



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Year Ended June 30, 2008**

**Lincoln County  
Oregon**





**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Year Ended June 30, 2008**

**Prepared by:**  
**Michael Rich, Director, Finance and Administration**



# **LINCOLN COUNTY**

**Year Ended June 30, 2008**

## **Board of Commissioners**

<b><u>Name</u></b>	<b><u>Term Expires</u></b>
Donald Lindly 13890 NE 20 <sup>th</sup> Place Newport, OR 97365	January 1, 2011
Terry N. Thompson, Chair (2008) 5123 NW Agate Way Newport, OR 97365	January 1, 2011
Bill Hall, Chair (2007) 811 SE 5 <sup>th</sup> Street, #1A Newport, OR 97365	January 5, 2009

## **Administrative Staff**

Wayne Belmont, County Counsel

Michael Rich, Director, Finance and Administration



**LINCOLN COUNTY**

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# INTRODUCTORY SECTION





**County of Lincoln**



210 SW 2nd Street  
Newport, Oregon 97365  
(541) 265-4141  
FAX (541) 265-4101

December 30, 2008

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

**FORMAL TRANSMITTAL OF THE CAFR**

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, 2008. This report presents the financial position of the County as of June 30, 2008, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis (MD&A) contained in the financial section is required by generally accepted accounting principles. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

**LEGAL REQUIREMENTS**

Under Oregon Revised Statutes (ORS) 297.465 the County's auditor is required to submit a copy of the signed audit report to each member of the governing body at the end of the fiscal year as well as each member of the governing body at the time of the reports release. The County is required to submit a copy of its audit report to the Secretary of State which shall also include the names, addresses and titles of each officer and member of the of the governing board of the County.

**RESPONSIBILITY FOR FINANCIAL STATEMENTS**

Responsibility for both the accuracy of the data and the completeness and fairness of the CAFR presentation, including all disclosures, rests with the County, not with the outside auditors.

**INTERNAL CONTROL**

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 accounting principles generally accepted in the United States of America. 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.

We believe the enclosed data, as presented in the financial statements, 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.

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

**INDEPENDENT AUDIT**

As a recipient of federal and state awards, Lincoln County also is responsible for ensuring that an adequate internal control structure (reviewed annually) is in place to ensure compliance with applicable laws in ORS 297.425 and in conformity with the provisions of the Single Audit Act and OMB Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, Lincoln County is required to undergo an annual audit. 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, 2008, disclosed no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

**REPORTING ENTITY – GOVERNMENT PROFILE**

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.

**COMPONENT UNITS**

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 serves 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.

**BUDGETS**

The County maintains budgetary controls 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 program within the General Fund and by expenditure category within the other individual funds.

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.

**ECONOMIC CONDITION AND OUTLOOK**

**LOCAL ECONOMY**

Due to Lincoln County’s stronger dependence on the service and tourism industry, rather than its dependence on timber and fishing, the County is finally seeing a return to pre-September 11, 2001 tourist travel levels which will help to reduce the severe impacts on county employment levels. That notwithstanding, the 2008 closure of the commercial ocean salmon fishery has had a negative effect on the county’s economy this year.

Since 1990, Oregon and Lincoln County have been experiencing in-migration from other states. During the past year housing prices have remained stable however the number of transactions has dropped year-over-year. This stability 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. For future years, property tax revenue growth per property is limited to 3% per year. New construction now results in new revenues rather than an adjustment in tax rates.

**FINANCIAL PLANNING**

Economic issues for fiscal year 2008-09 remain largely the same as in the recent past. Higher than normal unemployment from the lingering economic downturn on the coast in the past few years and current high home prices are major concerns. The Property Tax collection rate is a source of concern in that it appears to be trending downward this year. Lincoln County officials have been taking steps to consolidate services,

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

eliminate duplications, and reject new mandates from the State, to the extent possible, to meet the demands imposed by declining sources of revenue.

**FINANCIAL POLICIES**

Lincoln County's financial policies are explained in detail in the Notes to the Basic Financial Statements. To improve our ability to provide services to our citizens in unanticipated, emergency situations or periods of declining revenue sources, we have steadily increased our unreserved fund balance in each fund to equal or exceed the minimum suggested level of 15% of budgeted revenues as recommended by the GFOA.

Temporarily idle cash is 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 contracts through City/County Insurance Services to provide workers compensation coverage, and 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.

**MAJOR INITIATIVES**

In early 2007 the County commissioners approved a major upgrade of our telecommunication system and our financial software. The software conversion was completed in late 2007. The telecommunication upgrade is expected to be complete in 2010.

**AWARDS**

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, 2007. This is the sixteenth 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.

**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.

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

Sincerely,

Michael Rich, Director  
Finance and Administration

Terry Thompson  
Chair, Board of Commissioners

# 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, 2007

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.



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

# LINCOLN COUNTY

## PRINCIPAL OFFICIALS

June 30, 2008

### BOARD OF COUNTY COMMISSIONERS

<i>Title</i>	<i>Name</i>
Commissioner	Bill Hall
Commissioner	Donald Lindly
Commissioner, Chair	Terry N. Thompson

### OTHER ELECTED OFFICIALS

<i>Title</i>	<i>Name</i>
Assessor	Rob Thomas
County Clerk	Dana Jenkins
District Attorney	Bernice Barnett
Sheriff	Dennis Dotson
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	Michael Rich
Director, Health and Human Services	Jan Kaplan
Director, Personnel	Gina Tapp
Director, Juvenile	Alan Peterson
Director, Planning and Development	Matt Spangler
Director, Road	Jim Buisman
Director, Information Technology	John Waffenschmidt

# Lincoln County Organization Chart

## Citizens

**Board of Commissioners**  
 Don Lindly  
 Terry N. Thompson  
 Bill Hall

## Elected Officials

**County Sheriff**  
 Dennis Dotson

- Patrol
- Jail
- Civil
- Boat Patrol
- Animal Shelter

**District Attorney**  
 Bernice Barnett

- Prosecution
- Support Enforcement
- Victim Assist.
- Anti-Drug Program

**County Surveyor**  
 Tom Hamilton

**County Assessor**  
 Rob Thomas

- Addressing

**County Treasurer**  
 Linda Pitzer

- Tax Collection

**County Clerk**  
 Dana Jenkins

- Elections
- Recording
- BOPTA

### Community Services

Public Health  
 Environ. Health

Mental Health  
 Addiction  
 MR/DD

Veterans  
 Services

Senior  
 Outreach

Children/Family  
 Commission

Detention  
 Health

### Transportation

Roads

Special  
 Transportation

Parks

### Administration

Finance &  
 Accounting

Human  
 Resources

Central  
 Administration

Computer  
 Services

Planning

Other  
 Requirements

### Public Safety

Community  
 Corrections

Juvenile

Emergency  
 Services

Children's  
 Advocacy Center

### Other Funds

Debt Service  
 Fund

Self Insurance  
 Fund

County Fair  
 Fund

County School  
 Fund

Law Library  
 Fund

Miscellaneous  
 Funds



# FINANCIAL SECTION







**BOLDT, CARLISLE & SMITH LLC**  
CERTIFIED PUBLIC ACCOUNTANTS  
PARTNERSHIP ■ ASSURANCE ■ INNOVATION

## 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, 2008, 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 the 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, 2008, the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparisons for the General, General Road, Human Services and Transit District 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 December 30, 2008, 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 not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

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ALBANY: 321 1<sup>st</sup> AVENUE E STE 2A ■ ALBANY, OR 97321 ■ PHONE: (541) 928-6500 ■ FAX: (541) 928-6501

## **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 non-major fund statements and schedules, and 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 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 of **LINCOLN COUNTY**. The combining and individual non-major fund 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  
December 30, 2008

By:   
Douglas C. Parham, Member

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



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## 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, 2008. 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. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

### FINANCIAL HIGHLIGHTS

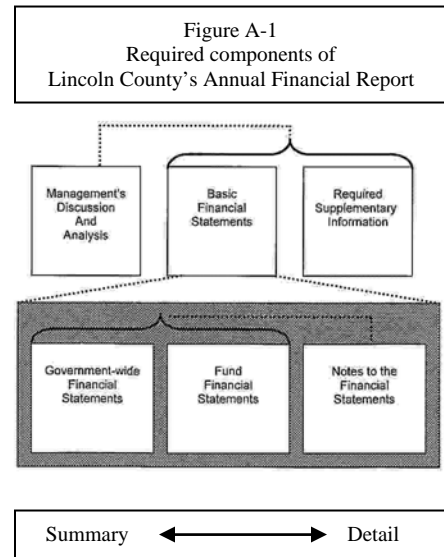
- The County's total net assets decreased \$3,307 or 2.2% over the course of this year's operations.
- During the year, the County's total revenues increased \$1,438 or 2.9%, due primarily to an increase in Grants and Contributions. Expenditures increased \$6,361 or 13.3%. A large part of this increase came from increased Motor Pool costs.

The general fund reported a fund balance of \$8,346 at June 30, 2008, which has decreased from last year by \$1,246. A large part of this was due to increased transfers out of the General Fund.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – independent auditor's report, management's discussion and analysis (this part), basic financial Statements, and the combining and individual non major fund statements and schedules. The basic financial Statements include two kinds of Statements that present different views of the County:

- Government-wide financial Statements that provide both long-term and short-term information about the County's overall financial status.
- Fund specific 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. 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 and internal service fund, 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>Fund Statements</b>			
	<b><u>Government-wide Statements</u></b>	<b><u>Governmental Funds</u></b>	<b><u>Proprietary Funds</u></b>	<b><u>Fiduciary Funds</u></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 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 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 \$149,952 which is a decrease of \$3,307 or 2.2% between fiscal years 2007 and 2008 (See Table A-1). 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)  
June 30, 2008

	<u>Governmental Activities</u>		<u>Increase (Decrease)</u>	<u>Total Percentage Change</u>
	<u>2007</u>	<u>2008</u>	<u>2008-2007</u>	<u>2008-2007</u>
Current and Other Assets	\$37,387	\$40,603	\$3,216	8.6%
Capital Assets	<u>122,482</u>	<u>118,723</u>	<u>(3,759)</u>	-3.1%
Total Assets	<u>159,869</u>	<u>159,326</u>	<u>(543)</u>	-0.3%
Long-term obligations	3,458	4,964	1,506	43.6%
Other Liabilities	<u>3,152</u>	<u>4,410</u>	<u>1,258</u>	39.9%
Total Liabilities	<u>6,610</u>	<u>9,374</u>	<u>2,764</u>	41.8%
<b>Net Assets</b>				
Invested in Capital Assets net of Related Debt	120,717	115,493	(5,224)	-4.3%
Restricted	18,763	19,761	998	5.3%
Unrestricted	<u>13,779</u>	<u>14,698</u>	<u>919</u>	6.7%
Total Net Assets	<u>\$ 153,259</u>	<u>\$ 149,952</u>	<u>(\$3,307)</u>	-2.2%

Current and other assets increased \$3,216 or 8.6% due mainly to an increase in cash from higher tax collections and from a decision to establish reserves to offset potential reductions in Forestry revenue sharing payments to the county road fund. Capital assets decreased (\$3,759) or 3.1%. Long-term obligations increased \$1,506 due to a loan for our new telecommunication system and accounting system. Other liabilities increased \$1,258. As a result of these changes, the County’s restricted assets were increased \$998 and unrestricted net assets also increased \$919 at the end of this year.

**Changes in Net Assets.** The County’s total revenue increased \$1,438 or 2.9%. (See Table A-2). Of this amount, Program revenues increased \$3,258 while General revenues decreased \$1,820. The large increase in program revenue is due to increased grant revenue.

The increase in County expenditures included higher fuel costs, which affected all County programs.

Table A-2 and the narrative that follows shows the impact of governmental type activities and the other revenues that generated the net decrease in assets.

## Governmental Activities

Revenues for the County's governmental activities increased 2.9% or \$1,438 while total expenses increased 13.3% or \$6,361.

### Lincoln County's Changes in Net Assets (in thousands of dollars)

	<u>Governmental</u> <u>Activities</u>		<u>Increase</u> <u>(Decrease)</u>	<u>Percentage</u> <u>Change</u>
	<u>2007</u>	<u>2008</u>	<u>2007-2006</u>	<u>2007-2006</u>
<b>Revenues</b>				
Program Revenues				
Charges for Services	\$ 7,576	\$ 7,669	\$ 93	1.2%
Operating Grants and Contributions	17,279	18,962	1,683	9.7%
Capital Grants and Contributions	18	1,500	1,482	8233.3%
General Revenues				
Property Taxes	15,287	15,955	668	4.4%
Other Taxes	3,620	1,084	(2,536)	-70.1%
Grants and Contributions not restricted to Specific Programs	2,957	3,448	491	16.6%
Unrestricted Investment Earnings	1,685	1,541	(144)	-8.5%
Timber and Land Sales	517	483	(34)	-6.6%
Gain on Sale of capital assets	(24)	(162)	(138)	575.0%
Miscellaneous	<u>655</u>	<u>528</u>	<u>(127)</u>	-19.4%
<b>Total Revenues</b>	<u>49,570</u>	<u>51,008</u>	<u>1,438</u>	2.9%
<b>Expenses</b>				
General Government	9,320	11,082	1,762	18.9%
Community Services	3,246	4,064	818	25.2%
Public Safety	15,390	16,766	1,376	8.9%
Highways and Streets	5,684	8,509	2,825	49.7%
Culture and Recreation	(126)	249	375	-297.6%
Health and Welfare	12,622	11,881	(741)	-5.9%
Education	1,764	1,669	(95)	-5.4%
Interest on long-term obligations	<u>54</u>	<u>95</u>	<u>41</u>	75.9%
<b>Total Expenses</b>	<u>47,954</u>	<u>54,315</u>	<u>6,361</u>	13.3%
Excess (deficiency) of revenues over (under) expenditures	1,616	(3,307)	(4,923)	-304.6%
Net Assets Beginning of year	<u>151,643</u>	<u>153,259</u>	<u>1,616</u>	1.1%
<b>Net Assets End of Year</b>	<u>\$ 153,259</u>	<u>\$ 149,952</u>	<u>\$ (3,307)</u>	-2.2%

General Government increased \$1,762 or 18.9% due to higher labor and motor pool costs. Highways and Streets increased \$2,825 or 49.7% also due to increased labor and motor pool costs. Health and Welfare costs decreased \$(741) or 5.9% as a result of lower insurance costs.

