



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE YEAR ENDED JUNE 30, 2015



COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2015

Prepared by:

Janice Riessbeck, Finance Director

LINCOLN COUNTY, OREGON
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 For the Year Ended June 30, 2015
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INTRODUCTORY SECTION



County of Lincoln

Finance Department

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Newport, Oregon 97365
(541) 265-4167
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January 18, 2016

To the Board of Commissioners and the
Citizens of Lincoln County, Oregon

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of Lincoln County for the fiscal year ended June 30, 2015. This report is published to provide the Board of Commissioners, County staff, citizens and other readers with detailed information concerning the financial position and activities of the County. County management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

INTRODUCTION

State statutes (ORS 297.465) require that Lincoln County (the County) prepare a complete set of year-end financial statements and have them audited in accordance with generally accepted accounting standards by an independent certified public accounting firm licensed to perform municipal audits in Oregon. Pursuant to this requirement, we hereby issue the 2014-15 Comprehensive Annual Financial Report, which is presented in conformance with generally accepted accounting principles (GAAP). This report incorporates the Government-wide Financial Reporting model as prescribed by the Government Accounting Standards Board.

Responsibility for both the accuracy of the data and the completeness and fairness of the CAFR presentation, including all disclosures, rests with Lincoln County. It is believed that the data, as presented, is accurate in all material respects and is presented in a manner designed to present fairly the financial position and results of operations of Lincoln County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of Lincoln County's financial affairs has been included.

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.

As a recipient of federal and state awards, Lincoln County is responsible for ensuring that an adequate internal control structure, reviewed annually, is in place to ensure compliance with applicable State laws (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*. As part of the County's independent annual audit, 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. These reports are included in this document.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Lincoln County's MD&A can be found immediately following the report of the independent auditors in the financial section of this CAFR.

LINCOLN COUNTY PROFILE

Lincoln County was established by the Oregon Legislature in 1893. The County, an area of 992 square miles, is located on the coast of the Pacific Ocean. It has a population of 47,225 and a true cash value of \$7,938,141,445.

Lincoln County is governed by a Board of Commissioners, consisting of three commissioners, who are elected to four-year terms. The Board of Commissioners conduct all legislative business of the County and are responsible for setting County policy, general administration of the County, and holding public hearings on certain issues required by law.

Lincoln County provides a full range of services including public safety, health and community services, public works, assessment and tax collection for all county taxing districts, juvenile services, corrections and probation, and community development. The Lincoln County Solid Waste District, Lincoln County Extension Service District, Lincoln County Transportation Service District, and Lincoln County Animal Services District are legally separate taxing entities in the County. They are included in these financial statements as "blended component units" of the County and they essentially function as departments of the County.

The Lincoln County Extension Agency inclusion reflects voter approval of an operating tax levy in November 1998, 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.

The Lincoln County Solid Waste District is included because the Board of County Commissioners serves as its 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, recycling education and coordination, illegal dumping cleanup and prevention, as well as enforcement coordination.

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," to all cities within Lincoln County, 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.

The Lincoln County Animal Services District is included because the Board of County Commissioners serves as the governing body, making appointments, hiring, and approving the budget. This agency, formed in fiscal year 2013-14, is funded by a property tax levy approved by voters in November 2012. The district provides services for animal control throughout the County and for the operations of the County's animal shelter.

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The annual budget embodies controls to ensure compliance with legal provisions, and is adopted and appropriated by the County's Board of Commissioners. Activities of the general fund, special revenue funds, capital projects funds, enterprise 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. The expenditure appropriations lapse at the end of the fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation resolutions. The resolutions are considered by the Board of Commissioners in public meetings. During the fiscal year 2014-15, several adjustments to the budget were made by resolution. Budget to actual comparisons are provided in this report for each individual governmental fund for which a budget was appropriated and adopted.

ECONOMIC CONDITION AND OUTLOOK

Lincoln County has shown continued steady recovery from the 2008-09 recession. Homebuilding activity, which had slumped severely, has picked up slightly and home sales are growing. Home values have shown only slight gains. The number of home foreclosures continues to rise, and the number of vacant retail properties in the county remains above pre-recession levels.

The county's three traditional primary industries, commercial fishing, timber, and tourism have ridden out the recession with varying degrees of success. In 2015, Newport was recognized as the number one commercial fishing port on the entire west coast, and the funding of expansion of the Port of Toledo's boatyard helps insure more fishing dollars will stay in Lincoln County. Another bright spot on the horizon is the continued growth of marine education and research, which is emerging as a fourth leg of the local economy. While the arrival of NOAA's Pacific research fleet has been the most visible signpost of this growth, a variety of federal and state agencies have been expanding their presence in the county for decades, to the point where the total infrastructure investment in this area is estimated at \$1 billion. The 2015 session of the Oregon Legislature approved funding to make Oregon State University's plans to expand the undergraduate enrollment at the Hatfield Marine Science Center campus to 500 students by the year 2025 a reality. The Oregon Museum of Science and Industry (OMSI) will open Camp Gray in 2016, adding another important presence to the South Beach science and education cluster.

The reconstruction of a section of Highway 20 linking Lincoln County to the Willamette Valley has been plagued by numerous cost overruns and delays, but the State of Oregon has reaffirmed its commitment to that project, which now has an estimated completion date in the Fall of 2016. The economic and safety benefits of that project will be felt on the coast for decades to come.

