



COOS COUNTY, OREGON
ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2015

**COOS COUNTY, OREGON
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

	<u>Page</u>
BOARD OF COMMISSIONERS	1
FINANCIAL SECTION:	
Independent Auditors' Report	2 - 4
Management's Discussion and Analysis	5 - 14
BASIC FINANCIAL STATEMENTS:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	20
Statement of Net Position – Enterprise Funds	21
Statement of Revenues, Expenses, and Changes in Net Position - Enterprise Funds	22
Statement of Cash Flows – Enterprise Funds	23
Statement of Changes in Net Position – Fiduciary Funds	24
Notes to the Basic Financial Statements	25 - 50
REQUIRED SUPPLEMENTARY INFORMATION:	
Schedule of Funding Progress on Other Post Employment Benefits	51
Schedule of Net Pension Liability and Contributions	52
Major Funds:	53

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual:

General Fund	54 - 55
Public Works Fund	56
Mental Health Fund	57
County Forest Fund	58

SUPPLEMENTARY INFORMATION:

Bonded Debt Fund	59
Nonmajor Governmental Funds:	60 - 61
Combining Balance Sheet - Non-Major Governmental Funds	62 - 63
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Governmental Funds	64 - 65
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Animal Control Fund	66
Public Health Fund	67
Planning Fund	68
Law Library Fund	69
County Parks Fund	70
Community Corrections Fund	71
Crime Victim Assistance Fund	72
South Coast Interagency Narcotics Team (SCINT) Fund	73
Children and Families Fund	74
Economic Development Fund	75
PL 106-393 Title III Fund	76
Liquor Enforcement Fund	77
Administrative Grants Fund	78
County School Fund	79
Foot Paths and Bicycle Trails Fund	80
Industrial Development Fund	81
Public Health – Title XIX Fund	82

Mental Health – Title XIX Fund	83
County Family Mediation Fund	84
911/Dispatch Fund	85
County Clerk Records Fund	86
Public Land Corner Preservation Fund	87
Environmental Service Fund	88
Child Support Enforcement Fund	89
PL 110-343 Title III Fund	90
Library Service District Fund	91
4-H & Extension Service District Fund	92
Construction Reserve Fund	93
Combining Schedules –County Forest Fund and Construction Reserve Fund:	
Combining Balance Sheet	94
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	95
Proprietary Funds/Enterprise Funds:	96
Sub-Combining Statement of Net Position – Waste Disposal Funds	97
Sub-Combining Statement of Revenues, Expenses, and Changes in Net Position – Waste Disposal Funds	98
Sub-Combining Statement of Cash Flows – Waste Disposal Funds	99
Schedule of Revenues, Expenditures, and Changes in Fund Balance/Net Position – Budget and Actual – Major Funds:	
Waste Disposal Operations Fund	100
Waste Disposal Reserve Fund	101
Gas Pipeline Fund	102
Combining Statement of Net Position – Nonmajor Enterprise Funds	103
Combining Statement of Revenues, Expenses, and Changes in Net Position – Non-Major Enterprise Funds	104
Sub-Combining Statement of Cash Flows – Nonmajor Enterprise Funds	105
Schedule of Revenues, Expenditures, and Changes in Fund Balance/Net Position – Budget and Actual:	
County Fair Fund	106
Coos County Area Transit Service District Fund	107

Fiduciary Funds/Agency Funds: 108

Statement of Changes in Assets and Liabilities – Agency Funds 109

ACCOMPANYING INFORMATION

Auditor's Comments and Reports:

Report on Internal Control and on Compliance and Other Matters 110 – 111

Independent Auditor's Report Required by Oregon State Regulations 112 - 113

Federal Financial Assistance Program Compliance:

Report on Compliance and Internal Control in Accordance with
OMB Circular A-133 114 – 115

Schedule of Findings and Questioned Costs 116 - 117

Summary of Prior Audit Findings Related to Federal Awards 118

Schedule of Expenditures of Federal Awards 119 - 120

Notes to the Schedule of Expenditures of Federal Awards 121

BOARD OF COMMISSIONERS

COOS COUNTY, OREGON
BOARD OF COMMISSIONERS
June 30, 2015

	<u>Term Expires</u>
Bob Main, Chair 250 N. Baxter Coquille, OR 97423	December 31, 2016
Melissa Cribbins, Commissioner 250 N. Baxter Coquille Bay, OR 97423	December 31, 2018
John Sweet, Commissioner 250 N. Baxter Coquille, OR 97423	December 31, 2018

ELECTED OFFICIALS

Mary Barton, County Treasurer	December 31, 2016
Melissa Cribbins, County Commissioner	December 31, 2017
Mike Dado, County Surveyor	December 31, 2017
R. Paul Frasier, County District Attorney	December 31, 2016
Steve Jansen, County Assessor	December 31, 2017
Robert Main, County Commissioner	December 31, 2016
John W. Sweet, County Commissioner	December 31, 2017
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 8, 2016

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, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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 and budgetary comparison information for the General Fund and major special revenue funds, 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 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.

Other Information

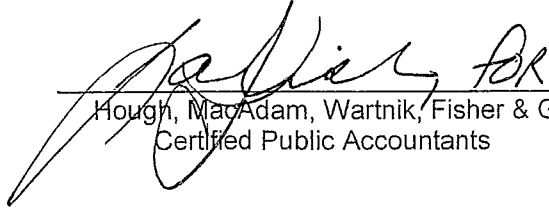
Supplementary Information

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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. 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 8, 2016 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 8, 2016, 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.



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

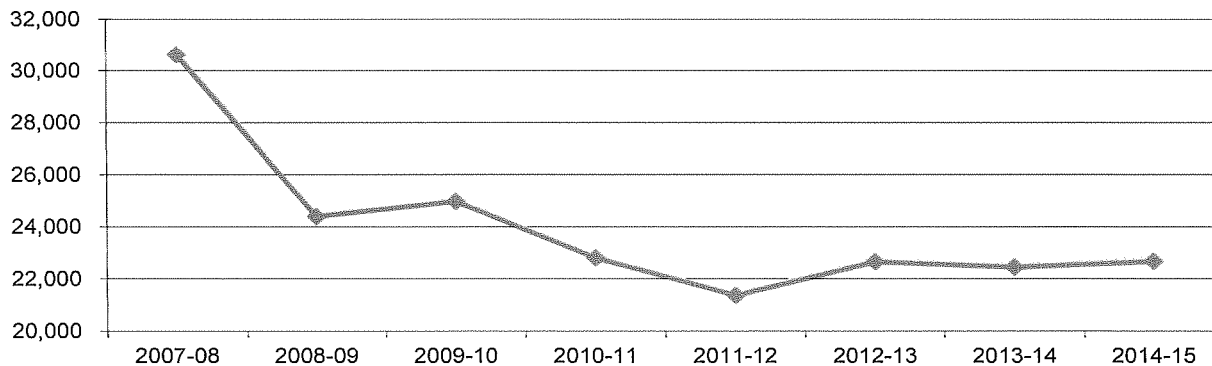
COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

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, 2015. 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, 2015 by \$177,153 (*net position*) – an increase of \$14,150 or 8.68%. Of this amount, \$29,859 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The County's revenues increased by 12.6% in the Governmental activities, they increased by 9.7% in the Proprietary activities. Expenses for the Governmental activities decreased by \$4,123 or 9.2%, and Proprietary increased by \$1,322 or 30.1%. Overall net position had only modest changes; Proprietary funds increased by \$442 or 1.1% while Governmental funds saw an overall increase in net position of \$13,708 or 11.1%.
- 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 \$1,411 in FY 2014-15. Since inactivation in FY 2012-13 Closure/Post-Closure Cost liability has decreased by a total of \$2,844.

General Fund Resources
(in thousands)



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, 2015

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, 2015

The County maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Public Works fund, County Forest fund, the Mental Health fund, and the Bonded Debt fund, which are considered to be major funds. Data from the other 24 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, 2014	June 30, 2015
Taxable Real Market Value	\$ 5,918,460	\$ 6,026,086
General Obligation Bond Debt Limitation (2% of Real Market Value)	118,369	120,522
Less: Outstanding debt subject to limit	15,885	8,775
Less: Principal payments due within one year	(1,325)	(930)
	14,560	7,845
Remaining Legal General Obligation Debt Capacity	\$ 103,809	\$ 112,677
Percent of Capacity Issued	12.3%	6.5%

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

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

Proprietary Funds

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

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

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 \$177,153 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 70.0% 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, 2015

Coos County's Net Position

in thousands

	Governmental		Business-type		Total		Comparison	
	Activities		Activities				Difference	
	2015	2014	2015	2014	2015	2014		
Current and other assets	\$ 40,440	\$ 38,810	\$ 6,404	\$ 13,522	\$ 46,844	\$ 52,332	\$ (5,488)	-10.49%
Net pension asset	20,988	-	316	-	21,304	-	n/a	n/a
Capital assets	89,400	92,222	44,673	45,858	134,073	138,080	(4,007)	-2.90%
Total assets	150,828	131,032	51,393	59,380	202,221	190,412	11,809	6.20%
Deferred outflow related to pensions	3,039	-	46	-	3,085	-	n/a	n/a
Long-term liabilities	1,633	1,527	9,685	17,624	11,318	19,151	(7,833)	-40.90%
Other liabilities	5,992	6,102	1,575	2,156	7,567	8,258	(691)	-8.37%
Total liabilities	7,625	7,629	11,260	19,780	18,885	27,409	(8,524)	-31.10%
Deferred inflow related to pensions	9,131	-	137	-	9,268	-	n/a	n/a
Net position:								
Invested in capital assets	89,400	92,222	35,898	29,973	125,298	122,195	3,103	2.54%
Restricted	21,229	17,310	767	8,646	21,996	25,956	(3,960)	-15.26%
Unrestricted	26,482	13,871	3,377	981	29,859	14,852	15,007	101.04%
Total net position	\$ 137,111	\$ 123,403	\$ 40,042	\$ 39,600	\$ 177,153	\$ 163,003	\$ 14,150	8.68%

Changes in Net Position

The County's *unrestricted net position* \$29,859 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, 2015

Coos County's Changes in Net Position

in thousands

	Governmental		Business-Type		Total		Comparison	
	Activities		Activities				Difference	
	2015	2014	2015	2014	2015	2014		
REVENUE:								
Program revenues:								
Charges for services & contracts	\$ 9,343	\$ 7,611	\$ 3,911	\$ 3,751	\$ 13,254	\$ 11,362	\$ 1,892	16.65%
Operating grants & contributions	23,618	20,732	804	548	24,422	21,280	3,142	14.77%
Capital grants & contributions	164	504	-	-	164	504	(340)	-67.46%
General revenues:								
Property Taxes	10,854	10,578	-	-	10,854	10,578	276	2.61%
Grants & contributions not restricted								
to specific programs	3,018	2,792	-	-	3,018	2,792	226	8.09%
Interest on investments	186	189	-	-	186	189	(3)	-1.59%
Other revenue	916	319	-	-	916	319	597	187.15%
Total revenue	48,099	42,725	4,715	4,299	52,814	47,024	5,790	12.31%
EXPENDITURES:								
Current:								
General Government	6,535	7,453	-	-	6,535	7,453	(918)	-12.32%
Public Safety	9,436	12,116	-	-	9,436	12,116	(2,680)	-22.12%
Public Works	6,568	6,749	3,093	1,506	9,661	8,255	1,406	17.03%
Health & Welfare	11,523	11,802	-	-	11,523	11,802	(279)	-2.36%
Culture & Recreation	4,861	4,865	337	325	5,198	5,190	8	0.15%
Conservation	-	-	-	-	-	-	-	0.00%
Community Development	192	436	-	-	192	436	(244)	-55.96%
Intergovernmental	758	517	-	-	758	517	241	46.62%
Sanitation	-	-	1,544	1,826	1,544	1,826	(282)	-15.44%
Transportation	-	-	739	734	739	734	5	0.68%
Debt Service	794	852	-	-	794	852	(58)	-6.81%
Total expenditures	40,667	44,790	5,713	4,391	46,380	49,181	(2,801)	-5.70%
Change in net position before transfers	7,431	(2,065)	(998)	(92)	6,433	(2,157)	8,590	-398.24%
Transfers	(1,325)	(1,260)	1,325	1,260	-	-	-	0.00%
Change in net position	6,106	(3,325)	327	1,168	6,433	(2,157)	8,590	-398.24%
Net position beginning	123,403	113,894	39,600	38,103	163,003	151,997	11,006	
Prior period adjustment	7,602	12,834	115	329	7,717	13,163	(5,446)	
Net position beginning, restated	131,005	126,728	39,715	38,432	170,720	165,160	5,560	3.37%
Net position ending	\$ 137,111	\$ 123,403	\$ 40,042	\$ 39,600	\$ 177,153	\$ 163,003	\$ 19,596	8.68%

Overall, County wide expenses decreased by \$2,801 from the previous year. This decrease is misleading because of the implementation of a new government accounting standard (GASB 68) during the current fiscal year, which resulted in a reduction of pension expense of \$7,372. This reduced expense was allocated to each functional category by a percentage of pension contributions made for the year. With the implementation of the new standard in the current year, it makes comparisons from last year distorted, because there was not any pension reporting last year. If you remove the \$7,372 reduced pension expense for comparability to last year, there was an increase in expenses of \$4,571 or 9.29%

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

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 \$8,775. 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, 2015 amounted to \$134,074 (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	Business-type	
	Activities	Activities	Total
Land	\$ 5,525,474	\$ 709,402	\$ 6,234,876
Construction in progress	7,709,460	358,342	8,067,802
Buildings and building improvements	21,106,277	2,308,416	23,414,693
Infrastructure	108,397,979	52,177,963	160,575,942
Machinery and equipment	17,413,598	1,475,163	18,888,761
Improvements other than buildings	2,978,126	2,509,017	5,487,143
	<u>\$ 163,130,914</u>	<u>\$ 59,538,303</u>	<u>\$ 222,669,217</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. The surplus pipe and valves will be disposed of for the best possible price through a broker that specializes in such sales.

Coos County authorized an early redemption of the outstanding General Obligation, Series 2005 bonds on June 1, 2015 in the amount of \$5,785,000. Calling these bonds saved approximately \$1.9 million in interest cost. After the 2005 series was called, the County only has the 2003B General Obligation bonds outstanding.

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.

Mental Health, Public Health, and the Commission on Children and Families were restructured into the Coos Health & Wellness. 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, 2015

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

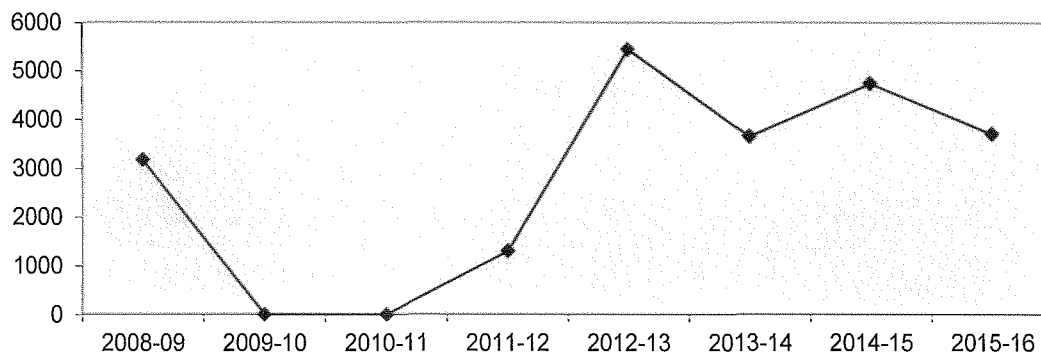
- ◆ The General Fund is the chief operating fund of Coos County. The County will continue to have to adjust the amount of spending available in future fiscal year budgets. Program services will have to be adjusted or eliminated to balance the budget. No taxes can be increased, other than the allowable 3 percent increase on taxable property value allowed by state law. The General Fund budgeted a beginning fund balance of \$5,124. The County placed \$2,042 in an operating contingency for 2015-2016.
- ◆ The General Fund's proposed expenditures total \$21,562, with resources other than taxes of \$16,909. The amount budgeted for current year taxes is \$4,653, 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 \$1,801.
- ◆ 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 2015-2016 Forestry Department operating budget is \$761.