## **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 \$34,240, which was an increase of \$1,496 or 4.6% over the previous year.

- The County's General Fund decreased (\$1,246) over last year.
- The Road Fund showed an increase of \$2,284 over last year.
- Health and Human Services showed a fund balance decrease of (\$310).
- Transit District decreased (\$61) over last year.
- The Other Governmental non-major funds increased a total of \$829.

### **General Fund Budgetary Highlights**

The General Fund is appropriated at a program level: General Government; Public Safety; and Community Services. As is normal, over the course of the year the Board of Commissioners made minor program appropriation revisions to the County's General Fund budget.

General Fund expenditures were \$6,876 less than final budget amounts. Of this amount \$2,157 was the unused portion of the operating contingency. Public Safety had a favorable variance in the amount of \$277. General Government was \$3,697 below final budget amounts. Community Services was \$745 below final budget amounts.

In addition to the expenditure decreases discussed above, there were (\$1,239) lower revenues compared to the budget. Property taxes were (\$429) lower than budget. Licenses, permits and fees were (\$212) lower. Grant receipts were (\$722) less than budget.

The County's general fund balance of \$8,346 at the end of the year is lower than the beginning balance of \$9,592 by \$(1,246).

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***Capital Assets***

As of June 30, 2007, the County had \$93,782 invested in assets not being depreciated and \$82,363 invested in assets being depreciated for a total of \$176,145. Accumulated depreciation was \$57,422, which brought the County's net capital assets to \$118,723. This amount represents a net decrease of (\$3,760) from last year. More detailed information about the County's capital assets is presented in Note 6 of the financial statements.

### ***Long-term Obligations***

At year-end, the County had \$1.09 million in bonds outstanding. The bonds will be fully paid off in December 2010. A long-term loan for the new telecommunication system and accounting system accounts for \$2.14 million. More detailed information about the County's long-term obligations is presented in Note 9 to the financial Statements.

Since 1993 the County's general obligation bonds have been rated A2 (the sixth highest investment rating possible).

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 \$1.09 million is significantly below this limit.

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

Lincoln County is challenged by continued financial restrictions in the 2008-09 year.

Operations for the County in FY 2008-09 are not expected to be materially different than what was budgeted for FY 2007-2008. 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, 2008

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 34,942,590
Receivables	5,237,398
Inventories	338,404
Prepaid items	84,119
Capital assets:	
Land and construction in progress	93,782,018
Other capital assets, net of depreciation	<u>24,941,419</u>
<b>TOTAL ASSETS</b>	<u>159,325,948</u>
<b><u>LIABILITIES</u></b>	
Accounts payable and accrued items	3,517,352
Unearned revenues	50,638
Payroll taxes and withholdings payable	823,314
Accrued interest payable	18,269
Long-term obligations:	
Due within one year	2,828,386
Due in more than one year	<u>2,136,000</u>
<b>TOTAL LIABILITIES</b>	<u>9,373,959</u>
<b><u>NET ASSETS</u></b>	
Investment in capital assets, net of related debt	115,493,437
Restricted for:	
Debt service	305,041
Highways and streets	19,455,111
Unrestricted	<u>14,698,400</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 149,951,989</u>

*See notes to basic financial statements*

**LINCOLN COUNTY**

**STATEMENT OF ACTIVITIES**

**Year Ended June 30, 2008**

Functions/Programs	Expenses	Program Revenues			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	\$ 11,081,619	\$ 1,841,994	\$ 785,822	\$ 921,420	\$ (7,532,383)
Community services	4,064,622	558,667	3,442,249	311,015	247,309
Public safety	16,766,255	447,121	1,866,430	--	(14,452,704)
Highways and streets	8,509,009	1,365,305	5,691,730	--	(1,451,974)
Culture and recreation	248,859	--	--	--	(248,859)
Health and welfare	11,881,326	3,454,025	6,316,570	--	(2,110,731)
Education	1,668,503	1,642	1,126,890	--	(539,971)
Interest on long-term obligations	95,136	--	--	--	(95,136)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 54,315,329</b>	<b>\$ 7,668,754</b>	<b>\$ 19,229,691</b>	<b>\$ 1,232,435</b>	<b>(26,184,449)</b>

*General revenues:*

Taxes:

Property taxes levied for:

General purposes	14,507,256
Debt service	718,997
Transit	499,044
Extension agency	228,924
Transient room tax	1,084,452
Grants and contributions not restricted to specific programs	3,448,157
Unrestricted investment earnings	1,540,984
Timber and land sales	483,474
(Loss) on sale of capital assets	(161,982)
Miscellaneous	528,193

**TOTAL GENERAL REVENUES**

22,877,499

CHANGE IN NET ASSETS

(3,306,950)

NET ASSETS - BEGINNING

153,258,939

NET ASSETS - ENDING

\$ 149,951,989

*See notes to basic financial statements*

**LINCOLN COUNTY**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**June 30, 2008**

	General	General Road	Human Services	Transit District	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and investments	\$ 7,817,863	\$ 19,656,327	\$ (47,903)	\$ 1,360,489	\$ 5,137,871	\$ 33,924,647
Receivables	3,719,919	149,926	516,064	419,230	329,862	5,135,001
Inventories	4,382	334,022	--	--	--	338,404
Prepaid items	53,802	1,330	14,932	1,000	13,055	84,119
<b>TOTAL ASSETS</b>	<b>\$ 11,595,966</b>	<b>\$ 20,141,605</b>	<b>\$ 483,093</b>	<b>\$ 1,780,719</b>	<b>\$ 5,480,788</b>	<b>\$ 39,482,171</b>
<b>LIABILITIES</b>						
Accounts payable and accrued items	\$ 1,562,364	\$ 686,494	\$ 291,990	\$ 425,745	\$ 431,842	\$ 3,398,435
Payroll, taxes, and withholding payable	823,314	--	--	--	--	823,314
Deferred revenue	864,354	--	58,266	28,883	69,057	1,020,560
<b>TOTAL LIABILITIES</b>	<b>3,250,032</b>	<b>686,494</b>	<b>350,256</b>	<b>454,628</b>	<b>500,899</b>	<b>5,242,309</b>
<b>FUND BALANCES</b>						
Reserved for:						
Outpatient services	--	--	--	--	50,000	50,000
Debt service	--	--	--	--	262,393	262,393
Unreserved reported in:						
General fund	8,345,934	--	--	--	--	8,345,934
Special revenue funds	--	19,455,111	132,837	1,326,091	4,667,496	25,581,535
<b>TOTAL FUND BALANCES</b>	<b>8,345,934</b>	<b>19,455,111</b>	<b>132,837</b>	<b>1,326,091</b>	<b>4,979,889</b>	<b>34,239,862</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 11,595,966</b>	<b>\$ 20,141,605</b>	<b>\$ 483,093</b>	<b>\$ 1,780,719</b>	<b>\$ 5,480,788</b>	<b>\$ 39,482,171</b>

*See notes to basic financial statements*

**LINCOLN COUNTY**  
**RECONCILIATION OF THE BALANCE SHEET,**  
**GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET ASSETS**  
**June 30, 2008**

TOTAL GOVERNMENTAL FUND BALANCES	\$	34,239,862
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*Amounts reported for governmental activities in the  
Statement of Net Assets are different because of the following:*

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		118,723,437
--	--	-------------

Other long-term assets are not available to pay for current-period expenditures and therefore are not reported in the governmental funds		969,922
---	--	---------

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds		(4,982,655)
--	--	-------------

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>1,001,423</u>
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NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	<u>149,951,989</u>
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# LINCOLN COUNTY

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS Year Ended June 30, 2008

	General	General Road	Human Services	Transit District	Other Governmental Funds	Totals
<b>REVENUES</b>						
Taxes and land sales	\$ 16,107,326	\$ --	\$ --	\$ 499,513	\$ 1,130,342	\$ 17,737,181
Licenses and fees	1,639,331	--	--	--	269,023	1,908,354
Charges for services	1,039,620	123,807	3,006,515	159,229	1,378,379	5,707,550
Intergovernmental	7,239,852	6,991,901	3,129,469	771,663	4,549,034	22,681,919
Court fines and fees	65,403	--	--	--	94,586	159,989
Interest	498,275	823,826	(17,725)	62,215	177,294	1,543,885
Donations	--	--	--	--	2,685	2,685
Miscellaneous	471,355	80,345	78,561	46,210	205,569	882,040
<b>TOTAL REVENUES</b>	<b>27,061,162</b>	<b>8,019,879</b>	<b>6,196,820</b>	<b>1,538,830</b>	<b>7,806,912</b>	<b>50,623,603</b>
<b>EXPENDITURES</b>						
Current:						
General government	9,153,549	--	--	--	248,820	9,402,369
Community services	2,340,155	--	--	1,301,672	545,255	4,187,082
Public safety	15,746,660	--	--	--	386,099	16,132,759
Highways and streets	--	4,336,426	--	--	--	4,336,426
Culture and recreation	--	--	--	--	232,797	232,797
Health and welfare	--	--	7,161,658	--	4,660,876	11,822,534
Education	--	--	--	--	1,668,503	1,668,503
Debt service:						
Principal	--	--	--	--	675,000	675,000
Interest	49,933	--	--	--	45,776	95,709
Capital outlay	902,179	1,399,611	33,866	298,081	81,000	2,714,737
<b>TOTAL EXPENDITURES</b>	<b>28,192,476</b>	<b>5,736,037</b>	<b>7,195,524</b>	<b>1,599,753</b>	<b>8,544,126</b>	<b>51,267,916</b>
Excess (deficiency) of revenues over expenditures	(1,131,314)	2,283,842	(998,704)	(60,923)	(737,214)	(644,313)
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issuance	2,140,000	--	--	--	--	2,140,000
Transfers in	37,883	--	988,400	--	1,604,287	2,630,570
Transfers out	(2,292,687)	--	(300,000)	--	(37,883)	(2,630,570)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(114,804)</b>	<b>--</b>	<b>688,400</b>	<b>--</b>	<b>1,566,404</b>	<b>2,140,000</b>
Net change in fund balances	(1,246,118)	2,283,842	(310,304)	(60,923)	829,190	1,495,687
Fund balances at beginning of year	9,592,052	17,171,269	443,141	1,387,014	4,150,699	32,744,175
Fund balances at end of year	\$ 8,345,934	\$ 19,455,111	\$ 132,837	\$ 1,326,091	\$ 4,979,889	\$ 34,239,862

*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, 2008

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 1,495,687

*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	\$ 2,843,536	
Depreciation	<u>(6,398,295)</u>	(3,554,759)

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	159,302
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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.

675,000

Proceeds received from long-term obligations are recorded as an other financing source in the governmental funds but is an increase to long-term obligations in the Statement of Net Assets.

(2,140,000)

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	(40,986)
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The net effect of various miscellaneous transactions involving capital assets (sales, trade-ins, and donations) is to decrease net assets

(203,489)

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.

573

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.

301,722

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (3,306,950)

*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, 2008**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 16,535,928	\$ 16,535,928	\$ 16,107,326	\$ (428,602)
Licenses and fees	1,851,175	1,851,175	1,639,331	(211,844)
Charges for services	819,903	819,903	1,039,620	219,717
Intergovernmental	7,847,886	7,961,360	7,239,852	(721,508)
Fines and forfeitures	55,000	55,000	65,403	10,403
Interest	600,000	600,000	498,275	(101,725)
Miscellaneous	476,702	476,702	471,355	(5,347)
<b>TOTAL REVENUES</b>	<b>28,186,594</b>	<b>28,300,068</b>	<b>27,061,162</b>	<b>(1,238,906)</b>
<b>EXPENDITURES</b>				
General government	13,662,548	13,662,548	9,965,427	3,697,121
Community services	3,169,543	3,179,543	2,434,806	744,737
Public safety	15,965,496	16,068,970	15,792,243	276,727
Contingency	2,157,340	2,157,340	--	2,157,340
<b>TOTAL EXPENDITURES</b>	<b>34,954,927</b>	<b>35,068,401</b>	<b>28,192,476</b>	<b>6,875,925</b>
Excess (deficiency) of revenues over expenditures	(6,768,333)	(6,768,333)	(1,131,314)	5,637,019
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	20,878	20,878	37,883	17,005
Debt issuance	2,750,000	2,750,000	2,140,000	(610,000)
Transfers out	(92,687)	(92,687)	(2,292,687)	(1,300,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,778,191</b>	<b>1,778,191</b>	<b>(114,804)</b>	<b>(1,892,995)</b>
Net change in fund balance	(4,990,142)	(4,990,142)	(1,246,118)	3,744,024
Fund balance at beginning of year	8,806,144	8,806,144	9,592,052	785,908
Fund balance at end of year	<b>\$ 3,816,002</b>	<b>\$ 3,816,002</b>	<b>\$ 8,345,934</b>	<b>\$ 4,529,932</b>

*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, 2008**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 47,540	\$ 123,807	\$ 76,267
Intergovernmental	6,602,838	6,991,901	389,063
Interest	585,000	823,826	238,826
Miscellaneous	185,000	80,345	(104,655)
<b>TOTAL REVENUES</b>	<b>7,420,378</b>	<b>8,019,879</b>	<b>599,501</b>
<b>EXPENDITURES</b>			
Personal services	2,314,025	2,228,128	85,897
Materials and services	2,450,280	2,108,298	341,982
Capital outlay	3,802,000	1,399,611	2,402,389
Contingency	14,338,645	--	14,338,645
<b>TOTAL EXPENDITURES</b>	<b>22,904,950</b>	<b>5,736,037</b>	<b>17,168,913</b>
Net change in fund balance	(15,484,572)	2,283,842	17,768,414
Fund balance at beginning of year	15,484,572	17,171,269	1,686,697
Fund balance at end of year	\$ --	\$ 19,455,111	\$ 19,455,111