LONG TERM FINANCIAL PLANNING

Uncertainty in timing and extent of the recovery from the economic downturn has led to a continued conservative budgeting and financial planning strategy for both the short and near long term (the next two to five years). No new major initiatives are planned for the general fund based services. Stabilized funding for some activities, e.g. for the animal shelter and animal control services through formation of a separate service district with a permanent tax rate, was approved by voters in the November 2012 election. Similar efforts for other activities may be considered. Changes to control operational cost increases, including new health benefit packages, have been implemented for the County's benefit-eligible employees. Planned expenditures in technology to increase efficiency and productivity are underway. The Board of Commissioners continues to work with all employees to find ways to cut costs while maintaining and providing the highest quality public services.

MAJOR INITIATIVES

The County Commissioners, Budget Committee and Management Team continue to be guided by caution in shaping the annual budget due to the lack of revenue recovery and the overall state of the economy. Preserving existing services and building revenues are our core guiding principles. One major economic impact to the County's finances is the elimination of the Secure Rural Schools and Community Self Determination Act (also known as Safety Net or County Payments). No revenue has been received from this source since 2012-13. Efforts continue to be undertaken to restore or replace the federal funding, but the outlook does not look good for federal replacement dollars.

Capital projects completed in the County in 2014-15 included the completed renovation of the building purchased to house the Extension Service District offices and activities, the renovation of the kitchen in the County Jail, the acquisition of new park property on the Alsea River (Lindly Park), and boat ramp and ADA accessible facilities at Morgan Park. The county is investigating further capital projects to address service needs, but these will depend on funding availability.

OTHER FINANCIAL INFORMATION

The County's accounting system supports an adequate internal control structure. This structure provides reasonable assurance that County assets are safeguarded against loss, theft or misuse. The concept of reasonable assurance first recognizes that the cost of a control does not exceed the benefits derived from it. The evaluation of costs and benefits requires estimates and judgment by management. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles.

The County is required by state law to budget all funds with the exception of trust and agency funds. The budgeting process includes citizen input through various stages of preparation, public hearings, and approval of the original budget by the Board of Commissioners. Additional resources not anticipated in the adopted budget must be added through the use of a supplemental budget process which includes publication, public hearings, and Board of Commissioners' approval. Adopted and supplemental budgets may be modified by Board of Commissioners approval of appropriation resolutions. Budgetary control is maintained through the monitoring of program categories in the County's General Fund, and by expenditure categories in all other funds. The program categories are General Government, Public Safety, and Community Services. Expenditure categories are Personal Services, Materials and Services, Capital Outlay, and Other Requirements. Total expenditures may not legally exceed total appropriations in each of the budgeted categories.

The County periodically issues various types of debt. The County currently has \$3,181,825 in outstanding debt.

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 Local Government Investment Pool. Investments made by the

County are subject to 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, a risk management pool, to provide workers compensation coverage, auto, and property and liability insurance. The County's Insurance Reserve fund is used to provide excess liability insurance, pension related fiduciary expenditures, unemployment insurance on a reimbursement basis to the State, and other related costs.

AWARDS

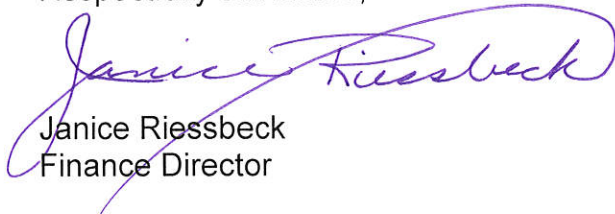
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to Lincoln County for its CAFR for the fiscal year ended June 30, 2014. This is the twenty-third consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

The preparation of this CAFR is possible through a collaborative effort from all departments, notably the County Treasurer, the County Assessor, and especially the Finance Department. Acknowledgement is also due to the Board of County Commissioners, whose leadership and support made the preparation of this report possible.

Respectfully submitted,



Janice Riessbeck
Finance Director



Doug Hunt
Chair, Board of Commissioners



Government Finance Officers Association

**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, 2014

Executive Director/CEO

LINCOLN COUNTY
PRINCIPAL OFFICIALS
June 30, 2015

BOARD OF COUNTY COMMISSIONERS

<u>Title</u>	<u>Name</u>
Commissioner, Chair	Doug Hunt
Commissioner	Bill Hall
Commissioner	Terry Thompson

