

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2004**

**Lincoln County  
Oregon**





**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Year ended June 30, 2004**

**Prepared by:**  
**Jim Weider, Director, Finance and Administration**

# LINCOLN COUNTY

Year Ended June 30, 2004

## Board of Commissioners

<u>Name</u>	<u>Term Expires</u>
Donald Lindly, Chair (2004) 13890 NE 20 <sup>th</sup> Place Newport, Oregon 97365	January 1, 2007
Jean Cowan, Chair (2003) 2710 NE Iler Newport, Oregon 97365	January 3, 2005
Terry N. Thompson 5123 NW Agate Way Newport, OR 97365	January 1, 2007

## Administrative Staff

Wayne Belmont, County Counsel

Jim Weider, Director, Finance and Administration

**LINCOLN COUNTY**  
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# INTRODUCTORY SECTION



## Finance & Accounting

# County of Lincoln



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September 24, 2004

### **To the Board of Commissioners and the Citizens of LINCOLN COUNTY, OREGON**

The Finance Department is pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of Lincoln County for the fiscal year ended June 30, 2004. This report presents the financial position of the County as of June 30, 2004, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the enclosed data, as presented, is accurate in all material respects and is reported in a manner designed to fairly set forth the financial position, results of operations and cash flows of the various funds of the County.

### **REPORT CONTENTS**

The CAFR is presented in five sections: Introductory, Financial, Statistical, Audit Comments and Disclosures and Grant Compliance – Single Audit. The Introductory Section includes this transmittal letter, our organization chart, and a list of principal officials. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to Lincoln County for its CAFR for the fiscal year ended June 30, 2003. This is the twelfth consecutive year that the government has 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 generally accepted accounting principles and applicable legal requirements.

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

The Financial Section includes the basic financial statements and schedules, required supplemental information (including Management's Discussion and Analysis), as well as the auditor's report on the financial statements and schedules. Last year Lincoln County implemented the GASB 34 reporting requirements which includes two new government-wide financial statements that provide both long-term and short-term information about the County's overall financial status. In addition, the Financial Section provides information on each individual fund and component unit for which data are not provided separately within the basic financial statements.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

The Audit Comments and Disclosure Section contains financially-related comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.

Lincoln County is required to undergo an annual audit in conformity with the provisions of the Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations are included in the Grant Compliance – Single Audit Section.

**REPORTING ENTITY**

This CAFR includes all funds of Lincoln County. Lincoln County provides a full range of services. These services include sheriff patrol and jail services; human services to the elderly and economically disadvantaged; public and mental health services; planning and economic development; the construction and maintenance of highways, streets, and parks. Also included are the activities of the remaining elected officials, including the County Clerk who conducts elections and maintains official records; the County Surveyor who oversees public land corners and reviews proposals for land partitions and subdivisions; the County Assessor, who is responsible for the valuation of property for taxation and the subsequent application of all levies in the County to those properties; the County Treasurer, who is responsible for revenue receipting, trust and agency accounting, property tax collections, and investment of public funds; and the Board of Commissioners, who are responsible for setting policy, general administration of the County and holding public hearings on certain issues required by law.

The Lincoln County Extension Agency is included in the County's financial statements, reflecting voter approval of an operating tax levy in November 1988 and the Board of County Commissioners control and approval of the budget and tax levy. This agency, primarily funded through the State of Oregon, Division of Higher Education, as part of Oregon State University, provides a wide variety of services to the residents of Lincoln County. The purpose of the Extension Service is to help people solve problems through education in the areas of home economics, 4-H, agriculture, forestry, marine and community resource development. Areas covered include homemaking and cooking classes, pest identification, crop analysis, the traditional rural functions including information on animal husbandry, as well as fishing, mollusk gathering and preparation, and other related marine life.

The Lincoln County Solid Waste District also is included because the Board of County Commissioners serve as the governing body, making appointments, hiring, and approving the budget. This agency, which became operational during the 1993-94 fiscal year, is funded through intergovernmental agreements with agencies throughout the County and a State Department of Environmental Quality grant. The agency is responsible for Countywide solid waste management planning; the recycling education and coordination function; illegal dumping cleanup and prevention, as well as enforcement coordination.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

The Lincoln County Transportation District is included because the Board of County Commissioners serves as the governing body, making appointments, hiring, and approving the budget. This district, which was formed in 1996, is funded by a property tax levy, various intergovernmental revenues and grants and transit fees. The district provides a comprehensive transportation program for Lincoln County, including a scheduled stop bus system, the "Central Coast Connection," along the Highway 101 corridor, outlying cities and communities, and ancillary feeder lines available to all residents of the County. The district also provides a "dial-a-ride" service for disadvantaged, and senior and disabled citizens.

**ECONOMIC CONDITION AND OUTLOOK**

Lincoln County's unemployment rate decreased from 8.1% to 7.1% during 2003-04. Most of this decrease reflects the impact of the federal economic stimulus acts passed in 2003. Due to Lincoln County's stronger dependence on the service and tourism industry, rather than its dependence on timber and fishing, the County is only slowly seeing a return to pre-September 11, 2001 tourist travel levels which would help to reduce the severe impacts on county employment levels. Also, the lumbering restrictions on Federal timberlands and restrictions on the harvesting of fish have had measurably negative impacts in the County.

Since 1990, Oregon and Lincoln County have been experiencing in-migration from other states, which has caused housing prices to rise dramatically until the last two years. This rise has dampened the effects of the slower property tax growth imposed by the Property Tax Limitation Measure of 1990, which capped the rate per thousand dollars of value at \$10.00 for general government and phased in a limit of \$5.00 per thousand for schools. However, even though Lincoln County has been minimally affected in most years, the lost revenue due to compression for the current year is approximately \$180,000. A property tax limitation measure passed in November 1996, then modified and re-passed in May 1997, has had a more significant impact on County revenues. A number of employees were laid off at the end of May 1996 reflecting anticipated decreased revenues in the 1997-98 fiscal year and additional reductions in staff were made at the end of June 2002 and in the spring of 2003. The total estimated revenue impact since the property tax limitation passed in 1997 has been a reduction of more than \$13.5 million with another \$3.7 million reduction expected in FY2004-2005. For future years property tax revenue growth per property is limited to 3% per year and may be further reduced by compression. New construction now results in new revenues rather than an adjustment in tax rates.

Economic issues for fiscal year 2004-05 remain largely the same as in the recent past. Higher than normal unemployment from the last two year's economic downturn and current high fuel prices is a major concern. Legislation, placing the marbled murrelet on the Endangered Species List as a threatened species in 1992, continues to have an additional negative impact on timber receipts and logging activities. At the same time, any long-term effects of the Property Tax Limitation Measure of 1990 also may reduce property tax revenues. Because Ballot Measure 50 passed in May 1997, the impact from the 1990 Property Tax Limitation has been less severe than originally anticipated. Lincoln County officials have been taking steps to consolidate services, eliminate duplications, and reject new mandates from the State, to the extent possible, to meet the demands imposed by declining sources of revenue.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

**MAJOR INITIATIVES**

Lincoln County's population growth and changing needs have required new program and service initiatives. Beginning in fiscal year 1991-92, the County government examined the cost of providing internal services, such as finance, printing, motor pool, and central services. As a result of that review, an indirect cost allocation system was put into place that allocates the cost of providing internal services among the users of the services and recovers those costs from federal grants. Separate fund accounting for internal services was eliminated, reducing paperwork while maintaining the information on costs.

The opening of a new Jail facility in July of 1992 resulted in increased operating costs of approximately \$1 million for the year. The number of prisoners increased from an average of 26 to an average of 75 in 1992-93 and an average of 90 in 1994-95, where it remained fairly constant through 1997-98. In 1998-99 the average increased to 106 and then dropped back to 102 in fiscal year 1999-2000. In January 2001, a contract with Benton County to rent bed space, allowed the jail to open a new pod containing 49 beds. The partial year impact of the new pod increased the daily average number of prisoners for FY 2000-01 to 126 and the full year impact for FY 2001-02, FY 2002-03 and FY 2003-2004 raised this number to 149.

Major projects in 1992-93 included the start of remodeling to the third floor of the Courthouse (converting from a jail to courtroom facilities) with completion in 1993-94. In April 1993, the County advance refunded the Jail General Obligation Bonds issued in 1989 and 1990, saving taxpayers \$391,407 in interest payments over the life of the bonds. Compliance with State Law required that the present value savings exceed 3 percent. The savings on this bond issue was 3.0035 percent.

Beginning in 1993-94, the General Services department was eliminated and the functions were divided between the Public Works (Road) department and the Finance department to increase efficiency and service, while reducing staff to balance the budget.

Beginning in 1994-95, the County's schedule of fees and services was comprehensively reviewed and revised to provide similar types and levels of fees for services provided in other counties. User fees are now reviewed on an annual basis and adopted by Board Resolution during the month of June.

A three-year demonstration grant for a countywide transit program previously accepted by the Board of Commissioners expired in 1995-96. On May 21, 1996, the voters were presented with the opportunity to form a Transit District and to fund the District, if formed, by property taxes for the 1996-97 fiscal year. The District was formed, but the voters failed to fund the District, resulting in the elimination of countywide transportation on June 30, 1996. The Board resubmitted this ballot measure at a slightly lower amount in the November 5, 1996 General Election, where it was approved making the District operational on July 1, 1997.

Ballot Number 47, which passed on November 5, 1996 and Ballot Measure 50, which passed on May 21, 1997, required that property taxes be rolled back to the lower of 1994-95 or 1995-96 less 10 percent. Increases for 1997-98 were limited to no more than 3 percent more than the revised property tax. This resulted in no property tax increase for 1996-97. The previous law allowed increases of up to 6 percent of the actual levy for each year, and was not dependent on property values. The impact of this measure was to reduce 1997-98 property taxes by \$1.1 million over 1996-97.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

During the 1998-99 budget process, the County viewed the “savings” from not having as big a loss as originally anticipated, as well as larger than expected revenues from the sale of State Forest timber, as one-time monies. The Proposed Budget allocated the money for one-time projects and infrastructure improvements deferred in past years. The Budget Committee concurred with this conservative budgeting of expenditures to forestall future budget reductions caused by the ongoing impact of the 1997 Property Tax Limitation Measure 50.

In FY 1999-2000, the County’s Management Team developed a balanced budget that did not require major staffing or service level reductions. Two major areas included in that budget were the continued development of the Geographic Information System as well as the replacement of the Sheriff’s office systems and a computer upgrade for the County to be financed with a lease purchase package of approximately \$1,250,000.

In the FY 2000-01 budget process, the County Management Team had to contend with significantly reduced State Forestry revenue projections, which made it quite difficult to offer new or expanded services to the citizens of Lincoln County. Two new budgeted initiatives required funding from the State of Oregon. The first initiative was a proposed \$1,563,008 grant for the construction of a new Community Justice Center that would provide a transition facility for up to 30 offenders coming out of jail or prison. The second initiative was a proposed \$704,656 Oregon Community Development Block grant to build a North Lincoln County Head Start center in Lincoln City. In addition, the County budgeted a bank loan of \$1,220,000 to finance the replacement of the law enforcement computer system deferred from the previous year. The budgeting process was also complicated this year by the fact that all three of the County’s labor contracts expired and required final negotiation after the budget process was completed.

During the FY 2001-02 budget process, the loss of revenue from Measure 50 and lower than normal State Forestry revenues, made it difficult for the second year in a row to offer any new or expanded services to the citizens of Lincoln County. The budget included a \$1,248,000 carry over to complete the new Community Justice Center, a \$704,656 carry over Community Development Block grant to build the North Lincoln County Head Start facility, and an \$800,000 carry over to complete the replacement of the law enforcement computer system financed by a 5-year bank loan of \$1,092,325. The signing of a three-year agreement with Benton County to rent 20 beds in the Lincoln County Jail added \$438,000 to revenue that allowed the addition of 29 beds for Lincoln County as well. The Juvenile Facility added 1.6 FTE to insure legal staffing of 2 male and 2 female staff 24 hours a day. A new fund, Title III Safety Net, required to qualify the county for the U.S. Treasury’s road and school safety-net payment, was created to track the estimated expenditures of \$396,182.

The FY 2002-03 budget process was the most difficult in six years. To offset lower property tax revenues, the County Management Team reduced services and capital projects by \$514,000. It was also forced to leave vacant several open positions and to layoff several people for a net reduction of 4.3 employees or a savings of \$181,000. A new grant of \$300,000 allowed housing rehabilitation loans for owner-occupied low-income dwellings. The budget also included a \$200,000 carry over to complete the North Lincoln County Head Start facility and a \$171,845 carry over to complete the replacement of the law enforcement computer system. The Title III Safety Net fund carry over of \$396,182 was allocated and new receipts of \$280,257 were budgeted. In anticipation of complying with GASB 34 requirements, three new Special Revenue funds were created: DUII provides for buying back confiscated vehicles; DUII M-3 Forfeiture provides for selling confiscated vehicles; and Agate Beach Closure provides for the County’s portion of post-closure operating costs of the Agate Beach Landfill.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

The FY 2003-04 budget process required reevaluation of many county services to determine how expenses could be reduced to meet anticipated revenues. Lower grants and reduced State Forest revenues forced the County Management Team to reduce services and capital projects by \$1,446,000. The Team was also forced to leave vacant several open positions and to layoff several people for a net reduction of 6.2 employees or a savings of \$365,000. A carry over grant amount of \$200,000 allowed the County to continue the interest-free housing rehabilitation loan program begun the previous year for owner-occupied low-income dwellings. The budget also included a \$134,014 carry over to complete the replacement of the law enforcement computer system. The Title III Safety Net fund anticipated new receipts of \$272,226 and a carry over of \$555,103. A major budgeting concern was that the County's labor contracts were still under negotiation during the budgeting process. While most were settled before budget adoption, the LCSDA union contract (Sheriff's departments), which expired June 30, 2002, has not been settled. Any salary or benefit increases beyond anticipated levels for this union may require further personnel reductions to rebalance the budget.

Shortfalls in anticipated revenues during the FY 2004-05 budget process led to further reductions in many county services in order to balance revenues and expenses. Lower grants and lower State Forest revenues forced the County Management Team to reduce services and capital projects by \$830,000, which resulted in several budgeted positions not being filled. A renewed grant program of \$230,000 allowed the County to continue the interest-free housing rehabilitation loan program begun two year's ago for owner-occupied low-income dwellings. Also, the budget included a new \$183,000 grant for the federal government's State Homeland Security and Law Enforcement Terrorism Prevention Programs. An increase in The Title III Safety Net fund revenue allocation doubled anticipated new receipts to \$493,200. The County's LCSDA union contract (Sheriff's departments), which expired June 30, 2002, was still under negotiation during the budgeting process and will be settled by arbitration in December 2004. Any salary or benefit increases beyond anticipated levels for the LCSDA may require further personnel reductions to rebalance the budget. On a more positive note, in December 2003, the County completed a successful current refunding of its Series 1993 General Obligation Jail bonds. The refunding will generate more than \$306,000 in savings to the taxpayers over the remaining six-year life of the bonds.

**Department Focus – HEALTH AND HUMAN SERVICES DEPARTMENTS**

As in the past, this section provides detailed information about one of the services provided by the County. This year we feature the Lincoln County Health and Human Services fund.

Lincoln County's Health and Human Services fund is not a single department, but rather a group of 32 interrelated departments. Each department focuses on a specific group of services, but all have an overall objective to provide public and mental health services to the residents of the County, consistent with the guidelines and funding provided from Federal and State government through a series of grants and laws.

## Departmental Focus: Health & Human Services Department

***Vision:***

*A community committed to health, wellness and quality of life.*

***Mission:***

*Through leadership, collaboration and services, we improve health, wellness and quality of life in a manner that shows respect for, and defends the dignity of, our citizens and employees.*

The Lincoln County Health & Human Services Department (HHS) touches the lives of many Lincoln County citizens. The department provides school health centers; inspects all restaurants; provides family planning and reproductive health examinations; provides mental health and addictions treatment; provides the WIC program; offers nurse home visits for all newborns; contracts for and oversees residential and vocational programs for people with developmental disabilities; organizes community coalitions to address diabetes, tobacco use, and alcohol and drug prevention; provides problem gambling treatment; organizes programs to prevent the spread of HIV and sexually transmitted diseases; organizes responses to natural disasters or bio-terrorism; and a host of other services and programs to protect the health of the citizens of Lincoln County.

HHS is a collaboration of diverse services that all strive to improve the health and quality of life for Lincoln County citizens. The department's management team and staff continuously find ways to assist each other and work together to improve the quality of services available to the public. They are often painfully aware of having to live within their budget and of the limitations to public services that are part of life in Oregon. The state budget crisis during 2003 forced reductions in mental health and addictions services, elimination of breast and cervical cancer screenings for uninsured women, elimination of tobacco prevention efforts and reduction of a program for treating victims of child abuse. The County was only able to maintain School Based Health Centers due to the generosity and support of the Confederated Tribes of Siletz, the Grand Ronde, our local hospitals and their foundations and other donors.

### **Organization**

As a Department of Lincoln County government and a partner and contractor for State government, HHS functions as the Mental Health Department, the Public Health Department, the Environmental Health Department, Alcohol & Drug Treatment and Prevention Services, and Developmental Disabilities Services for the County. HHS also provides administrative oversight of the County Commission on Children & Families.

The Department is administratively organized under 4 Divisions: ***Public Health, Behavioral Health, Rehabilitation Services, and Administrative Services***. The philosophy of the Department as a whole exists to serve the public, and many of our services are combined efforts of different Divisions. HHS has approximately 90 employees and a budget of around \$7,000,000. Approximately \$2,000,000 of the total budget is contracted to community agencies for services.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

*Public Health* services are provided through clinics in Newport and Lincoln City, School-Based Health Centers in high schools with outreach to middle schools, WIC outreach at the Ridge Apartments in Lincoln City, and Health Services in the County Jail and Juvenile facilities. Home Visiting Nurses and Environmental Health Sanitarians provide services throughout the county.

*Behavioral Health* services (Mental Health and Addictions) are provided through clinics in Newport and Lincoln City. Specialized services and a consumer drop-in program for adults with chronic mental illnesses are provided in South Beach. Outreach services are provided at Community Corrections, DHS Self-Sufficiency, DHS Child Welfare, School Health Centers, the County Jail, and through outreach case managers. Social Detoxification and Crisis Respite services are contracted to the Trueman Center. Housing and vocational services are subcontracted to Shangri-La Corporation.

*Developmental Disabilities* services are based in South Beach and primarily delivered through case management outreach and contracting for housing and vocational services.

*Commission on Children & Families* has administrative offices in Newport. CCF plans for and contracts services throughout the county.

**Community Involvement**

HHS provides funding and/or staff assistance to community coalitions in all parts of the county concerned with preventing substance abuse, diabetes education, tobacco prevention and other health-related concerns.

We have citizen advisory committees to assist us in planning and priority setting for Public Health, Mental Health, Alcohol & Drug Services, Developmental Disability Services, and HIV/AIDS Prevention. We are actively involved in the Commission on Children & Families, the Local Public Safety Coordinating Council, the Domestic Violence Council, the Lincoln County Interagency Council, the DHS School Integration Project and numerous other committees and groups seeking collaborative solutions to community issues. HHS actively participates in a number of regional and statewide organizations and collaborative efforts to plan, manage services, and to represent our local needs to state policy makers.

**Public Health Division**

The Public Health Division is responsible for protecting the health of our citizens by controlling communicable disease; providing maternal & child health services; WIC; reproductive health services; monitoring food, lodging, and pool facilities; preventing the spread of AIDS/HIV and providing services to people with this disease; promoting key public health issues (alcohol & substance abuse prevention, diabetes education); providing School Health Centers; collecting and reporting of health statistics; providing Detention Health services; and planning for how to respond to potential natural and/or bio-terrorist emergencies.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

**Accomplishments during 2003-04**

- Community health improvement planning with Samaritan Health Services.
- Partnering with the Council on Aging and RSVP, over 4000 flu shots were given.
- Began Family Home Visiting program to reduce child abuse.
- Teen Pregnancy rate below state average.
- Lincoln has one of highest rates of childhood immunizations in Oregon.
- After Measure 28 resulted in loss of funding for School Health Centers, obtained grants and community funding to continue to operate.
- Countywide planning to assure preparedness for natural and/or biological emergencies.
- Providing public education/information regarding the West Nile Virus.
- Conducted inspections in food service (623), traveler's accommodations (109), pools/spas (182) and food handlers (1,569).
- Over 100 cases of reportable communicable diseases were investigated during the year and 794 clinic visits for screening, treatment and/or prevention of reportable diseases were recorded between two clinic sites.
- Family Planning - 1738 clients were served in 3570 visits.
- Approximately 2000 Nurse home visits to pregnant women, infants, and children at medical or social risk.
- Over 1300 women, infants, and children monthly received WIC food vouchers and nutritional counseling.
- Funding and staff support provided to alcohol & drug prevention and diabetes education coalitions.

