ -</u>	<u>\$ 229,904</u>	<u>\$ 229,904</u>

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 20,000	\$ 21,512	\$ 1,512
Interest on investments	300	575	275
Total revenues	<u>20,300</u>	<u>22,087</u>	<u>1,787</u>
Expenditures:			
General Government:			
Materials and services	<u>102,300</u>	<u>16,592</u>	<u>85,708</u>
Net change in fund balance	(82,000)	5,495	87,495
Fund balance at beginning of year	<u>82,000</u>	<u>93,569</u>	<u>11,569</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 99,064</u>	<u>\$ 99,064</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 85,000	\$ 91,941	\$ 6,941
Interest on investments	380	640	260
	<hr/>	<hr/>	<hr/>
Total revenues	85,380	92,581	7,201
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	63,840	63,220	620
Materials and services	16,190	5,697	10,493
Capital outlay	10,000	6,084	3,916
Contingency	80,350	-	80,350
	<hr/>	<hr/>	<hr/>
Total expenditures	170,380	75,001	95,379
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(85,000)	17,580	102,580
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	85,000	87,495	2,495
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 105,075</u>	<u>\$ 105,075</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 285,802	\$ 276,983	\$ (8,819)
Charges for services	1,000	-	(1,000)
Interest on investments	400	1,096	696
Other revenues	-	-	-
Total revenues	<u>287,202</u>	<u>278,079</u>	<u>(9,123)</u>
Expenditures:			
Health and Welfare:			
Licensing Division	291,251	259,465	31,786
Contingency	73,355	-	73,355
Total expenditures	<u>364,606</u>	<u>259,465</u>	<u>105,141</u>
Excess (deficiency) of revenues over (under) expenditures	(77,404)	18,614	96,018
Other financing sources (uses):			
Transfers out	<u>(39,596)</u>	-	<u>39,596</u>
Net change in fund balance	(117,000)	18,614	135,614
Fund balance at beginning of year	<u>117,000</u>	<u>150,655</u>	<u>33,655</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 169,269</u>	<u>\$ 169,269</u>

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 580,380	\$ 42,638	\$ (537,742)
Interest on investments	2,000	2,894	894
Total revenues	<u>582,380</u>	<u>45,532</u>	<u>(536,848)</u>
Expenditures:			
General Government:			
Materials and services	<u>597,453</u>	<u>42,638</u>	<u>554,815</u>
Net change in fund balance	(15,073)	2,894	17,967
Fund balance at beginning of year	<u>15,073</u>	<u>14,472</u>	<u>(601)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 17,366</u>	<u>\$ 17,366</u>

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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 3,392,625	\$ 3,390,509	\$ (2,116)
Taxes - other	16,000	15,080	(920)
Fines and forfeitures	28,000	22,348	(5,652)
Interest on investments	2,200	2,118	(82)
	<u>3,438,825</u>	<u>3,430,055</u>	<u>(8,770)</u>
Total revenues			
Expenditures:			
Culture and Recreation:			
Materials and services	3,508,825	3,425,943	82,882
	<u>(70,000)</u>	4,112	74,112
Net change in fund balance			
Fund balance at beginning of year	70,000	38,975	(31,025)
Fund balance at end of year	<u>\$ -</u>	<u>\$ 43,087</u>	<u>\$ 43,087</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 410,213	\$ 413,143	\$ 2,930
Taxes - other	500	1,838	1,338
Fines and forfeitures	3,500	2,695	(805)
Interest on investments	1,500	1,895	395
	<hr/>	<hr/>	<hr/>
Total revenues	415,713	419,571	3,858
	<hr/>	<hr/>	<hr/>
Expenditures:			
Culture and Recreation:			
Materials and services	431,024	377,179	53,845
Operating contingency	43,102	-	43,102
	<hr/>	<hr/>	<hr/>
Total expenditures	474,126	377,179	96,947
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(58,413)	42,392	100,805
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	176,314	176,518	204
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 117,901</u>	<u>\$ 218,910</u>	<u>\$ 101,009</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CONSTRUCTION RESERVE FUND
For the Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 500	\$ -	\$ (500)
Expenditures:			
Capital outlay	-	-	-
Excess (deficiency) of revenues over (under) expenditures	500	-	(500)
Other financing sources (uses):			
Transfers out	(201,200)	(200,985)	215
Net change in fund balance	(200,700)	(200,985)	(285)
Fund balance at beginning of year	200,700	200,985	285
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
BONDED DEBT FUND
For the Year Ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 1,218,770	\$ 1,279,014	\$ 60,244
Taxes - other	-	5,523	5,523
Fines and forfeitures	25,000	22,118	(2,882)
Interest on investments	4,000	5,425	1,425
	<u>1,247,770</u>	<u>1,312,080</u>	<u>64,310</u>
Total revenues			
Expenditures:			
Debt Service:			
Principal	930,000	930,000	-
Interest	417,770	417,770	-
	<u>1,347,770</u>	<u>1,347,770</u>	<u>-</u>
Total expenditures			
Net change in fund balance	(100,000)	(35,690)	64,310
Fund balance at beginning of year	100,000	334,121	234,121
Fund balance at end of year	<u>\$ -</u>	<u>\$ 298,431</u>	<u>\$ 298,431</u>