The Board of Commissioners chose not to offer a timber sale in calendar year 2009 due to a lack of market demand and poor stumpage prices. Timber sales were resumed in calendar year 2010. Two additional units were pulled forward and sold in 2011 to take advantage of improved market conditions.

In order to conserve reserves for future years, no transfers to the General Fund were made in FY 2009-2010 or FY 2010-2011. \$4,742 was transferred from the County Forest Fund to the General Fund in FY 2014-2015 and \$3,714 was budgeted to be transferred in FY 2015-2016. The County Forest Fund balance on June 30, 2015 was \$6,528.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

County Forest Transfers to General Fund
(dollars in thousands)



Note: In fiscal years 2009-10 and 2010-11 no transfers were made to the General fund

- ◆ 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 regimes. This requires timber to be harvested in order for payments to be made to the County.

In FY 2015-2016 the SRS net payment to the General Fund (Title I), for the O&C lands, will be \$1,915. The County Road Department FY 2015-2016 SRS Title I payment, for the CBWR lands and U.S. Forest Service, is budgeted to be \$420.

- ◆ 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 2015-2016 total \$3,509 with resources other than taxes of \$281.
- ◆ The 4-H Extension Service District's adopted expenditures for 2015-2016 total \$592, with resources other than taxes of \$199. The Library and 4-H Extension Service Districts both intend to certify their total permanent tax rates in 2015-2016. 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 2015-2016 fiscal year.

COOS COUNTY, OREGON
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2015

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, 2015

ASSETS	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Cash and cash equivalents	\$ 37,065,049	\$ 6,035,392	\$ 43,100,441
Receivables	2,949,790	227,851	3,177,641
Internal balances	(94,530)	94,530	-
Prepaid expenses	68,018	16,155	84,173
Inventories	414,422	-	414,422
Net pension asset	20,988,414	315,809	21,304,223
Noncurrent assets:			
Prepaid bond insurance	-	30,532	30,532
Temporarily restricted assets-cash	36,116	-	36,116
Capital assets:			
Land	5,525,474	709,402	6,234,876
Construction in process	7,709,460	358,342	8,067,802
Other capital assets (net)	76,165,645	43,605,432	119,771,077
Total assets	<u>150,827,858</u>	<u>51,393,445</u>	<u>202,221,303</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>3,039,428</u>	<u>45,734</u>	<u>3,085,162</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,208,562	217,215	1,425,777
Payroll liabilities	449,006	15,833	464,839
Unearned revenue	2,857,640	54,858	2,912,498
Accrued interest payable	-	34,814	34,814
Compensated absences payable	1,476,735	71,896	1,548,631
Current portion of long-term liabilities:			
Landfill closure/postclosure care costs	-	250,300	250,300
Bonds	-	930,000	930,000
Noncurrent liabilities:			
Portions due or payable after one year:			
Bonds	-	7,845,000	7,845,000
Accrued other postemployment benefits obligation	1,633,516	56,616	1,690,132
Accrued landfill closure/postclosure care costs	-	1,783,500	1,783,500
Total liabilities	<u>7,625,459</u>	<u>11,260,032</u>	<u>18,885,491</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>9,130,515</u>	<u>137,385</u>	<u>9,267,900</u>
NET POSITION			
Net Investment in capital assets	89,400,579	35,898,176	125,298,755
Restricted for:			
Roads, sidewalks, footpaths	6,101,173	-	6,101,173
Capital projects	334,121	766,488	1,100,609
Health	11,473,756	-	11,473,756
Public safety	2,096,824	-	2,096,824
Other programs	1,222,766	-	1,222,766
Unrestricted	<u>26,482,093</u>	<u>3,377,098</u>	<u>29,859,191</u>
Total net position	<u>\$ 137,111,312</u>	<u>\$ 40,041,762</u>	<u>\$ 177,153,074</u>

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, 2015

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	\$ 6,534,604	\$ 5,558,295	\$ 496,458	\$ -	\$ (479,851)	\$ -	\$ (479,851)
Public safety	9,436,105	817,623	4,017,718	54,013	(4,546,751)	-	(4,546,751)
Public works	6,568,185	78,886	5,218,073	49,189	(1,222,037)	-	(1,222,037)
Health and welfare	11,523,205	2,050,050	12,491,973	-	3,018,818	-	3,018,818
Community development	191,592	4,997	164,211	-	(22,384)	-	(22,384)
Culture and recreation	4,861,419	800,128	491,694	60,524	(3,509,073)	-	(3,509,073)
Intergovernmental	758,341	10,037	738,170	-	(10,134)	-	(10,134)
Interest and fiscal charges	794,305	23,079	-	-	(771,226)	-	(771,226)
Total governmental activities	40,667,756	9,343,095	23,618,297	163,726	(7,542,638)	-	(7,542,638)
Business-type activities:							
Sanitation	1,543,699	2,983,609	-	-	-	1,439,910	1,439,910
Gas pipeline	3,093,262	546,719	-	-	-	(2,546,543)	(2,546,543)
County fair	337,218	284,675	61,297	-	-	8,754	8,754
Transportation	739,086	96,245	742,850	-	-	100,009	100,009
Total business-type activities	5,713,265	3,911,248	804,147	-	-	(997,870)	(997,870)
Total government	\$ 46,381,021	\$ 13,254,343	\$ 24,422,444	\$ 163,726	(7,542,638)	(997,870)	(8,540,508)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					4,977,439	-	4,977,439
Property taxes, levied for 4-H & Extension services					404,631	-	404,631
Property taxes, levied for library services					3,316,053	-	3,316,053
Property taxes, levied for debt service					2,155,599	-	2,155,599
Foreclosed property sales					18,843	-	18,843
Grants and contributions not restricted to specific programs					3,018,056	-	3,018,056
Earnings on investments					185,895	-	185,895
Miscellaneous					873,552	-	873,552
Gain (loss) on disposition of capital assets					23,932	-	23,932
Total General Revenues					14,974,000	-	14,974,000
Transfers					(1,325,000)	1,325,000	-
Changes in net position					6,106,362	327,130	6,433,492
Net position - beginning of year					123,403,349	39,599,759	163,003,108
Prior period adjustment					7,601,601	114,873	7,716,474
Net position - beginning of year, restated					131,004,950	39,714,632	170,719,582
Net position - ending					\$ 137,111,312	\$ 40,041,762	\$ 177,153,074

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

**COOS COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	General	Public Works	Mental Health	County Forest
ASSETS				
Cash and cash equivalents	\$ 8,192,695	\$ 5,427,538	\$ 9,688,400	\$ 6,545,842
Receivables:				
Property taxes	485,887	-	-	-
Accounts	432,193	529,919	40,771	192,540
Due from other funds	-	56,455	-	-
Prepaid expenses	-	-	-	-
Inventories	-	414,422	-	-
Total assets	\$ 9,110,775	\$ 6,428,334	\$ 9,729,171	\$ 6,738,382
LIABILITIES				
Accounts payable	\$ 270,607	\$ 185,295	\$ 430,818	\$ 4,647
Payroll liabilities	449,006	-	-	-
Due to other funds	12,391	-	6,446	1,770
Unearned revenue	2,135,749	-	-	3,451
Total liabilities	2,867,753	185,295	437,264	9,868
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue:				
Property taxes	426,830	-	-	-
Assessments	-	72,558	-	-
Total deferred inflows of resources	426,830	72,558	-	-
FUND BALANCES				
Nonspendable	-	414,422	-	-
Restricted	-	5,756,059	9,291,907	-
Committed	45,634	-	-	-
Assigned	-	-	-	6,728,514
Unassigned	5,770,558	-	-	-
Total fund balances	5,816,192	6,170,481	9,291,907	6,728,514
Total liabilities, deferred inflows of resources and fund balances	\$ 9,110,775	\$ 6,428,334	\$ 9,729,171	\$ 6,738,382

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

Bonded Debt	Other Governmental Funds	Total
\$ 308,542	\$ 6,938,148	\$ 37,101,165
215,159	363,608	1,064,654
-	689,713	1,885,136
-	9,410	65,865
-	68,018	68,018
-	-	414,422
<u>\$ 523,701</u>	<u>\$ 8,068,897</u>	<u>\$ 40,599,260</u>

\$ -	\$ 317,195	\$ 1,208,562
-	-	449,006
-	139,788	160,395
-	718,440	2,857,640
-	1,175,423	4,675,603

189,580	319,542	935,952
-	-	72,558
<u>189,580</u>	<u>319,542</u>	<u>1,008,510</u>

-	68,018	482,440
334,121	5,846,553	21,228,640
-	572,180	617,814
-	87,181	6,815,695
-	-	5,770,558
<u>334,121</u>	<u>6,573,932</u>	<u>34,915,147</u>
<u>\$ 523,701</u>	<u>\$ 8,068,897</u>	<u>\$ 40,599,260</u>

COOS COUNTY, OREGON
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total fund balances - governmental funds \$ 34,915,147

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. 20,988,414

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. (6,091,087)

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	\$ 5,525,474	
Construction in process	7,709,460	
Depreciable assets	149,895,876	
Accumulated depreciation	<u>(73,730,231)</u>	
		89,400,579

The Statement of Net Position reports receivables at their net realizable value. However, taxes and assessments receivables are not available to pay for current period expenditures so they are deferred in governmental funds.

1,008,510

All liabilities are reported in the Statement of Net Position, however, if they are not due and payable in the current period, they are not recorded in the governmental funds:

Accrued other postemployment benefits	(1,633,516)	
Compensated absences	<u>(1,476,735)</u>	
		<u>(3,110,251)</u>

Total net position - governmental activities \$ 137,111,312

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, 2015

	General	Public Works	Mental Health	County Forest
Revenues:				
Property taxes	\$ 4,996,905	\$ -	\$ -	\$ -
Taxes - other	228,922	-	-	-
Intergovernmental	5,185,046	5,176,377	11,271,304	-
Licenses, fees and permits	529,711	44,430	38,848	-
Charges for services	525,580	964,708	129,431	125,755
Timber sales	-	-	-	4,518,646
Fines and forfeitures	127,162	8,101	-	-
Interest on investments	50,784	24,657	44,544	22,855
Other	353,009	16,261	2,268	3
Total revenues	<u>11,997,119</u>	<u>6,234,534</u>	<u>11,486,395</u>	<u>4,667,259</u>
Expenditures:				
General government	6,165,027	-	-	499,753
Public safety	9,196,860	-	-	-
Public works	-	4,711,016	-	-
Health and welfare	392,677	-	10,504,877	-
Community development	-	-	-	-
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Capital outlay	442,576	714,442	34,545	93,959
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>16,197,140</u>	<u>5,425,458</u>	<u>10,539,422</u>	<u>593,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,200,021)</u>	<u>809,076</u>	<u>946,973</u>	<u>4,073,547</u>
Other financing sources (uses):				
Sales of capital assets	13,562	3,333	-	-
Transfers in	4,786,551	-	686,030	-
Transfers out	(718,023)	-	-	(4,742,487)
Total other financing sources (uses)	<u>4,082,090</u>	<u>3,333</u>	<u>686,030</u>	<u>(4,742,487)</u>
Net change in fund balances	<u>(117,931)</u>	<u>812,409</u>	<u>1,633,003</u>	<u>(668,940)</u>
Fund balances at beginning of year	5,934,123	5,390,819	7,658,904	7,397,454
Prior period adjustment	-	(32,747)	-	-
Net assets at beginning of year, restated	<u>5,934,123</u>	<u>5,358,072</u>	<u>7,658,904</u>	<u>7,397,454</u>
Fund balances at end of year	<u>\$ 5,816,192</u>	<u>\$ 6,170,481</u>	<u>\$ 9,291,907</u>	<u>\$ 6,728,514</u>

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

Bonded Debt	Other Governmental Funds	Total
\$ 2,166,207	\$ 3,735,236	\$ 10,898,348
3,743	108,039	340,704
-	4,729,723	26,362,450
-	3,004,278	3,617,267
-	354,344	2,099,818
-	-	4,518,646
23,079	186,690	345,032
5,356	38,689	186,885
-	60,224	431,765
<u>2,198,385</u>	<u>12,217,223</u>	<u>48,800,915</u>
-	514,804	7,179,584
-	3,167,844	12,364,704
-	-	4,711,016
-	2,474,296	13,371,850
-	191,592	191,592
-	4,803,733	4,803,733
-	758,341	758,341
-	110,911	1,396,433
7,110,000	-	7,110,000
794,306	-	794,306
<u>7,904,306</u>	<u>12,021,521</u>	<u>52,681,559</u>
<u>(5,705,921)</u>	<u>195,702</u>	<u>(3,880,644)</u>
-	3,444	20,339
5,785,000	754,990	12,012,571
-	(767,061)	(6,227,571)
<u>5,785,000</u>	<u>(8,627)</u>	<u>5,805,339</u>
<u>79,079</u>	<u>187,075</u>	<u>1,924,695</u>
255,042	6,386,857	33,023,199
-	-	(32,747)
<u>255,042</u>	<u>6,386,857</u>	<u>32,990,452</u>
<u>\$ 334,121</u>	<u>\$ 6,573,932</u>	<u>\$ 34,915,147</u>

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, 2015

Total net change in fund balances - governmental funds **\$ 1,891,948**

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

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

Property taxes	\$ (125,287)	
Special assessments	<u>72,558</u>	(52,729)

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.

14,897,327

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

Capital assets	829,081	
Gain (Loss) on disposition	23,932	
Depreciation	<u>(3,674,439)</u>	(2,821,426)

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

Changes in compensated absences payable	(100,065)	
Change in accrued other postemployment benefits	<u>(107,092)</u>	(207,157)

Change in net position of governmental activities **\$ 13,707,963**

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

COOS COUNTY, OREGON
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
June 30, 2015

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,733,383	\$ 3,131,850	\$ 170,159	\$ 6,035,392
Receivable				
Grants	-	-	70,697	70,697
Accounts	138,516	16,636	2,002	157,154
Due from other funds	-	-	114,794	114,794
Prepays	-	-	16,155	16,155
Net pension asset	244,536	-	71,273	315,809
Noncurrent assets:				
Prepaid bond insurance	-	30,532	-	30,532
Capital assets:				
Land	9,862	551,191	148,349	709,402
Construction in process	3,240	332,222	22,880	358,342
Other capital assets (net of accumulated depreciation)	1,434,174	41,379,312	791,946	43,605,432
Total assets	4,563,711	45,441,743	1,408,255	51,413,709
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amounts related to pensions	35,412	-	10,322	45,734
LIABILITIES				
Current liabilities:				
Accounts payable	104,887	54,719	57,609	217,215
Accrued payroll benefits	-	-	15,833	15,833
Compensated absences payable	35,423	-	36,473	71,896
Due to other funds	15,746	4,518	-	20,264
Accrued interest payable	-	34,814	-	34,814
Prepaid deposits, etc.	-	25,000	29,858	54,858
Current portion of long-term liabilities				
Bonds	-	930,000	-	930,000
Landfill closure/post-closure care cost	250,300	-	-	250,300
Noncurrent liabilities:				
Long-term liabilities (net of current portion)				
Bonds	-	7,845,000	-	7,845,000
Accrued other postemployment benefits obligation	49,141	-	7,475	56,616
Accrued landfill closure/post-closure care cost	1,783,500	-	-	1,783,500
Total liabilities	2,238,997	8,894,051	147,248	11,280,296
DEFERRED INFLOWS OF RESOURCES				
Deferred amounts related to pensions	106,379	-	31,006	137,385
NET POSITION				
Net investment in capital assets	1,447,276	33,487,725	963,175	35,898,176
Restricted for:				
Capital projects/debt service	-	766,488	-	766,488
Unrestricted	806,471	2,293,479	277,148	3,377,098
Total net position	\$ 2,253,747	\$ 36,547,692	\$ 1,240,323	\$ 40,041,762