**Behavioral Health Treatment Services Division**

The Behavioral Health Treatment Services Division is responsible for organizing and providing Mental Health, Alcohol & Drug Abuse, and Gambling treatment services in the county. Specialized services for adults with serious mental illnesses are provided in South Beach and through outreach. Services for children, families, and the general adult population are provided through clinics in Newport and in Lincoln City. The Division provides outreach services at the 4 School-Based Health Centers, Community Corrections, the Jail, Juvenile Detention, DHS Child Welfare, and DHS Self Sufficiency.

### **Accomplishments during 2003-04**

- Satisfaction survey indicates high consumer satisfaction.
- Regional study indicates higher than national average treatment outcomes.
- Reorganization of staffing to increase support of adults with serious mental illness and to increase staff in Lincoln City.
- Significant reductions in the number of psychiatric crises due to increased support services at South Beach.
- Significant reduction in the number of psychiatric hospital admissions resulting in savings of over \$100,000.
- Successful initiation of Gambling Treatment Program.
- Major increase in group treatment and education programs - increased number of people able to obtain some services despite reductions caused by Measure 28.
- Initiation of Intensive Outpatient Program for seriously mentally ill clients with substance abuse problems.
- Mental Health and Addictions treatment to approximately 600 clients/month.
- Housing services for people with serious mental illnesses continue to increase.

### **Developmental Disabilities Program**

The Developmental Disabilities Program is the key to services and support outside the school system for children, their families and adults. The program assists individuals and their families in the location and access of resources needed to keep a developmentally disabled child or adult in their home and community. The program coordinates services for nearly 200 adults and children.

### ***Administrative Services Division***

Administrative Services provide clerical and secretarial services to clinics and programs within the Department; maintain and support computer information systems; maintain vital records such as Birth and Death Certificates; coordinate fee collection, billing and bookkeeping services; and oversee the operations functions of the Department including personnel records, safety committee, grants/contracts and budgets.

### **Accomplishments during 2003-04**

- Implemented and trained staff on Health Insurance Portability and Accountability Act of 1996 (HIPPA - federal confidentiality rules).
- Reconfigured Public Health and Behavioral Health reception areas.
- Provided clerical staffing to flu clinics and implemented the flu clinic data base.
- Installed software and trained staff in centralized calendar system.
- Updated the department web-site.
- Upgraded Behavioral Health computers.

### *Commission on Children and Families*

The Lincoln County Commission for Children and Families acts as a facilitator in the development, expansion and advancement of countywide services to benefit the quality of life for children and families. The Commission provides financial, technical and administrative resources to other programs and agencies in an effort to:

#### ***Commission Priorities***

- 1) Reduce substance abuse by adults and adolescents.
- 2) Reduce child maltreatment.
- 3) Increase the quality and availability of childcare and education.
- 4) Reduce juvenile crime.
- 5) Increase community engagement.

#### **Accomplishments During 2003-04**

- Established and funded alcohol & drug prevention consortium.
- Refocused Juvenile Crime Prevention Plan.
- Led collaborative planning effort that established Family Home Visiting program to reduce child abuse.
- Implementing collaborative plan to increase childcare availability.

### **Health and Human Services Department Goals for 2004-05**

- Pursue Federal Funding for development of Community Health Center to stabilize School Health Centers and offer primary health, mental health, and dental care for the uninsured, homeless, and others who lack access.
- Establish children's mental health system of care to implement Legislative budget note. Goals are to reduce unnecessary institutional care and to increase intensity and access of community-based care.
- Maintain and improve quality of existing Public Health and Behavioral Health services.
- Continue to improve county plans for coping with natural disasters and/or bio-terrorism.
- Prioritize programming to reduce the incidence of child abuse and to reduce use of alcohol, tobacco, and other drug use by adolescents.
- Maintain licensure and accreditation of all programs.
- Continue partnerships with Community Corrections, the Sheriff's Office, the District Attorney's Office, and the Juvenile Department to facilitate appropriate responses to health and behavioral health issues and to reduce criminal recidivism.
- Continue partnerships with School District, DHS/Child Welfare, DHS/Self-Sufficiency, and other agencies to improve access to services, reduce duplication, and address priority areas.

**To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)**

**FINANCIAL INFORMATION**

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

**Single Audit**

As a recipient of federal and state awards, Lincoln County also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the County.

As a part of the County's single audit, described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal award programs, as well as to determine that the County has complied with applicable laws and regulations. The results of the County's single audit for the fiscal year ended June 30, 2004, disclosed no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

**Budgeting Controls**

In addition, the County maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget adopted and appropriated by the County's Board of Commissioners.

Activities of the general fund, special revenue funds, debt service fund, capital projects fund, and internal service fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by expenditure category or program within an individual fund.

As demonstrated by the statements and schedules included in the financial section of this report, the County continues to meet its responsibility for sound financial management. All fund balances are carefully monitored and are adequate to meet the needs of the respective funds.

**DEBT ADMINISTRATION**

During December 2003, the County completed a current refinancing of its Series 1993 General Obligation Jail Bonds. The refunding will generate more than \$306,000 of interest savings to the taxpayers over the remaining six-year life of the bonds. The final maturity for this bond issue is in February 2010. In addition, the county has a loan approved in 1999 for the purchase of a new computer network with a final payment scheduled for October 2004. Also, the county has a capital lease approved in 2000 for upgrading the 911 Law Enforcement System, which has a final maturity date in August 2005.

To the Board of Commissioners and the Citizens of  
LINCOLN COUNTY, OREGON (Continued)

**CASH MANAGEMENT**

Temporarily idle cash was invested in various instruments including obligations of the United States Government and its agencies, bank repurchase agreements, and the State Treasurer's investment pool. Investments made by the County are made under the provisions of Oregon Law.

Investment risk is categorized in the notes to the General Purpose Financial Statements. The County's investments are in short-term U.S. Governments agencies' obligations maturing before July 15, 2004. These types of investments are designated as Category 1, which are investments that are uninsured or unregistered for which the securities are held by the financial institution's trust department or agent in the County's name. These investments constitute 15.1% of the \$13,169,051 carrying value of the County's investments at June 30, 2004. The remaining 84.9% of total investments was in the State Treasurer's investment pool at June 30, 2004.

**RISK MANAGEMENT**

The County contracts with NLC Mutual through City/County Insurance Services to provide workers compensation coverage, and with a number of other insurance companies to provide liability and fire insurance. The Insurance Reserve fund is used to provide excess liability insurance over the minimum payments. In addition, this fund is used to cover auto damage claims and repairs, pension related fiduciary expenditures, unemployment insurance on a reimbursement basis to the State, and other related costs.

**OTHER INFORMATION**

**Independent Audit**

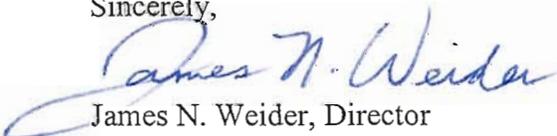
State statutes require an annual audit by independent certified public accountants. In 1999 the accounting firm of Boldt, Carlisle & Smith, LLC was selected to perform the County's annual audit for the year ended June 30, 1999, and for the following four years. During 2002 the county agreed to extend this agreement indefinitely on a year-to-year basis. In addition to meeting the requirements set forth in state statutes, the audit is also designed to meet the requirements of the federal Single Audit Act and related OMB Circular A-133. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in a separate section of the CAFR.

**Acknowledgements**

The preparation of the CAFR on a timely basis was made possible by contributions from the County Treasurer, the County Assessor, and especially the Financial and Accounting department staff. Each member of the respective departments has my sincere appreciation for the contributions made in the preparation of this report.

Acknowledgement is also due to the Board of County Commissioners, whose leadership and support made the preparation of this report possible.

Sincerely,



James N. Weider, Director  
Finance and Administration

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lincoln County,  
Oregon

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Nancy L. Zjelke*

President

*Jeffrey R. Emer*

Executive Director

# LINCOLN COUNTY

## PRINCIPAL OFFICIALS

June 30, 2004

### BOARD OF COUNTY COMMISSIONERS

<i>Title</i>	<i>Name</i>
Commissioner, Chair (2003)	Jean Cowan
Commissioner, Chair (2004)	Donald Lindly
Commissioner	Terry N. Thompson

### OTHER ELECTED OFFICIALS

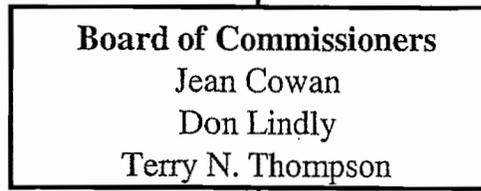
<i>Title</i>	<i>Name</i>
Assessor	Rob Thomas
County Clerk	Dana Jenkins
District Attorney	Bernice Barnett
Sheriff	Ed Stallard (appointed Acting Sheriff June 1, 2003)
	Dennis Dotson (appointed Interim Sheriff August 1, 2003)
Surveyor	Thomas Hamilton
Treasurer	Linda Pitzer

### MANAGEMENT OFFICIALS

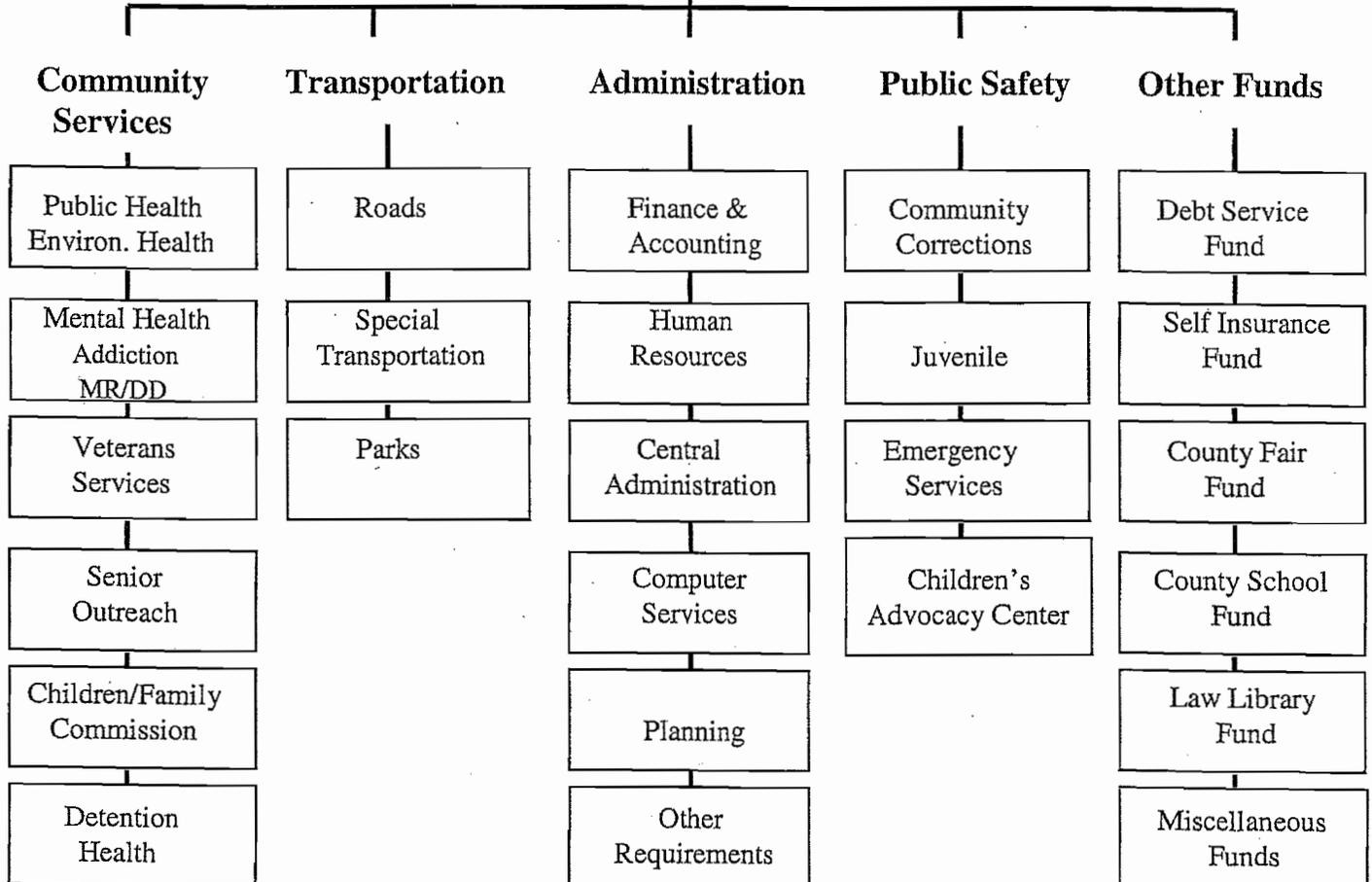
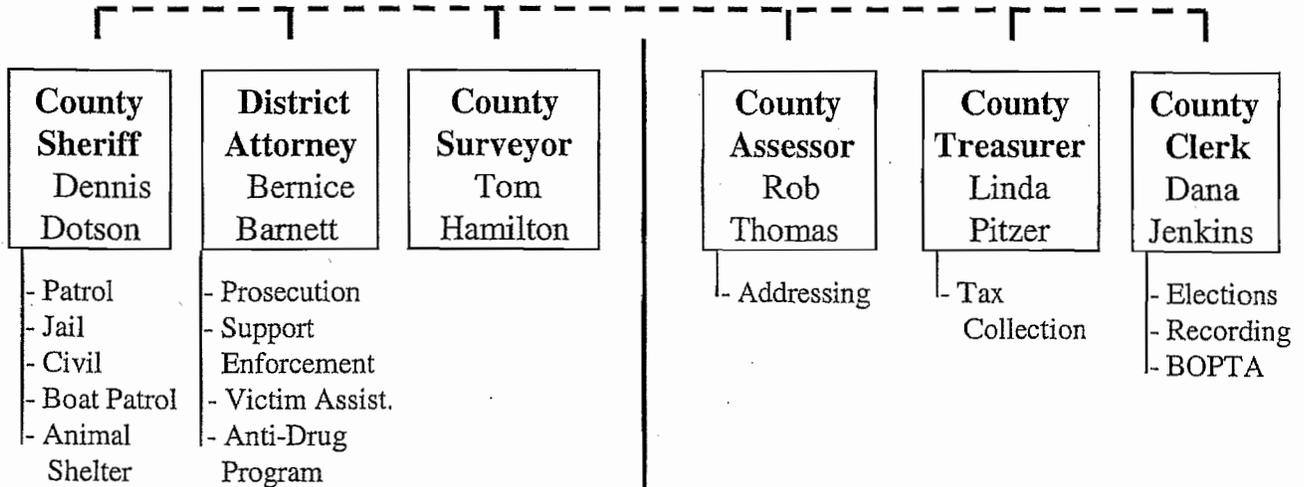
<i>Title</i>	<i>Name</i>
County Counsel	Wayne Belmont
Director, Community Corrections	Suzanne Gonzales
Director, Finance and Administration	Jim Weider
Director, Health and Human Services	Jan Kaplan
Director, Human Services	Bob Huddleston
Director, Juvenile	Alan Peterson
Director, Planning and Development	Matt Spangler
Director, Road	Jim Buisman

# Lincoln County Organization Chart

## Citizens



## Elected Officials



# FINANCIAL SECTION





## INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners  
**LINCOLN COUNTY**  
Newport, Oregon

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **LINCOLN COUNTY** as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of **LINCOLN COUNTY**, as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2004 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and do not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A.

## INDEPENDENT AUDITOR'S REPORT (Continued)

The management's discussion and analysis on pages a through h is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of Expenditures of Federal Awards as listed in the Grant Compliance – Single Audit section of the table of contents is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

**Boldt, Carlisle & Smith, LLC**

Certified Public Accountants

Salem, Oregon

September 24, 2004

By:



Douglas C. Parham, Member

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# LINCOLN COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Lincoln County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on June 30, 2004. Please read it in conjunction with the transmittal letter at the front of this report and the County's Financial Statements, which follow this section. The new financial reporting requirements under GASB Statement #34 (Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments) were implemented in FY2002-2003 which makes this the second year that the County's Comprehensive Annual Financial Report includes the new financial reporting requirements. New sections include Management's Discussion and Analysis, the Government-wide Statement of Net Assets and the Government-wide Statement of Activities. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

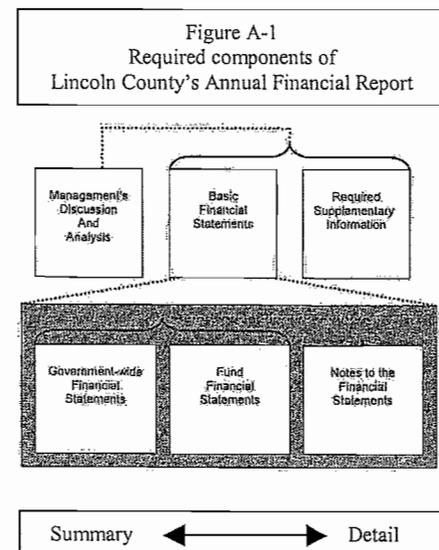
## FINANCIAL HIGHLIGHTS

- After recording a prior period infrastructure capital adjustment of \$89,154, the County's total net assets increased \$1,608 or 1.2% over the course of this year's operations. Part of this increase was in total assets, which increased \$661 or 0.4% while liabilities decreased \$947 or 11.1%. The increase in total assets was due primarily to an increase in cash collections while liabilities were lower due to reductions in long-term debt and accounts payable.
- During the year, the County's total revenues decreased \$1,462 or 3.4%, which was partially offset by an expense decrease of \$513 or 1.3%.
- The net cost of the County's governmental programs (revenues minus expenses) decreased \$4,237 or 18.0 percent due primarily to a reclass of \$4,254 from General revenues to Program revenues.
- The general fund reported a balance of \$7,517 this year, which is a \$773 increase over last year. This increase reflects \$126 lower grant expenditures in the Commission on Children and Families, reducing funding for OHP Mental Health care of \$146, lower pass through expenditures in Education of \$128 due to reduced State Forest revenues, and lower capital expenditures mainly for vehicle replacements. In addition, due to reduced levels of State funding during the year, other expenditures were kept low to avoid potential staff and other program reductions at the end of the year.
- Net Capital Assets decreased \$228 or 0.2%. Although capitalized expenditures increased \$2,076 this was offset by a depreciation expense of \$2,282 and a net \$22 disposal of equipment.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *management's discussion and analysis* (this section), *the basic financial Statements, required supplementary information*, and an optional section that presents *combining Statements* for non-major governmental funds and internal service funds. The basic financial Statements include two kinds of Statements that present different views of the County:

- The first two Statements are government-wide financial Statements that provide both long-term and short-term information about the County's overall financial status.
- The remaining Statements are fund financial Statements that focus on individual parts of the County government, reporting the County's operations in more detail than the government-wide Statements.



- The *governmental funds* Statements tell how general government services like administration, public safety and community services were financed in the short-term as well as what remains for future spending.
- *Proprietary fund* Statements offer short and long-term financial information about the activities the government uses to accumulate and allocate costs internally among the County's various functions, such as the Internal Service Fund, which covers self-insurance activities.
- *Fiduciary fund* Statements provide information about assets that are held by the County as a trustee or Agent for the benefit of someone or something other than the county itself, such as the Property Tax and Other Agency Fund.

The financial Statements also include notes that explain some of the information in the financial Statements and provide more detailed data. The Statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial Statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another. In addition to these required elements, we have included a section with combining Statements that provides details about our non-major governmental funds, internal service fund, and capital projects fund individually which are then added together and presented in a single column labeled Other Governmental Funds in the basic financial Statements.

Figure A-2 summarizes the major features of the County's financial Statements, including the portion of the County government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the Statements.