COOS COUNTY, OREGON
COMBINING SCHEDULE (COUNTY FOREST FUND, CONSTRUCTION RESERVE FUND)
For GAAP Basis Presentation
For the Year Ended June 30, 2016

	County Forest	Construction Reserve Fund	Total
Revenues:			
Charges for services	\$ 40,872	\$ -	\$ 40,872
Timber sales	5,081,975	-	5,081,975
Interest on investments	29,903	-	29,903
	<hr/>	<hr/>	<hr/>
Total revenues	5,152,750	-	5,152,750
	<hr/>	<hr/>	<hr/>
Expenditures:			
General government :			
Personnel services	298,973	-	298,973
Materials and services	320,175	-	320,175
Capital outlay	65,129	-	65,129
	<hr/>	<hr/>	<hr/>
Total expenditures	684,277	-	684,277
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	4,468,473	-	4,468,473
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	200,985	-	200,985
Transfers out	(3,713,728)	(200,985)	(3,914,713)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(3,512,743)	(200,985)	(3,713,728)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	955,730	(200,985)	754,745
	<hr/>	<hr/>	<hr/>
Fund balances at beginning of year	6,527,529	200,985	6,728,514
	<hr/>	<hr/>	<hr/>
Fund balances at end of year	\$ 7,483,259	\$ -	\$ 7,483,259
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

*The Construction Reserve Fund does not meet the criteria for a Special Revenue Fund under Governmental Accounting Standards Board Statement #54 as it does not have a specific, outside revenue stream. However, it is allowable under Oregon Budget Law. Therefore, for GAAP presentation purposes, the Construction Reserve Fund has been combined with the County Forest Fund, due to these budgetary perspective differences.

PROPRIETARY FUNDS - ENTERPRISE FUNDS

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 reports 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 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, 2016

	Waste Disposal	Waste Reserve	Total Waste Disposal
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,111,320	\$ 867,024	\$ 2,978,344
Accounts receivable	169,410	-	169,410
Total current assets	2,280,730	867,024	3,147,754
Noncurrent assets:			
Capital assets:			
Land	9,862	-	9,862
Other capital assets (net of accumulated depreciation)	1,359,449	-	1,359,449
Total noncurrent assets	1,369,311	-	1,369,311
Total assets	3,650,041	867,024	4,517,065
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	38,666	-	38,666
LIABILITIES			
Current liabilities:			
Accounts payable	79,565	-	79,565
Compensated absences payable	39,668	-	39,668
Due to other funds	2,252	-	2,252
Current portion of long-term liabilities:			
Landfill closure/post closure costs	76,900	-	76,900
Total current liabilities	198,385	-	198,385
Noncurrent liabilities:			
Long-term liabilities (net of current portion)			
Net pension liability	145,584	-	145,584
Accrued other postemployment benefits obligation	50,231	-	50,231
Accrued landfill closure/post-closure care costs	1,402,660	-	1,402,660
Total noncurrent liabilities	1,598,475	-	1,598,475
Total liabilities	1,796,860	-	1,796,860
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	32,369	-	32,369
NET POSITION			
Net investment in capital assets	1,369,311	-	1,369,311
Unrestricted	490,167	867,024	1,357,191
Total net position	\$ 1,859,478	\$ 867,024	\$ 2,726,502