*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, 2008**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 3,869,241	\$ 3,869,241	\$ 3,006,515	\$ (862,726)
Intergovernmental	2,724,783	2,948,230	3,129,469	181,239
Interest	31,000	31,000	(17,725)	(48,725)
Miscellaneous	226,803	226,803	78,561	(148,242)
<b>TOTAL REVENUES</b>	<b>6,851,827</b>	<b>7,075,274</b>	<b>6,196,820</b>	<b>(878,454)</b>
<b>EXPENDITURES</b>				
Personal services	5,744,728	5,764,851	5,388,068	376,783
Materials and services	1,950,375	2,153,699	1,773,590	380,109
Capital outlay	5,000	55,000	33,866	21,134
Operating contingency	200,000	150,000	--	150,000
<b>TOTAL EXPENDITURES</b>	<b>7,900,103</b>	<b>8,123,550</b>	<b>7,195,524</b>	<b>928,026</b>
Excess (deficiency) of revenues over expenditures	(1,048,276)	(1,048,276)	(998,704)	49,572
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	688,400	688,400	988,400	300,000
Transfers out	(300,000)	(300,000)	(300,000)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>388,400</b>	<b>388,400</b>	<b>688,400</b>	<b>(300,000)</b>
Net change in fund balance	(659,876)	(659,876)	(310,304)	349,572
Fund balance at beginning of year	712,746	712,746	443,141	(269,605)
Fund balance at end of year	<b>\$ 52,870</b>	<b>\$ 52,870</b>	<b>\$ 132,837</b>	<b>\$ 79,967</b>

*See notes to basic financial statements*

**LINCOLN COUNTY**

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TRANSIT DISTRICT  
Year Ended June 30, 2008**

	Original and Final Budget	Actual	Variance
<b>REVENUES</b>			
Taxes and land sales	\$ 479,273	\$ 499,513	\$ 20,240
Charges for services	113,000	159,229	46,229
Intergovernmental	1,648,439	771,663	(876,776)
Interest	40,000	62,215	22,215
Miscellaneous	4,500	46,210	41,710
<b>TOTAL REVENUES</b>	<b>2,285,212</b>	<b>1,538,830</b>	<b>(746,382)</b>
<b>EXPENDITURES</b>			
Personal services	907,468	815,499	91,969
Materials and services	429,603	486,173	(56,570)
Capital outlay	1,298,718	298,081	1,000,637
Operating contingency	251,271	--	251,271
<b>TOTAL EXPENDITURES</b>	<b>2,887,060</b>	<b>1,599,753</b>	<b>1,287,307</b>
Net change in fund balance	(601,848)	(60,923)	540,925
Fund balance at beginning of year	1,206,789	1,387,014	180,225
Fund balance at end of year	\$ 604,941	\$ 1,326,091	\$ 721,150

*See notes to basic financial statements*

**LINCOLN COUNTY**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND**  
**June 30, 2008**

	Governmental Activities
	Internal Service
<b>ASSETS</b>	
Cash and investments	\$ 1,017,943
Receivables	102,397
<b>TOTAL ASSETS</b>	<b>1,120,340</b>
<b>LIABILITIES</b>	
Accounts payable and accrued items	118,917
<b>TOTAL LIABILITIES</b>	<b>118,917</b>
<b>NET ASSETS - Unrestricted</b>	<b>\$ 1,001,423</b>

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, 2008**

	<u>Governmental Activities</u>
	<u>Internal Service</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 921,420
Miscellaneous	<u>36,185</u>
Total operating revenues	<u>957,605</u>
<b>OPERATING EXPENSES</b>	
Personal services	543,731
Materials and services	<u>142,954</u>
Total operating expenses	<u>686,685</u>
Operating income	270,920
Nonoperating revenues (expense) - Interest	<u>30,802</u>
Changes in net assets	301,722
Total net assets - beginning	<u>699,701</u>
Total net assets - ending	<u>\$ 1,001,423</u>

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

**LINCOLN COUNTY**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**Year Ended June 30, 2008**

	Governmental Activities
	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash receipts from interfund services provided	\$ 872,871
Other operating cash receipts	36,185
Cash payments to employees for services	(543,731)
Cash payments to other suppliers of goods or services	(95,676)
Net cash provided by operating activities	269,649
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest	30,802
Net increase in cash and cash equivalents	300,451
Cash and cash equivalents, beginning of year	717,492
Cash and cash equivalents, end of year	\$ 1,017,943
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income	\$ 270,920
Adjustments to reconcile operating income to net cash provided by operating activities	
(Increase) decrease in assets	
Receivables	(32,933)
Prepaid items	1,197
Increase (decrease) in liabilities	
Accounts payable and accrued items	46,081
Due to other funds	(15,616)
Net cash provided by operating activities	\$ 269,649

*See notes to basic financial statements*

**LINCOLN COUNTY**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**June 30, 2008**

	<u>Agency</u>
<b>ASSETS</b>	
Cash and investments	\$ 2,295,660
Property taxes receivable	4,276,887
Due from other governments	<u>813,594</u>
<b>TOTAL ASSETS</b>	<u>\$ 7,386,141</u>
<b>LIABILITIES</b>	
Accounts payable	\$ 1,109,898
Amounts held in trust	<u>6,276,243</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 7,386,141</u>

*See notes to basic financial statements*

## **NOTES TO BASIC FINANCIAL STATEMENTS**



# LINCOLN COUNTY

## NOTES TO BASIC FINANCIAL STATEMENTS Year Ended June 30, 2008

### 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 data from these units is 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 SW 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 three blended component units included because the County Board of Commissioners serves as their respective governing bodies are as follows:

##### *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. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions. 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 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:

- *General* - accounts 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.
- *General Road* - 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.
- *Human Services* - 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.
- *Transit District (a component unit)* – 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.

The County also includes the following other fund types:

- *Special Revenue* - accounts for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

- *Debt Service* - accounts for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.
- *Internal Service* - accounts for the County's self-insurance programs. Charges to other funds and refunds from insurance policies support this activity.
- *Agency* – used for tracking various activities including the accumulation and distribution of property taxes; resources of taxing districts, inter-governmental law enforcement activities, justice court; and various other collection and escrow agent activities.

#### (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 fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. 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) Inventories

Inventories purchased are stated at cost (first-in, first-out method). Inventories are recorded as expenditures when purchased or donated.

#### (e) 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.

#### (f) Capital Assets

Capital assets (including infrastructure) are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Capital assets include public domain (infrastructure, including infrastructure acquired prior to fiscal years ended after June 30, 1980) 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 \$10,000 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.

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

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

**(f) Capital Assets (continued)**

The estimated useful lives are as follows:

Infrastructure	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.

**(g) 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
Directors	11.00	528

Employees can also earn paid leave for personal holidays with a maximum accumulation of 8 hours and for compensatory time with a maximum accumulation of 80 hours for most employees with the exception of employees who work 24 hour shifts, in which the maximum accumulation is 120 hours.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### (h) Interfund Transactions

Interfund transactions are reflected as 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 and 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.

#### (i) 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.

#### (j) 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)

#### (k) 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.

### 3. Deposits and Investments

The County maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Additionally, several funds hold separate cash and investment accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 3. Deposits and Investments (continued)

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's Short-Term Fund. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the County's position in the LGIP is the same as the value of the pool shares.

*Credit risk:* Oregon statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2008, the County had the following investments:

	Moody's Rating	Maturities	Carrying Value
State Treasurer's Investment Pool	N/A	(1)	\$ 27,183,428
National Mortgage Association	AAA	5/19/2009	514,380
Federal Home Loan Bank	AAA	6/8/2009	514,800
			<u>\$ 28,212,608</u>

(1) *Interest Rate Risk:* in accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than eighteen months.

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

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

*Concentration of Credit Risk:* The County has implemented the following limitations on specific instruments and individual financial institutions:

<u>Instrument</u>	<u>Maximum Percent of Portfolio</u>
U.S. Treasury Obligation	100%
U.S. Government Agency	75
Banker's Acceptances (BA)	50
Certificates of Deposit (CD)	25

The County will not invest in Commercial Paper at this time.

The combination of CD's and BA's with one financial institution will not exceed 30% of the total portfolio.

*Custodial Credit Risk – Investments:* This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. Investments amounting to \$1,029,180 have custodial credit risk because the related securities are uninsured, unregistered and held by the County's brokerage firm, which is the counterparty to those securities. The County does not have a policy which limits the amount of investments that can be held by counterparties.

*Custodial Credit Risk – Deposits:* This is the risk that, in the event of a bank failure, the County's deposits may not be returned. Oregon statute requires collateralization of deposits in excess of amounts insured by the Federal Depository Insurance Corporation. As of June 30, 2008, \$2,345,080 of the County's bank balance of \$9,856,291 was exposed to custodial credit risk because it was uninsured and uncollateralized.

A. The County's deposits and investments at June 30, 2008 are as follows:

Total investments	\$ 28,212,608
Deposits with financial institutions	<u>9,025,642</u>
Total deposits and investments	<u>\$ 37,238,250</u>

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

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

B. Cash and cash investments are reported as follows:

Governmental Activities/Funds	
General	\$ 7,817,863
General Road	19,656,327
Human Services	(47,903)
Transit District	1,360,489
Other Governmental	<u>5,137,871</u>
Total governmental funds	<u>33,924,647</u>
Internal Service	<u>1,017,943</u>
Total governmental activities	34,942,590
Fiduciary Fund	
Agency	<u>2,295,660</u>
Total cash and investments	<u>\$ 37,238,250</u>

**4. Receivables**

A. Receivables at year-end were as follows:

	General	General Road	Human Services	Transit District	Other Governmental Funds	Internal Service	Agency	Totals
Property taxes	\$ 1,039,101	\$ -	\$ -	\$ 34,689	\$ 67,857	\$ -	\$ 4,276,887	\$ 5,418,534
Accounts	1,464,703	33,267	364,853	820	86,645	102,397	-	2,052,685
Intergovernmental	<u>1,216,115</u>	<u>116,659</u>	<u>151,211</u>	<u>383,721</u>	<u>175,360</u>	<u>-</u>	<u>813,594</u>	<u>2,856,660</u>
	<u>\$ 3,719,919</u>	<u>\$ 149,926</u>	<u>\$ 516,064</u>	<u>\$ 419,230</u>	<u>\$ 329,862</u>	<u>\$ 102,397</u>	<u>\$ 5,090,481</u>	<u>\$ 10,327,879</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, 2007	2007-08 Levies	Adjustments	Net Interest Discounts	Collections	Balances June 30, 2008
Current	\$ -	\$ 78,887,266	\$ (82,408)	\$ (1,895,334)	\$ 73,584,833	\$ 3,324,691
Prior	<u>4,379,942</u>	<u>-</u>	<u>234,305</u>	<u>511</u>	<u>2,520,915</u>	<u>2,093,843</u>
	<u>\$ 4,379,942</u>	<u>\$ 78,887,266</u>	<u>\$ 151,897</u>	<u>\$ (1,894,823)</u>	<u>\$ 76,105,748</u>	<u>\$ 5,418,534</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 \$708,777 for the retirement of long-term debt principal and interest due in 2008-09.

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

**5. Interfund Transactions**

*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	\$ 988,400
	Other Governmental Funds	<u>1,304,287</u>
		2,292,687
Human Services	Other Governmental Funds	300,000
Other Governmental Funds	General	<u>37,883</u>
		<u>\$ 2,630,570</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 6. Capital Assets

A. Capital asset activity for the year ended June 30, 2008 was as follows:

	Balances July 1, 2007	Additions and Reclassifications	Deletions and Reclassifications	Balances June 30, 2008
<i>Capital assets not being depreciated:</i>				
Land and easements	\$ 780,224	\$ 44,401	\$ -	\$ 824,625
Land Improvements	7,700	-	-	7,700
Infrastructure	90,408,345	-	-	90,408,345
Construction in progress	<u>1,478,396</u>	<u>1,493,533</u>	<u>430,581</u>	<u>2,541,348</u>
Total capital assets not being depreciated	<u>\$ 92,674,665</u>	<u>\$ 1,537,934</u>	<u>\$ 430,581</u>	<u>\$ 93,782,018</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	\$ 53,350,259	\$ 640,335	\$ -	\$ 53,990,594
Buildings	15,643,037	-	-	15,643,037
Improvements	2,113,743	258,070	-	2,371,813
Equipment	<u>10,011,716</u>	<u>665,266</u>	<u>319,076</u>	<u>10,357,906</u>
Total capital assets being depreciated	<u>81,118,755</u>	<u>1,563,671</u>	<u>319,076</u>	<u>82,363,350</u>
	<u>173,793,420</u>	<u>3,101,605</u>	<u>749,657</u>	<u>176,145,368</u>
<i>Less accumulated depreciation for:</i>				
Infrastructure	36,646,922	6,071,561		42,718,483
Buildings	6,511,495	413,379	679,178	6,245,696
Improvements	819,346	97,133	535	915,944
Equipment	<u>7,333,972</u>	<u>1,092,856</u>	<u>885,020</u>	<u>7,541,808</u>
Total accumulated depreciation	<u>51,311,735</u>	<u>7,674,929</u>	<u>1,564,733</u>	<u>57,421,931</u>
Total capital assets being depreciated, net	<u>\$ 29,807,020</u>	<u>\$ (6,111,258)</u>	<u>\$ (1,245,657)</u>	<u>\$ 24,941,419</u>
Total capital assets net of depreciation	<u>\$ 122,481,685</u>	<u>\$ (4,573,324)</u>	<u>\$ (815,076)</u>	<u>\$ 118,723,437</u>

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

**6. Capital Assets (continued)**

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

General government	\$ 703,425
Community services	353,662
Public safety	775,488
Highways and streets	4,504,625
Culture and recreation	15,945
Health and welfare	<u>45,150</u>
Total depreciation expense – governmental functions	<u>\$ 6,398,295</u>