**Figure A-2**  
**Major Features of Lincoln County's Government-wide and Fund Financial Statements**

	<b>Government-wide Statements</b>	<b>Fund Statements</b>		
		<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
Scope	Entire County government (except fiduciary funds) and the County's blended component units	The Activities of the County that are not proprietary or fiduciary, such as the General Fund, the Road Fund and the Health and Human Services Fund	Activities the County operates to accumulate and allocate costs internally among the County's various functions, such as the Insurance Internal Service Fund	Instances in which the County is the trustee or agent for someone else's resources, such as the Property Tax and Other Agency Fund
Required financial Statements	<ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of Revenues, Expenditures, and Changes in Fund Balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Net Assets</li> <li>• Statement of Revenues, Expenses, and Changes in Net Assets</li> <li>• Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Assets</li> <li>• Statement of Changes in Fiduciary Net Assets</li> </ul>
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability Information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities both short-term and long-term; the County's funds do not currently contain capital assets, although they can
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

## GOVERNMENT-WIDE STATEMENTS

The government-wide Statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

The two government-wide Statements report the County's net assets and how they have changed. Net assets represents the difference between the County's assets and liabilities and over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of Lincoln County is improving or deteriorating, respectively. The Statement of Activities presents information showing how Lincoln County's assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Some revenues and expenses reported in this statement may result in cash flows in future periods, e.g. uncollected property taxes and earned but unused vacation leave. To assess the overall health of the County, you also need to consider additional non-financial factors such as changes in the County's property tax base and the condition of the County's infrastructure such as roads.

### Fund Financial Statements

The fund financial Statements provide more detailed information about the County's most significant funds – not the County as a whole. A fund is an accounting device that the County uses to keep track of specific sources of funding and spending for specific objectives or purposes.

- Some funds are required by State law and by bond covenants (such as the General Fund and the Jail Debt Service Fund, respectively).
- The County Board of Commissioners establishes other funds to control and manage money for particular purposes (like the Law Library Fund) or to show that it is properly using certain State and federal grants (like the grants that support the Health and Human Services Fund).

The County has three kinds of funds:

- **Governmental funds** – Most of the County's basic services are included in governmental funds, which focus on:
  - (1) how *cash and other financial assets*, that can readily be converted to cash, flow in and out and,
  - (2) the balances left at year-end that are available for spending. Consequently, the governmental funds Statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future for the County's programs. Because this information does not encompass the additional long-term focus of the government-wide Statements, we provide a reconciliation at the bottom of the governmental funds Statement, or on the subsequent page, to facilitate the comparison between governmental funds and governmental activities.
- **Proprietary funds** – Lincoln County has an Internal Service fund to accumulate and allocate costs among the County's various departments and funds. Lincoln County uses its Internal Service fund to self-manage its insurance programs such as retrospective workers compensation, property, fire, auto and liability insurance. Since this is Lincoln County's only Internal Service fund, it has been included in governmental activities in the government-wide financial statements.

- **Fiduciary funds** – Fiduciary (or agency) funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government-wide financial statements because the resources are not fully available to support the operations of Lincoln County. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County’s fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. An example is the Property Tax fund, which the Lincoln County Treasurer collects for many different entities within Lincoln County and then redistributes in accordance with tax rates certified by the County Assessor.

## FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

**Net Assets.** The County’s combined net assets were \$140,612, which is an increase of \$90,762 or 182.1% between fiscal years 2003 and 2004 (See Table A-1). However, after making a one-time adjustment for additional infrastructure assets, the increase was just \$1,608 or 1.2%. In comparison, last year’s net assets increased by \$2,557 or 5.4%. Looking at the main categories of assets and liabilities shows the varying reasons for this net change.

Table A-1  
**Lincoln County's Net Assets**  
(in thousands of dollars)  
As of June 30,

	<u>Governmental</u>		<u>Increase</u>	<u>Total</u>
	<u>Activities</u>		<u>(Decrease)</u>	<u>Percentage</u>
	<u>2003</u>	<u>2004</u>	<u>2003-2004</u>	<u>Change</u>
				<u>2003-2004</u>
Current and Other Assets	\$27,381	\$27,813	\$432	1.6%
Capital Assets	<u>31,032</u>	<u>120,415</u>	<u>89,383</u>	288.0%
Total Assets	<u>58,413</u>	<u>148,228</u>	<u>89,815</u>	153.8%
Long-term Debt Outstanding	6,029	5,450	(579)	-9.6%
Other Liabilities	<u>2,534</u>	<u>2,166</u>	<u>(368)</u>	-14.5%
Total Liabilities	<u>8,563</u>	<u>7,616</u>	<u>(947)</u>	-11.1%
Net Assets:				
Invested in Capital Assets net of Related Debt	26,160	116,326	90,166	344.7%
Restricted	529	199	(330)	-62.4%
Unrestricted	<u>23,161</u>	<u>24,087</u>	<u>926</u>	4.0%
Total Net Assets	<u>\$ 49,850</u>	<u>\$ 140,612</u>	<u>\$90,762</u>	182.1%

Current and Other Assets increased \$432 or 1.6% primarily due to an increase in cash but partially offset by a decrease in receivables. The largest increase was in Capital Assets of \$89,154 or 288.0%. However, this increase was almost entirely due to recording a prior period adjustment of Land, Infrastructure and Construction in progress assets not captured last year in the amount of \$89,154. Long-term Debt Outstanding declined \$579 or 9.6% due to normal debt payments on our General Obligation Refunding Bonds issued to fund our jail facilities, a loan to fund computer equipment and a Capital Lease to fund Law Enforcement equipment. Other Liabilities decreased \$368 or 14.5% primarily due to lower Accounts Payable. As a result of these changes, the County’s restricted assets showed a small decrease while the County’s unrestricted net assets showed a \$926 or 4.0% increase at the end of this year.

**Changes in Net Assets.** The County’s total revenue decreased by 3.4% or \$1,462. (See Table A-2). However, Program revenues increased \$3,724 while General revenues decreased \$5,186. The reason for the large opposite changes was due to a reclassification of \$4,254 of State Forest revenues from General revenues to Program revenues. The main reasons for the actual reduction in total revenue were lower State Forest sales, a capital contribution of roads transferred from the State to the County, and no agency fund transfers to Government Activities this year.

The total cost of all programs and services decreased \$513 or 1.3%. The most significant decreases in County expenditures were in Health and Welfare due to reductions in grants for the Mental Health Care program. Other significant declines were in Highways and Streets for lower capital expenditures and in Education due to lower pass through revenues.

Overall the lower expenses of \$513 were not enough to offset the \$1,462 decline in revenues resulting in a net decrease this year of \$949 or 37.1%. Table A-2 and the narrative that follows shows the impact of governmental type activities and the other revenues that generated the net increase in assets.

### Governmental Activities

Revenues for the County's governmental activities increased 22.5% or \$3,724 while total expenses decreased 1.3% or \$513. After deducting program revenues from total expenses, the County had a net expense of \$19,245, which was \$4,237 less than last year. The most significant reasons for the increase is due to a reclass of \$4,254 of Federal Forest Sales revenue from General Revenues to Program Operating Revenues and a contribution of \$456 for roads transferred from the State to the County. Operating revenues were lowered \$122 by changing the method of funding the Solid Waste District to a fee rate structure; a reduction of \$491 from a one time transfer from agency fund in 2003; and \$473 from various grant decreases.

**Table A-2**  
**Lincoln County's Changes in Net Assets**  
(in thousands of dollars)

	<u>Governmental</u>		<u>Increase</u>	<u>Total</u>
	<u>Activities</u>		<u>(Decrease)</u>	<u>Percentage</u>
	<u>2003</u>	<u>2004</u>	<u>2003-2004</u>	<u>Change</u>
				<u>2002-2003</u>
<b>Revenues</b>				
<b>Program Revenues</b>				
Charges for Services	\$ 5,913	\$ 6,611	\$ 698	11.8%
Operating Grants & Contributions	10,603	13,022	2,419	22.8%
Capital Grants and Contributions	24	631	607	2,529.2%
<b>General Revenues</b>				
Property taxes	13,372	13,477	105	0.8%
Other taxes	3,053	3,092	39	1.3%
Grants and Contributions not restricted to Specific Programs	3,063	2,895	(168)	-5.5%
Unrestricted Investment Earnings	409	293	(116)	-28.4%
Timber and Land Sales	5,537	583	(4,954)	-89.5%
Gain on Sale of asset	86	24	(62)	-72.1%
Miscellaneous	518	488	(30)	-5.8%
<b>Total Revenues</b>	<b>42,578</b>	<b>41,116</b>	<b>(1,462)</b>	<b>-3.4%</b>
<b>Expenses</b>				
General Government	5,662	5,652	(10)	-0.2%
Community Services	2,568	2,677	109	4.2%
Public Safety	12,887	13,157	270	2.1%
Highways and Streets	6,637	6,404	(233)	-3.5%
Culture and Recreation	264	240	(24)	-9.1%
Health and Welfare	9,939	9,502	(437)	-4.4%
Education	1,786	1,618	(168)	-9.4%
Debt Service – Interest	278	258	(20)	-7.2%
<b>Total Expenses</b>	<b>40,021</b>	<b>39,508</b>	<b>(513)</b>	<b>-1.3%</b>
Excess (deficiency) of revenues over (under) expenditures	2,557	1,608	(949)	-37.1%
Net Assets Beginning of year	47,293	49,850	2,557	5.4%
Prior Period Adjustment	--	89,154	89,154	NA
<b>Net Assets End of year</b>	<b>\$ 49,850</b>	<b>\$ 140,612</b>	<b>\$ 90,762</b>	<b>182.1%</b>

Although General Revenues decreased \$5,186, this was due primarily to the reclass of \$4,254 of Federal Forest receipts from General revenues to Program Operating Revenues. In addition, Timber and Land Sales declined \$449 and minor changes of \$483 in the other general revenue categories account for the balance of the overall revenue reduction.

Six of the County's eight expense categories decreased this year. Highways and Streets declined \$233 almost entirely to lower capital expenditures on County roads and vehicle replacements. Health and Welfare decreased \$437 primarily to a reduction in grants received for the Mental Health Crisis program. Education expenditures declined \$168 due mainly to lower revenues, which are passed through to the County School. Minor decreases were incurred in General Government, Culture and Recreation and Debt Service – Interest. The two expense categories that increased were Community Services and Public Safety. Community Services increased \$109 mainly due to higher contractual services expenditures in the Safety Net fund. Public Safety represents nearly a third of the County's total expenditures but shows only a \$270 expense growth resulting from no cost of living wage increase being paid this year due to a Collective Bargaining Unit contract currently in arbitration. When the contract is settled, any retroactive increase will be recorded in next year's expenses.

## **FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS**

At the end of the fiscal year, the County's governmental funds reported a combined fund balance of \$23,132, which is an increase of \$1,162 or 5.4% over the previous year.

- The County's General Fund increased \$773 over last year. This increase reflects various small revenue changes of \$57 plus additional revenues of: \$135 from Permits and Fees in Planning; State Forest revenues of \$300; property taxes of \$322; Community Corrections revenues of \$111; jail grant revenue from the state of \$126; and new grants of \$117 for the Commission on Children and Family partially offset by a reduction in 401(k) forfeiture revenues of \$525. In addition, the County lowered total expenditures by \$130 by maintaining tight control of expenditures in all areas.
- The Road Fund showed a small decrease of \$45 over last year due primarily to lower interest earnings and other miscellaneous revenues.
- Health and Human Services showed a fund balance increase of \$281 due to new grants received too late in the year to be completely spent.
- The Other Governmental funds increased a total of \$153. Most of the non-major special revenue funds increased by various amounts. The largest increases were: Fair increased \$10 due to lower entertainment costs; Transit increased \$57 due to a deferred revenues from a Federal Capital grant spent in prior years; Solid Waste increased \$23 due to higher revenues from a rate structure; Dog License increase \$20 due to higher license revenues; Corner Preservation increased \$43 for a higher than anticipated grant reimbursement; Extension Agency increased \$78 due to closure of separate capital fund; and Agate Beach increased \$43 due to lower contractual services. These increases were partially offset by a decrease in OHP Mental Health of \$125 due to expenditures of grant revenues received in the prior year.

### **General Fund Budgetary Highlights**

The General Fund is appropriated at a program level: General Government; Public Safety; and Community Services. Over the course of the year, the County Board of Commissioners made several program appropriation revisions to the County's General Fund budget. General Government increased \$9 for a new flood hazard grant and \$320 was moved from Contingency to General Government for capital expenses and building repair expenses not anticipated. Community Services was increased \$118 to reflect a new grant for the Commission on Children and Families. There were no changes in Public Safety.

General Fund expenditures were \$5,407 less than final budget amounts. Of this amount \$1,453 was the unused portion of the Contingency. In addition, Public Safety had a favorable variance in the amount of \$1,673 due largely to not spending \$240 for a COPS Methamphetamine grant, \$282 in capital projects and \$300 to repay a grant to the State. General Government was \$1,577 below final budget amounts largely due to \$262 lower repair expenditures in Facilities Maintenance and \$830 not used this year for local Title III projects. Community Services was \$704 below final budget amounts primarily due to \$193 of grants not received by Commission on Children and Families; \$61 lower Housing Rehabilitation money availability; and \$316 less money spent for small business Economic Development.

Partially offsetting the expenditure decreases discussed above were \$1,572 lower revenues than in the final budget. Property taxes, which includes forest sales, were \$159 lower than budget largely due to property tax assessment refunds, Intergovernmental was \$1,081 lower due largely to lower grants in Victim's Assistance for \$111, lower state grants in Juvenile for \$96, lower grants in Commission on Children and Families for \$159, lower Park campground grants of \$123, and lower grants in Other Public Safety. Miscellaneous was \$782 below budget due primarily to \$830 of anticipated Title III expenditures not made, as revenues were not received. These revenue reductions from budget were partially offset by increases in the other four categories of which the largest was Licenses and Fees. Licenses and Fees were higher than budget by \$416 due to higher volume in both the Clerk's Office and Planning.

The County's general fund balance of \$7,517 at the end of the year differs from the budgeted fund balance of \$2,218 by \$5,299. This is due to the changes in Revenues and Expenditures discussed above, an \$11 decrease in Operating Transfers In, a \$4 decrease in inventory and a \$1,479 higher than anticipated fund balance at the beginning of the year.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

The County made a prior period adjustment of \$89,154 to reflect mainly infrastructure assets not previously identified in the accounting records. With this adjustment as of June 30, 2004, the County had invested \$165,341 in gross assets of which \$138,161 or 83.6% was in Infrastructure and \$15,578 or 9.4% was in buildings. The balance was in Land, Improvements, Equipment and Construction in progress. Accumulated depreciation was \$44,926, which brought the net capital assets of the County to \$120,415. This amount represents an adjusted net decrease of \$288 or 0.2 percent less than last year.

### **This year's major capital asset additions included:**

- Completion of Building construction \$736 for 911 Law Enforcement System all of which was in Construction in progress.
- Equipment purchases of \$687 primarily for County vehicles and construction equipment for the Road department.
- Contribution of \$456 from State to County for Brush Trail for \$177 and Wakefield Road for \$279.
- Infrastructure for bridges and roadways of \$1,249 of which \$753 was in Construction in progress.
- Improvements of \$239 mainly for Parks all from Construction in progress.

The County's fiscal year 2004-2005 capital budget shows spending \$7,171, principally for Courthouse Security and other structure improvements for \$782, vehicle replacement and construction equipment for \$1,022, bridges for \$3,422, grounds and roads for \$880, Transit buses for \$213 and other equipment for \$852. More detailed information about the County's capital assets is presented in Note 6 to the financial Statements.

### **Long-term Debt**

At year-end, the County had \$3.7 million in bonds outstanding, a decrease of 11.9 percent over last year. During December 2003, the county refunded the Series 1993 general obligation bond issue with a current refinancing. This refinancing will reduce the County's debt service payments by more than \$306 over the remaining six-year life of the bonds. More detailed information about the County's long-term liabilities is presented in Note 8 to the financial Statements.

The County also has a loan with Bank of America with a balance of \$30 at year-end. This loan was used to purchase computer equipment. In addition, the county has a Capital lease with Wells Fargo Equipment, which has a \$359 balance at year-end. This lease was used to upgrade the County's 911 Law Enforcement System.

Since 1993 the County's general obligation bonds have been rated A2 (the sixth highest investment rating possible). In December 2003 the county was again rated A2 for the General Obligation Refunding Bonds, Series 2003. Neither the County's loan nor capital lease is required to be rated.

The State limits the amount of general obligation debt the County can issue to 2 percent of the assessed value of all taxable property within the County's corporate limits. Our outstanding bonded debt of \$3.7 million is significantly below this limit, which is currently \$106 million.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

Lincoln County is challenged by continued financial restrictions. Declines in State revenues this year for specific program funding, primarily in Public Safety and Health and Human Services are anticipated to continue into the FY 2004-05 year.

Although property taxes provide over 40% of the County's operating revenue, the limitations from Ballot Measure 50 passed in 1997 reduced the County's available property tax revenues by nearly \$3 million this year. This limitation, coupled with no new identified sources of revenue, and the decline in other traditional funding sources, required some significant service reductions when adopting the FY 2004-05 budget. As a result, the revenue amount in the general fund is \$23.4 million, an increase of just 0.6 percent over the final FY 2003-2004 budget revenue amount of \$23.2 million.

General fund budgeted expenditures are expected to increase just \$524 thousand or 2.0 percent up to \$26.1 million. Expenses increased somewhat due to an increase in Contingency of \$305 thousand for anticipated retroactive wage increases when the Sheriff's union (LCSDA) arbitration is completed. Normal wage and benefit increases for the remaining staff increased Personnel expenses by \$884 and Capital expenditures were increased by \$95. However, these increases were partially offset by Materials and Services decreases of \$760. Due to fiscal restraints, the County added no new major programs or initiatives to the FY 2004-05 budget. If these estimates are realized, the County's budgetary general fund balance is expected to decrease slightly by the close of 2005.

Operations for most of the County's other funds in FY 2004-05 are not expected to be materially different than what was budgeted for FY 2003-2004. However, Road fund has applied for a new \$3,157 grant to allow major capital upgrades for the Logsden Bridge. Also a new fund, COPS Methamphetamine Initiative, was established to track expenditures from a \$274 grant awarded to the county to help law enforcement locate and close illegal labs. Separate financial statement pages are also included in this report for the County's three blended component units.

## **CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Lincoln County Finance Office, 210 SW 2nd St., Lincoln County, OR 97365.