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, 2015

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Operating revenues:				
Waste disposal fees	\$ 1,585,931	\$ -	\$ -	\$ 1,585,931
Operational charges	-	-	302,428	302,428
Pipeline operations	-	502,464	-	502,464
Intergovernmental revenues	-	-	804,147	804,147
Miscellaneous	5,628	-	77,919	83,547
Total operating revenues	1,591,559	502,464	1,184,494	3,278,517
Operating expenses:				
Personal service	220,136	-	376,437	596,573
Materials and services	886,594	2,079,260	601,598	3,567,452
Depreciation	147,401	1,045,380	98,269	1,291,050
Total operating expenses	1,254,131	3,124,640	1,076,304	5,455,075
Operating income (loss)	337,428	(2,622,176)	108,190	(2,176,558)
Other revenues (expense)				
Interest on investments	13,073	59,026	573	72,672
Change in estimated post closure cost	1,121,932	-	-	1,121,932
Gain (Loss) on disposition of capital assets	(32,523)	16,607	-	(15,916)
Total other revenues (expenses)	1,102,482	75,633	573	1,178,688
Income (loss) before transfers	1,439,910	(2,546,543)	108,763	(997,870)
Transfers from other funds (net)	-	1,325,000	-	1,325,000
Change in net assets	1,439,910	(1,221,543)	108,763	327,130
Net position at beginning of year	724,889	37,769,235	1,105,635	39,599,759
Prior period adjustment	88,948	-	25,925	114,873
Net position at beginning of year, restated	813,837	37,769,235	1,131,560	39,714,632
Net position at end of year	\$ 2,253,747	\$ 36,547,692	\$ 1,240,323	\$ 40,041,762

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, 2015

	Waste Disposal	Gas Pipeline	Other Enterprise Funds	Totals
Cash flows from operating activities:				
Cash received from customers and users	\$ 1,587,218	\$ 502,876	\$ 437,226	\$ 2,527,320
Cash received from grantors	-	-	660,539	660,539
Cash paid to employees	(314,185)	-	(403,689)	(717,874)
Cash paid to suppliers	(1,155,190)	(2,013,781)	(607,267)	(3,776,238)
Net cash provided (used) by operating activities	117,843	(1,510,905)	86,809	(1,306,253)
Cash flows from noncapital financing activities:				
Interfund transfers (net)	-	1,325,000	745	1,325,745
Cash flows from capital and related financing activities:				
Principal payments on long-term debt	-	(7,110,000)	-	(7,110,000)
Proceeds from sale of capital assets	48,222	76,101	-	124,323
Capital expenditures	(139,459)	332,222	(106,984)	85,779
Net cash (used) by capital and related financing activities	(91,237)	(6,701,677)	(106,984)	(6,899,898)
Cash flows from investing activities:				
Interest received	13,073	27,648	573	41,294
Net increase (decrease) in cash and cash equivalents	39,679	(6,859,934)	(18,857)	(6,839,112)
Cash and cash equivalents at beginning of year (including restricted cash of \$2,287,981)	2,693,704	10,324,006	189,016	13,206,726
Cash and cash equivalents at end of year	<u>\$ 2,733,383</u>	<u>\$ 3,464,072</u>	<u>\$ 170,159</u>	<u>\$ 6,367,614</u>

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

Operating income (loss)	\$ 337,428	\$ (2,622,176)	\$ 108,190	\$ (2,176,558)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	147,401	1,045,380	98,269	1,291,050
Change in assets and liabilities:				
Accounts receivable	(4,341)	412	(92,024)	(95,953)
Prepays	-	26,587	(600)	25,987
Accounts payable	19,696	38,892	(7,657)	50,931
OPEB liability	1,276	-	-	1,276
Assets and liabilities related to pension	(84,621)	-	(24,664)	(109,285)
Compensated absences payable	(9,428)	-	-	(9,428)
Landfill closure/post-closure care cost	(289,568)	-	-	(289,568)
Unearned revenue	-	-	5,295	5,295
Net cash provided (used) by operating activities	<u>\$ 117,843</u>	<u>\$ (1,510,905)</u>	<u>\$ 86,809</u>	<u>\$ (1,306,253)</u>
Schedule of non-cash donations	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015

ASSETS	<u>Total Agency Funds</u>
Cash and cash equivalents	\$ 2,548,493
Receivables:	
Property/Taxes	<u>4,965,357</u>
Total assets	<u>\$ 7,513,850</u>
 LIABILITIES	
Due to other agencies and taxing districts	<u>\$ 7,513,850</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, 2015

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 and proprietary funds 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.

Mental Health Fund – This fund accounts for and reports the County's mental health 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.

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.

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 Investment Pool and certain highly rated commercial paper. Investments are recorded at fair value. All other investments are pooled in order to maximize interest rates. Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

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.

Investments are stated at amortized cost, which approximates fair value.

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 for repayment of debt 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 notes payable, 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.

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.

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. *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.

10. *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.

11. *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.

12. *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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Except for its Trust and Agency Funds, 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 and the Mental Health Special Revenue Fund 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 other expenditures. 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, 2015 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	Comm- issioners	District Attorney	Sheriff	Surveyor	Treasurer	Total
Cash on hand July 1, 2014	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 50,862,730	\$ 50,883,355
Receipts	67,733	744,788	801,542	292,094	2,340,943	33,546	98,232,921	102,513,567
Turnovers and disbursements:								
To County Treasurer and to others	(67,733)	(744,788)	(801,542)	(292,094)	(2,340,943)	(33,546)	(103,517,612)	(107,798,258)
Cash on hand June 30, 2015	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 45,578,039	\$ 45,598,664
Consists of:								
Change and revolving funds	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 3,341	\$ 23,966
Deposits w/County Treasurer	-	-	-	-	-	-	45,574,698	45,574,698
Total	\$ 50	\$ 100	\$ 125	\$ -	\$ 20,300	\$ 50	\$ 45,578,039	\$ 45,598,664

D. Investment Limitations

With the consent of the governing body, local governments may place in the aggregate up to \$47,012,858 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 2014-15.

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, 2015. 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, 2015, the carrying amounts of the County's deposits in various financial institutions were \$3,062,019 and the bank balance was \$5,008,716. All deposits are held in the name of the County. Of the bank balance, \$599,455 was insured by the Federal Depository Insurance Corporation and \$4,409,261 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, 2015, the County had invested \$42,435,718 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. 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, 2015 was unqualified.

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 following schedule provides this information.

Investment Detail

Fair Value of Investments, June 30, 2015

<u>Investment Type</u>	<u>Maturities</u>	<u>Concentration Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100.0%	\$ 42,435,718

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

Deposits and Investments:

Carrying amount of deposits	\$ 3,062,019
Carrying amount of investments	42,435,718
Cash on hand	25,178
Deposit in transit	162,135

Total deposits and investments \$ 45,685,050

Governmental Activities:

General Fund	\$ 8,192,695
Public Works Fund	5,427,538
Mental Health Fund	9,688,400
County Forest Fund	6,545,842
Bonded Debt Fund	308,542
Governmental nonmajor funds in aggregate	6,938,148

37,101,165

Business-Type Activities:

Waste Disposal Fund	2,733,383
Gas Pipeline Fund	3,131,850
Business-type non-major funds in aggregate	170,159

6,035,392

Agency Fund:

Deposits and investments	2,548,493
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Total cash and cash equivalents \$ 45,685,050

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 \$63,214,463 for the fiscal year 2014-2015. For the 2014-2015 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, 2015, property tax allocation for receivables between funds consisted of the following:

General Fund	\$ 485,887
Bond Debt Fund	215,159
Library Service District	324,128
4-H & Extension Service District	<u>39,480</u>
Subtotal	1,064,654
Trust and Agency Fund	<u>4,965,357</u>
	<u><u>\$ 6,030,011</u></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. The Balance Sheet also reports deferred inflows in connection with resources that have been received but not yet earned.

At June 30, 2015, the General Fund, Bonded Debt Service Fund, and the non-major funds reported deferred inflows of resources for property taxes totaling \$ \$935,952, 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 \$72,558, which is also not available to liquidate current liabilities.

The Statement of Net Position reports deferred outflows of resources totaling \$3,085,162 in connection with differences between employer contributions and the District's proportionate share of contributions related to pension assets.

The Statement of Net Position also reports a total of \$9,267,900 in deferred inflows of resources for the net difference between projected and actual earnings on investments related to pension assets.

C. 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	Mental Health Fund	County Forest Fund	Bonded Debt Fund	Nonmajor Funds	Total
Nonspendable:							
Inventory	\$ -	\$ 414,422	\$ -	\$ -	\$ -	\$ -	\$ 414,422
Prepaid expenses	-	-	-	-	-	68,018	68,018
Restricted:							
Debt service	-	-	-	-	334,121	-	334,121
Public safety services	-	-	-	-	-	1,850,520	1,850,520
Health services	-	-	9,291,907	-	-	2,274,349	11,566,256
Economic dev. services	-	-	-	-	-	722,990	722,990
Roads, sidewalks, footpaths	-	5,756,059	-	-	-	345,113	6,101,172
Other	-	-	-	-	-	653,581	653,581
Committed:							
Public safety	-	-	-	-	-	105,141	105,141
Parks	-	-	-	-	-	398,958	398,958
Industrial development	-	-	-	-	-	68,081	68,081
Other	45,634	-	-	-	-	-	45,634
Assigned:							
Forest management	-	-	-	6,527,529	-	-	6,527,529
Future construction	-	-	-	200,985	-	-	200,985
Planning services	-	-	-	-	-	87,181	87,181
Unassigned:							
	5,770,558	-	-	-	-	-	5,770,558
Total fund balance	\$ 5,816,192	\$ 6,170,481	\$ 9,291,907	\$ 6,728,514	\$ 334,121	\$ 6,573,932	\$ 34,915,147

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

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

Fund:	Transfer In	Transfer Out
Governmental Activities:		
General Fund	\$ 4,786,551	\$ 718,023
Mental Health Fund	686,030	-
County Forest Fund	-	4,742,487
Bonded Debt Fund	5,785,000	-
Non-major governmental funds	754,990	767,061
Total Governmental Activities Transfers	12,012,571	6,227,571
Business-type Activities:		
Gas Pipeline Fund	-	5,785,000
Total before non-budgetary transfers	12,012,571	12,012,571
Non-budgetary transfers		
Gas Pipeline Fund	7,110,000	-
Bonded Debt Fund	-	7,110,000
Total non-budgetary transfers	\$ 7,110,000	\$ 7,110,000

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</u>	<u>Due From</u>
Governmental Activities:		
General Fund	\$ -	\$ 12,391
Public Works Fund	56,455	-
Mental Health Fund	-	6,446
County Forest Fund	-	1,770
Nonmajor governmental funds	<u>9,410</u>	<u>139,788</u>
Total Governmental Activities Transfers	<u>65,865</u>	<u>160,395</u>
Business-type Activities:		
Waste Disposal Fund	-	15,746
Gas Pipeline Fund	-	4,518
Nonmajor funds	<u>114,794</u>	<u>-</u>
Total Business-type Activities Transfers	<u>114,794</u>	<u>20,264</u>
	<u>\$ 180,659</u>	<u>\$ 180,659</u>

G. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

Governmental Activities:	Balance 06/30/2014	Transfers & Additions	Transfers & Deletions	Balance 06/30/2015
<i>Non-depreciable capital assets:</i>				
Land	\$ 5,313,977	\$ 234,750	\$ (23,253)	\$ 5,525,474
Construction in progress	8,363,223	57,657	(711,420)	7,709,460
Total non-depreciable capital assets	13,677,200	292,407	(734,673)	13,234,934
<i>Depreciable capital assets:</i>				
Buildings	20,852,226	261,916	(7,866)	21,106,276
Improvements	2,919,149	60,524	(1,547)	2,978,126
Equipment & vehicles	17,106,238	607,066	(299,810)	17,413,494
Infrastructure	107,722,984	685,885	(10,890)	108,397,979
Total depreciable capital assets	148,600,597	1,615,391	(320,113)	149,895,875
<i>Less accumulated depreciation for:</i>				
Buildings	(8,766,210)	(396,013)	1,694	(9,160,529)
Improvements	(991,559)	(77,882)	1,547	(1,067,894)
Equipment & vehicles	(10,640,533)	(851,745)	251,184	(11,241,094)
Infrastructure	(49,657,490)	(2,603,223)	-	(52,260,713)
Total accumulated depreciation	(70,055,792)	(3,928,863)	254,425	(73,730,230)
Total depreciable capital assets (net)	78,544,805	(2,313,472)	(65,688)	76,165,645
Governmental Activities capital assets (net)	\$ 92,222,005	\$ (2,021,065)	\$ (800,361)	\$ 89,400,579

Business-type activities:	Balance 06/30/2014	Additions	Deletions	Balance 06/30/2015
<i>Non-depreciable capital assets:</i>				
Land	\$ 709,402	\$ -	\$ -	\$ 709,402
Construction in progress	332,222	26,120	-	358,342
Total Non-depreciable capital assets	1,041,624	26,120	-	1,067,744
<i>Depreciable capital assets:</i>				
Buildings	2,259,010	67,806	(18,400)	2,308,416
Improvements	2,509,017	-	-	2,509,017
Equipment & vehicles	1,685,841	152,515	(363,194)	1,475,162
Infrastructure	52,254,064	-	(76,101)	52,177,963
Total depreciable capital assets	58,707,932	220,321	(457,695)	58,470,558
<i>Less accumulated depreciation for:</i>				
Buildings	(1,207,248)	(48,259)	18,400	(1,237,107)
Improvements	(1,684,308)	(75,869)	-	(1,760,177)
Equipment & vehicles	(1,241,637)	(120,997)	282,449	(1,080,185)
Infrastructure	(9,758,339)	(1,045,925)	16,607	(10,787,657)
Total accumulated depreciation	(13,891,532)	(1,291,050)	317,456	(14,865,126)
Total depreciable capital assets (net)	44,816,400	(1,070,729)	(140,239)	43,605,432
Business-Type activities capital assets (net)	<u>\$ 45,858,024</u>	<u>\$ (1,044,609)</u>	<u>\$ (140,239)</u>	<u>\$ 44,673,176</u>

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

Governmental activities:		
General government		\$ 647,648
Public safety		309,601
Health & welfare		38,157
Public works		2,730,315
Culture and recreation		203,247
Total depreciation expense - governmental activities		<u>\$ 3,928,968</u>
Business-type activities:		
Sanitation		\$ 147,401
County fair		29,010
Gas pipeline		1,045,380
Transportation		69,259
Total depreciation expense - business-type activities		<u>\$ 1,291,050</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, 2015 are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 930,000	\$ 417,770	\$ 1,347,770
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	1,285,000	62,708	1,347,708
Total	<u>\$ 8,775,000</u>	<u>\$ 2,015,515</u>	<u>\$ 10,790,515</u>

On April 12, 2005 the County issued \$9,240,000 of Series 2005 taxable general obligation bonds. The proceeds are being used to finance the completion of the costs of designing, acquiring, constructing and equipping a natural gas pipeline from Roseburg, Oregon to Coos Bay/North Bend, Oregon. The interest rates on the remaining bonds ranges from 5.04% to 5.09% through 2015. The 2020 Term Bond and the 2025 Term Bond are subject to mandatory redemption, and were redeemed on June 1, 2015 for \$5,785,000. The payments are paid from the Bonded Debt Fund, from taxes levied for debt service.

At June 30, 2015, future general obligation bonded debt requirements for the Series 2005 general obligation bonds was zero.

Changes in long-term debt are as follows:

	<u>Balance June 30, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>	<u>Amounts due Within one year</u>
<u>Business-Type Funds</u>					
General obligation bonds	\$ 15,885,000	\$ -	\$ 7,110,000	\$ 8,775,000	\$ 930,000

Changes in other long-term liabilities:

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015	Amounts due Within one year
<u>Governmental Fund Types</u>					
Compensated absences	\$ 1,376,670	\$ 1,599,123	\$ 1,499,058	\$ 1,476,735	\$ 1,476,735
Other post employment benefits	1,526,424	107,092	-	1,633,516	-
Total governmental fund types	<u>\$ 2,903,094</u>	<u>\$ 1,706,215</u>	<u>\$ 1,499,058</u>	<u>\$ 3,110,251</u>	<u>\$ 1,476,735</u>
<u>Business-Type Funds</u>					
Compensated absences	\$ 77,772	\$ 53,683	\$ 59,559	\$ 71,896	\$ 71,896
Closure/post closure costs	3,445,300	-	1,411,500	2,033,800	250,300
Other post employment benefits	54,968	1,648	-	56,616	-
Total proprietary fund types	<u>\$ 3,578,040</u>	<u>\$ 55,331</u>	<u>\$ 1,471,059</u>	<u>\$ 2,162,312</u>	<u>\$ 322,196</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.