**7. Construction Commitments**

	Project Authorization	Expended to Date	Commitment	Required Further Financing
Logsden Bridge	\$ 3,157,000	\$ 424,895	\$ 2,732,105	\$ -
Siletz River Bridge	<u>3,969,888</u>	<u>788,634</u>	<u>3,181,254</u>	<u>-</u>
	<u>\$ 7,126,888</u>	<u>\$ 1,213,529</u>	<u>\$ 5,913,359</u>	<u>\$ -</u>

**8. Deferred Revenue**

Deferred revenue at June 30, 2008 consists of:

	General	Human Services	Transit District	Other Governmental Funds	Totals
Property taxes	\$ 860,754	\$ -	\$ 28,883	\$ 56,137	\$ 945,774
Unearned revenue	<u>3,600</u>	<u>58,266</u>	<u>-</u>	<u>12,920</u>	<u>74,786</u>
Totals	<u>\$ 864,354</u>	<u>\$ 58,266</u>	<u>\$ 28,883</u>	<u>\$ 69,057</u>	<u>\$ 1,020,560</u>

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

**9. Long-term Obligations**

Transactions for the year ended June 30, 2008 are as follows:

	Outstanding July 1, 2007	Additions	Reductions	Outstanding June 30, 2008	Balances Due Within One Year
General Obligation Refunding Bonds, \$3,700,000; interest rates of 2.0 percent to 2.7 percent					
Principal	\$ 1,765,000	\$ -	\$ 675,000	\$ 1,090,000	\$ 705,000
Interest	18,842	38,844	45,776	11,910	-
	<u>1,783,842</u>	<u>38,844</u>	<u>720,776</u>	<u>1,101,910</u>	<u>705,000</u>
Tax-Exempt Loan, \$2,140,000; interest rate of 3.75 percent					
Principal	-	2,140,000	-	2,140,000	389,000
Interest	-	56,292	49,933	6,359	-
	<u>-</u>	<u>2,196,292</u>	<u>49,933</u>	<u>2,146,359</u>	<u>389,000</u>
Vested Compensated Absences	<u>1,693,400</u>	<u>1,734,386</u>	<u>1,693,400</u>	<u>1,734,386</u>	<u>1,734,386</u>
Total long-term obligations	3,477,242	3,969,522	2,464,109	4,982,655	<u>\$ 2,828,386</u>
Interest	<u>18,842</u>	<u>95,136</u>	<u>95,709</u>	<u>18,269</u>	
Principal	<u>\$ 3,458,400</u>	<u>\$ 3,874,386</u>	<u>\$ 2,368,400</u>	<u>\$ 4,964,386</u>	

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

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

Fiscal Year	General Obligation Refunding Bonds, Series 2003		Tax-Exempt Loan Bank of America		Vested Compensated	Totals	
	Principal	Interest	Principal	Interest	Absences	Principal	Interest
2009	\$ 705,000	\$ 28,901	\$ 389,000	\$ 72,956	\$ 1,734,386	\$ 2,828,386	\$ 101,857
2010	385,000	10,395	414,000	57,900	-	799,000	68,295
2011	-	-	429,000	42,094	-	429,000	42,094
2012	-	-	446,000	25,688	-	446,000	25,688
2013	-	-	462,000	8,663	-	462,000	8,663
	<u>\$ 1,090,000</u>	<u>\$ 39,296</u>	<u>\$ 2,140,000</u>	<u>\$ 207,301</u>	<u>\$ 1,734,386</u>	<u>\$ 4,964,386</u>	<u>\$ 246,597</u>

**10. Operating Leases**

The County leases copy machines and office facilities under operating leases expiring at various times through 2012. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2008 for each of the next four years are:

Year Ended June 30,	Amount
2009	\$ 410,683
2010	385,876
2011	245,140
2012	<u>44,627</u>
Total	<u>\$ 1,086,326</u>

Rent expenditures for the year ended June 30, 2008 amounted to \$422,824.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. 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, 2008, there were 345 plan members. Required contributions are made semi-monthly at the rate of 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 \$1,773,881 for the year ended June 30, 2008. 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, 2008, amounted to \$576,536.

### 12. Defined Benefit Pension Plan

#### Retirement plan

The County contributes to the Oregon Public Employees' Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan and the Oregon Public Service Retirement Plan (OPSRP), a cost sharing multiple-employer hybrid pension plan. Both PERS and OPSRP are governed by the Public Employees' Retirement Board (PERB) under the provisions of Oregon Revised Statutes 238. PERS provides retirement benefits under a variety of benefit options, as selected by retiring employees, and provides death and disability benefits. OPSRP provides a combination of retirement benefits under a defined benefit plan and an individual account program (IAP), the balance of which will be paid out in either a lump sum or over a 5, 10, 15 or 20 year period. Employees hired on or after August 29, 2003 participate only in OPSRP. Beginning January 1, 2004, active PERS members hired before August 29, 2003 became members of the IAP of OPSRP. These members retain their existing PERS account, however any future member contributions will be placed in the IAP. A copy of the Oregon Public Employees Retirement System annual financial report may be obtained by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or at [www.oregon.gov/PERS](http://www.oregon.gov/PERS).

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

**12. Defined Benefit Pension Plan (continued)**

Certain employees are eligible to participate after completing six months of service. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the County to pay this amount on behalf of the employees. The County’s contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. For employees hired before August 29, 2003, the County’s contribution rate is 8.98 percent of covered compensation. For employees hired on or after August 29, 2003, the County’s contribution rate is 7.62 percent of covered compensation.

The County’s contribution to the plan for the years ending June 30, 2008, 2007 and 2006, were equal to the County’s required contributions for each year as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Employer</u> <u>County</u> <u>Contribution</u>	<u>Employer Paid</u> <u>Member</u> <u>Contribution</u>	<u>Totals</u>
2008	\$ 344,122	\$ 248,763	\$ 592,885
2007	375,936	229,253	605,189
2006	367,458	205,735	573,193

**13. 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.

**14. Net Assets Restricted through Enabling Legislation**

Net assets which are restricted through enabling legislation are as follows:

Oregon Transportation Improvement Act (OTIA) was enacted by the State of Oregon to provide funding to the County for the repair or replacement of bridges	\$ 1,741,580
Oregon and federal laws restrict the usage of state gas tax and federal forest fees for road repairs and improvements	17,713,531

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

**15. 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, 2008, County employees had accumulated 11,041 days of sick leave.

**16. Fund Deficits**

The financial statements include the following fund with a cumulative fund deficit at June 30, 2008:

<u>Fund</u>	<u>Amount</u>
DUII M3 Forfeiture	\$ (222)

This deficit will be resolved through normal operating activity in the ensuing fiscal year.

**17. Expenditures in excess of appropriations**

Oregon law prohibits expenditures of a fund in excess of County approved appropriations. The County Commissioners approve appropriations by department, if applicable, and by major function class (personal services, materials and services, capital outlay) for each fund.

Expenditures in excess of appropriations in individual funds for the year ended June 30, 2008, occurred as follows:

<u>Fund/Appropriation</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Transit District			
Material and services	\$ 429,603	\$ 486,173	\$ (56,570)

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**



**LINCOLN COUNTY**  
**COMBINING BALANCE SHEET**  
**OTHER GOVERNMENTAL FUNDS**  
**June 30, 2008**

	Special Revenue	Debt Service	Totals
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments	\$ 4,884,508	\$ 253,363	\$ 5,137,871
Receivables	278,184	51,678	329,862
Prepaid items	13,055	--	13,055
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL ASSETS</b>	<b>\$ 5,175,747</b>	<b>\$ 305,041</b>	<b>\$ 5,480,788</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>LIABILITIES</b>			
Accounts payable and accrued items	\$ 431,842	\$ --	\$ 431,842
Deferred revenue	26,409	42,648	69,057
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES</b>	<b>458,251</b>	<b>42,648</b>	<b>500,899</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>FUND BALANCES</b>			
Reserved for:			
Outpatient services	50,000	--	50,000
Debt Service	--	262,393	262,393
Unreserved	4,667,496	--	4,667,496
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL FUND BALANCES</b>	<b>4,717,496</b>	<b>262,393</b>	<b>4,979,889</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 5,175,747</b>	<b>\$ 305,041</b>	<b>\$ 5,480,788</b>
	<u>          </u>	<u>          </u>	<u>          </u>

**LINCOLN COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
Year Ended June 30, 2008**

	Special Revenue	Debt Service	Totals
<b>REVENUES</b>			
Taxes and land sales	\$ 408,369	\$ 721,973	\$ 1,130,342
Licenses and fees	269,023	--	269,023
Charges for services	1,378,379	--	1,378,379
Intergovernmental	4,549,034	--	4,549,034
Court fines and fees	94,586	--	94,586
Interest	161,695	15,599	177,294
Donations	2,685	--	2,685
Miscellaneous	205,569	--	205,569
	<u>7,069,340</u>	<u>737,572</u>	<u>7,806,912</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Current:			
General government	248,820	--	248,820
Community services	545,255	--	545,255
Public safety	386,099	--	386,099
Culture and recreation	232,797	--	232,797
Health and welfare	4,660,876	--	4,660,876
Education	1,668,503	--	1,668,503
Debt service:			
Principal	--	675,000	675,000
Interest	--	45,776	45,776
Capital outlay	81,000	--	81,000
	<u>7,823,350</u>	<u>720,776</u>	<u>8,544,126</u>
<b>TOTAL EXPENDITURES</b>			
Excess (deficiency) of revenues over expenditures	<u>(754,010)</u>	<u>16,796</u>	<u>(737,214)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,604,287	--	1,604,287
Transfers out	(37,883)	--	(37,883)
	<u>1,566,404</u>	<u>--</u>	<u>1,566,404</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>			
Net change in fund balances	812,394	16,796	829,190
Fund balances at beginning of year	3,905,102	245,597	4,150,699
	<u>\$ 4,717,496</u>	<u>\$ 262,393</u>	<u>\$ 4,979,889</u>
<b>Fund balances at end of year</b>			

# OTHER GOVERNMENTAL FUNDS

## Special Revenue

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.
- *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.
- *Meth Grant* – This fund is used to insure compliance ORS Chapters 209 and 672, through review and policy development.
- *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.
- *Building Reserve* – This fund is used to accumulate funds for bringing County buildings up to code and to prevent loss of life due to earthquakes or other natural disasters.
- *Community Health Center* – This fund is to construct and operate a federally funded community health center.

**LINCOLN COUNTY**

**COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
June 30, 2008**

	County School	County Fair	Law Library	Clerk Records	OHP Mental Health	Solid Waste District	Enforce- ment	Dog License
<b>ASSETS</b>								
Cash and investments	\$ 7,232	\$ 24,820	\$ 26,400	\$ 26,999	\$ 241,921	\$ 158,011	\$ 15,671	\$ 100,615
Receivables	--	(1,609)	4,090	247	136,990	19,481	2,757	46
Prepaid items	--	3,365	873	--	194	214	--	--
<b>TOTAL ASSETS</b>	<b>\$ 7,232</b>	<b>\$ 26,576</b>	<b>\$ 31,363</b>	<b>\$ 27,246</b>	<b>\$ 379,105</b>	<b>\$ 177,706</b>	<b>\$ 18,428</b>	<b>\$ 100,661</b>
<b>LIABILITIES</b>								
Accounts payable and accrued items	\$ 7,220	\$ 6,345	\$ 16,357	\$ 1,678	\$ 201,107	\$ 27,198	\$ 412	\$ 11,774
Deferred revenue	--	1,420	--	--	--	--	--	--
<b>TOTAL LIABILITIES</b>	<b>7,220</b>	<b>7,765</b>	<b>16,357</b>	<b>1,678</b>	<b>201,107</b>	<b>27,198</b>	<b>412</b>	<b>11,774</b>
<b>FUND BALANCES</b>								
Reserved for:								
Outpatient services	--	--	--	--	50,000	--	--	--
Unreserved	12	18,811	15,006	25,568	127,998	150,508	18,016	88,887
<b>TOTAL FUND BALANCES</b>	<b>12</b>	<b>18,811</b>	<b>15,006</b>	<b>25,568</b>	<b>177,998</b>	<b>150,508</b>	<b>18,016</b>	<b>88,887</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,232</b>	<b>\$ 26,576</b>	<b>\$ 31,363</b>	<b>\$ 27,246</b>	<b>\$ 379,105</b>	<b>\$ 177,706</b>	<b>\$ 18,428</b>	<b>\$ 100,661</b>

Title III Safety Net	Corner Preservation	Meth Grant	Extension Agency	Agate Beach Closure	DUII	DUII M3 Forfeiture	Building Reserve	Community Health Center	Totals
\$ 2,264,729	\$ 344,641	\$ 13,030	\$ 284,946	\$ 766,134	\$ 1,104	\$ (222)	\$ 204,021	\$ 404,456	4,884,508
--	8,171	--	16,179	118	--	--	--	91,714	278,184
--	122	725	2,015	--	25	--	--	5,522	13,055
<u>\$ 2,264,729</u>	<u>\$ 352,934</u>	<u>\$ 13,755</u>	<u>\$ 303,140</u>	<u>\$ 766,252</u>	<u>\$ 1,129</u>	<u>\$ (222)</u>	<u>\$ 204,021</u>	<u>\$ 501,692</u>	<u>5,175,747</u>
\$ 23,777	\$ 7,000	\$ 441	\$ 12,932	\$ 3,287	\$ --	\$ --	\$ --	\$ 112,314	431,842
--	--	--	13,489	--	--	--	--	11,500	26,409
23,777	7,000	441	26,421	3,287	--	--	--	123,814	458,251
--	--	--	--	--	--	--	--	--	50,000
<u>2,240,952</u>	<u>345,934</u>	<u>13,314</u>	<u>276,719</u>	<u>762,965</u>	<u>1,129</u>	<u>(222)</u>	<u>204,021</u>	<u>377,878</u>	<u>4,667,496</u>
<u>2,240,952</u>	<u>345,934</u>	<u>13,314</u>	<u>276,719</u>	<u>762,965</u>	<u>1,129</u>	<u>(222)</u>	<u>204,021</u>	<u>377,878</u>	<u>4,717,496</u>
<u>\$ 2,264,729</u>	<u>\$ 352,934</u>	<u>\$ 13,755</u>	<u>\$ 303,140</u>	<u>\$ 766,252</u>	<u>\$ 1,129</u>	<u>\$ (222)</u>	<u>\$ 204,021</u>	<u>\$ 501,692</u>	<u>5,175,747</u>

