

COLUMBIA COUNTY, OREGON

Financial Statements

For the Year Ended June 30, 2018

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COLUMBIA COUNTY

Department of Finance and Taxation

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January 24, 2019

To the Honorable Members of the Board of Commissioners and the Citizens of Columbia County:

The Finance and Taxation Department of Columbia County, Oregon is pleased to submit the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018, together with the report thereon of Columbia County's independent auditors.

The report is published to provide the Board of County Commissioners, our citizens, County staff, and other readers with detailed information about the financial position and results of operations of the County, and to demonstrate fiscal and operational accountability in the use of County resources. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with Columbia County management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard County assets against loss, theft, or misappropriation, and to compile sufficient, reliable information for the preparation of the County's financial statements.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the County's financial affairs.

THE REPORT

The CAFR is presented in three main sections: introductory, financial, and statistical.

The **introductory section** includes this transmittal letter, a list of principal officials, organization charts, and a copy of last fiscal year's Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association of the United States and Canada (GFOA).

The **financial section** is prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). This section of the CAFR includes the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditor. The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with this letter of transmittal.

These are followed by the basic financial statements, required supplementary information, and combining and individual fund statements and schedules. The basic financial statements include the government-wide financial statements that present an overview of the County's entire operations, while the fund-level statements present the financial information of each of the County's major funds, as well as non-major funds.

In accordance with Oregon law, Clark Nuber has audited the County's basic financial statements. The objective of the audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2018, are free of material misstatement. The unmodified opinion rendered in this report indicates that the financial statements were prepared in accordance with GAAP and meet the standards prescribed by the Oregon Secretary of State.

The independent audit of the financial statements was part of a broader, federally-mandated "Single Audit". The Single Audit standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the County's internal controls and legal requirements involving the administration of federal grant awards. Those reports are included at the end of this report in the Grant Compliance section of this report.

Lastly, the **statistical section** includes selected financial and demographic information, generally presented on a multi-year basis.

COUNTY PROFILE

Columbia County, named for the Columbia River, was created in 1854 from the northern half of Washington County. It covers 687 square miles and is bounded on the north and east by the Columbia River, on the west by Clatsop County, and on the south by Washington and Multnomah counties. Columbia County was the sixteenth county created in Oregon and is the third smallest geographic county in Oregon after Multnomah and Hood River counties.

Lewis and Clark explored this area in 1805-1806. Early settlements were established by fur traders as early as 1810. As American immigration increased in the mid-1840s, lasting settlements began to appear. The Yakima Indian War (1855-1859) drove many Washington Territory residents south of the Columbia River and helped boost the populations of St. Helens and Columbia City.

The first district court met in 1854 in Milton, which served as the county seat until 1857 when it was moved to St. Helens. St. Helens was founded in 1848 and took its name from nearby Mt. St. Helens. The present courthouse was built in 1906, and an annex was constructed in 1968. Most county offices are now housed in the annex. The sheriff's office and jail facility operate at a separate location.

Columbia County had a county court form of government until 1971 when a board of commissioners was elected and it became a General Law County with a three-member Board of Commissioners (the Board). Other elected officials are the Sheriff, District Attorney, Clerk, Treasurer, Assessor, and Justice of the Peace. The County does not have a county manager or administrative officer.

Services provided to the community include sheriff, county jail, district attorney, adult parole and probation, juvenile justice, road and street maintenance, recording activities, elections, property

assessment, tax collection, park facility and maintenance, emergency management, and various community development activities including building inspection, surveyor's services, land-use planning, and public transit. Both mental health and public health services are provided by local non-profits which partner with the State and County to assure that public assistance in these areas are available to those who need them. The County offers the only two marine parks in Oregon: Sand Island on the Columbia River and J.J. Collins Memorial Marine Park on the Multnomah Channel. As the foundation of the County's annual financial planning and control, the budget is prepared and adopted for all County funds as required by Oregon Local Budget Law (ORS Chapters 294.305-294.565). Department directors and elected officials are actively involved in the budget development process each year which includes reviewing on-going budget to actual status.

In accordance with Local Budget Law, the County utilizes a budget committee consisting of the commissioners and an equal number of citizens to review the department budgets for each fiscal year. The Board appoints many other volunteers to citizen advisory and review committees to assist the County in providing needed and desired services. Compensation for elected officials is recommended by the Compensation Board for Elected Officials as part of the annual budget process. The Budget Committee takes into consideration the recommendation of the Compensation Board and approves a level of compensation to be included in the budget and documented in the County's personnel management system. The Board acts on those recommendations to set elected officials' salary compensation as they adopt the County budget.

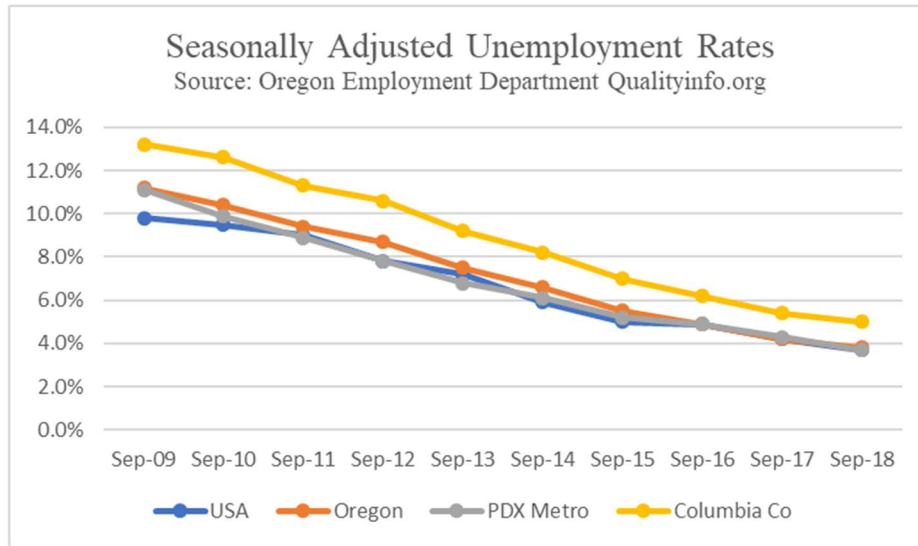
REPORTING ENTITY

For financial reporting purposes, the County is a primary government under the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB 61. This report also includes all organizations and activities for which the elected officials exercise financial control as governing body: the Columbia County Development Agency (CCDA), the Meadowview Lighting District, and the Extension and 4H Service District.

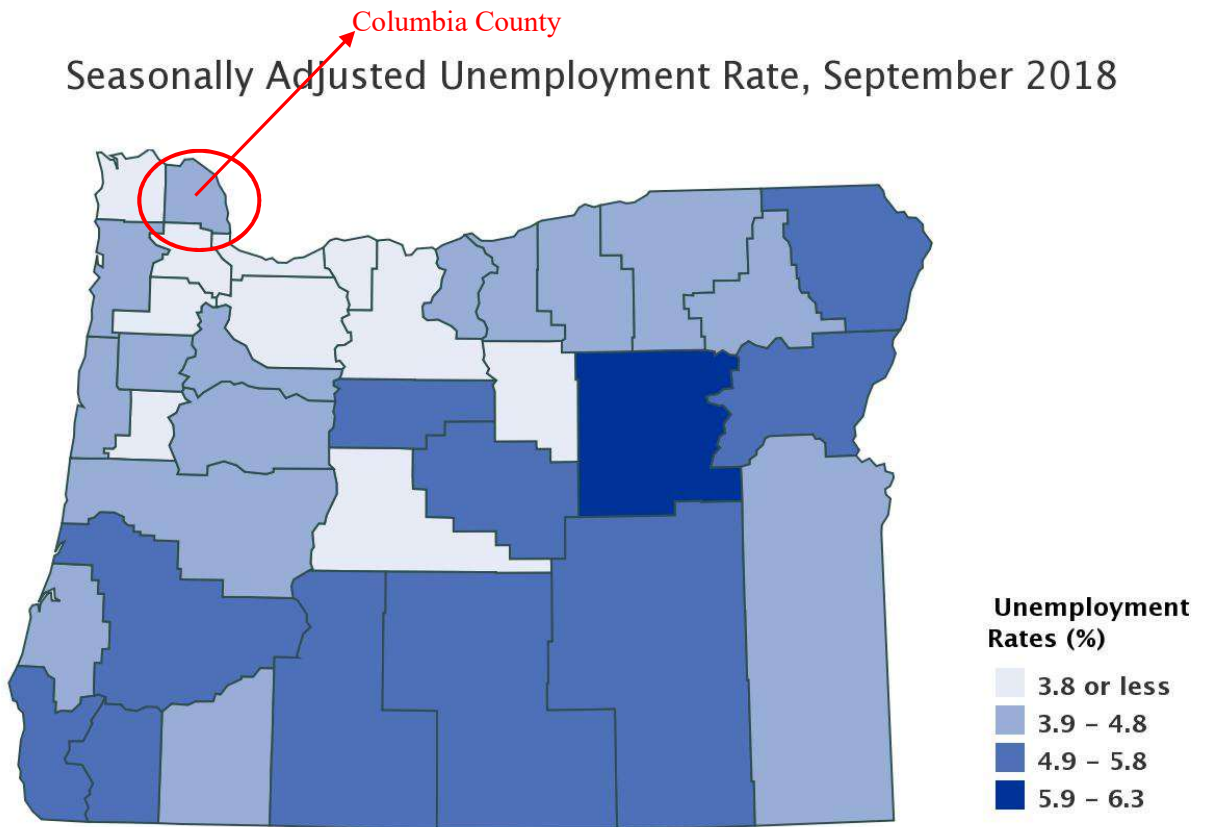
LOCAL ECONOMIC CONDITION AND OUTLOOK

The primary industries of Columbia County are timber, fishing, water transportation, dairying, horticulture, and recreation. The extensive stands of old-growth timber, which had attracted many of the early settlers to the area, were completely logged by the 1950s. Second-growth timber provides the raw material for local lumber and paper mills.

As is true in many parts of the State of Oregon, the recovery from the 2008 recession and housing market crisis has been a slow process for Columbia County for the local economy, employment levels, and local public revenue. Columbia County's unemployment rate has declined from its high during the recession and is now at pre-recession levels. However wage growth has been sluggish in the area.



Seasonally Adjusted Unemployment Rate, September 2018



Oregon Employment Department, Local Area Unemployment Statistics

The 2010 population of 48,620 represents an 11.62 percent increase since 1990. The State of Oregon has estimated the 2018 Columbia County population to be 51,782, up from 51,345 last year (data from the Population Research Center at Portland State University), representing an increase of 6.5% over the 2010 census.

COUNTY FUNDING

While the County has recovered from the lows of the most recent recession, it is a “timber county” and, as such, the decline and end of the Secure Rural School (SRS) funding at the federal level has had a significant impact on the County General Fund and the service levels it is responsible for providing to its citizens. SRS was put into place by Congress to offset the loss of property tax revenues due to the federal government owning a significant portion of the property in the County, and therefore not subject to property taxes. SRS was put in place in 1908 and has come to counties from the US Forest Service out of proceeds from US Forest Service timber sales.

From 2000 to 2012, the General Fund’s second largest source of unrestricted federal funds was the federal SRS program. Columbia County is not the most adversely affected timber county in Oregon, but the impact of moving from an unrestricted funding source of well over \$2 million per year to, on average, less than \$500,000 per year continues to have a significant negative impact on County operations. In addition, the change back to the system of the County receiving a share of actual timber sales revenue from the federal Oregon and California (O&C) lands means the County will now be sharing in the highly volatile revenue source associated with natural resources.

Property tax, the largest source of unrestricted revenues, is typically a stable funding source for a government. In Oregon, a maximum increase of 3% per year may be made for property tax assessed values. However, in the case of Columbia County’s government-wide picture, CCDA is included as a component unit. Urban renewal districts are subject to annual swings in property tax receipts due to how tax increment revenue is calculated and the existence of taxpayers with enterprise zone tax exemptions within them. This volatility can be seen over the years. The CCDA saw an increase of 161.4% this year after seeing an increase of 9.3% in fiscal year 2017 but a 12.6% decrease in fiscal year 2016.

Another important element in the government-wide picture of property taxes is that the levy to pay for the construction of the justice facility ended in fiscal year 2018, and the property tax for that will no longer be levied. The levy brought in \$1.15 million in fiscal year 2018.

Public safety revenues have been of particular concern to County officials and the public. In May 2014 voters passed a local measure to fund jail operations for three years. In November 2016, the public opted to continue the levy for another four years. This stabilizing revenue stream has allowed the Sheriff to safely house and care for a larger population of inmates.

Because of the particularly tight financial margin that Columbia County has faced for the last several years, management is focused on watching the ending fund balance of the governmental funds. In six of the last ten years, including the year’s report, the total governmental fund balance has been positive.

Governmental Fund Revenue and Expenditure										
	FY18	FY17	FY16	FY15	FY14	FY13	FY12	FY11	FY10	FY09
Revenue*	39,323,297	34,163,774	34,161,178	32,954,399	32,624,767	31,452,751	49,936,984	35,032,571	32,132,707	35,353,206
Expenditure	37,230,912	32,859,076	33,090,112	30,404,885	30,265,677	31,782,991	49,897,485	36,439,165	33,476,958	36,028,781
Net Change in Fund Balance	2,092,385	1,304,698	1,071,066	2,549,514	2,359,090	(330,240)	39,499	(1,406,594)	(1,344,251)	(675,575)
Prior Period Adj								4,331	(164,639)	
Beginning Bal	15,683,469	14,378,771	13,307,705	10,758,191	8,399,101	8,729,341	8,689,842	10,092,105	11,600,995	12,276,570
Ending Bal	17,775,854	15,683,469	14,378,771	13,307,705	10,758,191	8,399,101	8,729,341	8,689,842	10,092,105	11,600,995

*Includes net proceeds from Other Financing Sources and Extraordinary Item revenue (2016 only)

PLANS FOR THE FUTURE

The budgeted staffing level for fiscal year 2019 is primarily the same as fiscal year 2018. The government-wide employment levels have been on an upward trend as furloughs have been phased out of the last few years.

For fiscal year 2020 and beyond, the jail operations levy renewal will mean stable employee levels in the jail. The County anticipates staffing in the General Fund to stay the same with other funds adding staff as funding allows. Pressures on program and support staff to meet mandated service levels and compliance requirements from federal, state, and professional sources continue to require additional resources and efforts to better utilize technology to add efficiencies in support services.

Although the current financial condition of the County is improving, there is a continuing set of near-term and longer-term financial obligations that will need to be monitored and managed. The County's pension system, PERS, is experiencing increasing cost trends that create growing financial obligations. Fortunately the County has set aside funding since fiscal year 2014 in a retirement reserve to mitigate the immediate impact of this situation. At the end of fiscal year 2018 the PERS Reserve Fund totaled just over \$1.4 million.

MAJOR INITIATIVES

The County has begun to focus on capital needs, including new capital and capital replacement. The County prepared its first comprehensive five-year capital improvement and replacement plan (CIP) for fiscal year 2019 and will continue that process for 2020. Although primarily unfunded, the CIP gives management and elected officials insight into the needs of the County beyond operations.

The County is also exploring additional revenue options. It has hired a consulting firm to investigate possible revenues and sources of funding for one-time projects. This project will not be completed in time for the fiscal year 2020 budget, but the initial results and discussions with the public will take place during the next fiscal year with hopes that some stable sources of funding can be identified by fiscal year 2021.

RELEVANT FINANCIAL POLICIES

The County has adopted financial and budget policies to support continuity of operations in the County's service delivery and to promote the efficient use of public funds. It is Columbia County's policy to end the fiscal year with at least two months' worth of operating expenses on hand. These reserves can be observed as part of cash and cash equivalents. In the case of the General Fund, these

monies are part of the unassigned fund balance on the balance sheet. In the case of the other governmental major and non-major funds, required operating fund balance is included in the restricted fund balance category.

The County has also established reserve funds for technology and building projects, as well as the PERS reserve. These reserves are also part of cash and cash equivalents but are held in the committed and assigned fund balance categories.

The preparation of the County's budget is governed by Oregon Budget Law, ORS 294.305-294.565. Public notice is required for all Budget Committee meetings. The Board of Commissioners is required to adopt a budget no later than June 30, the close of the fiscal year.

This annual budget serves as the foundation for the County's financial planning and control. The budget is prepared and presented by fund and department. The level of appropriations under Oregon Budget Law is at the fund, department, and major category of expenditure. The Board can amend the budget during the fiscal year to address changing financial needs and conditions.

The internal control structure provides reasonable, but not absolute, assurance that the County's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

INDEPENDENT AUDIT

An annual audit of the County's financial records is conducted. These records, as represented in the CAFR, have been audited by an independent firm of Certified Public Accountants: Clark Nuber. The Independent Auditor's Report on the County's financial statements is included in the financial section of this CAFR.

This audit includes the County's Single Audit for fiscal year 2018, pursuant to Title 2 US Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This report is a part of this CAFR located at the end of this document.

AWARDS AND ACKNOWLEDGEMENTS

Certificates of Achievement: The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Columbia County, Oregon, for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the fifth year that the government has applied for and achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

In addition, the County received GFOA's Award for Distinguished Budget Presentation for its annual budget for the fiscal year beginning July 1, 2018 for the fifth year running. In order to qualify for the Award, the budget document is judged for proficiency in several categories as a policy document, financial plan, operations guide, and communications device.

Acknowledgements: The preparation of this CAFR would not have been possible without the dedicated service of the entire staff of the Finance and Taxation Department. Sincere appreciation is extended to all of the financial services staff who contributed to this significant effort.

In addition, dozens of County staff – from department heads to elected officials to administrative professionals – across the government and its jurisdictions provided vital cooperation and assistance and contributed to the information required for a fair presentation of the County's financial information. The creation of this financial report and maintaining strong fiscal operations is a truly collaborative effort that begins at the transactional level, flowing through our internal control processes up and across the entirety of the organization.

Finally, appreciation is extended to the Board of County Commissioners for their interest and support in managing the financial operations of Columbia County.

Respectfully submitted,



Debbie Smith-Wagar
Interim Finance Director

Independent Auditor's Report

To the County Commissioners
Columbia County
St. Helens, Oregon

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 Columbia County (the County), as of and for the year ended June 30, 2018, 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 from material misstatement.

An audit involves 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 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 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.



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Opinions

In our opinion, the financial statements referred to above presented 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 the County, as of June 30, 2018, and the respective changes in financial position and budgetary comparisons for the general fund, jail operations fund and road fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 16 to the financial statements, in 2018, the County adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pension. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, 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 the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. The supplementary 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 basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents and the schedule of federal awards, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2018 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 the County's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 27, 2018, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Certified Public Accountants
December 27, 2018

COLUMBIA COUNTY, OREGON

Management's Discussion and Analysis For the Year Ended June 30, 2018

As management of Columbia County, we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended June 30, 2018 (FY18). We encourage readers to consider the information presented here in conjunction with the financial statements (starting on page 21) as well as in our letter of transmittal (found earlier in this document).

Financial Highlights -

- The assets and deferred outflows of resources of Columbia County exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$48,119,235 (net position). Of this amount, unrestricted assets are negative (\$10,703,584) as shown in the table on page 8. This deficit is attributable to governmental activities and is further discussed in the government-wide financial analysis section of this Management's Discussion and Analysis (MD&A) found on pages 8 to 16.
- The County's total net position increased by \$5,463,182 from last year, a change of more than 12.8 percent.
- County's current assets saw an annual increase of \$3.0 million to end the year at \$22,566,072, a change of 15.4 percent.
- The value of capital assets net of depreciation increased by \$542,283 government-wide, further discussed on pages 18, 49 and 50.
- As of the close of the current fiscal year, Columbia County's governmental funds reported combined ending fund balances of \$17,775,855, an increase of 13.3% from last year, or \$2,092,389. The Jail Operations Fund and the Roads Fund account for \$4,965,161 of the total fund balance. Of the County's 21 governmental funds, 14 equaled or grew in fund balance relative last year. The greatest fund balance increase was in the Columbia County Development Agency Fund at \$847,287 while the largest fund balance decline was in the General Fund at \$262,851.
- At the end of FY18, fund balance, as shown on page 23, for the General Fund is \$3,837,313, a decrease of 6.4% relative to last year. Unassigned fund balance is 78.9% of total General Fund balance at \$3.03 million, representing 19.4% of operating expense for the year.
- Total government-wide outstanding debt decreased by \$4,622,794 during the year (see page 19), attributable to scheduled debt payments as well as a decrease in the County's net pension liability, and making an unscheduled debt payment on the Oregon Economic Development Special Public Works Fund note for road construction.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as introductions to Columbia County's basic financial statements which are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Management's Discussion and Analysis For the Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

This report contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements - The government-wide financial statements are designed to provide readers with a broad overview of Columbia County's finances, in a manner similar to a private sector business.

The statement of net position presents information on all of Columbia 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 Columbia County is improving or deteriorating. Note, in prior years, "net position" was expressed as "net assets."

The statement of activities presents information showing how the County'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 (government 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). The governmental activities of Columbia County include general government, public safety, roads and bridges, economic development, health and welfare, and culture and recreation. The Solid Waste Transfer Station is the only business-type activity of the County.

The government-wide financial statements include not only the County itself (known as the primary government), but also the legally separate Meadowview Lighting District; the Urban Renewal Agency, the CCDA; and the 4-H & Extension Service District. Though legally separate, the CCDA, Lighting District and the 4-H Extension Service District's governing body is identical to the County's and the County is financially accountable. Because the services of these entities are exclusively for the benefit of the County, their financial data are included as governmental funds and blended component units. Complete financial statements for the CCDA and for the 4-H & Extension Service District may be obtained at the Office of the Finance Director, 230 Strand Street, St. Helens, Oregon 97051.

The government-wide financial statements are found on pages 21 and 22.

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. Columbia 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 Columbia County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Ending fund balance is expressed in the categories of nonspendable (prepaid expenditure and inventory), restricted (determined by law or contractual terms), committed (reserved by the governing body for a specific purpose), assigned (reserved by governing body for specific purpose) and unassigned (unrestricted funds). This reporting structure presumes that proprietary and special revenue funds' ending fund balances will never have unassigned balances as their assets are all restricted for the special purpose of the respective fund.

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Management's Discussion and Analysis For the Year Ended June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmentwide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resource, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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 County's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Reconciliation of the Governmental Funds Balance Sheet to the Governmental Activities Column on the Statement of Net Position - The measurement criteria for each statement result in several significant differences between these two statements. Capital assets used in governmental activities are not financial resources and therefore are not included in the fund balance but they are part of net position. Liabilities which will be liquidated more than one year from the balance sheet date are not reported on the balance sheet but are reported on the Statement of net Position. Deferred outflows and inflows of resources, related primarily to reporting the County's defined benefit pension plan, are reported in the Statement of Net Position but not on the Balance Sheet. The full reconciliation can be found on page 24.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Governmental Activities Column on Statement of Activities - The fund balances of the County's governmental funds increased by \$2,092,385 during FY18 while the net position of the governmental activities increased by \$4,529,853. The difference between governmental fund balance and net position is due to fiscal year transactions that are reported differently on each statement. Repayments of long-term debt and expenditures for the acquisition of capital assets are not reported as expenses on the Statement of Activities. Instead they are reductions of noncurrent liabilities and additions to capital assets, respectively. Other reconciling items include accrued revenues and expenses and changes in accruals and deferrals that affect net position. The largest item was the difference in the way debt service payments are recognized on the statements. Principal payments are reported only in the governmental fund statements as expenditures, but not as an expense on the Statement of Activities, as it is a use of financial resources, but a reduction of long-term liabilities, in the current period.

As noted, Columbia County maintains 21 individual funds that combine to make up governmental activity. Information is presented separately in the governmental fund balance sheet and in the government fund statement of revenues, expenditures, and changes in fund balances for the General Fund, two special revenue funds (the Road Fund and Jail Operations Fund), with the data from the other 18 governmental funds combined into a single, aggregated presentation (Other Governmental). Individual fund data for each of these non-major governmental funds is provided in the form of combining statements in the Supplementary Information section of this report.

The County adopts an annual appropriated budget for all funds. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The basic governmental fund financial statements can be found on pages 23 - 29 of this report.

Proprietary Fund - Since the opening of the Solid Waste Transfer Station in 2006, the County maintains an enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses this fund to account for all activity related to the transfer station and solid waste services to county residents.

The basic proprietary fund financial statements can be found on pages 30 - 32 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support County programs.

The basic fiduciary fund financial statement can be found on page 33 of this report.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements are found from page 34 - 69.

Required Supplementary Information - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's progress in funding its obligations to the citizenry and its employees. Required supplementary information can be found beginning on page 70 of this report.

Other Supplementary Information - The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information for major funds. Combining and individual fund statements and schedules can be found starting on page 73 of this report.

COLUMBIA COUNTY, OREGON

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Government-Wide Net Position Generally, net position serves over time as a useful indicator of a government's financial position. The County's assets exceeded liabilities by \$48,119,235 at the close of the current fiscal year and \$42,656,053 at the close of the prior fiscal year. All categories of net position increased in FY 18: the net investment in capital assets increased \$3.4 million; restricted purpose net position increased \$1.5 million and unrestricted net position of \$0.4 million (details noted in the next table).

	Total Government-Wide		Change	% Change
	2018	2017		
Assets:				
Current and other assets	\$ 22,566,072	\$ 19,552,037	\$ 3,014,035	15.4%
Capital assets (net of depreciation)	45,807,933	45,225,649	582,284	1.3%
Total Assets	68,374,005	64,777,686	3,596,319	5.6%
Deferred Outflows of Resources	3,879,592	6,001,338	(2,121,746)	-35.4%
Liabilities:				
Current liabilities	2,526,797	3,860,739	(1,333,942)	-34.6%
Net pension liability	10,805,399	11,774,406	(969,007)	-8.2%
Long-term outstanding liabilities	10,184,955	11,748,216	(1,563,261)	-13.3%
Total Liabilities	23,517,151	27,383,361	(3,866,210)	-14.1%
Deferred Inflows of Resources	617,211	739,610	(122,399)	-16.5%
Net Position:				
Net investment in capital assets	43,561,083	40,141,956	3,419,127	8.5%
Restricted for debt services	25,065	25,065	-	0.0%
Restricted for system development	1,046,015	881,330	164,685	18.7%
Restricted purpose: grant, contract, fund pol, ORS	14,190,656	12,697,404	1,493,252	11.8%
Unrestricted surplus (deficit)	(10,703,584)	(11,089,702)	386,118	-3.5%
Total Net Position	\$ 48,119,235	\$ 42,656,053	\$ 5,463,182	12.8%

The total governmental unrestricted deficit decreased by 3.5% compared to last year to \$10.7 million. The increase in unrestricted net position is primarily driven by the impact of a decrease in the net pension liability.