## **BASIC FINANCIAL STATEMENTS**

**LINCOLN COUNTY**  
**STATEMENT OF NET ASSETS**  
**June 30, 2004**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 23,980,559
Receivables	3,090,300
Inventories	336,765
Prepaid items	405,239
Land and construction in progress	90,516,795
Other capital assets, net of depreciation	<u>29,898,246</u>
<b>TOTAL ASSETS</b>	<u><b>148,227,904</b></u>
<b><u>LIABILITIES</u></b>	
Accounts payable and accrued items	1,277,143
Payroll taxes and withholdings payable	834,599
Accrued interest payable	53,931
Long-term obligations	
Due within one year	2,252,335
Due in more than one year	<u>3,198,041</u>
<b>TOTAL LIABILITIES</b>	<u><b>7,616,049</b></u>
<b><u>NET ASSETS</u></b>	
Investment in capital assets, net of related debt	116,325,260
Restricted for:	
Debt service	199,735
Unrestricted	<u>24,086,860</u>
<b>TOTAL NET ASSETS</b>	<u><b>\$ 140,611,855</b></u>

*See notes to basic financial statements*

LINCOLN COUNTY

STATEMENT OF ACTIVITIES  
Year Ended June 30, 2004

Functions/Programs	Expenses	Program Revenues			Governmental Activities Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<i>Governmental activities:</i>					
General government	\$ 5,651,841	\$ 1,996,891	\$ 941,475	\$ --	(2,713,475)
Community services	2,676,582	383,915	1,916,172	174,826	(201,669)
Public safety	13,157,345	254,575	1,211,434	--	(11,691,336)
Highways and streets	6,404,496	305,260	3,242,109	456,000	(2,401,127)
Culture and recreation	239,514	--	--	--	(239,514)
Health and welfare	9,502,121	3,664,708	4,632,752	--	(1,204,661)
Education	1,618,021	5,570	1,077,774	--	(534,677)
Interest	258,501	--	--	--	(258,501)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 39,508,421</b>	<b>\$ 6,610,919</b>	<b>\$ 13,021,716</b>	<b>\$ 630,826</b>	<b>(19,244,960)</b>
<i>General revenues:</i>					
Taxes:					
Property taxes levied for:					
					12,047,151
					814,779
					420,759
					194,906
					2,061,459
					1,030,066
					2,894,978
					292,910
					583,227
					24,394
					487,732
					<u>20,852,361</u>
					1,607,401
					49,849,994
					<u>89,154,460</u>
					<u>\$ 140,611,855</u>

See notes to basic financial statements

**LINCOLN COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2004**

	Major Funds			Other	Totals
	General	General Road	Human Services	Governmental Funds	
<b>ASSETS</b>					
Cash and investments	\$ 6,951,386	\$ 11,325,192	\$ 440,083	\$ 3,755,787	\$ 22,472,448
Receivables	2,286,222	85,560	382,337	287,176	3,041,295
Due from other funds	312,400	--	--	--	312,400
Inventories	5,260	331,505	--	--	336,765
Prepaid items	268,300	41,542	68,229	24,399	402,470
<b>TOTAL ASSETS</b>	<b>\$ 9,823,568</b>	<b>\$ 11,783,799</b>	<b>\$ 890,649</b>	<b>\$ 4,067,362</b>	<b>\$ 26,565,378</b>
<b>LIABILITIES</b>					
Accounts payable and accrued items	\$ 565,693	\$ 360,353	\$ 118,115	\$ 123,179	\$ 1,167,340
Payroll taxes and withholding payable	834,599	--	--	--	834,599
Due to other funds	--	104,709	167,343	37,994	310,046
Deferred revenue	906,552	--	59,055	155,862	1,121,469
<b>TOTAL LIABILITIES</b>	<b>2,306,844</b>	<b>465,062</b>	<b>344,513</b>	<b>317,035</b>	<b>3,433,454</b>
<b>FUND BALANCES</b>					
Reserved for:					
Inventories	5,260	331,505	--	--	336,765
Debt service	--	--	--	199,735	199,735
Unreserved reported in:					
General fund	7,511,464	--	--	--	7,511,464
Special revenue funds	--	10,987,232	546,136	3,550,592	15,083,960
<b>TOTAL FUND BALANCES</b>	<b>7,516,724</b>	<b>11,318,737</b>	<b>546,136</b>	<b>3,750,327</b>	<b>23,131,924</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,823,568</b>	<b>\$ 11,783,799</b>	<b>\$ 890,649</b>	<b>\$ 4,067,362</b>	<b>\$ 26,565,378</b>

*See notes to basic financial statements*

LINCOLN COUNTY

RECONCILIATION OF THE BALANCE SHEET,  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
Year Ended June 30, 2004

Governmental fund balances	\$	23,131,924
<i>Amounts reported for governmental activities in the Statement of Net Assets are different because of the following:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		120,415,041
Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds		1,121,469
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		(5,504,307)
An internal service fund is used by management to charge the costs of certain insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets		<u>1,447,728</u>
Net assets of governmental activities	\$	<u>140,611,855</u>

*See notes to basic financial statements*

**LINCOLN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2004**

	Major Funds			Other	Totals
	General	General Road	Human Services	Governmental Funds	
<b>REVENUES</b>					
Taxes and land sales	\$ 13,799,971	\$ --	\$ --	\$ 1,651,337	\$ 15,451,308
Licenses and fees	1,607,407	--	--	349,905	1,957,312
Charges for services	344,056	20,793	3,029,428	338,858	3,733,135
Intergovernmental	5,617,022	5,580,089	3,820,776	3,456,538	18,474,425
Court fines and fees	50,420	--	--	63,282	113,702
Interest	100,092	158,003	4,210	36,982	299,287
Miscellaneous	328,257	260,943	57,551	228,553	875,304
<b>TOTAL REVENUES</b>	<b>21,847,225</b>	<b>6,019,828</b>	<b>6,911,965</b>	<b>6,125,455</b>	<b>40,904,473</b>
<b>EXPENDITURES</b>					
Current:					
General government	6,254,273	--	--	217,645	6,471,918
Community services	1,425,369	--	--	1,096,703	2,522,072
Public safety	12,040,730	--	--	291,689	12,332,419
Highways and streets	--	4,900,781	--	--	4,900,781
Culture and recreation	--	--	--	223,242	223,242
Health and welfare	--	--	7,258,440	1,635,299	8,893,739
Education	--	--	--	1,515,489	1,515,489
Debt service:					
Principal	283,118	--	--	555,000	838,118
Interest	32,856	--	--	221,513	254,369
Capital outlay	489,267	1,120,384	--	283,309	1,892,960
<b>TOTAL EXPENDITURES</b>	<b>20,525,613</b>	<b>6,021,165</b>	<b>7,258,440</b>	<b>6,039,889</b>	<b>39,845,107</b>
Excess (deficiency) of revenues over expenditures	1,321,612	(1,337)	(346,475)	85,566	1,059,366
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of refunding bonds	--	--	--	3,704,215	3,704,215
Payment to escrow agent	--	--	--	(3,704,215)	(3,704,215)
Transfers in	153,350	--	627,505	116,670	897,525
Transfers out	(698,082)	--	--	(49,443)	(747,525)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(544,732)</b>	<b>--</b>	<b>627,505</b>	<b>67,227</b>	<b>150,000</b>
Net change in fund balances	776,880	(1,337)	281,030	152,793	1,209,366
Change in inventory	(4,234)	(43,652)	--	--	(47,886)
Fund balances at beginning of year	6,744,078	11,363,726	265,106	3,597,534	21,970,444
Fund balances at end of year	<u>\$ 7,516,724</u>	<u>\$ 11,318,737</u>	<u>\$ 546,136</u>	<u>\$ 3,750,327</u>	<u>\$ 23,131,924</u>

*See notes to basic financial statements*

**LINCOLN COUNTY**

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF  
GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2004**

Net change in fund balances - total governmental funds \$ 1,209,366

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between these two amounts is:

Capitalized expenditures	\$ 2,076,005	
Depreciation	<u>(2,281,856)</u>	(205,851)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Change in deferred revenue	(222,823)
----------------------------	-----------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the statement of net assets.

Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Assets. This is the amount by which proceeds exceeded repayments.

783,119

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(204,677)
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The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to increase net assets

434,172

The current use of financial resources for inventory is reported as an expenditure in governmental funds, but the use of inventory is reported in the Statement of Activities.

Change in inventory	(47,886)
---------------------	----------

The reduction in accrued interest in the Statement of Activities does not provide a source of current financial resources and therefore is not reported as a revenue in governmental funds.

50,867

An internal service fund is used by management to charge the costs of certain insurance activities to individual funds. The net change in fund balance of the internal service fund is reported with governmental activities.

(188,886)

Change in net assets of governmental activities	\$	<u>1,607,401</u>
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*See notes to basic financial statements*

**LINCOLN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
Year Ended June 30, 2004**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Property taxes	\$ 13,959,157	\$ 13,959,157	\$ 13,799,971	\$ (159,186)
Licenses and fees	1,191,230	1,191,230	1,607,407	416,177
Charges for services	315,120	315,120	344,056	28,936
Intergovernmental	6,322,457	6,698,384	5,617,022	(1,081,362)
Fines and forfeitures	45,000	45,000	50,420	5,420
Interest	100,000	100,000	100,092	92
Miscellaneous	1,110,426	1,110,426	328,257	(782,169)
<b>TOTAL REVENUES</b>	<b>23,043,390</b>	<b>23,419,317</b>	<b>21,847,225</b>	<b>(1,572,092)</b>
<b>EXPENDITURES</b>				
General government	7,751,553	8,080,666	6,503,484	1,577,182
Community services	2,202,693	2,320,863	1,617,126	703,737
Public safety	13,830,024	14,078,399	12,405,003	1,673,396
Contingency	1,772,341	1,452,610	--	1,452,610
<b>TOTAL EXPENDITURES</b>	<b>25,556,611</b>	<b>25,932,538</b>	<b>20,525,613</b>	<b>5,406,925</b>
Excess (deficiency) of revenues over expenditures	(2,513,221)	(2,513,221)	1,321,612	3,834,833
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	164,230	164,230	153,350	(10,880)
Transfers out	(698,082)	(698,082)	(698,082)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(533,852)</b>	<b>(533,852)</b>	<b>(544,732)</b>	<b>(10,880)</b>
Net change in fund balance	(3,047,073)	(3,047,073)	776,880	3,823,953
Change in inventory	--	--	(4,234)	(4,234)
Fund balance at beginning of year	5,264,665	5,264,665	6,744,078	1,479,413
Fund balance at end of year	\$ 2,217,592	\$ 2,217,592	\$ 7,516,724	\$ 5,299,132

*See notes to basic financial statements*

**LINCOLN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL ROAD  
Year Ended June 30, 2004**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Charges for services	\$ 40,172	\$ 40,172	\$ 20,793	\$ (19,379)
Intergovernmental	5,539,109	5,539,109	5,580,089	40,980
Interest	160,191	160,191	158,003	(2,188)
Miscellaneous	277,084	277,084	260,943	(16,141)
<b>TOTAL REVENUES</b>	<b>6,016,556</b>	<b>6,016,556</b>	<b>6,019,828</b>	<b>3,272</b>
<b>EXPENDITURES</b>				
Personal services	3,068,441	3,068,441	2,869,258	199,183
Materials and services	2,226,521	2,451,521	2,031,523	419,998
Capital outlay	2,202,929	1,977,929	1,120,384	857,545
Contingency	1,000,000	1,000,000	--	1,000,000
<b>TOTAL EXPENDITURES</b>	<b>8,497,891</b>	<b>8,497,891</b>	<b>6,021,165</b>	<b>2,476,726</b>
Net change in fund balance	(2,481,335)	(2,481,335)	(1,337)	2,479,998
Change in inventory	--	--	(43,652)	(43,652)
Fund balance at beginning of year	11,215,378	11,215,378	11,363,726	148,348
Fund balance at end of year	\$ 8,734,043	\$ 8,734,043	\$ 11,318,737	\$ 2,584,694

*See notes to basic financial statements*

**LINCOLN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
HUMAN SERVICES  
Year Ended June 30, 2004**

	Original Budget	Final Budget	Actual	Variance
<b>REVENUES</b>				
Charges for services	\$ 2,959,658	\$ 2,989,825	\$ 3,029,428	\$ 39,603
Intergovernmental	3,620,080	4,031,501	3,820,776	(210,725)
Interest	3,600	3,600	4,210	610
Miscellaneous	10,835	10,835	57,551	46,716
<b>TOTAL REVENUES</b>	6,594,173	7,035,761	6,911,965	(123,796)
<b>EXPENDITURES</b>				
Personal services	4,523,005	4,675,433	4,496,139	179,294
Materials and services	2,834,951	3,124,111	2,762,301	361,810
Capital outlay	5,000	5,000	--	5,000
Operating contingency	68,717	68,717	--	68,717
<b>TOTAL EXPENDITURES</b>	7,431,673	7,873,261	7,258,440	614,821
Excess (deficiency) of revenues over expenditures	837,500	(837,500)	(346,475)	491,025
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	627,505	627,505	627,505	--
Net change in fund balance	209,995	(209,995)	281,030	491,025
Fund balance at beginning of year	220,000	220,000	265,106	45,106
Fund balance at end of year	\$ 10,005	\$ 10,005	\$ 546,136	\$ 536,131

*See notes to basic financial statements*

LINCOLN COUNTY  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
June 30, 2004

	<u>Governmental  Activities</u> Internal Service Fund
<b>ASSETS</b>	
Cash and investments	\$ 1,508,111
Receivables	49,005
Prepaid items	<u>2,769</u>
<b>TOTAL ASSETS</b>	<u>1,559,885</u>
<b>LIABILITIES</b>	
Accounts payable and accrued items	109,803
Due to other funds	<u>2,354</u>
<b>TOTAL LIABILITIES</b>	<u>112,157</u>
<b>NET ASSETS - Unrestricted</b>	<u>\$ 1,447,728</u>

The Net Assets of the Internal Service Fund are included in governmental activities in the Statement of Net Assets

**LINCOLN COUNTY**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUND  
Year Ended June 30, 2004**

	Governmental Activities <hr/> Internal Service Fund <hr/>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 568,095
Intergovernmental	3,889
Miscellaneous	<u>27,808</u>
Total operating revenues	<u>599,792</u>
<b>OPERATING EXPENSES</b>	
Personal services	478,254
Materials and services	124,653
Capital outlay	<u>51,100</u>
Total operating expenses	<u>654,007</u>
Operating (loss)	(54,215)
Nonoperating revenues (expense) - Interest	<u>15,329</u>
(Loss) before transfers	(38,886)
Transfers out	<u>(150,000)</u>
Changes in net assets	(188,886)
Net assets - beginning	<u>1,636,614</u>
Net assets - ending	<u>\$ 1,447,728</u>

The change in Net Assets of the Internal Service Fund is included in governmental activities in the Statement of Activities

*See notes to basic financial statements*

**LINCOLN COUNTY**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND  
Year Ended June 30, 2004**

	Governmental Activities
	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from interfund services provided	\$ 576,130
Other operating cash receipts	31,697
Cash payments to employees for services	(478,254)
Cash payments to other suppliers of goods or services	(129,122)
Net cash provided by operating activities	451
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Transfers out	(150,000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest	15,329
Net (decrease) in cash and cash equivalents	(134,220)
Cash and cash equivalents, beginning of year	1,642,331
Cash and cash equivalents, end of year	\$ 1,508,111
<b>Reconciliation of operating (loss) to net cash provided by operating activities</b>	
Operating (loss)	\$ (54,215)
Adjustments to reconcile operating (loss) to net cash provided by operating activities	
(Increase) decrease in assets	
Receivables	7,977
Other	(155)
Increase (decrease) in liabilities	
Payables	46,786
Due to other funds	58
Net cash provided by operating activities	\$ 451

*See notes to basic financial statements*

LINCOLN COUNTY  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUND  
June 30, 2004

	Agency Fund
<b>ASSETS</b>	
Cash and investments	\$ 1,827,738
Receivables	<u>4,695,118</u>
<b>TOTAL ASSETS</b>	<u>\$ 6,522,856</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 604,027
Fiduciary liabilities	<u>5,918,829</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 6,522,856</u>

*See notes to basic financial statements*

## LINCOLN COUNTY

### NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2004

#### 1. The Financial Reporting Entity

##### (a) Reporting Entity

LINCOLN COUNTY, Oregon (the "County"), a Home Rule County established by an Act of the State Legislature on February 20, 1893 is a legal subdivision of the State of Oregon charged with governmental powers. The County's powers are exercised through a Board of Commissioners (the "Board"), which is the governing body of the County. The Board is responsible for the legislative and executive control of the County. The County provides various services on a county-wide basis including law and justice, detention, social, health, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the County's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include three blended component units. The 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.

For financial reporting purposes, the County's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County's Board. The financial statements of the individual units may be obtained by writing to LINCOLN COUNTY, Finance and Accounting, 210 S.W. 2<sup>nd</sup> Street, Newport, OR 97365.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. The Financial Reporting Entity (continued)

#### (b) Blended Component Units

The basic financial statements include three blended component units because the County Board of Commissioners serve as their respective governing body's:

##### *Lincoln County Transportation Service District*

The District was formed in May 1996 at a General Election and was funded in November 1996. The District provides a comprehensive transportation program. Services include a scheduled stop bus system, the "Central Coast Connection," along the Highway 101 corridor, outlying cities and communities, and ancillary feeder lines available to all residents of the County. A "dial-a-ride" service is also provided for the transit disadvantaged and senior and disabled members of the County, enabling them to obtain medical and other services.

##### *Lincoln County Solid Waste Disposal Service District*

The District was formed under Chapter 451 of the Oregon Revised Statutes. The District is a county-wide service district. The primary functions are to coordinate solid waste management planning throughout the County, to implement recycling and waste reduction education programs; and, to coordinate illegal dumping enforcement, prevention, and clean-up activities.

##### *Lincoln County Extension Agency*

The District accounts for the operations of the Oregon State University – Lincoln County Extension Agency, which provides educational programs to citizens in Lincoln County. The primary source of revenue is property taxes, and expenditure purposes include seminar costs, educational programs and materials, and labor and facility costs.

### 2. Summary of Significant Accounting Policies

#### (a) Basis of Presentation

##### *Government-wide Financial Statements*

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities are supported by taxes and intergovernmental revenues.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Summary of Significant Accounting Policies (continued)

#### (a) Basis of Presentation (continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net assets are available, unrestricted resources are used only after the restricted resources are depleted.

#### *Fund Financial Statements*

The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category—*governmental and fiduciary*—are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public safety, corrections, assessment and taxation.
- The *General Road Fund* accounts for the operations of the County Road Department. Significant sources of revenue are federal forest fees and state motor vehicle fees. Expenditures are primarily for maintenance and construction of County roads.
- The *Human Services Fund* accounts for the delivery of community mental health and health services and education programs funded by federal and state financial assistance and transfers from the General Fund.

The County also includes the following other fund types:

- *Special Revenue Funds* are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.
- *Debt Service Funds* account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Summary of Significant Accounting Policies (continued)

#### (a) Basis of Presentation (continued)

- *Capital Projects Funds* account for expenditures on major construction projects or equipment acquisition.
- The *Internal Service Fund* accounts for the County's self-insurance programs. Charges to other funds and refunds from insurance policies support this activity.
- The *Agency Funds* account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

#### (b) Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property tax revenues are recognized in the fiscal year for which they were levied, provided they are due and collectable within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Summary of Significant Accounting Policies (continued)

#### (c) Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows, the internal service funds consider all highly liquid investments with a maturity of three months or less when purchased, and their equity in the County Treasurer's investment pool, to be cash equivalents.

#### (d) Investments

State statutes authorize the County to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, banker's acceptances, certain high-grade commercial paper, and the Oregon State Local Government Investment Pool, among others.

Investments (U.S. government securities) are stated at amortized cost. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at share value, which approximates fair value.

The County invests in the Oregon State Local Government Investment Pool, which has regulatory oversight by the Oregon Short Term Fund Board and whose investments are approved by the Oregon Investment Council. The fair value of the County's position in the pool is the same as the value of the pool shares.

#### (e) Inventories

Inventories purchased are stated at cost (first-in, first-out method). Inventories are recorded as expenditures when purchased or donated. Inventories are offset by a fund balance reserve, as they do not constitute available expendable resources.

#### (f) Receivables

Property taxes receivable in the governmental fund types, which have been collected within sixty days following year end, are considered measurable and available and are recognized as revenues. Property taxes receivable in the agency funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue. All other property taxes receivable are offset by deferred revenues and accordingly, have not been recognized as revenue. Real and personal property are assessed and property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

All property taxes receivable are due from owners of property within the County.

Receivables for state shared revenue are recorded as revenue in all fund types as earned.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**2. Summary of Significant Accounting Policies (continued)**

**(g) Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, bridges, lighting system, drainage systems, and flood control. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements.

The estimated useful lives are as follows:

Infrastructure (except for the maintained pavement subsystem)	20 to 50 years
Structures and improvements	50 years
Equipment	3 to 15 years

The County has four networks of infrastructure assets: road, lighting, drainage and flood control.

**(h) Compensated Absences**

Compensated absences and related taxes are not recorded as expenditures in the governmental funds until paid. The expenditures are recorded in the General, General Road, Human Services, and Other Governmental Funds. Sick leave does not vest, except in the following two cases: employees who reach the age of 55 or older and employees who are represented by the Communications Workers of America Union and have been a member of the union for at least five years. In both of these circumstances, the sick leave is vested to 50 percent upon their retirement.

Full time employees (after six months of continuous service) earn vacation leave. The amount earned per pay period is determined based upon length of service. Accumulation is limited also based upon length of service.

<u>Length of Service Through</u>	<u>Earned Hours Per Pay Period</u>	<u>Maximum Accumulation</u>
5 Years	4.33	192
10 Years	5.33	240
15 Years	6.33	288
20 Years	7.33	336
Over 20 Years	8.33	384

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Summary of Significant Accounting Policies (continued)

#### (i) Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans).

Services provided, deemed to be at market or near market rates, are treated as revenues an expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

#### (j) Estimates

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

#### (k) Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The County begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The Board of County Commissioners adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The County established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds, except the General Fund in which budgetary control is established at the program level.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. Summary of Significant Accounting Policies (continued)

#### (I) Net Assets/Fund Balances

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

- *Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. The various reserves and designations are established by actions of the Board and can be increased, reduced or eliminated by similar actions.