OTHER ELECTED OFFICIALS

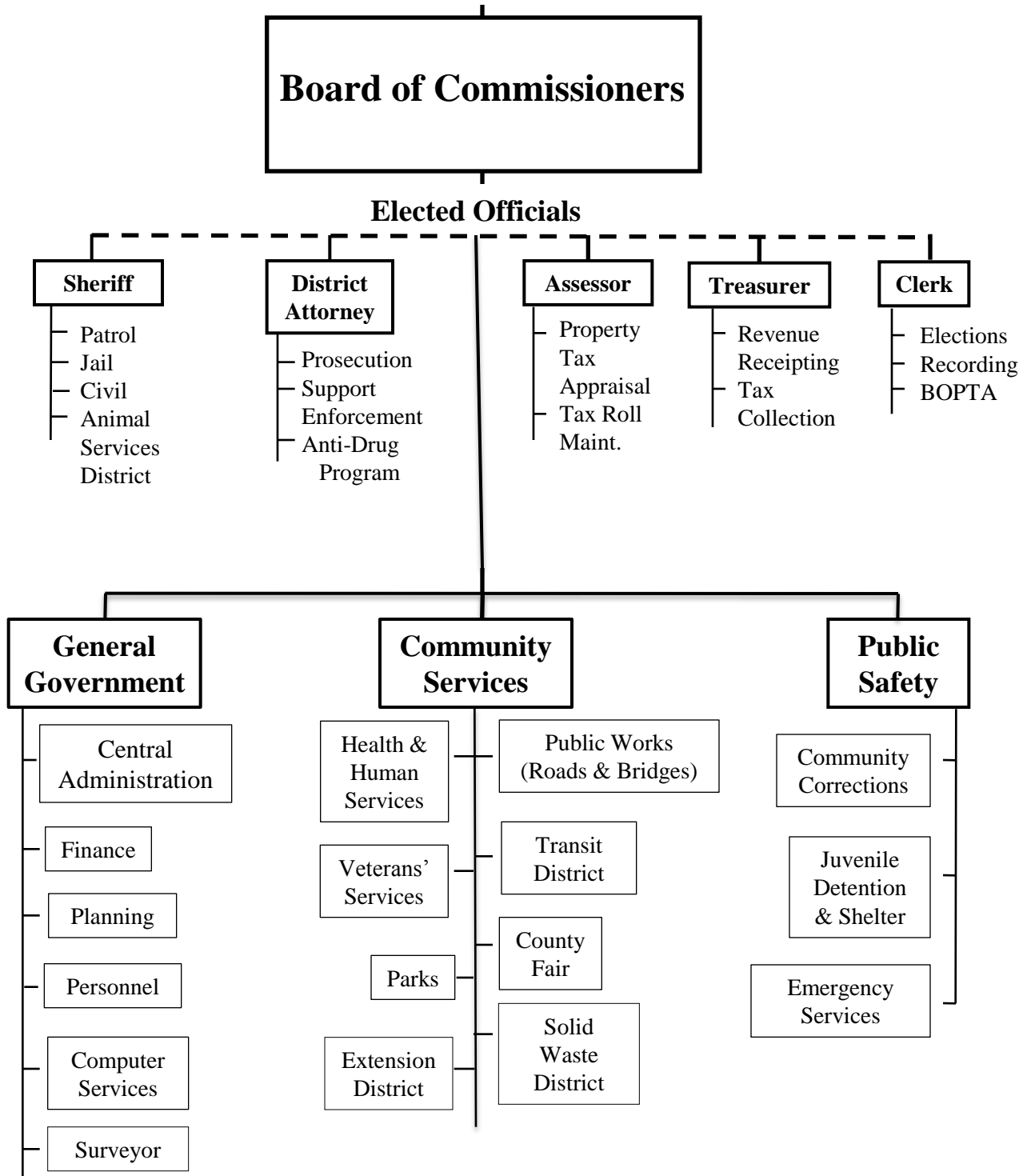
<u>Title</u>	<u>Name</u>
Assessor	Rob Thomas
County Clerk	Dana Jenkins
District Attorney	Michelle Branum
Sheriff	Dennis Dotson
Treasurer	Linda Pilson

MANAGEMENT OFFICIALS

<u>Title</u>	<u>Name</u>
County Counsel	Wayne Belmont
Director, Community Justice	Suzanne Gonzales
Director, Finance	Janice Riessbeck
Director, Health and Human Services	Cheryl Connell
Director, Information Technology/County Surveyor	John Waffenschmidt
Director, Personnel	Sheahan Griffitts
Director, Planning and Development	Onno Husing
Director, Public Works	Roy Kinion
Director, Transit	Cynda Bruce

Lincoln County Organization Chart

Citizens





FINANCIAL SECTION



An Independently Owned Member
McGLADREY ALLIANCE



INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lincoln County, Oregon
Newport, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lincoln County, Oregon ("County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, General Roads, and Mental Health funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

The City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pensions Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Restatement of the comparative financial data for the prior period is not practical due to the unavailability of information from the pension plan. The cumulative effects of applying the provisions of GASB Statements No. 68 and 71 have been reported as a restatement of beginning net position for the year ended June 30, 2015 in accordance with the Statements.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary schedules of OPEB funding progress, the County's Proportionate Share of Net Pension Liability, and the County's Pension Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was performed 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 nonmajor fund financial statements and schedules, the statistical tables section, and the schedule of receipts and disbursements for elected officials are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards 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.

The combining and individual nonmajor fund financial statements and schedules, the schedule of expenditures of federal awards, and the schedule of receipts and disbursements for elected officials are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016, on our consideration of County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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* in considering the County's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated January 18, 2016 on our consideration of County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
January 18, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

LINCOLN COUNTY, OREGON MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of Lincoln County offers readers of Lincoln County's financial statements this narrative overview and analysis of the financial activities of Lincoln County for the fiscal year ended June 30, 2015. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The County's total net position increased by \$4,287,366 or 6.5% due to increases in revenue while maintaining minimal increases in expenses.
- Current liabilities increased by \$784,095 or 35.9%.
- Revenue increased by \$1,883,461 or 3.4%, principally from increases in tax collections and grant revenue.
- Expense increased by \$1,093,460 or 2.1% from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Lincoln County's basic financial statements. The statements are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements.

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

The statement of net position presents information on all of Lincoln County's assets and liabilities, with the difference of the two reported as net position. Over time, increases and decreases in net position may serve as an indicator of whether the financial position of Lincoln County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation time). The government activities of Lincoln County include general government, community services, public safety, highways and streets, culture and recreation, health and welfare, and education.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lincoln County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balance provide a reconciliation to facilitate this comparison between the governmental funds and governmental activities.

The County maintains 18 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balances for the General, General Road, and Mental Health funds. These funds are considered to be major funds. Data from the nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund information for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Lincoln County adopts an annual appropriation budget for all governmental funds. Budgetary comparison statements are provided to demonstrate budgetary compliance.

Proprietary funds. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing the services be financed primarily through user fees. The County maintains two types of proprietary funds - enterprise funds and internal services funds. The County's only enterprise fund, the Solid Waste District Fund, is a blended component unit, business-type fund that derives its primary revenue from charges to customers of the solid waste haulers in the County. Internal service funds are proprietary funds that are used as an accounting tool to accumulate and allocate costs internally among a government's various functions. The Self Insurance Fund is an internal service fund that Lincoln County uses to self-manage its insurance programs such as workers' compensation, and unemployment insurance. Since the Self Insurance Fund benefits governmental functions, 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 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 assets and liabilities are reported in a separate Statement of Fiduciary Net Position. 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.