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The largest portion of Columbia County's net position at \$43,561,083, representing 90.5% of governmentwide net position, is net investment in capital assets (e.g. infrastructure, land, buildings, machinery and equipment, reduced by related debt). Columbia County uses these capital assets to provide services to citizens. These assets are not available for future spending.

This year, the value of net investment in capital assets increased \$3.4 million. The year over year increase in the net investment in capital assets is driven by acquisition of new capital assets in the general fund (vehicles, emergency management equipment, computer hardware and software, and security improvements), transit (bus and Rainier Station), parks (Camp Wilkerson improvements and equipment) and roads (infrastructure and equipment). Information on capital asset investment and debt levels can be found in the Notes to the Financial Statements beginning on page 49.

Business Type Activity - At the end of the current fiscal year, a positive and increasing net position for the government's business-type activity, the Solid Waste Transfer Station, is seen. Cash holdings have increased due to the continued positive revenue to expenditure relationship this year. The decline in capital assets is due to depreciation expense offset by one capital equipment acquisition.

See page 50 in the Notes to the Financial Statements for more details on capital assets specific to the business-type activity Solid Waste Transfer Station Fund.

COLUMBIA COUNTY, OREGON

Management's Discussion and Analysis
For the Year Ended June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Long-term debt liability declined more than has been typical due to a pre-payment of \$274,301 on the loan held by the Transfer Station. Details on this issue are found in the Notes to the Financial Statements on page 54.

	Business-Type Activities		Change	% Change
	2018	2017		
Assets:				
Current and other assets	\$ 2,249,874	\$ 1,827,392	\$ 422,482	23.1%
Other non-current assets	338	-	-	100.0%
Capital assets (net of depreciation)	3,890,411	4,007,198	(116,787)	-2.9%
Total Assets	6,140,623	5,834,590	306,033	5.2%
Deferred Outflows of Resources	26,524	44,336	(17,812)	-40.2%
Liabilities:				
Current liabilities	421,810	409,158	12,652	3.1%
Net OPEB liability	5,236	-	5,236	100.0%
Net pension liability	78,850	86,985	(8,135)	-9.4%
Long-term outstanding liabilities	1,443,660	1,997,375	(553,715)	-27.7%
Total Liabilities	1,949,556	2,493,518	(543,962)	-21.8%
Deferred Inflows of Resources	4,436	5,464	(1,028)	-18.8%
Net Position:				
Net investment in capital assets	2,167,675	1,791,685	375,990	21.0%
Restricted purpose: grant, contract, fund pol, ORS	700,000	500,000	200,000	40.0%
Unrestricted surplus (deficit)	1,345,480	1,088,259	257,221	23.6%
Total Net Position	\$ 4,213,155	\$ 3,379,944	\$ 833,211	24.7%

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Management's Discussion and Analysis
For the Year Ended June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activity - The deficit in governmental unrestricted of \$12,049,064 is primarily due to the net pension liability (discussed previously). Total net position in governmental activities increased by \$4.6 million, or 11.8 percent, in FY 2018.

	Governmental Activities		Change	% Change
	2018	2017		
Assets:				
Current and other assets	\$ 20,316,198	\$ 17,724,645	\$ 2,591,553	14.6%
Other non-current assets	39,903	-	39,903	100.0%
Capital assets (net of depreciation)	41,877,281	41,218,451	658,830	1.6%
Total Assets	62,233,382	58,943,096	3,290,286	5.6%
Deferred Outflows of Resources	3,853,068	5,957,002	(2,103,934)	-35.3%
Liabilities:				
Current liabilities	2,104,987	3,451,582	(1,346,595)	-39.0%
Net pension liability	10,726,549	11,687,421	(960,872)	-8.2%
Long-term outstanding liabilities	8,736,059	9,750,841	(1,014,782)	-10.4%
Total Liabilities	21,567,595	24,889,844	(3,322,249)	-13.3%
Deferred Inflows of Resources	612,775	734,146	(121,371)	-16.5%
Net Position:				
Net investment in capital assets	41,393,408	38,350,270	3,043,138	7.9%
Restricted for debt service	25,065	25,065	-	0.0%
Restricted for system development	1,046,015	881,330	-	0.0%
Restricted purpose: grant, contract, fund pol, ORS	13,490,656	12,197,404	1,293,252	10.6%
Unrestricted surplus (deficit)	(12,049,064)	(12,177,961)	128,897	-1.1%
Total Net Position	\$ 43,906,080	\$ 39,276,108	\$ 4,629,972	11.8%

Statement of Activities - The tables on the following pages detail governmental activities, business-type activities and government-wide activities in the Revenue and Expense Statement perspective. It also clearly shows the change in net position for the year (located near the foot of each table).

COLUMBIA COUNTY, OREGON

Management's Discussion and Analysis
For the Year Ended June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Government-Wide - The increase of \$5.5 million in governmental-wide activity net position is \$3.2 million dollars higher than last year's change in net position.

	Total Government-Wide		Total Change	Percentage
	2018	2017	Increase/ (Decrease)	Change
Revenue:				
Program revenues-				
Charges for services	\$ 13,095,388	\$ 12,032,066	\$ 1,063,322	8.8%
Operating grants and contributions	11,203,222	8,812,503	2,390,719	27.1%
Capital grants and contributions	3,620,919	727,476	2,893,443	397.7%
General revenues-				
Property taxes	13,583,851	13,038,852	544,999	4.2%
Franchise and public service taxes	187,294	112,765	74,529	66.1%
Mineral, royalties and timber revenue	1,315,356	598,822	716,534	119.7%
Investment earnings	247,985	153,859	94,126	61.2%
Other revenue	1,198,501	170,605	(170,605)	-100.0%
Total Revenue	44,452,516	35,646,948	7,607,067	21.3%
Expenses:				
General government	10,955,627	7,799,482	3,156,145	40.5%
Roads and bridges	7,375,845	6,063,186	1,312,659	21.6%
Public safety	13,469,977	12,064,715	1,405,262	11.6%
Health and welfare	997,175	278,917	718,258	257.5%
Culture and recreation	1,150,499	1,349,201	(198,702)	-14.7%
Economic development	1,976,470	2,260,997	(284,527)	-12.6%
Interest on long-term debt	655,597	1,426,769	(771,172)	-54.1%
Business-type activities	2,508,263	2,280,324	227,939	10.0%
Total Expenses	39,089,453	33,523,591	5,565,862	16.6%
Revenue Over/(Under) Expenses	5,363,063	2,123,357	2,041,205	96.1%
Change in Net Position	5,363,063	2,123,357	3,239,706	152.6%
Net position, beginning of period, as restated	42,756,172	40,532,696	2,223,476	5.5%
Net Position, End of Period	\$ 48,119,235	\$ 42,656,053	\$ 5,463,182	12.8%

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Total revenues increased by 21.3 percent - nearly \$7.6 million - while expenses increased by a slower rate 16.6 percent over last year's level. This dynamic explains both the ending net position increase as well as the positive trend in the change in net position metric. The \$5.6 million increase in expenses was led by increases in general government, roads and bridges, public safety, and health and welfare, but offset by decreases in culture and recreation, economic development, and interest on long-term debt.

Governmental Activity - The increase of \$4.6 million in governmental-wide activity net position is nearly \$3.2 million dollars higher than last year's change in net position.

	Governmental Activities		Total Change	Percentage
	2018	2017	Increase/ (Decrease)	Change
Revenue:				
Program revenues-				
Charges for services	\$ 9,743,945	\$ 8,929,911	\$ 814,034	9.1%
Operating grants and contributions	11,203,222	8,812,503	2,390,719	27.1%
Capital grants and contributions	3,620,919	727,476	2,893,443	397.7%
General revenues-				
Property taxes	13,583,851	13,038,852	544,999	4.2%
Franchise and public service taxes	187,294	112,765	74,529	66.1%
Mineral, royalties and timber revenue	1,315,356	598,822	716,534	119.7%
Investment earnings	221,952	142,866	79,086	55.4%
Other revenue	1,198,501	170,605	1,027,896	602.5%
Total Revenue	41,075,040	32,533,800	8,541,240	26.3%
Expenses:				
General government	10,955,627	7,799,482	3,156,145	40.5%
Roads and bridges	7,375,845	6,063,186	1,312,659	21.6%
Public safety	13,469,977	12,064,715	1,405,262	11.6%
Health and welfare	997,175	278,917	718,258	257.5%
Culture and recreation	1,150,499	1,349,201	(198,702)	-14.7%
Economic development	1,976,470	2,260,997	(284,527)	-12.6%
Interest on long-term debt	655,597	1,426,769	(771,172)	-54.1%
Total Expenses	36,581,190	31,243,267	5,337,923	17.1%
Revenue Over/(Under) Expenses	4,493,850	1,290,533	3,203,317	248.2%
Transfers	36,003	41,460	(5,457)	-13.2%
Change in Net Position	4,529,853	1,331,993	3,197,860	240.1%
Net position, beginning of period	39,376,227	37,944,116	1,432,111	3.8%
Net Position, End of Period	\$ 43,906,080	\$ 39,276,109	\$ 4,629,971	11.8%

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Management’s Discussion and Analysis
For the Year Ended June 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

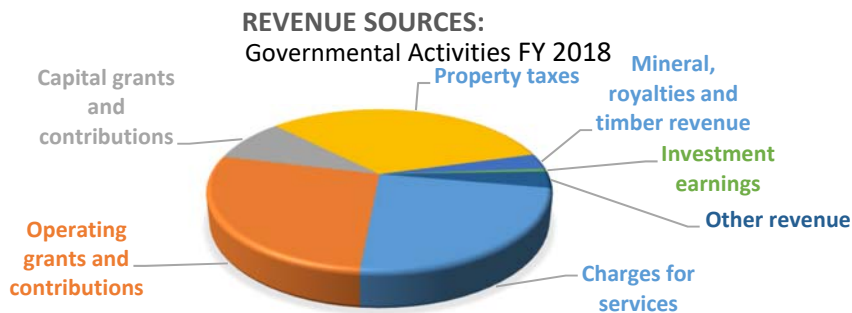
Discussion of the revenue and expense implications for governmental activity due to the reporting and operational changes mentioned on the previous page is found on pages 13 - 16.

Business Type Activity - The change in net position for the Transfer Station, the County’s only business-type activity, was slightly higher than the previous year. At \$833,211, the FY18 increase in net position is larger than the FY17 number by almost \$42 thousand.

	Business-Type		Total Change	Percentage
	2018	2017	Increase/ (Decrease)	Change
Revenue:				
Program revenues-				
Charges for services	\$ 3,351,443	\$ 3,102,155	\$ 249,288	8.0%
General revenues-				
Investment earnings	26,033	10,993	15,040	136.8%
Total Revenue	3,377,476	3,113,148	264,328	8.5%
Expenses:				
Business-type activity	2,508,263	2,280,324	227,939	10.0%
Total Expenses	2,508,263	2,280,324	227,939	10.0%
Revenue Over/(Under) Expenses	869,213	832,824	36,389	4.4%
Transfers	(36,003)	(41,460)	5,457	-13.2%
Change in Net Position	833,210	791,364	41,846	5.3%
Net position, beginning of period	3,379,945	2,588,580	791,365	30.6%
Net Position, End of Period	\$ 4,213,155	\$ 3,379,944	\$ 833,211	24.7%

Increased revenues are due to growth in disposals and are an indication of the generalized economic recovery that is being felt now in our more rural section of the greater Portland metro area. The increase in expense is related to the additional disposals that must be processed.

FY18 Revenue - Relative to last fiscal year, revenue increased for the government-wide entity by 21.3% to \$44,452,516 (\$7,607,067 more than FY17). Governmental activity revenue increased by \$8,541,240 and business-type revenue was up \$264,328. The pie graph focuses on the governmental activities portion of the Statement of Activities by revenue source.



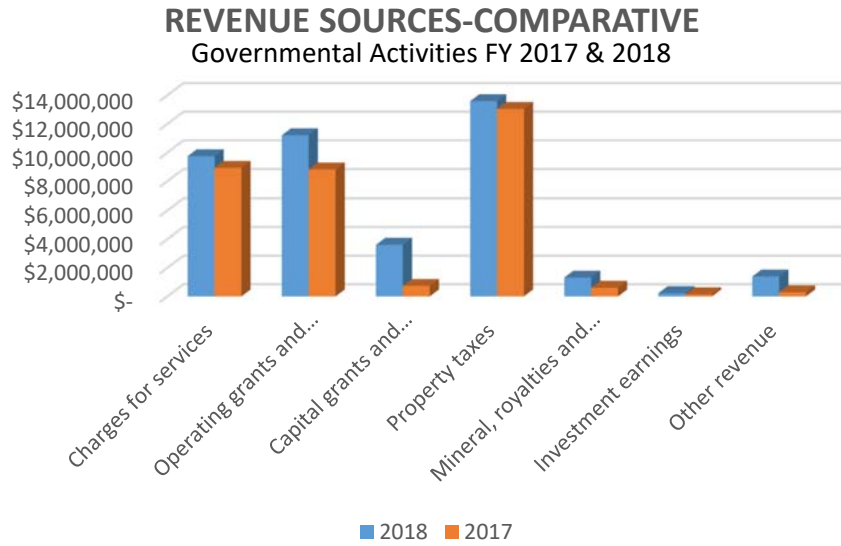
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COLUMBIA COUNTY, OREGON

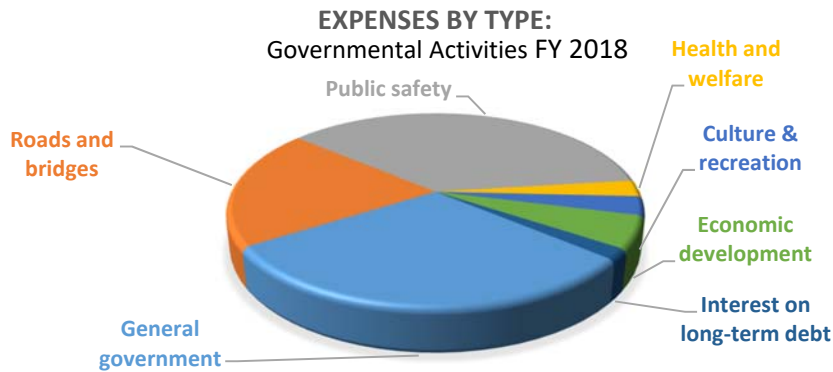
**Management’s Discussion and Analysis
For the Year Ended June 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The chart below shows a year-to-year comparison of revenues by source.



FY18 Expenses - The chart below graphs the County’s expenses by public services activities. Only governmental activities are considered. Four activities experienced increases relative to the prior year, and the remaining three saw decreases in expenditure levels. Interest on long-term debt declined due to amortization tables that have lower interest rate components over time and the lack of new debt issued in the year.



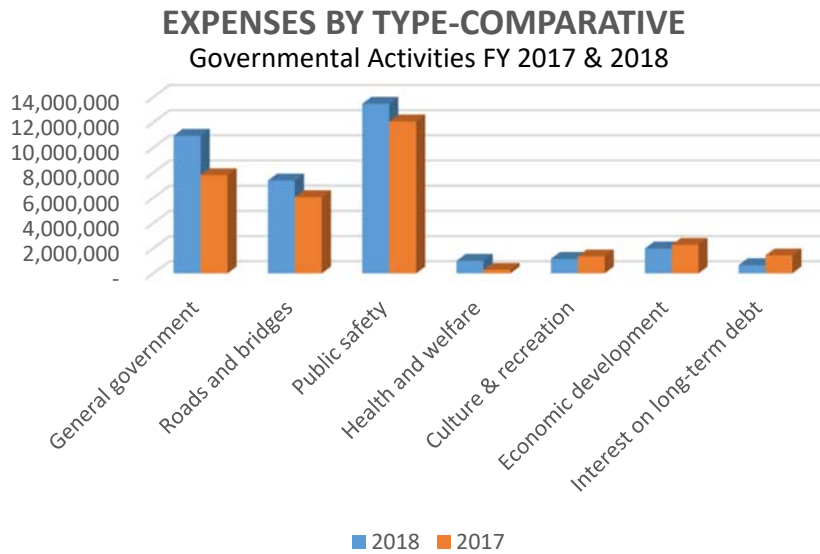
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COLUMBIA COUNTY, OREGON

Management’s Discussion and Analysis
For the Year Ended June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

The chart below shows a year-to-year comparison of expenses by type:



New Accounting Standard-The County implemented GASB Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for FY 18. GASB 75 replaces the requirements of GASB Statement 45, GASB Statement 57, and GASB Statement 74. Specifically, GASB 75 recognizes the long-term obligation for health and life insurance benefits offered to retirees. The accounting change adopted to conform to the provisions of GASB 75 has been applied by adjusting the beginning net position for the fiscal year ended June 30, 2018. Implementation of the standard resulted in an increase of \$100,118 to beginning net position. See Note 9 beginning on page 61 for more information on this OPEB plan.

FUND FINANCIAL ANALYSIS

Fund Balance Change and Make Up - County major funds in FY18 include the General Fund, Road Fund and Jail Operations Fund (the funds with the largest expenditure totals for the year). Information on these funds can be found in the Fund Financial statements as well as in their individual Major Funds statements in the Financial Section of the Comprehensive Annual Financial Report (CAFR). The make-up of the major funds frequently changes in Columbia County due predominantly to federal grants for nonrecurring projects such as investments in capital assets or recovery from federally declared disasters. This year the same major funds were identified as compared to FY17. The three FY18 major funds experienced mixed changes in ending fund balance.

See independent auditor’s report.

COLUMBIA COUNTY, OREGON

Management's Discussion and Analysis For the Year Ended June 30, 2018

FUND FINANCIAL ANALYSIS (Continued)

The Road Fund's total fund balance increased by almost \$418 thousand. The increase was partially due to increases in the state motor vehicle apportionment. Expenditures also increased due to additional capital outlay and other costs associated with constructing and maintaining the County's roads and bridges.

The Jail Operations Fund balance increased by \$275 thousand in FY18. Even though the revenues trailed expenditures by \$489 thousand during the fiscal year, other financing sources (predominantly transfers in from other funds) more than made up this current year deficit.

The General Fund's fund balance decreased by \$263 thousand, driven by a current year revenue over expense deficit of \$486,749. This is the third year in which expenditures exceeded revenues.

BUDGETARY HIGHLIGHTS

The General Fund is the chief operating fund of the County. At the end of the current fiscal year unassigned fund balance in the General Fund was \$3,026,587 as compared with \$3,253,140 at the end of FY17. The unassigned balance is 7% lower than the prior year but it continues to exceed the two month operating expense policy for unrestricted ending fund balance based on FY18 actual Personnel plus Materials and Services expenditures (2.68 months annual expense were on hand on June 30, 2018). Meeting the County's ending fund balance mark was achieved through the continuing efforts to (1) contain costs due to upward pressure on payroll expense largely due to retirement and health insurance outlays that exceed the inflation rate as well as (2) manage continuing unrestricted revenue uncertainty in future years.

One of the measures throughout most of the previous decade taken to reduce General Fund costs is a furlough program. FY17 was the first year in eight without any staff furlough days. The prior seven years had furlough schedules that ranged from four furloughs to 26 unpaid leave days. Elected Officials and all members of the workforce in furloughed departments took an equivalent salary cut in each of these years. One trade off with removing the furlough schedules has been the overall impact of reducing the unassigned fund balance.

Supplemental budgets were enacted during FY18 to make adjustments to accommodate timing issues for loans to the General Fund to the Fair Board Fund and the CC Rider Transportation Fund for operations, along with minor programmatic changes as well as incorporate grant and program expenditures driven by new grants or higher than anticipated revenue streams during the year.

COLUMBIA COUNTY, OREGON

**Management’s Discussion and Analysis
For the Year Ended June 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - Columbia County’s FY18 investment in capital assets government-wide amounts to \$45,767,692 (net of accumulated depreciation). Net capital assets increased by 1.2% for the County relative the prior fiscal year. This investment in capital assets includes land, buildings, infrastructure, machinery and equipment. The increase reflects investments in infrastructure, vehicles, and equipment.

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land and land improvements	\$ 5,996,632	\$ 6,215,332	\$ 637,483	\$ 637,483	\$ 6,634,115	\$ 6,852,815
Construction in progress	408,202	232,258	-	-	408,202	232,258
Buildings	14,466,469	14,787,450	3,229,470	3,349,317	17,695,939	18,136,767
Infrastructure	18,431,032	18,052,488	-	-	18,431,032	18,052,488
Furniture and equipment	2,574,946	1,930,683	23,458	20,398	2,598,404	1,951,081
	\$ 41,877,281	\$ 41,218,211	\$ 3,890,411	\$ 4,007,198	\$ 45,767,692	\$ 45,225,409

Among the additions and improvements to County infrastructure which took place in FY18 are the following:

- Improvements to the Camp Wilkerson restrooms (parks and recreation)
- Vehicles for Sheriff’s patrol office, the Jail, Transit and the Roads department
- Security updates for the jail
- Annual technology investments in Assessor’s system and county-wide IT assets
- Initial investment in a new Transit bus station in Rainier

One capital equipment purchase addition was made for business-type activity.

Additional details on capital assets for governmental and business type activities can be found in the Notes to the Financial Statements on pages 49 and 50.

COLUMBIA COUNTY, OREGON

**Management’s Discussion and Analysis
For the Year Ended June 30, 2018**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-Term Debt - At the end of the current fiscal year, Columbia County had total long-term debt outstanding of \$21,797,571 while in the prior year the balance was \$25,832,233, a decline of 15.6%. No new debt in the form of bonds or loans was incurred in FY18.

	<u>2018</u>	<u>2017</u>	<u>Total Change</u>	<u>Percentage Change</u>
General Obligation Bonds Refunded 2006, premium and deferred charges	\$ -	\$ 1,090,000	\$ (1,090,000)	-100.0%
Limited Tax Bond - PERS UAL Bond	6,669,870	6,905,311	(235,441)	-3.4%
Road improvement loan - Rainer	174,586	192,972	(18,386)	-9.5%
Long-term notes - OECD business-type activity	1,723,074	2,215,513	(492,439)	-22.2%
Note - City of St. Helens, transitional housing	49,896	54,965	(5,069)	-9.2%
Note - Energy efficient courthouse	242,371	317,329	(74,958)	-23.6%
Compensated absences	1,451,784	1,415,401	36,383	2.6%
Net OPEB obligation	623,668	653,422	(29,754)	-4.6%
Net pension liability	10,805,399	11,774,406	(969,007)	-8.2%
Port Westward SPWF loan	-	1,117,865	(1,117,865)	-100.0%
Leases payable	56,923	95,049	(38,126)	-40.1%
	<u><u>\$ 21,797,571</u></u>	<u><u>\$ 25,832,233</u></u>	<u><u>\$ (4,034,662)</u></u>	<u><u>-15.6%</u></u>

Further information on the County’s long-term debt is found in the Notes to the Financial Statements on pages 51 - 54.

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE

Budget Information - The County remains cautiously optimistic about the ability to stabilize general fund services and personnel levels for FY19 and beyond. Now that it is clearer that the federal timber revenues will not be coming back in a significant way, the County will undergo a strategic planning process that looks at recurring revenue trends, service mandates and Board funding priorities to assure a more stable budget process moving forward for the County.

The most significant positive for the future is the November 2016 renewal by county voters of the Jail Operations levy for four years. The new funding commitment will provide stable revenues and service delivery at the jail until FY21.

One of the bigger challenges facing the County will be its CC Rider Transportation Fund. The Fund has had to borrow money from the General Fund for a number of years to continue to operate, and expenditures continue to increase at a significantly faster rate than revenues. Cuts to services will likely be needed in order to keep any parts of the bus system operating.

See independent auditor’s report.

COLUMBIA COUNTY, OREGON

**Management's Discussion and Analysis
For the Year Ended June 30, 2018**

KEY ECONOMIC FACTORS AND BUDGET INFORMATION FOR THE FUTURE (Continued)

Looking beyond the FY19 budget year, staff costs will grow with the Oregon Public Employees Retirement System (OPERS) as a significant personnel cost driver. OPERS has an unfunded liability of approximately \$25 billion that translates into a retirement rate environment for the FY20/FY21 and FY22/FY23 rate cycles that will be challenging to manage.

One bright spot for County tax payers is in the offing for FY19: this will be the first year that the Justice Facility bond levy will be removed from the tax rolls. From an organizational point of view, this has been a neutral budget issue as the ballot measure and Oregon law allows the jurisdiction to levy the amount of tax needed each year to make the debt service payment for that capital project.

Columbia County elected leaders and professional staff will continue to balance the revenue available to the service obligations to the community and make the choices necessary to balance its budget and maintain a prudent level of reserves available for future needs.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Columbia County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 230 Strand Street, St. Helens, OR 97051.