As of June 30, 2004, reservations of fund balance are described below:

- *Debt service* – to reflect the funds held for future payment of bond principal and interest. These funds are not available for general operations.
- *Inventories* – to reflect the portion of assets that do not represent available spendable resources.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Cash and Investments

The County maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the combined balance sheet. The amounts on hand at June 30, 2004, are as follows:

Deposits	\$ 12,639,246
Investments	<u>13,169,051</u>
Total cash and investments	<u>\$ 25,808,297</u>

Cash and cash investments are reported as follows:

Governmental Activities/Funds	
General	\$ 6,951,386
General Road	11,325,192
Human Services	440,083
Other governmental funds	3,755,787
Internal Service	<u>1,508,111</u>
Total governmental activities/funds	<u>23,980,559</u>
Fiduciary Fund	
Agency	<u>1,827,738</u>
Total cash and investments	<u>\$ 25,808,297</u>

#### Deposits

At June 30, 2004, the carrying amount of the County's deposits was \$12,639,246, and the bank balance was \$12,937,423. Of the bank balance, \$512,214 was covered by federal depository insurance and \$3,106,302 was collateralized with securities held by the pledging financial institution's agent in the County's name and \$9,318,907 was not collateralized.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**3. Cash and Investments (continued)**

Investments

The County's investments are categorized below to give an indication of the level of custodial credit risk assumed by the County as of June 30, 2004. Category (1) includes investments that are insured or registered, or held by the County or its agent in the County's name. Category (2) includes uninsured or unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category (3) includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent, but not in the County's name.

The County's investments in U.S. Government Securities at June 30, 2004, totaled \$1,984,604 in Category 1. Category 1 includes uninsured or unregistered investments for which the securities are held by the financial institution's trust department or agent in the County's name. The Oregon State Local Government Investment Pool is not required to be categorized.

	<u>Carrying Value</u>	<u>Fair Value</u>
Investments:		
U.S. Government securities	\$ 1,984,604	\$ 1,967,159
Oregon State Local Government Investment Pool	<u>11,184,447</u>	<u>11,184,447</u>
Total investments	<u>\$ 13,169,051</u>	<u>\$ 13,151,606</u>

**4. Receivables**

A. Receivables at year-end were as follows:

	<u>General</u>	<u>General Road</u>	<u>Human Services</u>	<u>Other Governmental Funds</u>	<u>Internal Service</u>	<u>Agency</u>	<u>Totals</u>
Property taxes	\$ 1,144,073	\$ -	\$ -	\$ 119,533	\$ -	\$ 4,695,118	\$ 5,958,724
Accounts	607,105	16,442	145,854	37,179	45,115	-	851,695
Intergovernmental	533,195	-	236,483	130,464	3,890	-	904,032
Assessments	-	16,335	-	-	-	-	16,335
Interest	<u>1,849</u>	<u>52,783</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,632</u>
	<u>\$ 2,286,222</u>	<u>\$ 85,560</u>	<u>\$ 382,337</u>	<u>\$ 287,176</u>	<u>\$ 49,005</u>	<u>\$ 4,695,118</u>	<u>\$ 7,785,418</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**4. Receivables (continued)**

B. Property taxes

i. Collection procedures

The County levies, collects and distributes property taxes for all taxing jurisdictions within its boundaries. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through liens.

ii. Transactions

	Balances July 1, 2003	2003-04 Levies	Adjust- ments	Net Interest (Discounts)	Collec- tions	Balances June 30, 2004
Current	\$ -	\$ 65,050,855	\$ (851,583)	\$ (1,496,917)	\$ 59,798,028	\$ 2,904,327
Prior	7,035,361	-	(1,188,433)	640,594	3,433,125	3,054,397
	<u>\$ 7,035,361</u>	<u>\$ 65,050,855</u>	<u>\$ (2,040,016)</u>	<u>\$ (856,323)</u>	<u>\$ 63,231,153</u>	<u>\$ 5,958,724</u>

iii. Ensuing year's levies

The permanent tax rate is \$2.8202 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

Also, the Lincoln County Transportation District (a blended component unit) will levy using their permanent rate of \$0.0974 per \$1,000 of assessed value and the Lincoln County Extension Service District (a blended component unit) will levy using their permanent rate of \$0.0451 per \$1,000 of assessed value.

The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is expected to affect these levies.

In addition, the county will levy \$739,430 for the retirement of long-term debt principal and interest due in 2004-05.

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**5. Interfund Transactions**

*Interfund Receivables/Payables*

The composition of interfund balances as of June 30, 2004, is as follows:

***Due from other funds:***

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General	<u>\$ 312,400</u>	\$ --
General Road		104,709
Human Services		167,343
Other Governmental Funds		37,994
Internal Service		<u>2,354</u>
		<u>\$ 312,400</u>

These interfund balances exist temporarily for payroll allocation purposes.

***Transfers:***

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity:

A. Between Funds within the Governmental Activities:

<u>Transfer From</u>	<u>Transfer to</u>	<u>Amount</u>
General	Human Services	\$ 627,505
	Other Governmental Funds	<u>70,577</u>
		698,082
Other Governmental Funds	General	3,350
Other Governmental Funds	Other Governmental Funds	<u>46,093</u>
Total		<u>\$ 747,525</u>

B. Between Internal Service and Governmental Activities:

Insurance Reserve	General	<u>\$ 150,000</u>
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**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**6. Capital Assets**

A. Capital asset activity for the year ended June 30, 2004, was as follows:

	Balances July 1, 2003	Adjustments June 30, 2004	Additions and Reclassifications	Deletions and Reclassifications	Balances June 30, 2004
<b>Governmental Activities</b>					
<i>Capital assets, not being depreciated</i>					
Land and easements	\$ 996,405	\$ 14,695	\$ 200	\$ -	\$ 1,011,300
Land Improvements	-	7,700	-	-	7,700
Infrastructure	-	88,363,680	456,000	-	88,819,680
Construction in progress	<u>796,461</u>	<u>718,089</u>	<u>892,299</u>	<u>1,728,734</u>	<u>678,115</u>
Total capital assets, not being depreciated	<u>\$ 1,792,866</u>	<u>\$89,104,164</u>	<u>\$ 1,348,499</u>	<u>\$ 1,728,734</u>	<u>\$90,516,795</u>
<i>Capital assets, being depreciated</i>					
Infrastructure	\$ 48,091,808	\$ -	\$ 1,249,406	\$ -	\$49,341,214
Buildings	14,792,191	50,296	735,845	-	15,578,332
Improvements	743,510	-	239,424	-	982,934
Equipment	<u>8,514,347</u>	<u>-</u>	<u>687,565</u>	<u>280,156</u>	<u>8,921,756</u>
Total capital assets, being depreciated	<u>72,141,856</u>	<u>50,296</u>	<u>2,912,240</u>	<u>280,156</u>	<u>74,824,236</u>
	<u>73,934,722</u>	<u>89,154,460</u>	<u>4,260,739</u>	<u>2,008,890</u>	<u>165,341,031</u>
Less accumulated depreciation for:					
Infrastructure	32,133,771	-	1,100,929	-	33,234,700
Buildings	5,027,193	-	348,273	-	5,375,466
Improvements	675,684	-	2,159	-	677,843
Equipment	<u>5,065,814</u>	<u>-</u>	<u>830,495</u>	<u>(258,328)</u>	<u>5,637,981</u>
Total accumulated depreciation	<u>42,902,462</u>	<u>-</u>	<u>2,281,856</u>	<u>(258,328)</u>	<u>44,925,990</u>
Total capital assets, being depreciated, net	<u>\$ 29,239,394</u>	<u>\$ 50,296</u>	<u>\$ 630,384</u>	<u>\$ 538,484</u>	<u>\$29,898,246</u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**6. Capital Assets (continued)**

B. Depreciation expense was charged to governmental functions as follows:

General government	\$ 325,067
Community services	147,470
Public safety	739,914
Highways and streets	381,083
Culture and recreation	15,134
Health and welfare	570,656
Education	<u>102,532</u>
Total depreciation expense – governmental functions	<u><u>\$ 2,281,856</u></u>

**7. Construction Commitments**

The government has entered into contracts for construction, as follows:

	Project Authorization	Expended to Date	Commitment	Required Further Financing
804 South Trail	\$ 379,995	\$ 261,644	\$ 118,351	\$ -
14th Street	<u>58,602</u>	<u>4,741</u>	<u>53,861</u>	<u>-</u>
Totals	<u><u>\$ 438,597</u></u>	<u><u>\$ 266,385</u></u>	<u><u>\$ 172,212</u></u>	<u><u>\$ -</u></u>

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**8. Long-term Obligations**

Transactions for the year ended June 30, 2004, are as follows:

	Outstanding July 1, 2003	Additions	Reductions	Outstanding June 30, 2004	Balances Due Within One Year
General Obligation Refunding Bonds, Series 1993 - original amount \$6,250,000; interest rates of 2.6 percent to 5.375 percent					
Principal	\$ 4,200,000	\$ -	\$ 4,200,000	\$ -	\$ -
Interest	91,175	130,337	221,513	-	-
	<u>4,291,175</u>	<u>130,337</u>	<u>4,421,513</u>	<u>-</u>	<u>-</u>
General Obligation Refunding Bonds, Series 2003 - original amount \$3,700,000; interest rates of 2.0 percent to 2.7 percent					
Principal	-	3,700,000	-	3,700,000	625,000
Interest	-	45,835	-	45,835	-
	<u>-</u>	<u>3,745,835</u>	<u>-</u>	<u>3,745,835</u>	<u>625,000</u>
Loan - Bank of America, original amount \$275,798; interest at 5.06 percent; secured by by the full faith and credit of the County and the purchased equipment					
Principal	89,752	-	59,305	30,447	30,447
Interest	1,131	3,073	3,817	387	-
	<u>90,883</u>	<u>3,073</u>	<u>63,122</u>	<u>30,834</u>	<u>30,447</u>
Capital lease - Wells Fargo Equipment Finance, Inc. original amount \$1,092,325; interest at 5.44 percent; secured by the full faith and credit of the County and the leased equipment					
Principal	583,148	-	223,814	359,334	236,293
Interest	12,493	24,255	29,038	7,710	-
	<u>595,641</u>	<u>24,255</u>	<u>252,852</u>	<u>367,044</u>	<u>236,293</u>
Vested Compensated Absences	<u>1,155,918</u>	<u>1,475,363</u>	<u>1,270,686</u>	<u>1,360,595</u>	<u>1,360,595</u>
Total long-term obligations	6,133,616	5,378,864	6,008,173	5,504,307	\$ 2,252,335
Interest	<u>104,798</u>	<u>203,501</u>	<u>254,368</u>	<u>53,931</u>	
Principal	<u>\$ 6,028,818</u>	<u>\$ 5,175,363</u>	<u>\$ 5,753,805</u>	<u>\$ 5,450,376</u>	

**NOTES TO BASIC FINANCIAL STATEMENTS (Continued)**

**8. Long-term Obligations (continued)**

Fiscal Year	General Obligation Refunding Bonds Series 2003		Loan - Bank of America		Capital Lease - Wells Fargo Equipment Finance, Inc.		Vested Compen- sated Absences	Totals	
	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest
2005	\$ 625,000	\$ 96,208	\$ 30,447	\$ 779	\$ 236,293	\$ 16,558	\$ 1,360,595	\$2,252,335	\$ 113,545
2006	645,000	72,808	-	-	123,041	3,384	-	768,041	76,192
2007	665,000	59,908	-	-	-	-	-	665,000	59,908
2008	675,000	45,776	-	-	-	-	-	675,000	45,776
2009	705,000	28,901	-	-	-	-	-	705,000	28,901
2010	385,000	10,395	-	-	-	-	-	385,000	10,395
	<u>\$ 3,700,000</u>	<u>\$ 313,995</u>	<u>\$ 30,447</u>	<u>\$ 779</u>	<u>\$ 359,334</u>	<u>\$ 19,942</u>	<u>\$ 1,360,595</u>	<u>\$5,450,376</u>	<u>\$ 334,716</u>

*Current Refunding*

During 2003-04, the government refunded a general obligation bond issue with a current refinancing. The government issued \$3,700,000 of general obligation refunding bonds to exercise the call option on the 1993 general obligation bonds. As a result, the 1993 bonds are retired and the liability has been removed from the Statement of Net Assets. The current refunding was undertaken to reduce the total debt service payments over the next six years by over \$51,000 per year and to obtain an economic gain of \$306,381.

**9. Operating Leases**

The County leases copy machines and office facilities under operating leases expiring in various years through 2020. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of 1 year as of June 30, 2004, for each of the next 5 years and in the aggregate are:

Year Ended June 30,	Amount
2005	\$ 240,256
2006	186,905
2007	160,495
2008	94,455
2009	11,117
2010-14	30,240
2015-19	30,240
2020	9,420
Total	<u>\$ 763,128</u>

Rent expenditures for the year ended June 30, 2004, amounted to \$254,326.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. Defined Contribution Plan

The Lincoln County Retirement Plan is a defined contribution pension plan (401(k)) established by the County to provide benefits to substantially all employees, except for certain employees of the Sheriff's office. At June 30, 2004, there were 312 plan members. Required contributions are made by the County monthly, based upon 11 percent of eligible employees' salaries. The County's contribution for each employee and interest allocated to the employee's account are fully vested after four years of membership. County contributions for, and interest forfeited by, employees who leave employment before four years of service are placed in a forfeiture account. This account is used to pay current charges for administration of the plan and may be used to reduce the County's contribution requirement. The County made the required contributions of \$1,462,600. Investments are self-directed by the employees between a fixed income account and a number of equity funds. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Under the plan, employees also have the option of participating in a deferred salary arrangement pursuant to a salary reduction agreement. The deferred salary cannot exceed the amount allowable by Internal Revenue Code Section 415. Contributions to the deferred salary option during the year ended June 30, 2004, amounted to \$529,869.

### 11. Defined Benefit Pension Plan

#### Plan Description

Lincoln County contributes to a cost-sharing, multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS) which is governed by the provisions of Oregon Revised Statutes Chapter 238. It provides retirement, disability, annual cost-of-living adjustments and death benefits to members and beneficiaries.

The governing authority of the system is the Public Employees Retirement Board (PERB) that is required to take actions necessary to maintain the system as a qualified governmental retirement plan under the Internal Revenue Code and related regulations. In this regard, PERB may impose limits on contributions, benefit payments and other limitations or procedures.

PERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Public Employees System, P.O. Box 23700, Tigard, OR 97281-3700 or by calling (503) 598-7377.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. Defined Benefit Pension Plan (continued)

#### Funding Policy

Plan members are required to contribute six percent of their annual covered salary and Lincoln County is required to contribute at an actuarially determined rate. The current rate is 7.29 percent of annual covered payroll. The contribution requirements of plan members and Lincoln County are established and may be amended by the plan's board of trustees. The County's contributions to PERS for the years ending June 30, 2004, 2003, and 2002 were \$236,935, \$193,604, and \$200,346, respectively, equal to the required contributions for each year.

### 12. Risk Management

The County is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The County purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

### 13. Contingencies

#### A. General

The County is a defendant in several currently pending legal actions. Although their outcome cannot be determined, it is the opinion of management that settlement of these matters will not have a material effect on the basic financial statements.

#### B. Sick Leave

Portions of sick leave accumulated at any point in time can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2004, County employees had accumulated 8,160 days of sick leave.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 14. Subsequent Events

In March 2001, the County entered into several lease and sublease agreements with the State of Oregon under Senate Bill 1145 and House Bill 3489 (1995 Oregon Laws Chapter 423 and 1996 Corrections Act provisions, to build the Lincoln County Community Justice Transition Center. The County received \$424,935 as reimbursement for monies spent to purchase property and engage professionals to design the facility. The project was bid in May of 2002, and the resulting bids were substantially higher than the available funding. On July 10, 2002, the County Board of Commissioners decided to terminate the project. On July 21, 2004 an agreement was reached between the County and the State. The agreement requires that the County repay the Project Funds in the following manner:

- On or before July 30, 2004, \$124,939 will be paid and
- By July 30, 2006 or, within 30 days of the sale of the property, the remainder of the \$299,996 will be paid.

### 15. Prior Period Adjustment

Net assets have been restated as of June 30, 2003, to correct an error in accounting for previously unrecorded capital assets.

Net assets, prior to restatement	\$ 49,849,994
Prior period adjustment	<u>89,154,460</u>
Net assets, restated	<u>\$ 139,004,454</u>

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

**LINCOLN COUNTY**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS (NONMAJOR)**  
**June 30, 2004**

	<u>Special</u> <u>Revenue</u>	<u>Debt</u> <u>Service</u>	<u>Totals</u>
<b>ASSETS</b>			
Cash and investments	\$ 3,570,019	\$ 185,768	\$ 3,755,787
Receivables	224,108	63,068	287,176
Prepaid items	24,399	--	24,399
<b>TOTAL ASSETS</b>	<u>\$ 3,818,526</u>	<u>\$ 248,836</u>	<u>\$ 4,067,362</u>
<b>LIABILITIES</b>			
Accounts payable and accrued items	\$ 123,179	\$ --	\$ 123,179
Due to other funds	37,994	--	37,994
Deferred revenue	106,761	49,101	155,862
<b>TOTAL LIABILITIES</b>	<u>267,934</u>	<u>49,101</u>	<u>317,035</u>
<b>FUND BALANCES</b>			
Reserved for debt service	--	199,735	199,735
Unreserved	3,550,592	--	3,550,592
<b>TOTAL FUND BALANCES</b>	<u>3,550,592</u>	<u>199,735</u>	<u>3,750,327</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,818,526</u>	<u>\$ 248,836</u>	<u>\$ 4,067,362</u>

**LINCOLN COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS (NONMAJOR)  
Year Ended June 30, 2004**

	Special Revenue	Debt Service	Capital Projects	Totals
<b>REVENUES</b>				
Taxes and land sales	\$ 825,807	\$ 825,530	\$ --	\$ 1,651,337
Licenses and fees	349,905	--	--	349,905
Charges for services	338,858	--	--	338,858
Intergovernmental	3,456,538	--	--	3,456,538
Court fines and fees	63,282	--	--	63,282
Interest	35,101	1,881	--	36,982
Miscellaneous	224,258	4,295	--	228,553
<b>TOTAL REVENUES</b>	<b>5,293,749</b>	<b>831,706</b>	<b>--</b>	<b>6,125,455</b>
<b>EXPENDITURES</b>				
Current:				
General government	217,645	--	--	217,645
Community services	1,096,703	--	--	1,096,703
Public safety	291,689	--	--	291,689
Culture and recreation	223,242	--	--	223,242
Health and welfare	1,635,299	--	--	1,635,299
Education	1,515,489	--	--	1,515,489
Debt service:				
Principal	--	555,000	--	555,000
Interest	--	221,513	--	221,513
Capital outlay	283,309	--	--	283,309
<b>TOTAL EXPENDITURES</b>	<b>5,263,376</b>	<b>776,513</b>	<b>--</b>	<b>6,039,889</b>
Excess (deficiency) of revenues over expenditures	30,373	55,193	--	85,566
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of refunding bonds	--	3,704,215	--	3,704,215
Payment to escrow agent	--	(3,704,215)	--	(3,704,215)
Transfers in	116,670	--	--	116,670
Transfers out	(3,350)	--	(46,093)	(49,443)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>113,320</b>	<b>--</b>	<b>(46,093)</b>	<b>67,227</b>
Net change in fund balances	143,693	55,193	(46,093)	152,793
Fund balances at beginning of year	3,406,899	144,542	46,093	3,597,534
Fund balances at end of year	<u>\$ 3,550,592</u>	<u>\$ 199,735</u>	<u>\$ --</u>	<u>\$ 3,750,327</u>

## OTHER GOVERNMENTAL FUNDS (NONMAJOR)

### Special Revenue Funds

Special revenue funds account for revenue derived from specific tax or other earmarked revenue sources, including federal and state grant awards, which are restricted to finance particular functions or activities.

- *County School* – Revenue of this fund is derived primarily from forest fees. The entire proceeds of the fund are distributed to the Lincoln County School District.
- *County Fair* – The operations of the Fair Board are accounted for in this fund. Major sources of revenue include state apportionments, operation of the annual fair and ground and building rentals. Expenditures are primarily for the administration and operation of the fair and maintenance and improvement of fair buildings and grounds.
- *Transit District (a component unit)* – This fund accounts for expenditures associated with the operations of a comprehensive county transportation program. Services are aimed at providing transportation to disadvantaged, senior and disabled members of the County, enabling them to obtain medical and other services.
- *Law Library* – This fund is used to maintain the County law library. Revenue is derived from various court fees. Expenditures are for books and other materials.
- *Clerk Records* – This fund accounts for expenditures incurred by the County Clerk to improve record storage and to acquire systems which facilitate records retrieval.
- *OHP Mental Health* – This fund accounts for mental health services for enrollee's of the Oregon Health Plan as part of a county consortium.
- *Solid Waste District (a component unit)* – This fund is responsible for accounting for solid waste management planning, recycling, education and coordination functions, illegal dumping, cleanup and prevention and enforcement coordination. The principal revenue sources are assessments levied against various municipalities with the County.
- *Enforcement* – Fines for certain liquor and drug violations are earmarked by law for this fund. Expenditures are restricted for the enforcement of liquor and drug laws.
- *Dog License* – The sale of dog licenses and animal shelter fees constitute the primary revenue for this fund.
- *Title III Safety Net* – This fund accounts for revenues required by law to be set aside for use as a "safety-net" for authorized projects under Public Law 106-393, "The Secure Rural Schools and Community Self-Determination Act of 2000."
- *Corner Preservation* – This fund accounts for expenditures incurred by the County Surveyor in the establishment, re-establishment, and maintenance of corners of government surveys.
- *Extension Agency (a component unit)* – This fund accounts for the operations of the OSU-County Extension Agency which provides educational programs to Lincoln County citizens. The principal source of revenue is from County property taxes.
- *Agate Beach Closure* – This fund accounts for the County's share of the post-closure obligations at the closed Agate Beach Landfill.
- *DUII* – This fund is used to comply with the legal provisions concerning the expenditure of funds through civil forfeiture proceedings.
- *DUII M3 Forfeiture* – This fund is used to comply with the legal provisions concerning the expenditure of funds through civil forfeiture proceedings.