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.

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 22.41 percent for Tier 1 and Tier II employees, 18.19 percent for OPSRP members and 20.92 percent for OPSRP Police and Fire for the fiscal year.

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 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, 2015 were \$3,146,324. This consisted of \$2,299,563 from the District and \$846,761 paid by the County on behalf of employees. These payments added to the County's fiduciary net position.

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.

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.

Actuarial methods and assumptions used in developing total pension liability:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study	2012, Published September 18, 2013
Amortization cost method	Entry Age Normal
Amortization method	Amortized as level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Actuarial asset valuation	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increases	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service.
Mortality	<p>Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members: Mortality rates are a percentage of healthy retirees rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Assumed Asset Allocation:

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

Long-Term Expected Rate of Return:

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.25%	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	7.71	6.07
Assumed Inflation - Mean		2.75%

Measurement Date [MD] of the Net Pension Liability/(Asset) [NPL/(A)] 06/30/2014

Actuarial Valuation Date (liability rolled forward to MD) 12/31/2012

Discount rate 7.75%

Employer's proportionate share at prior MD 0.21189386%

Employer's proportionate share at MD 0.21189386%

Employer's proportionate share of system NPL/(A) at prior MD \$ 10,813,254

Employer's proportionate share of system NPL/(A) at MD \$ (4,803,029)

Sensitivity: NPL/(A) using discount rate 1.00% lower \$ 10,171,081

Sensitivity: NPL/(A) using discount rate 1.00% higher \$ (17,467,614)

Employer Pension Expense for Measurement Period

Employer's proportionate share of system Pension Expense/(Income) \$ (4,409,052)

Net Amortization of deferred amounts from: \$ 21,776

Changes in proportionate share

Differences between employer contributions and employer's proportionate share of system contributions

Employer's Total Pension Expense/(Income) \$ (4,387,276)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on investments	-	9,267,900
Changes in proportion and differences between employer contributions and proportionate share of contributions	100,717	-
Contributions subsequent to the MD	<u>2,984,445</u>	<u>-</u>
Total	<u>\$ 3,085,162</u>	<u>9,267,900</u>

Subsequent to the MD, the Oregon Supreme Court ruled that certain provisions of Senate Bill 861 which was signed into law in October 2013 that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. The estimated effect for the County is an approximate \$10,425,178 change in the Net Pension Liability/(Asset) amount, going from (\$4,809,991) to \$5,561,187. It is not believed at this time that the County's percentage share will change because of this action. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

The \$3,085,162 reported as deferred outflow of resources related to pensions resulting from County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. 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

2016	\$(2,295,199)
2017	(2,295,199)
2018	(2,295,199)
2019	(2,295,199)
2020	13,066
Thereafter	<u>-</u>
Total	<u>\$(9,167,730)</u>

The assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015.

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 administered by the County. The County contributes a specific negotiated amount toward the monthly premium for the participant. 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 \$6,575, 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 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 2014-2015, the County collected and contributed \$33,468 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 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 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, 2015
Annual required contribution	\$ 196,282
Interest on prior year net OPEB obligation	63,256
Adjustment to ARC	<u>(66,870)</u>
Annual OPEB cost	192,668
Explicit benefit payments	(14,228)
Implicit benefit payments	<u>(69,700)</u>
Increase in net OPEB obligation	108,740
Net OPEB obligation - beginning of year	<u>1,581,392</u>
Net OPEB obligation - end of year	<u><u>\$ 1,690,132</u></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 6/30/15	Estimated Remaining Life (Years)
Bandon disposal site	\$ 1,500	100%	\$ 1,500	-
Beaver Hill disposal site (municipal solid waste)	921,000	100%	921,000	-
Joe Ney disposal site (construction demolition)	1,111,300	100%	1,111,300	-
	<u>\$ 2,033,800</u>		<u>\$ 2,033,800</u>	

The above dollar amounts are based on the estimated cost to perform all closure and post-closure in 2014-2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. During 2014-2015, actual landfill closure and post-closure costs were \$412,372. The liability for special projects, closure and post closure costs was adjusted from \$3,445,300 to \$2,033,800, as a result of the 2015 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, 2015, the cash and investment balance in the reserve fund is \$1,143,031. 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.

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 will be 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 restate the 2014-15 beginning net position. This restatement resulted in an increase in beginning net position of \$7,634,348 for the governmental activities and \$114,873 for the business type activities, both of which are shown on the Statement of Activities. The adoption also resulted in an increase to beginning fund balances of the Enterprise Funds that include payroll: Solid Waste Disposal Fund, \$88,948, and County Fair, \$25,925.

Also during fiscal year 2014-15 the an error was discovered in the County Road Department's fuel inventory tracking system which resulted in overstated fuel inventory balances in prior years in an aggregate of \$32,747. Adjustments to correctly report fuel inventory at June 30, 2015 resulted in a decrease in beginning fund balance in the Road Department Fund and a decrease in beginning net position of the governmental funds of \$32,747.

I. Subsequent Events

During the fiscal year ending June 30, 2014, Coos County purchased a ten (10) percent share in Western Oregon Advanced Health LLC, a Coordinated Care Organization (CCO). The Organization was created through an initiative by the State of Oregon to reform health care in Oregon to provide care to more people for less money.

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. The Schedule K-1 reported the value of the County's share of the capital account as \$530,716 as of December 31, 2015. Notice of the Schedule K-1 was provided well beyond the County's ninety days cut-off period for closing the fiscal year. Additionally, the amount reported was as of the County's year-end of June 30, 2015 and an estimate of the value at June 30, 2015 will be calculated and recorded as a prior period adjustment during fiscal year 2016.

**REQUIRED SUPPLEMENTARY
INFORMATION**

COOS COUNTY, OREGON

**OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS
June 30, 2015**

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

*Expected

COOS COUNTY, OREGON

**SCHEDULE OF PROPORTIONATE SHARE
OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2014**

District's proportion of the net pension liability (asset)	0.211894%
District's proportionate share of the net pension liability (asset)	\$ (4,803,029)
District's covered-employee payroll	\$ 12,342,285
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.92%
Plan fiduciary net position as a percentage of the total pension liability	103.60%

**SCHEDULE OF CONTRIBUTIONS
OF NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>2015</u>
Contractually required contribution	\$ 3,146,324
Contributions in relation to the contractually required contribution	<u>(3,146,324)</u>
Contribution deficiency (excess)	<u>\$ -</u>
District's covered-employee payroll	\$ 13,937,930
Contributions as a percentage of covered-employee payroll	22.57%

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.

Mental Health Fund – The Mental Health Fund accounts for and reports the County's mental health 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.

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
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
For the Year Ended June 30, 2015

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Property taxes	\$ 4,726,225	\$ 4,726,225	\$ 4,996,905	\$ 270,680
Taxes - other	197,100	197,100	228,922	31,822
Intergovernmental	4,995,125	5,018,625	5,185,046	166,421
Licenses, fees, and permits	506,698	506,698	529,711	23,013
Charges for services	622,798	622,798	525,580	(97,218)
Fines and forfeiture	110,450	110,450	127,162	16,712
Interest on investments	55,000	55,000	50,784	(4,216)
Other	109,069	109,069	353,009	243,940
Total revenues	11,322,465	11,345,965	11,997,119	651,154
Expenditures:				
General Government:				
Assessor	1,128,290	1,128,290	1,045,093	83,197
Board of Commissioners/Admin.	354,231	354,231	351,966	2,265
Board of Commissioners/Infor. Tech.	783,636	783,636	641,812	141,824
Clerk/Records	522,858	522,858	502,989	19,869
County Counsel	516,711	516,711	396,527	120,184
District Attorney/Prosecution	1,000,750	1,000,750	941,157	59,593
Human Resources	252,321	252,321	249,397	2,924
Maintenance	737,499	737,499	662,844	74,655
Surveyor	270,968	270,968	250,387	20,581
Treasurer and Tax	597,866	597,866	500,864	97,002
Miscellaneous nondepartmental:				
Personnel services	100,000	100,000	20,413	79,587
Materials and services	873,918	873,918	667,548	206,370
Payment of advanced taxes	20,000	20,000	18,161	1,839
Capital outlay	432,500	432,500	111,265	321,235
Total General Government	\$ 7,591,548	\$ 7,591,548	\$ 6,360,423	\$ 1,231,125

See auditor's report.

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, 2015

	Budget		Actual	Variance
	Original	Final		
Health and Welfare:				
District Attorney/Medical Examiner	\$ 186,303	\$ 186,303	\$ 168,419	\$ 17,884
District Attorney/Support Enforcement	135,284	135,284	130,276	5,008
Veterans	111,983	111,983	93,982	18,001
Total Health and Welfare	<u>433,570</u>	<u>433,570</u>	<u>392,677</u>	<u>40,893</u>
Public Safety:				
Juvenile	956,346	956,346	839,870	116,476
Sheriff/Criminal	3,537,109	3,543,109	3,082,259	460,850
Sheriff/Dunes	377,383	377,383	306,999	70,384
Sheriff/Jail	5,183,249	5,183,249	4,908,337	274,912
Sheriff/Marine	322,464	339,964	306,575	33,389
Total Public Safety	<u>10,376,551</u>	<u>10,400,051</u>	<u>9,444,040</u>	<u>956,011</u>
Contingency	<u>2,000,000</u>	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>
Total expenditures	<u>20,401,669</u>	<u>20,425,169</u>	<u>16,197,140</u>	<u>4,228,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,079,204)</u>	<u>(9,079,204)</u>	<u>(4,200,021)</u>	<u>4,879,183</u>
Other financing sources (uses)				
Sale of capital assets	-	-	13,562	13,562
Transfer in	4,819,693	4,819,693	4,786,551	(33,142)
Transfer out	(869,013)	(869,013)	(718,023)	150,990
Total other financing sources	<u>3,950,680</u>	<u>3,950,680</u>	<u>4,082,090</u>	<u>131,410</u>
Net change in fund balance	<u>(5,128,524)</u>	<u>(5,128,524)</u>	<u>(117,931)</u>	<u>5,010,593</u>
Fund balance at beginning of year	<u>5,128,524</u>	<u>5,128,524</u>	<u>5,934,123</u>	<u>805,599</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,816,192</u>	<u>\$ 5,816,192</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PUBLIC WORKS FUND
For the Year Ended June 30, 2015

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 5,148,931	\$ 5,148,931	\$ 5,176,377	\$ 27,446
Licenses, fees, and permits	30,000	30,000	44,430	14,430
Charges for services	880,000	880,000	964,708	84,708
Interest on investments	16,000	16,000	24,657	8,657
Fines and forfeitures	3,175	3,175	8,101	4,926
Other	5,000	5,000	16,261	11,261
	<u>6,083,106</u>	<u>6,083,106</u>	<u>6,234,534</u>	<u>151,428</u>
Total revenues				
Expenditures:				
Public Works:				
Road Survey	26,474	26,474	25,574	900
Road Maintenance	3,597,870	3,827,870	3,608,069	219,801
Fleet Services	1,203,134	1,203,134	1,077,373	125,761
Capital Projects	1,405,172	1,175,172	714,442	460,730
ORC Road Maintenance	6,985	6,985	-	6,985
Contingency	3,767,672	3,767,672	-	3,767,672
	<u>10,007,307</u>	<u>10,007,307</u>	<u>5,425,458</u>	<u>4,581,849</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(3,924,201)</u>	<u>(3,924,201)</u>	<u>809,076</u>	<u>4,733,277</u>
Other financing sources (uses):				
Sale of capital assets	<u>1,000</u>	<u>1,000</u>	<u>3,333</u>	<u>2,333</u>
Net change in fund balance	<u>(3,923,201)</u>	<u>(3,923,201)</u>	<u>812,409</u>	<u>4,735,610</u>
Fund balance at beginning of year	<u>3,923,201</u>	<u>3,923,201</u>	<u>5,390,819</u>	<u>1,467,618</u>
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(32,747)</u>	<u>(32,747)</u>
Net assets at beginning of year, restated	<u>3,923,201</u>	<u>3,923,201</u>	<u>5,358,072</u>	<u>1,434,871</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,170,481</u>	<u>\$ 6,170,481</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MENTAL HEALTH FUND
For the Year Ended June 30, 2015

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,281,008	\$ 10,281,008	\$ 11,271,304	\$ 990,296
Licenses, fees, and permits	30,000	30,000	38,848	8,848
Interest on investments	38,000	38,000	44,544	6,544
Charges for services	82,000	82,000	129,431	47,431
Other	-	-	2,268	2,268
Total revenues	<u>10,431,008</u>	<u>10,431,008</u>	<u>11,486,395</u>	<u>1,055,387</u>
Expenditures:				
Health and Welfare:				
Local Administration	3,413,022	3,413,022	2,126,726	1,286,296
Mental Health Services	13,248,241	13,248,241	7,857,947	5,390,294
Alcohol and Drug Services	940,445	940,445	554,749	385,696
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>18,601,708</u>	<u>18,601,708</u>	<u>10,539,422</u>	<u>8,062,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,170,700)</u>	<u>(8,170,700)</u>	<u>946,973</u>	<u>9,117,673</u>
Other financing sources (uses):				
Transfer in	771,700	771,700	686,030	(85,670)
Transfer out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
Total other financing sources (uses)	<u>766,700</u>	<u>766,700</u>	<u>686,030</u>	<u>(80,670)</u>
Net change in fund balance	<u>(7,404,000)</u>	<u>(7,404,000)</u>	<u>1,633,003</u>	<u>9,037,003</u>
Fund balance at beginning of year	<u>7,404,000</u>	<u>7,404,000</u>	<u>7,658,904</u>	<u>254,904</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,291,907</u></u>	<u><u>\$ 9,291,907</u></u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY FOREST FUND
For the Year Ended June 30, 2015

	Budget		Actual	Variance
	Original	Final		
Revenues:				
Charges for services	\$ 103,071	\$ 103,071	\$ 125,755	\$ 22,684
Timber sales	3,274,809	3,274,809	4,518,646	1,243,837
Interest on investments	24,000	24,000	22,080	(1,920)
Other	-	-	3	3
Total revenues	<u>3,401,880</u>	<u>3,401,880</u>	<u>4,666,484</u>	<u>1,264,604</u>
Expenditures:				
General Government:				
Personnel services	319,677	309,677	236,181	73,496
Materials and services	393,270	388,270	263,572	124,698
Capital outlay	79,571	94,571	93,959	612
Contingency	5,053,661	5,053,661	-	5,053,661
Total expenditures	<u>5,846,179</u>	<u>5,846,179</u>	<u>593,712</u>	<u>5,252,467</u>
Excess (deficiency) of revenues over (under) expenditures	(2,444,299)	(2,444,299)	4,072,772	6,517,071
Other financing sources (uses):				
Transfer out	<u>(4,842,487)</u>	<u>(4,842,487)</u>	<u>(4,842,487)</u>	<u>-</u>
Net change in fund balance	(7,286,786)	(7,286,786)	(769,715)	6,517,071
Fund balance at beginning of year	<u>7,286,786</u>	<u>7,286,786</u>	<u>7,297,244</u>	<u>10,458</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,527,529</u>	<u>\$ 6,527,529</u>

See auditor's report.

SUPPLEMENTARY INFORMATION

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BONDED DEBT FUND
For the Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 2,040,306	\$ 2,166,207	\$ 125,901
Taxes - other	-	3,743	3,743
Fines and forfeitures	25,000	23,079	(1,921)
Interest on investments	4,000	5,356	1,356
	<u>2,069,306</u>	<u>2,198,385</u>	<u>129,079</u>
Total revenues			
Expenditures:			
Debt Service:			
Principal	7,110,000	7,110,000	-
Interest	794,306	794,306	-
	<u>7,904,306</u>	<u>7,904,306</u>	<u>-</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(5,835,000)	(5,705,921)	129,079
Other financing sources (uses):			
Transfers in	5,785,000	5,785,000	-
	<u>5,785,000</u>	<u>5,785,000</u>	<u>-</u>
Net change in fund balance	(50,000)	79,079	129,079
Fund balance at beginning of year	50,000	255,042	205,042
	<u>50,000</u>	<u>255,042</u>	<u>205,042</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 334,121</u>	<u>\$ 334,121</u>

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.

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.