COLUMBIA COUNTY, OREGON

**Statement of Net Position
June 30, 2018**

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets-			
Cash and cash equivalents	\$ 16,787,242	\$ 1,927,278	\$ 18,714,520
Receivables-			
Accounts receivable	150,652	322,596	473,248
Property taxes receivable	1,005,134	-	1,005,134
Due from other governments	2,167,239	-	2,167,239
Prepays	83,990	-	83,990
Inventories	121,941	-	121,941
Total current assets	20,316,198	2,249,874	22,566,072
Noncurrent assets-			
Net OPEB asset	39,903	338	40,241
Capital assets:			
Nondepreciable	6,404,834	637,483	7,042,317
Depreciable, net	35,472,447	3,252,928	38,725,375
Total noncurrent assets	41,917,184	3,890,749	45,807,933
Total Assets	62,233,382	6,140,623	68,374,005
Deferred Outflows of Resources:			
Net OPEB related deferred outflows	44,065	373	44,438
Net pension related deferred outflows	3,809,003	26,151	3,835,154
Total Deferred Outflows of Resources	3,853,068	26,524	3,879,592
Liabilities:			
Current liabilities-			
Accounts payable and payroll liabilities	1,459,349	135,260	1,594,609
Interest payable	41,975	7,136	49,111
Deposits	75,860	-	75,860
Current portion of accrued compensated absences	140,974	-	140,974
Current portion of capital leases	22,995	-	22,995
Current portion of long-term obligations	363,834	279,414	643,248
Total current liabilities	2,104,987	421,810	2,526,797
Noncurrent liabilities-			
Accrued compensation absences	1,310,810	-	1,310,810
Net OPEB liability	618,432	5,236	623,668
Noncurrent portion of capital leases	33,928	-	33,928
Noncurrent portion of long-term obligations	6,772,889	1,443,660	8,216,549
Proportionate share of net pension liability	10,726,549	78,850	10,805,399
Total noncurrent liabilities	19,462,608	1,527,746	20,990,354
Total Liabilities	21,567,595	1,949,556	23,517,151
Deferred Inflows of Resources:			
Net pension related deferred inflows	558,123	3,974	562,097
Net OPEB related deferred inflows	54,652	462	55,114
Total Deferred Inflows of Resources	612,775	4,436	617,211
Net Position:			
Net investment in capital assets	41,393,408	2,167,675	43,561,083
Restricted for debt services	25,065	-	25,065
Restricted for system development	1,046,015	-	1,046,015
Restricted special purposes: grants, contract, fund policy and ORS	13,490,656	700,000	14,190,656
Unrestricted	(12,049,064)	1,345,480	(10,703,584)
Total Net Position	\$ 43,906,080	\$ 4,213,155	\$ 48,119,235

See accompanying notes.

COLUMBIA COUNTY, OREGON

Statement of Activities
For the Year Ended June 30, 2018

	Net Revenue (Expenses) and Changes Net Position						Total
	Expenses	Program Revenues			Net Revenue (Expenses) and Changes Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Functions/Programs							
Governmental Activities:							
General government	\$ 10,955,627	\$ 3,022,849	\$ 978,583	\$ 57,000	\$ (6,897,195)	\$ -	\$ (6,897,195)
Roads and bridges	7,375,845	1,128,075	4,077,926	3,222,073	1,052,229	-	1,052,229
Public safety	13,469,977	4,306,891	3,520,599	91,085	(5,551,402)	-	(5,551,402)
Health and welfare	997,175	35,770	805,731	-	(155,674)	-	(155,674)
Culture and recreation	1,150,499	748,796	237,112	-	(164,591)	-	(164,591)
Economic development	1,976,470	501,564	1,583,271	250,761	359,126	-	359,126
Interest on long-term debt	655,597	-	-	-	(655,597)	-	(655,597)
Total Governmental Activities	36,581,190	9,743,945	11,203,222	3,620,919	(12,013,104)	-	(12,013,104)
Business-Type Activities:							
Transfer station	2,508,263	3,351,443	-	-	-	843,180	843,180
Total Business-Type Activities	2,508,263	3,351,443	-	-	-	843,180	843,180
Total Primary Government	\$ 39,089,453	\$ 13,095,388	\$ 11,203,222	\$ 3,620,919	\$ (12,013,104)	\$ 843,180	\$ (11,169,924)
General Revenues:							
Property taxes					\$ 13,583,851	\$ -	\$ 13,583,851
Payments in lieu of taxes					29,680	-	29,680
Franchise fees					157,614	-	157,614
Mineral royalties and timber					1,315,356	-	1,315,356
Interest and investment earnings					221,952	26,033	247,985
Special payments					1,198,501	-	1,198,501
Total General Revenues					16,506,954	26,033	16,532,987
Transfers					36,003	(36,003)	-
Change in Net Position					4,529,853	833,210	5,363,063
Net position, beginning of year, as restated					39,376,227	3,379,945	42,756,172
Net Position, End of Year					\$ 43,906,080	\$ 4,213,155	\$ 48,119,235

See accompanying notes.

COLUMBIA COUNTY, OREGON

Balance Sheet - Governmental Funds
June 30, 2018

	General Fund	Jail Operations Fund	Road Fund	Other Governmental	Total
Assets:					
Cash and cash equivalents	\$ 4,000,675	\$ 2,773,559	\$ 1,327,271	\$ 8,685,737	\$ 16,787,242
Receivables-					
Accounts receivable	28,192	379	17,247	104,834	150,652
Property taxes receivable	609,737	178,621	-	216,776	1,005,134
Due from other governments	595,593	453,211	536,436	581,999	2,167,239
Prepaid	10,157	47,609	-	26,224	83,990
Inventories	-	-	121,941	-	121,941
Total Assets	\$ 5,244,354	\$ 3,453,379	\$ 2,002,895	\$ 9,615,570	\$ 20,316,198
Liabilities, Deferred Inflows of Resources and Fund Balances:					
Liabilities-					
Accounts payable	\$ 750,504	\$ 80,658	\$ 211,834	\$ 416,353	\$ 1,459,349
Deposits and bail	46,800	-	20,000	9,060	75,860
Total liabilities	797,304	80,658	231,834	425,413	1,535,209
Deferred inflows of resources-					
Unavailable revenue - property taxes	609,737	178,621	-	216,776	1,005,134
Total deferred inflows of recourses	609,737	178,621	-	216,776	1,005,134
Fund balances-					
Nonspendable	10,157	47,609	121,941	26,224	205,931
Restricted	431,724	3,146,491	1,649,120	7,561,115	12,788,450
Committed	368,845	-	-	-	368,845
Assigned	-	-	-	1,404,441	1,404,441
Unassigned	3,026,587	-	-	(18,399)	3,008,188
Total fund balances	3,837,313	3,194,100	1,771,061	8,973,381	17,775,855
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,244,354	\$ 3,453,379	\$ 2,002,895	\$ 9,615,570	\$ 20,316,198

See accompanying notes.

COLUMBIA COUNTY, OREGON

**Reconciliation of Balance Sheet of Governmental Fund to Statement of Net Position
June 30, 2018**

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Fund Balances-Governmental Funds		\$ 17,775,855
Deferred inflows and outflows of resources related to the pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred inflows	(558,123)	
Deferred outflows	<u>3,809,003</u>	
Net pension related deferrals		3,250,880
Deferred inflows and outflows of resources related to the other post employment benefits include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Deferred outflows	44,065	
Deferred inflows	<u>(54,652)</u>	
Net OPEB related deferrals		(10,587)
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.		
Pension liability		(10,726,549)
The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the net position includes those capital assets among the assets of the County as a whole.		
Governmental capital assets	291,136,179	
Less accumulated depreciation	<u>(249,258,898)</u>	
		41,877,281
Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.		
Accrued compensated absences	(1,451,784)	
Interest payable	(41,975)	
Bonds payable	(6,669,870)	
Leases payable	(56,923)	
Notes payable	<u>(466,853)</u>	
		(8,687,405)
The net OPEB liability is not reported as a liability in the governmental funds.		
		(578,529)
Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.		
		<u>1,005,134</u>
		<u>\$ 43,906,080</u>

See accompanying notes.

COLUMBIA COUNTY, OREGON

**Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds
For the Year Ended June 30, 2018**

	General Fund	Jail Operations Fund	Road Fund	Other Governmental	Total
Revenues:					
Property tax collected by County	\$ 6,614,957	\$ 2,759,739	\$ -	\$ 4,209,155	\$ 13,583,851
Public services tax collected by State	1,038,402	-	-	44,918	1,083,320
Intergovernmental grants	2,184,409	-	5,454,797	4,561,833	12,201,039
Special payment from component units	1,192,843	-	-	5,658	1,198,501
Licenses and permits	-	-	55,958	-	55,958
Charges for services	2,152,810	2,172,182	112,963	631,088	5,069,043
Fines, fees and forfeitures	936,044	-	34,900	3,455,994	4,426,938
Franchise fees	157,614	-	-	-	157,614
Interest on investments	71,096	38,403	7,026	105,427	221,952
Mineral royalties and timber revenue	774,084	43,225	394,398	47,691	1,259,398
Payments in lieu of taxes	29,680	-	-	-	29,680
Total Revenues	15,151,939	5,013,549	6,060,042	13,061,764	39,287,294
Expenditures:					
Current-					
General government	6,635,288	-	-	1,957,084	8,592,372
Roads and bridges	-	-	5,480,316	-	5,480,316
Public safety	5,524,908	5,368,296	-	1,609,232	12,502,436
Health and welfare	673,515	-	-	319,291	992,806
Culture and recreation	-	-	-	961,521	961,521
Economic development	191,513	-	-	1,695,315	1,886,828
Special payments	-	-	-	1,192,852	1,192,852
Capital outlay	536,310	134,392	395,420	601,349	1,667,471
Debt services-					
Principal payments	1,451,719	-	-	1,386,994	2,838,713
Interest	624,689	-	-	490,908	1,115,597
Total Expenditures	15,637,942	5,502,688	5,875,736	10,214,546	37,230,912
Excess (Deficit) of Revenues Over (Under) Expenditures	(486,003)	(489,139)	184,306	2,847,218	2,056,382
Other Financing Sources (Uses):					
Transfer in from business-type fund, net	36,003	-	-	-	36,003
Transfers in	4,421,844	1,403,416	623,482	788,152	7,236,894
Transfers out	(4,234,695)	(639,441)	(389,906)	(1,972,852)	(7,236,894)
Total Other Financing Sources	223,152	763,975	233,576	(1,184,700)	36,003
Net Change in Fund Balances	(262,851)	274,836	417,882	1,662,518	2,092,385
Fund balances, beginning of year	4,100,164	2,919,264	1,353,179	7,310,863	15,683,470
Fund Balances, End of Year	\$ 3,837,313	\$ 3,194,100	\$ 1,771,061	\$ 8,973,381	\$ 17,775,855

See accompanying notes.

COLUMBIA COUNTY, OREGON

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
June 30, 2018**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

Net Change in Fund Balance \$ 2,092,385

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	\$ 3,549,265	
Less noncash capital asset additions	(1,824,182)	
Less current year depreciation	(2,614,976)	
Add loss on disposal of fixed assets	<u>(275,457)</u>	
		(1,165,350)

In the Statement of Activities, the contributions to the Post Retirement Health Benefits Program in excess of the actuarially determined contribution amount increased the net OPEB obligation. In the governmental funds, the entire contribution is recognized as an expenditure. This is the amount by which the net OPEB obligation decreased.

74,893

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Change in deferred revenue		162,600
Change in deferred inflows/outflows associated with OPEB activities		(10,587)

Repayment of long-term debt is an expenditure in the governmental funds, however repayment reduces long-term liabilities in the statement of net position.

Change in accrued compensation absences	(36,383)	
Change in interest payable	19,371	
Change in bonds payable	1,325,441	
Change in notes payable	1,216,279	
Change in leases payable	<u>38,126</u>	
		2,562,834

Donated assets recognized and not included as revenues in the governmental funds 1,824,182

The 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.

(1,011,104)

Change in Net Position \$ 4,529,853

See accompanying notes.

COLUMBIA COUNTY, OREGON

General Fund

**Statement of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property tax collected by County	\$ 6,556,019	\$ 6,556,019	\$ 6,614,957	\$ 58,938
Public services tax collected by State	801,463	823,463	1,038,402	214,939
Intergovernmental grants	2,111,132	2,721,822	2,184,409	(537,413)
Special payment from component units	1,261,589	1,261,589	1,192,843	(68,746)
Charges for services	1,579,107	2,063,607	2,152,810	89,203
Fines, fees and forfeitures	894,812	896,312	936,044	39,732
Franchise fees	112,000	112,000	157,614	45,614
Interest on investments	47,969	47,969	71,096	23,127
Mineral royalties and timber revenue	849,800	849,800	774,084	(75,716)
Payments in lieu of taxes	25,000	25,000	29,680	4,680
Total Revenues	14,238,891	15,357,581	15,151,939	(205,642)
Expenditures:				
General government	8,188,059	8,340,464	6,922,102	1,418,362
Public safety	5,649,694	6,218,939	5,774,404	444,535
Health and welfare	229,737	710,737	673,515	37,222
Economic development	183,327	219,327	191,513	27,814
Debt services	2,102,268	2,102,268	2,076,408	25,860
Contingency	921,311	149,549	-	149,549
Total Expenditures	17,274,396	17,741,284	15,637,942	2,103,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,035,505)	(2,383,703)	(486,003)	1,897,700
Other Financing Sources (Uses):				
Transfers in	4,412,204	4,480,504	4,457,847	(22,657)
Transfers out	(3,562,504)	(4,282,606)	(4,234,695)	(47,911)
Total Other Financing Sources	849,700	197,898	223,152	(25,254)
Net Change in Fund Balances	(2,185,805)	(2,185,805)	(262,851)	1,922,954
Fund balances, beginning of year	3,685,804	3,685,804	4,100,164	414,360
Fund Balances, End of Year	\$ 1,499,999	\$ 1,499,999	\$ 3,837,313	\$ 2,337,314

See accompanying notes.

COLUMBIA COUNTY, OREGON

Jail Operations Fund

Statement of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property tax collected by County	\$ 2,644,735	\$ 2,780,735	\$ 2,759,739	\$ (20,996)
Charges for services	1,818,150	1,909,150	2,172,182	263,032
Interest on investments	8,000	8,000	38,403	30,403
Mineral royalties and timber revenue	56,000	56,000	43,225	(12,775)
Miscellaneous	-	-	-	-
Total Revenues	4,526,885	4,753,885	5,013,549	259,664
Expenditures:				
Personal services	3,701,075	3,780,075	3,601,308	178,767
Materials and services	1,926,321	2,016,321	1,766,988	249,333
Capital outlays	140,000	286,000	134,392	151,608
Contingency	1,979,407	1,879,407	-	1,879,407
Total Expenditures	7,746,803	7,961,803	5,502,688	2,459,115
Excess (Deficit) of Revenues Over (Under) Expenditures	(3,219,918)	(3,207,918)	(489,139)	2,718,779
Other Financing Sources (Uses):				
Transfers in	1,382,128	1,382,128	1,403,416	21,288
Transfers out	(646,155)	(658,155)	(639,441)	18,714
Total Other Financing Sources	735,973	723,973	763,975	40,002
Net Change in Fund Balances	(2,483,945)	(2,483,945)	274,836	2,758,781
Fund balances, beginning of year	2,483,945	2,483,945	2,919,264	435,319
Fund Balances, End of Year	\$ -	\$ -	\$ 3,194,100	\$ 3,194,100

See accompanying notes.

COLUMBIA COUNTY, OREGON

Road Fund

Statement of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 6,301,000	\$ 6,301,000	\$ 5,454,797	\$ (846,203)
Special payment from component units	20,000	20,000	-	(20,000)
Licenses and permits	37,000	37,000	55,958	18,958
Charges for services	-	1,000	112,963	111,963
Fines, fees and forfeitures	-	-	34,900	34,900
Interest on investments	4,000	4,000	7,026	3,026
Mineral royalties and timber revenue	270,000	270,000	394,398	124,398
Total Revenues	6,632,000	6,633,000	6,060,042	(572,958)
Expenditures:				
Personal services	2,431,309	2,431,309	2,187,161	244,148
Materials and services	3,513,048	3,513,048	3,293,155	219,893
Capital outlay	1,600,000	1,600,000	395,420	1,204,580
Contingency	536,046	536,046	-	536,046
Total Expenditures	8,080,403	8,080,403	5,875,736	2,204,667
Excess (Deficit) of Revenues Over (Under) Expenditures	(1,448,403)	(1,447,403)	184,306	1,631,709
Other Financing Sources (Uses):				
Transfers in	570,000	570,000	623,482	53,482
Transfers out	(444,232)	(445,232)	(389,906)	55,326
Total Other Financing Sources	125,768	124,768	233,576	108,808
Net Change in Fund Balances	(1,322,635)	(1,322,635)	417,882	1,740,517
Fund balances, beginning of year	1,322,635	1,322,635	1,353,179	30,544
Fund Balances, End of Year	\$ -	\$ -	\$ 1,771,061	\$ 1,771,061

See accompanying notes.

COLUMBIA COUNTY, OREGON

**Statement of Net Position - Proprietary Funds
For the Year Ended June 30, 2018**

	Business-Type Activities <u>Enterprise Funds</u>
	<u>Transfer Station Fund</u>
Assets:	
Current assets-	
Cash and cash equivalents	\$ 1,927,278
Accounts receivable, net	<u>322,596</u>
Total current assets	2,249,874
Noncurrent assets-	
Net OPEB asset	338
Nondepreciable capital assets	637,483
Capital assets, net	<u>3,252,928</u>
Total noncurrent assets	<u>3,890,749</u>
Total Assets	6,140,623
Deferred Outflows of Resources:	
Net OPEB related deferred outflows	373
Net pension related deferred outflows	<u>26,151</u>
Total Deferred Outflows of Resources	26,524
Total Assets and Deferred Outflows	\$ 6,167,147
Liabilities:	
Current liabilities-	
Accounts payable	\$ 135,260
Interest payable	7,136
Current portion of long-term obligations	<u>279,414</u>
Total current liabilities	421,810
Noncurrent liabilities-	
Net OPEB obligation	5,236
Noncurrent portion of long term liabilities	1,443,660
Proportionate share of net pension liability	<u>78,850</u>
Total noncurrent liabilities	<u>1,527,746</u>
Total Liabilities	1,949,556
Deferred Inflows of Resources:	
Net OPEB related deferred inflows	462
Net pension related deferred inflows	<u>3,974</u>
Total Deferred Inflows of Resources	4,436
Net Position:	
Net investment in capital assets	2,167,675
Restricted for special purposes by fund policy (equipment replace reserve)	700,000
Unrestricted	<u>1,345,480</u>
Total Net Position	4,213,155
Total Liabilities, Deferred Inflows and Net Position	\$ 6,167,147

See accompanying notes.

COLUMBIA COUNTY, OREGON

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
June 30, 2018

	Business-Type Activities Enterprise Funds
	Transfer Station Fund
Operating Revenues:	
Tipping fees	\$ 3,292,827
Grant revenue	-
Miscellaneous	58,616
Total Operating Revenues	3,351,443
Operating Expenses:	
Payroll cost	158,711
Operating expenses	2,103,353
Depreciation	127,112
Total Operating Expenses	2,389,176
Income From Operations	962,267
Nonoperating Revenues (Expenses):	
Interest income	26,033
Interest expense	(119,087)
Total Nonoperating Revenues (Expenses)	(93,054)
Transfers:	
Transfer in	369
Transfer out	(36,372)
Total Transfers	(36,003)
Change in Net Position	833,210
Net position, beginning of year	3,379,945
Net Position, End of Year	\$ 4,213,155

See accompanying notes.

COLUMBIA COUNTY, OREGON

Statement of Cash Flows - Proprietary Funds
June 30, 2018

	Business-Type Activities Enterprise Funds
	Transfer Station Fund
Operating Activities:	
Cash received from customers	\$ 3,306,005
Cash paid to suppliers and others	(2,097,558)
Cash paid to employees and others for salaries and benefits	(144,914)
Net Cash Flows Provided by Operating Activities	1,063,533
Noncapital and Related Financing Activities:	
Transfers, net	(36,003)
Net Cash Flows Used by Noncapital and Related Financing Activities	(36,003)
Capital and Related Financing Activities:	
Purchase of capital assets	(10,325)
Loan payments	(492,439)
Interest expense	(173,505)
Net Cash Flows Used by Capital and Related Financing Activities	(676,269)
Investing Activities:	
Interest received	26,033
Net Cash Flows From Investing Activities	26,033
Net Change in Cash and Cash Equivalents	377,294
Cash and cash equivalents, beginning of year	1,549,984
Cash and Cash Equivalents, End of Year	\$ 1,927,278
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 962,267
Adjustments to reconcile operating income (loss) to net-	
Depreciation	127,112
Increase in accounts receivable	(45,438)
Decrease in prepaids	250
Increase in net OPEB related items	4,987
Increase in net pension related items	8,560
Increase in accounts payable	5,795
Net Cash Provided by Operating Activities	\$ 1,063,533

See accompanying notes.

COLUMBIA COUNTY, OREGON

Statement of Net Position - Fiduciary Funds
June 30, 2018

	<u>Agency Fund</u>
Assets:	
Cash and cash equivalents	\$ 866,113
Property tax receivable	<u>4,667,927</u>
Total Assets	<u>\$ 5,534,040</u>
Liabilities:	
Due to other governments	<u>\$ 5,534,040</u>
Total Liabilities	<u>\$ 5,534,040</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 1 - Summary of Significant Accounting Policies

Description of Reporting Entity - The County was incorporated in 1854 under the name of "Columbia County." County voters elect the Management, composed of a three-member Board of Commissioners. Other elected officials providing services for the County include Sheriff, Clerk, Assessor, Treasurer, District Attorney, and Justice of the Peace.

Columbia County is a primary government. A primary government is a financial reporting entity, which has a separately elected governing body, is legally separate, and is fiscally independent of other state and local governments. As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statement to emphasize it is legally separate from the government. The County has no discretely presented component units and has three blended component units described below. The blended component units are reported as special revenue funds.

Blended Component Units - The County determined that no changes were to be made to the analysis of blending criteria based on GASB 80.

Meadowview Service District - The District provides street lighting for the Meadowview District. The County Board of Commissioners is the governing board for the District.

Columbia County 4-H and Extension Service District - The District provides educational services primarily in agriculture and home economics for County residents. In addition, the District oversees the 4-H program. The County Board of Commissioners is the governing board for the District.

Columbia County Development Agency - The Agency was formed to plan, direct, and manage the Port Westward Urban Renewal Agency. The County Board has been appointed governing body of the Agency.

Complete financial statements for each component unit may be obtained at the Office of the Finance Director, 230 Strand Street, St. Helens, Oregon 97051-0100.

Government-Wide and Fund Financial Statements -

Government-Wide Financial Statements - The statement of net position and the statement of activities display information about the County as a whole. These statements include all the financial activities, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statement of activities presents a comparison between direct expenses and program revenues for each function of the 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, (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and (c) Pension expense. Taxes and other items not properly included among program revenues are reported instead as general revenues.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 1 - Continued

Fund Financial Statements - These statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary, or fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements. The County reports the following major governmental funds: General Fund, Road Fund and Jail Operations Fund. Non-major funds are consolidated into a single column in the financial section of the basic financial statements and are detailed in the supplemental information.

Governmental Funds -

General Fund - This fund accounts for the financial resources of the County that are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, grants, and state shared revenues. Primary expenditures are for public safety, corrections, judicial, economic development, and general administration.

Special Revenue Funds - These funds account for revenues derived from specific taxes or other earmarked revenue sources, including state gas tax and state revenue sharing entitlements, which are legally restricted to expenditures for specified purposes. Funds included in this fund category are:

Jail Operations Fund - This fund was established in fiscal year 2014-15, the first year for the local option levy to support jail operations. Revenues for the fund come from property tax, jail rental fees, general fund transfers and other miscellaneous fees and grants. The monies are used to operate the Columbia County Jail.

Road Fund - This fund was established as a requirement of ORS 366.542(4). Monies received from the State of Oregon (State Highway funds, gasoline tax apportionment and grants) make up the majority of the fund's revenue base with small additional contributions from fees charged to the public, federal grants and transfers from other funds for goods and services. These monies are to be used for the construction and expansion, operations and maintenance, repair and preservation of County roads, streets and bridges.

Additionally, there are the following non-major funds:

Special Revenue Funds -

Fair Board Fund - This fund was established as a requirement of ORS 565-325. This fund receives monies from state lottery, rentals and concessions. Admission fees from the county fair augment these revenues. The fair board is charged with the responsibility to maintain, repair and preserve the county fair grounds and buildings and support agriculture oriented programs such as the 4-H and hold one annual county fair.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 1 - Continued

Direct Pass Through Grant Fund - This fund was set up to receive, control and disburse funds that the County receives for other entities under contract with the State of Oregon. The County has an oversight and fiduciary responsibility to the State.

Corner Preservation Fund - The Public Land Corner Preservation Fund was established under County Ordinance No. 89-16. Revenues are derived from fees charged by the County Clerk when recording instruments under ORS 205.130(2) and ORS 203.148. These fees were established to pay expenses incurred in the establishment and maintenance of corners of government survey under ORS 209.070 (5 and 6).

Inmate Benefits Expense Fund - This fund was established to account for profits generated from products and services sold and supplied to inmates of the County jail. These revenues are to be used exclusively in a manner benefiting the population of the jail.

Courthouse Security Fund - This fund accounts for revenues received from cities and courts that are a percentage of fines paid to the cities and courts. The disbursement of the funds is determined by the courthouse security committee, which is made up of the presiding Judge, Sheriff, Jail manager, Commissioner and manager of building services.

Community Corrections Fund - This fund was established under the Senate Bill 1145 and 156 in 1995 to account for the activities of the adult parole and probation program for the County. The fund receives its revenue from state programs and from supervision fees.

Law Library Fund - This fund was established under authority of ORS 9.840 and 9.850. Revenues are received per schedule detailed in ORS 21.350 from the state court administrator. The revenue is to be used exclusively to maintain a law library at the county seat, and be available for use by litigants and attorneys without additional fees.

County Park Fund - This fund was created by County ordinance No 94-9 in December 1994. It was established to operate and maintain and expand the County Park system. The fund receives monies from the State Highway Fund, from grants, and logging revenue from County forests.

CC Rider Transportation Fund - The Columbia County Rider Transportation Fund was established to provide transportation for Columbia County citizens. It is funded by state and federal grants and by local public entities' support. Additional revenue is generated by rider fares and Medicaid payment for senior transportation.

Building Services Fund - Per ORS 455.210.3C, building fee revenue can only be used for the operations of the building department. In order to accommodate this requirement, the building services fees and expenses are tracked in a stand-alone fund.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 1 - Continued

Strategic Investment Program Fund - This fund began in FY16 and consists of the revenues from the County's SIP agreement with Portland General Electric (PGE) which will last 15 years through FY30. Funds are distributed to jurisdictions in the Port Westward area and a portion is retained by the county as described in the intergovernmental agreement signed by the relevant taxing districts.