**LINCOLN COUNTY**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
SPECIAL REVENUE FUNDS  
Year Ended June 30, 2008**

	County School	County Fair	Law Library	Clerk Records	OHP Mental Health	Solid Waste District	Enforce- ment	Dog License
<b>REVENUES</b>								
Taxes and land sales	\$ 179,227	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Licenses and fees	--	--	--	48,638	--	--	--	73,228
Charges for services	--	--	--	--	--	261,278	--	15,080
Intergovernmental	1,124,885	49,405	--	--	1,480,164	20,000	--	35,614
Court fines and fees	--	--	51,539	--	--	87	40,360	2,600
Interest	1,930	772	1,038	2,024	18,514	7,042	639	5,138
Donations	--	--	--	--	--	--	--	--
Miscellaneous	--	168,848	290	--	1,281	200	--	3,398
<b>TOTAL REVENUES</b>	<b>1,306,042</b>	<b>219,025</b>	<b>52,867</b>	<b>50,662</b>	<b>1,499,959</b>	<b>288,607</b>	<b>40,999</b>	<b>135,058</b>
<b>EXPENDITURES</b>								
Current:								
General government	--	--	--	54,741	--	--	--	--
Community service	--	--	--	--	--	285,835	--	--
Public safety	--	--	65,080	--	--	--	13,067	235,669
Culture and recreation	--	232,797	--	--	--	--	--	--
Health and welfare	--	--	--	--	1,793,239	--	--	--
Education	1,306,038	--	--	--	--	--	--	--
Capital outlay	--	--	--	15,000	--	439	--	15
<b>TOTAL EXPENDITURES</b>	<b>1,306,038</b>	<b>232,797</b>	<b>65,080</b>	<b>69,741</b>	<b>1,793,239</b>	<b>286,274</b>	<b>13,067</b>	<b>235,684</b>
Excess (deficiency of revenues over expenditures)	4	(13,772)	(12,213)	(19,079)	(293,280)	2,333	27,932	(100,626)
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	--	--	--	--	--	--	--	100,266
Transfers out	--	--	--	--	--	--	(37,883)	--
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(37,883)</b>	<b>100,266</b>
Net change in fund balances	4	(13,772)	(12,213)	(19,079)	(293,280)	2,333	(9,951)	(360)
Fund balances at beginning of year	8	32,583	27,219	44,647	471,278	148,175	27,967	89,247
Fund balances at end of year	\$ 12	\$ 18,811	\$ 15,006	\$ 25,568	\$ 177,998	\$ 150,508	\$ 18,016	\$ 88,887

Title III Safety Net	Corner Preservation	Meth Grant	Extension Agency	Agate Beach Closure	DUII	DUII M3 Forfeiture	Building Reserve	Community Health Center	Totals
\$ --	\$ --	\$ --	\$ 229,142	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 408,369
--	136,506	--	--	6,057	4,594	--	--	--	269,023
--	--	--	1,642	--	--	--	--	1,100,379	1,378,379
770,938	8,161	80,676	114,118	--	--	--	--	865,073	4,549,034
--	--	--	--	--	--	--	--	--	94,586
85,442	16,482	--	9,365	33,550	146	7	--	(20,394)	161,695
--	--	--	--	--	--	--	--	2,685	2,685
--	--	--	11,660	--	1,000	--	--	18,892	205,569
856,380	161,149	80,676	365,927	39,607	5,740	7	--	1,966,635	7,069,340
--	194,079	--	--	--	--	--	--	--	248,820
226,904	--	--	--	32,516	--	--	--	--	545,255
--	--	62,762	--	--	8,807	714	--	--	386,099
--	--	--	--	--	--	--	--	--	232,797
--	--	--	--	--	--	--	--	2,867,637	4,660,876
--	--	--	362,465	--	--	--	--	--	1,668,503
65,546	--	--	--	--	--	--	--	--	81,000
292,450	194,079	62,762	362,465	32,516	8,807	714	--	2,867,637	7,823,350
563,930	(32,930)	17,914	3,462	7,091	(3,067)	(707)	--	(901,002)	(754,010)
--	--	--	--	--	--	--	204,021	1,300,000	1,604,287
--	--	--	--	--	--	--	--	--	(37,883)
--	--	--	--	--	--	--	204,021	1,300,000	1,566,404
563,930	(32,930)	17,914	3,462	7,091	(3,067)	(707)	204,021	398,998	812,394
1,677,022	378,864	(4,600)	273,257	755,874	4,196	485	--	(21,120)	3,905,102
\$ 2,240,952	\$ 345,934	\$ 13,314	\$ 276,719	\$ 762,965	\$ 1,129	\$ (222)	\$ 204,021	\$ 377,878	\$ 4,717,496

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Taxes and land sales	\$ 221,750	\$ 179,227	(42,523)
Intergovernmental	1,500,000	1,124,885	(375,115)
Interest	700	1,930	1,230
Miscellaneous	1,300	--	(1,300)
<b>TOTAL REVENUES</b>	1,723,750	1,306,042	(417,708)
<b>EXPENDITURES</b>			
Materials and services	1,723,750	1,306,038	417,712
Net change in fund balance	--	4	4
Fund balance at beginning of year	--	8	8
Fund balance at end of year	\$ --	\$ 12	12

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 51,500	\$ 49,405	\$ (2,095)
Interest	2,000	772	(1,228)
Miscellaneous	214,700	168,848	(45,852)
	268,200	219,025	(49,175)
<b>TOTAL REVENUES</b>			
 <b>EXPENDITURES</b>			
Personal services	114,218	89,705	24,513
Materials and services	180,655	143,092	37,563
Capital outlay	10,000	--	10,000
Operating contingency	24,957	--	24,957
	329,830	232,797	97,033
<b>TOTAL EXPENDITURES</b>			
Net change in fund balance	(61,630)	(13,772)	47,858
Fund balance at beginning of year	61,630	32,583	(29,047)
	\$ --	\$ 18,811	\$ 18,811
Fund balance at end of year			

**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, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Fines and forfeitures	\$ 45,000	\$ 51,539	\$ 6,539
Interest	800	1,038	238
Miscellaneous	--	290	290
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	45,800	52,867	7,067
<b>EXPENDITURES</b>			
Materials and services	68,080	65,080	3,000
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(22,280)	(12,213)	10,067
Fund balance at beginning of year	22,280	27,219	4,939
	<hr/>	<hr/>	<hr/>
Fund balance at end of year	\$ --	\$ 15,006	\$ 15,006
	<hr/>	<hr/>	<hr/>

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses and fees	\$ 60,000	\$ 48,638	\$ (11,362)
Interest	1,000	2,024	1,024
	61,000	50,662	(10,338)
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES</b>			
Personal services	57,125	48,451	8,674
Materials and services	24,112	6,290	17,822
Capital outlay	15,000	15,000	--
	96,237	69,741	26,496
<b>TOTAL EXPENDITURES</b>			
Net change in fund balance	(35,237)	(19,079)	16,158
Fund balance at beginning of year	35,237	44,647	9,410
Fund balance at end of year	\$ --	\$ 25,568	\$ 25,568

**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, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	1,574,767	1,480,164	(94,603)
Interest	33,875	18,514	(15,361)
Miscellaneous	3,600	1,281	(2,319)
<b>TOTAL REVENUES</b>	<u>1,612,242</u>	<u>1,499,959</u>	<u>(112,283)</u>
<b>EXPENDITURES</b>			
Personal services	139,310	122,208	17,102
Materials and services	1,668,242	1,671,031	(2,789)
Operating contingency	245,418	--	245,418
<b>TOTAL EXPENDITURES</b>	<u>2,052,970</u>	<u>1,793,239</u>	<u>259,731</u>
Net change in fund balance	(440,728)	(293,280)	147,448
Fund balance at beginning of year	<u>440,728</u>	<u>471,278</u>	<u>30,550</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 177,998</u>	<u>\$ 177,998</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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 255,134	\$ 261,278	\$ 6,144
Intergovernmental	20,000	20,000	--
Fines and foreitures	--	87	87
Interest	5,000	7,042	2,042
Miscellaneous	--	200	200
<b>TOTAL REVENUES</b>	<b>280,134</b>	<b>288,607</b>	<b>8,473</b>
<b>EXPENDITURES</b>			
Personal services	96,554	88,141	8,413
Materials and services	190,041	197,694	(7,653)
Capital outlay	--	439	(439)
Operating contingency	46,144	--	46,144
<b>TOTAL EXPENDITURES</b>	<b>332,739</b>	<b>286,274</b>	<b>46,465</b>
Net change in fund balance	(52,605)	2,333	54,938
Fund balances at beginning of year	52,605	148,175	95,570
Fund balance at end of year	\$ --	\$ 150,508	\$ 150,508

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
ENFORCEMENT - SPECIAL REVENUE FUND  
Year Ended June 30, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Fines and forfeitures	\$ 40,000	\$ 40,360	\$ 360
Interest	500	639	139
<b>TOTAL REVENUES</b>	<u>40,500</u>	<u>40,999</u>	<u>499</u>
<b>EXPENDITURES</b>			
Personal services	13,222	8,202	5,020
Materials and services	25,000	4,865	20,135
<b>TOTAL EXPENDITURES</b>	<u>38,222</u>	<u>13,067</u>	<u>25,155</u>
Excess (deficiency) of revenues over expenditures	2,278	27,932	25,654
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(20,878)</u>	<u>(37,883)</u>	<u>(17,005)</u>
Net change in fund balance	(18,600)	(9,951)	8,649
Fund balance at beginning of year	<u>18,600</u>	<u>27,967</u>	<u>9,367</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 18,016</u>	<u>\$ 18,016</u>

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses and fees	\$ 75,625	\$ 73,228	\$ (2,397)
Charges for services	20,889	15,080	(5,809)
Intergovernmental	35,614	35,614	--
State court fines	800	2,600	1,800
Interest	1,500	5,138	3,638
Miscellaneous	10,750	3,398	(7,352)
<b>TOTAL REVENUES</b>	<b>145,178</b>	<b>135,058</b>	<b>(10,120)</b>
<b>EXPENDITURES</b>			
Personal services	252,540	206,559	45,981
Materials and services	41,800	29,110	12,690
Capital outlay	--	15	(15)
<b>TOTAL EXPENDITURES</b>	<b>294,340</b>	<b>235,684</b>	<b>58,656</b>
Excess (deficiency) of revenues over expenditures	(149,162)	(100,626)	48,536
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	100,266	100,266	--
Net change in fund balance	(48,896)	(360)	48,536
Fund balance at beginning of year	48,896	89,247	40,351
Fund balance at end of year	\$ --	\$ 88,887	\$ 88,887

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 69,000	\$ 770,938	\$ 701,938
Interest	50,000	85,442	35,442
<b>TOTAL REVENUES</b>	119,000	856,380	737,380
<b>EXPENDITURES</b>			
Materials and services	419,000	226,904	192,096
Capital outlay	350,000	65,546	284,454
<b>TOTAL EXPENDITURES</b>	769,000	292,450	476,550
Net change in fund balance	(650,000)	563,930	1,213,930
Fund balance at beginning of year	650,000	1,677,022	1,027,022
Fund balance at end of year	\$ --	\$ 2,240,952	\$ 2,240,952

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licenses and fees	\$ 200,000	\$ 136,506	\$ (63,494)
Intergovernmental	--	8,161	8,161
Interest	15,000	16,482	1,482
<b>TOTAL REVENUES</b>	<b>215,000</b>	<b>161,149</b>	<b>(53,851)</b>
<b>EXPENDITURES</b>			
Personal services	214,715	181,470	33,245
Materials and services	37,500	12,609	24,891
Capital outlay	50,000	--	50,000
Operating contingency	327,897	--	327,897
<b>TOTAL EXPENDITURES</b>	<b>630,112</b>	<b>194,079</b>	<b>436,033</b>
Net change in fund balance	(415,112)	(32,930)	382,182
Fund balance at beginning of year	415,112	378,864	(36,248)
Fund balance at end of year	\$ --	\$ 345,934	\$ 345,934

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
METH GRANT - SPECIAL REVENUE FUND  
Year Ended June 30, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Intergovernmental	\$ 158,520	\$ 80,676	\$ (77,844)
<b>EXPENDITURES</b>			
Personal services	32,010	15,077	16,933
Materials and services	126,510	47,685	78,825
<b>TOTAL EXPENDITURES</b>	<b>158,520</b>	<b>62,762</b>	<b>95,758</b>
Net change in fund balance	--	17,914	17,914
Fund balance at beginning of year	--	(4,600)	(4,600)
Fund balance at end of year	\$ --	\$ 13,314	\$ 13,314

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Property taxes	\$ 228,500	\$ 229,142	\$ 642
Charges for services	13,000	1,642	(11,358)
Intergovernmental	254,000	114,118	(139,882)
Interest	3,000	9,365	6,365
Miscellaneous	7,500	11,660	4,160
<b>TOTAL REVENUES</b>	<b>506,000</b>	<b>365,927</b>	<b>(140,073)</b>
<b>EXPENDITURES</b>			
Personal services	357,300	232,611	124,689
Materials and services	218,850	129,854	88,996
Capital outlay	10,000	--	10,000
Operating contingency	54,256	--	54,256
<b>TOTAL EXPENDITURES</b>	<b>640,406</b>	<b>362,465</b>	<b>277,941</b>
Net change in fund balance	(134,406)	3,462	137,868
Fund balance at beginning of year	192,000	273,257	81,257
Fund balance at end of year	\$ 57,594	\$ 276,719	\$ 219,125