Notes to the basic financial statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other supplementary information. The combining statements for the nonmajor governmental funds and budgetary comparison schedules for both the nonmajor and the internal service proprietary fund are presented immediately following the notes to the basic financial statements. A statistical section containing selected financial, economic, and demographic information is presented immediately following the combining statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's combined net position was \$70,391,995 at June 30, 2015, an increase of \$4,287,366 or 6.5% between fiscal years 2014 and 2015. Table 1, below, compares the various components of the County's net position between the two years.

Cash and investments increased by \$1,427,420 or 4.3% while other current assets increased 15.9% or \$838,179. Assets generally increased because revenue collection increased at a higher rate than expenses. Capital assets increased \$1,331,884, or 3.4%. Overall, total assets increased by \$4,494,206 or 5.8%.

Current liabilities increased from last year by \$784,095 or 35.9% because of an upswing in capital activity at year's end. Long-term obligations decreased \$241,121 due to scheduled debt payments.

With the implementation of GASB 68 the County now reports a net pension asset of \$896,723, a deferred outflow of resources of \$352,922 and a deferred inflow of \$1,704,710.

The County's net investment in capital assets increased by \$49,168 or 0.1%. Restricted net position decreased \$3,743,006 or 14.4%. Unrestricted net position increased \$6,293,282 or 153.0% at the end of this year. This increase in net position includes a \$1,687,922 reduction in expenses due the implementaiton of GASB 68.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
SUMMARY OF NET POSITION
Table 1

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Assets:						
Cash and investments	\$ 34,641,413	\$ 33,217,411	\$ 12,955	\$ 9,537	\$ 34,654,368	\$ 33,226,948
Other current assets	6,035,975	5,200,822	63,231	60,205	6,099,206	5,261,027
Capital assets, net of accumulated depreciation	40,259,807	38,927,923	-	-	40,259,807	38,927,923
Net pension asset	896,723	-	-	-	896,723	-
Total assets	81,833,918	77,346,156	76,186	69,742	81,910,104	77,415,898
Deferred outflows of resources:						
Deferred outflow related to pensions	352,922	-	-	-	352,922	-
Liabilities:						
Current liabilities	2,952,941	2,170,564	13,037	11,319	2,965,978	2,181,883
Long-term debt outstanding	7,199,125	7,441,464	1,218	-	7,200,343	7,441,464
Total liabilities	10,152,066	9,612,028	14,255	11,319	10,166,321	9,623,347
Deferred inflows of resources:						
Deferred inflow related to pensions	1,704,710	-	-	-	1,704,710	-
Net position:						
Net investment in capital assets	37,806,344	37,757,176	-	-	37,806,344	37,757,176
Restricted	22,178,265	25,921,271	-	-	22,178,265	25,921,271
Unrestricted	10,345,455	4,055,681	61,931	58,423	10,407,386	4,114,104
Total net position	\$ 70,330,064	\$ 67,734,128	\$ 61,931	\$ 58,423	\$ 70,391,995	\$ 67,792,551

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Governmental Activities. Revenues for the County's governmental activities increased 3.4% or \$1,880,015 while total expenses increased 2.1% or \$1,076,936. Refer to Table 2 for a comparison of governmental activities for the years 2015 and 2014.

An increase of 10%, or \$1,832,776 in operating grants and contributions, plus a 121.6% increase (\$250,899) in distributions of state land and timber sales led to the increase in overall revenue. Property taxes and transient room taxes increased more modestly (6% and 4.6%, respectively). Other revenue remained relatively stable during 2015.

General government expenses experienced an increase of 0.8% or \$69,882. Public safety expenses decreased by \$961,428 or 5.1%, due to the implementation of GASB 68, the only County activity impacted by the pronouncement. Highways and streets expenses increased by \$1,002,911 or 17.7%, as expenses for road and bridge improvement increased. Health and welfare increased by \$1,112,730 as a result of the on-going service up-swing related to healthcare and the Affordable Care Act.

Business-type Activities. The County maintains an enterprise fund, the Solid Waste District, as a business type activity. The fund derives its revenue principally from charges for services and an operating grant. This fund, through prudent spending, improved its net position for the year by \$3,508 or 6%.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS
SUMMARY OF STATEMENT OF ACTIVITIES
Table 2**