Public Works Capital Fund - This fund was updated in FY16. As before, it provides for the operations and capital improvements needs of the County's bike paths with revenue that consists primarily from one percent of the County's state gasoline tax. It now also includes the system development charge (SDC) revenue stream that is restricted for capital upgrades for county roads and parks in the corresponding districts within the jurisdiction.

PERS Reserve Fund - This fund was established in fiscal year 2014-15 to collect the internal payroll contributions to a PERS Reserve fund. An internal rate of 4.4% percent of PERS-eligible employees began being imposed in FY2013-14. This rate is the amount the County's PERS rate was reduced by the Oregon legislature starting in July 2013. The first year of collection the funds were held in each participating fund. The Board opted to create the reserve fund in the second year to add transparency in the financial statements. Funds collected, which have varied between the original 4.4% to 0% in any given fiscal year, will be used to address PERS rate increases in future.

Additionally, a budgetary comparison schedule is presented for the following blended component units, which are considered to be non-major governmental funds:

Meadowview Service District Fund - This fund is the general fund for this special district. Under ORS 451.490, a local option tax is assessed against the property owners in this lighting district. Revenues received from this local option tax are used to pay the utilities for the street lights and the administration of this fund. The Board of Commissioners is the governing body of this special district.

4-H Extension Service District Fund - The Columbia County 4-H & Extension Service District was formed in May of 1988 under provisions of the ORS 451 and provides agricultural education and other services to County residents. This fund serves to collect the revenue for the district and to distribute the revenue to and for the administration of the district, which is supervised by the Oregon State University agricultural division. The Board of Commissioners is the governing body of the service district.

Columbia County Development Agency Fund - This fund was established to account for the revenues and expenditures of the Urban Renewal District. The fund receives its revenues from tax increments, interest, loan proceeds, and royalties.

Debt Service Funds - These funds are used to account for revenues and expenditures related to the servicing of general long-term debt.

Jail Bond Fund - This fund is used to accumulate tax revenue received from a special tax levy, which was approved by Columbia County's voters as ballot measure 5-49 on November 3, 1998. This bond levy is assessed to all County property owners. Monies received from this bond levy are used for the retirement of principal and interest on the Jail General Obligation Bond for the construction of the County Jail.

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 1 - Continued

Proprietary Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The proprietary fund measurement focus is on the flow of economic resources. Operating revenues include tipping fees and other revenues. Operating expenses include personnel services, operation and maintenance, as well as depreciation. All revenues and expenses, including capital contributions and transfers, not meeting these definitions are reported as nonoperating revenues and expenses. The intent of the governing body is that the cost of providing the services to the general public on a continuing basis be financed primarily through user charges. The County reports the following major proprietary fund:

County Transfer Station Fund - This fund accounts for the operations of the County's Solid Waste Transfer Station facility in which the County has a long-term intergovernmental agreement with its Cities to process all waste generated in the County. It also provides recycling and household hazardous waste services. The fund receives its revenues primarily from tipping fees.

Fiduciary Funds - Fiduciary Funds reporting focuses on net position and changes in net position. The fiduciary category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Fiduciary funds are used to account for assets the County holds in a trustee capacity or as an agent for individuals, private organizations, other governments, and other funds. The County's only fiduciary funds are agency funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The agency fund of the County is:

Treasurer Fund - This fund accounts for assets held by the County Treasurer for the benefit of other districts and governments in the County.

Measurement Focus and Basis of Accounting - Measurement focus is a term used to describe which transactions are recorded with the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, long-term compensated absences are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the County.

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 1 - Continued

A deferred revenue liability arises in the Governmental Funds Balance Sheet when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable deferred revenue consists solely of uncollected property taxes and assessments not deemed available to finance operations of the current period. In the government-wide Statement of Net Position, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on Governmental Fund Balance Sheet for unavailable deferred revenue is eliminated. Note that deferred revenues also arise outside the scope of measurement focus and bases of accounting, such as when the County receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenses affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long-term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the governmental-wide presentation. This reconciliation is part of the financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Transfer Station Fund are charges to customers for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Agency funds are unlike all other fund types, reporting only assets and liabilities; therefore, agency funds do not have a measurement focus. The agency funds utilize the accrual basis of accounting to recognize receivables and payables.

Cash, Cash Equivalents and Investments -

Cash and Cash Equivalents - The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 1 - Continued

Level 2 - Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 - Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Receivables - Receivables are recorded on the combined balance sheet in accordance with the policies enumerated above. Management believes that any uncollectible accounts included in the receivable balances are not significant, and therefore no provision for uncollectible accounts has been made.

Supply Inventories and Prepaids - Inventories are valued at cost using first-in/first-out (FIFO) method. Since the consumption method is used, costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased. Prepaid services are accounted for in the same manner.

Capital Assets and Depreciation - Capital assets include property, plant, equipment, and infrastructure assets (e.g. roads, quarries, etc.). Capital assets are reported in the government-wide financial statements. In the governmental funds statements, capital assets are charged to expenditures as purchased. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Donated capital assets are recorded at their acquisition value at the time received; an offsetting revenue results in net position impact of the donated acquisition value of \$0.

Capital assets are defined by the County as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation of exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Building and improvements	7 - 50 years
Infrastructure	20 - 40 years
Equipment	5 - 10 years

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 1 - Continued

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

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 positions that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two that qualifies as a deferred outflows: contributions after OPEB measurement date and contributions after the pension measurement date.

In addition to liabilities, the statement of financial 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. The item unavailable revenue, which arises only under a modified accrual basis of accounting, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, Deferred Inflows of resources related to the pension plan and OPEB include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.

Interfund Transactions - Payments among funds - reimbursements when one fund incurs a cost and then charges the appropriate benefiting fund - are considered transfers in and transfers out respectively.

Payments among county component units are budgeted as Special payments and on the financial statements are treated as a transfer as they are offsetting payments.

Long-Term Debt - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financial uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as revenue.

Compensated Absences - All vacation pay is accrued when incurred in the government-wide statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

Funds used to liquidate accrued compensated absences included the general fund, jail operations fund, road fund, county park fund, community corrections fund, corner preservation fund, inmate benefit fund, 4H extension service fund, CC Rider fund, building services fund, and transfer station fund.

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 1 - Continued

The annual compensated absence cost estimate is based on average of two most current year's actual payout for compensated absences. In the case of known actions which would skew the number (planned layoffs, for example), appropriate adjustment to the estimate will be made.

Retirement Plans - Substantially all of the County's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions which affect the reporting amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimated.

Net Position - Net position is comprised of the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

Net Investment in Capital Assets - Consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. A portion of Net Position is restricted for Debt Service and for System Development.

Unrestricted Net Position - Consists of all other assets that are not included in the other categories previously mentioned.

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

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 1 - Continued

Fund Balance - The County classifies governmental fund balance as follows:

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. To date, the Board has not delegated that authority to any other government officials.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The governing body vested with the above noted fund balance authorities for Columbia County is the Board of County Commissioners. Columbia County GASB 54 fund balance policy was established by Board Order No. 38-2011.

The governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

Note 2 - Stewardship, Compliance and Accountability

Budget Requirements, Compliance and Accountability - A budget is required to be prepared and legally adopted for each fund in accordance with Oregon Local Budget Law. The budget is prepared using the modified accrual basis of accounting. The budgeting process begins by appointing Budget Committee members in early fall. Budget recommendations are developed by management through spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June, and the hearing is held in June. The budget is adopted, appropriations are made and the tax levy is declared no later than June 30.

The County budgets for all funds, except the Fiduciary Funds. Governmental Funds are budgeted on the modified accrual basis of accounting. The board order or resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Total expenditures by department for the General Fund, and personal services, materials and services, capital outlay and debt service for all other funds, are the levels of control established by the board order or resolution.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 2 - Continued

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriation resolution. Supplemental budgets less than 10% of the fund's original budget may be adopted by the Board of Commissioners at a regular meeting. A supplemental budget greater than 10% of the fund's original budget requires hearings before the public, publication in newspapers and approval by the Board. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control (major function levels). Such transfers require approval by the Board. Budget amounts shown in the basic financial statements include the original budget amounts, plus appropriation transfers and appropriation increases. Appropriations lapse at the end of each fiscal year.

The County adopted resolutions for appropriation transfers which adjusted the fiscal year 2017 - 2018 original budget.

Expenditures of the various funds were within authorized appropriations with the following exceptions: Fair Board Fund, material and services category \$9,093; CC Rider Transportation Fund, materials and services category \$129,124; Strategic Investment Program Fund, materials and services category \$17,710, special payments category \$111; Meadowview Services District, transfers out category \$750; 4-H Extension Service District, personal services category \$7,773.

There are no differences, other than those noted in the section above, between the budgetary basis and GAAP basis of accounting.

Note 3 - Cash and Cash Equivalents

Cash management policies are governed by state statutes. A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Cash Equivalents. Cash and Investments (recorded at cost) consisted of:

Deposits with financial institutions:

Cash on hand	\$ 3,718
Deposits with financial institutions	1,825,430
Investments	<u>17,751,485</u>
Total Cash and Cash Investments	<u>\$ 19,580,633</u>
Government-wide financial statements	\$ 18,714,520
Fiduciary funds financial statements	<u>866,113</u>
Total Cash and Cash Investments	<u>\$ 19,580,633</u>

COLUMBIA COUNTY, OREGON

Notes to Financial Statements
For the Year Ended June 30, 2018

Note 3 - Continued

Deposits - Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. Bank deposits at June 30, 2018 were \$2,539,549, of which only \$250,000 are covered by FDIC as they are in government agency, no interest-bearing accounts; however, state law requires depository banks to collateralize local government deposits 100%. The rest were held at an approved depository as identified by Oregon State Treasury within the depository limits established.

Fair Value Inputs and Methodologies and Hierarchy - Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - Unadjustable price quotations in active market/exchanges for identical assets or liabilities that each Fund has the ability to access.

Level 2 - Other observable inputs including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 - Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments).

Investments - State statutes authorize investment 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 among others. Investments are valued at fair value as required by GASB 31 & 72.

As of June 30, 2018, the following investments and maturities are reported at fair value:

Investment Type	Fair Value	Investment Maturities	
		1 Year or Less	1 Year or More
US Agencies	\$ 4,988,351	\$ -	\$ 4,988,351

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 3 - Continued

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2018. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value and does not meet criteria established by GASB 79 to report at amortized cost. The pool is comprised of a variety of investments. At June 30, 2018, the fair value of the County's position in the pool is the same as the value of pool shares, which approximates cost. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

The County's holdings in United States Government Agency securities, treasuries, corporate bonds and municipal bonds with maturities greater than one-year since purchase date had a net unrealized fair value loss of \$42,652 under cost as of June 30, 2018. Because this loss is immaterial, the schedule of investments valued at fair value differs from the value of investment funds listed in the schedule of deposits at institutions as well as the cash and cash equivalents amount noted in the Statement of Net Position by this amount.

Interest Rate Risk - The County's investment policy limits the maximum weighted average maturity of investments to two years, with a minimum of 10% of the investment portfolio maturing under 30 days and 25% maturing in under one year. The County has a maximum maturity of five years. As of June 30, 2018, the County's average maturity of investments was 0.93 years.

Custodial Credit Risk - Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the investment will not be able to be recovered by collateral securities that are in the possession of an outside party.

The LGIP is administered by the Oregon State Treasury with the advice of other state agencies and is not rated or registered with the U.S. Securities and Exchange Commission. The LGIP is an open-ended no-load diversified portfolio offered to any agency, political subdivision, or public corporation of the state that by law is made the custodian of, or has control of any public funds. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon Legislature established the Oregon Short Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment of the LGIP.

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 3 - Continued

The Board has established portfolio diversification percentages based on the types and maturities of investments. The LGIP must manage and invest its funds as a prudent investor would, exercising reasonable care, skill and caution. Professional standards indicate that the investments in external investment pools are not subject to custodial risk because they are not evidenced by securities that exist in physical or book entry form. Nevertheless, management does not believe that there is any substantial custodial risk related to investments in the LGIP. A copy of the State's Comprehensive Annual Financial Report may be obtained at: <http://www.oregon.gov/DAS/CFO/SARS/Pages/index.aspx>.

County investment policy requires that the custodial agent for County's Fixed Income investments provide confirmation evidence for all securities transactions and make a copy of its Statement on Standards for Attestation Engagements (SSAE) No. 16.

Credit Risk - The County's investment policy has restrictive limits on investments in commercial paper and are required to have a A1+ credit rating or better by Standards and Poors, or P1 by Moody's at the time of purchase, more restrictive than what is allowed by State Law. As of June 30, 2018, the County did not hold any commercial paper. State and local government securities are required by the County's investment policy to have an AA- credit rating or better by Standard and Poors, or Aa3 by Moody's at the time of purchase. As of June 30, 2018 the County did not hold any municipal obligations. The County may also invest in Corporate Bonds which hold an AA- credit rating or better by Standard and Poors, or Aa3 by Moody's at the time of purchase. As of fiscal year end, the County owned no corporate bonds.

The County's investment policy also limits credit risk by restricting the amount invested in any class of security. The maximum percentage amount of the total investment portfolio that can be invested in US treasuries is 100%; US government agency primary securities 100%; LGIP 100% (subject to the ORS imposed maximum dollar amount); corporate bonds and bank time deposits/savings accounts are limited to 25%. State of Oregon and local government securities and certificates of deposit are limited to 20%. US government agency secondary securities, bankers acceptance and commercial paper are limited to 10% of the total portfolio.

Concentration of Credit Risk - The County's investment policy limits the amount that may be invested with any one issuer or institution. Commercial paper and corporate bonds may have no more than 5% of the total portfolio from a single issuer. Certificates of deposit may have no more than 10% of the total portfolio invested with any one institution. No more than 10% of the total portfolio may be invested in one entity's state or local government security. Individual US Government agency primary securities may be no more than 35% of the total portfolio. Individual US Government agency secondary securities may be no more than 10% of the total portfolio. There is no limit on the percent of the portfolio that may be invested in US treasuries.

At June 30, 2018, there was compliance with all percentage restrictions.

With regard to funds held in the State Treasurer's investment pool, to avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the LGIP investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 4 - Property Taxes

Columbia County makes assessments of property value, and levies and collects the taxes for the County and all other taxing districts within the County. Assessments of property values are as of January 1. Taxes levied are a lien on the properties as of July 1 of each year. Taxes are due November 15 and a 3% discount is allowed for payment at this time. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through liens.

Note 5 - Interfund Transfers

Interfund transfers are used to pay administrative services provided by the general fund, provide funds for debt service, and contribute to the cost of capital projects. Transfers to and from other funds at June 30, 2018, are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 4,457,844	\$ (4,234,692)
Jail Operations Fund	1,403,416	(639,441)
Road Fund	623,482	(389,906)
Non-Major Governmental Fund	788,152	(1,972,852)
Proprietary Fund	-	(36,003)
	<u>\$ 7,272,894</u>	<u>\$ (7,272,894)</u>

Transfers among component units are recorded as "special payments" on the transfer in side and as the relevant expenditure category on the transfer out side.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 6 - Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2018 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Nondepreciable-					
Land	\$ 5,996,632	\$ -	\$ (218,700)	\$ -	\$ 5,777,932
4-H Land	218,700	-	-	-	218,700
Construction in progress	232,259	354,554	-	(178,611)	408,202
Nondepreciable capital assets	6,447,591	354,554	(218,700)	(178,611)	6,404,834
Depreciable-					
Buildings and improvement	25,577,721	110,800	(323,406)	173,800	25,538,915
4-H buildings and improvement	362,882	-	-	-	362,882
4-H equipment	8,663	-	-	-	8,663
Infrastructure	245,414,680	1,924,553	-	-	247,339,233
Equipment	10,473,392	1,159,356	(155,907)	4,811	11,481,652
Depreciable capital assets	281,837,338	3,194,709	(479,313)	178,611	284,731,345
Accumulate depreciation-					
Buildings and improvement	(11,040,082)	(551,447)	275,377	-	(11,316,152)
4-H buildings and improvement	(113,068)	(6,108)	-	-	(119,176)
4-H equipment	(8,663)	-	-	-	(8,663)
Infrastructure	(227,362,192)	(1,546,009)	-	-	(228,908,201)
Equipment	(8,542,473)	(511,412)	147,179	-	(8,906,706)
Total accumulated depreciation	(247,066,478)	(2,614,976)	422,556	-	(249,258,898)
Net Depreciable Capital Assets	34,770,860	579,733	(56,757)	178,611	35,472,447
Net Capital Assets	\$ 41,218,451	\$ 934,287	\$ (275,457)	\$ -	\$ 41,877,281

Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 141,732
Roads	1,772,169
Public safety	442,977
Culture and recreation	178,341
Economic development	79,757
Total Governmental Activities Depreciation	\$ 2,614,976

COLUMBIA COUNTY, OREGON

Notes to Financial Statements
For the Year Ended June 30, 2018

Note 6 - Continued

Capital asset activity for business-type activities for the year ended June 30, 2018 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Nondepreciable- Land	\$ 637,483	\$ -	\$ -	\$ 637,483
Nondepreciable capital assets	637,483	-	-	637,483
Depreciable- Buildings and improvement	4,803,279	-	-	4,803,279
Equipment	179,845	10,325	-	190,170
Depreciable capital assets	4,983,124	10,325	-	4,993,449
Accumulate depreciation- Buildings and improvement	(1,453,959)	(119,849)	-	(1,573,808)
Equipment	(159,450)	(7,263)	-	(166,713)
Total accumulated depreciation	(1,613,409)	(127,112)	-	(1,740,521)
Net Depreciable Capital Assets	3,369,715	(116,787)	-	3,252,928
Net Capital Assets	\$ 4,007,198	\$ (116,787)	\$ -	\$ 3,890,411

COLUMBIA COUNTY, OREGON

Notes to Financial Statements
For the Year Ended June 30, 2018

Note 7 - Long-Term Debt

Governmental Activities

Changes in Long-Term Liabilities - Long-term liability activity of the governmental activities for the year ended June 30, 2018 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable	\$ 7,995,311	\$ -	\$ (1,325,441)	\$ 6,669,870	\$ 262,245
Notes payable	1,683,132	-	(1,216,279)	466,853	101,589
Total	9,678,443	-	(2,541,720)	7,136,723	363,834
Leases payable	95,049	-	(38,126)	56,923	22,995
Net pension liability	11,774,406	-	(969,007)	10,805,399	-
Net OPEB obligation	653,422	-	(29,754)	623,668	-
Accrued compensated absences	1,415,401	1,102,431	(1,066,048)	1,451,784	140,974
Total Debt	\$ 23,616,721	\$ 1,102,431	\$ (4,644,655)	\$ 20,074,497	\$ 527,803

Advanced Refunding - On November 21, 2006, the County advance refunded a portion of the Series 1999 General Obligation Bonds by issuing \$8,365,000 General Obligation Refunding Bonds. These resources were used to purchase U.S. government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt services payments of the refunded debt. As a result, the refunded portion of the obligations is considered defeased and the liability has been removed from the governmental activities column from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$120,000. The deferred loss is being netted and amortized over the life of the new debt, which is equal to the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$383,560 and resulted in an economic gain of \$312,046. The unamortized amount at the adoption of GASB 65 was immaterial and thus no change was made.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 7 - Continued

Notes Payable -

On April 20, 2011, the County received proceeds of \$713,000 loan from US Bank in order to pay for energy efficiency renovations at the County Courthouse building. The loan has an annual interest rate of 3.75% and a ten year term which may be paid off early without penalty after April 20, 2014. The project is expected to substantially reduce the electric and gas utility needs and cost in the Courthouse.

\$ 242,371

The City of St. Helens loaned \$100,000 to Columbia County for a joint housing project between the Community Action Team (CAT) and Columbia County Community Corrections (CCCC). This housing project will benefit people in transition from detention. CAT and CCCC located grants and this loan to build affordable housing for these citizens. The loan will be repaid over the next twenty years from rent revenue.

49,896

On April 12, 2000, the County received a loan in the amount of \$410,000 from the Oregon Economic Development Special Public Works Fund (SPWF) for the West Rainier project. The loan carries a 5.25% interest rate over 25 years.

174,586

Total Notes Payable

\$ 466,853

Annual debt service requirements to maturity for notes payable are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2019	\$ 101,589	\$ 19,591	\$ 121,180
2020	109,889	15,467	125,356
2021	113,352	10,502	123,854
2022	29,910	7,060	36,970
2023	30,319	5,526	35,845
2024 - 2028	81,794	6,394	88,188
	<u>\$ 466,853</u>	<u>\$ 64,540</u>	<u>\$ 531,393</u>

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 7 - Continued

Bonds Payable -

In March 2002, the County issued Limited Tax Pension Obligations, Series 2002A and Series 2002B totaling \$4,394,484. The Series 2002 A are deferred interest obligations, while the Series 2002B are current interest obligations. The 2002A Obligations were issued as deferred interest obligations, with interest payable only at maturity, and compounded semiannually at June 1 and December 1. The 2002B obligations were issued as current interest obligations, with interest payable on December 1 of each year until maturity or earlier prepayment. The bonds carry interest rates varying from 2.0 to 7.41% with an average yield of about 7%. Interest rates are set at different levels throughout the life of the bond. On September 23, 2005, the County issued additional Limited Tax Pension Obligations in the amount of \$3,860,000 with interest rates varying from 4.79 to 5%. Interest rates are set at different levels throughout the life of the bond. These series 2005 bonds were issued as current interest obligations, with interest payable on June 1 and December 1 of each year until maturity. The proceeds from these limited tax bonds were used to finance the estimated unfunded actuarial liability with the Oregon Public Employees Retirement System (PERS).

\$ 6,669,870

Total Bonds Payable

\$ 6,669,870

Annual debt service requirements to maturity for bonds payable are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2019	\$ 262,245	\$ 567,367	\$ 829,612
2020	312,625	552,755	865,380
2021	540,000	367,536	907,536
2022	615,000	335,068	950,068
2023	690,000	298,017	988,017
2024 - 2028	4,250,000	753,093	5,003,093
	\$ 6,669,870	\$ 2,873,836	\$ 9,543,706

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 7 - Continued

Leases - As of June 30, 2018, capital leases had the following balance:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 95,049	\$ -	\$ (38,126)	\$ 56,923	\$ 22,995

Business-Type Activities

Changes in Long-Term liabilities - Long-term liability activity for the year ended June 30, 2018, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Net pension liability	\$ -	\$ 78,850	\$ -	\$ 78,850	\$ -
Net OPEB obligation	-	5,236	-	5,236	-
Notes payable	2,215,513	-	(492,439)	1,723,074	279,414
Total Debt	<u>\$ 2,215,513</u>	<u>\$ 84,086</u>	<u>\$ (492,439)</u>	<u>\$ 1,807,160</u>	<u>\$ 279,414</u>

Notes Payable -

On March 17, 2004, the County received financing in the amount of \$4,435,000 at 4.97% from the Oregon Economic and Community Development Department for the construction of a new solid waste transfer station. Annual principal and interest payments of \$323,660 are due for the next 25 years.

\$ 1,723,074

Total Note Payable

\$ 1,723,074

Annual debt service requirements to maturity for note payable is as follows:

For the Year Ending June 30,	Principal	Interest	Total
2019	\$ 279,414	\$ 44,246	\$ 323,660
2020	251,910	71,750	323,660
2021	264,430	59,230	323,660
2022	277,572	46,088	323,660
2023	291,368	32,292	323,660
2024 - 2028	358,380	20,422	378,802
	<u>\$ 1,723,074</u>	<u>\$ 274,028</u>	<u>\$ 1,997,102</u>

COLUMBIA COUNTY, OREGON

Notes to Financial Statements For the Year Ended June 30, 2018

Note 8 - Pension Plan

Plan Description - The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

If the link is expired please contact Oregon PERS for this information.

- a. PERS Pension (Chapter 238). The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i. Pension Benefits - The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii. 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). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - Member was employed by PERS employer at the time of death;
 - Member died within 120 days after termination of PERS covered employment;
 - Member died as a result of injury sustained while employed in a PERS-covered job; or
 - Member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. Disability Benefits - A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv. 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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

COLUMBIA COUNTY, OREGON

Notes to Financial Statements
For the Year Ended June 30, 2018

Note 8 - Continued

- b. OPSRP Pension Program (OPSRP DB). The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. Pension Benefits - This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
- Police and Fire* - 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General Service* - 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.
- A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
- ii. Death Benefits - Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii. Disability Benefits - A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv. Benefit Changes - After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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 funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2016. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2018 were \$1,114,686, excluding amounts to fund employer specific liabilities.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 8 - Continued

Pension Asset or Liability - At June 30, 2018, the County reported a net pension liability of \$10,805,399 for its proportionate share of the net pension liability. The pension asset was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2015, the County's proportion was 0.08 percent.

	Deferred Outflow of Resources	Deferred Inflow of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 522,554	\$ -
Changes in assumptions	1,969,631	-
Net difference between projected and actual earnings on plan investments	111,321	-
Changes in proportionate share	116,962	340,928
Changes in proportion and differences between County contributions and proportionate share of contributions	-	221,169
County contributions subsequent to measuring date	<u>1,114,686</u>	<u>-</u>
	<u>\$ 3,835,154</u>	<u>\$ 562,097</u>

Amounts reported as deferred outflows or inflow of resources related to pension, excluding contributions subsequent to measurement date, will be recognized in pension expense as follows:

For the Year Ending June 30,

2019	\$ 332,020
2020	1,222,005
2021	841,414
2022	(259,446)
2023	<u>22,378</u>
	<u>\$ 2,158,371</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 20, 2018. Oregon PERS produces an independently audited CAFR which can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2017-CAFR.pdf>.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 8 - Continued

Actuarial Valuations - The employer contribution rates effective July 1, 2015 through June 30, 2018, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions -

Valuation Date	December 31, 2015 rolled forward to June 30, 2017 measurement date.
Experience Study Report	2014, Published September 2015.
Actuarial Cost Method	Entry Age Normal.
Amortization Method	Amortized as a 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.
Asset Valuation Method	Market value of assets.
Inflation Rate	2.5 percent (reduced from 2.75 percent).
Investment Rate of Return	7.5 percent.
Projected Salary Increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.5 percent plus assumed rates of merit/longevity increases based on service.
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 8 - Continued

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

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the 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.

Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	<u>6.5%</u>	<u>7.5%</u>	<u>8.5%</u>
County's proportionate share of the net pension liability	\$ 18,414,372	\$ 10,805,399	\$ 4,442,888

Assumed Asset Allocation -

<u>Asset Class/Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt securities	15.0%	25.0%	20.0%
Public equity	32.5%	37.5%	37.5%
Private equity	14.0%	21.0%	12.5%
Real estate	9.5%	15.5%	17.5%
Alternative equity	0.0%	12.5%	12.5%
Opportunity portfolio	0.0%	3.0%	0.0%
			<u><u>100.0%</u></u>

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 8 - Continued

Long-Term Expected Rate of Return - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.00%	4.00%
Short-Term Bonds	8.00%	3.61%
Bank/Leveraged Loans	3.00%	5.42%
High Yield Bonds	1.00%	6.20%
Large/Mid Cap US Equities	15.74%	6.70%
Small Cap US Equities	1.31%	6.99%
Micro Cap US Equities	1.31%	7.01%
Developed Foreign Equities	13.13%	6.73%
Emerging Market Equities	4.12%	7.25%
Non-US Small Cap Equities	1.88%	7.22%
Private Equity	17.50%	7.97%
Real Estate (Property)	10.00%	5.84%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	2.50%	4.64%
Hedge Fund - Event-driven	0.63%	6.72%
Timber	1.88%	5.85%
Farmland	1.88%	6.37%
Infrastructure	3.75%	7.13%
Commodities	1.88%	4.58%
Assumed Inflation		2.50%

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

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 8 - Continued

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. The previous assumed rate was 7.5 percent and was in effect for member transactions from January 1, 2016 through December 31, 2017.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the District for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the District.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The Oregon Public Service Retirement Plan (OPSRP) is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan that is invested in the IAP. The District makes this contribution on behalf of its employees.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700.

Note 9 - Other Post-Employment Benefits (OPEB)

OPEB activity and balances as of and for the year ended June 30, 2018 are as follows:

<u>Category</u>	<u>RHIA</u>	<u>Insurance Subsidy</u>	<u>Total</u>
OPEB liability	\$ -	\$ 623,668	\$ 623,668
Net OPEB assets	40,241	-	40,241
Deferred outflows	1,210	43,228	44,438
Deferred inflows	18,637	36,477	55,114
OPEB expenses	(22,814)	(36,505)	(59,319)

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 9 - Continued

The following table shows the changes in the County’s total OPEB liability for its two OPEB plans:

	<u>RHIA</u>	<u>Insurance Subsidy</u>	<u>Total</u>
OPEB Liability (Asset), June 30, 2017 (Restated)	\$ 24,526	\$ 653,422	\$ 677,948
Changes for the year-			
Service cost	-	61,637	61,637
Interest	-	19,395	19,395
Changes of benefit terms	-	-	-
Benefit payments	<u>(64,767)</u>	<u>(110,786)</u>	<u>(175,553)</u>
OPEB Liability (Asset) Ending balance, June 30, 2018	<u>\$ (40,241)</u>	<u>\$ 623,668</u>	<u>\$ 583,427</u>

Post-Employment Health Insurance Subsidy Plan

Plan Description - The County operates a single-employer retiree benefit plan that provides postemployment health, dental, and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements.

The Post Employment Health Insurance Subsidy plan (the Insurance Subsidy plan) was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums, represents the implicit employer contribution. The County did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Benefits Provided - The benefits from this program are paid by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation to fund these benefits in advance.

Employees Covered by Benefit Terms - At June 30, 2018, the following employees were covered by the benefit terms:

Active employees	132
Eligible retirees	5
Spouses of ineligible retirees	<u>2</u>
Total Participants	<u>139</u>

Total OPEB Liability - The County’s total OPEB liability of \$623,668 was measured as of June 30, 2017, and was determined by an actuarial valuation as of July 1, 2016.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 9 - Continued

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent.
Salaries Increases	3.50 percent, average, including inflation.
Discount Rate	3.58 percent.
Healthcare Cost Trend Rates	RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scale BB for males and females.
Actuarial Cost Method	Entry Age Normal.

Sensitivity Analysis - The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (3.58 percent decreasing to 2.58 percent) or 1-percentage-point higher (3.58 percent increasing to 4.58 percent) than the current healthcare cost trend rates:

	1% Decrease <u>-2.58%</u>	Discount Rate <u>-3.58%</u>	1% Increase <u>-4.58%</u>
Total OPEB Liability	\$ 676,387	\$ 623,668	\$ 575,227

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - For the year ended June 30, 2018, the County recognized OPEB expense of \$76,295. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 36,477	\$ -
Changes of assumptions of other inputs	-	43,228
	<u>\$ 36,477</u>	<u>\$ 43,228</u>

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 9 - Continued

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ending June 30,

2019	\$	(4,737)
2020		(4,737)
2021		(4,737)
2022		(4,737)
2023		(4,737)
Thereafter		<u>(12,792)</u>
	\$	<u><u>(36,477)</u></u>

Retirement Health Insurance Account (RHIA)

Plan Description - As a member of Oregon Public Employees Retirement System (OPERS) the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing, multiple-employer, defined benefit, other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution (currently \$60 per month) toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The Plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700. The reports and other related schedules including plan assumptions, methods and plan provisions may also be found on the PERS website at <https://www.oregon.gov/pers/EMP/Pages/GASB.aspx>.

Funding Policy - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60, or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 9 - Continued

Contributions - Participating public employers are contractually required to contribute to RHIA at a rate assessed each biennium by OPERS. For fiscal year 2018 the rate is 0.50% of annual covered payroll for Tier I /Tier 2 employees and 0.43% for OPSRP employees. The OPERS sets the net-retiree healthcare rate based on the estimated OPEB expense of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The OPEB expense represents the annual cost allocated to the current year (normal cost) and the amortization of any unfunded accrued liabilities of the plan (UAL cost). The unfunded accrued liabilities are amortized over a closed period equal to the average of the expected remaining lives of all employees that are provided with OPEB through the OPEB plan (active employees and inactive employees). The County's contributions to RHIA were consistent with the net-retiree healthcare rate as charged by OPERS. Amounts paid for RHIA were included with the payments for the retirement plan described above.

Total OPEB Liability - The County's RHIA total OPEB asset of \$623,668 was measured as of June 30, 2017 and was determined by an actuarial valuation as of December 31, 2015.

Actuarial Assumptions and Other Inputs - Actuarial methods and assumptions for the RHIA plan mirror those of the PERS retirement system itself. Healthcare cost trends are not applicable to this plan. The County's proportionate share of the RHIA plan for FY 2018 is 0.09031617%. The proportionate share for each employer participating in the Plan was determined by the actuaries based upon each employer's contribution to the RHIA program during the measurement period.

Sensitivity Analysis - The following presents the total RHIA OPEB asset of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.50 percent decreasing to 6.50 percent) or 1-percentage-point higher (7.50 percent increasing to 8.50 percent) than the current discount rate:

	1% Decrease -6.50%	Discount Rate -7.50%	1% Decrease -8.50%
Total OPEB (Asset) Liability	\$ 5,610	\$ (40,241)	\$ (79,240)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB - At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Changes in proportionate share	\$ -	\$ 1,210
Net difference between projected and actual earnings on investments	18,637	-
	\$ 18,637	\$ 1,210

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 9 - Continued

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ending June 30,

2019	\$	4,211
2020		4,211
2021		4,345
2022		4,660
2023		-
Thereafter		-
		<hr/>
	\$	17,427

Note 10 - Risk Management

The County is exposed to various risks of loss related to: torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. Except for unemployment compensation, the County purchases commercial insurance to minimize its exposure to these risks. There has been no significant reduction in commercial insurance coverage from fiscal year 2017 to 2018. Workers compensation claims are insured through incurred loss retrospective policies. Settled claims have not exceeded this commercial coverage for any of the past three years.

Note 11 - Litigation

Management of the County believes that the total amount of liability, if any, which may arise from claims and lawsuits pending against Columbia County beyond that, which is covered by insurance, would not have a material effect of the County's financial statement.

Note 12 - Contingencies

A number of federally assisted grant programs are participated in. These programs are subject to program compliance audits by the grantors or their representatives. Compliance with grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although such amounts are expected by management to be immaterial.

Note 13 - Commitments

The Columbia County Development Agency has pledged tax increment revenues to repay a loan from OECD incurred by the Port of St. Helens to build a water intake and discharge system in the plan area. The loan is a construction loan with a 25 year term, 5% interest, in the amount of \$8,095,121. This loan is in second position for debt commitments for the CCDA; annual debt service will be paid as long as sufficient tax increment revenues are available.

COLUMBIA COUNTY, OREGON

Notes to Financial Statements
For the Year Ended June 30, 2018

Note 14 - Fund Balance

The specific purposes for each of the categories of fund balance as of June 30, 2018 are as follows:

	General Fund	Jail Operations Fund	Road Fund	Other Governmental	Total
Nonspendable:					
Prepaid and inventory	\$ 10,157	\$ 47,609	\$ 121,941	\$ 26,224	\$ 205,931
Total Nonspendable	10,157	47,609	121,941	26,224	205,931
Restricted:					
Debt funded projects	96,974	-	-	-	96,974
Grants	18,099	-	-	-	18,099
State law	186,656	-	-	-	186,656
Roads	-	-	1,649,120	-	1,649,120
Parks	-	-	-	164,928	164,928
Community corrections	-	-	-	1,779,640	1,779,640
Fair	-	-	-	-	-
Corner preservation	-	-	-	238,762	238,762
Inmate benefit	-	-	-	278,459	278,459
Courthouse security	-	-	-	183,951	183,951
Footpath bicycle trail	-	-	-	-	-
Law library	-	-	-	94,170	94,170
Public works	-	-	-	1,565,579	1,565,579
Transit	-	-	-	282,893	282,893
Building Fund	-	-	-	365,175	365,175
Jail Operations Fund	-	3,146,491	-	-	3,146,491
Harr Juvenile	129,995	-	-	-	129,995
Development Agency*	-	-	-	1,959,502	1,959,502
4-H Extension Services*	-	-	-	646,042	646,042
Meadowview lighting district*	-	-	-	2,014	2,014
Total Restricted	431,724	3,146,491	1,649,120	7,561,115	12,788,450
Committed to:					
Fair facilities	86,869	-Proceeds from a land sale were committed by Commissioners to fund facilities improvements at the Fairgrounds.			86,869
Emergency management	17,400	-Unspent community contributions to HSEM in FY13 were held to fund approved HSEM member projects.			17,400
Lottery funds	92,176	-Unspent Lottery Funds from State of Oregon for Economic Development			92,176
Facility reserves	10,000	-A reserve to support facility projects			10,000
Project reserves	92,400	-A reserve to support ERP and Fee Study projects held over from FY18			92,400
Technology	70,000	-A reserve to support technology projects + Web project held over from FY18			70,000
Total Committed	368,845	-	-	-	368,845
Assigned:					
PERS Reserve	-	-	-	1,404,441	1,404,441
Total Assigned	-	-	-	1,404,441	1,404,441
Unassigned	3,026,587	-	-	(18,399)	3,008,188
Total Fund Balances	\$ 3,837,313	\$ 3,194,100	\$ 1,771,061	\$ 8,973,381	\$ 17,775,855

* Component units

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 15 - Tax Abatements

As of June 30, 2018, Columbia County provides tax abatements through two programs: Enterprise Zone and Strategic Investment.

Enterprise Zone (ORS 285C.175) - The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Strategic Investment (ORS 3285C.600) - The purpose of the Strategic Investment program is to improve employment in areas where eligible projects are to be located and urges business firms that will benefit from an eligible project to hire employees from the region in which the eligible project is to be located whenever practicable.

In order to be eligible for the SIP exemption:

- The project must be an eligible project;
- Benefit a traded sector industry as defined in ORS 285B.280; and
- The total cost of the project equals or exceeds:
 - a. \$100 million; or
 - b. \$25 million, for rural areas

For the fiscal year ended June 30, 2018, Columbia County abated property taxes totaling \$1,673,410 under these programs.

	Amount of Taxes Abated During the Fiscal Year
<u>Total Abatement Program</u>	
Enterprise zone (ORS 285C.175)	\$ 336,705
Strategic Investment Program (ORS 285C.600)	<u>1,336,705</u>
	<u>\$ 1,673,410</u>

The County entered into tax abatement agreements that affected other governments, taxing districts to which the County passes through property taxes. Information regarding abatement for other governments can be found at: http://www.co.columbia.or.us/files/assessor/2017_Data/2016_GASB77_Report.pdf.

COLUMBIA COUNTY, OREGON

**Notes to Financial Statements
For the Year Ended June 30, 2018**

Note 16 - Adoption of New Standard and Prior Period Restatement

In the current year the County adopted GASB Statement No. 75, Accounting and Financial Reporting For Post-Employment Benefits Other Than Pensions. This standard replaces the requirements of GASB Statement No. 45 as it relates to governments that provide postemployment benefits other than pensions administered as trusts or similar arrangements that meet certain criteria. Comparative prior year information, to the extent presented, has not been restated because the necessary information is not available.

The following is a summary of the restatements to net position, as applicable, resulting from the adoption of GASB Statement No. 75:

	<u>Governmental Activities</u>
Net Position, June 30, 2017, as Previously Reported	\$ 39,276,109
Recognition of postemployment benefit related liabilities and in accordance with GASB No. 75	<u>100,118</u>
Net Position, June 30, 2017, As Restated	<u><u>\$ 39,376,227</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY, OREGON

**Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2018**

	Fiscal Year Ending June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Total OPEB Liability (in 1,000s)</u>										
Service cost	\$ 62	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on total OPEB liability	19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of changes to benefit terms	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of economic/demographic gains or (losses)	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of assumption changes or inputs	(41)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(70)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net change in total OPEB liability	(30)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, beginning	653	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB liability, ending	624	653	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Schedule of OPEB Contributions
For the Year Ended June 30, 2018**

<u>Entity Fiscal Year Ending June 30,</u>	<u>Actuarially Determined Employer Contribution</u>	<u>Actual Employer Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contribution as a Percentage of Covered Payroll</u>
Post Employment Health Insurance Subsidy	\$ -	\$ -	\$ -	\$ 11,037,687	0%
Retiree Health Insurance Account	\$ -	\$ -	\$ -	\$ 11,037,687	0%

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions
For the Year Ended June 30, 2018**

<u>For the Year Ended June 30,</u>	<u>Employer's Proportion of the Net Pension Liability (NPL)</u>	<u>Employer's Proportionate Share of the Net Pension Liability (NPL)</u>	<u>County's Covered Payroll</u>	<u>NPL as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2018	0.0801585%	\$ 10,805,399	\$ 11,037,687	98%	83%
2017	0.7843200%	11,774,406	10,707,205	110%	81%
2016	0.8448485%	4,850,665	10,420,148	47%	92%
2015	0.9418482%	(2,134,901)	9,841,982	-22%	104%
2014	0.9418482%	4,806,389	8,687,468	55%	92%

Amounts presented are for the measurement period reported during the fiscal year, which for FY 2018 is July 1, 2016 - June 30, 2017.

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

<u>For the Year Ended June 30,</u>	<u>Statutorily Required Contribution</u>	<u>Contributions in Relation to the Statutorily Required Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Employer's Covered Payroll</u>	<u>Contributions as a Percent of Covered Payroll</u>
2018	\$ 1,114,686	\$ 1,114,686	\$ -	\$ 12,020,439	9%
2017	774,462	774,462	-	11,037,687	7%
2016	746,762	746,762	-	10,707,205	7%
2015	760,450	760,450	-	10,420,148	7%
2014	727,419	727,419	-	9,841,982	7%

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

SUPPLEMENTARY INFORMATION

COLUMBIA COUNTY, OREGON

Combining Balance Sheet
 Non-Major Governmental Funds
 June 30, 2018

	Total Non-Major Special Revenue Funds	Jail Bond Debt Service Fund	Total
Assets:			
Cash and investment	\$ 8,685,737	\$ -	\$ 8,685,737
Property taxes receivable	216,776	-	216,776
Accounts receivable	104,834	-	104,834
Due from other governments	581,999	-	581,999
Prepays	26,224	-	26,224
Total Assets	\$ 9,615,570	\$ -	\$ 9,615,570
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts payable	\$ 416,353	\$ -	\$ 416,353
Deposits	9,060	-	9,060
Total Liabilities	425,413	-	425,413
Deferred Inflows of Resources:			
Unavailable revenue - property taxes	216,776	-	216,776
Total Deferred Inflows of Resources	216,776	-	216,776
Fund Balances:			
Nonspendable	26,224	-	26,224
Restricted	7,561,115	-	7,561,115
Unassigned	(18,399)	-	(18,399)
Assigned	1,404,441	-	1,404,441
Total Fund Balances	8,973,381	-	8,973,381
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,615,570	\$ -	\$ 9,615,570

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance
 Non-Major Governmental Funds
 For the Year Ended June 30, 2018

	Total Non-Major Special Revenue Funds	Jail Bond Debt Service Fund	Total
Revenues:			
Property tax collected by County	\$ 3,060,179	\$ 1,148,976	\$ 4,209,155
Public service tax collected by State	44,918	-	44,918
Intergovernmental grants	4,561,833	-	4,561,833
Licenses and permits	-	-	-
Charges for services	631,088	-	631,088
Fines, fees and forfeitures	3,455,994	-	3,455,994
Interest on investments	98,445	6,982	105,427
Mineral royalties and timber revenue	47,691	-	47,691
Miscellaneous	-	-	-
Total Revenues	11,905,806	1,155,958	13,061,764
Expenditures:			
Personal services	2,460,888	-	2,460,888
Material and services	4,062,232	-	4,062,232
Capital outlay	601,349	-	601,349
Debt service			
Principal payments	316,327	1,090,000	1,406,327
Interest	447,308	43,600	490,908
Special payments	1,192,842	-	1,192,842
Total Expenditures	9,080,946	1,133,600	10,214,546
Excess of Revenues Over (Under Expenditures)	2,824,860	22,358	2,847,218
Other Financing Sources (Uses):			
Transfers in	788,152	-	788,152
Transfers out	(1,925,429)	(47,423)	(1,972,852)
Total Other Financing Sources (Uses)	(1,137,277)	(47,423)	(1,184,700)
Net Change in Fund Balance	1,687,583	(25,065)	1,662,518
Fund balance, beginning of year	7,285,798	25,065	7,310,863
Fund Balance, End of Year	\$ 8,973,381	\$ -	\$ 8,973,381

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Combining Balance Sheet
Special Revenue Funds
June 30, 2018

	Fair Board Fund	Direct Pass Through Fund	Corner Preservation Fund	Inmate Benefit Expenses Fund	Courthouse Security Fund	Community Corrections Fund	Law Library Fund	Public Works Capital Fund
Assets:								
Cash and investment	\$ (4,456)	\$ -	\$ 238,896	\$ 273,643	\$ 175,944	\$ 1,787,383	\$ 94,170	\$ 1,561,689
Property taxes receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	23,254	-	-	-	-
Due from other governments	-	12,070	-	-	8,007	1,503	-	3,890
Prepays	20,318	-	95	-	-	-	-	-
Total Assets	\$ 15,862	\$ 12,070	\$ 238,991	\$ 296,897	\$ 183,951	\$ 1,788,886	\$ 94,170	\$ 1,565,579
Liabilities, Deferred Inflows of Resources and Fund Balances								
Liabilities:								
Accounts payable	\$ 13,943	\$ 12,070	\$ 134	\$ 18,438	\$ -	\$ 9,246	\$ -	\$ -
Deposits	-	-	-	-	-	-	-	-
Total Liabilities	13,943	12,070	134	18,438	-	9,246	-	-
Deferred Inflows of Resources:								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-	-
Fund Balances:								
Nonspendable	20,318	-	95	-	-	-	-	-
Restricted	-	-	238,762	278,459	183,951	1,779,640	94,170	1,565,579
Unassigned	(18,399)	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-
Total Fund Balances	1,919	-	238,857	278,459	183,951	1,779,640	94,170	1,565,579
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 15,862	\$ 12,070	\$ 238,991	\$ 296,897	\$ 183,951	\$ 1,788,886	\$ 94,170	\$ 1,565,579

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Combining Balance Sheet (Continued)
 Special Revenue Funds
 June 30, 2018

	202 County Park Fund	CC Rider Transportation Fund	Building Services Fund	Strategic Investment Program Fund	PERS Reserve Fund	Meadowview Services District Fund	Columbia County Development Agency	4-H Extension Service District Fund	Total
Assets:									
Cash and investment	\$ 179,900	\$ (34,171)	\$ 403,380	\$ (13,935)	\$ 1,404,441	\$ 2,093	\$ 1,970,138	\$ 646,622	\$ 8,685,737
Property taxes receivable	-	-	-	-	-	-	195,970	20,806	216,776
Accounts receivable	4,810	-	125	76,645	-	-	-	-	104,834
Due from other governments	34,765	521,764	-	-	-	-	-	-	581,999
Prepays	150	4,280	-	-	-	-	-	1,381	26,224
Total Assets	\$ 219,625	\$ 491,873	\$ 403,505	\$ 62,710	\$ 1,404,441	\$ 2,093	\$ 2,166,108	\$ 668,809	\$ 9,615,570
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities:									
Accounts payable	\$ 45,487	\$ 204,700	\$ 38,330	\$ 62,710	\$ -	\$ 79	\$ 10,636	\$ 580	\$ 416,353
Deposits	9,060	-	-	-	-	-	-	-	9,060
Total Liabilities	54,547	204,700	38,330	62,710	-	79	10,636	580	425,413
Deferred Inflows of Resources:									
Unavailable revenue - property taxes	-	-	-	-	-	-	195,970	20,806	216,776
Total Deferred Inflows of Resources	-	-	-	-	-	-	195,970	20,806	216,776
Fund Balances:									
Nonspendable	150	4,280	-	-	-	-	-	1,381	26,224
Restricted	164,928	282,893	365,175	-	-	2,014	1,959,502	646,042	7,561,115
Assigned	-	-	-	-	-	-	-	-	(18,399)
	-	-	-	-	1,404,441	-	-	-	1,404,441
Total Fund Balances	165,078	287,173	365,175	-	1,404,441	2,014	1,959,502	647,423	8,973,381
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 219,625	\$ 491,873	\$ 403,505	\$ 62,710	\$ 1,404,441	\$ 2,093	\$ 2,166,108	\$ 668,809	\$ 9,615,570

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Special Revenue Funds
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance and Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2018

	Fair Board Fund	Direct Pass Through Fund	Corner Preservation Fund	Inmate Benefit Expenses Fund	Courthouse Security Fund	Community Corrections Fund	Law Library Fund	Public Works Capital Fund
Revenues:								
Property tax collected by County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public service tax collected by State	-	44,918	-	-	-	-	-	-
Intergovernmental grants	59,789	274,373	-	-	42,455	2,379,097	41,168	41,191
Special payment from component units	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Charges for services	13,850	-	-	143,975	-	93,787	-	-
Fines, fees and forfeitures	372,056	-	91,748	-	-	174,578	-	169,927
Interest on investments	(138)	-	3,141	876	2,247	15,657	1,639	19,203
Mineral royalties and timber revenue	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	445,557	319,291	94,889	144,851	44,702	2,663,119	42,807	230,321
Expenditures:								
Personal services	-	-	53,898	-	-	1,311,293	-	-
Material and services	433,246	319,291	1,572	37,994	2	187,606	72,337	16,604
Capital outlay	82,878	-	1,469	-	-	-	1,610	-
Debt service-								
Principal payments	-	-	-	-	-	6,680	-	-
Interest	-	-	-	-	-	-	-	-
Special payments	-	-	-	-	-	-	-	-
Total Expenditures	516,124	319,291	56,939	37,994	2	1,505,579	73,947	16,604
Excess of Revenues Over (Under Expenditures)	(70,567)	-	37,950	106,857	44,700	1,157,540	(31,140)	213,717
Other Financing Sources (Uses):								
Transfers in	90,000	-	-	-	16,693	-	-	-
Transfers out	(37,338)	-	(12,259)	(500)	(34,957)	(522,618)	(500)	(1,363)
Total Other Financing Sources (Uses)	52,662	-	(12,259)	(500)	(18,264)	(522,618)	(500)	(1,363)
Net Change in Fund Balance	(17,905)	-	25,691	106,357	26,436	634,922	(31,640)	212,354
Fund balance, beginning of year	19,824	-	213,166	172,102	157,515	1,144,718	125,810	1,353,225
Fund Balance, End of Year	\$ 1,919	\$ -	\$ 238,857	\$ 278,459	\$ 183,951	\$ 1,779,640	\$ 94,170	\$ 1,565,579

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Special Revenue Bonds (Continued)
 Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance and Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2018

	County Park Fund	CC Rider Transportation Fund	Building Services Fund	Strategic Investment Program Fund	PERS Reserve Fund	Meadowview Services District Fund	Columbia County Development Agency	4-H Extension Service District Fund	Total
Revenues:									
Property tax collected by County	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,296	\$ 2,790,042	\$ 267,841	\$ 3,060,179
Public service tax collected by State	-	-	-	-	-	-	-	-	44,918
Intergovernmental grants	139,655	1,454,551	-	129,550	-	4	-	-	4,561,833
Special payment from component units	-	-	-	-	-	-	-	5,658	5,658
Licenses and permits	-	-	-	-	-	-	-	-	-
Charges for services	691	370,747	-	-	-	-	-	8,038	631,088
Fines, fees and forfeitures	315,159	85,656	868,799	1,378,071	-	-	-	-	3,455,994
Interest on investments	2,379	(3,885)	4,626	-	18,409	30	25,702	8,559	98,445
Mineral royalties and timber revenue	-	-	-	-	-	-	43,510	4,181	47,691
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	457,884	1,907,069	873,425	1,507,621	18,409	2,330	2,859,254	294,277	11,905,806
Expenditures:									
Personal services	187,653	127,153	656,918	-	-	-	-	123,973	2,460,888
Material and services	324,018	1,568,162	38,065	906,260	-	1,311	63,620	92,144	4,062,232
Capital outlay	212,953	270,856	25,925	5,658	-	-	-	-	601,349
Debt service-									
Principal payments	-	-	-	-	-	-	309,647	-	316,327
Interest	-	-	-	-	-	-	447,308	-	447,308
Special payments	-	-	-	-	-	750	1,191,392	700	1,192,842
Total Expenditures	724,624	1,966,171	720,908	911,918	-	2,061	2,011,967	216,817	9,080,946
Excess of Revenues Over (Under Expenditures)	(266,740)	(59,102)	152,517	595,703	18,409	269	847,287	77,460	2,824,860
Other Financing Sources (Uses):									
Transfers in	195,118	480,000	6,341	-	-	-	-	-	788,152
Transfers out	(74,567)	(530,240)	(115,384)	(595,703)	-	-	-	-	(1,925,429)
Total Other Financing Sources (Uses)	120,551	(50,240)	(109,043)	(595,703)	-	-	-	-	(1,137,277)
Net Change in Fund Balance	(146,189)	(109,342)	43,474	-	18,409	269	847,287	77,460	1,687,583
Fund balance, beginning of year	311,267	396,515	321,701	-	1,386,032	1,745	1,112,215	569,963	7,285,798
Fund Balance, End of Year	\$ 165,078	\$ 287,173	\$ 365,175	\$ -	\$ 1,404,441	\$ 2,014	\$ 1,959,502	\$ 647,423	\$ 8,973,381