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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licences and fees	\$ 4,000	\$ 6,057	\$ 2,057
Interest	15,000	33,550	18,550
<b>TOTAL REVENUES</b>	<u>19,000</u>	<u>39,607</u>	<u>20,607</u>
<b>EXPENDITURES</b>			
Materials and services	657,147	32,516	624,631
Capital outlay	5,000	--	5,000
Operating contingency	50,000	--	50,000
<b>TOTAL EXPENDITURES</b>	<u>712,147</u>	<u>32,516</u>	<u>679,631</u>
Net change in fund balance	(693,147)	7,091	700,238
Fund balance at beginning of year	<u>693,147</u>	<u>755,874</u>	<u>62,727</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 762,965</u>	<u>\$ 762,965</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, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Licences and fees	\$ 6,000	\$ 4,594	\$ (1,406)
Interest	500	146	(354)
Miscellaneous	--	1,000	1,000
	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	6,500	5,740	(760)
<b>EXPENDITURES</b>			
Materials and services	<hr/> 10,937	<hr/> 8,807	<hr/> 2,130
Net change in fund balance	(4,437)	(3,067)	1,370
Fund balance at beginning of year	<hr/> 4,437	<hr/> 4,196	<hr/> (241)
Fund balance at end of year	<hr/> \$ --	<hr/> \$ 1,129	<hr/> \$ 1,129

**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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Licences and fees	\$ 15,000	\$ --	\$ (15,000)
Interest	400	7	(393)
<b>TOTAL REVENUES</b>	<b>15,400</b>	<b>7</b>	<b>(15,393)</b>
<b>EXPENDITURES</b>			
Materials and services	16,744	714	16,030
Net change in fund balance	(1,344)	(707)	637
Fund balance at beginning of year	1,344	485	(859)
Fund balance at end of year	\$ --	\$ (222)	\$ (222)

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
BUILDING RESERVE - SPECIAL REVENUE FUND  
Year Ended June 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Intergovernmental	\$ 355,000	\$ --	\$ (355,000)
<b>EXPENDITURES</b>			
Capital outlay	<u>529,021</u>	<u>--</u>	<u>529,021</u>
Excess (deficiency) of revenues over expenditures	(174,021)	--	174,021
<b>OTHER FINANCING SOURCES</b>			
Transfers in	<u>174,021</u>	<u>204,021</u>	<u>30,000</u>
Net change in fund balance	<u>--</u>	<u>204,021</u>	<u>204,021</u>
Fund balance at end of year	<u>\$ --</u>	<u>\$ 204,021</u>	<u>\$ 204,021</u>

**LINCOLN COUNTY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE (BUDGETARY BASIS) - BUDGET AND ACTUAL  
COMMUNITY HEALTH CENTER - SPECIAL REVENUE FUND  
Year Ended June 30, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 860,533	\$ 1,100,379	\$ 239,846
Intergovernmental	2,628,114	865,073	(1,763,041)
Interest	--	(20,394)	(20,394)
Donations	--	2,685	2,685
Miscellaneous	10,000	18,892	8,892
<b>TOTAL REVENUES</b>	<b>3,498,647</b>	<b>1,966,635</b>	<b>(1,532,012)</b>
<b>EXPENDITURES</b>			
Personal services	2,756,704	2,083,862	672,842
Materials and services	946,943	783,775	163,168
<b>TOTAL EXPENDITURES</b>	<b>3,703,647</b>	<b>2,867,637</b>	<b>836,010</b>
Excess (deficiency) of revenues over expenditures	(205,000)	(901,002)	(696,002)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	300,000	1,300,000	1,000,000
Interfund loan repayments	(170,000)	--	(170,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>130,000</b>	<b>1,300,000</b>	<b>1,170,000</b>
Net change in fund balance	(75,000)	398,998	473,998
Fund balance at beginning of year	75,000	(21,120)	(96,120)
Fund balance at end of year	\$ --	\$ 377,878	\$ 377,878

## **OTHER GOVERNMENTAL FUNDS**

### **Debt Service**

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, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>REVENUES</b>			
Property taxes	\$ 680,213	\$ 721,973	\$ 41,760
Interest	20,000	15,599	(4,401)
<b>TOTAL REVENUES</b>	<u>700,213</u>	<u>737,572</u>	<u>37,359</u>
<b>EXPENDITURES</b>			
Debt service			
Principal	675,000	675,000	--
Interest	45,776	45,776	--
<b>TOTAL EXPENDITURES</b>	<u>720,776</u>	<u>720,776</u>	<u>--</u>
Net change in fund balance	(20,563)	16,796	37,359
Fund balance at beginning of year	<u>220,563</u>	<u>245,597</u>	<u>25,034</u>
Fund balance at end of year	<u>\$ 200,000</u>	<u>\$ 262,393</u>	<u>\$ 62,393</u>



## **PROPRIETARY FUND**

### **Internal Service**

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, 2008**

	Budget	Actual	Variance
<b>REVENUES</b>			
Charges for services	\$ 715,000	\$ 921,420	\$ 206,420
Interest	30,000	30,802	802
Miscellaneous	15,163	36,185	21,022
<b>TOTAL REVENUES</b>	<b>760,163</b>	<b>988,407</b>	<b>228,244</b>
<b>EXPENDITURES</b>			
Personal services	852,423	543,731	308,692
Materials and services	390,442	142,954	247,488
Capital outlay	150,000	--	150,000
Contingency	103,249	--	103,249
<b>TOTAL EXPENDITURES</b>	<b>1,496,114</b>	<b>686,685</b>	<b>809,429</b>
Net change in fund balance	(735,951)	301,722	(1,037,673)
Fund balance at beginning of year	735,951	699,701	(36,250)
Fund balance at end of year	\$ --	\$ 1,001,423	\$ 1,001,423



## **FIDUCIARY FUND**

### **Agency**

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 agency agreement or applicable legislative enactment for each particular fund.



**LINCOLN COUNTY**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND  
Year Ended June 30, 2008**

	Balances July 1, 2007	Additions	Deductions	Balances June 30, 2008
<b><u>ASSETS</u></b>				
Cash and investments	\$ 2,215,163	\$ 283,150,405	\$ 283,069,908	\$ 2,295,660
Accounts receivable	67,203	-	67,203	-
Property taxes receivable	3,452,218	62,336,169	61,511,500	4,276,887
Due from other governments	-	813,594		813,594
Prepaid items	48,702	-	48,702	-
 Total assets	 \$ 5,783,286	 \$ 346,300,168	 \$ 344,697,313	 \$ 7,386,141
 <b><u>LIABILITIES</u></b>				
Accounts payable	\$ 618,249	\$ 1,109,898	\$ 618,249	\$ 1,109,898
Amounts held in trust	5,165,037	345,190,270	344,079,064	6,276,243
 Total liabilities	 \$ 5,783,286	 \$ 346,300,168	 \$ 344,697,313	 \$ 7,386,141



## **OTHER FINANCIAL SCHEDULES**



LINCOLN COUNTY

SCHEDULE OF RECEIPTS AND DISBURSEMENTS FOR ELECTED OFFICIALS  
Year Ended June 30, 2008

	Cash and Investment Balances July 1, 2007	Receipts	Disbursements	Cash and Investment Balances June 30, 2008
Treasurer	\$ 35,206,312	\$ 411,850,069	\$ 409,922,589	37,133,792
District Attorney	<u>202</u>	<u>-</u>	<u>-</u>	<u>202</u>
Totals	<u>\$ 35,206,514</u>	<u>\$ 411,850,069</u>	<u>\$ 409,922,589</u>	<u>\$ 37,133,994</u>

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



# STATISTICAL SECTION





# STATISTICAL SECTION

This part of the County’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and other supplementary information says about the government’s overall financial health.

<b>Contents</b>	<b>Pages</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	62-65
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	66-69
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	70-73
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	74,75
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	76-78

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**LINCOLN COUNTY**  
**NET ASSETS BY COMPONENT**  
**( Accrual Basis of Accounting)**  
**(\$000's)**

	Fiscal Year				
	2004	2005	2006	2007	2008
Invested in capital assets, net of related debt	116,325	115,587	120,699	120,717	115,493
Restricted	200	3,383	3,257	3,278	19,760
Unrestricted	24,087	25,876	27,687	29,264	14,698
Total Net Assets	<u>\$ 140,612</u>	<u>\$ 144,846</u>	<u>\$ 151,643</u>	<u>\$ 153,259</u>	<u>\$ 149,951</u>

Note: Accrual-based financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented.

**LINCOLN COUNTY**  
**CHANGES IN NET ASSETS**  
**( Accrual Basis of Accounting)**  
**(\$000's)**

	Year ended June 30,				
	2004	2005	2006	2007	2008
<b>EXPENSES</b>					
Governmental Activities					
General Government	\$ 5,652	\$ 7,026	\$ 8,277	\$ 9,320	\$ 11,082
Community Services	2,677	2,962	3,239	3,246	4,065
Public Safety	13,157	14,962	14,273	15,390	16,766
Highways and Streets	6,404	5,556	6,702	5,684	8,509
Culture and Recreation	239	256	112	(127)	249
Health and Welfare	9,502	10,053	10,968	12,622	11,881
Education	1,618	1,741	1,877	1,764	1,668
Interest	259	92	81	54	95
Total Governmental Activities Expense	<u>39,508</u>	<u>42,648</u>	<u>45,529</u>	<u>47,953</u>	<u>54,315</u>
<b>PROGRAM REVENUES</b>					
Governmental Activities					
Charges for Services					
General Government	1,997	2,272	2,175	2,261	1,842
Community Services	384	422	437	494	559
Public Safety	255	303	367	502	447
Highways and Streets	305	523	701	619	1,365
Health and Welfare	3,665	3,959	4,509	3,700	3,454
Education	6	5	6	1	1
Operating Grants and Contributions	13,021	17,542	14,997	17,279	18,962
Capital Grants and Contributions	630	22	5,165	18	1,500
Total Governmental Activities Program Revenues	<u>20,263</u>	<u>25,048</u>	<u>28,357</u>	<u>24,874</u>	<u>28,130</u>
Net (Expense)/Revenue					
Governmental Activities	<u>(19,245)</u>	<u>(17,600)</u>	<u>(17,172)</u>	<u>(23,079)</u>	<u>(26,185)</u>
<b>GENERAL REVENUES AND OTHER</b>					
Taxes					
Property Taxes	13,477	13,974	14,653	15,287	15,954
State Motor Vehicle Taxes	2,061	2,272	2,352	2,335	
Other Taxes	1,030	1,115	1,237	1,285	1,086
Unrestricted Grants and Contributions	2,895	2,949	3,032	2,957	3,448
Investment Earnings	293	613	1,213	1,685	1,541
Timber and Land Sales	583	574	992	517	483
Gain on Sale of Capital Assets	25	18	11	(24)	(162)
Miscellaneous	488	319	479	655	528
Total Governmental Activities	<u>20,852</u>	<u>21,834</u>	<u>23,969</u>	<u>24,697</u>	<u>22,878</u>
<b>CHANGE IN NET ASSETS</b>					
Governmental Activities	<u>\$ 1,607</u>	<u>\$ 4,234</u>	<u>\$ 6,797</u>	<u>\$ 1,618</u>	<u>\$ (3,307)</u>

Note: Accrual-based financial information for the county government as a whole is available back to 2002 only, the year GASB Statement 34 was implemented.

**LINCOLN COUNTY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**(Modified Accrual Basis of Accounting)**  
**(\$000's)**

	Fiscal Year				
	03-04	04-05	05-06	06-07	07-08
<b>GENERAL FUND</b>					
Reserved	\$ 5	\$ -	\$ -	\$ -	\$ -
Unreserved	<u>7,511</u>	<u>8,012</u>	<u>9,517</u>	<u>9,592</u>	<u>8,346</u>
 Total General Fund	 <u>\$ 7,516</u>	 <u>\$ 8,012</u>	 <u>\$ 9,517</u>	 <u>\$ 9,592</u>	 <u>\$ 8,346</u>
 <b>ALL OTHER GOVERNMENTAL FUNDS</b>					
Reserved For:					
Debt Service	200	236	223	246	262
Outpatient Services	-	-	-	-	50
Inventories	332	-	-	-	-
Unreserved, Reported in:					
Special Revenue Funds	<u>15,084</u>	<u>20,401</u>	<u>21,210</u>	<u>22,907</u>	<u>25,582</u>
 Total All Other Governmental Funds	 <u>\$ 15,616</u>	 <u>\$ 20,637</u>	 <u>\$ 21,433</u>	 <u>\$ 23,153</u>	 <u>\$ 25,894</u>

Note: Due to changes in the county's fund structure connected with the implementation of GASB Statement 34, fund balance information is available back to 2002 only.