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 13,503,890	\$ 14,890,759	\$ 207,469	\$ 204,054	\$ 13,711,359	\$ 15,094,813
Operating grants and contributions	20,072,427	18,239,651	30,000	30,000	20,102,427	18,269,651
Capital grants and contributions	451,955	557,052	-	-	451,955	557,052
General revenues:						
Property taxes	20,657,084	19,417,190	-	-	20,657,084	19,417,190
Transient room taxes	1,856,379	1,775,001	-	-	1,856,379	1,775,001
Unrestricted investment earnings	154,983	173,997	90	59	155,073	174,056
Timber and land sales	457,220	206,321	-	-	457,220	206,321
Gain (loss) on sale of capital assets	37,085	51,037	-	-	37,085	51,037
Total Revenues	\$ 57,191,023	\$ 55,311,008	\$ 237,559	\$ 234,113	\$ 57,428,582	\$ 55,545,121
Expenses:						
General government	8,735,285	8,665,403	-	-	8,735,285	8,665,403
Community services	3,876,802	4,142,696	234,051	217,527	4,110,853	4,360,223
Public safety	17,916,517	18,877,945	-	-	17,916,517	18,877,945
Highways and streets	6,659,136	5,656,225	-	-	6,659,136	5,656,225
Culture and recreation	211,240	258,490	-	-	211,240	258,490
Health and welfare	14,577,464	13,464,734	-	-	14,577,464	13,464,734
Education	688,601	687,561	-	-	688,601	687,561
Debt service interest	242,120	77,175	-	-	242,120	77,175
Total Expenses	52,907,165	51,830,229	234,051	217,527	53,141,216	52,047,756
Excess (deficiency) of revenues over (under) expenses	4,283,858	3,480,779	3,508	16,586	4,287,366	3,497,365
Net position at beginning of year	67,734,128	64,253,349	58,423	41,837	67,792,551	64,295,186
*Prior period adjustment	(1,687,922)	-	-	-	(1,687,922)	-
Net position at beginning of year, as restated	<u>66,046,206</u>	<u>64,253,349</u>	<u>58,423</u>	<u>41,837</u>	<u>66,104,629</u>	<u>64,295,186</u>
Net position at end of year	\$ 70,330,064	\$ 67,734,128	\$ 61,931	\$ 58,423	\$ 70,391,995	\$ 67,792,551

*Due to implementation of GASB 68, the FYE 2015 beginning net position was reduced (see note 17)

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 \$32,546,619, an increase of \$807,050 or 2.5% from the previous year.

- The County's General Fund balance increased \$455,076 (7.2%) from last year because revenues increased while expenditures were kept to a lesser rate of increase.
- The Road Fund balance showed a decrease of \$886,150 (7.3%) over last year. Planned utilization of reserves to rebuild roads and bridges within the County contributed to this decrease.
- Mental Health Fund balance showed a fund balance decrease of \$441,301 (15.9%). This decrease was driven by a transfer out to the Capital Projects Fund for the planned construction of a new building to house County health services.
- The Nonmajor Governmental fund balances increased a total of \$1,679,425 (1.6%) because revenues increased while expenses were kept to a lesser rate of increase.

BUDGETARY HIGHLIGHTS

Several changes were made during the fiscal year to adjust the County's originally adopted General Fund budget. The general government appropriation was increased by \$6,465, public safety appropriations increased by \$212,165, the community services appropriation increased by \$29,500. Transfers to other funds increased by \$8,535. \$12,000 of the contingency reserves were used along with \$244,665 of additional revenue and transfers in to offset these increased appropriations.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As of June 30, 20145 the County had \$40,259,807 invested in capital assets net of accumulated depreciation of \$68,912,651. This amount represents a net increase of \$1,331,884 (3.4%) over last year. All capital assets are contained in the governmental activities. The County's business-type activity holds no capital assets. Table 3 depicts the status of capital assets at June 30, 2015 and June 30, 2014.

TABLE 3
Capital Assets at Year-End
(net of depreciation)

	Governmental Activities	
	2015	2014
Land, easements and improvements	\$ 2,034,928	\$ 2,034,928
Infrastructure	65,940,446	65,940,446
Buildings and improvements	26,484,210	24,229,210
Equipment	13,116,086	12,353,697
Construction in progress	1,596,788	833,676
Less accumulated depreciation	(68,912,651)	(66,464,034)
Total	\$ 40,259,807	\$ 38,927,923

Table 4 shows a comparison in the changes in capital assets for the years 2015 and 2014. Additional information regarding capital assets can be found in Note 6 of the Notes to the Financial Statements.

TABLE 4
Change in Capital Assets

	Governmental Activities	
	2015	2014
Beginning Balance	\$ 38,927,923	\$ 35,744,429
Additions	3,780,501	5,861,895
Depreciation expense	(2,448,617)	(3,267,138)
Deletions, net book value	-	-
Ending Balance	\$ 40,259,807	\$ 38,927,923

Long-term Debt. At year end, the County had outstanding debt of \$3,272,326, including a premium net of amortization. This represented two new debt issues in 2014. The first was a bond issue for the face value of \$3,100,000 that sold with a premium of \$95,264. The second was a promissory note for \$380,000. Both issues were for the purpose of capital acquisition and improvement. Additional information regarding long term debt can be found in Note 8 of the Notes to the Financial Statements.

**TABLE 5
Outstanding Debt at Year-End**

	Governmental Activities	
	2015	2014
Bonds	\$ 2,925,501	\$ 3,195,264
Notes payable	\$ 346,825	\$ 365,281

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Lincoln County continues to face challenges posed by the slow recovery of the local, state, national and global economy. Fiscal year 2014-15 continues to be one of austere budgets and cost cutting measures. Traditional revenue sources are stagnant at best, diminishing in the worst case. The 2014-15 budget is the result of management taking a careful look at current conditions and making appropriate adjustments, while striving to provide the essential services that the County's citizens expect.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Lincoln County's financial condition. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Finance Director, Lincoln County, 210 SW 2nd St., Newport, OR 97365.