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, 2016

	Waste Disposal	Waste Reserve	Totals
Operating revenues:			
Waste disposal fees	\$ 1,854,746	\$ -	\$ 1,854,746
Miscellaneous	2,033	-	2,033
Total operating revenues	<u>1,856,779</u>	<u>-</u>	<u>1,856,779</u>
Operating expenses:			
Personnel services	432,284	-	432,284
Materials and services	935,811	-	935,811
Depreciation	137,105	-	137,105
Total operating expenses	<u>1,505,200</u>	<u>-</u>	<u>1,505,200</u>
Operating income (loss)	<u>351,579</u>	<u>-</u>	<u>351,579</u>
Nonoperating revenues (expense):			
Gain (Loss) on disposition of capital assets	(59,152)	-	(59,152)
Interest on investments	10,669	6,393	17,062
Change in estimated post closure costs	352,684	-	352,684
Total nonoperating revenues (expenses)	<u>304,201</u>	<u>6,393</u>	<u>310,594</u>
Income (loss) before operating transfers	<u>655,780</u>	<u>6,393</u>	<u>662,173</u>
Transfers:			
Transfer from other funds	282,400	-	282,400
Transfer to other funds	-	(282,400)	(282,400)
Total transfers	<u>282,400</u>	<u>(282,400)</u>	<u>-</u>
Change in net position	<u>938,180</u>	<u>(276,007)</u>	<u>662,173</u>
Net position (deficit) at beginning of year	1,110,715	1,143,031	2,253,746
Prior period adjustment	<u>(189,417)</u>	<u>-</u>	<u>(189,417)</u>
Net position at beginning of year, restated	<u>921,298</u>	<u>1,143,031</u>	<u>2,064,329</u>
Net positions (deficit) at end of year	<u>\$ 1,859,478</u>	<u>\$ 867,024</u>	<u>\$ 2,726,502</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF CASH FLOWS
WASTE DISPOSAL FUNDS
For the Year Ended June 30, 2016

	Waste Disposal	Waste Disposal Reserve	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,825,885	\$ -	\$ 1,825,885
Cash paid to employees	(303,511)	-	(303,511)
Cash paid to suppliers	(1,176,182)	-	(1,176,182)
Net cash provided (used) by operating activities	346,192	-	346,192
Cash flows from noncapital financing activities:			
Interfund transfers (net)	282,400	(282,400)	-
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	25,000	-	25,000
Capital expenditures	(143,292)	-	(143,292)
Net cash (used) by capital and related financing activities	(118,292)	-	(118,292)
Cash flows from investing activities:			
Interest received	10,668	6,393	17,061
Net increase (decrease) in cash and cash equivalents	520,968	(276,007)	244,961
Cash and cash equivalents at beginning of year	1,590,352	1,143,031	2,733,383
Cash and cash equivalents at end of year	<u>\$ 2,111,320</u>	<u>\$ 867,024</u>	<u>\$ 2,978,344</u>

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

Operating income (loss)	\$ 351,579	\$ -	\$ 351,579
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	137,105	-	137,105
Change in assets and liabilities:			
Accounts receivable	(30,894)	-	(30,894)
Accounts payable	(38,816)	-	(38,816)
OPEB liability	1,090	-	1,090
Assets and liabilities related to pension	123,439	-	123,439
Compensated absences payable	4,245	-	4,245
Landfill closure/post-closure cost	(201,556)	-	(201,556)
Net cash provided (used) by operating activities	<u>\$ 346,192</u>	<u>\$ -</u>	<u>\$ 346,192</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, 2016