**LINCOLN COUNTY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**(Modified Actual Basis of Accounting)**  
**(\$000's)**

	Fiscal Year									
	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08
<b>REVENUES</b>										
Taxes and Land Sales	\$ 13,830	\$ 15,118	\$ 13,361	\$ 14,582	\$ 15,450	\$ 15,452	\$ 16,069	\$ 17,063	\$ 17,132	\$ 17,737
Licenses and Fees	1,420	1,199	1,362	1,348	1,751	1,957	2,248	2,554	2,253	1,908
Charges for Services	1,210	2,488	2,667	2,974	3,500	3,733	4,077	4,696	5,477	5,707
Intergovernmental	14,947	15,049	16,539	19,616	19,896	18,474	23,407	21,478	22,383	22,682
Court Fines and Fees	120	136	131	112	101	114	128	132	147	160
Interest	1,067	1,193	1,236	521	395	299	627	1,240	1,719	1,544
Miscellaneous	373	760	686	1,142	1,455	875	921	720	1,016	885
<b>Total Revenues</b>	<b>32,967</b>	<b>35,943</b>	<b>35,982</b>	<b>40,295</b>	<b>42,548</b>	<b>40,904</b>	<b>47,477</b>	<b>47,883</b>	<b>50,127</b>	<b>50,623</b>
<b>EXPENDITURES</b>										
General Government	6,393	6,462	7,078	7,289	6,250	6,472	6,592	7,276	8,366	9,402
Community Services	1,243	1,527	1,781	2,062	2,647	2,522	2,805	3,159	3,156	4,187
Public Safety	10,131	10,492	11,086	11,646	11,865	12,332	14,146	14,162	14,759	16,133
Highways and Streets	4,825	4,752	4,908	4,654	4,830	4,901	4,808	6,681	5,607	4,336
Culture and Recreation	178	166	194	241	241	223	242	244	245	233
Health and Welfare	5,791	6,515	7,364	8,357	9,039	8,894	9,473	10,432	12,188	11,822
Education	1,531	1,676	964	1,475	1,643	1,516	1,635	1,795	1,668	1,669
Capital Outlay	2,890	4,134	3,435	2,702	2,070	1,893	1,092	1,226	1,620	2,715
Debt Service										
Principal	420	480	623	754	793	838	892	645	665	675
Interest	337	318	332	330	294	254	114	73	60	96
<b>Total Expenditures</b>	<b>33,739</b>	<b>36,522</b>	<b>37,765</b>	<b>39,510</b>	<b>39,672</b>	<b>39,845</b>	<b>41,799</b>	<b>45,693</b>	<b>48,334</b>	<b>51,268</b>
Excess of Revenues Over / (Under) Expenditures	(772)	(579)	(1,783)	785	2,876	1,059	5,678	2,190	1,793	(645)
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Long-Term Debt		276	1,092							2,140
Transfers in	660	542	497	750	755	898	902	851	1,044	2,631
Transfers out	(660)	(542)	(497)	(750)	(755)	(748)	(727)	(738)	(1,044)	(2,631)
<b>Net Change in Fund Balances</b>	<b>\$ (772)</b>	<b>\$ (303)</b>	<b>\$ (691)</b>	<b>\$ 785</b>	<b>\$ 2,876</b>	<b>\$ 1,209</b>	<b>\$ 5,853</b>	<b>\$ 2,303</b>	<b>\$ 1,793</b>	<b>\$ 1,495</b>
Debt Service as a % of Noncapital Expenditures	2.3%	2.2%	2.6%	2.8%	2.8%	2.8%	2.5%	1.6%	1.5%	1.5%

**LINCOLN COUNTY**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**(in thousands of dollars)**

Fiscal Year Ended June 30,	Real Property		Personal Property			Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Manufactured Structures	Other Real Property	Manufactured Structures	Business Personal Property						
2002	\$ 66,108	\$ 5,015,090	\$ 28,143	\$ 127,845	\$ 719,097	\$ 4,518,089	2.7705	\$ 5,266,053	85.8%	
2003	64,020	5,185,919	26,571	130,571	738,749	4,668,332	2.7946	5,334,777	87.5%	
2004	64,795	5,325,031	25,621	125,806	767,543	4,773,710	2.7938	5,460,252	87.4%	
2005	63,394	5,508,536	24,624	120,493	796,541	4,920,506	2.8122	5,770,292	85.3%	
2006	62,089	5,798,733	27,479	119,134	865,119	5,142,316	2.8149	6,465,344	79.5%	
2007	61,755	6,318,965	31,174	121,979	1,124,856	5,409,018	2.8170	8,607,856	62.8%	
2008	60,927	6,775,941	32,745	128,039	1,294,570	5,703,084	2.8202	10,235,611	55.7%	

Source: Lincoln County Assessor's Office

**LINCOLN COUNTY  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS**

Fiscal Year Ended June 30,	Lincoln County			<u>Overlapping Rates</u>				Total Direct and Overlapping Rates
	Operating Millage	Debt Service Millage	Total Millage	Operating Millage	Debt Service Millage	Total Millage	Special Districts	
2002	2.7705	0.1696	2.9401	4.9092	0.7918	5.7010	0.1425	8.7836
2003	2.7946	0.1582	2.9528	4.9092	1.0229	5.9321	0.1425	9.0274
2004	2.7938	0.1879	2.9817	4.9092	0.9010	5.8102	0.1425	8.9344
2005	2.8122	0.1625	2.9747	4.9092	0.8487	5.7579	0.1425	8.8751
2006	2.8149	0.1421	2.9570	4.9092	0.8801	5.7893	0.1425	8.8888
2007	2.8170	0.1450	2.9620	4.9092	0.7623	5.6715	0.1425	8.7760
2008	2.8202	0.1374	2.9576	4.9092	0.7111	5.6203	0.1425	8.7204

Source: Lincoln County Assessor's Office

**LINCOLN COUNTY  
PRINCIPAL PROPERTY TAXPAYERS  
(in thousands of dollars)**

	2008			1997		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Georgia Pacific West	\$ 147,127	1	1.4%	\$ 138,059	1	3.3%
Central Lincoln PUD	57,625	2	0.6%	39,926	3	1.0%
Plum Creek Timberlands	48,449	3	0.5%			
Northwest Natural Gas	37,997	4	0.4%	13,478	6	0.3%
The Worldmark Club	36,379	5	0.4%			
COROC/Lincoln City LLC	27,937	6	0.3%			
Green Diamond Resource	23,923	7	0.2%			
Meriwether NW OR Land & Timber Co	19,369	8	0.2%			
Pioneer Telephone Coop.	17,795	9	0.2%			
Shilo Inn Newport LLC	10,890	10	0.1%			
Mark S. Hemstreet				35,305	2	0.9%
R.R. Lincoln City				21,291	4	0.5%
Salishan Lodge				19,156	5	0.5%
Pacificorp				12,885	7	0.3%
South Shores Development				9,026	9	0.2%
Hallmark Inns				8,926	9	0.2%
Double E Northwest				7,644	10	0.2%
<b>Total Taxable Assessed Value</b>	<b>\$ 10,235,610</b>			<b>\$ 4,138,971</b>		

Source : County Assessor's Office

**LINCOLN COUNTY**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
(in thousands of dollars)

Fiscal Year Ended June 30,	Original Levy Adjustments		Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	% of Levy		Amount	% of Levy
1998	\$ 9,821	(103)	\$ 9,718	\$ 9,064	93.3%	619	\$ 9,683	99.6%
1999	10,538	(250)	10,288	9,606	93.4%	593	10,199	99.1%
2000	11,039	(269)	10,770	10,112	93.9%	687	10,799	100.3%
2001	11,819	(299)	11,520	10,783	93.6%	615	11,398	98.9%
2002	12,406	(306)	12,100	11,335	93.7%	687	12,022	99.4%
2003	12,705	(322)	12,383	11,673	94.3%	719	12,392	100.1%
2004	13,181	(476)	12,705	12,117	95.4%	689	12,806	100.8%
2005	13,561	(356)	13,205	12,722	96.3%	716	13,438	101.8%
2006	14,231	(384)	13,847	13,367	96.5%	520	13,887	100.3%
2007	14,865	(376)	14,489	13,989	96.5%	494	14,483	99.96%
2008	15,553	(400)	15,153	14,508	95.7%	444	14,952	98.67%

Source: Lincoln County Treasurer's Office

**Lincoln County**  
**Ratios of Outstanding Debt by Type**  
(amounts expressed in thousands except per capita amounts)

**Governmental Activities**

Fiscal Year	General Obligation Bonds	Capital Leases	Total	Percentage of Personal Income	Per Capita
1999	\$ 6,155	\$ -	\$ 6,155	0.61	\$ 142
2000	5,700	251	5,951	0.55	133
2001	5,425	995	6,420	0.56	144
2002	4,971	795	5,766	0.49	129
2003	4,200	583	4,783	0.40	106
2004	3,700	359	4,059	0.33	91
2005	3,075	123	3,198	0.24	72
2006	2,430	-	2,430	0.17	55
2007	1,765	-	1,765	N/A	40
2008	1,090	-	1,090	N/A	24

Source: Oregon Employment Department OLMIS

**LINCOLN COUNTY**

**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**(amounts expressed in thousands except per capita amounts)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (a)	Per Capita (b)
1996	\$ 7,710	\$ 930	\$ 6,780	0.18%	\$ 162
1997	6,975	561	6,414	0.15%	152
1998	6,575	487	6,088	0.13%	143
1999	6,155	501	5,654	0.12%	130
2000	5,700	547	5,153	0.11%	116
2001	5,425	480	4,945	0.10%	111
2002	4,971	469	4,502	0.09%	101
2003	4,200	145	4,055	0.08%	90
2004	3,700	200	3,500	0.06%	79
2005	3,075	236	2,839	0.05%	64
2006	2,430	224	2,206	0.03%	50
2007	1,765	246	1,519	0.02%	34
2008	1,090	262	828	0.01%	19

(a) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.

(b) Population data can be found in the Schedule of Demographic and Economic Statistics.

# LINCOLN COUNTY

## DIRECT AND OVERLAPPING DEBT

As of June 30, 2008

(amounts expressed in thousands)

Municipality	Net General Obligation Bonded Debt Outstanding	Percent within County	Amount Applicable to County
<b>Direct:</b>			
Lincoln County	\$ 1,090,000	100.0000%	1,090,000
<b>Overlapping:</b>			
City of Depoe Bay	850,834	100.0000%	850,834
City of Lincoln City	21,148,443	100.0000%	21,148,443
City of Newport	9,570,000	100.0000%	9,570,000
City of Siletz	24,365	100.0000%	24,365
City of Toledo	1,900,000	100.0000%	1,900,000
City of Waldport	2,457,606	100.0000%	2,457,606
City of Yachats	851,412	100.0000%	851,412
Kernville, Gleneden, Lincoln Beach Water District	842,849	100.0000%	842,849
Lincoln County Unified School District	73,129,530	99.2413%	72,574,696
Lower Siletz Water District	73,711	100.0000%	73,711
Newport South Beach Urban Renewal	2,530,000	100.0000%	2,530,000
North Lincoln Fire and Rescue District #1	6,773,284	98.5205%	6,673,073
Oregon Coast Community College	24,045,000	100.0000%	24,045,000
Panther Creek Water District	70,800	100.0000%	70,800
Port of Newport	5,050,000	100.0000%	5,050,000
Roads End Sanitary District	52,860	100.0000%	52,860
Seal Rock Water District	2,287,328	100.0000%	2,287,328
Siletz Keys Sanitary District	<u>84,799</u>	100.0000%	<u>84,799</u>
Total Overlapping	<u>151,742,821</u>		<u>151,087,777</u>
Total	<u>\$ 152,832,821</u>		<u>\$ 152,177,777</u>

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

Source: Municipal Debt Advisory Commission, State of Oregon

**LINCOLN COUNTY**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
(amounts expressed in thousands)

<u>Fiscal Year</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt Limit	\$ 93,504	\$ 97,709	\$103,078	\$ 105,321	\$ 106,696	\$ 109,205	\$ 115,406	\$ 129,307	\$ 172,157	\$204,712
Total Net Debt Applicable to Limit	<u>5,586</u>	<u>4,558</u>	<u>4,938</u>	<u>4,259</u>	<u>3,508</u>	<u>2,869</u>	<u>2,318</u>	<u>1,725</u>	<u>1,520</u>	<u>828</u>
Legal Debt Margin	<u>\$ 87,918</u>	<u>\$ 93,151</u>	<u>\$ 98,140</u>	<u>\$ 101,062</u>	<u>\$ 103,188</u>	<u>\$ 106,336</u>	<u>\$ 113,088</u>	<u>\$ 127,582</u>	<u>\$ 170,637</u>	<u>\$203,884</u>
Total Net Debt Applicable to Limit As a Percentage of Debt Limit	5.97%	4.66%	4.79%	4.04%	3.29%	2.63%	2.01%	1.33%	0.88%	0.40%

**Legal Debt Margin for Fiscal Year 2008**

Note: Debt Limit per ORS 287.054 is 2% of Assessed Value.

Assessed Value	\$10,235,611
Debt Limit per ORS 287.054 is 2% of Assessed Value	204,712
General Obligation Bonds	1,090
Less: Amount set aside for repayment of G.O. debt	<u>262</u>
Total Net Debt Applicable to Limit	828
Legal Debt Margin	203,884

**LINCOLN COUNTY  
DEMOGRAPHIC AND ECONOMIC STATISTICS**

Fiscal Year Ended June 30,	Population	Personal Income (\$000's)	Per Capita Personal Income	Unemployment Rate
1999	43,350	\$ 1,008,191	\$ 23,257	7.2%
2000	44,600	1,090,024	24,440	7.1%
2001	44,650	1,141,477	25,565	5.6%
2002	44,700	1,177,532	26,343	7.1%
2003	45,000	1,181,160	26,248	8.1%
2004	44,400	1,225,662	27,605	8.4%
2005	44,405	1,352,897	29,445	6.9%
2006	44,520	1,388,580	30,436	6.0%
2007	44,360	NA	NA	5.4%
2008	44,715	NA	NA	NA

Source: Oregon Employment Department

NA: Information not yet available

**LINCOLN COUNTY  
PRINCIPAL EMPLOYERS**

Employer	FY 2008		FY 2000	
	Employees	% of Total County Employment	Employees	% of Total County Employment
Confederated Tribes of the Siletz	904	4.4%	904	4.7%
Lincoln County School District	597	2.9%	613	3.2%
Samaritan Health Services	481	2.4%	572	3.0%
Georgia-Pacific	424	2.1%	500	2.6%
Lincoln County	404	2.0%	385	2.0%
Hatfield Marine Science Center	295	1.4%	295	1.5%
Salishan Lodge	95	0.5%	215	1.1%
Pacific Shrimp	98	0.5%	150	0.8%
Central Lincoln PUD	135	0.7%	142	0.7%
Shilo Inns	<u>65</u>	<u>0.3%</u>	<u>142</u>	<u>0.7%</u>
Total	<u>3,498</u>	<u>17.1%</u>	<u>3,918</u>	<u>20.3%</u>

Total Employment-Lincoln County: 20,446

19,263

Source: Central Coast Economic Development Alliance for FY2000 data.  
Poll of individual employers for 2007 data.