BASIC FINANCIAL STATEMENTS

LINCOLN COUNTY, OREGON

Statement of Net Position

June 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 34,641,413	\$ 12,955	\$ 34,654,368
Receivables	5,204,591	63,231	5,267,822
Inventories	502,140	-	502,140
Prepays	<u>329,244</u>	<u>-</u>	<u>329,244</u>
Total current assets	<u>40,677,388</u>	<u>76,186</u>	<u>40,753,574</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	3,631,716	-	3,631,716
Other capital assets (net of accumulated depreciation)	36,628,091	-	36,628,091
Net pension asset	<u>896,723</u>	<u>-</u>	<u>896,723</u>
Total noncurrent assets	<u>41,156,530</u>	<u>-</u>	<u>41,156,530</u>
Total assets	<u>81,833,918</u>	<u>76,186</u>	<u>81,910,104</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pensions	<u>352,922</u>	<u>-</u>	<u>352,922</u>
Total assets and deferred outflow of resources	<u>\$ 82,186,840</u>	<u>\$ 76,186</u>	<u>\$ 82,263,026</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,856,532	\$ 9,397	\$ 1,865,929
Accrued payroll and related liabilities	939,558	-	939,558
Accrued interest payable	108,614	-	108,614
Claims payable	48,237	-	48,237
Certificates of Participation	270,000	-	270,000
Notes payable	19,362	-	19,362
Compensated absences payable	<u>1,856,000</u>	<u>3,640</u>	<u>1,859,640</u>
Total current liabilities	<u>5,098,303</u>	<u>13,037</u>	<u>5,111,340</u>
Noncurrent liabilities:			
Certificates of Participation	2,655,501	-	2,655,501
Notes payable	327,463	-	327,463
Compensated absences payable	206,149	1,218	207,367
Net other postemployment benefit obligation	<u>1,864,650</u>	<u>-</u>	<u>1,864,650</u>
Total noncurrent liabilities	<u>5,053,763</u>	<u>1,218</u>	<u>5,054,981</u>
Total liabilities	<u>10,152,066</u>	<u>14,255</u>	<u>10,166,321</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources related to pensions	1,704,710	-	1,704,710
NET POSITION			
Net investment in capital assets	37,806,344	-	37,806,344
Restricted	22,178,265	-	22,178,265
Unrestricted	<u>10,345,455</u>	<u>61,931</u>	<u>10,407,386</u>
Total net position	<u>70,330,064</u>	<u>61,931</u>	<u>70,391,995</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 82,186,840</u>	<u>\$ 76,186</u>	<u>\$ 82,263,026</u>

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

LINCOLN COUNTY, OREGON

Statement of Activities

For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 8,735,285	\$ 1,786,875	\$ 6,043,576	\$ 4,030	\$ (900,804)	\$ -	\$ (900,804)
Community services	3,876,802	753,115	1,920,424	437,125	(766,138)	-	(766,138)
Public safety	17,916,517	1,032,466	4,262,273	10,800	(12,610,978)	-	(12,610,978)
Highway and streets	6,659,136	320,073	776,726	-	(5,562,337)	-	(5,562,337)
Culture and recreation	211,240	-	20,000	-	(191,240)	-	(191,240)
Health and welfare	14,577,464	9,611,361	6,954,522	-	1,988,419	-	1,988,419
Education	688,601	-	94,906	-	(593,695)	-	(593,695)
Interest on long-term debt	242,120	-	-	-	(242,120)	-	(242,120)
Total governmental activities	<u>\$ 52,907,165</u>	<u>\$ 13,503,890</u>	<u>\$ 20,072,427</u>	<u>\$ 451,955</u>	<u>\$ (18,878,893)</u>	<u>-</u>	<u>\$ (18,878,893)</u>
Business-type activities:							
Solid waste	234,051	207,469	30,000	-	-	3,418	3,418
Total primary government	<u>\$ 53,141,216</u>	<u>\$ 13,711,359</u>	<u>\$ 20,102,427</u>	<u>\$ 451,955</u>	<u>\$ (18,878,893)</u>	<u>\$ 3,418</u>	<u>\$ (18,875,475)</u>
General revenues:							
Property taxes					20,657,084	-	20,657,084
Transient room taxes					1,856,379	-	1,856,379
Timber and land sales					457,220	-	457,220
Unrestricted investment earnings					154,983	90	155,073
Gain on disposal of assets					37,085	-	37,085
Total general revenues					<u>23,162,751</u>	<u>90</u>	<u>23,162,841</u>
Change in net position					4,283,858	3,508	4,287,366
Net position, beginning					67,734,128	58,423	67,792,551
Prior period adjustment					(1,687,922)	-	(1,687,922)
Net position, beginning as restated (see note 17)					<u>66,046,206</u>	<u>58,423</u>	<u>66,104,629</u>
Net position, ending					<u>\$ 70,330,064</u>	<u>\$ 61,931</u>	<u>\$ 70,391,995</u>

LINCOLN COUNTY, OREGON

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2015

	101 General Fund	201 General Roads Fund	209 Mental Health Fund	Nonmajor Governmental Funds	Total
ASSETS					
Cash and investments	\$ 6,303,235	\$ 11,063,309	\$ 2,464,059	\$ 11,401,131	\$ 31,231,734
Receivables - net	2,954,644	19,408	464,501	1,766,038	5,204,591
Inventories	-	502,140	-	-	502,140
Prepays	322,659	6,585	-	-	329,244
Total assets	<u>\$ 9,580,538</u>	<u>\$ 11,591,442</u>	<u>\$ 2,928,560</u>	<u>\$ 13,167,169</u>	<u>\$ 37,267,709</u>
LIABILITIES					
Accounts payable	\$ 850,481	\$ 295,763	\$ 124,586	\$ 432,016	\$ 1,702,846
Accrued payroll and related expenses	591,755	65,437	89,552	192,814	939,558
Total liabilities	<u>1,442,236</u>	<u>361,200</u>	<u>214,138</u>	<u>624,830</u>	<u>2,642,404</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - accounts receivable	-	-	388,891	169,887	558,778
Unavailable revenue - property taxes	1,396,591	-	-	123,317	1,519,908
FUND BALANCES					
Nonspendable	322,659	508,725	-	-	831,384
Restricted	741,336	10,721,517	2,325,531	8,389,881	22,178,265
Committed	-	-	-	3,859,249	3,859,249
Assigned	-	-	-	5	5
Unassigned	5,677,716	-	-	-	5,677,716
Total fund balances	<u>6,741,711</u>	<u>11,230,242</u>	<u>2,325,531</u>	<u>12,249,135</u>	<u>32,546,619</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,580,538</u>	<u>\$ 11,591,442</u>	<u>\$ 2,928,560</u>	<u>\$ 13,167,169</u>	<u>\$ 37,267,709</u>