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Licenses, fees, and permits	\$ 1,854,746	\$ 2,118	\$ 1,856,864	\$ 1,491,778	\$ 365,086
Intergovernmental	-	-	-	109,000	(109,000)
Other	2,033	-	2,033	2,000	33
Total operating revenues	<u>1,856,779</u>	<u>2,118</u>	<u>1,858,897</u>	<u>1,602,778</u>	<u>256,119</u>
Operating expenses:					
Sanitation:					
Personnel services	432,284	(127,600)	304,684	352,492	47,808
Materials and services	935,811	191,686	1,127,497	1,981,794	854,297
Depreciation	137,105	(137,105)	-	-	-
Capital outlay	-	154,107	154,107	381,500	227,393
Total operating expenses	<u>1,505,200</u>	<u>81,088</u>	<u>1,586,288</u>	<u>2,715,786</u>	<u>1,129,498</u>
Operating income (loss)	<u>351,579</u>	<u>(78,970)</u>	<u>272,609</u>	<u>(1,113,008)</u>	<u>1,385,617</u>
Nonoperating revenues (expense):					
Gain (loss) on disposition of capital assets	(59,152)	84,152	25,000	-	25,000
Change in estimated post closure costs	352,684	(352,684)	-	-	-
Interest income	10,669	-	10,669	2,000	8,669
Contingency	-	-	-	(222,494)	222,494
Total nonoperating revenues (expenses)	<u>304,201</u>	<u>(268,532)</u>	<u>35,669</u>	<u>(220,494)</u>	<u>256,163</u>
Income (loss) before transfers:	<u>655,780</u>	<u>(347,502)</u>	<u>308,278</u>	<u>(1,333,502)</u>	<u>1,641,780</u>
Other revenues (expenses):					
Transfer in	282,400	-	282,400	471,200	(188,800)
Change in net position/fund balance	<u>938,180</u>	<u>(347,502)</u>	<u>590,678</u>	<u>(862,302)</u>	<u>1,452,980</u>
Net position/Fund balance at beginning of year	1,110,715	(497,520)	1,608,235	862,302	745,933
Prior period adjustment	<u>(189,417)</u>	<u>189,417</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position at beginning of year, restated	<u>921,298</u>	<u>(686,937)</u>	<u>1,608,235</u>	<u>862,302</u>	<u>745,933</u>
Net position/Fund balance at end of year	<u>\$ 1,859,478</u>	<u>\$ (339,435)</u>	<u>\$ 2,198,913</u>	<u>\$ -</u>	<u>\$ 2,198,913</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, 2016

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenue (expenses):					
Interest income	\$ 6,393	\$ -	\$ 6,393	\$ 5,000	\$ 1,393
Contingency	-	-	-	(607,211)	607,211
Total operating revenue (expenses):	<u>6,393</u>	<u>-</u>	<u>6,393</u>	<u>(602,211)</u>	<u>608,604</u>
Other revenues (expenses):					
Transfer out	<u>(282,400)</u>	<u>-</u>	<u>(282,400)</u>	<u>(471,200)</u>	<u>188,800</u>
Change in net position/fund balance	(276,007)	-	(276,007)	(1,073,411)	797,404
Net position/Fund balance at beginning of year	<u>1,143,031</u>	<u>-</u>	<u>1,143,031</u>	<u>1,073,411</u>	<u>69,620</u>
Net position/Fund balance at end year	<u>\$ 867,024</u>	<u>\$ -</u>	<u>\$ 867,024</u>	<u>\$ -</u>	<u>\$ 867,024</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, 2016