**LINCOLN COUNTY**  
**COMBINING BALANCE SHEET**  
**SPECIAL REVENUE FUNDS**  
**June 30, 2004**

	County School	County Fair	Transit District	Law Library	Clerk Records	OHP Mental Health
<b>ASSETS</b>						
Cash and investments	\$ 7	\$ 109,862	\$ 1,076,949	\$ 19,166	\$ 35,073	\$ 380,723
Receivables	438	--	38,975	3,759	316	127,079
Prepaid items	--	2,504	8,004	150	767	780
<b>TOTAL ASSETS</b>	<b>\$ 445</b>	<b>\$ 112,366</b>	<b>\$ 1,123,928</b>	<b>\$ 23,075</b>	<b>\$ 36,156</b>	<b>\$ 508,582</b>
<b>LIABILITIES</b>						
Accounts payable and accrued items	\$ --	\$ 5,543	\$ 27,975	\$ 1,410	\$ 4,155	\$ 747
Due to other funds	--	3,150	16,683	--	1,378	2,695
Deferred revenue	--	--	30,806	--	--	--
<b>TOTAL LIABILITIES</b>	<b>--</b>	<b>8,693</b>	<b>75,464</b>	<b>1,410</b>	<b>5,533</b>	<b>3,442</b>
<b>FUND BALANCES - Unreserved</b>	<b>445</b>	<b>103,673</b>	<b>1,048,464</b>	<b>21,665</b>	<b>30,623</b>	<b>505,140</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 445</b>	<b>\$ 112,366</b>	<b>\$ 1,123,928</b>	<b>\$ 23,075</b>	<b>\$ 36,156</b>	<b>\$ 508,582</b>

*Continued on Page 36*

Solid Waste District	Enforcement	Dog License	Title III Safety Net	Corner Preservation	Extension Agency	Agate Beach Closure	DUII	Totals
\$ 118,076	\$ 19,277	\$ 70,042	\$ 581,807	\$ 302,269	\$ 235,196	\$ 601,716	\$ 19,856	\$ 3,570,019
22,592	2,756	458	--	5,026	19,089	3,620	--	224,108
1,068	--	2,463	--	1,496	5,666	--	1,501	24,399
<u>\$ 141,736</u>	<u>\$ 22,033</u>	<u>\$ 72,963</u>	<u>\$ 581,807</u>	<u>\$ 308,791</u>	<u>\$ 259,951</u>	<u>\$ 605,336</u>	<u>\$ 21,357</u>	<u>\$ 3,818,526</u>
\$ 71,902	\$ --	\$ 2,605	\$ --	\$ 3,186	\$ 1,360	\$ 3,036	\$ 1,260	\$ 123,179
2,839	--	6,456	--	4,793	--	--	--	37,994
--	--	--	--	--	75,955	--	--	106,761
<u>74,741</u>	<u>--</u>	<u>9,061</u>	<u>--</u>	<u>7,979</u>	<u>77,315</u>	<u>3,036</u>	<u>1,260</u>	<u>267,934</u>
<u>66,995</u>	<u>22,033</u>	<u>63,902</u>	<u>581,807</u>	<u>300,812</u>	<u>182,636</u>	<u>602,300</u>	<u>20,097</u>	<u>3,550,592</u>
<u>\$ 141,736</u>	<u>\$ 22,033</u>	<u>\$ 72,963</u>	<u>\$ 581,807</u>	<u>\$ 308,791</u>	<u>\$ 259,951</u>	<u>\$ 605,336</u>	<u>\$ 21,357</u>	<u>\$ 3,818,526</u>

**LINCOLN COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPEDITURES  
AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE FUNDS  
Year Ended June 30, 2004**

	County School	County Fair	Transit District	Law Library	Clerk Records	OHP Mental Health	Solid Waste District
<b>REVENUES</b>							
Taxes and land sales	\$ 201,684	\$ --	\$ 426,540	\$ --	\$ --	\$ --	\$ --
Licenses and fees	--	--	--	--	40,749	--	--
Charges for services	--	--	102,620	--	--	12,940	202,937
Intergovernmental	1,075,336	44,900	375,703	--	--	1,482,356	--
Court fines and fees	--	--	--	43,636	--	--	20
Interest	338	914	11,312	243	332	4,144	687
Miscellaneous	1,747	190,607	1,453	202	--	11,009	--
<b>TOTAL REVENUES</b>	<b>1,279,105</b>	<b>236,421</b>	<b>917,628</b>	<b>44,081</b>	<b>41,081</b>	<b>1,510,449</b>	<b>203,644</b>
<b>EXPENDITURES</b>							
Current:							
General government	--	--	--	--	35,991	--	--
Community service	--	--	697,491	--	--	--	181,059
Public safety	--	--	--	41,739	--	--	--
Culture and recreation	--	223,242	--	--	--	--	--
Health and welfare	--	--	--	--	--	1,635,299	--
Education	1,278,660	--	--	--	--	--	--
Capital outlay	--	3,014	163,190	--	4,134	--	--
<b>TOTAL EXPENDITURES</b>	<b>1,278,660</b>	<b>226,256</b>	<b>860,681</b>	<b>41,739</b>	<b>40,125</b>	<b>1,635,299</b>	<b>181,059</b>
Excess (deficiency of revenues over expenditures)	445	10,165	56,947	2,342	956	(124,850)	22,585
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
Net change in fund balances	445	10,165	56,947	2,342	956	(124,850)	22,585
Fund balances at beginning of year	--	93,508	991,517	19,323	29,667	629,990	44,410
Fund balances at end of year	\$ 445	\$ 103,673	\$ 1,048,464	\$ 21,665	\$ 30,623	\$ 505,140	\$ 66,995

*Continued on Page 38*

Enforcement	Dog License	Title III Safety Net	Corner Preservation	Extension Agency	Agate Beach Closure	DUII	DUII M3 Forfeiture	Totals
\$ --	\$ --	\$ --	\$ --	\$ 197,583	\$ --	\$ --	\$ --	825,807
--	63,045	--	189,359	--	53,433	3,119	200	349,905
--	14,791	--	--	5,570	--	--	--	338,858
--	80,311	273,040	61,124	63,768	--	--	--	3,456,538
18,341	1,285	--	--	--	--	--	--	63,282
160	671	5,849	2,800	1,274	6,075	302	--	35,101
--	18,503	--	--	737	--	--	--	224,258
<u>18,501</u>	<u>178,606</u>	<u>278,889</u>	<u>253,283</u>	<u>268,932</u>	<u>59,508</u>	<u>3,421</u>	<u>200</u>	<u>5,293,749</u>
--	--	--	181,654	--	--	--	--	217,645
--	--	202,068	--	--	16,085	--	--	1,096,703
7,163	229,442	--	--	--	--	13,145	200	291,689
--	--	--	--	--	--	--	--	223,242
--	--	--	--	--	--	--	--	1,635,299
--	--	--	--	236,829	--	--	--	1,515,489
--	--	83,867	29,104	--	--	--	--	283,309
<u>7,163</u>	<u>229,442</u>	<u>285,935</u>	<u>210,758</u>	<u>236,829</u>	<u>16,085</u>	<u>13,145</u>	<u>200</u>	<u>5,263,376</u>
<u>11,338</u>	<u>(50,836)</u>	<u>(7,046)</u>	<u>42,525</u>	<u>32,103</u>	<u>43,423</u>	<u>(9,724)</u>	<u>--</u>	<u>30,373</u>
--	70,577	--	--	46,093	--	--	--	116,670
(3,350)	--	--	--	--	--	--	--	(3,350)
<u>(3,350)</u>	<u>70,577</u>	<u>--</u>	<u>--</u>	<u>46,093</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>113,320</u>
7,988	19,741	(7,046)	42,525	78,196	43,423	(9,724)	--	143,693
14,045	44,161	588,853	258,287	104,440	558,877	29,821	--	3,406,899
<u>\$ 22,033</u>	<u>\$ 63,902</u>	<u>\$ 581,807</u>	<u>\$ 300,812</u>	<u>\$ 182,636</u>	<u>\$ 602,300</u>	<u>\$ 20,097</u>	<u>\$ --</u>	<u>\$ 3,550,592</u>

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
COUNTY SCHOOL - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Taxes and land sales	\$ 97,000	\$ 201,684	\$ 104,684
Intergovernmental	1,500,000	1,075,336	(424,664)
Interest	600	338	(262)
Miscellaneous	200	1,747	1,547
<b>TOTAL REVENUES</b>	1,597,800	1,279,105	(318,695)
<b>EXPENDITURES</b>			
Materials and services	1,597,800	1,278,660	319,140
Net change in fund balance	--	445	445
Fund balance at beginning of year	--	--	--
Fund balance at end of year	\$ --	\$ 445	\$ 445

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
COUNTY FAIR - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 40,868	\$ 44,900	\$ 4,032
Interest	1,400	914	(486)
Miscellaneous	190,115	190,607	492
<b>TOTAL REVENUES</b>	<u>232,383</u>	<u>236,421</u>	<u>4,038</u>
<b>EXPENDITURES</b>			
Personal services	93,194	91,400	1,794
Materials and services	159,645	131,842	27,803
Capital outlay	10,000	3,014	6,986
Operating contingency	31,109	--	31,109
<b>TOTAL EXPENDITURES</b>	<u>293,948</u>	<u>226,256</u>	<u>67,692</u>
Net change in fund balance	(61,565)	10,165	71,730
Fund balance at beginning of year	61,565	93,508	31,943
<b>Fund balance at end of year</b>	<u>\$ --</u>	<u>\$ 103,673</u>	<u>\$ 103,673</u>

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
TRANSIT DISTRICT - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Taxes and land sales	\$ 422,100	\$ 426,540	\$ 4,440
Charges for services	93,000	102,620	9,620
Intergovernmental	411,846	375,703	(36,143)
Interest	15,000	11,312	(3,688)
Miscellaneous	23,000	1,453	(21,547)
<b>TOTAL REVENUES</b>	<u>964,946</u>	<u>917,628</u>	<u>(47,318)</u>
<b>EXPENDITURES</b>			
Personal services	542,891	495,911	46,980
Materials and services	228,940	201,580	27,360
Capital outlay	355,217	163,190	192,027
Operating contingency	205,810	--	205,810
<b>TOTAL EXPENDITURES</b>	<u>1,332,858</u>	<u>860,681</u>	<u>472,177</u>
Net change in fund balance	(367,912)	56,947	424,859
Fund balance at beginning of year	<u>933,611</u>	<u>991,517</u>	<u>57,906</u>
Fund balance at end of year	<u>\$ 565,699</u>	<u>\$ 1,048,464</u>	<u>\$ 482,765</u>

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
LAW LIBRARY - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Fines and forfeitures	\$ 50,000	\$ 43,636	\$ (6,364)
Interest	350	243	(107)
Miscellaneous	100	202	102
<b>TOTAL REVENUES</b>	50,450	44,081	(6,369)
<b>EXPENDITURES</b>			
Materials and services	59,998	41,739	18,259
Capital outlay	5,000	--	5,000
<b>TOTAL EXPENDITURES</b>	64,998	41,739	23,259
Net change in fund balance	(14,548)	2,342	16,890
Fund balance at beginning of year	14,548	19,323	4,775
Fund balance at end of year	\$ --	\$ 21,665	\$ 21,665

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
CLERK RECORDS - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses and fees	\$ 24,000	\$ 40,749	\$ 16,749
Interest	600	332	(268)
	24,600	41,081	16,481
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Personal services	30,905	26,742	4,163
Materials and services	10,000	9,249	751
Capital outlay	5,020	4,134	886
	45,925	40,125	5,800
<b>TOTAL EXPENDITURES</b>			
Net change in fund balance	(21,325)	956	22,281
Fund balance at beginning of year	21,325	29,667	8,342
	--	30,623	30,623
<b>Fund balance at end of year</b>	\$ --	\$ 30,623	\$ 30,623

LINCOLN COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
OHP MENTAL HEALTH - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 2,300	\$ 12,940	\$ 10,640
Intergovernmental	1,433,930	1,482,356	48,426
Interest	5,500	4,144	(1,356)
Miscellaneous	300	11,009	10,709
<b>TOTAL REVENUES</b>	<u>1,442,030</u>	<u>1,510,449</u>	<u>68,419</u>
<b>EXPENDITURES</b>			
Personal services	69,487	65,118	4,369
Materials and services	1,749,543	1,570,181	179,362
Capital outlay	5,000	--	5,000
Operating contingency	195,000	--	195,000
<b>TOTAL EXPENDITURES</b>	<u>2,019,030</u>	<u>1,635,299</u>	<u>383,731</u>
Net change in fund balance	(577,000)	(124,850)	452,150
Fund balance at beginning of year	<u>577,000</u>	<u>629,990</u>	<u>52,990</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 505,140</u>	<u>\$ 505,140</u>

LINCOLN COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
SOLID WASTE DISTRICT - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 201,670	\$ 202,937	\$ 1,267
Fines and forfeitures	--	20	20
Interest	1,800	687	(1,113)
<b>TOTAL REVENUES</b>	<u>203,470</u>	<u>203,644</u>	<u>174</u>
<b>EXPENDITURES</b>			
Personal services	76,198	71,454	4,744
Materials and services	130,079	109,605	20,474
Operating contingency	5,000	--	5,000
<b>TOTAL EXPENDITURES</b>	<u>211,277</u>	<u>181,059</u>	<u>30,218</u>
Net change in fund balance	(7,807)	22,585	30,392
Fund balances at beginning of year	<u>42,429</u>	<u>44,410</u>	<u>1,981</u>
Fund balance at end of year	<u>\$ 34,622</u>	<u>\$ 66,995</u>	<u>\$ 32,373</u>

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
ENFORCEMENT - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Fines and forfeitures	\$ 22,000	\$ 18,341	\$ (3,659)
Interest	165	160	(5)
	22,165	18,501	(3,664)
<b>TOTAL REVENUES</b>	<b>22,165</b>	<b>18,501</b>	<b>(3,664)</b>
<b>EXPENDITURES</b>			
Materials and services	15,000	7,163	7,837
Capital outlay	5,000	--	5,000
	20,000	7,163	12,837
<b>TOTAL EXPENDITURES</b>	<b>20,000</b>	<b>7,163</b>	<b>12,837</b>
Excess (deficiency) of revenues over expenditures	2,165	11,338	9,173
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(14,230)	(3,350)	10,880
	(12,065)	7,988	20,053
Net change in fund balance	(12,065)	7,988	20,053
Fund balance at beginning of year	12,065	14,045	1,980
	12,065	14,045	1,980
Fund balance at end of year	\$ --	\$ 22,033	\$ 22,033

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
DOG LICENSE - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses and fees	\$ 53,000	\$ 63,045	\$ 10,045
Charges for services	11,000	14,791	3,791
Intergovernmental	91,800	80,311	(11,489)
State court fines	1,500	1,285	(215)
Interest	500	671	171
Miscellaneous	11,248	18,503	7,255
<b>TOTAL REVENUES</b>	<b>169,048</b>	<b>178,606</b>	<b>9,558</b>
<b>EXPENDITURES</b>			
Personal services	224,572	201,857	22,715
Materials and services	39,420	27,585	11,835
Capital outlay	1,796	--	1,796
<b>TOTAL EXPENDITURES</b>	<b>265,788</b>	<b>229,442</b>	<b>36,346</b>
Excess (deficiency) of revenues over expenditures	(96,740)	(50,836)	45,904
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	70,577	70,577	--
Net change in fund balance	(26,163)	19,741	45,904
Fund balance at beginning of year	26,163	44,161	17,998
Fund balance at end of year	\$ --	\$ 63,902	\$ 63,902

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
TITLE III SAFETY NET - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 272,226	\$ 273,040	\$ 814
Interest	3,000	5,849	2,849
<b>TOTAL REVENUES</b>	<b>275,226</b>	<b>278,889</b>	<b>3,663</b>
<b>EXPENDITURES</b>			
Materials and services	730,329	202,068	528,261
Capital outlay	100,000	83,867	16,133
<b>TOTAL EXPENDITURES</b>	<b>830,329</b>	<b>285,935</b>	<b>(544,394)</b>
Net change in fund balance	(555,103)	(7,046)	548,057
Fund balance at beginning of year	555,103	588,853	33,750
Fund balance at end of year	<b>\$ --</b>	<b>\$ 581,807</b>	<b>\$ 581,807</b>

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
CORNER PRESERVATION - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses and fees	\$ 150,000	\$ 189,359	\$ 39,359
Intergovernmental	--	61,124	61,124
Interest	3,000	2,800	(200)
	153,000	253,283	100,283
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Personal services	177,274	160,636	16,638
Materials and services	27,100	21,018	6,082
Capital outlay	40,000	29,104	10,896
Operating contingency	120,806	--	120,806
	365,180	210,758	154,422
<b>TOTAL EXPENDITURES</b>			
Net change in fund balance	(212,180)	42,525	254,705
Fund balance at beginning of year	212,180	258,287	46,107
	--	300,812	300,812
Fund balance at end of year	\$ --	\$ 300,812	\$ 300,812

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
EXTENSION AGENCY - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 195,439	\$ 197,583	\$ 2,144
Charges for services	18,500	5,570	(12,930)
Intergovernmental	164,866	63,768	(101,098)
Interest	--	1,274	1,274
Miscellaneous	1,000	737	(263)
	379,805	268,932	(110,873)
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Personal services	200,701	134,130	66,571
Materials and services	217,669	102,699	114,970
Capital outlay	5,000	--	5,000
Operating contingency	20,000	--	20,000
	443,370	236,829	206,541
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over expenditures	(63,565)	32,103	95,668
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	46,060	46,093	(33)
	(17,505)	78,196	95,701
Net change in fund balance	(17,505)	78,196	95,701
Fund balance at beginning of year	89,565	104,440	14,875
	89,565	104,440	14,875
Fund balance at end of year	\$ 72,060	\$ 182,636	\$ 110,576

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
AGATE BEACH CLOSURE - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licences and fees	\$ 20,000	\$ 53,433	\$ 33,433
Intergovernmental	--	--	--
Interest	6,200	6,075	(125)
	<u>26,200</u>	<u>59,508</u>	<u>33,308</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Materials and services	497,064	16,085	480,979
Capital outlay	5,000	--	5,000
Operating contingency	50,000	--	50,000
	<u>552,064</u>	<u>16,085</u>	<u>535,979</u>
<b>TOTAL EXPENDITURES</b>			
Net change in fund balance	(525,864)	43,423	569,287
Fund balance at beginning of year	525,864	558,877	33,013
	<u>525,864</u>	<u>558,877</u>	<u>33,013</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 602,300</u>	<u>\$ 602,300</u>

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
DUII - SPECIAL REVENUE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licences and fees	\$ 2,000	\$ 3,119	\$ 1,119
Intergovernmental	--	--	--
Interest	500	302	(198)
<b>TOTAL REVENUES</b>	<b>2,500</b>	<b>3,421</b>	<b>921</b>
<b>EXPENDITURES</b>			
Materials and services	26,084	13,145	12,939
Capital outlay	5,000	--	5,000
<b>TOTAL EXPENDITURES</b>	<b>31,084</b>	<b>13,145</b>	<b>17,939</b>
Net change in fund balance	(28,584)	(9,724)	18,860
Fund balance at beginning of year	28,584	29,821	1,237
Fund balance at end of year	<b>\$ --</b>	<b>\$ 20,097</b>	<b>\$ 20,097</b>

LINCOLN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
DUII M3 FORFEITURE - SPECIAL REVENUE FUND  
Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licences and fees	\$ 10,000	\$ 200	\$ (9,800)
<b>EXPENDITURES</b>			
Materials and services	<u>15,000</u>	<u>200</u>	<u>14,800</u>
Net change in fund balance	(5,000)	--	5,000
Fund balance at beginning of year	<u>5,000</u>	<u>--</u>	<u>(5,000)</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

## **OTHER GOVERNMENTAL FUNDS (NONMAJOR)**

### **Debt Service Fund**

The Debt Service Fund accounts for payments of principal and interest on general obligation bonds. The principal source of revenue is property taxes.