Children and Families Fund – Revenues for this fund are from the Federal Department of Health and Human Services passing through the Oregon Commission on Children and Families. Expenditures are for family consulting to prevent juvenile delinquency.

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.

Child Support Enforcement Fund – Revenues in the fund consist primarily of intergovernmental payments for child support enforcement activities. Expenditures are transfers to the general fund for costs incurred for enforcement activities.

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

COOS COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Animal Control	Public Health	Planning	Law Library	County Parks	Community Corrections
ASSETS						
Cash and cash equivalents	\$ 145,487	\$ 989,294	\$ 36,222	\$ 154,373	\$ 572,199	\$ 1,409,160
Restricted cash	-	-	-	-	-	-
Prepaid expenses	-	68,018	-	-	-	-
Receivables:						
Property taxes	-	-	-	-	-	-
Accounts	95	152,503	43,539	-	112,218	-
Due from other funds	-	1,069	8,341	-	-	-
Total assets	\$ 145,582	\$ 1,210,884	\$ 88,102	\$ 154,373	\$ 684,417	\$ 1,409,160
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,403	\$ 49,738	\$ 921	\$ 570	\$ 30,202	\$ 10,151
Unearned revenue	-	65,643	-	-	252,449	-
Due to other funds	922	-	-	-	2,808	3,436
Total liabilities	4,325	115,381	921	570	285,459	13,587
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	-
Fund balances:						
Nonspendable	-	68,018	-	-	-	-
Restricted	36,116	1,027,485	-	153,803	-	1,395,573
Committed	105,141	-	-	-	398,958	-
Assigned	-	-	87,181	-	-	-
Total fund balances	141,257	1,095,503	87,181	153,803	398,958	1,395,573
Total liabilities, deferred inflows of resources and fund balances	\$ 145,582	\$ 1,210,884	\$ 88,102	\$ 154,373	\$ 684,417	\$ 1,409,160

<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>
\$ 10,426	\$ 64,540	\$ 735,120	\$ 89,802	\$ 9	\$ 341,273
-	-	-	-	-	-
-	-	-	-	-	-
8,760	107,820	20,683	120,779	-	3,841
-	-	-	-	-	-
<u>\$ 19,186</u>	<u>\$ 172,360</u>	<u>\$ 755,803</u>	<u>\$ 210,581</u>	<u>\$ 9</u>	<u>\$ 345,114</u>
\$ 919	\$ 10,337	\$ 22,975	\$ -	\$ 9	\$ -
-	-	-	1,047	-	-
-	433	9,841	120,784	-	-
<u>919</u>	<u>10,770</u>	<u>32,816</u>	<u>121,831</u>	<u>9</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
18,267	161,590	722,987	88,750	-	345,114
-	-	-	-	-	-
-	-	-	-	-	-
<u>18,267</u>	<u>161,590</u>	<u>722,987</u>	<u>88,750</u>	<u>-</u>	<u>345,114</u>
<u>\$ 19,186</u>	<u>\$ 172,360</u>	<u>\$ 755,803</u>	<u>\$ 210,581</u>	<u>\$ 9</u>	<u>\$ 345,114</u>

**COOS COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015**

	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 South	County Clerk Records
ASSETS						
Cash and cash equivalents	\$ 68,081	\$ 223,798	\$ 745,642	\$ 93,844	\$ 162,544	\$ 92,619
Restricted cash	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Receivables:						
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-	-	34,269	-	78,112	1,673
Due from other funds	-	-	-	-	-	-
Total assets	\$ 68,081	\$ 223,798	\$ 779,911	\$ 93,844	\$ 240,656	\$ 94,292
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ 1,343	\$ 815	\$ 723
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	-	-	-	867	-
Total liabilities	-	-	-	1,343	1,682	723
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	-	-	-	-	-	-
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	223,798	779,911	92,501	238,974	93,569
Committed	68,081	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total fund balances	68,081	223,798	779,911	92,501	238,974	93,569
Total liabilities, deferred inflows of resources and fund balances	\$ 68,081	\$ 223,798	\$ 779,911	\$ 93,844	\$ 240,656	\$ 94,292

See auditor's report.

Public Land Corner Preservation	Environmental Service	PL110-343 Title III	Library District Service	4-H & Extension Service District	Totals
\$ 87,844	\$ 148,864	421,664	\$ 58,385	\$ 286,958	\$ 6,938,148
-	-	-	-	-	-
-	-	-	-	-	68,018
-	-	-	324,128	39,480	363,608
10	5,411	-	-	-	689,713
-	-	-	-	-	9,410
<u>\$ 87,854</u>	<u>\$ 154,275</u>	<u>\$ 421,664</u>	<u>\$ 382,513</u>	<u>\$ 326,438</u>	<u>\$ 8,068,897</u>
\$ 359	\$ 2,923	\$ 7,891	\$ 58,685	\$ 115,231	\$ 317,195
-	-	399,301	-	-	718,440
-	697	-	-	-	139,788
<u>359</u>	<u>3,620</u>	<u>407,192</u>	<u>58,685</u>	<u>115,231</u>	<u>1,175,423</u>
-	-	-	284,853	34,689	319,542
-	-	-	-	-	68,018
87,495	150,655	14,472	38,975	176,518	5,846,553
-	-	-	-	-	572,180
-	-	-	-	-	87,181
<u>87,495</u>	<u>150,655</u>	<u>14,472</u>	<u>38,975</u>	<u>176,518</u>	<u>6,573,932</u>
<u>\$ 87,854</u>	<u>\$ 154,275</u>	<u>\$ 421,664</u>	<u>\$ 382,513</u>	<u>\$ 326,438</u>	<u>\$ 8,068,897</u>

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	Animal Control	Public Health	Planning	Law Library	County Parks	Community Corrections
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-	-
Intergovernmental	-	873,941	52,975	-	491,694	1,515,175
Licenses, fees, and permits	22,246	1,111,281	177,762	-	774,349	154,834
Charges for services	63,365	135,091	12,257	-	-	-
Fines and forfeitures	-	-	-	55,329	-	26,659
Interest on investments	990	4,788	1,243	782	2,189	7,741
Other revenue	9,078	1,524	-	-	1,768	6,752
Total revenues	95,679	2,126,625	244,237	56,111	1,270,000	1,711,161
Expenditures:						
General government	-	-	247,265	46,437	-	-
Public safety	248,378	-	-	-	-	1,516,103
Health and welfare	-	2,209,400	-	-	-	-
Community development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	1,019,978	-
Intergovernmental	-	-	-	-	-	-
Capital outlay	12,929	15,000	8,402	-	-	56,446
Total expenditures	261,307	2,224,400	255,667	46,437	1,019,978	1,572,549
Excess (deficiency) of revenues over (under) expenditures	(165,628)	(97,775)	(11,430)	9,674	250,022	138,612
Other financing sources (uses):						
Sale of assets	-	710	-	-	2,504	-
Transfers in	58,338	187,155	15,562	-	-	-
Transfers out	-	-	-	(10,000)	-	(24,937)
Total other financing sources (uses)	58,338	187,865	15,562	(10,000)	2,504	(24,937)
Net change in fund balance	(107,290)	90,090	4,132	(326)	252,526	113,675
Fund balances at beginning of year	248,547	1,005,413	83,049	154,129	146,432	1,281,898
Fund balances at end of year	\$ 141,257	\$ 1,095,503	\$ 87,181	\$ 153,803	\$ 398,958	\$ 1,395,573

See auditor's report.

<u>Crime Victim Assistance</u>	<u>SCINT</u>	<u>Children and Families</u>	<u>Economic Development</u>	<u>Administrative Grants</u>	<u>County School</u>	<u>Footpaths and Bicycle Trails</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	101,580	-
79,761	347,063	130,381	164,211	568,115	68,611	41,696
-	-	-	4,997	-	-	-
-	5,000	-	-	10,037	-	-
-	78,922	-	-	-	-	-
85	329	1,167	3,602	500	15	1,598
103	3,550	1,054	19,683	16,592	-	-
<u>79,949</u>	<u>434,864</u>	<u>132,602</u>	<u>192,493</u>	<u>595,244</u>	<u>170,206</u>	<u>43,294</u>
105,417	-	-	-	-	-	-
-	384,599	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	191,592	-	-	-
-	-	-	-	-	-	-
-	-	-	-	588,135	170,206	-
-	7,043	-	-	-	-	-
<u>105,417</u>	<u>391,642</u>	<u>-</u>	<u>191,592</u>	<u>588,135</u>	<u>170,206</u>	<u>-</u>
<u>(25,468)</u>	<u>43,222</u>	<u>132,602</u>	<u>901</u>	<u>7,109</u>	<u>-</u>	<u>43,294</u>
-	230	-	-	-	-	-
28,363	-	-	-	-	-	-
-	-	(386,030)	(15,562)	-	-	-
<u>28,363</u>	<u>230</u>	<u>(386,030)</u>	<u>(15,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,895	43,452	(253,428)	(14,661)	7,109	-	43,294
15,372	118,138	253,428	737,648	81,641	-	301,820
<u>\$ 18,267</u>	<u>\$ 161,590</u>	<u>\$ -</u>	<u>\$ 722,987</u>	<u>\$ 88,750</u>	<u>\$ -</u>	<u>\$ 345,114</u>

COOS COUNTY, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (Continued)
For the Year Ended June 30, 2015

	Industrial Development	Public Health Title XIX	Mental Health Title XIX	County Family Mediation	911 South	County Clerk Records
Revenues:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Taxes - other	-	-	-	-	-	-
Intergovernmental	-	-	-	41,920	310,070	-
Licenses, fees, and permits	-	-	368,367	-	200	21,870
Charges for services	-	-	-	-	127,934	-
Fines and forfeitures	-	-	-	-	-	-
Interest on investments	340	1,225	3,956	410	968	432
Other revenue	-	-	-	-	-	-
Total revenues	340	1,225	372,323	42,330	439,172	22,302
Expenditures:						
General government	-	-	-	-	-	8,757
Public safety	-	-	-	-	1,018,764	-
Health and welfare	-	-	-	16,497	-	-
Community development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Capital outlay	-	-	-	-	11,091	-
Total expenditures	-	-	-	16,497	1,029,855	8,757
Excess (deficiency) of revenues over (under) expenditures	340	1,225	372,323	25,833	(590,683)	13,545
Other financing sources (uses):						
Sale of assets	-	-	-	-	-	-
Transfers in	-	-	-	-	465,572	-
Transfers out	-	(21,405)	(300,000)	-	-	-
Total other financing sources (uses)	-	(21,405)	(300,000)	-	465,572	-
Net change in fund balance	340	(20,180)	72,323	25,833	(125,111)	13,545
Fund balances at beginning of year	67,741	243,978	707,588	66,668	364,085	80,024
Fund balances at end of year	\$ 68,081	\$ 223,798	\$ 779,911	\$ 92,501	\$ 238,974	\$ 93,569

See auditor's report.

Public Land Corner Preservation	Environmental Service	Child Support Enforcement	PL110-343 Title III	Library Service District	4-H & Extension Service District	Totals
\$ -	\$ -	\$ -	\$ -	\$ 3,329,035	\$ 406,201	\$ 3,735,236
-	-	-	-	5,757	702	108,039
-	-	8,224	35,886	-	-	4,729,723
87,935	280,437	-	-	-	-	3,004,278
-	660	-	-	-	-	354,344
-	-	-	-	22,978	2,802	186,690
393	717	10	1,399	2,174	1,636	38,689
-	120	-	-	-	-	60,224
<u>88,328</u>	<u>281,934</u>	<u>8,234</u>	<u>37,285</u>	<u>3,359,944</u>	<u>411,341</u>	<u>12,217,223</u>
71,042	-	-	35,886	-	-	514,804
-	-	-	-	-	-	3,167,844
-	248,399	-	-	-	-	2,474,296
-	-	-	-	-	-	191,592
-	-	-	-	3,366,084	417,671	4,803,733
-	-	-	-	-	-	758,341
-	-	-	-	-	-	110,911
<u>71,042</u>	<u>248,399</u>	<u>-</u>	<u>35,886</u>	<u>3,366,084</u>	<u>417,671</u>	<u>12,021,521</u>
<u>17,286</u>	<u>33,535</u>	<u>8,234</u>	<u>1,399</u>	<u>(6,140)</u>	<u>(6,330)</u>	<u>195,702</u>
-	-	-	-	-	-	3,444
-	-	-	-	-	-	754,990
-	-	(9,127)	-	-	-	(767,061)
-	-	(9,127)	-	-	-	(8,627)
17,286	33,535	(893)	1,399	(6,140)	(6,330)	187,075
<u>70,209</u>	<u>117,120</u>	<u>893</u>	<u>13,073</u>	<u>45,115</u>	<u>182,848</u>	<u>6,386,857</u>
<u>\$ 87,495</u>	<u>\$ 150,655</u>	<u>\$ -</u>	<u>\$ 14,472</u>	<u>\$ 38,975</u>	<u>\$ 176,518</u>	<u>\$ 6,573,932</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 25,000	\$ 22,246	\$ (2,754)
Charges for services	62,500	63,365	865
Interest on investments	-	990	990
Other	200	9,078	8,878
	<hr/>	<hr/>	<hr/>
Total revenues	87,700	95,679	7,979
	<hr/>	<hr/>	<hr/>
Expenditures:			
Public Safety:			
Personnel services	200,217	189,873	10,344
Materials and services	138,056	58,505	79,551
Capital outlay	79,579	12,929	66,650
	<hr/>	<hr/>	<hr/>
Total expenditures	417,852	261,307	156,545
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(330,152)	(165,628)	164,524
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfer in	58,338	58,338	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(271,814)	(107,290)	164,524
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	271,814	248,547	(23,267)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 141,257	\$ 141,257
	<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
PUBLIC HEALTH FUND
For the Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 949,032	\$ 873,941	\$ (75,091)
Licenses, fees, and permits	811,063	1,111,281	300,218
Charges for services	7,000	135,091	128,091
Interest on investments	2,000	4,788	2,788
Other	1,700	1,524	(176)
	<u>1,770,795</u>	<u>2,126,625</u>	<u>355,830</u>
Total revenues			
Expenditures:			
Public Health:			
CCPH / Health	2,663,377	2,209,400	453,977
Capital outlay	15,000	15,000	-
Contingency	5,493	-	5,493
	<u>2,683,870</u>	<u>2,224,400</u>	<u>459,470</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(913,075)</u>	<u>(97,775)</u>	<u>815,300</u>
Other financing sources (uses):			
Sale of capital assets	-	710	710
Transfer in	313,075	187,155	(125,920)
	<u>313,075</u>	<u>187,865</u>	<u>(125,210)</u>
Total other financing sources			
Net change in fund balance	(600,000)	90,090	690,090
Fund balance at beginning of year	600,000	1,005,413	405,413
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,095,503</u>	<u>\$ 1,095,503</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 32,400	\$ 52,975	\$ 20,575
Licenses, fees, and permits	200,000	177,762	(22,238)
Charges for services	500	12,257	11,757
Interest on investments	300	1,243	943
	<hr/>	<hr/>	<hr/>
Total revenues	233,200	244,237	11,037
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	250,996	221,470	29,526
Materials and services	28,368	25,795	2,573
Capital outlay	8,652	8,402	250
Contingency	4,102	-	4,102
	<hr/>	<hr/>	<hr/>
Total expenditures	292,118	255,667	36,451
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(58,918)	(11,430)	47,488
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfer in	41,000	15,562	(25,438)
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(17,918)	4,132	22,050
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	92,095	83,049	(9,046)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 74,177</u>	<u>\$ 87,181</u>	<u>\$ 13,004</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Fines and forfeitures	\$ 55,329	\$ 55,329	\$ -
Interest on investments	800	782	(18)
Total revenues	<u>56,129</u>	<u>56,111</u>	<u>(18)</u>
Expenditures:			
General Government:			
Personnel services	2,877	872	2,005
Materials and services	158,807	45,565	113,242
Capital outlay	5,000	-	5,000
Contingency	33,445	-	33,445
Total expenditures	<u>200,129</u>	<u>46,437</u>	<u>153,692</u>
Excess (deficiency) of revenues over (under) expenditures	(144,000)	9,674	153,674
Other financing sources (uses):			
Transfer out	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balance	(154,000)	(326)	153,674
Fund balance at beginning of year	<u>154,000</u>	<u>154,129</u>	<u>129</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 153,803</u>	<u>\$ 153,803</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY PARKS FUND
For the Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 712,554	\$ 491,694	\$ (220,860)
Licenses, fees, and permits	635,810	774,349	138,539
Charges for services	-	-	-
Interest on investments	500	2,189	1,689
Other	-	1,768	1,768
	<hr/>	<hr/>	<hr/>
Total revenues	1,348,864	1,270,000	(78,864)
Expenditures:			
Culture and Recreation:			
Personnel services	582,691	568,276	14,415
Materials and services	502,359	451,702	50,657
Capital outlay	388,814	-	388,814
Contingency	25,000	-	25,000
	<hr/>	<hr/>	<hr/>
Total expenditures	1,498,864	1,019,978	478,886
Excess (deficiency) of revenues over (under) expenditures	<hr/>	<hr/>	<hr/>
	(150,000)	250,022	400,022
Other financing sources (uses):			
Sale of assets	-	2,504	2,504
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	2,504	2,504
Net change in fund balance	<hr/>	<hr/>	<hr/>
	(150,000)	252,526	402,526
Fund balance at beginning of year	<hr/>	<hr/>	<hr/>
	150,000	146,432	(3,568)
Fund balance at end of year	<hr/>	<hr/>	<hr/>
	\$ -	\$ 398,958	\$ 398,958