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Pipeline operations	\$ 500,012	\$ -	\$ 500,012	\$ 550,000	\$ (49,988)
Operating expenses:					
Public works:					
Materials and services	464,625	(174,496)	290,129	685,000	394,871
Depreciation	1,043,232	(1,043,232)	-	-	-
Capital outlay	-	171,159	171,159	1,588,417	1,417,258
Total operating expenses	1,507,857	(1,046,569)	461,288	2,273,417	1,812,129
Operating income (loss)	(1,007,845)	1,046,569	38,724	(1,723,417)	1,762,141
Other revenues (expense):					
Interest income	23,027	(3,356)	19,671	20,000	(329)
Contingency	-	-	-	(1,540,426)	1,540,426
Total other revenues (expenses)	23,027	(3,356)	19,671	(1,520,426)	1,540,097
Income (loss) before operating transfers	(984,818)	1,043,213	58,395	(3,243,843)	3,302,238
Transfers to other funds	(250,000)	-	(250,000)	(250,000)	-
Transfers from other funds	930,000	(930,000)	-	-	-
Total transfers to (from) other funds	680,000	(930,000)	(250,000)	(250,000)	-
Change in net position/fund balance	(304,818)	113,213	(191,605)	(3,493,843)	3,302,238
Net position/Fund balance at beginning of year	36,547,693	33,483,444	3,064,249	3,493,843	(429,594)
Net position/Fund balance at end of year	<u>\$ 36,242,875</u>	<u>\$ 33,596,657</u>	<u>\$ 2,872,644</u>	<u>\$ -</u>	<u>\$ 2,872,644</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2016

	Fair	Coos County Area Transit Service District	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 75,830	\$ 234,530	\$ 310,360
Receivable:			
Accounts	-	17,386	17,386
Due from other funds	-	63,508	63,508
Prepays	-	17,704	17,704
Total current assets	<u>75,830</u>	<u>333,128</u>	<u>408,958</u>
Noncurrent assets:			
Capital assets:			
Land	30,605	117,743	148,348
Other capital assets (net of accumulated depreciation)	<u>571,910</u>	<u>180,721</u>	<u>752,631</u>
Total noncurrent assets	<u>602,515</u>	<u>298,464</u>	<u>900,979</u>
Total assets	<u>678,345</u>	<u>631,592</u>	<u>1,309,937</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>12,322</u>	-	<u>12,322</u>
LIABILITIES			
Current liabilities:			
Accounts payable	10,981	37,346	48,327
Accrued payroll benefits	-	16,529	16,529
Compensated absences payable	3,659	32,270	35,929
Prepaid exhibitor deposits	29,541	-	29,541
Pension liability	46,398	-	46,398
Due to other funds	542	-	542
Total current liabilities	<u>91,121</u>	<u>86,145</u>	<u>177,266</u>
Noncurrent liabilities:			
Long-term liabilities (net of current portion)			
Other postemployment benefits obligation	<u>7,822</u>	-	<u>7,822</u>
Total liabilities	<u>98,943</u>	<u>86,145</u>	<u>185,088</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>10,316</u>	-	<u>10,316</u>
NET POSITION			
Net investment in capital assets	602,515	298,464	900,979
Unrestricted	<u>(21,107)</u>	<u>246,983</u>	<u>225,876</u>
Total net position	<u>\$ 581,408</u>	<u>\$ 545,447</u>	<u>\$ 1,126,855</u>

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, 2016

	County Fair	Coos County Area Transit Service District	Totals
Operating revenues:			
Operational charges	\$ 245,600	\$ 84,471	\$ 330,071
Intergovernmental	53,667	667,771	721,438
Other	59,574	12,171	71,745
Total operating revenues	<u>358,841</u>	<u>764,413</u>	<u>1,123,254</u>
Operating expenses:			
Personnel services	142,749	316,505	459,254
Materials and services	268,195	384,286	652,481
Depreciation	28,992	41,408	70,400
Total operating expenses	<u>439,936</u>	<u>742,199</u>	<u>1,182,135</u>
Operating income (loss)	<u>(81,095)</u>	<u>22,214</u>	<u>(58,881)</u>
Nonoperating revenues (expense)			
Interest on investments	621	-	621
Change in net position	(80,474)	22,214	(58,260)
Net position at beginning of year	<u>717,090</u>	<u>523,233</u>	<u>1,240,323</u>
Prior period adjustment	<u>(55,208)</u>	<u>-</u>	<u>(55,208)</u>
Net position at beginning of year, restated	<u>661,882</u>	<u>523,233</u>	<u>1,185,115</u>
Net position at end of year	<u>\$ 581,408</u>	<u>\$ 545,447</u>	<u>\$ 1,126,855</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2016