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

LINCOLN COUNTY, OREGON

Reconciliation of the Balance Sheet of Governmental
Funds to the Statement of Net Position

June 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Fund balances - governmental funds	\$	32,546,619
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets, cost	\$ 109,172,457	
Less accumulated depreciation	<u>(68,912,650)</u>	40,259,807
A portion of the County's property taxes and assessments receivable are collected after year-end, but are not available soon enough to pay for current year's operations, and therefore are not reported as revenues in the governmental funds.		
		1,519,908
A portion of the County Health Center's receivables are collected after year-end, but are not available soon enough to pay for current year's operations, and therefore are not reported as revenues in the governmental funds.		
		558,778
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the fund financial statement, but are recognized in the Statement of Net Position.		
Net pension asset	\$ 896,723	
Deferred outflow of resources	<u>352,922</u>	1,249,645
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:		
Accrued interest payable	\$ (108,614)	
Bonds and notes payable	(3,272,326)	
Compensated absences	(2,062,149)	
Deferred inflow of resources	(1,704,710)	
Net other postemployment benefit obligation	<u>(1,864,650)</u>	(9,012,449)
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 Position		
		<u>3,207,756</u>
Net position of governmental activities	\$	<u><u>70,330,064</u></u>

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

LINCOLN COUNTY, OREGON

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2015

	101 General Fund	201 General Roads Fund	209 Mental Health Fund	Nonmajor Governmental Funds	Total
REVENUES:					
Taxes and land sales	\$ 20,682,621	\$ -	\$ -	\$ 1,954,058	\$ 22,636,679
Licenses and permits	1,072,020	-	-	219,211	1,291,231
Charges for services	1,089,489	251,766	4,466,992	5,697,172	11,505,419
Intergovernmental revenues	7,259,167	4,543,744	3,293,402	5,803,128	20,899,441
Fines and penalties	50,200	-	-	39,537	89,737
Investment earnings	38,811	50,526	11,122	38,679	139,138
Donations	-	-	-	78,816	78,816
Other revenue	174,650	68,307	2,345	136,398	381,700
Total revenues	<u>30,366,958</u>	<u>4,914,343</u>	<u>7,773,861</u>	<u>13,966,999</u>	<u>57,022,161</u>
EXPENDITURES:					
Current:					
General government	8,986,540	-	-	176,213	9,162,753
Community services	1,610,962	-	-	1,988,270	3,599,232
Public safety	17,450,279	-	-	824,893	18,275,172
Highway and streets	-	5,444,023	-	-	5,444,023
Culture and recreation	-	-	-	83,844	83,844
Health and Welfare	-	-	6,215,162	8,332,296	14,547,458
Education	-	-	-	692,962	692,962
Debt service:					
Principal	278,156	5,300	-	-	283,456
Interest	135,846	2,423	-	-	138,269
Capital Outlay	1,149,064	348,747	-	2,490,131	3,987,942
Total expenditures	<u>29,610,847</u>	<u>5,800,493</u>	<u>6,215,162</u>	<u>14,588,609</u>	<u>56,215,111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>756,111</u>	<u>(886,150)</u>	<u>1,558,699</u>	<u>(621,610)</u>	<u>807,050</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	15,000	-	-	2,316,035	2,331,035
Transfers out	(316,035)	-	(2,000,000)	(15,000)	(2,331,035)
Total other financing sources (uses)	<u>(301,035)</u>	<u>-</u>	<u>(2,000,000)</u>	<u>2,301,035</u>	<u>-</u>
Net change in fund balances	455,076	(886,150)	(441,301)	1,679,425	807,050
Beginning fund balances	6,286,635	12,116,392	2,766,832	10,569,710	31,739,569
Ending fund balances	<u>\$ 6,741,711</u>	<u>\$ 11,230,242</u>	<u>\$ 2,325,531</u>	<u>\$ 12,249,135</u>	<u>\$ 32,546,619</u>

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

LINCOLN COUNTY, OREGON

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

For the Year Ended June 30, 2015

Amounts reported for governmental activities in the statement of activities are different because of the following:

Net change in fund balances - governmental funds	\$	807,050
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Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period is:

Capital outlay	\$ 4,599,022		
Less current year depreciation	<u>(3,267,138)</u>		1,331,884

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

Change in deferred inflows of resources		153,017
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. This amount is the net effect of those differences in the treatment of long-term debt and related items:

Change in accrued interest	\$ (108,614)		
Principal payments	283,456		
Change in Bond Premium	4,763		
Change in accrual of other postemployment benefits	<u>(130,961)</u>		48,644

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 the governmental funds

Change in compensated absences	\$ 85,081		
Change in net pension asset / liability	2,915,551		
Change in deferred outflow of resources	22,016		
Change in deferred inflow of resources	<u>(1,704,710)</u>		1,317,938

Internal service funds are used by management to charge costs of management of certain insurance activities to individual funds. The net revenue of activities of internal service funds is reported with the governmental activities

		<u>625,325</u>
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Change in net position of governmental activities	\$	<u>4,283,858</u>
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LINCOLN COUNTY, OREGON