**LINCOLN COUNTY**  
**FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION**  
**Last Ten Fiscal Years**

	Full Time Equivalent Employees as of June 30									
<b>FUNCTION</b>	1998	1999	2001	2002	2003	2004	2005	2006	2007	2008
<b>General Government</b>										
Highways and Streets	53	53	56	53	53	52	52	48	48	30
Other	82	81	81	84	84	84	83	83	89	91
<b>Community Services</b>										
Health and Welfare	65	69	77	85	84	82	87	97	95	118
Other	9	9	10	9	9	9	9	59	7	12
<b>Public Safety</b>										
Sheriff's Department	91	88	89	96	94	95	94	90	91	82
Other	<u>61</u>	<u>63</u>	<u>65</u>	<u>68</u>	<u>66</u>	<u>63</u>	<u>64</u>	<u>16</u>	<u>73</u>	<u>71</u>
<b>Total</b>	<u>361</u>	<u>363</u>	<u>378</u>	<u>395</u>	<u>390</u>	<u>385</u>	<u>389</u>	<u>393</u>	<u>403</u>	<u>404</u>
General Gov.	135	134	137	137	137	136	135	131	137	121
Comm. Services	74	78	87	94	93	91	96	156	102	130
Public Safety	152	151	154	164	160	158	158	106	164	153

Source : Lincoln County Finance Department

**LINCOLN COUNTY**  
**OPERATING INDICATORS BY FUNCTION**  
**Last Ten Fiscal Years**

FUNCTION	Year Ended June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Police</b>										
Physical Arrests	NA	NA	NA	NA	867	997	1,122	1,199	1,195	1,134
Traffic Citations	NA	NA	NA	NA	754	770	778	758	923	862
<b>Highways and Streets</b>										
Miles of Road Pavement Overlays	0.7	2.7	1.5	1.3	2.5	5.6	6.4	8.5	7.4	2.4
Miles of Road Shoulder Widening	3.4	1.8	3.4	2.3	3.1	3.8	4.6	2.9	2.3	0.7
# of Road Patches Performed	27	27	39	34	49	30	NA	NA	NA	18
<b>Sanitation</b>										
Pounds of Waste Generated Per Capita	2,299	2,287	2,359	2,417	2,498	2,496	2,774	NA	3,080	3,056
Pounds of Waste Recovered Per Capita	465	445	547	678	678	694	825	NA	810	905
Total Recovery Rate Average Per Person	NA	NA	NA	NA	NA	NA	NA	NA	NA	29.60%
<b>Transportation</b>										
Hours of Service	14,871	15,575	15,900	16,289	16,437	17,971	19,147	19,995	22,870	22,492
Number of Passengers	49,253	57,262	65,538	66,576	71,926	88,131	88,380	89,258	98,159	104,655
Miles Traveled	243,726	267,549	264,506	265,614	278,684	290,515	304,087	322,046	341,980	346,166

Source: Individual County Departments  
NA : Information not available

**LINCOLN COUNTY**  
**CAPITAL ASSET STATISTICS BY FUNCTION**  
**Last Ten Fiscal Years**

FUNCTION	Year Ended June 30,									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Patrol Units	NA	NA	NA	21	21	24	25	25	24	29
Highways and Streets										
Streets (Miles)	331	331	331	329	329	330	330	335	335	335
Bridges	82	82	82	82	82	82	82	84	85	85
Parks	12	12	12	12	12	12	12	13	12	14
Transportation										
Number of Buses	9	10	10	10	10	17	17	16	16	16

Source : Individual County Departments

NA : Information not available

# **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, 2008**

#### 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 are 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, 2008, 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 State Treasurer	\$ 500,000
West Coast Bank	US Bank	25,000,000
US Bank	Federal Home Loan Bank	20,000,000
Bank of the West	US Bank	15,000,000
Umpqua Bank	Federal Home Loan Bank	9,000,000

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

Indebtedness

The County has complied with legal requirements relating to short-term and long-term debt including limitation on the amount of debt which may be incurred, liquidation of debt within prescribed period of time and compliance with provisions of bond indentures or other agreements.

Budget

1. Preparation and adoption

The budgets for the years ended June 30, 2009 and 2008 were prepared and adopted in compliance with legal requirements, except as follows:

- A. In the detailed budget document for the year ended June 30, 2009, excess of actual revenues over actual expenditures in the second preceding year did not equal the beginning balance in the first preceding year.
- B. For the years ended June 30, 2008 and 2009, items listed on the LB-1 did not agree with amounts on the LB-2 and LB-3.
- C. For the years ended June 30, 2009 and 2008, items listed on the LB-2 and LB-3 did not agree with amounts on the budget detail sheets.

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

*Budget (continued)*

1. Preparation and adoption (continued)

D. For the year ended June 30, 2008, the estimated beginning fund balances in the General Road, Community Health Center, and Title III Safety Net funds did not appear reasonable compared to actual June 30, 2007 ending fund balances. For the year ended June 30, 2009, the estimated beginning fund balances in the General, Human Services, OHP Mental Health, Community Health Center and Building Reserve funds did not appear reasonable compared to actual June 30, 2008 ending fund balances.

E. For the year ended June 30, 2008, the County's publication of budget summary, financial summary, statement of accounting basis, and notices of meeting and availability of budget document (ORS 294.416) was in compliance with legal requirements, except as follows:

General Road	
Amount Approved by Budget Committee	Amount Published
\$ 20,097,950	\$ 22,904,950

2. Execution

The budget for the year ended June 30, 2008, was executed in compliance with legal requirements, except that expenditures in excess of appropriations, which is prohibited by ORS 294.435, occurred in the following appropriations category:

Fund/Appropriation	Appropriations	Expenditures	Variance
Transit District			
Material and services	\$ 429,603	\$ 486,173	\$ (56,570)
OHP Mental Health			
Materials and services	1,668,242	1,671,037	(2,789)
Solid Waste District			
Materials and services	190,041	197,694	(7,653)
Capital outlay	--	439	(439)
Dog License			
Capital outlay	--	15	(15)

Prior to overexpending an appropriation category, the County may, by resolution (ORS 294.450), transfer amounts between appropriation categories.

**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, 2008. Insurance coverage appears to comply with legal requirements.

ORS 210.120 to 220.150 establishes bonding requirements for County officials and employees. The County’s Board of Commissioners has 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 83 through 86 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 vehicle 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:

The County constructed public improvements in accordance with ORS 279.

**Boldt, Carlisle & Smith, LLC**  
Certified Public Accountants  
Salem, Oregon  
December 30, 2008

# 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, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 30, 2008. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

**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)**

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

**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.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, 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  
December 30, 2008



**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, 2008. 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 on 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, 2008.

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, 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  
December 30, 2008

**LINCOLN COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended June 30, 2008**

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
◆ Significant deficiencies 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
◆ Significant deficiencies identified that are not considered to be material weakness?	None Reported

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

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	Schools and Roads Grants to States
93.563	Child Support Enforcement

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, 2008**

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expenditures</u>
<i>Department of Agriculture</i>			
<b>Food and Nutrition Service</b>			
Oregon Department of Education National School Lunch Program	10.555		\$ 9,827
Oregon Department of Human Services - Health Division Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	280559	184,504
<b>Forest Service</b>			
Oregon Department of Administrative Services Schools and Roads - Grants to States	10.665		4,762,496
<i>Total Department of Agriculture</i>			<u>4,956,827</u>
<i>Department of Commerce</i>			
<b>National Oceanic and Atmospheric Administration</b>			
Oregon Department of Land Conservation and Development Coastal Zone Management Administration Awards	11.419		
		CZM-07-021	15,000
		CZM-08-020	30,000
<i>Total Department of Commerce</i>			<u>45,000</u>
<i>Department of Housing and Urban Development</i>			
<b>Office of Community Planning and Development</b>			
Community Development Block Grants/State's Program	14.228		
Oregon Department Economic and Community Development Microenterprise		M05035	80,000
Newport Headstart Facility		C06007	5,087
Oregon Housing and Community Services Department Regional Housing and Rehabilitation Program		HR407	380,951
<i>Total Department of Housing and Urban Development</i>			<u>466,038</u>
<i>Department of Interior</i>			
<b>Bureau of Land Management</b>			
Distribution of Receipts to State and Local Governments	15.227		375,233
<b>Fish and Wildlife</b>			
Sport Fish Restoration	15.605	BR354	69,297
<i>Total Department of Interior</i>			<u>444,530</u>
<i>Department of Justice</i>			
<b>Office of Juvenile Justice and Delinquency Prevention</b>			
Oregon Office of Homeland Security, Criminal Justice Services Division Juvenile Accountability Incentive Block Grants	16.523	2006-6357	10,000
Lincoln County Children's Advocacy Center Missing Children's Assistance	16.543		10,000
Oregon Commission on Children and Families Part E - State Challenge Activities	16.549		1,714
Oregon Department of Human Services Enforcing Underage Drinking Laws Program	16.727	242500	93,783

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expenditures</u>
<b>Bureau of Justice Assistance</b>			
Byrne Formula Grant Program	16.579		
Tillamook County			\$ 24,500
Oregon State Police			
Lincoln County Drug Court		04-025	10,800
Lincoln County Drug Court		04-042	68,000
Lincoln County Drug Court		05-019	12,551
Oregon Department of Justice			
Edward Byrne Memorial State and Local Law Enforcement Assistance			
Discretionary Grants Programs	16.580		
Marijuana Eradication Project			10,976
Samaritan North Lincoln Hospital			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	05-012	2,867
Bulletproof Vest Partnership Program	16.607		3,825
<b>Office of Victims of Crime</b>			
Crime Victim Assistance	16.575		
Oregon Department of Justice			
Basic Program Grant		2906	17,493
Basic Program Grant		2905	11,415
Project Grant		2965	7,238
Project Grant		2636	1,985
Project Grant		2566	18,884
<b>Violence Against Women Office</b>			
Oregon Office of Homeland Security, Criminal Justice Services Division			
Violence Against Women Formula Grants	16.588		
Domestic Violence Victim Safety and Advocacy Project		07-VAWA-2976	15,000
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2006-WE-AX-0052	157,259
<b>Office of Community Oriented Policing Services</b>			
Public Safety Partnership and Community Policing Grants	16.710		
DEC-4a		2006CKWX0010	40,970
LINT-4b		2006CKWX0222	39,706
<i>Total Department of Justice</i>			<u>558,966</u>
<hr/> <i>Department of Transportation</i> <hr/>			
<b>Federal Transit Administration</b>			
Oregon Department of Transportation			
Formula Grants for Other Than Urbanized Areas	20.509	23987	312,679
Capital Assistance Program for Elderly Persons and Persons With Disabilities	20.513		
Vehicle Preventative Maintenance		24279	43,070
		22628	295,969
<b>National Highway Traffic Safety Administration</b>			
Oregon State Sheriff's Association			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601		1,497
Occupant Protection	20.602		2,941
<i>Total Department of Transportation</i>			<u>656,156</u>

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expenditures</u>
<b><i>Environmental Protection Agency</i></b>			
<b>Office of Water</b>			
Oregon Department of Human Services			
State Public Water System Supervision	66.432	280557	\$ 9,162
Capitalization Grants for Drinking Water State Revolving Funds	66.468	280655	9,860
			19,022
<b><i>Department of Education</i></b>			
<b>Office of Elementary and Secondary Education</b>			
Oregon Department of Human Services			
Safe and Drug-free Schools and Communities - State Grants	84.186	236501	64,176
<b><i>Department of Health and Human Services</i></b>			
<b>Office of Population Affairs</b>			
Oregon Department of Human Services			
Family Planning Services	93.217	280558	25,770
<b>Administration for Children and Families</b>			
Oregon Department of Human Services			
Temporary Assistance for Needy Families	93.558	137000	3,392
Oregon Department of Justice			
Child Support Enforcement	93.563	610008	154,647
Oregon Commission on Children and Families			
Child Care and Development Block Grant	93.575	480215	12,233
Social Services Block Grant	93.667		2,977
<b>Centers for Medicare and Medicaid Services</b>			
Oregon Commission on Children and Families			
Medical Assistance Programs	93.778		1,446
<b>Centers for Disease Control</b>			
Oregon Department of Human Services			
Immunization Grants	93.268		
Immunization Program		280540	13,421
Centers for Disease Control and Prevention - Investigations and			
Technical Assistance	93.283		
Pandemic Flu Phase I		280618	25,015
Bioterrorism - Preparedness and Response		280618	96,469
HIV Prevention Activities - Health Department Based	93.940	280646	18,083
Cooperative Agreements for State-Based Diabetes Control Programs			
and Evaluation of Surveillance Systems	93.988	280567	60,000
<b>Health Resources and Services Administration</b>			
Consolidated Health Centers	93.224		619,297
Oregon Department of Human Services			
Abstinence Education Program	93.235	254000	6,318
HIV Care Formula Grants	93.917		
Ryan White: Case Management		280544	44,537
Ryan White: Support		280544	7,803
Maternal and Child Health Services Block Grant to the State	93.994		
Oregon Mothers Care		180514	4,610
MCH Title V Flexible Funds and CAH		180514	34,170
Family Planning Services		180514	14,844

<u>Federal Grantor / Pass-through Grantor / Program Title</u>	<u>CFDA Number</u>	<u>Pass-through Grantor Number</u>	<u>Expenditures</u>
<b>Substance Abuse and Mental Health Services Administration</b>			
Oregon Department of Human Services			
Block Grants for Community Mental Health Services	93.958	112001	\$ 32,174
Block Grants for Prevention and Treatment of Substance Abuse	93.959	135001	108,633
<b>National Institutes of Health</b>			
Oregon Social Learning Center			
Drug Abuse and Addiction Research Programs	93.279		
07/01/2007 to 02/29/2008			147,838
03/01/2008 to 06/30/2008			<u>73,647</u>
<i>Total Department of Health and Human Services</i>			<u>1,507,324</u>
<hr/> <b>Department of Homeland Security</b> <hr/>			
Oregon State Police			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		71,368
Emergency Management Performance Grants	97.042		<u>91,657</u>
<i>Total Department of Homeland Security</i>			<u>163,025</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 8,881,064</u>

**LINCOLN COUNTY**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2008**

***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.