	Fair	Coos County Area Transit Service District	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 358,524	\$ 92,230	\$ 450,754
Cash received from grantors	-	780,168	780,168
Cash paid to employees	(102,087)	(316,547)	(418,634)
Cash paid to suppliers	(264,157)	(399,503)	(663,660)
Net cash provided (used) by operating activities	(7,720)	156,348	148,628
Cash flows from noncapital financing activities:			
Due to/from other funds	(844)	-	(844)
Cash flows from capital and related financing activities:			
Capital expenditures	-	(8,204)	(8,204)
Cash flows from investing activities:			
Interest received	621	-	621
Net increase (decrease) in cash and cash equivalents	(7,943)	148,144	140,201
Cash and cash equivalents at beginning of year	83,773	86,386	170,159
Cash and cash equivalents at end of year	\$ 75,830	\$ 234,530	\$ 310,360

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

Operating income (loss)	\$ (81,095)	\$ 22,214	\$ (58,881)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	28,992	41,408	70,400
Change in assets and liabilities:			
Accounts receivable	-	107,985	107,985
Prepays	-	(1,550)	(1,550)
Accounts payable and accrued expenses	4,580	(13,709)	(9,129)
Other post employment benefits	347	-	347
Pensions	39,773	-	39,773
Deposits	(317)	-	(317)
Net cash provided (used) by operating activities	\$ (7,720)	\$ 156,348	\$ 148,628

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, 2016

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Intergovernmental	\$ 53,667	\$ -	\$ 53,667	\$ 50,000	\$ 3,667
Licenses, fees, and permits	10,147	-	10,147	10,000	147
Charges for services	235,453	-	235,453	247,300	(11,847)
Donations and sponsorships	-	-	-	37,500	(37,500)
Other	59,574	-	59,574	5,000	54,574
Total operating revenues	358,841	-	358,841	349,800	9,041
Operating expenses:					
Culture & Recreation:					
Personnel services	142,749	(40,313)	102,436	110,194	7,758
Materials and services	268,195	(11,938)	256,257	259,732	3,475
Depreciation	28,992	(28,992)	-	-	-
Capital outlay	-	11,938	11,938	28,067	16,129
Contingency	-	-	-	2,307	2,307
Total operating expenses	439,936	(69,305)	370,631	400,300	29,669
Operating income (loss)	(81,095)	69,305	(11,790)	(50,500)	38,710
Other revenues (expense):					
Interest income	621	-	621	500	121
Change in net position/fund balance	(80,474)	69,305	(11,169)	(50,000)	38,831
Net position/Fund balance at beginning of year	717,090	(671,156)	45,934	50,000	(4,066)
Prior period adjustment	(55,208)	55,208	-	-	-
Net position at beginning of year, restated	661,882	(615,948)	45,934	50,000	(4,066)
Net position/Fund balance at end of year	\$ 581,408	\$ (546,643)	\$ 34,765	\$ -	\$ 34,765

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, 2016

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Intergovernmental	667,771	\$ -	\$ 667,771	\$ 700,990	\$ (33,219)
Charges for service	84,471	-	84,471	45,000	39,471
Miscellaneous	12,171	-	12,171	24,620	(12,449)
Total operating revenues	764,413	-	764,413	770,610	(6,197)
Operating expenses:					
Personnel services	316,505	738	317,243	483,215	165,972
Materials and services	384,286	-	384,286	315,395	(68,891)
Capital outlay	-	8,204	8,204	52,374	44,170
Depreciation	41,408	(41,408)	-	-	-
Contingency	-	-	-	20,000	20,000
Total operating expenses	742,199	(32,466)	709,733	870,984	161,251
Operating income (loss)	22,214	32,466	54,680	(100,374)	155,054
Fund balance at beginning of year	523,233	(298,660)	224,573	100,374	124,199
Fund balance at end of year	<u>\$ 545,447</u>	<u>\$ (266,194)</u>	<u>\$ 279,253</u>	<u>\$ -</u>	<u>\$ 279,253</u>

See auditor's report.