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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 1,517,318	\$ 1,515,175	\$ (2,143)
Licenses, fees, and permits	130,000	154,834	24,834
Fines and forfeitures	35,880	26,659	(9,221)
Interest on investments	5,000	7,741	2,741
Other	-	6,752	6,752
	<u>1,688,198</u>	<u>1,711,161</u>	<u>22,963</u>
Total revenues			
Expenditures:			
Public Safety:			
Personnel services	1,239,258	1,182,831	56,427
Materials and services	455,282	333,272	122,010
Capital outlay	70,000	56,446	13,554
Contingency	1,157,189	-	1,157,189
	<u>2,921,729</u>	<u>1,572,549</u>	<u>1,349,180</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>(1,233,531)</u>	<u>138,612</u>	<u>1,372,143</u>
Other financing sources (uses):			
Transfer out	<u>(24,937)</u>	<u>(24,937)</u>	<u>-</u>
Net change in fund balance	(1,258,468)	113,675	1,372,143
Fund balance at beginning of year	<u>1,258,468</u>	<u>1,281,898</u>	<u>23,430</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 1,395,573</u>	<u>\$ 1,395,573</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 78,745	\$ 79,761	\$ 1,016
Interest on investments	-	85	85
Other	-	103	103
	<hr/>	<hr/>	<hr/>
Total revenues	78,745	79,949	1,204
	<hr/>	<hr/>	<hr/>
Expenditures:			
General Government:			
Personnel services	86,369	77,171	9,198
Materials and services	29,239	28,246	993
	<hr/>	<hr/>	<hr/>
Total expenditures	115,608	105,417	10,191
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(36,863)	(25,468)	11,395
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers in	28,363	28,363	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(8,500)	2,895	11,395
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	8,500	15,372	6,872
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 18,267</u>	<u>\$ 18,267</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 933,571	\$ 347,063	\$ (586,508)
Charges for services	-	5,000	5,000
Fines and forfeitures	-	78,922	78,922
Interest on investments	-	329	329
Other	-	3,550	3,550
	<hr/>	<hr/>	<hr/>
Total revenues	933,571	434,864	(498,707)
Expenditures:			
Public safety:			
Personnel services	549,275	200,331	348,944
Materials and services	439,784	184,268	255,516
Capital outlay	11,940	7,043	4,897
	<hr/>	<hr/>	<hr/>
Total expenditures	1,000,999	391,642	609,357
Excess (deficiency) of revenues over (under) expenditures	<hr/> (67,428) <hr/>	<hr/> 43,222 <hr/>	<hr/> 110,650 <hr/>
Other financing sources (uses):			
Sale of assets	-	230	230
	<hr/>	<hr/>	<hr/>
Total other financing sources	-	230	230
Net change in fund balance	(67,428)	43,452	110,880
Fund balance at beginning of year	<hr/> 67,428 <hr/>	<hr/> 118,138 <hr/>	<hr/> 50,710 <hr/>
Fund balance at end of year	<hr/> \$ - <hr/>	<hr/> \$ 161,590 <hr/>	<hr/> \$ 161,590 <hr/>

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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 31,250	\$ 130,381	\$ 99,131
Interest on investments	450	1,167	717
Other	-	1,054	1,054
	<hr/>	<hr/>	<hr/>
Total revenues	31,700	132,602	100,902
	<hr/>	<hr/>	<hr/>
Other financing sources (uses):			
Transfers out	(471,700)	(386,030)	85,670
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(440,000)	(253,428)	186,572
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	440,000	253,428	(186,572)
	<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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 162,000	\$ 164,211	\$ 2,211
Licenses, fees, and permits	5,100	4,997	(103)
Interest on investments	6,000	3,602	(2,398)
Other	-	19,683	19,683
	<hr/>	<hr/>	<hr/>
Total revenues	173,100	192,493	19,393
	<hr/>	<hr/>	<hr/>
Expenditures:			
Community Development:			
Materials and services	634,474	191,592	442,882
Capital outlay	250,000	-	250,000
	<hr/>	<hr/>	<hr/>
Total expenditures	884,474	191,592	692,882
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(711,374)	901	712,275
Other financing sources (uses):			
Transfers out	(41,000)	(15,562)	25,438
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(752,374)	(14,661)	737,713
Fund balance at beginning of year	752,374	737,648	(14,726)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 722,987</u>	<u>\$ 722,987</u>

See auditor's report.

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
PL 106-393 TITLE III FUND
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance
Revenues:			
Interest on investments	\$ -	\$ -	\$ -
Expenditures:			
General Government:			
Materials and services	12,000	-	12,000
Net change in fund balance	(12,000)	-	12,000
Fund balance at beginning of year	12,000	-	(12,000)
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
LIQUOR ENFORCEMENT FUND
For the Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other financing sources (uses):			
Transfers out	<u>(454)</u>	<u>-</u>	<u>454</u>
Net change in fund balance	<u>(454)</u>	<u>-</u>	<u>454</u>
Fund balance at beginning of year	<u>454</u>	<u>-</u>	<u>(454)</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
ADMINISTRATIVE GRANT FUND
For the Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 846,789	\$ 568,115	\$ (278,674)
Charges for services	15,000	10,037	(4,963)
Interest on investments	600	500	(100)
Other	10,000	16,592	6,592
	<hr/>	<hr/>	<hr/>
Total revenues	872,389	595,244	(277,145)
Expenditures:			
Intergovernmental:			
Materials and services	901,319	588,135	313,184
Capital outlay	71,197	-	71,197
	<hr/>	<hr/>	<hr/>
Total expenditures	972,516	588,135	384,381
Net change in fund balance	(100,127)	7,109	107,236
Fund balance at beginning of year	100,127	81,641	(18,486)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 88,750	\$ 88,750
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY SCHOOL FUND
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance
Revenues:			
Taxes - other	\$ 100,100	\$ 101,580	\$ 1,480
Intergovernmental	130,000	68,611	(61,389)
Interest on investments	100	15	(85)
Total revenues	230,200	170,206	(59,994)
Expenditures:			
Intergovernmental:			
For support of schools	230,200	170,206	59,994
Net change in fund balance	-	-	-
Fund balance at beginning of year	-	-	-
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
FOOT PATHS AND BICYCLE TRAILS FUND
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 40,000	\$ 41,696	\$ 1,696
Interest on investments	1,500	1,598	98
Total revenues	<u>41,500</u>	<u>43,294</u>	<u>1,794</u>
Expenditures:			
Public Works:			
Materials and services	30,000	-	30,000
Capital outlay	313,459	-	313,459
Total expenditures	<u>343,459</u>	<u>-</u>	<u>343,459</u>
Net change in fund balance	(301,959)	43,294	345,253
Fund balance at beginning of year	<u>301,959</u>	<u>301,820</u>	<u>(139)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 345,114</u>	<u>\$ 345,114</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 400	\$ 340	\$ (60)
Expenditures:			
Community Development:			
Materials and services	58,127	-	58,127
Capital outlay	10,000	-	10,000
Total expenditures	<u>68,127</u>	<u>-</u>	<u>68,127</u>
Net change in fund balance	(67,727)	340	68,067
Fund balance at beginning of year	<u>67,727</u>	<u>67,741</u>	<u>14</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 68,081</u>	<u>\$ 68,081</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
PUBLIC HEALTH - TITLE XIX FUND
For the Year Ended June 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ 910	\$ 1,225	\$ 315
Expenditures:			
Health & Welfare			
Contingency	<u>143,082</u>	<u>-</u>	<u>143,082</u>
Excess (deficiency) of revenues over (under) expenditures	(142,172)	1,225	143,397
Other financing sources (uses):			
Transfer out	<u>(100,000)</u>	<u>(21,405)</u>	<u>78,595</u>
Net change in fund balance	(242,172)	(20,180)	221,992
Fund balance at beginning of year	<u>242,172</u>	<u>243,978</u>	<u>1,806</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 223,798</u>	<u>\$ 223,798</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 250,000	\$ 368,367	\$ 118,367
Interest on investments	2,000	3,956	1,956
Total revenues	<u>252,000</u>	<u>372,323</u>	<u>120,323</u>
Expenditures:			
Health & Welfare:			
Contingency	<u>335,222</u>	-	<u>335,222</u>
Excess (deficiency) of revenues over (under) expenditures	(83,222)	372,323	455,545
Other financing sources (uses):			
Transfer out	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
Net change in fund balance	(383,222)	72,323	455,545
Fund balance at beginning of year	<u>383,222</u>	<u>707,588</u>	<u>324,366</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 779,911</u>	<u>\$ 779,911</u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
COUNTY FAMILY MEDIATION FUND
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 41,921	\$ 41,920	\$ (1)
Interest on investments	300	410	110
Total revenues	<u>42,221</u>	<u>42,330</u>	<u>109</u>
Expenditures:			
Health and Welfare:			
Materials and services	<u>108,601</u>	<u>16,497</u>	<u>92,104</u>
Net change in fund balance	(66,380)	25,833	92,213
Fund balance at beginning of year	<u>66,380</u>	<u>66,668</u>	<u>288</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 92,501</u>	<u>\$ 92,501</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 309,200	\$ 310,070	\$ 870
Licenses, fees, and permits	200	200	-
Charges for services	127,936	127,934	(2)
Interest on investments	-	968	968
Other	1,500	-	(1,500)
	<u>438,836</u>	<u>439,172</u>	<u>336</u>
Total revenues			
Expenditures:			
Public Safety:			
Dispatch Division	700,103	593,677	106,426
PSAP Division	639,113	436,178	202,935
	<u>1,339,216</u>	<u>1,029,855</u>	<u>309,361</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	(900,380)	(590,683)	309,697
Other financing sources (uses):			
Transfer in	571,037	465,572	(105,465)
	<u>329,343</u>	<u>364,085</u>	<u>34,742</u>
Net change in fund balance	(329,343)	(125,111)	204,232
Fund balance at beginning of year	329,343	364,085	34,742
Fund balance at end of year	<u>\$ -</u>	<u>\$ 238,974</u>	<u>\$ 238,974</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 23,000	\$ 21,870	\$ (1,130)
Interest on investments	300	432	132
Total revenues	<u>23,300</u>	<u>22,302</u>	<u>(998)</u>
Expenditures:			
General Government:			
Materials and services	<u>89,300</u>	<u>8,757</u>	<u>80,543</u>
Net change in fund balance	(66,000)	13,545	79,545
Fund balance at beginning of year	<u>66,000</u>	<u>80,024</u>	<u>14,024</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 93,569</u>	<u>\$ 93,569</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Licenses, fees, and permits	\$ 90,000	\$ 87,935	\$ (2,065)
Interest on investments	90	393	303
	<u>90,090</u>	<u>88,328</u>	<u>(1,762)</u>
Total revenues			
Expenditures:			
General Government:			
Personnel services	63,682	60,975	2,707
Materials and services	13,225	10,067	3,158
Contingency	51,183	-	51,183
	<u>128,090</u>	<u>71,042</u>	<u>57,048</u>
Total expenditures			
Net change in fund balance	(38,000)	17,286	55,286
Fund balance at beginning of year	<u>38,000</u>	<u>70,209</u>	<u>32,209</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 87,495</u>	<u>\$ 87,495</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, 2015

	Final Budget	Actual	Variance
Revenues:			
Licenses, fees, and permits	\$ 280,187	\$ 280,437	\$ 250
Charges for services	1,000	660	(340)
Interest on investments	1,000	717	(283)
Other revenues	-	120	120
	<hr/>	<hr/>	<hr/>
Total revenues	282,187	281,934	(253)
Expenditures:			
Health and Welfare:			
Licensing Division	304,244	248,399	55,845
On-Site inspections Division	39,896	-	39,896
Contingency	96,247	-	96,247
	<hr/>	<hr/>	<hr/>
Total expenditures	440,387	248,399	191,988
Excess (deficiency) of revenues over (under) expenditures	(158,200)	33,535	191,735
Other financing sources (uses):			
Transfers out	(42,325)	-	42,325
Transfer in	45,525	-	(45,525)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	3,200	-	(3,200)
Net change in fund balance	(155,000)	33,535	188,535
Fund balance at beginning of year	155,000	117,120	(37,880)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ -	\$ 150,655	\$ 150,655
	<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
CHILD SUPPORT ENFORCEMENT FUND
For the Year Ended June 30, 2015

	Final Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 35,062	\$ 8,224	\$ (26,838)
Interest on investments	9	10	1
	<u>35,071</u>	<u>8,234</u>	<u>(26,837)</u>
Total revenues			
Expenditures:			
Health & Welfare:			
Contingency	6,256	-	6,256
	<u>6,256</u>	<u>-</u>	<u>6,256</u>
Excess (deficiency) of revenues over (under) expenditures	28,815	8,234	(20,581)
Other financing sources (uses):			
Transfer out	(41,815)	(9,127)	32,688
	<u>(41,815)</u>	<u>(9,127)</u>	<u>32,688</u>
Net change in fund balance	(13,000)	(893)	12,107
Fund balance at beginning of year	13,000	893	(12,107)
	<u>13,000</u>	<u>893</u>	<u>(12,107)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015**

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Intergovernmental	\$ 383,503	\$ 35,886	\$ (347,617)
Interest on investments	1,000	1,399	399
	<u>384,503</u>	<u>37,285</u>	<u>(347,218)</u>
Total revenues			
Expenditures:			
General Government:			
Materials and services	397,315	35,886	361,429
	<u>(12,812)</u>	<u>1,399</u>	<u>14,211</u>
Net change in fund balance			
Fund balance at beginning of year	12,812	13,073	261
Fund balance at end of year	<u>\$ -</u>	<u>\$ 14,472</u>	<u>\$ 14,472</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 3,270,910	\$ 3,329,035	\$ 58,125
Taxes - other	6,000	5,757	(243)
Fines and forfeitures	26,000	22,978	(3,022)
Interest on investments	2,200	2,174	(26)
	<hr/>	<hr/>	<hr/>
Total revenues	3,305,110	3,359,944	54,834
	<hr/>	<hr/>	<hr/>
Expenditures:			
Culture and Recreation:			
Materials and services	3,375,510	3,366,084	9,426
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(70,400)	(6,140)	64,260
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	70,400	45,115	(25,285)
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 38,975</u>	<u>\$ 38,975</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Property taxes	\$ 396,431	\$ 406,201	\$ 9,770
Taxes - other	500	702	202
Fines and forfeitures	3,000	2,802	(198)
Interest on investments	1,200	1,636	436
	<hr/>	<hr/>	<hr/>
Total revenues	401,131	411,341	10,210
	<hr/>	<hr/>	<hr/>
Expenditures:			
Culture and Recreation:			
Materials and services	422,278	417,671	4,607
Operating contingency	42,228	-	42,228
	<hr/>	<hr/>	<hr/>
Total expenditures	464,506	417,671	46,835
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(63,375)	(6,330)	57,045
	<hr/>	<hr/>	<hr/>
Fund balance at beginning of year	151,675	182,848	31,173
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	<u>\$ 88,300</u>	<u>\$ 176,518</u>	<u>\$ 88,218</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, 2015

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Interest on investments	\$ -	\$ 775	\$ 775
Total revenues	<u>-</u>	<u>775</u>	<u>775</u>
Expenditures:			
Capital outlay	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Excess (deficiency) of revenues over (under) expenditures	(200,000)	775	200,775
Other financing sources (uses):			
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(100,000)	100,775	200,775
Fund balance at beginning of year	<u>100,000</u>	<u>100,210</u>	<u>210</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ 200,985</u>	<u>\$ 200,985</u>

See auditor's report.