LINCOLN COUNTY

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
DEBT SERVICE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 813,514	\$ 825,530	\$ 12,016
Interest	1,500	1,881	381
Miscellaneous	--	4,295	4,295
	815,014	831,706	16,692
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Debt service			
Principal	555,000	555,000	--
Interest	221,513	221,513	--
	776,513	776,513	--
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over expenditures	38,501	55,193	16,692
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sale of refunding bonds	--	3,704,215	3,704,215
Payment to escrow agent	--	(3,704,215)	(3,704,215)
	--	--	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
Net change in fund balance	38,501	55,193	16,692
Fund balance at beginning of year	175,499	144,542	(30,957)
	214,000	199,735	(14,265)
Fund balance at end of year	\$ 214,000	\$ 199,735	\$ (14,265)

## **OTHER GOVERNMENTAL FUNDS (NONMAJOR)**

### **Capital Projects Fund**

The Capital Projects Fund accounts for the financing of public facility additions, improvements, renovations, and property acquisitions.

LINCOLN COUNTY

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND  
Year Ended June 30, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>OTHER FINANCING USES</b>			
Operating transfers out	\$ (46,060)	\$ (46,093)	\$ (33)
Fund balance at beginning of year	<u>46,060</u>	<u>46,093</u>	<u>33</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

## **PROPRIETARY FUND**

### **Internal Service Fund**

The Insurance Reserve Fund accounts for costs of the County's self-insurance programs. Charges to other organizational units and refunds from insurance policies support these activities.

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
INSURANCE RESERVE - INTERNAL SERVICE FUND  
Year Ended June 30, 2004**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 562,500	\$ 568,095	\$ 5,595
Intergovernmental	--	3,889	3,889
Interest	23,000	15,329	(7,671)
Miscellaneous	12,200	27,808	15,608
	<u>597,700</u>	<u>615,121</u>	<u>17,421</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Personal services	638,083	478,254	159,829
Materials and services	575,650	124,653	450,997
Capital outlay	265,000	51,100	213,900
Contingency	477,193	--	477,193
	<u>1,955,926</u>	<u>654,007</u>	<u>1,301,919</u>
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over expenditures	(1,358,226)	(38,886)	(1,319,340)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(150,000)	(150,000)	--
	<u>(150,000)</u>	<u>(150,000)</u>	<u>--</u>
Net change in fund balance	(1,508,226)	(188,886)	(1,319,340)
Fund balance at beginning of year	1,508,226	1,636,614	128,388
	<u>1,508,226</u>	<u>1,636,614</u>	<u>128,388</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 1,447,728</u>	<u>\$ 1,447,728</u>

## **FIDUCIARY FUND**

### **Agency Funds**

These funds account for resources received and held by the County in a fiduciary capacity. Funds included are:

- The *Agency Funds* account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

**LINCOLN COUNTY**

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
Year Ended June 30, 2004**

	Balances July 1, 2003	Additions	Deductions	Balances June 30, 2004
<b><u>ASSETS</u></b>				
Cash and investments	2,714,741	121,158,519	122,045,522	1,827,738
Property taxes receivable	5,560,972	51,068,327	51,934,181	4,695,118
	<b>\$ 8,275,713</b>	<b>\$ 172,226,846</b>	<b>\$ 173,979,703</b>	<b>\$ 6,522,856</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 604,027	\$ -	\$ 604,027
Fiduciary liabilities	8,275,713	171,622,819	173,979,703	5,918,829
	<b>\$ 8,275,713</b>	<b>\$ 172,226,846</b>	<b>\$ 173,979,703</b>	<b>\$ 6,522,856</b>

**LINCOLN COUNTY**

**SCHEDULE OF RECEIPTS AND DISBURSEMENTS FOR ELECTED OFFICIALS  
Year Ended June 30, 2004**

	Cash and Investment Balances July 1, 2003	Receipts	Disbursements	Cash and Investment Balances June 30, 2004
Treasurer	\$ 25,392,654	\$ 212,574,404	\$ 212,303,837	\$ 25,663,221
District Attorney	<u>228</u>	<u>1</u>	<u>-</u>	<u>229</u>
	<u>\$ 25,392,882</u>	<u>\$ 212,574,405</u>	<u>\$ 212,303,837</u>	<u>\$ 25,663,450</u>

The County Sheriff, Surveyor, Assessor and Clerk do not maintain any funds at financial institutions.

# STATISTICAL SECTION



## LINCOLN COUNTY

### GOVERNMENTAL EXPENDITURES BY FUNCTION (1) For the Last Fifteen Fiscal Years

Fiscal Year Ended June 30,	General Government	Community Services (2)	Public Safety	Highways and Streets	Culture and Recreation	Health and Welfare	Education	Capital Outlay	Debt Service	Totals
1990	\$ 4,345,344	\$ -	\$ 4,160,021	\$ 3,470,114	\$ 247,346	\$ 3,851,068	\$ 2,310,919	\$ 3,907,209	\$ -	\$ 22,292,021
1991	5,247,620	-	4,984,913	3,390,329	318,239	3,955,724	1,392,455	8,283,221	761,480	28,333,981
1992	5,760,491	-	5,951,754	3,610,497	359,262	3,882,113	2,028,400	3,963,198	857,003	26,412,718
1993	6,168,594	-	7,538,735	4,241,095	445,481	3,714,021	1,499,589	2,438,304	969,423	27,015,242
1994	5,028,112	1,450,511	7,837,325	3,879,453	168,963	3,472,573	1,546,024	1,977,748	1,115,018	26,475,727
1995	6,250,104	1,876,370	8,148,733	4,336,724	187,759	3,696,019	1,544,250	718,037	1,243,222	28,001,218
1996	6,486,348	2,026,656	8,661,005	5,414,253	230,586	3,681,578	1,450,143	506,178	947,446	29,404,193
1997	6,765,029	1,852,856	9,234,168	4,553,633	256,631	3,961,710	1,617,494	1,532,384	941,953	30,715,858
1998	6,360,761	1,136,489	9,522,162	4,798,044	232,971	4,524,833	1,756,534	1,253,784	855,237	30,440,815
1999	6,292,853	1,243,112	10,231,367	4,824,994	178,423	5,791,087	1,531,025	2,889,968	756,865	33,739,694
2000	6,462,074	1,527,458	10,491,745	4,751,935	165,623	6,514,766	1,675,824	4,133,913	797,855	36,521,193
2001	7,078,050	1,781,083	11,085,457	4,908,459	194,312	7,364,221	964,027	3,435,121	954,610	37,765,340
2002	6,216,810	2,853,909	11,926,391	4,654,023	240,727	8,356,776	1,474,909	2,701,693	1,084,660	39,509,898
2003	6,249,409	2,646,610	11,865,027	4,830,305	241,228	9,039,312	1,643,408	2,070,087	1,087,162	39,672,548
2004	6,471,918	2,522,072	12,332,419	4,900,781	223,242	8,893,739	1,515,489	1,892,960	1,092,487	39,845,107

(1) Includes General, Special Revenue, Debt Service and Capital Project Funds.

(2) New reclassification of expenditures for 1994. Information for previous years was not available.

Source: Lincoln County Finance and Accounting Department

## LINCOLN COUNTY

### GOVERNMENTAL REVENUES BY SOURCE <sup>(1)</sup> For the Last Fifteen Fiscal Years

Fiscal Year Ended June 30,	Taxes	Licenses and Fees	Charges for Services	Inter- governmental Revenues	Fines and Forfeits	Special Assessments	Interest and Miscellaneous	Totals
1990	\$ 10,172,186	\$ 674,742	\$ 516,471	\$ 10,870,324	\$ 90,795	\$ -	\$ 1,661,266	\$ 23,985,784
1991	9,794,931	746,001	262,226	10,317,265	113,922	-	2,066,432	23,300,777
1992	11,418,225	917,407	717,013	10,497,218	121,885	-	1,471,331	25,143,079
1993	10,778,185	987,301	790,983	11,776,431	157,323	-	1,424,935	25,915,158
1994	12,097,923	1,231,406	1,479,494	10,673,072	133,243	-	1,143,817	26,758,955
1995	12,390,901	1,402,529	1,916,792	12,476,187	118,132	-	1,627,122	29,931,663
1996	12,497,888	1,375,970	1,360,059	12,631,674	94,380	-	1,170,013	29,129,984
1997	12,892,440	1,452,404	1,291,992	14,740,330	115,579	-	1,621,131	32,113,876
1998	13,421,344	1,463,425	1,153,925	14,401,923	108,731	-	1,672,996	32,222,344
1999	13,829,984	1,312,632	1,988,813	14,167,955	120,320	-	1,546,982	32,966,686
2000	15,118,383	1,198,998	2,488,104	15,049,060	136,199	-	1,952,499	35,943,243
2001	13,360,884	1,361,569	2,666,522	16,539,083	131,013	-	1,922,716	35,981,787
2002	14,581,396	1,348,232	2,974,343	19,616,273	111,877	-	1,662,984	40,295,105
2003	15,450,192	1,751,451	3,499,753	19,895,858	101,067	-	1,849,949	42,548,270
2004	15,451,308	1,957,312	3,733,135	18,474,425	113,702	-	1,174,591	40,904,473

(1) Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Source: Lincoln County Finance and Accounting Department

## LINCOLN COUNTY

### PROPERTY TAX LEVIES AND COLLECTIONS For the Last Fifteen Fiscal Years

Fiscal Year Ended June 30,	Certified Tax Levies			Adjustments	Current Tax Collections	Total Levy Reductions	Levy Reduction as a Percentage of Current Levy	Delinquent Tax Collections	Total Levy Reduction and Tax Collections	Total Levy Reduction as a Percentage of Current Levy	Uncollected Taxes	Uncollected Taxes as a Percentage of Current Levy
	General Fund	Special Levies	Totals									
1990	\$ 6,710,268	\$ 621,409	\$ 7,331,677	\$ 390,680	\$ 6,124,679	\$ 6,515,359	\$ 1	\$ 686,552	\$ 7,201,911	98.2%	\$ 1,481,451	20.2%
1991	7,112,884	784,095	7,896,979	603,437	6,495,173	7,098,610	89.9%	712,827	7,811,437	98.9%	1,493,152	18.9%
1992	7,539,657	665,379	8,205,036	827,618	6,710,420	7,538,038	91.9%	820,255	8,358,293	101.9%	1,254,649	15.3%
1993	7,992,036	726,705	8,718,741	855,314	7,227,552	8,082,866	92.7%	637,608	8,720,474	100.0%	1,156,785	13.3%
1994	8,471,558	607,300	9,078,858	868,415	7,482,994	8,351,409	92.0%	589,048	8,940,457	98.5%	1,202,214	13.2%
1995	8,979,851	814,015	9,793,866	1,048,005	8,004,906	9,052,911	92.4%	629,051	9,681,962	98.9%	1,185,978	12.1%
1996	9,518,641	772,697	10,291,338	957,416	8,510,258	9,467,674	92.0%	658,223	10,125,897	98.4%	1,201,983	11.7%
1997	10,089,759	698,203	10,787,962	726,689	9,253,862	9,980,551	92.5%	622,636	10,603,187	98.3%	1,222,821	11.3%
1998	9,157,459	663,662	9,821,121	102,776	9,064,200	9,166,976	93.3%	618,612	9,785,588	99.6%	1,205,505	12.3%
1999	9,817,786	720,087	10,537,873	249,533	9,606,290	9,855,823	93.5%	593,018	10,448,841	99.2%	1,295,359	12.3%
2000	10,300,243	738,547	11,038,790	269,360	10,112,269	10,381,629	94.0%	687,118	11,068,747	100.3%	1,263,797	11.4%
2001	11,364,572	454,131	11,818,703	299,390	10,782,877	11,082,267	93.8%	614,570	11,696,837	99.0%	1,343,103	11.4%
2002	11,704,122	702,219	12,406,341	306,482	11,335,094	11,641,576	93.8%	687,410	12,328,986	99.4%	1,405,743	11.3%
2003	12,024,237	681,205	12,705,442	322,346	11,673,293	11,995,639	94.4%	718,547	12,714,186	100.1%	1,400,757	11.0%
2004	12,351,436	829,681	13,181,117	475,871	12,116,747	12,592,618	95.5%	688,894	13,281,512	100.8%	1,201,692	9.1%

Source: Lincoln County Treasurer

LINCOLN COUNTY

ASSESSED AND ESTIMATED ACTUAL VALUES OF TAXABLE PROPERTY  
For the Last Fifteen Fiscal Years

Fiscal Year Ended June 30,	Real Property			Personal Property			Public Utility Property			Total	
	Assessed Value	Estimated Actual Value	Ratio	Assessed Value	Estimated Actual Value	Ratio	Assessed Value	Estimated Actual Value	Ratio	Assessed Value	Estimated Actual Value
1990	\$ 1,706,270,563	\$ 1,706,270,563	100.00	\$ 78,398,606	\$ 78,398,606	100.00	\$ 78,666,212	\$ 78,666,212.0	100.00	\$ 1,863,335,381	\$ 1,863,335,381
1991	1,844,224,306	1,844,224,306	100.00	80,971,258	80,971,258	100.00	77,219,931	77,219,931	100.00	2,002,415,495	2,002,415,495
1992	2,076,880,850	2,076,880,850	100.00	89,554,900	89,554,900	100.00	79,620,926	79,620,926	100.00	2,246,056,676	2,246,056,676
1993	2,486,576,361	2,486,576,361	100.00	92,141,075	92,141,075	100.00	86,197,961	86,197,961	100.00	2,664,915,397	2,664,915,397
1994	2,844,368,992	2,844,368,992	100.00	100,691,028	100,691,028	100.00	90,482,704	90,482,704	100.00	3,035,542,724	3,035,542,724
1995	3,353,880,411	3,353,880,411	100.00	103,013,031	103,013,031	100.00	97,219,126	97,219,126	100.00	3,554,112,568	3,554,112,568
1996	3,622,027,447	3,622,027,447	100.00	109,735,159	109,735,159	100.00	100,428,756	100,428,756	100.00	3,832,191,362	3,832,191,362
1997	3,926,671,348	3,926,671,348	100.00	114,868,082	114,868,082	100.00	97,431,743	97,431,743	100.00	4,138,971,173	4,138,971,173
1998	3,505,119,058	4,326,432,943	81.02	109,734,431	119,319,685	91.97	95,671,024	110,439,358	86.63	3,710,524,513	4,556,191,986
1999	3,628,705,185	4,424,622,793	82.01	124,231,680	130,486,170	95.21	112,003,263	120,092,080	93.26	3,864,940,128	4,675,201,043
2000	3,799,709,615	4,604,258,173	82.53	143,428,038	148,642,748	96.49	128,991,934	132,561,740	97.31	4,072,129,587	4,885,462,661
2001	4,066,695,215	4,853,877,963	83.78	147,639,862	151,231,742	97.62	131,895,406	148,769,753	88.66	4,346,230,483	5,153,879,458
2002	4,234,381,425	4,977,789,863	85.07	144,539,654	148,468,634	97.35	139,168,704	139,794,482	99.55	4,518,089,783	5,266,052,979
2003	4,377,313,240	5,039,643,805	86.86	143,388,457	147,256,467	97.37	147,631,138	147,876,348	99.83	4,668,332,835	5,334,776,620
2004	4,488,293,160	5,171,294,870	86.79	136,915,280	140,108,090	97.72	148,501,964	148,849,096	99.77	4,773,710,404	5,460,252,056

Source: Lincoln County Assessor's Office

## LINCOLN COUNTY

### PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF ASSESSED VALUE) For the Last Fifteen Years

Fiscal Year Ended June 30,	Lincoln County	Lincoln County School District	Lincoln County Historical Society (2)	All Other Districts	Totals
1990	3.86	11.69	0.03	0.31	15.89
1991	3.79	11.22	0.06	0.31	15.38
1992	3.36	9.49	0.04	0.65	13.54
1993	3.04	8.09	0.10	0.51	11.74
1994	2.80	7.22	0.10	0.47	10.59
1995	2.63	6.23	0.09	0.49	9.44
1996	2.60	6.64	0.09	0.45	9.78
1997	2.60	6.33	0.09	0.98	10.00
1998 (1)	2.84	5.75	-	0.85	9.44
1999	2.90	5.73	-	0.86	9.49
2000	2.90	5.73	-	0.86	9.49
2001	2.91	5.74	-	0.87	9.52
2002	2.94	5.70	-	0.87	9.51
2003	2.95	5.93	-	0.87	9.75
2004	2.98	5.81	-	0.87	9.66

(1) In May 1997, a property tax limitation measure was passed that resulted in property values being reduced to the lesser of the 1995 assessed value or the 1996 assessed value, less 10 percent. Assessed values were then limited to the lesser or Real Market Value or the earlier calculation increased by not more than 3 percent per year.

(2) The Lincoln County Historical Society no longer has taxing authority or a tax base.

Source: Lincoln County Assessor's & Finance Department

## LINCOLN COUNTY

### RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

For the Last Fifteen Fiscal Years

Fiscal Year Ended June 30,	Population (Estimated)	Assessed Valuation	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt per Capita
1990	38,900	\$ 1,863,335,381	\$ 8,400,000	0.45%	\$ 216
1991	39,300	2,002,415,495	7,686,763	0.38%	196
1992	39,600	2,246,056,676	7,462,564	0.33%	188
1993	39,600	2,664,915,397	7,892,582	0.30%	199
1994	40,000	3,035,542,724	7,623,968	0.25%	191
1995	40,800	3,554,112,568	7,200,757	0.20%	176
1996	41,800	3,832,191,362	6,779,824	0.18%	162
1997	42,200	4,138,971,173	6,413,848	0.15%	152
1998	42,500	3,710,524,513	6,088,210	0.16%	143
1999	43,350	3,864,940,128	5,653,676	0.15%	130
2000	44,479	4,072,129,587	5,152,627	0.13%	116
2001	44,650	4,346,230,483	4,944,778	0.11%	111
2002	44,700	4,518,089,783	4,501,653	0.10%	101
2003	45,000	4,668,332,835	4,055,458	0.09%	90
2004	45,000	4,773,710,404	3,500,265	0.07%	78

Sources: Center for Population Research and Census, School of Urban and Public Affairs Portland State University

Lincoln County Assessor

Lincoln County Finance and Accounting Department

# LINCOLN COUNTY

## COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2004

Real market value of all taxable property	\$ 5,460,252,056
Limitation per ORS 287.054	<u>2%</u>
Limit of maximum aggregate amount of debt outstanding	109,205,041
General obligation bonds outstanding at June 30, 2004	<u>(3,700,000)</u>
Legal debt margin - amount available for future indebtedness	<u><u>\$ 105,505,041</u></u>

Sources:

Lincoln County Assessor

Lincoln County Finance and Accounting Department

## LINCOLN COUNTY

### COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 2004

Municipality	Total Bonded Debt Outstanding	Percent within County	Amount Applicable to County
<b>Direct:</b>			
Lincoln County	\$ 3,700,000	100.0000%	\$ 3,700,000
<b>Overlapping:</b>			
Beverly Beach Water District	2,237	100.0000%	2,237
City of Depoe Bay	1,000,484	100.0000%	1,000,484
City of Lincoln City	2,215,000	100.0000%	2,215,000
City of Newport	12,060,000	100.0000%	12,060,000
City of Siletz	57,871	100.0000%	57,871
City of Waldport	210,000	100.0000%	210,000
City of Yachats	1,139,758	100.0000%	1,139,758
Kernville, Gleneden, Lincoln Beach Water District	1,018,123	100.0000%	1,018,123
Lincoln County Unified School District	26,830,000	99.4034%	26,669,932
Lower Siletz Water District	89,225	100.0000%	89,225
North Lincoln Fire and Rescue District #1	2,290,000	98.5251%	2,256,225
Pacific Communities Hospital District	995,000	100.0000%	995,000
Panther Creek Water District	86,461	100.0000%	86,461
Port of Newport	643,000	100.0000%	643,000
Roads End Sanitary District	112,695	100.0000%	112,695
Seal Rock Water District	92,969	100.0000%	92,969
Siletz Keys Sanitary District	97,365	100.0000%	97,365
<b>Total Overlapping</b>	<b>48,940,188</b>		<b>48,746,345</b>
<b>Total</b>	<b>\$ 52,640,188</b>		<b>\$ 52,446,345</b>

(1) Includes general obligation bonds minus any that are fully self-supporting.