FIDUCIARY FUNDS/AGENCY FUNDS

Fiduciary funds are used to account for and report 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 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 funds in this category are Agency Funds.

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, 2016

<u>TAXING DISTRICTS</u>	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
ASSETS				
Cash and investments	\$ 1,315,035	\$ 115,351,652	\$ 115,364,462	\$ 1,302,225
Receivables:				
Property taxes	4,965,357	52,984,024	52,889,752	5,059,629
Total assets	<u>\$ 6,280,392</u>	<u>\$ 168,335,676</u>	<u>\$ 168,254,214</u>	<u>\$ 6,361,854</u>
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 6,280,392</u>	<u>\$ 168,335,676</u>	<u>\$ 168,254,214</u>	<u>\$ 6,361,854</u>

<u>COUNTY TRUSTS</u>	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
ASSETS				
Cash and investments	\$ 1,233,458	\$ 508,210	\$ 531,871	\$ 1,209,797
Receivables:				
Contracts	-	376,486	376,486	-
Total assets	<u>\$ 1,233,458</u>	<u>\$ 884,696</u>	<u>\$ 908,357</u>	<u>\$ 1,209,797</u>
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 1,233,458</u>	<u>\$ 884,696</u>	<u>\$ 908,357</u>	<u>\$ 1,209,797</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
<i>Passed through Oregon Health Authority:</i>		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	260,963
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Forest Service - Schools and Roads--Grants to States	10.665	251,940
Subtotal U.S. Department of Agriculture		<u>512,903</u>
U.S. Department of Interior		
Payments in Lieu of Taxes	15.226	473,648
Distribution of Receipts to State and Local Governments	15.227	* 2,177,638
Secure Rural Schools and Community Self-Determination	15.234	112,297
National Wildlife Refuge Fund	15.659	21,968
<i>Passed through State of Oregon Marine Board</i>		
Clean Vessel Act	15.616	14,000
Subtotal U.S. Department of Interior		<u>2,799,551</u>
U.S. Department of Justice		
State Criminal Alien Assistance Program	16.606	268
Public Safety Partnership and Community Policing Grants	16.710	115,972
Congressionally Recommended Awards	16.753	254,490
<i>Passed through State of Oregon Department of Justice:</i>		
Crime Victim Assistance	16.575	60,303
<i>Passed through Coquille Indian Tribe:</i>		
Public Safety Partnership and Community Policing Grants	16.710	41,682
Subtotal U.S. Department of Justice		<u>472,715</u>
U.S. Department of Transportation		
<i>Passed through State of Oregon Department of Transportation:</i>		
Formula Grants for Rural Areas	20.509	206,762
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	270,544
Subtotal U.S. Department of Transportation		<u>477,306</u>
Environmental Protection Agency		
<i>Passed through Oregon Health Authority:</i>		
State Public Water System Supervision	66.432	7,071
Capitalization Grants for Drinking Water State Revolving Funds	66.468	5,607
Subtotal Environmental Protection Agency		<u>12,678</u>
U.S. Department of Health and Human Services		
<i>Passed through Oregon Health Authority:</i>		
Public Health Emergency Preparedness	93.069	78,740
Hospital Preparedness Program and Public Health Emergency Preparedness Aligned Cooperative	93.074	3,053
Project Grants and Cooperative Agreements for Tuberculosis Coi	93.116	267
Family Planning Services	93.217	27,813
Block Grants for Community Mental Health Services	93.958	31,950
Block Grants for Prevention and Treatment of Substance Abuse	93.959	136,946
Maternal and Child Health Services Block Grant to the States	93.994	36,291
<i>Passed through Oregon Health & Science University:</i>		
National Center for Advancing Translational Sciences	93.350	11,500
Maternal and Child Health Services Block Grant to the States	93.994	9,054
<i>Passed through State of Oregon Department of Justice:</i>		
Child Support Enforcement	93.563	117,807
Subtotal U.S. Department of Health and Human Services		<u>453,421</u>