COOS COUNTY, OREGON
COMBINING SCHEDULE (COUNTY FOREST FUND, CONSTRUCTION RESERVE FUND)
FOR GAAP BASIS PRESENTATION*
June 30, 2015

	<u>County Forest</u>	<u>Construction Reserve Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 6,344,857	\$ 200,985	\$ 6,545,842
Receivables:			
Accounts	<u>192,540</u>	<u>-</u>	<u>192,540</u>
Total assets	<u>\$ 6,537,397</u>	<u>\$ 200,985</u>	<u>\$ 6,738,382</u>
LIABILITIES			
Accounts payable	\$ 4,647	\$ -	\$ 4,647
Interfund payables	1,770	-	1,770
Unearned grant revenue	<u>3,451</u>	<u>-</u>	<u>3,451</u>
Total liabilities	<u>9,868</u>	<u>-</u>	<u>9,868</u>
FUND BALANCES			
Assigned	<u>6,527,529</u>	<u>200,985</u>	<u>6,728,514</u>
Total fund balances	<u>6,527,529</u>	<u>200,985</u>	<u>6,728,514</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 6,537,397</u>	<u>\$ 200,985</u>	<u>\$ 6,738,382</u>

*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.

COOS COUNTY, OREGON
COMBINING SCHEDULE (COUNTY FOREST FUND, CONSTRUCTION RESERVE FUND)
For GAAP Basis Presentation
For the Year Ended June 30, 2015

	<u>County Forest</u>	<u>Construction Reserve Fund</u>	<u>Total</u>
Revenues:			
Charges for services	\$ 125,755	\$ -	\$ 125,755
Timber sales	4,518,646	-	4,518,646
Interest on investments	22,080	775	22,855
Other	3	-	3
Total revenues	<u>4,666,484</u>	<u>775</u>	<u>4,667,259</u>
Expenditures:			
General government :			
Personnel services	236,181	-	236,181
Materials and services	263,572	-	263,572
Capital outlay	93,959	-	93,959
Total expenditures	<u>593,712</u>	<u>-</u>	<u>593,712</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,072,772</u>	<u>775</u>	<u>4,073,547</u>
Other financing sources (uses):			
Transfers in	-	100,000	100,000
Transfers out	(4,842,487)	-	(4,842,487)
Total other financing sources (uses)	<u>(4,842,487)</u>	<u>100,000</u>	<u>(4,742,487)</u>
Net change in fund balances	(769,715)	100,775	(668,940)
Fund balances at beginning of year	<u>7,297,244</u>	<u>100,210</u>	<u>7,397,454</u>
Fund balances at end of year	<u>\$ 6,527,529</u>	<u>\$ 200,985</u>	<u>\$ 6,728,514</u>

*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, 2015

	<u>Waste Disposal</u>	<u>Waste Reserve</u>	<u>Total Waste Disposal</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,590,352	\$ 1,143,031	\$ 2,733,383
Accounts receivable	<u>138,516</u>	<u>-</u>	<u>138,516</u>
Interest on investments			
Total current assets	<u>1,728,868</u>	<u>1,143,031</u>	<u>2,871,899</u>
Net pension asset	<u>244,536</u>	<u>-</u>	<u>244,536</u>
Noncurrent assets:			
Capital assets:			
Land	9,862	-	9,862
Construction in process	3,240	-	3,240
Other capital assets (net of accumulated depreciation)	<u>1,434,174</u>	<u>-</u>	<u>1,434,174</u>
Total noncurrent assets	<u>1,447,276</u>	<u>-</u>	<u>1,447,276</u>
Total assets	<u>3,420,680</u>	<u>1,143,031</u>	<u>4,563,711</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	35,412	-	35,412
LIABILITIES			
Current liabilities:			
Accounts payable	104,887	-	104,887
Compensated absences payable	35,423	-	35,423
Due to other funds	15,746	-	15,746
Current portion of long-term liabilities:			
Landfill closure/post closure costs	<u>250,300</u>	<u>-</u>	<u>250,300</u>
Total current liabilities	<u>406,356</u>	<u>-</u>	<u>406,356</u>
Noncurrent liabilities:			
Accrued other postemployment benefits obligation	49,141	-	49,141
Accrued landfill closure/post-closure care costs	<u>1,783,500</u>	<u>-</u>	<u>1,783,500</u>
Total noncurrent liabilities	<u>1,832,641</u>	<u>-</u>	<u>1,832,641</u>
Total liabilities	<u>2,238,997</u>	<u>-</u>	<u>2,238,997</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	106,379	-	106,379
NET POSITION			
Net investment in capital assets	1,447,276	-	1,447,276
Unrestricted	<u>(336,560)</u>	<u>1,143,031</u>	<u>806,471</u>
Total net position	<u>\$ 1,110,716</u>	<u>\$ 1,143,031</u>	<u>\$ 2,253,747</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
WASTE DISPOSAL FUNDS
For the Year Ended June 30, 2015

	Waste Disposal	Waste Reserve	Totals
Operating revenues:			
Waste disposal fees	\$ 1,585,931	\$ -	\$ 1,585,931
Miscellaneous	5,628	-	5,628
Total operating revenues	<u>1,591,559</u>	<u>-</u>	<u>1,591,559</u>
Operating expenses:			
Personnel services	220,136	-	220,136
Materials and services	886,594	-	886,594
Depreciation	147,401	-	147,401
Total operating expenses	<u>1,254,131</u>	<u>-</u>	<u>1,254,131</u>
Operating income (loss)	<u>337,428</u>	<u>-</u>	<u>337,428</u>
Nonoperating revenues (expense):			
Gain (Loss) on disposition of capital assets	(32,523)	-	(32,523)
Interest on investments	6,013	7,060	13,073
Change in estimated post closure costs	1,121,932	-	1,121,932
Total nonoperating revenues (expenses)	<u>1,095,422</u>	<u>7,060</u>	<u>1,102,482</u>
Income (loss) before operating transfers	<u>1,432,850</u>	<u>7,060</u>	<u>1,439,910</u>
Transfers:			
Transfer from other funds	412,372	-	412,372
Transfer to other funds	-	(412,372)	(412,372)
Total transfers	<u>412,372</u>	<u>(412,372)</u>	<u>-</u>
Change in net position	<u>1,845,222</u>	<u>(405,312)</u>	<u>1,439,910</u>
Net position (deficit) at beginning of year	(823,454)	1,548,343	724,889
Prior period adjustment	<u>88,948</u>	<u>-</u>	<u>88,948</u>
Net assets at beginning of year, restated	<u>(734,506)</u>	<u>1,548,343</u>	<u>813,837</u>
Net positions (deficit) at end of year	<u>\$ 1,110,716</u>	<u>\$ 1,143,031</u>	<u>\$ 2,253,747</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF CASH FLOWS
WASTE DISPOSAL FUNDS
For the Year Ended June 30, 2015

	Waste Disposal	Waste Disposal Reserve	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 1,587,218	\$ -	\$ 1,587,218
Cash paid to employees	(314,185)	-	(314,185)
Cash paid to suppliers	(1,155,190)	-	(1,155,190)
Net cash provided (used) by operating activities	117,843	-	117,843
Cash flows from noncapital financing activities:			
Interfund transfers (net)	412,372	(412,372)	-
Cash flows from capital and related financing activities:			
Proceeds from sale of capital assets	48,222	-	48,222
Capital expenditures	(139,459)	-	(139,459)
Net cash (used) by capital and related financing activities	(91,237)	-	(91,237)
Cash flows from investing activities:			
Interest received	6,013	7,060	13,073
Net increase (decrease) in cash and cash equivalents	444,991	(405,312)	39,679
Cash and cash equivalents at beginning of year	1,145,361	1,548,343	2,693,704
Cash and cash equivalents at end of year	<u>\$ 1,590,352</u>	<u>\$ 1,143,031</u>	<u>\$ 2,733,383</u>

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

Operating income (loss)	\$ 337,428	\$ -	\$ 337,428
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	147,401	-	147,401
Change in assets and liabilities:			
Accounts receivable	(4,341)	-	(4,341)
Accounts payable	19,696	-	19,696
OPEB liability	1,276	-	1,276
Assets and liabilities related to pension	(84,621)	-	(84,621)
Compensated absences payable	(9,428)	-	(9,428)
Landfill closure/post-post closure cost	(289,568)	-	(289,568)
Unearned revenue	-	-	-
Net cash provided (used) by operating activities	<u>\$ 117,843</u>	<u>\$ -</u>	<u>\$ 117,843</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, 2015

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Licenses, fees, and permits	\$ 1,585,931	\$ 3,203	\$ 1,589,134	\$ 1,508,448	\$ 80,686
Intergovernmental	-	-	-	105,000	(105,000)
Other	5,628	1	5,629	2,000	3,629
Total operating revenues	<u>1,591,559</u>	<u>3,204</u>	<u>1,594,763</u>	<u>1,615,448</u>	<u>(20,685)</u>
Operating expenses:					
Sanitation:					
Personnel services	220,136	92,773	312,909	461,223	148,314
Materials and services	886,594	283,281	1,169,875	2,362,773	1,192,898
Depreciation	147,401	(147,401)	-	-	-
Capital outlay	-	148,947	148,947	676,224	527,277
Total operating expenses	<u>1,254,131</u>	<u>377,600</u>	<u>1,631,731</u>	<u>3,500,220</u>	<u>1,868,489</u>
Operating income (loss)	<u>337,428</u>	<u>(374,396)</u>	<u>(36,968)</u>	<u>(1,884,772)</u>	<u>1,847,804</u>
Nonoperating revenues (expense):					
Sale of capital assets	(32,523)	80,745	48,222	-	48,222
Change in estimated post closure costs	1,121,932	(1,121,932)	-	-	-
Interest income	6,013	-	6,013	1,200	4,813
Total nonoperating revenues (expenses)	<u>1,095,422</u>	<u>(1,041,187)</u>	<u>54,235</u>	<u>1,200</u>	<u>53,035</u>
Income (loss) before transfers:	<u>1,432,850</u>	<u>(1,415,583)</u>	<u>17,267</u>	<u>(1,883,572)</u>	<u>1,900,839</u>
Other revenues (expenses):					
Transfer in	412,372	-	412,372	1,000,000	(587,628)
Change in net position/fund balance	<u>1,845,222</u>	<u>(1,415,583)</u>	<u>429,639</u>	<u>(883,572)</u>	<u>1,313,211</u>
Net position/Fund balance at beginning of year	(823,454)	2,002,053	1,178,599	883,572	295,027
Prior period adjustment	<u>88,948</u>	<u>(88,948)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets at beginning of year, restated	<u>(734,506)</u>	<u>1,913,105</u>	<u>1,178,599</u>	<u>883,572</u>	<u>295,027</u>
Net position/Fund balance at end of year	<u>\$ 1,110,716</u>	<u>\$ 497,522</u>	<u>\$ 1,608,238</u>	<u>\$ -</u>	<u>\$ 1,608,238</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, 2015

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenue (expenses):					
Interest income	\$ 7,060	\$ -	\$ 7,060	\$ 7,500	\$ (440)
Contingency	-	-	-	(548,489)	548,489
Total operating revenue (expenses):	<u>7,060</u>	<u>-</u>	<u>7,060</u>	<u>(540,989)</u>	<u>548,049</u>
Other revenues (expenses):					
Transfer out	<u>(412,372)</u>	<u>-</u>	<u>(412,372)</u>	<u>(1,000,000)</u>	<u>587,628</u>
Change in net position/fund balance	(405,312)	-	(405,312)	(1,540,989)	1,135,677
Net position/Fund balance at beginning of year	<u>1,548,343</u>	<u>-</u>	<u>1,548,343</u>	<u>1,540,989</u>	<u>7,354</u>
Net position/Fund balance at end year	<u>\$ 1,143,031</u>	<u>\$ -</u>	<u>\$ 1,143,031</u>	<u>\$ -</u>	<u>\$ 1,143,031</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, 2015

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Pipeline operations	\$ 502,464	\$ -	\$ 502,464	\$ 505,000	\$ (2,536)
Operating expenses:					
Public works:					
Materials and services	2,079,260	(1,717,061)	362,199	645,000	282,801
Depreciation	1,045,380	(1,045,380)	-	-	-
Capital outlay	-	1,690,474	1,690,474	4,347,460	2,656,986
Total operating expenses	3,124,640	(1,071,967)	2,052,673	4,992,460	2,939,787
Operating income (loss)	(2,622,176)	1,071,967	(1,550,209)	(4,487,460)	2,937,251
Other revenues (expense):					
Interest income	59,026	(31,378)	27,648	40,000	(12,352)
Sale of assets	16,607	59,494	76,101	-	76,101
Total other revenues (expenses)	75,633	28,116	103,749	40,000	63,749
Income (loss) before operating transfers	(2,546,543)	1,100,083	(1,446,460)	(4,447,460)	3,001,000
Transfers to other funds	(5,785,000)	-	(5,785,000)	(5,785,000)	-
Transfers from other funds	7,110,000	(7,110,000)	-	-	-
Total transfers to (from) other funds	1,325,000	(7,110,000)	(5,785,000)	(5,785,000)	-
Change in net position/fund balance	(1,221,543)	(6,009,917)	(7,231,460)	(10,232,460)	3,001,000
Net position/Fund balance at beginning of year	37,769,235	(27,473,526)	10,295,709	10,232,460	63,249
Net position/Fund balance at end of year	<u>\$ 36,547,692</u>	<u>\$ (33,483,443)</u>	<u>\$ 3,064,249</u>	<u>\$ -</u>	<u>\$ 3,064,249</u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2015

	Fair	Coos County Area Transit Service District	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 83,773	\$ 86,386	\$ 170,159
Receivable:			
Grants	-	70,697	70,697
Accounts	-	2,002	2,002
Due from other funds	-	116,180	116,180
Prepays	-	16,155	16,155
	<u>83,773</u>	<u>291,420</u>	<u>375,193</u>
Total current assets			
Net pension asset	71,273	-	71,273
Noncurrent assets:			
Capital assets:			
Land	30,606	117,743	148,349
Construction in process	22,880		22,880
Other capital assets (net of accumulated depreciation)	<u>578,021</u>	<u>213,925</u>	<u>791,946</u>
Total noncurrent assets	<u>631,507</u>	<u>331,668</u>	<u>963,175</u>
Total assets	<u>786,553</u>	<u>623,088</u>	<u>1,409,641</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>10,322</u>	-	<u>10,322</u>
LIABILITIES			
Current liabilities:			
Accounts payable	6,595	51,014	57,609
Accrued payroll benefits	-	15,833	15,833
Compensated absences payable	3,465	33,008	36,473
Prepaid exhibitor deposits	29,858	-	29,858
Due to other funds	<u>1,386</u>	<u>-</u>	<u>1,386</u>
Total current liabilities	<u>41,304</u>	<u>99,855</u>	<u>141,159</u>
Noncurrent liabilities:			
Long-term liabilities (net of current portion)			
Other postemployment benefits obligation	<u>7,475</u>	<u>-</u>	<u>7,475</u>
Total liabilities	<u>48,779</u>	<u>99,855</u>	<u>148,634</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions	<u>31,006</u>	<u>-</u>	<u>31,006</u>
NET POSITION			
Net investment in capital assets	631,507	331,668	963,175
Restricted for capital projects	-	-	-
Unrestricted	<u>85,583</u>	<u>191,565</u>	<u>277,148</u>
Total net position	<u>\$ 717,090</u>	<u>\$ 523,233</u>	<u>\$ 1,240,323</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, 2015

	County Fair	Coos County Area Transit Service District	Totals
Operating revenues:			
Operational charges	\$ 220,681	\$ 81,747	\$ 302,428
Intergovernmental	61,297	742,850	804,147
Other	63,421	14,498	77,919
Total operating revenues	<u>345,399</u>	<u>839,095</u>	<u>1,184,494</u>
Operating expenses:			
Personnel services	69,768	306,669	376,437
Materials and services	238,440	363,158	601,598
Depreciation	29,010	69,259	98,269
Total operating expenses	<u>337,218</u>	<u>739,086</u>	<u>1,076,304</u>
Operating income (loss)	<u>8,181</u>	<u>100,009</u>	<u>108,190</u>
Nonoperating revenues (expense)			
Interest on investments	573	-	573
Interest expense	-	-	-
Total nonoperating revenues (expenses)	<u>573</u>	<u>-</u>	<u>573</u>
Change in net position	8,754	100,009	108,763
Net position at beginning of year	<u>682,411</u>	<u>423,224</u>	<u>1,105,635</u>
Prior period adjustment	<u>25,925</u>	<u>-</u>	<u>25,925</u>
Net assets at beginning of year, restated	<u>708,336</u>	<u>423,224</u>	<u>1,131,560</u>
Net position at end of year	<u><u>\$ 717,090</u></u>	<u><u>\$ 523,233</u></u>	<u><u>\$ 1,240,323</u></u>

See auditor's report.