Source: Municipal Debt Advisory Commission, State of Oregon

## LINCOLN COUNTY

### PERCENT OF DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES

For the Last Fourteen Fiscal Years

Fiscal Year Ended June 30,	Principal	Interest	Total Debt Service	Total Governmental Expenditures	Percent of Debt Service to Total Governmental Expenditures
1991	\$ 215,000	\$ 546,480	\$ 761,480	\$ 28,333,981	2.7%
1992	225,000	533,940	758,940	26,412,718	2.9%
1993	235,000	520,569	755,569	27,015,242	2.8%
1994	370,000	388,908	758,908	26,475,727	2.9%
1995	335,000	421,827	756,827	28,001,218	2.7%
1996	360,000	403,065	763,065	29,404,193	2.6%
1997	375,000	382,573	757,573	30,715,858	2.5%
1998	400,000	360,613	760,613	30,440,815	2.5%
1999	420,000	336,865	756,865	33,739,694	2.2%
2000	455,000	311,294	766,294	36,521,193	2.1%
2001	475,000	290,063	765,063	37,765,340	2.0%
2002	500,000	268,687	768,687	39,509,898	1.9%
2003	525,000	246,188	771,188	39,672,548	1.9%
2004	555,000	221,513	776,513	39,845,107	1.9%

Source: Lincoln County Finance and Accounting Department

## LINCOLN COUNTY

### DEMOGRAPHIC STATISTICS For the Last Fifteen Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Population (Estimated)</u>	<u>County Unemployment Rate</u>	<u>State Unemployment Rate</u>
1990	38,900	5.9 %	5.5 %
1991	39,300	5.6	6.0
1992	39,600	7.3	7.5
1993	39,600	7.2	7.8
1994	40,000	5.9	5.8
1995	40,800	5.6	5.2
1996	41,800	5.7	5.1
1997	42,200	8.1	5.1
1998	42,500	7.0	5.4
1999	43,350	7.2	5.5
2000	43,850	7.1	5.0
2001	44,650	5.6	5.6
2002	44,700	7.1	7.3
2003	45,000	8.1	8.7
2004	45,000	7.1	6.9

Sources:

Center for Population Research and Census, School of Urban and Public Affairs Portland State University  
Department of Human Resources, State of Oregon, Employment Services Division

## LINCOLN COUNTY

### PROPERTY VALUE, CONSTRUCTION PERMITS AND BANK DEPOSITS For the Last Fifteen Years

Fiscal Year Ended June 30,	Commercial Construction (1) Value (\$000)	Residential Construction (1)		Bank Deposits (2) (\$000)	Property Value		
		Number of Units	Value (\$000)		Real Property (2) (\$000)	Personal Property (2) (\$000)	Public Utility Property (2) (\$000)
1990	8,484	288	20,457	284,156	1,706,271	78,399	78,666
1991	10,666	181	12,256	333,513	1,844,224	80,971	77,220
1992	1,681	333	25,983	376,907	2,076,880	89,555	79,621
1993	3,564	643	64,503	398,547	2,486,576	92,141	86,198
1994	24,900	1,107	48,489	394,198	2,844,639	100,691	90,483
1995	28,841	380	33,549	393,718	3,353,880	103,013	97,219
1996	29,796	351	29,165	416,147	3,622,027	109,735	100,429
1997	44,059	199	22,204 (2)	417,694	3,924,984	116,555	97,431
1998	- (3)	212	25,919 (2)	429,928	4,326,433	119,320	110,439
1999	- (3)	181	21,524 (2)	434,764	4,424,623	130,486	120,092
2000	- (3)	269	29,500 (2)	443,460	4,604,258	148,643	132,562
2001	- (3)	242	27,465 (2)	450,140	4,853,878	151,231	148,770
2002	- (3)	189	26,863 (2)	463,787	4,977,790	148,469	139,794
2003	- (3)	221	33,354 (2)	510,283	5,039,644	147,256	147,876
2004	- (3)	204	33,787 (2)	550,582	5,171,295	140,108	148,850

(1) For the calendar year.

(2) For the fiscal year ended June 30.

(3) Data not available.

Sources: Lincoln County Assessor's Office, State of Oregon Banking Division, State of Oregon Housing Division, PSU Center for Population and Research

# LINCOLN COUNTY

## PRINCIPAL TAXPAYERS

June 30, 2004

Taxpayer	Type of Business	2003-04 Assessed Valuation	Percentage of Total Assessed Valuation
Georgia Pacific West Inc.	Wood Products	\$ 188,139,510	3.94%
Central Lincoln Public Utility District	Energy Distribution	50,202,888	1.05%
Plum Creek Timberlands LP	Wood Products	43,513,750	0.91%
The Worldmark Club	Lodging	32,688,770	0.68%
Northwest Natural Gas	Energy Distribution	32,604,500	0.68%
R. R. Lincoln City Inc.	Retail Shopping Center	26,373,550	0.55%
Simpson Timber Co.	Wood Products	20,235,220	0.42%
Pioneer Telephone COOP	Communications	19,560,584	0.41%
Boise Cascade Corp	Wood Products	19,419,230	0.41%
Shilo Inn Lincoln City LLC	Lodging	15,576,120	0.33%
<b>Totals</b>		<b>\$ 448,314,122</b>	<b>9.39%</b>

Source: Lincoln County Assessor's Office

# LINCOLN COUNTY

## INSURANCE IN FORCE

June 30, 2004

Company	Policy Number	Amount	Coverage	Expiration Date	Premium
Lifewise	2010560	Unlimited	Medical coverage for all eligible employees and dependents	6/30/04	\$ 2,450,834
ODS	D504	Varies	Dental coverage for all eligible employees and dependents	6/30/04	414,484
City County Insurance	03LLCNC	\$ 5,000,000	Auto and General Liability	6/30/04	206,701
City County Insurance	O3APDLCNC	100 Comp; 500 Collision	Auto coverage for physical damage	6/30/04	21,039
SAFECO	01-FI 709072-30	10,000	Public employee dishonesty	5/01/05	706
SAFECO	EX 630-361	50,000	Bond on assistant tax collector	12/31/04	200
SAFECO	EX 840-533	100,000	Bond on County treasurer	1/04/05	500
SAFECO	EX 520-356	25,000	Bond on accounting clerk	1/01/05	100
Standard Insurance Co.	608909-A	Varies	Long-term disability for Sheriff's office	6/30/04	8,867
Standard Insurance Co.	608909-B	20,000	Life insurance for all County employees, incld. AD & D except \$15,000 for Sheriff	6/30/04	23,775
City County Insurance	03WLCNC	3,000,000	Workers' compensation policy	6/30/04	90,979
CIMA Companies	SPS 900304	Varies	Workers' compensation policy	7/01/04	1,024
Old Republic	YPO 211590	25,000	Bond for Fair Board	6/30/04	600
CCIS	03BLCNC	50,000,000	Boiler/Machinery/Equipment Breakdown	6/30/04	3187

# LINCOLN COUNTY

## MISCELLANEOUS STATISTICS

June 30, 2004

Area in square miles: 1,000

Form of government: 3 member board of elected Commissioners -  
elected for four-year terms

Number of employees: 381

<u>Largest Cities:</u>	<u>2003 Population (Estimated)</u>
Newport	9,740
Lincoln City	7,420
Toledo	3,580
Waldport	2,060
Depoe Bay	1,230
Siletz	1,130
Yachats	670
Unincorporated	<u>19,170</u>
Total	<u><u>45,000</u></u>

# **AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS**



## **DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding sections of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in the following pages.

- *Accounting and Internal Controls*
- *Collateral*
- *Indebtedness*
- *Budget*
- *Insurance and Fidelity Bonds*
- *Programs Funded from Outside Sources*
- *Highway Funds*
- *Investments*
- *Public Contracts and Purchasing*



**LINCOLN COUNTY**

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE  
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS  
Year Ended June 30, 2004**

Accounting and Internal Controls

The broad objectives of internal accounting control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and that financial records are reliable to permit the preparation of financial statements. The following operating objectives are necessary to achieve the broad objectives:

- a. Transactions are executed in accordance with management's general or specific authorization.
- b. Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements and (2) to maintain accountability for assets.
- c. Access to assets is permitted only in accordance with management's authorization.
- d. The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. Any projection of a current evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with prescribed procedures may deteriorate.

The accounting records and internal controls and adequate considering the size and complexity of the municipal corporation's financial activities.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)**

Collateral

ORS 295.015 requires collateral pool certificates of participation to be obtained from the pool manager of the depository in an amount equal to the funds on deposit in excess of the amount insured by the Federal Deposit Insurance Corporation. Collateral pool certificates warrant that the pool manager holds custodian's receipts for eligible securities pledged by the depository bank to secure deposits of public funds of a value as the last calculation date of not less than 25 percent of the aggregate amount of certificates outstanding. At June 30, 2004, the deposits of the county were covered by the following collateral pool certificates:

<u>Depository Bank</u>	<u>Pool Manager</u>	<u>Amount</u>
Bank of America Oregon	Oregon State Treasurer	\$ 500,000
West Coast Bank	US Bank	10,000,000
US Bank	Federal Home Loan Bank	35,000,000
Bank of the West	US Bank	15,000,000
Umpqua Bank	Federal Home Loan Bank	8,000,000

Deposits of the County were secured in accordance with ORS 295.015.

Indebtedness

The legal debt limit has not been exceeded.

Budget

1. Preparation and adoption

The budgets for the years ended June 30, 2005 and 2004 were prepared and adopted in compliance with legal requirements.

2. Execution

The budget for the year ended June 30, 2004, was executed in compliance with legal requirements.

**DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS (Continued)**

Insurance and Fidelity Bonds

The County's insurance agent confirmed that insurance coverage was adequate at June 30, 2004.

ORS 210.120 to 220.150 establishes bonding requirements for County officials and employees. The County's Board of Commissioners have established the following bonds:

Treasurer, Linda Pitzer	\$ 100,000
Assistant Tax Collector	50,000
Accounting Clerk	25,000
Public Employee Dishonesty	10,000

Programs Funded From Outside Sources

The County operated various programs funded wholly or partially by governmental agencies. Our report on compliance with laws and regulations and on internal controls used in administering federal financial assistance programs appear on pages 76 through 85 of this report. In addition to our audit, these grants and projects are subject to further review by federal audit agencies.

Highway Funds

The County used revenue from taxes on motor vehicles use in compliance with ORS 373.240 to 373.250.

Investments

Funds of the County were invested in compliance with ORS 294.035.

Public Contracts and Purchasing

1. Awarding of public contracts:

The County awarded public contracts in accordance with ORS 279.

2. Construction of public improvements:

There were no County-constructed public improvements in 2003-04.

**Boldt, Carlisle & Smith, LLC**  
Certified Public Accountants  
Salem, Oregon  
September 24, 2004

# GRANT COMPLIANCE - SINGLE AUDIT





**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**Board of County Commissioners  
LINCOLN COUNTY  
Newport, Oregon**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **LINCOLN COUNTY** as of and for the year ended June 30, 2004 which collectively comprise the County's basic financial statements, and have issued our report thereon dated September 24, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

***Compliance and Other Matters***

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

**Board of County Commissioners  
LINCOLN COUNTY  
Newport, Oregon**

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (CONTINUED)**

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Boldt, Carlisle & Smith, LLC*

Certified Public Accountants

Salem, Oregon

September 24, 2004



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

**Board of County Commissioners  
LINCOLN COUNTY  
Newport, Oregon**

*Compliance*

We have audited the compliance of **LINCOLN COUNTY** with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, **LINCOLN COUNTY** complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

**Board of County Commissioners  
LINCOLN COUNTY  
Newport, Oregon**

**Report on Compliance with Requirements Applicable  
to Each Major Program and on Internal Control Over  
Compliance in Accordance with OMB Circular A-133(Continued)**

*Internal Control Over Compliance*

The management of **LINCOLN COUNTY** is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of County Commissioners, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Boldt, Carlisle & Smith, LLC*

Certified Public Accountants  
Salem, Oregon  
September 24, 2004

LINCOLN COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2004

Section I Summary of Auditor's Results

**Financial Statements**

Type of auditor's report issued:	<i>Unqualified</i>
Internal control over financial reporting:	
◆ Material weakness identified?	NO
◆ Reportable conditions identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	NO

**Federal Awards**

Internal control over major programs:	
◆ Material weakness identified?	NO
◆ Reportable condition identified that are not considered to be material weakness?	None Reported
Type of auditor's report issued on compliance for major programs:	<i>Unqualified</i>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	NO

Identification of major programs:

<u>C DFA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.665	Forest Services, Schools and Roads Grants to Counties
15.000	Bureau of Land Management (BLM) O & C Grant
20.500	Federal Transit – Capital Investment Grants

Dollar threshold used to distinguish between type A and type B programs:	\$300,000
Auditee qualified as low-risk auditee:	YES

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

LINCOLN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2004

<u>Federal Grantor / Pass-through grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expendi- tures</u>
<i>Department of Agriculture</i>			
<hr/>			
Food and Nutrition Service			
Oregon Department of Human Services - Health Division			
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557		\$ 171,134
Forest Service			
Oregon Department of Administrative Services			
Schools and Roads - Grants to States	10.665		<u>4,554,416</u>
			<u>4,725,550</u>
<i>Department of Commerce</i>			
<hr/>			
National Oceanic and Atmospheric Administration			
Oregon Department of Land Conservation and Development			
Coastal Zone Management Administration Awards	11.419		
Technical Assistance Grant		TA-C-03-014	16,000
Technical Assistance Grant		TA-C-03-015	9,000
		C-2004-019	30,000
Digital Flood Hazard Information		TA-306-04-007	9,382
Small Scale Construction - Mike Miller Park		C-306A-03-004	<u>25,000</u>
			<u>89,382</u>
<i>Department of Housing and Urban Development (HUD)</i>			
<hr/>			
Office of Community Planning and Development			
Oregon Housing and Community Services Department			
Community Development Block Grants/State's Program	14.228		
Lincoln County Housing Rehabilitation Program		H010008	<u>139,015</u>
<i>Department of Interior</i>			
<hr/>			
Bureau of Land Management (BLM) - O&C grant	15.000		<u>359,375</u>
<i>Department of Justice</i>			
<hr/>			
Office of Juvenile Justice and Delinquency Prevention (OJJDP)			
Oregon State Police - Criminal Justice Services Division			
Juvenile Accountability Incentive Block Grants	16.523		
		02-620	35,492
Oregon Criminal Justice Commission			
Juvenile Justice and Delinquency Prevention Allocations to States	16.540	FG 2003-21	6,532
Lincoln County Children's Advocacy Center			
Missing Children's Assistance	16.543		
Program Support		NewPort-215-PS04	8,500
Drug Enforcement Administration			
Violence Against Women Office			
Safe Havens: Supervised Visitation and Safe Exchange Grant Program	16.527	2002-CW-BX-0015	57,220

Continued on pages 82, 83 and 84

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor / Pass-through grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expendi- tures</u>
<i>Department of Justice</i>			
<hr/>			
Office of Victims of Crime			
Oregon Department of Justice, Criminal Services Division			
Crime Victim Assistance	16.575		
Basic Victim Training		02-1636	\$ 623
Project Grant		02-1851	1,786
Basic Program Grant		03-2085	12,266
Project Grant		02-1915	41,521
Basic Program Grant		1850	5,265
Basic Program Grant		03-2084	5,265
Violence Against Women Office			
Stop Violence Against Women Formula Grants	16.588	03-757	30,000
Crossroads: Lincoln County Community Nonviolence Program			
Rural Domestic Violence and Child Victimization Enforcement			
Discretionary Grants Program	16.589		26,085
Bureau of Justice Assistance (BJA)			
Oregon State Police			
Tillamook County			
Byrne Formula Grant Program	16.579	02-001	24,500
Oregon Department of Justice			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Programs	16.580		
Marijuana Eradication Project		2003-85	3,000
Marijuana Eradication Project		2004	7,000
Oregon State Police - Criminal Justice Services Division			
Local Law Enforcement Block Grant Program	16.592	02-453	6,355
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Programs	16.580		15,000
State Criminal Alien Assistance Program	16.606	2004-AP-BX-0476	29,776
			<hr/>
<i>Total Department of Justice</i>			316,186
<i>Department of Transportation</i>			
<hr/>			
Federal Transit Administration (FTA)			
Oregon Department of Transportation			
Federal Transit Capital Investment Grant	20.500		
		18632	90,868
		18863	56,983
Formula Grants for Other Than Urbanized Areas			
Section 5311, Small Cities and Rural Areas Program	20.509		
Operating Distribution		20821	97,064
Bus Stop Benches		20194	4,421

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

<u>Federal Grantor / Pass-through grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expendi- tures</u>
<i><b>Department of Transportation</b></i>			
<hr/>			
National Highway Traffic Safety Administration (NHTSA)			
Oregon State Sheriff's Association			
Safety Incentive Grants for Use of Seatbelts	20.604		\$ 8,269
Safety Incentive Grants to Prevent Operation of Motor Vehicle by Intoxicated Persons	20.605		6,263
Oregon Department of Transportation			
Safety Incentive Grants to Prevent Operation of Motor Vehicle by Intoxicated Persons	20.605		8,835
			<hr/>
<i>Total Department of Transportation</i>			<u>272,703</u>
<i><b>Department of Health and Human Services</b></i>			
<hr/>			
Center for Disease Control (CDC)			
Oregon Department of Human Services - Health Division			
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118		
HIV - Intervention Block			16,467
HIV Block Grant - Prevention			7,210
Immunization Grants	93.268		
Noncash Assistance - Vaccine			83,720
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283		
Community Partnership			3,000
Bioterrorism - Preparedness			
Year 3			14,622
Year 4			119,063
Bioterrorism - Epidemiology			13,478
Bioterrorism - Training			10,415
Bioterrorism - HAN			
Year 3			5,573
Year 4			5,525
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988		50,876
Substance Abuse and Mental Health Services Administration (SAMHSA)			
Oregon Department of Human Services - Mental Health and Developmental Disability Services Division			
Block Grants for Community Mental Health Services	93.958	112001	90,773
Block Grants for Prevention and Treatment of Substance Abuse	93.959	135001	200,685
Health Resources and Services Administration (HRSA)			
Oregon Department of Human Services - Health Division			
Abstinence Education	93.235		5,718
HIV Care Formula Grants	93.917		
Ryan White HIV: Case Management			43,484
Ryan White HIV: Support Services			19,125
Maternal and Child Health Services Block Grant to the State	93.994		
Child and Adolescent Health			37,300
Family Planning			17,565
Perinatal			2,584

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

<u>Federal Grantor / Pass-through grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expendi- tures</u>
<i>Department of Health and Human Services</i>			
<hr/>			
Health and Human Services (HHS)			
Oregon Department of Human Services - Health Division			
Family Planning Services	93.217		\$ 28,782
Oregon Department of Human Services - Mental Health and Developmental Disability Services Division			
Temporary Assistance for Needy Families	93.558	137000	14,161
Oregon Department of Justice			
Child Support Enforcement	93.563		133,861
Oregon Commission on Children and Families			
Child Care and Development Block Grant	93.575		10,837
Social Services Block Grant	93.667		7,222
Medical Assistance Payments	93.778	100100	5,485
Oregon Department of Human Services - Health Division			
Medical Assistance Payments	93.778		<u>6,769</u>
<i>Total Department of Health and Human Services</i>			<u>954,300</u>
<i>Department of Homeland Security</i>			
<hr/>			
Oregon State Police - Criminal Justice Services Division			
State Domestic Preparedness Equipment Support Program	97.004		
WMD Grant		01-109	15,433
SHSP Grant		03-144	25,924
Oregon Department of State Police (OEM)			
Emergency Management Performance Grants	97.042		
		EMS-2003	27,741
		EMS-2004	<u>48,826</u>
<i>Total Department of Homeland Security</i>			<u>117,924</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 6,974,435</u></u>

LINCOLN COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2004

*Note 1. Basis of Presentation*

The accompanying schedule of expenditures of federal awards is a summary of the County's federal award programs presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles.

Note 2. Non-cash Disbursements of Federal Awards

Non-monetary assistance is reported in the schedule at the fair value of the immunizations received and disbursed. During 2003-04, the County received childhood immunization vaccine in the amount of \$83,720.