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Fair Board Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 68,000	\$ 68,000	\$ 59,789	\$ (8,211)
Charges for services	13,000	13,000	13,850	850
Fines, fees and forfeitures	454,600	454,600	372,056	(82,544)
Interest on investments	-	-	(138)	(138)
Total Revenues	535,600	535,600	445,557	(90,043)
Expenditures:				
Material and services	392,153	424,153	433,246	(9,093)
Capital outlay	50,000	86,000	82,878	3,122
Contingency	128,493	60,493	-	60,493
Total Expenditures	570,646	570,646	516,124	54,522
Excess of Revenues Over (Under Expenditures)	(35,046)	(35,046)	(70,567)	(105,613)
Other Financing Sources (Uses):				
Transfers in	50,000	50,000	90,000	40,000
Transfers out	(37,338)	(37,338)	(37,338)	-
Total Other Financing Sources (Uses)	12,662	12,662	52,662	40,000
Net Change in Fund Balance	(22,384)	(22,384)	(17,905)	4,479
Fund balance, beginning of year	22,384	22,384	19,824	2,560
Fund Balance, End of Year	\$ -	\$ -	\$ 1,919	\$ (1,919)

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Direct Pass Through Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Public service tax collected by State	\$ -	\$ -	\$ 44,918	\$ 44,918
Intergovernmental grants	277,500	326,500	274,373	(52,127)
Total Revenues	277,500	326,500	319,291	(7,209)
Expenditure:				
Material and services	277,500	326,500	319,291	7,209
Total Expenditure	277,500	326,500	319,291	7,209
Net Change in Fund Balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Corner Preservation Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Fines, fees and forfeitures	\$ 97,475	\$ 97,475	\$ 91,748	\$ (5,727)
Interest on investments	-	-	3,141	3,141
Total Revenues	97,475	97,475	94,889	(2,586)
Expenditures:				
Personal services	57,310	59,810	53,898	5,912
Materials and services	6,760	7,760	1,572	6,188
Capital Outlay	2,500	2,500	1,469	1,031
Contingency	226,891	223,391	-	223,391
Total Expenditures	293,461	293,461	56,939	236,522
Excess of Revenues Over (Under) Expenditures	(195,986)	(195,986)	37,950	233,936
Other Financing Sources (Uses):				
Transfers out	(13,211)	(13,211)	(12,259)	952
Total Other Financing Sources (Uses)	(13,211)	(13,211)	(12,259)	(952)
Net Change in Fund Balance	(209,197)	(209,197)	25,691	234,888
Fund balance, beginning of year	209,197	209,197	213,166	3,969
Fund Balance, End of Year	\$ -	\$ -	\$ 238,857	\$ 238,857

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Inmate Benefit Expense Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Charges for services	\$ 114,167	\$ 114,167	\$ 143,975	\$ 29,808
Interest on investments	200	200	876	676
Total Revenues	114,367	114,367	144,851	30,484
Expenditure:				
Personal services	-	-	-	-
Materials and services	60,025	65,025	37,994	27,031
Contingency	234,348	219,348	-	219,348
Total Expenditure	294,373	284,373	37,994	246,379
Excess of Revenues Over (Under Expenditures)	(180,006)	(170,006)	106,857	276,863
Other Financing Sources (Uses):				
Transfers out	(10,500)	(20,500)	(500)	20,000
Total Other Financing Sources (Uses)	(10,500)	(20,500)	(500)	20,000
Net Change in Fund Balance	(190,506)	(190,506)	106,357	296,863
Fund balance, beginning of year	190,506	190,506	172,102	18,404
Fund Balance, End of Year	\$ -	\$ -	\$ 278,459	\$ 278,459

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Courthouse Security Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 39,168	\$ 39,418	\$ 42,455	\$ 3,037
Interest on investments	1,000	1,000	2,247	1,247
Total Revenues	40,168	40,418	44,702	4,284
Expenditures:				
Materials and services	3,500	3,500	2	3,498
Capital outlay	10,000	10,000	-	10,000
Contingency	133,895	133,895	-	133,895
Total Expenditures	147,395	147,395	2	147,393
Excess of Revenues Over (Under Expenditures)	(107,227)	(106,977)	44,700	151,677
Other Financing Sources (Uses):				
Transfers in	9,200	9,200	16,693	(7,493)
Transfers out	(34,418)	(34,668)	(34,957)	289
Total Other Financing Sources (Uses)	(25,218)	(25,468)	(18,264)	(7,204)
Net Change in Fund Balance	(82,009)	(81,509)	62,964	158,881
Fund balance, beginning of year	132,445	132,445	157,515	(25,070)
Fund Balance, End of Year	\$ -	\$ -	183,951	183,951

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Community Corrections Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 1,466,600	\$ 1,666,600	\$ 2,379,097	\$ 712,497
Charges for services	92,000	92,000	93,787	1,787
Fines, fees and forfeitures	128,700	128,700	174,578	45,878
Interest on investments	5,000	5,000	15,657	10,657
Miscellaneous	5,000	5,000	-	(5,000)
Total Revenues	1,697,300	1,897,300	2,663,119	765,819
Expenditures:				
Personal services	1,385,229	1,435,229	1,311,293	123,936
Material and services	125,808	275,808	187,606	88,202
Debt services	6,680	6,680	6,680	-
Contingency	829,270	829,270	-	829,270
Total Expenditures	2,346,987	2,546,987	1,505,579	1,041,408
Excess of Revenues Over (Under) Expenditures	(649,687)	(649,687)	1,157,540	1,807,227
Other Financing Sources (Uses):				
Transfers out	(524,345)	(524,345)	(522,618)	1,727
Total Other Financing Sources (Uses)	(524,345)	(524,345)	(522,618)	(1,727)
Net Change in Fund Balance	(1,174,032)	(1,174,032)	634,922	(1,808,954)
Fund balance, beginning of year	1,174,032	1,174,032	1,144,718	29,314
Fund Balance, End of Year	\$ -	\$ -	\$ 1,779,640	\$ 1,779,640

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Law Library Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 40,405	\$ 40,405	\$ 41,168	\$ 763
Interest on investments	700	700	1,639	939
Total Revenues	41,105	41,105	42,807	1,702
Expenditures:				
Material and services	64,547	79,909	72,337	7,572
Capital Outlay	8,000	8,000	1,610	6,390
Contingency	94,980	79,618	-	79,618
Total Expenditures	167,527	167,527	73,947	93,580
Excess of Revenues Over (Under) Expenditures	(126,422)	(126,422)	(31,140)	95,282
Other Financing Sources (Uses):				
Transfers out	(500)	(500)	(500)	-
Total Other Financing Sources (Uses)	(500)	(500)	(500)	-
Net Change in Fund Balance	(126,922)	(126,922)	(31,640)	95,282
Fund balance, beginning of year	126,922	126,922	125,810	1,112
Fund Balance, End of Year	\$ -	\$ -	\$ 94,170	\$ 94,170

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Public Works Capital Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 36,000	\$ 36,000	\$ 41,191	\$ 5,191
Fines, fees and forfeitures	90,000	90,000	169,927	79,927
Interest on investments	7,200	7,200	19,203	12,003
Total Revenues	133,200	133,200	230,321	97,121
Expenditures:				
Materials and services	200,000	250,490	16,604	233,886
Capital outlay	466,000	466,000	-	466,000
Contingency	756,074	690,584	-	690,584
Total Expenditures	1,422,074	1,407,074	16,604	1,390,470
Excess of Revenues Over (Under) Expenditures	(1,288,874)	(1,273,874)	213,717	1,487,591
Other Financing Sources (Uses):				
Transfers out	(20,000)	(35,000)	(1,363)	33,637
Total Other Financing Sources (Uses)	(20,000)	(35,000)	(1,363)	33,637
Net Change in Fund Balance	(1,308,874)	(1,308,874)	212,354	1,521,228
Fund balance, beginning of year	1,308,874	1,308,874	1,353,225	(44,351)
Fund Balance, End of Year	\$ -	\$ -	\$ 1,565,579	\$ 1,565,579

See independent auditor's report.

COLUMBIA COUNTY, OREGON

County Park Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 175,000	\$ 178,000	\$ 139,655	\$ (38,345)
Charges for services	-	2,000	691	(1,309)
Fines, fees and forfeitures	235,000	235,000	315,159	80,159
Interest on investments	1,000	1,000	2,379	1,379
Mineral royalties & timber revenue	150,000	150,000	-	(150,000)
Total Revenues	561,000	566,000	457,884	(108,116)
Expenditures:				
Personal services	190,740	190,740	187,653	3,087
Materials and services	371,360	374,361	324,018	50,343
Capital outlay	115,000	268,602	212,953	55,649
Contingency	244,712	244,712	-	244,712
Total Expenditures	921,812	1,078,415	724,624	353,791
Excess of Revenues Over (Under) Expenditures	(360,812)	(512,415)	(266,740)	245,675
Other Financing Sources (Uses):				
Transfers in	60,000	213,602	195,118	(18,484)
Transfers out	(104,621)	(106,620)	(74,567)	32,053
Total Other Financing Sources (Uses)	(44,621)	106,982	120,551	(13,569)
Net Change in Fund Balance	(405,433)	(405,433)	(146,189)	259,244
Fund balance, beginning of year	405,433	405,433	311,267	94,166
Fund Balance, End of Year	\$ -	\$ -	\$ 165,078	\$ 165,078

See independent auditor's report.

COLUMBIA COUNTY, OREGON

CC Rider Transportation Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 2,077,794	\$ 2,077,794	\$ 1,454,551	\$ (623,243)
Charges for services	317,001	317,001	370,747	53,746
Fines, fees and forfeitures	83,160	83,160	85,656	2,496
Interest on investments	500	500	(3,885)	(4,385)
Total Revenues	2,478,455	2,478,455	1,907,069	(571,386)
Expenditures:				
Personal services	253,535	203,535	127,153	76,382
Materials and services	1,439,038	1,439,038	1,568,162	(129,124)
Capital outlay	615,189	615,189	270,856	344,333
Total Expenditures	2,307,762	2,257,762	1,966,171	291,591
Excess of Revenues Over (Under) Expenditures	170,693	220,693	(59,102)	(279,795)
Other Financing Sources (Uses):				
Transfers in	80,000	80,000	480,000	400,000
Transfers out	(503,085)	(553,085)	(530,240)	(22,845)
Total Other Financing Sources (Uses)	(423,085)	(473,085)	(50,240)	422,845
Net Change in Fund Balance	(252,392)	(252,392)	(109,342)	143,050
Fund balance, beginning of year	252,392	252,392	396,515	(144,123)
Fund Balance, End of Year	\$ -	\$ -	\$ 287,173	\$ 287,173

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Building Services Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Fines, fees and forfeitures	\$ 738,214	\$ 808,214	\$ 868,799	\$ 60,585
Charges for services	500	6,500	-	(6,500)
Interest on investments	1,800	1,800	4,626	2,826
Total Revenues	740,514	816,514	873,425	56,911
Expenditures:				
Personal services	571,211	693,211	656,918	36,293
Materials and services	34,676	43,676	38,065	5,611
Capital outlay	26,000	26,000	25,925	75
Contingency	273,665	212,665	-	212,665
Total Expenditures	905,552	975,552	720,908	254,644
Excess of Revenues Over (Under) Expenditures	(165,038)	(159,038)	152,517	311,555
Other Financing Sources (Uses):				
Transfers in	-	-	6,341	6,341
Transfers out	(111,565)	(117,565)	(115,384)	2,181
Total Other Financing Sources (Uses)	(111,565)	(117,565)	(109,043)	(8,522)
Net Change in Fund Balance	(276,603)	(276,603)	43,474	(320,077)
Fund balance, beginning of year	276,603	276,603	321,701	(45,098)
Fund Balance, End of Year	\$ -	\$ -	\$ 365,175	\$ 365,175

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Strategic Investment Program Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ -	\$ 107,904	\$ 129,550	\$ 21,646
Fines, fees and forfeitures	1,378,071	1,378,071	1,378,071	-
Total Revenues	1,378,071	1,485,975	1,507,621	21,646
Expenditures:				
Materials and services	800,262	888,550	906,260	(17,710)
Special payments	4,996	5,547	5,658	(111)
Total Expenditures	805,258	894,097	911,918	(17,821)
Excess of Revenues Over (Under) Expenditures	572,813	591,878	595,703	3,825
Other Financing Sources (Uses):				
Transfers out	(572,813)	(591,878)	(595,703)	(3,825)
Total Other Financing Sources (Uses)	(572,813)	(591,878)	(595,703)	3,825
Net Change in Fund Balance	-	-	-	-
Fund balance, beginning of year	-	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

COLUMBIA COUNTY, OREGON

PERS Reserve Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Interest on investments	\$ 12,000	\$ 12,000	\$ 18,409	\$ 6,409
Total Revenues	12,000	12,000	18,409	6,409
Expenditures:				
Personal Services	400,000	400,000	-	400,000
Materials and services	1,005,000	1,005,000	-	1,005,000
Contingency	2,770	2,770	-	2,770
Total Expenditures	1,407,770	1,407,770	-	1,407,770
Excess of Revenues Over (Under) Expenditures	(1,395,770)	(1,395,770)	18,409	1,414,179
Net Change in Fund Balance	(1,395,770)	(1,395,770)	18,409	1,414,179
Fund balance, beginning of year	1,395,770	1,395,770	1,386,032	9,738
Fund Balance, End of Year	\$ -	\$ -	\$ 1,404,441	\$ 1,404,441

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Jail Bond Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property tax collected by County	\$ 1,129,704	\$ 1,184,704	\$ 1,148,976	\$ (35,728)
Interest on investments	800	800	6,982	6,182
Total Revenues	1,130,504	1,185,504	1,155,958	(29,546)
Expenditure:				
Debt services	1,133,600	1,133,600	1,133,600	-
Total Expenditure	1,133,600	1,133,600	1,133,600	-
Excess of Revenues Over (Under) Expenditures	(3,096)	51,904	22,358	(29,546)
Other Financing Sources (Uses):				
Transfers out	-	(55,000)	(47,423)	7,577
Total Other Financing Sources (Uses)	-	-	(47,423)	(47,423)
Net Change in Fund Balance	(3,096)	(3,096)	(25,065)	(21,969)
Fund balance, beginning of year	3,096	3,096	25,065	21,969
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Meadowview Services District
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property tax collected by County	\$ 2,297	\$ 2,297	\$ 2,296	\$ (1)
Intergovernmental grants	-	-	4	4
Interest on investments	15	15	30	15
Total Revenues	2,312	2,312	2,330	18
Expenditures:				
Materials and services	1,800	1,800	1,311	489
Special payments	750	750	750	-
Contingency	800	800	-	800
Total Expenditures	3,350	3,350	2,061	1,289
Other Financing Sources (Uses):				
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(1,038)	(1,038)	269	1,307
Fund balance, beginning of year	1,760	1,760	1,745	15
Fund Balance, End of Year	\$ 722	\$ 722	\$ 2,014	\$ 1,292

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Columbia County Development Agency
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property tax collected by County	\$ 2,862,947	\$ 2,862,947	\$ 2,790,042	\$ (72,905)
Interest on investments	4,500	4,500	25,702	21,202
Mineral royalties and timber revenue	10,000	10,000	43,510	33,510
Total Revenues	2,877,447	2,877,447	2,859,254	(18,193)
Expenditures:				
Materials and services	56,192	68,192	63,620	4,572
Debt service	856,954	844,954	756,955	87,999
Special payments	1,280,139	1,280,139	1,191,392	88,747
Contingency	1,645,144	1,645,144	-	1,645,144
Total Expenditures	3,838,429	3,838,429	2,011,967	1,826,462
Net Change in Fund Balance	(960,982)	(960,982)	847,287	1,808,269
Fund balance, beginning of year	960,982	960,982	1,112,215	(151,233)
Fund Balance, End of Year	\$ -	\$ -	\$ 1,959,502	\$ 1,959,502

See independent auditor's report.

COLUMBIA COUNTY, OREGON

4-H Extension Service District
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Property taxes	\$ 272,000	\$ 272,000	\$ 267,841	\$ (4,159)
Special payment from component units	-	-	5,658	5,658
Charges for services	21,000	21,000	8,038	(12,962)
Interest on investments	-	-	8,559	8,559
Mineral royalties & timber revenue	-	-	4,181	4,181
Total Revenues	21,000	21,000	294,277	1,277
Expenditures:				
Personal services	116,200	116,200	123,973	(7,773)
Materials and services	99,500	99,500	92,144	7,356
Capital outlay	9,000	9,000	-	9,000
Special payments	-	-	700	(700)
Contingency	70,000	70,000	-	70,000
Total Expenditures	294,700	294,700	216,817	77,883
Net Change in Fund Balance	(273,700)	(273,700)	77,460	79,160
Fund balance, beginning of year	430,000	430,000	569,963	139,963
Fund Balance, End of Year	\$ 156,300	\$ 156,300	\$ 647,423	\$ 219,123

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Transfer Station Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance Actual and Budget - Budgetary Basis
 For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Intergovernmental grants	\$ 18,750	\$ 18,750	\$ 16,578	\$ (2,172)
Charges for services	2,870,509	3,122,509	3,292,827	170,318
Interest on investments	42,000	44,000	26,033	(17,967)
Miscellaneous	-	-	42,038	42,038
Total Revenues	2,931,259	3,185,259	3,377,476	192,217
Expenditures:				
Personal services	201,408	223,408	150,927	72,481
Materials and services	1,999,821	2,149,821	2,116,214	33,607
Capital outlay	18,000	98,000	10,325	87,675
Debt service	647,320	647,320	592,902	54,418
Contingency	1,211,371	1,211,371	-	1,211,371
Total Expenditures	4,077,920	4,329,920	2,870,368	1,459,552
Excess of Revenues Over (Under Expenditures)	(1,146,661)	(1,144,661)	507,108	1,651,769
Other Financing Sources (Uses):				
Transfers in	-	-	369	369
Transfers out	(34,745)	(36,745)	(36,372)	373
Total Other Financing Sources (Uses)	(34,745)	(36,745)	(36,003)	742
Net Change in Fund Balance	(1,181,406)	(1,181,406)	471,105	1,652,511
Fund balance, beginning of year	1,181,406	1,181,406	1,636,373	454,967
Fund Balance, End of Year	\$ -	\$ -	\$ 2,107,478	\$ 2,107,478
Reconciliation to Ending Net Position:				
Add capital assets			\$ 3,890,411	
Deduct long term debt			(1,723,074)	
GASB 68 adjustments-				
Net pension liability			(78,850)	
Net OPEB liability			(5,236)	
Net OPEB asset			338	
Deferred outflow			26,524	
Deferred inflow			(4,436)	
Total Net Position			\$ 4,213,155	

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Fiduciary Fund
Combining Statement of Net Position
June 30, 2018

	<u>Treasurer Fund</u>
Assets:	
Cash and cash equivalents	\$ 866,113
Property taxes receivable	<u>4,667,927</u>
Total Assets	<u>\$ 5,534,040</u>
Liabilities:	
Due to other governments	<u>\$ 5,534,040</u>
Total Liabilities	<u>\$ 5,534,040</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Fiduciary Fund
 Combining Statement of Changes in Assets and Liabilities
 For the Year Ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Agency Funds				
Assets:				
Cash	\$ 982,053	\$ 71,562,077	\$ (71,678,017)	\$ 866,113
Property taxes receivable	4,485,740	72,769,548	(72,587,361)	4,667,927
Accounts receivable	41	-	(41)	-
Total Assets	<u>\$ 5,467,834</u>	<u>\$ 144,331,625</u>	<u>\$ (144,265,419)</u>	<u>\$ 5,534,040</u>
Liabilities:				
Due to other governments	\$ 5,467,834	\$ 144,331,625	\$ (144,265,419)	\$ 5,534,040
Total Liabilities	<u>\$ 5,467,834</u>	<u>\$ 144,331,625</u>	<u>\$ (144,265,419)</u>	<u>\$ 5,534,040</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**General Fund by Department
Schedule of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Expenditures:				
Board of Commissioners-				
Personal services	\$ 546,837	\$ 546,837	\$ 542,132	\$ 4,705
Materials and services	60,585	63,585	49,304	14,281
Transfer	<u>163,143</u>	<u>164,543</u>	<u>164,649</u>	<u>(106)</u>
Total Board of Commissioners	770,565	774,965	756,085	18,880
Assessor's Office-				
Personal services	1,218,987	1,218,987	1,166,043	52,944
Materials and services	55,708	55,708	41,767	13,941
Capital outlay	80,000	80,000	77,913	2,087
Transfer	<u>331,634</u>	<u>331,634</u>	<u>334,250</u>	<u>(2,616)</u>
Total Assessor's Office	1,686,329	1,686,329	1,619,973	66,356
Tax Collector-				
Personal services	165,932	165,932	142,826	23,106
Materials and services	94,410	94,410	77,108	17,302
Transfer	<u>77,133</u>	<u>77,133</u>	<u>76,756</u>	<u>377</u>
Total Tax Collector	337,475	337,475	296,690	40,785
Clerk's Office-				
Personal services	219,001	219,001	213,424	5,577
Materials and services	62,920	62,920	30,563	32,357
Capital outlay	82,190	82,190	-	82,190
Transfer	<u>7,500</u>	<u>8,900</u>	<u>83,507</u>	<u>(74,607)</u>
Total Clerk's Office	371,611	373,011	327,494	45,517
Elections-				
Personal services	72,792	72,792	74,200	(1,408)
Materials and services	56,350	116,350	97,487	18,863
Capital outlay	6,749	6,749	6,749	-
Transfer	<u>58,594</u>	<u>58,844</u>	<u>58,980</u>	<u>(136)</u>
Total Elections	194,485	254,735	237,416	17,319
Sheriff's Office-				
Personal services	1,981,909	2,099,959	1,981,098	118,861
Materials and services	566,681	631,681	491,983	139,698
Capital outlay	15,000	15,000	185,385	(170,385)
Transfer	<u>450,369</u>	<u>461,369</u>	<u>455,214</u>	<u>6,155</u>
Total Sheriff's Office	3,013,959	3,208,009	3,113,680	94,329

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**General Fund by Department
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
County Jail- Transfer	1,000,000	1,000,000	1,000,000	-
Total County Jail	1,000,000	1,000,000	1,000,000	-
Economic Development Office- Personal services	51,386	51,386	49,061	2,325
Materials and services	131,941	167,941	142,452	25,489
Transfer	256,493	256,493	255,889	604
Total Economic Development Office	439,820	475,820	447,402	28,418
County Surveyor- Personal services	135,853	135,853	131,087	4,766
Materials and services	9,904	11,404	6,507	4,897
Capital outlay	1,500	1,500	-	1,500
Transfer	22,583	22,583	21,886	697
Total County Surveyor	169,840	171,340	159,480	11,860
District Attorney- Personal services	1,353,878	1,441,478	1,366,027	75,451
Materials and services	132,161	132,161	78,463	53,698
Transfer	312,183	321,183	320,500	683
Total District Attorney	1,798,222	1,894,822	1,764,990	129,832
Justice Court- Clatskanie/Vernonia- Personal services	205,059	223,059	212,953	10,106
Materials and services	140,909	342,909	325,847	17,062
Transfer	76,708	98,708	91,457	7,251
Total Justice Court- Clatskanie/Vernonia	422,676	664,676	630,257	34,419
Columbia County Firing Range- Materials and services	3,369	4,869	3,824	1,045
Total Columbia County Firing Range	3,369	4,869	3,824	1,045
Juvenile Department- Personal services	625,728	646,728	612,327	34,401
Materials and services	190,329	197,424	138,633	58,791
Transfer	176,244	178,744	177,753	991
Total Juvenile Department	992,301	1,022,896	928,713	94,183

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**General Fund by Department
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
County Counsel-				
Personal services	562,554	562,554	463,612	98,942
Materials and services	53,900	53,900	25,111	28,789
Transfer	<u>24,135</u>	<u>24,135</u>	<u>22,318</u>	<u>1,817</u>
Total County Counsel	640,589	640,589	511,041	129,548
Veteran's Service Office-				
Materials and services	96,065	137,065	122,158	(14,907)
Transfer	<u>3,885</u>	<u>3,885</u>	<u>3,885</u>	<u>-</u>
Total Veteran's Service Office	99,950	140,950	126,043	(14,907)
Public Health-				
Personal services	8,672	74,641	77,171	(2,530)
Materials and services	125,000	496,331	474,187	22,144
Transfer	<u>6,400</u>	<u>6,400</u>	<u>3,554</u>	<u>2,846</u>
Total Public Health	133,672	577,372	554,912	22,460
Court Mediation-				
Materials and services	<u>32,000</u>	<u>32,000</u>	<u>34,575</u>	<u>(2,575)</u>
Total Court Mediation	32,000	32,000	34,575	(2,575)
Emergency Services-				
Personal services	239,478	239,478	213,063	26,415
Materials and services	153,193	168,193	77,971	90,222
Capital outlay	10,000	44,000	52,254	(8,254)
Transfer	<u>56,827</u>	<u>56,827</u>	<u>53,182</u>	<u>3,645</u>
Total Emergency Services	459,498	508,498	396,470	112,028
Finance Office-				
Personal services	638,177	613,709	597,813	15,896
Materials and services	715,107	708,012	427,083	280,929
Capital outlay	30,000	50,000	119,828	(69,828)
Transfer	<u>27,500</u>	<u>231,570</u>	<u>183,122</u>	<u>48,448</u>
Total Finance Office	1,410,784	1,603,291	1,327,846	275,445