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
U.S. Department of Homeland Security		
<i>Passed through State of Oregon Marine Board</i>		
Boating Safety Financial Assistance	97.012	90,006
<i>Passed through Oregon Military Department:</i>		
Disaster Grants-Public Assistance (Presidentially Declared Disast	97.036	161,331
Emergency Management Performance Grants	97.042	70,511
Homeland Security Grant Program	97.067	140,995
State Homeland Security Program (SHSP)	97.073	88,167
Subtotal U.S. Department of Homeland Security		<u>551,010</u>
Total Federal Assistance		<u><u>5,279,584</u></u>

* Indicates a major program

** Indicates non-cash assistance

**SCHEDULE OF AMOUNTS PROVIDED TO SUBRECIPIENTS
For the Year Ended June 30, 2016**

Federal Grantor/Pass-Through	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
<i>Passed through to Local School Districts:</i>		
Forest Service - Schools and Roads--Grants to States	10.665	62,985
U.S. Department of Transportation		
<i>Passed through to Coos County Area Transit Service District:</i>		
Formula Grants for Rural Areas	20.509	206,762
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	270,544
U.S. Department of Health and Human Services		
<i>Passed through to Adapt:</i>		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	64,265

COOS COUNTY, OREGON
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2016

Note 1. Purpose of the Schedule

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coos County, Oregon for the year ended June 30, 2016.

Note 2. Basis of Presentation

The accompany schedule of expenditures of federal awards is presented on the modified accrual basis of accounting as described in Note 1 to the County basic financial statements. 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). 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 during the 2015-16 fiscal year.

COOS COUNTY, OREGON
SUMMARY OF PRIOR AUDIT FINDINGS RELATED TO FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2016

Questioned Costs:

There were no questioned costs for the year ended June 30, 2015.

Findings:

2015-001 **CFDA 93.959 Substance Abuse Block Grant –
U. S. Department of Health and Human Services
Passed through Oregon Health Authority**

Allowable Activities - Significant Deficiency

Costs were charged to the grant for activities unrelated to the grant objectives.

Corrective action was taken.

AUDITOR'S 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*

March 22, 2017

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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 22, 2017.

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 over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

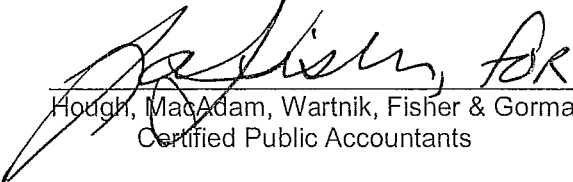
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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



INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS

March 22, 2017

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, 2016 and have issued our report thereon dated March 22, 2017. 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 162-10-000 to 162-10-320, 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 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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State.

OAR 162-10-230 Internal Control

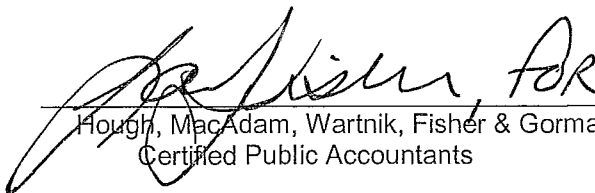
In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the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

A 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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.



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



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

March 22, 2017

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, 2016. 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, 2016.

Report on Internal Control Over Compliance

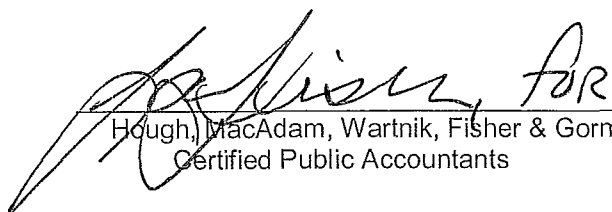
Management of Coos County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the Coos County's internal control over compliance with types of requirements 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, 2016

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 510 (a) of Circular A-133?	_____	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