COOS COUNTY, OREGON
SUB-COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2015

	Fair	Coos County Area Transit Service District	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 340,361	\$ 96,865	\$ 437,226
Cash received from grantors	10,333	650,206	660,539
Cash paid to employees	(93,871)	(309,818)	(403,689)
Cash paid to suppliers	(233,758)	(373,509)	(607,267)
Net cash provided (used) by operating activities	<u>23,065</u>	<u>63,744</u>	<u>86,809</u>
Cash flows from noncapital financing activities:			
Due to/from other funds	<u>745</u>	<u>-</u>	<u>745</u>
Cash flows from capital and related financing activities:			
Capital expenditures	<u>(22,880)</u>	<u>(84,104)</u>	<u>(106,984)</u>
Net cash (used) by capital and related financing activities	<u>(22,880)</u>	<u>(84,104)</u>	<u>(106,984)</u>
Cash flows from investing activities:			
Interest received	<u>573</u>	<u>-</u>	<u>573</u>
Net increase (decrease) in cash and cash equivalents	1,503	(20,360)	(18,857)
Cash and cash equivalents at beginning of year	<u>82,270</u>	<u>106,746</u>	<u>189,016</u>
Cash and cash equivalents at end of year	<u><u>\$ 83,773</u></u>	<u><u>\$ 86,386</u></u>	<u><u>\$ 170,159</u></u>

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

Operating income (loss)	\$ 8,181	\$ 100,009	\$ 108,190
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	29,010	69,259	98,269
Change in assets and liabilities:			
Accounts receivable	-	(92,024)	(92,024)
Prepays	-	(600)	(600)
Accounts payable and accrued expenses	5,243	(12,900)	(7,657)
Assets and liabilities related to pension	(24,664)	-	(24,664)
Deposits	5,295	-	5,295
Net cash provided (used) by operating activities	<u><u>\$ 23,065</u></u>	<u><u>\$ 63,744</u></u>	<u><u>\$ 86,809</u></u>

See auditor's report.

COOS COUNTY, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE/NET POSITION
BUDGET AND ACTUAL
COUNTY FAIR FUND
For the Year Ended June 30, 2015

	Actual	Adjustment to Budgetary Basis	Actual on Budgetary Basis	Final Budget	Variance
Operating revenues:					
Intergovernmental	\$ 61,297	\$ -	\$ 61,297	\$ 50,000	\$ 11,297
Licenses, fees, and permits	9,393	-	9,393	10,000	(607)
Charges for services	211,288	-	211,288	237,300	(26,012)
Donations and sponsorships	42,735	-	42,735	37,500	5,235
Other	20,686	3,846	24,532	20,000	4,532
Total operating revenues	345,399	3,846	349,245	354,800	(5,555)
Operating expenses:					
Culture & Recreation:					
Personnel services	69,768	23,731	93,499	113,145	19,646
Materials and services	238,440	(13,267)	225,173	235,777	10,604
Depreciation	29,010	(29,010)	-	-	-
Capital outlay	-	39,993	39,993	41,229	1,236
Debt service	-	-	-	120	120
Contingency	-	-	-	29	29
Total operating expenses	337,218	21,447	358,665	390,300	31,635
Operating income (loss)	8,181	(17,601)	(9,420)	(35,500)	26,080
Other revenues (expense):					
Interest income	573	-	573	500	73
Change in net position/fund balance	8,754	(17,601)	(8,847)	(35,000)	26,153
Net position/Fund balance at beginning of year	682,411	(627,632)	54,779	35,000	19,779
Prior period adjustment	25,925	(25,925)	-	-	-
Net assets at beginning of year, restated	708,336	(653,557)	54,779	35,000	19,779
Net position/Fund balance at end of year	\$ 717,090	\$ (671,158)	\$ 45,932	\$ -	\$ 45,932

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, 2015

	Final Budget	Actual on Budgetary Basis	Variance
Operating revenues:			
Intergovernmental	\$ 933,155	\$ 757,348	\$ (175,807)
Charges for service	45,000	79,827	34,827
Miscellaneous	24,620	1,920	(22,700)
Total operating revenues	<u>1,002,775</u>	<u>839,095</u>	<u>(163,680)</u>
Operating expenses:			
Personnel services	491,590	425,060	66,530
Materials and services	367,288	241,776	125,512
Capital outlay	147,151	84,104	63,047
Contingency	56,746	-	56,746
Total operating expenses	<u>1,062,775</u>	<u>750,940</u>	<u>311,835</u>
Operating income (loss)	(60,000)	88,155	148,155
Fund balance at beginning of year	<u>60,000</u>	<u>136,418</u>	<u>76,418</u>
Fund balance at end of year	<u>\$ -</u>	<u>224,573</u>	<u>\$ 224,573</u>
Reconciliation to GAAP basis net position:			
Accrued compensation		(33,008)	
Capital assets, net of depreciation		<u>331,668</u>	
GAAP basis net position		<u>\$ 523,233</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, 2015

<u>TAXING DISTRICTS</u>	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS				
Cash and investments	\$ 1,235,787	\$ 115,045,912	\$ 114,966,664	\$ 1,315,035
Receivables:				
Property taxes	5,260,288	52,055,941	52,350,872	4,965,357
Total assets	<u>\$ 6,496,075</u>	<u>\$ 167,101,853</u>	<u>\$ 167,317,536</u>	<u>\$ 6,280,392</u>
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 6,496,075</u>	<u>\$ 167,101,853</u>	<u>\$ 167,317,536</u>	<u>\$ 6,280,392</u>

<u>COUNTY TRUSTS</u>	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS				
Cash and investments	\$ 1,080,786	\$ 1,001,567	\$ 848,895	\$ 1,233,458
Receivables:				
Contracts	-	141,300	141,300	-
LIABILITIES				
Due to other agencies, funds and taxing districts	<u>\$ 1,080,786</u>	<u>\$ 1,142,867</u>	<u>\$ 990,195</u>	<u>\$ 1,233,458</u>

See auditor's report.

ACCOMPANYING INFORMATION



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 8, 2016

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, 2015, 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 8, 2016.

Internal Control Over Financial Reporting

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

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

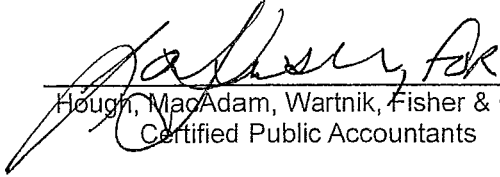
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as 2015-01 that we consider to be significant deficiencies.

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 8, 2016

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, 2015 and have issued our report thereon dated March 8, 2016. 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

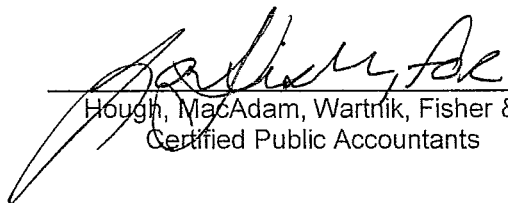
In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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, Wartrik, 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 OMB CIRCULAR A-133

March 8, 2016

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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015. Coos County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 programs for the year ended June 30, 2015.

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 OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

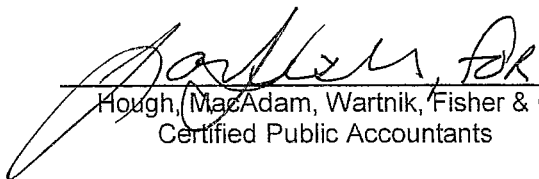
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. 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. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-01 that we consider to be significant deficiencies.

Coos County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Coos County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 OMB Circular A-133. 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, 2015

SECTION I SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

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

Federal Awards:

Internal control over major programs:					
Any material weaknesses identified?	_____	Yes	_____	<input checked="" type="checkbox"/>	No
Any significant deficiencies identified not considered to be material weaknesses?	_____	<input checked="" type="checkbox"/> Yes	_____		None reported
Type of auditor's report issued on compliance for major programs	_____	Qualified	_____	<input checked="" type="checkbox"/>	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of Circular A-133?	_____	<input checked="" type="checkbox"/> Yes	_____		No

Identification of major programs:

Distribution of Receipts to State and Local Governments	CFDA#	15.227
Enhanced Mobility for Seniors and Individuals with Disabilities	CFDA#	20.513
Substance Abuse Block Grant	CFDA#	93.959

Dollar threshold used to distinguish between
type A and type B programs \$ 300,000

Auditee qualified as low-risk auditee? Yes No

SECTION II FINDINGS - FINANCIAL STATEMENT FINDINGS

None

SECTION III FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2015-01 CFDA 93.959 Substance Abuse Block Grant – Allowable Activities

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

Criteria: Federal grant awards are to be expended only for activities allowed under each federal grant award.

Perspective: Auditor inspected 38 invoices charged to this grant and determined that 13 were not related to the grant objectives. The dollar amount of the invoices was approximately \$5,400.

Cause/Effect: Invoices were coded to the wrong grant program. The County may be required to return \$5,400 to the granting agency or reduce its grant allotment for the 2015-17 biennium. There was no staff person assigned to perform a secondary review of the costs charged to the grant. This is considered a significant deficiency in internal controls over compliance.

Auditor's Recommendation: Management should contact the granting agency for their suggested corrective action. Management should implement internal controls over grants that include a secondary review of expenses to ensure only allowable activities are charged to each grant.

Grantee Response: Management agrees with the finding and took corrective action in November 2015. Coos Health & Wellness staff received training specifically on activities allowable under each grant which they supervise. They are required to follow purchasing policy and procedures to correctly identify allowable expenditures for each grant they oversee. Grant expenses will be reviewed by a supervisor to ensure that only costs that are related to allowable activities are charged to each grant. Monthly reports will be generated and distributed to supervisors showing these expenses. In addition, Coos Health & Wellness financial staff received training specifically on purchases allowable under each grant so that they are aware of the allowable activities per grant and can review costs as they are processed. Financial staff will also receive and review copies of each grants biennial plans to ensure a better understanding of the grant activities associated with each grant. Mike Rowley, Coos Health & Wellness Finance Director, is responsible for ensuring the corrective action is taken.

COOS COUNTY, OREGON
SUMMARY OF PRIOR AUDIT FINDINGS RELATED TO FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2015

Questioned Costs:

There were no questioned costs for the year ended June 30, 2014.

Findings:

There were no findings for the year ended June 30, 2014.

COOS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015
Revised 8/11/2016

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	279,089.04
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Forest Service - Schools and Roads--Grants to States	10.665	274,442.96
Subtotal U.S. Department of Agriculture		<u>553,532.00</u>
U.S. Department of Commerce		
<i>Passed through State of Oregon Department of Land Conservation and Development:</i>		
Coastal Zone Management Administration Awards	11.419	40,975.00
Subtotal U.S. Department of Commerce		<u>40,975.00</u>
U.S. Department of Interior		
Payments in Lieu of Taxes	15.226	389,708.00
Distribution of Receipts to State and Local Governments	15.227	* 2,276,285.58
Secure Rural Schools and Community Self-Determination	15.234	69,494.31
National Wildlife Refuge Fund	15.659	20,895.00
<i>Passed through State of Oregon Marine Board</i>		
Clean Vessel Act	15.616	14,000.00
Subtotal U.S. Department of Interior		<u>2,770,382.89</u>
U.S. Department of Justice		
State Criminal Alien Assistance Program	16.606	677.00
Public Safety Partnership and Community Policing Grants	16.710	336,865.45
Congressionally Recommended Awards	16.753	227,090.84
<i>Passed through State of Oregon Department of Justice:</i>		
Crime Victim Assistance	16.575	33,552.00
<i>Passed through Coquille Indian Tribe:</i>		
Public Safety Partnership and Community Policing Grants	16.710	22,725.50
Subtotal U.S. Department of Justice		<u>620,910.79</u>
U.S. Department of Transportation		
<i>Passed through State of Oregon Department of Transportation:</i>		
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	* 328,729.00
State and Community Highway Safety	20.600	6,000.00
Subtotal U.S. Department of Transportation		<u>334,729.00</u>
General Services Administration		
<i>Passed through State of Oregon Department of Administrative Services:</i>		
Disposal of Federal Surplus Real Property	39.002	** 3,217.01
Donation of Federal Surplus Personal Property	39.003	0.00
Subtotal General Services Administration		<u>3,217.01</u>
Environmental Protection Agency		
<i>Passed through Oregon Health Authority:</i>		
State Public Water System Supervision	66.432	11,005.00
Capitalization Grants for Drinking Water State Revolving Funds	66.468	5,832.00
Subtotal Environmental Protection Agency		<u>16,837.00</u>

See accompanying notes.

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Expenditures
Environmental Protection Agency		
<i>Passed through Oregon Health Authority:</i>		
State Public Water System Supervision	66.432	11,005
Capitalization Grants for Drinking Water State Revolving Funds	66.468	5,832
Subtotal Environmental Protection Agency		<u>16,837</u>
U.S. Department of Health and Human Services		
<i>Passed through Oregon Health Authority:</i>		
Public Health Emergency Preparedness	93.069	89,869
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	742
Family Planning Services	93.217	27,479
National Bioterrorism Hospital Preparedness Program	93.889	5,000
Block Grants for Community Mental Health Services	93.958	31,950
Block Grants for Prevention and Treatment of Substance Abuse	93.959	* 286,745
Maternal and Child Health Services Block Grant to the States	93.994	12,291
<i>Passed through Oregon Department of Education</i>		
Medical Assistance Program	93.778	1,903
<i>Passed through Oregon Health & Science University:</i>		
Medical Assistance Program	93.778	2,554
<i>Passed through State of Oregon Department of Justice:</i>		
Child Support Enforcement	93.563	97,411
Subtotal U.S. Department of Health and Human Services		<u>555,944</u>
U.S. Department of Homeland Security		
<i>Passed through State of Oregon Marine Board</i>		
Boating Safety Financial Assistance	97.012	119,938
<i>Passed through Oregon Military Department:</i>		
Hazard Mitigation Grant	97.039	6,612
Emergency Management Performance Grants	97.042	54,373
State Homeland Security Program (SHSP)	97.073	23,282
Subtotal U.S. Department of Homeland Security		<u>204,205</u>
Total Federal Assistance		<u><u>5,100,733</u></u>

* Indicates a major program

** Indicates non-cash assistance

COOS COUNTY, OREGON
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Coos County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 2. Amounts provided to Subrecipients

The following federal award amounts were passed through to local subrecipients:

U.S. Department of Agriculture

Passed through to Local School Districts:

Forest Service - Schools and Roads - Grants to States	10.665	68,611
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U.S. Department of Transportation

Passed through to Coos County Area Transit Service District

Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	328,729
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U.S. Department of Health and Human Services

Passed through to Local School Districts:

Medical Assistance Program	93.778	1,903
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Passed through to Adapt:

Block Grants for Prevention and Treatment of Substance Abuse	93.959	89,940
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Note 3. Event Subsequent to the Date of the Independent Auditor's Report

In August 2016 County management became aware that federal grant expenditures of \$119,938 had been excluded from the Schedule of Expenditures of Federal Awards. These amounts were for Boating Safety Financial Assistance, CFDA # 97.012. This was a U.S. Department of Homeland Security grant, passed through the State of Oregon Marine Board.