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**General Fund by Department
Schedule of Revenues, Expenditures and Changes in Fund Balance (Continued)
For the Year Ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance With Final Budget
Land Development Office-				
Personal services	804,553	879,553	837,174	42,379
Materials and services	108,407	91,407	49,393	42,014
Transfer	382,408	434,408	447,388	(12,980)
Total Land Development Office	1,295,368	1,405,368	1,333,955	71,413
Information Services-				
Personal services	497,087	497,087	475,010	22,077
Materials and services	252,875	267,875	216,554	51,321
Capital outlay	45,000	45,000	37,114	7,886
Transfer	21,745	24,245	23,023	1,222
Total Information Services	816,707	834,207	751,701	82,506
Communications and Public Affairs-				
Personal services	112,456	114,456	112,440	2,016
Materials and services	6,460	6,460	2,149	4,311
Transfer	4,990	5,990	5,272	718
Total Communications and Public Affairs	123,906	126,906	119,861	7,045
Human Resources/Civil Services-				
Personal services	197,714	197,714	193,374	4,340
Materials and services	49,150	49,150	25,403	23,747
Transfer	9,437	10,687	8,958	1,729
Total Human Resources/Civil Services	256,301	257,551	227,735	29,816
General Services-				
Personal services	352,708	352,708	313,801	38,907
Materials and services	188,320	188,320	192,162	(3,842)
Capital outlay	778,563	778,563	176,965	601,598
Transfer	24,305	26,805	13,153	13,652
Total General Services	1,343,896	1,346,396	696,081	650,315
Nondepartmental-				
Debt service	2,102,268	2,102,268	2,076,407	25,861
Transfer	-	430,000	430,000	-
Contingency	921,311	149,549	-	149,549
Unappropriated ending balance	1,500,000	1,500,000	-	1,500,000
Total Nondepartmental	4,523,579	4,181,817	2,506,407	1,675,410
Total Expenditures	\$ 22,336,902	\$ 23,523,892	\$ 19,872,631	\$ 3,621,447

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Future Maturities of Long-Term Debt
For the Year Ended June 30, 2018**

Year	US Bank		City of St. Helens	
	Principal	Interest	Principal	Interest
2018 - 2019	\$ 77,796	\$ 8,365	\$ 5,222	\$ 1,458
2019 - 2020	80,741	5,420	5,380	1,300
2020 - 2021	83,834	1,926	5,542	1,138
2021 - 2022	-	-	5,710	970
2022 - 2023	-	-	5,883	797
2023 - 2024	-	-	6,060	620
2024 - 2025	-	-	6,244	436
2025 - 2026	-	-	6,432	248
2026 - 2027	-	-	3,423	51
2027 - 2028	-	-	-	-
2028 - 2029	-	-	-	-
	\$ 242,371	\$ 15,711	\$ 49,896	\$ 7,019

Year	West Ranier		Business-Type Activities Transfer Station	
	Principal	Interest	Principal	Interest
2018 - 2019	\$ 18,571	\$ 9,768	\$ 279,414	\$ 44,246
2019 - 2020	23,768	8,746	251,910	71,750
2020 - 2021	23,976	7,439	264,430	59,230
2021 - 2022	24,200	6,090	277,572	46,088
2022 - 2023	24,436	4,729	291,368	32,292
2023 - 2024	29,686	3,354	305,849	17,811
2024 - 2025	29,949	1,685	52,531	2,611
2025 - 2026	-	-	-	-
2026 - 2027	-	-	-	-
2027 - 2028	-	-	-	-
2028 - 2029	-	-	-	-
	\$ 174,586	\$ 41,811	\$ 1,723,074	\$ 274,028

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Future Maturities of Long-Term Debt (Continued)
For the Year Ended June 30, 2018**

Year	PERS Bond 1		PERS Bond 2	
	Principal	Interest	Principal	Interest
2018 - 2019	\$ 72,245	\$ 415,583	\$ 190,000	\$ 151,785
2019 - 2020	97,625	410,202	215,000	142,552
2020 - 2021	295,000	235,430	245,000	132,106
2021 - 2022	340,000	215,223	275,000	119,846
2022 - 2023	385,000	191,933	305,000	106,085
2023 - 2024	440,000	165,560	345,000	90,823
2024 - 2025	495,000	135,420	380,000	73,559
2025 - 2026	555,000	102,750	420,000	54,544
2026 - 2027	625,000	64,733	465,000	33,527
2027 - 2028	320,000	21,920	205,000	10,258
2028 - 2029	-	-	-	-
	\$ 3,624,870	\$ 1,958,754	\$ 3,045,000	\$ 915,085

Year	County Leases	
	Principal	Interest
2018 - 2019	\$ 22,995	\$ 1,600
2019 - 2020	15,693	121
2020 - 2021	5,217	232
2021 - 2022	1,725	77
2022 - 2023	1,725	77
2023 - 2024	1,648	77
2024 - 2025	1,648	77
2025 - 2026	2,820	131
2026 - 2027	1,170	55
2027 - 2028	1,170	55
2028 - 2029	1,112	32
	\$ 56,923	\$ 2,534

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Schedule of Accountability for Elected Officials
For the Year Ended June 30, 2018

	Assessor	County Clerk	District Attorney	Sheriff	Treasurer	Justice of the Peace	Total
On hand, June 30, 2017	\$ 100	\$ 175	\$ -	\$ 207,545	\$ 16,172,562	\$ 27,161	\$ 16,407,543
Receipts	-	585,548	200	171,131	111,994,241	732,224	115,023,526
Turnover and disbursements	<u>(100)</u>	<u>(585,548)</u>	<u>(200)</u>	<u>(1,648,903)</u>	<u>(109,968,259)</u>	<u>(733,988)</u>	<u>(112,936,998)</u>
On Hand, July 1, 2018	-	175	-	269,955	18,198,544	25,397	18,494,071
Change, petty cash, and revolving funds	-	175	-	500	18,198,544	25,397	18,224,616
Held in Trust for inmates	<u>-</u>	<u>-</u>	<u>-</u>	<u>269,455</u>	<u>-</u>	<u>-</u>	<u>269,455</u>
On Hand, June 30, 2018	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 269,955</u>	<u>\$ 18,198,544</u>	<u>\$ 25,397</u>	<u>\$ 18,494,071</u>

See independent auditor's report.

STATISTICAL SECTION

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This part of the Government's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the government's overall financial health.

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Revenue Capacity: These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.	115 - 117
Debt Capacity: These schedules contain information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future. In addition, Levy Rate and other details are relevant to meeting continuing disclosure requirements to County debt.	118 - 119
Demographic and Economic Information: Help the reader understand the environment within which the government's financial activities take place.	120
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COLUMBIA COUNTY, OREGON

Net Position by Component - Last Ten Fiscal Years
Accrual Basis of Accounting
For the Year Ended June 30, 2018

	<u>2017 - 2018</u>	<u>2016 - 2017</u>	<u>2015 - 2016</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>	<u>2012 - 2013</u>	<u>2011 - 2012</u>	<u>2010 - 2011</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
Governmental Activities:										
Net investment in capital-										
Assets	\$ 41,393,408	\$ 38,350,270	\$ 37,507,256	\$ 35,611,296	\$ 27,421,467	\$ 28,465,134	\$ 30,651,937	\$ 33,027,026	\$ 35,580,094	\$ 48,097,427
Restricted	14,561,736	13,103,799	10,233,711	9,255,648	10,606,224	9,273,509	10,354,152	9,451,867	303,731	282,078
Unrestricted	<u>(12,049,064)</u>	<u>(12,177,961)</u>	<u>(9,796,851)</u>	<u>(6,562,905)</u>	<u>2,581,472</u>	<u>1,971,572</u>	<u>1,923,848</u>	<u>2,371,432</u>	<u>14,314,189</u>	<u>8,379,489</u>
Total Governmental Activities	<u>\$ 43,906,080</u>	<u>\$ 39,276,108</u>	<u>\$ 37,944,116</u>	<u>\$ 38,304,039</u>	<u>\$ 40,609,163</u>	<u>\$ 39,710,215</u>	<u>\$ 42,929,937</u>	<u>\$ 44,850,325</u>	<u>\$ 50,198,014</u>	<u>\$ 56,758,994</u>
Business-Type Activities:										
Net investment in capital-										
Assets	\$ 2,167,337	\$ 1,791,685	\$ 1,359,090	\$ 869,345	\$ 844,006	\$ 825,874	\$ 826,738	\$ 840,833	\$ 861,024	\$ 875,416
Restricted	700,000	500,000	300,000	-	2,143	-	-	-	-	-
Unrestricted	<u>1,350,805</u>	<u>1,088,260</u>	<u>929,490</u>	<u>1,165,400</u>	<u>507,914</u>	<u>271,501</u>	<u>203,403</u>	<u>51,394</u>	<u>247,538</u>	<u>467,464</u>
Total Business-Type Activities	<u>\$ 4,218,142</u>	<u>\$ 3,379,945</u>	<u>\$ 2,588,580</u>	<u>\$ 2,034,745</u>	<u>\$ 1,354,063</u>	<u>\$ 1,097,375</u>	<u>\$ 1,030,141</u>	<u>\$ 892,227</u>	<u>\$ 1,108,562</u>	<u>\$ 1,342,880</u>
Primary Governmental Activities:										
Net investment in capital-										
Assets	\$ 43,560,745	\$ 40,141,955	\$ 38,866,346	\$ 36,480,641	\$ 28,265,473	\$ 29,291,008	\$ 31,478,675	\$ 33,867,859	\$ 36,441,118	\$ 48,972,843
Restricted	15,261,736	13,603,799	10,533,711	9,255,648	10,608,367	9,273,509	10,354,152	9,451,867	303,731	282,078
Unrestricted	<u>(10,698,259)</u>	<u>(11,089,701)</u>	<u>(8,867,361)</u>	<u>(5,397,505)</u>	<u>3,089,386</u>	<u>2,243,073</u>	<u>2,127,251</u>	<u>2,422,826</u>	<u>14,561,727</u>	<u>8,846,953</u>
Total Primary Governmental Activities	<u>\$ 48,124,222</u>	<u>\$ 42,656,053</u>	<u>\$ 40,532,696</u>	<u>\$ 40,338,784</u>	<u>\$ 41,963,226</u>	<u>\$ 40,807,590</u>	<u>\$ 43,960,078</u>	<u>\$ 45,742,552</u>	<u>\$ 51,306,576</u>	<u>\$ 58,101,874</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Changes in Net Position - Last Ten Fiscal Years
Accrual Basis of Accounting
For the Year Ended June 30, 2018**

	<u>2017 - 2018</u>	<u>2016 - 2017</u>	<u>2015 - 2016</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>
Expenses:					
Governmental activities-					
General government	\$ 10,955,627	\$ 7,799,482	\$ 8,074,730	\$ 4,798,143	\$ 5,985,721
Roads and bridges	7,375,845	6,063,186	6,488,377	5,026,777	5,597,225
Public safety	13,469,977	12,064,715	12,281,630	8,124,493	9,631,594
Health and welfare	997,175	278,917	374,843	1,646,918	4,988,883
Culture and recreation	1,150,499	1,349,201	1,521,110	1,359,871	1,245,113
Economic development	1,976,470	2,260,997	2,224,564	3,069,194	2,609,894
Interest on long-term debt	655,597	1,426,769	1,942,940	1,938,588	1,219,416
Total governmental activities	36,581,190	31,243,267	32,908,194	25,963,984	31,277,846
Business-type activities-					
Transfer station	2,508,263	2,280,324	2,235,458	1,892,005	2,098,406
Total Primary Governmental Expenses	39,089,453	33,523,591	35,143,652	27,855,989	33,376,252
Program Revenues:					
Governmental activities-					
Charges for services:					
Public safety	4,306,891	3,057,136	3,367,883	3,496,260	3,609,110
Economic development	501,564	535,220	504,893	1,153,328	1,273,585
General governmental and other activities	4,935,490	5,337,555	4,423,147	4,075,375	2,744,582
Operating grants and contributions	11,203,222	8,812,503	8,470,573	9,812,491	13,744,291
Capital grants and contributions	3,620,919	727,476	403,179	263,997	993,004
Total governmental activities	24,568,086	18,469,890	17,169,675	18,801,451	22,364,572
Business-type activities-					
Charges for services:					
Transfer station	3,351,443	3,102,155	2,829,041	2,663,004	2,385,001
Total Primary Government Revenues	27,919,529	21,572,045	19,998,716	21,464,455	24,749,573
Net (Expense/Revenue):					
Governmental activities	(12,013,104)	12,773,377	(15,738,518)	(7,162,531)	(8,913,273)
Business-type activities	843,180	821,831	593,583	770,999	286,595
Total Primary Government Net (Expense/Revenue)	\$ (11,169,924)	\$ 13,595,208	\$ (15,144,935)	\$ (6,391,532)	\$ (8,626,678)

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Changes in Net Position - Last Ten Fiscal Years (Continued)
Accrual Basis of Accounting
June 30, 2018

	<u>2017 - 2018</u>	<u>2016 - 2017</u>	<u>2015 - 2016</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>
General Revenues and Other Changes in Net Position:					
Governmental activities-					
Property taxes	\$ 13,583,851	\$ 13,038,852	\$ 12,512,709	\$ 12,507,248	\$ 9,392,595
Intergov state-collected tax	29,680	-	448,100	390,476	379,421
Fees, royalties and miscellaneous	2,671,471	882,193	1,242,493	399,695	1,097,722
Interest and investment earnings	221,952	142,866	93,958	66,375	55,360
Transfers	<u>36,003</u>	<u>41,460</u>	<u>47,295</u>	<u>50,105</u>	<u>32,155</u>
Total governmental activities	16,542,957	14,105,371	14,344,555	13,413,899	10,957,253
Business-type activities-					
Interest and investment earnings	26,033	10,994	7,547	4,169	2,248
Transfers	<u>(36,003)</u>	<u>(41,460)</u>	<u>(47,295)</u>	<u>(50,105)</u>	<u>(32,155)</u>
Total business-type activities	<u>(9,970)</u>	<u>(30,466)</u>	<u>(39,748)</u>	<u>(45,936)</u>	<u>(29,907)</u>
Total Primary Government	<u>\$ 16,532,987</u>	<u>\$ 14,074,905</u>	<u>\$ 14,304,807</u>	<u>\$ 13,367,963</u>	<u>\$ 10,927,346</u>
Extraordinary item	\$ -	\$ -	\$ 543,139	\$ -	\$ -
Government activities prior to period adjustment	<u>-</u>	<u>-</u>	<u>490,000</u>	<u>-</u>	<u>(1,145,032)</u>
GASB 68 beginning balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,600,872)</u>	<u>-</u>
Changes in net position-					
Governmental activities	4,529,853	1,331,993	(850,824)	(2,305,123)	898,948
Business-type activities	<u>833,210</u>	<u>791,365</u>	<u>553,835</u>	<u>680,682</u>	<u>256,688</u>
Total Primary Government Change in Net Position	<u>\$ 5,363,063</u>	<u>\$ 2,123,358</u>	<u>\$ (296,989)</u>	<u>\$ (1,624,441)</u>	<u>\$ 1,155,636</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Changes in Net Position - Last Ten Fiscal Years (Continued)
Accrual Basis of Accounting
June 30, 2018

	<u>2012 - 2013</u>	<u>2011 - 2012</u>	<u>2010 - 2011</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
Expenses:					
Governmental activities-					
General government	\$ 5,135,625	\$ 5,565,525	\$ 5,204,982	\$ 9,515,950	\$ 9,666,699
Roads and bridges	6,771,510	7,931,837	8,668,276	5,786,981	8,754,969
Public safety	9,777,279	10,605,700	11,409,493	10,043,049	10,288,752
Health and welfare	7,639,119	22,577,239	7,661,353	4,729,646	4,949,788
Culture and recreation	1,208,806	1,167,084	1,348,600	1,343,153	1,358,327
Economic development	3,231,451	2,943,900	1,706,262	3,227,811	1,809,066
Interest on long-term debt	<u>829,337</u>	<u>753,912</u>	<u>1,278,588</u>	<u>1,654,028</u>	<u>950,402</u>
Total governmental activities	34,593,127	51,545,197	37,277,554	36,300,618	37,778,003
Business-type activities-					
Transfer station	<u>2,198,988</u>	<u>2,305,098</u>	<u>2,550,968</u>	<u>2,266,472</u>	<u>2,332,599</u>
Total Primary Governmental Expenses	<u>36,792,115</u>	<u>53,850,295</u>	<u>39,828,522</u>	<u>38,567,090</u>	<u>40,110,602</u>
Program Revenues:					
Governmental activities-					
Charges for services:					
Public safety	2,549,526	2,902,525	2,529,396	1,622,381	2,350,344
Economic development	412,633	738,486	1,037,722	1,598,033	1,212,978
General governmental and other activities	900,099	1,976,116	1,898,147	2,165,628	2,980,159
Operating grants and contributions	12,885,441	27,176,712	11,159,429	9,846,392	8,619,550
Capital grants and contributions	<u>1,065,840</u>	<u>2,805,314</u>	<u>789,698</u>	<u>1,637,139</u>	<u>6,739,839</u>
Total governmental activities	17,813,539	35,599,153	17,414,392	16,869,573	21,902,870
Business-type activities-					
Charges for services:					
Transfer station	<u>2,353,436</u>	<u>2,425,241</u>	<u>2,323,926</u>	<u>2,029,076</u>	<u>2,027,965</u>
Total Primary Government Revenues	<u>20,166,975</u>	<u>38,024,394</u>	<u>19,738,318</u>	<u>18,898,649</u>	<u>23,930,835</u>
Net (Expense/Revenue):					
Governmental activities	(16,779,588)	(15,946,044)	(19,863,162)	(19,431,045)	(15,875,133)
Business-type activities	<u>154,448</u>	<u>120,143</u>	<u>(227,042)</u>	<u>(237,396)</u>	<u>(304,634)</u>
Total Primary Government Net (Expense/Revenue)	<u>\$ (16,625,140)</u>	<u>\$ (15,825,901)</u>	<u>\$ (20,090,204)</u>	<u>\$ (19,668,441)</u>	<u>\$ (16,179,767)</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Changes in Net Position - Last Ten Fiscal Years (Continued)
Accrual Basis of Accounting
June 30, 2018

	<u>2012 - 2013</u>	<u>2011 - 2012</u>	<u>2010 - 2011</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
General Revenues and Other Changes in Net Position:					
Governmental activities-					
Property taxes	\$ 6,934,383	\$ 7,010,479	\$ 7,295,383	\$ 6,525,283	\$ 6,665,185
Intergov state-collected tax	366,189	3,497,531	4,448,773	3,686,403	2,948,175
Fees, royalties and miscellaneous	6,121,903	3,491,126	2,731,301	2,219,326	1,756,403
Interest and investment earnings	48,780	44,223	45,099	69,805	249,663
Transfers	<u>88,611</u>	<u>(17,702)</u>	<u>(9,414)</u>	<u>-</u>	<u>-</u>
Total governmental activities	13,559,866	14,025,657	14,511,142	12,500,817	11,619,426
Business-type activities-					
Interest and investment earnings	1,397	69	1,293	3,078	16,338
Transfers	<u>(88,611)</u>	<u>17,702</u>	<u>9,414</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>(87,214)</u>	<u>17,771</u>	<u>10,707</u>	<u>3,078</u>	<u>16,338</u>
Total Primary Government	<u>\$ 13,472,652</u>	<u>\$ 14,043,428</u>	<u>\$ 14,521,849</u>	<u>\$ 12,503,895</u>	<u>\$ 11,635,764</u>
Extraordinary item	\$ -	\$ -	\$ 4,331	\$ 369,248	\$ -
Government activities prior to period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GASB 68 beginning balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position-					
Governmental activities	(3,219,722)	(1,920,387)	(5,347,689)	(6,560,980)	(4,255,707)
Business-type activities	<u>67,234</u>	<u>137,914</u>	<u>(216,335)</u>	<u>(234,318)</u>	<u>(288,296)</u>
Total Primary Government Change in Net Position	<u>\$ (3,152,488)</u>	<u>\$ (1,782,473)</u>	<u>\$ (5,564,024)</u>	<u>\$ (6,795,298)</u>	<u>\$ (4,544,003)</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

Governmental Activities Tax Revenue by Source - Last Ten Fiscal Years
Accrual Basis of Accounting
June 30, 2018

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Public Service Taxes</u>	<u>Franchise Taxes</u>	<u>Mineral Royalties and Timber</u>	<u>Total</u>
2017 - 2018	\$ 13,580,051	\$ -	\$ 157,614	\$ 705,995	\$ 14,443,660
2016 - 2017	13,038,852	-	112,765	598,822	13,750,439
2015 - 2016	12,512,709	448,100	111,086	1,085,573	14,157,468
2014 - 2015	12,507,248	390,476	106,866	101,691	13,106,281
2013 - 2014	9,392,595	379,421	121,900	525,882	10,419,798
2012 - 2013	6,934,383	366,189	66,300	47,178	7,414,050
2011 - 2012	7,010,479	347,539	88,503	81,378	7,527,899
2010 - 2011	7,295,383	328,778	74,090	136,663	7,834,914
2009 - 2010	6,525,283	567,916	41,261	1,879,890	9,014,350
2008 - 2009	6,665,185	358,993	48,499	224,968	7,297,645

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Fund Balances, Governmental Funds - Last Ten Fiscal Years
Modified Accrual Basis of Accounting
For the Year Ended June 30, 2018**

	<u>2017 - 2018</u>	<u>2016 - 2017</u>	<u>2015 - 2016</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>	<u>2012 - 2013</u>	<u>2011 - 2012</u>	<u>2010 - 2011</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
General Fund:										
Nonspendable	\$ 10,157	\$ 56,180	\$ 36,215	\$ 47,453	\$ 143,084	\$ 162,915	\$ 135,365	\$ 182,209	\$ -	\$ -
Restricted	431,724	512,453	701,859	893,838	654,555	642,528	758,200	1,162,920	-	-
Committed	368,845	278,391	167,423	226,823	271,823	452,140	552,140	616,775	-	-
Assigned	-	-	17,400	26,500	232,055	500,000	2,711,077	3,023,169	-	-
Unassigned	<u>3,026,587</u>	<u>3,253,140</u>	<u>3,935,174</u>	<u>3,548,781</u>	<u>3,856,674</u>	<u>2,775,511</u>	<u>-</u>	<u>-</u>	<u>5,263,552</u>	<u>5,267,218</u>
Total General Fund	<u>\$ 3,837,313</u>	<u>\$ 4,100,164</u>	<u>\$ 4,858,071</u>	<u>\$ 4,743,395</u>	<u>\$ 5,158,191</u>	<u>\$ 4,533,094</u>	<u>\$ 4,156,782</u>	<u>\$ 4,985,073</u>	<u>\$ 5,263,552</u>	<u>\$ 5,267,218</u>
All Other Governmental Funds:										
Nonspendable	\$ 195,774	\$ 176,744	\$ 173,670	\$ 269,678	\$ 143,668	\$ 168,898	\$ 178,827	\$ 167,180	\$ -	\$ -
Restricted	12,356,726	10,020,528	8,261,340	7,595,625	4,551,156	3,018,483	3,243,502	2,881,159	-	-
Committed	-	1,386,032	1,085,688	699,007	101,224	-	160,713	(49,816)	(53,472)	50,556
Assigned	1,404,441	-	-	-	74,659	71,813	989,519	706,245	303,731	231,522
Unassigned	<u>(18,399)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,293</u>	<u>606,812</u>	<u>-</u>	<u>-</u>	<u>4,578,294</u>	<u>6,051,699</u>
Total Other Governmental Funds	<u>\$ 13,938,542</u>	<u>\$ 11,583,304</u>	<u>\$ 9,520,698</u>	<u>\$ 8,564,310</u>	<u>\$ 5,600,000</u>	<u>\$ 3,866,006</u>	<u>\$ 4,572,561</u>	<u>\$ 3,704,768</u>	<u>\$ 4,828,553</u>	<u>\$ 6,333,777</u>
All Governmental Funds:										
Nonspendable	\$ 205,931	\$ 232,924	\$ 209,885	\$ 317,131	\$ 286,752	\$ 331,813	\$ 314,192	\$ 349,389	\$ -	\$ -
Restricted	12,788,450	10,532,982	8,963,199	8,489,463	5,205,711	3,661,011	4,001,702	4,044,079	-	-
Committed	368,845	278,391	167,423	226,823	271,823	452,140	552,140	616,775	-	-
Assigned	1,404,441	1,386,032	1,103,088	725,507	333,279	500,000	2,711,077	3,023,169	-	-
Unassigned	<u>3,008,188</u>	<u>3,253,140</u>	<u>3,935,174</u>	<u>3,548,781</u>	<u>3,856,674</u>	<u>2,775,511</u>	<u>160,713</u>	<u>(49,816)</u>	<u>(53,472)</u>	<u>50,556</u>
Reserved - debt service	-	-	-	-	74,659	71813	989,519	706,245	303,731	231,522
Reserved - system devel	-	-	-	-	<u>729,293</u>	<u>606,812</u>	<u>-</u>	<u>-</u>	<u>9,841,846</u>	<u>11,318,917</u>
Total Governmental Funds	<u>\$ 17,775,855</u>	<u>\$ 15,683,469</u>	<u>\$ 14,378,769</u>	<u>\$ 13,307,705</u>	<u>\$ 10,758,191</u>	<u>\$ 8,399,100</u>	<u>\$ 8,729,343</u>	<u>\$ 8,689,841</u>	<u>\$ 10,092,105</u>	<u>\$ 11,600,995</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Change in Fund Balances, Governmental Funds - Last Ten Fiscal Years
Modified Accrual Basis of Accounting
For the Year Ended June 30, 2018**

	<u>2017 - 2018</u>	<u>2016 - 2017</u>	<u>2015 - 2016</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>	<u>2012 - 2013</u>	<u>2011 - 2012</u>	<u>2010 - 2011</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
Revenues:										
Taxes	\$ 14,667,171	\$ 17,403,435	\$ 16,956,599	\$ 12,857,129	\$ 9,773,845	\$ 7,379,918	\$ 7,303,478	\$ 7,578,484	\$ 6,994,433	\$ 7,004,946
Intergovernmental	12,201,039	6,929,487	6,560,085	12,929,814	15,331,479	14,078,282	33,479,557	16,906,419	13,929,514	18,175,723
Charges for services	5,069,043	1,360,885	1,281,184	2,822,408	2,811,269	2,862,402	3,191,777	3,814,792	2,730,779	3,826,701
Licenses and permits	55,958	466,458	2,177,120	435,435	217,046	914,044	869,816	101,303	432,870	246,136
Fines, fees and forfeitures	4,426,938	6,773,896	4,749,555	3,192,971	3,438,749	2,262,485	3,551,825	2,236,658	2,653,597	3,073,871
Royalties, franchise, timber and miscellaneous	2,645,193	1,045,287	1,759,894	543,233	964,864	3,817,501	1,488,800	4,341,731	5,318,309	2,776,166
Interest and investment earnings	221,952	142,866	86,306	66,375	55,360	48,780	44,223	45,099	69,805	249,663
Total Revenues	39,287,294	34,122,314	33,570,743	32,847,365	32,592,612	31,363,412	49,929,476	35,024,486	32,129,307	35,353,206
Expenditures:										
General government	8,592,372	7,270,946	6,699,744	5,470,887	5,389,247	4,848,623	5,264,376	6,723,404	8,033,465	8,445,327
Roads and bridges	5,480,316	4,309,314	4,280,757	3,887,440	3,208,727	3,864,936	4,267,460	4,391,843	4,967,600	6,798,383
Public safety	12,502,436	10,787,336	9,837,013	9,193,989	8,557,751	8,979,316	9,756,585	10,773,853	8,621,050	7,989,392
Health and welfare	992,806	276,653	365,833	1,655,159	4,447,424	7,466,341	21,717,329	7,582,199	4,059,974	3,842,595
Culture and recreation	961,521	1,187,440	1,311,833	1,241,376	1,177,630	1,044,367	1,008,772	1,189,309	1,141,187	1,054,764
Economic development	1,886,828	1,977,563	3,822,479	3,516,785	2,215,580	2,955,898	2,654,739	1,493,920	2,770,784	1,404,771
Special payments	1,192,852	-	-	-	-	-	-	-	-	-
Capital outlay	1,667,471	1,191,133	1,969,613	527,525	1,898,158	753,234	3,389,387	2,086,207	1,796,069	4,593,053
Debt services - principal	2,838,713	5,104,027	2,859,900	2,973,136	2,151,744	1,040,938	1,084,925	919,842	432,801	950,094
Debt services - interest	1,115,597	754,664	1,942,940	1,938,588	1,219,416	829,337	753,912	1,278,588	1,654,028	950,402
Total Expenditures	37,230,912	32,859,076	33,090,112	30,404,885	30,265,677	31,782,990	49,897,485	36,439,165	33,476,958	36,028,781
Excess of Revenue Over (Under) Expo	2,056,382	1,263,238	480,631	2,442,480	2,326,935	(419,578)	31,991	(1,414,679)	(1,347,651)	(675,575)
Other Financing Sources (Uses):										
Sale of capital assets	-	-	-	2,010	-	730	7,510	17,500	3,400	-
Transfers in	-	6,455,455	6,094,108	5,473,607	4,155,299	3,706,907	3,552,956	1,428,901	921,622	1,797,413
Transfers out	36,003	(6,455,455)	(6,094,107)	(5,473,607)	(4,155,299)	(3,706,907)	(3,535,254)	(1,428,901)	(921,622)	(1,797,413)
Transfers in from business-type	-	41,460	47,295	50,105	40,144	95,712	42,210	(9,414)	-	-
Transfers out from business-type	-	-	-	-	(7,989)	(7,101)	(59,912)	-	-	-
Insurance recovery	-	-	543,139	54,918	-	-	-	-	-	-
Total Other Financing Sources (Uses)	36,003	41,460	590,435	107,033	32,155	89,341	7,510	8,086	3,400	-
Net Change in Fund Balances	\$ 2,092,385	\$ 1,304,698	\$ 1,071,066	\$ 2,549,513	\$ 2,359,090	\$ (330,237)	\$ 39,501	\$ (1,406,593)	\$ (1,344,251)	\$ (675,575)

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Governmental Activities Tax Revenue by Source - Last Ten Fiscal Years
Modified Accrual Basis of Accounting
For the Year Ended June 30, 2018**

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Public Service Taxes</u>	<u>Franchise Taxes</u>	<u>Mineral Royalties and Timber</u>	<u>Total</u>
2017 - 2018	\$ 13,583,851	\$ 1,083,320	\$ 157,614	\$ 1,259,398	\$ 16,084,183
2016 - 2017	12,985,903	4,417,532	112,765	598,822	18,115,022
2015 - 2016	12,476,080	4,480,519	111,086	1,588,117	18,655,802
2014 - 2015	12,466,653	390,476	106,866	101,691	13,065,686
2013 - 2014	9,394,424	379,421	121,900	525,882	10,421,627
2012 - 2013	7,013,729	366,189	66,300	47,178	7,493,396
2011 - 2012	6,955,939	347,539	88,503	81,378	7,473,359
2010 - 2011	7,249,706	328,778	74,090	136,663	7,789,237
2009 - 2010	6,426,517	567,916	41,261	1,879,890	8,915,584
2008 - 2009	6,645,953	358,993	48,499	224,968	7,278,413

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Assessed Values and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years
Modified Accrual Basis of Accounting
For the Year Ended June 30, 2018**

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Manufactured Structures</u>	<u>Personal Property</u>	<u>Utility Property</u>	<u>Total Assessed Value (AV)</u>
2017 - 2018	\$ 4,295,809,019	\$ 37,708,762	\$ 87,573,170	\$ 688,809,560	\$ 5,109,900,511
2016 - 2017	4,111,802,008	35,521,190	81,162,190	683,273,590	4,911,758,978
2015 - 2016	3,973,171,766	28,452,197	77,403,758	636,662,100	4,715,689,821
2014 - 2015	3,754,796,301	26,526,533	74,220,759	704,399,469	4,559,943,062
2013 - 2014	3,692,215,297	24,406,038	74,958,377	619,720,140	4,411,299,852
2012 - 2013	3,601,892,063	28,099,529	74,361,410	408,758,740	4,113,111,742
2011 - 2012	3,549,577,947	28,178,258	71,979,650	408,630,654	4,058,366,509
2010 - 2011	3,577,628,983	30,363,518	73,687,760	403,593,050	4,085,273,311
2009 - 2010	3,458,935,122	30,725,947	83,873,780	419,956,181	3,993,491,030
2008 - 2009	3,352,798,412	32,135,350	96,648,400	381,418,601	3,863,000,763

<u>Fiscal Year</u>	<u>Taxable Ratio (RMV to AV)</u>	<u>Real Market Value (RMV)</u>	<u>Taxes</u>	<u>Direct Tax Rate</u>
2017 - 2018	60.91%	\$ 8,388,882,126	\$ 72,769,548	1.42%
2016 - 2017	66.59%	7,376,616,652	70,272,829	1.43%
2015 - 2016	71.91%	6,557,903,862	66,417,585	1.41%
2014 - 2015	77.60%	5,876,058,508	64,770,613	1.42%
2013 - 2014	77.23%	5,711,839,142	60,281,265	1.37%
2012 - 2013	74.88%	5,492,574,239	55,984,908	1.36%
2011 - 2012	74.10%	5,477,228,879	54,941,133	1.35%
2010 - 2011	64.85%	6,299,615,211	56,992,720	1.40%
2009 - 2010	59.66%	6,693,897,931	54,949,959	1.38%
2008 - 2009	62.55%	6,175,643,775	51,183,655	1.32%

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Principal Property Taxpayers - Last Fiscal Year and Fiscal Year Ten Years Ago
For the Year Ended June 30, 2018**

Taxpayer	Industry	FY 2017 - 2018			FY 2016 - 2017		
		Taxable Assessed Value (AV)	Rank	Percentage of Total Taxable (AV)	Taxable Assessed Value (AV)	Rank	Percentage of Total Taxable (AV)
Portland General Electric	Utility	\$ 618,993,000	1	12.11%	\$ 609,585,000	1	12.41%
Northwest Natural Gas	Utility	161,135,382	2	3.15%	161,152,641	2	3.28%
US Gypsum	Building Products	55,492,940	3	1.09%	58,742,110	4	1.20%
Dyno Nobel, Inc.	Explosives	55,413,141	4	1.08%	62,938,706	3	1.28%
Longview Timberlands LLC	Wood Products	48,596,942	5	0.95%	47,448,186	6	0.97%
Cascade Kelly Holdings	Distribution	46,508,800	6	0.91%	55,645,480	5	1.13%
Columbia River PUD	Utility	39,291,500	7	0.77%	37,413,500	8	0.76%
Clatskanie PUD	Utility	36,869,000	8	0.72%	37,504,000	7	0.76%
Armstrong World Industries	Ceiling Tiles	27,264,690	9	0.53%	27,745,040	9	0.56%
Comcast Corp	Utility	23,708,400	10	0.46%	19,083,200	10	0.39%
All others		3,996,626,716		78.21%	3,794,501,115		77.25%
		<u>\$ 5,109,900,511</u>		<u>100.00%</u>	<u>\$ 4,911,758,978</u>		<u>100.00%</u>

See independent auditor's report.

COLUMBIA COUNTY, OREGON

**Property Tax Levies and Collections - Last Fiscal Year and Fiscal Year Ten Years Ago
For the Year Ended June 30, 2018**

Fiscal Year	Taxes Levied	Collected First Year of the Levy		Collections in Subsequent Years	Total Collections Through Most Recent Fiscal Year		Outstanding Delinquent Taxes	Percentage Delinquent
		Amount	Percentage of Levy		Amount	Percentage of Levy		
2017 - 2018	\$ 10,779,956	\$ 10,125,562	93.9%	\$ -	\$ 10,125,562	93.9%	\$ 336,285	3.1%
2016 - 2017	10,276,520	9,625,314	93.7%	173,718	9,799,032	95.4%	336,285	3.3%
2015 - 2016	9,957,733	9,339,821	93.8%	251,100	9,590,921	96.3%	162,675	1.6%
2014 - 2015	9,539,520	8,929,296	93.6%	329,775	9,259,071	97.1%	92,430	1.0%
2013 - 2014	6,966,083	6,496,561	93.3%	294,094	6,790,655	97.5%	21,804	0.3%
2012 - 2013	6,920,409	6,343,061	91.7%	342,480	6,685,541	96.6%	9,649	0.1%
2011 - 2012	6,902,573	6,331,768	91.7%	419,433	6,751,201	97.8%	6,410	0.1%
2010 - 2011	6,807,953	6,252,873	91.8%	378,932	6,631,804	97.4%	5,140	0.1%
2009 - 2010	6,725,147	5,772,981	85.8%	388,794	6,161,775	91.6%	5,100	0.1%
2008 - 2009	6,521,791	5,970,448	91.5%	346,931	6,317,379	96.9%	3,012	0.0%

Fiscal Year	Permanent Rate	Bond Levy	Local Option	Total County
2017 - 2018	1.3956	0.2438	0.5797	2.2191
2016 - 2017	1.3956	0.2362	0.5797	2.2115
2015 - 2016	1.3956	0.2605	0.5797	2.2358
2014 - 2015	1.3956	0.2608	0.5797	2.2361
2013 - 2014	1.3956	0.2691	-	1.6647
2012 - 2013	1.3956	0.2876	-	1.6832
2011 - 2012	1.3956	0.3041	-	1.6997
2010 - 2011	1.3956	0.2859	-	1.6815
2009 - 2010	1.3956	0.2822	-	1.6778
2008 - 2009	1.3956	0.2858	-	1.6814

Notes:

Outstanding Delinquent Taxes collected are posted to the year of the levy. The amount is not Taxes Levied minus Taxes Collected because some amount of adjustments to the original taxes levied will happen due to award of discounts, tax appeals, corrections of errors, etc.

Source: County Tax Collector tax roll records relating to Columbia County only, excluding component units County Assessor Table 4a Detail of District Levies.

COLUMBIA COUNTY, OREGON

**Ratio of Outstanding Debt by Type - Last Ten Fiscal Years
For the Year Ended June 30, 2018**

Fiscal Year	Governmental Activities				Total Governmental Activity
	Bonds Payable	Notes Payable	General Obligation Bonds	Leases	
2017 - 2018	\$ 6,669,870	\$ 466,853	\$ -	\$ 56,923	\$ 7,193,646
2016 - 2017	6,905,311	1,683,132	1,090,000	99,864	9,778,307
2015 - 2016	7,119,369	3,203,641	2,135,000	99,930	12,557,940
2014 - 2015	7,308,605	4,808,761	3,135,000	143,680	15,396,046
2013 - 2014	7,475,976	6,589,456	4,090,000	23,256	18,178,688
2012 - 2013	7,625,883	7,014,721	5,005,000	-	19,645,604
2011 - 2012	7,758,798	7,098,931	5,885,000	-	20,742,729
2010 - 2011	7,869,091	6,937,065	6,725,000	-	21,531,156
2009 - 2010	7,966,095	6,192,211	7,530,000	-	21,688,306
2008 - 2009	8,043,898	5,803,100	8,165,000	-	22,011,998

Fiscal Year	Business Type Activities	Total Primary Government	Percentage of Personal Income	Per Capita (Estimate)	County Population	Per Capita Personal Income
2017 - 2018	\$ 1,723,074	\$ 1,723,074	0.08%	33	51,900	\$ 40,053
2016 - 2017	2,215,513	2,215,513	0.11%	43	51,345	40,080
2015 - 2016	2,753,581	2,753,581	0.14%	54	50,795	39,202
2014 - 2015	3,366,911	3,366,911	0.18%	67	50,390	36,784
2013 - 2014	3,515,834	3,515,834	0.20%	70	50,075	35,134
2012 - 2013	3,657,706	3,657,706	0.21%	74	49,520	34,863
2011 - 2012	3,792,861	3,792,861	0.23%	76	49,680	33,649
2010 - 2011	3,921,617	3,921,617	0.25%	79	49,625	32,248
2009 - 2010	4,044,275	4,044,275	0.25%	82	49,430	32,372
2008 - 2009	4,161,128	4,161,128	0.25%	85	48,773	33,590

1 Population Research Center, Portland State University.
2 Bureau of Economic Analysis, US Department of Commerce.

Further information on long-term debt is found in the Notes to the Financials Statements, pages 50 - 53.

COLUMBIA COUNTY, OREGON

**Legal Debt Margin Information - Last Ten Fiscal Years
For the Year Ended June 30, 2018**

Fiscal Year	Real Market Value	County Debt Limits			Debt at June 30,		
		Debt for General Obligation (2% RMV)	Debt for Limited Bonds (1% RMV)	Total Debt Limit (3% RMV)	General Obligation Bonds	Revenue Bonds and Other Debt	Total Debt Subject to Debt Limits
2017 - 2018	\$ 8,388,882,126	\$ 167,777,643	\$ 83,888,821	\$ 251,666,464	\$ -	\$ 466,853	\$ 466,853
2016 - 2017	7,376,616,652	147,532,333	73,766,167	221,298,500	1,090,000	1,683,132	2,773,132
2015 - 2016	6,557,903,862	131,158,077	65,579,039	196,737,116	2,135,000	3,203,641	5,338,641
2014 - 2015	5,876,058,508	117,521,170	58,760,585	176,281,755	3,135,000	4,808,761	7,943,761
2013 - 2014	5,711,839,142	114,236,783	57,118,391	171,355,174	4,090,000	6,589,456	10,679,456
2012 - 2013	5,492,574,239	109,851,485	54,925,742	164,777,227	5,005,000	7,014,721	12,019,721
2011 - 2012	5,477,228,879	109,544,578	54,772,289	164,316,866	5,885,000	7,098,931	12,983,931
2010 - 2011	6,299,615,211	125,992,304	62,996,152	188,988,456	6,725,000	6,937,065	13,662,065
2009 - 2010	6,693,897,931	133,877,959	66,938,979	200,816,938	7,530,000	6,192,211	13,722,211
2008 - 2009	6,175,643,775	123,512,876	61,756,438	185,269,313	8,165,000	5,803,100	13,968,100

Fiscal Year	Legal Debt Margin at June 30,			Percentage of Debt Margin Utilized		
	General Obligation Bonds	Revenue Bonds and Other Debt	Total Unused Debt Limit	General Obligation Bonds	Revenue Bonds and Other Debt	Combined Percentage
2017 - 2018	\$ 167,777,643	\$ 83,421,968	\$ 251,199,611	0.0%	0.6%	0.2%
2016 - 2017	146,442,333	72,083,035	218,525,368	0.7%	2.3%	1.3%
2015 - 2016	129,023,077	62,375,398	191,398,475	1.7%	4.9%	2.7%
2014 - 2015	114,386,170	53,951,824	168,337,994	2.7%	8.2%	4.5%
2013 - 2014	110,146,783	50,528,935	160,675,718	3.7%	11.5%	6.2%
2012 - 2013	104,846,485	47,911,021	152,757,506	4.8%	12.8%	7.3%
2011 - 2012	103,659,578	47,673,358	151,332,935	5.7%	13.0%	7.9%
2010 - 2011	119,267,304	56,059,087	175,326,391	5.6%	11.0%	7.2%
2009 - 2010	126,347,959	60,746,768	187,094,727	6.0%	9.3%	6.8%
2008 - 2009	115,347,876	55,953,338	171,301,213	7.1%	9.4%	7.5%

ORS 287A.105(1) provides a debt limit on revenue bonds and other debt or liabilities of 1% of the real market value of all taxable property within the County's boundaries.

This legal limit became effective January 1, 2008 superseding ORS 287.053.

Note: Pension bonds are not subject to the County Debt Limit ORS 238.694.

COLUMBIA COUNTY, OREGON

**Demographic and Economic Statistics - Last Ten Fiscal Years
For the Year Ended June 30, 2018**

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Income (Amounts Expressed in Thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment Rate (4)</u>
2017 - 2018	51,900	\$ 2,078,737	\$ 40,053	7,598	4.9
2016 - 2017	51,345	2,057,908	40,080	7,699	4.5
2015 - 2016	50,795	1,991,266	39,202	7,697	6.1
2014 - 2015	50,390	1,853,546	36,784	7,684	7.4
2013 - 2014	50,075	1,759,316	35,134	7,802	7.5
2012 - 2013	49,520	1,726,405	34,863	7,838	8.2
2011 - 2012	49,680	1,671,676	33,649	8,142	9.9
2010 - 2011	49,625	1,600,317	32,248	8,244	10.7
2009 - 2010	49,430	1,600,164	32,372	8,290	12.1
2008 - 2009	48,773	1,638,281	33,590	8,548	14.1

Source:

1. Population Research Center, Portland State University.
2. Bureau of Economic Analysis, US Department of Commerce.
3. Oregon Department of Education: Columbia County School Districts.
4. Oregon Labor Market Information System, Oregon Employment Department. Seasonally Adjusted Unemployment Rates in June (end of FY).

Note: if updated data from prior years is available, that data is added to table so prior year numbers may vary from prior year CAFRs.

COLUMBIA COUNTY, OREGON

**Full-Time Equivalent County Government - Last Ten Fiscal Years
For the Year Ended June 30, 2018**

	<u>2017 - 2018</u>	<u>2016 - 2017</u>	<u>2015 - 2016</u>	<u>2014 - 2015</u>	<u>2013 - 2014</u>	<u>2012 - 2013</u>	<u>2011 - 2012</u>	<u>2010 - 2011</u>	<u>2009 - 2010</u>	<u>2008 - 2009</u>
Function:										
General government	143.35	80.66	70.74	68.02	63.01	63.13	75.44	86.40	78.40	93.08
Public safety-										
Sheriff:										
Officers	-	42.70	38.53	32.24	27.50	31.25	35.19	35.38	34.38	41.98
Civilians	-	9.20	7.60	8.64	6.98	7.54	4.74	3.99	4.49	5.48
Parole/probation	13.71	12.91	12.15	12.15	13.30	14.07	13.78	14.57	14.77	19.09
Animal control	1.00	1.00	1.00	1.00	1.00	1.98	2.57	2.96	3.95	3.46
Emergency management	2.49	2.00	1.94	1.91	2.70	1.80	2.28	3.00	3.00	3.00
Highways and streets-										
Engineering/administration	5.00	5.00	5.00	5.00	5.00	5.00	5.50	5.50	5.50	5.50
Maintenance	16.50	16.50	16.50	18.00	16.00	18.00	20.00	20.00	20.00	21.00
Transfer station/solid waste	1.70	1.35	1.19	0.93	1.59	1.59	2.95	3.70	4.95	3.80
Culture and recreation-										
Parks	2.20	2.42	2.50	3.00	3.00	4.90	4.30	4.45	4.45	4.70
Fairgrounds	-	-	-	-	-	-	0.53	1.00	1.00	1.00
Total Function	<u>185.95</u>	<u>173.74</u>	<u>157.15</u>	<u>150.89</u>	<u>140.08</u>	<u>149.26</u>	<u>167.28</u>	<u>180.95</u>	<u>174.89</u>	<u>202.09</u>

See independent auditor's report.

REPORTS REQUIRED BY FEDERAL AND STATE REGULATIONS

Independent Auditor's Report Required by Oregon State Regulations

To the County Commissioners
Columbia County
St. Helens, Oregon

We have audited the basic financial statements of Columbia County as of and for the year ended June 30, 2018, and have issued our report thereon dated December 27, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

As part of obtaining reasonable assurance about whether Columbia County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing nothing came to our attention that caused us to believe Columbia County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

- Expenditures of the various funds were within authorized appropriations, except as noted on page 44.



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OAR 162-10-0230 Internal Control

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

Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting. This report is intended solely for the information and use of the Board of Commissioners, management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Certified Public Accountants
December 27, 2018

**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***

Independent Auditor's Report

**To the County Commissioners
Columbia County
St. Helens, Oregon**

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 Columbia County as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 County's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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Compliance and Other Matters

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

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 entity'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.



Certified Public Accountants
December 27, 2018

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

**To the County Commissioners
Columbia County
St. Helens, Oregon**

Report on Compliance for Each Major Federal Program

We have audited Columbia County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2018. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Columbia County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.



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Report on Internal Control Over Compliance

Management of the 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 of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Certified Public Accountants
December 27, 2018

COLUMBIA COUNTY, OREGON

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018**

Program Title	Pass-Through Organization	Federal CFDA Number	Pass-Through Entity Number	Expenditures	Pass-Through to subrecipients
US Department of Transportation:					
Passed through Oregon Department of Transportation-					
State and Community Highway Safety		20.600	Not provided	\$ 11,651	\$ -
Formula Grants for Rural Areas		20.509	31911-5311	723,027	-
Enhanced Mobility of Seniors and					
Individuals With Disabilities		20.513	30741	178,159	-
Bus and Bus Facilities Formula Program		20.526	31454-5339	67,035	-
Total US Department of Transportation				979,872	-
Department of Housing and Urban Development:					
Passed through Oregon Business-					
Community Development Block Grant		14.228	H15014	300,000	300,000
Total Department of Housing and Urban Development				300,000	300,000
General Services Administration:					
Passed through Oregon Department of Administrative Services-					
Donation of Federal Surplus Personal Property		39.003	C00055	96,483	-
Total General Services Administration				96,483	-
Department of the Interior:					
Distribution of receipts to state and local governments		15.227		227,149	-
Passed through Oregon Department of Fish and Wildlife-					
Water Bank Program		15.611	#124890651	33,230	-
Total Department of Housing and Urban Development				260,379	-
Drinking Water State Revolving Fund Cluster					
National Environmental Planning Agency:					
Passed through Oregon Health Authority-					
State Public Water System Supervision		66.432	IGA #154105	7,040	7,040
Total National Environmental Planning Agency				7,040	7,040
US Department of Justice:					
Passed through Oregon Department of Justice-					
Crime Victim Assistance		16.575	VOCA/CFA-2017- ColumbiaCo.DAVAP- 00010	112,626	-
Total US Department of Justice				112,626	-
US Department of Health and Human Services:					
Passed through Oregon Department of Justice					
Child Support Enforcement		93.563	1804 ORCSES	176,415	-
Passed through Oregon Health Authority-					
Public Health Emergency Preparedness		93.069	IGA #154105	32,655	32,655
Family Planning Services		93.217	IGA #154105	5,900	5,900
Maternal and Child Health Services Block Grant to the States		93.994	IGA #154105	11,993	11,993
Medical Assistance Program		93.778	IGA #154105	4,996	4,996
Total US Department of Health and Human Services				231,959	55,544
US Department of Homeland Security:					
Passed through Oregon Office of Emergency Management-					
Emergency Management Performance Grants		97.042	17.505	100,337	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		97.036	4328-DR-OR	595,452	-
Passed through City of Portland-					
Homeland Security Grant Program		97.067	17-505 17-208 17- 207 17-505	105,300	22,913
Total US Department of Homeland Security				801,089	22,913
Total Federal Assistance				\$ 2,789,448	\$ 385,497

See independent auditor's reports and notes to schedule of expenditures of federal awards.

COLUMBIA COUNTY, OREGON

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018**

Note 1 - Basis of Presentation

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

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect Costs

The County has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

COLUMBIA COUNTY, OREGON

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weaknesses identified?

Yes

No

- Significant deficiencies identified?

Yes

None reported.

Noncompliance material to financial statements noted?

Yes

No

Federal Awards

Internal control over major programs:

- Material weaknesses identified?

Yes

No

- Significant deficiencies identified?

Yes

None reported.

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 516(a)?

Yes

No

Identification of Major Programs

CFDA Number

Name of Federal Program or Cluster

97.036

Disaster Grants -
Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

Yes

No

COLUMBIA COUNTY, OREGON

**Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2016**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.