101 GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 19,878,319	\$ 19,878,319	\$ 20,682,621	\$ 804,302
Licenses and permits	1,006,225	1,006,225	1,072,020	65,795
Intergovernmental revenues	7,807,368	8,037,033	7,259,167	(777,866)
Charges for services	1,247,166	1,247,166	1,089,489	(157,677)
Fines and penalties	55,000	55,000	50,200	(4,800)
Investment earnings	45,000	45,000	38,811	(6,189)
Other revenue	113,844	113,844	174,650	60,806
Total revenues	<u>30,152,922</u>	<u>30,382,587</u>	<u>30,366,958</u>	<u>(15,629)</u>
Expenditures:				
Personal services	21,825,030	21,790,193	20,789,181	1,001,012
Materials and services	7,491,602	7,593,629	7,258,600	335,029
Capital outlay	2,370,036	2,550,976	1,149,064	1,401,912
Contingency	1,000,000	988,000	-	988,000
Debt service:				
Principal	278,156	278,156	278,156	-
Interest	135,846	135,846	135,846	-
Total expenditures	<u>33,100,670</u>	<u>33,336,800</u>	<u>29,610,847</u>	<u>3,725,953</u>
Excess revenues over (under) expenditures	<u>(2,947,748)</u>	<u>(2,954,213)</u>	<u>756,111</u>	<u>3,710,324</u>
Other financing sources (uses):				
Transfers in	-	15,000	15,000	-
Transfers out	<u>(307,500)</u>	<u>(316,035)</u>	<u>(316,035)</u>	<u>-</u>
Total other financing sources (uses)	<u>(307,500)</u>	<u>(301,035)</u>	<u>(301,035)</u>	<u>-</u>
Net change in fund balances	<u>(3,255,248)</u>	<u>(3,255,248)</u>	<u>455,076</u>	<u>3,710,324</u>
Fund Balance:				
Beginning of year	<u>6,430,622</u>	<u>6,430,622</u>	<u>6,286,635</u>	<u>(143,987)</u>
End of year	<u>\$ 3,175,374</u>	<u>\$ 3,175,374</u>	<u>\$ 6,741,711</u>	<u>\$ 3,566,337</u>

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

LINCOLN COUNTY, OREGON

201 GENERAL ROADS FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 5,523,101	\$ 5,523,101	\$ 4,543,744	\$ (979,357)
Charges for services	270,290	270,290	251,766	(18,524)
Investment earnings	48,220	48,220	50,526	2,306
Other revenue	<u>68,108</u>	<u>68,108</u>	<u>68,307</u>	<u>199</u>
Total revenues	<u>5,909,719</u>	<u>5,909,719</u>	<u>4,914,343</u>	<u>(995,376)</u>
Expenditures:				
Personal services	3,088,745	3,088,745	2,823,559	265,186
Materials and services	3,971,510	3,971,510	2,620,464	1,351,046
Capital outlay	270,000	370,000	348,747	21,253
Debt service	7,723	7,723	7,723	-
Contingency	<u>1,000,000</u>	<u>900,000</u>	<u>-</u>	<u>900,000</u>
Total expenditures	<u>8,337,978</u>	<u>8,337,978</u>	<u>5,800,493</u>	<u>2,537,485</u>
Net change in fund balances	(2,428,259)	(2,428,259)	(886,150)	1,542,109
Fund Balance:				
Beginning of year	<u>11,398,278</u>	<u>11,398,278</u>	<u>12,116,392</u>	<u>718,114</u>
End of year	<u>\$ 8,970,019</u>	<u>\$ 8,970,019</u>	<u>\$ 11,230,242</u>	<u>\$ 2,260,223</u>

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

LINCOLN COUNTY, OREGON

209 MENTAL HEALTH FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 3,121,033	\$ 3,121,033	\$ 3,293,402	\$ 172,369
Charges for services	4,041,028	4,041,028	4,466,992	425,964
Investment earnings	-	-	11,122	11,122
Other revenue	<u>22,200</u>	<u>22,200</u>	<u>2,345</u>	<u>(19,855)</u>
Total revenues	<u>7,184,261</u>	<u>7,184,261</u>	<u>7,773,861</u>	<u>589,600</u>
Expenditures:				
Personal services	4,975,562	4,975,562	3,684,783	1,290,779
Materials and services	<u>3,120,102</u>	<u>3,120,102</u>	<u>2,530,379</u>	<u>589,723</u>
Total expenditures	<u>8,095,664</u>	<u>8,095,664</u>	<u>6,215,162</u>	<u>1,880,502</u>
Excess revenues over (under) expenditures	<u>(911,403)</u>	<u>(911,403)</u>	<u>1,558,699</u>	<u>2,470,102</u>
Transfers out	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>(2,000,000)</u>	<u>-</u>
Net change in fund balances	(2,911,403)	(2,911,403)	(441,301)	2,470,102
Fund Balance:				
Beginning of year	<u>3,066,132</u>	<u>3,066,132</u>	<u>2,766,832</u>	<u>(299,300)</u>
End of year	<u>\$ 154,729</u>	<u>\$ 154,729</u>	<u>\$ 2,325,531</u>	<u>\$ 2,170,802</u>

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

LINCOLN COUNTY, OREGON

PROPRIETARY FUNDS

Balance Sheet

June 30, 2015

	Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District Fund	Governmental Activities - Internal Service Fund 215 Self Insurance Fund
ASSETS		
Current assets:		
Cash and investments	\$ 12,955	\$ 3,409,679
Receivables	63,231	-
Total assets	\$ 76,186	\$ 3,409,679
LIABILITIES		
Current liabilities:		
Accounts payable and payroll liabilities	\$ 9,397	\$ 153,686
Current portion of compensated absences	3,640	-
Claims payable	-	48,237
Long-term portion of compensated absences	1,218	-
Total liabilities	14,255	201,923
NET POSITION		
Unrestricted	61,931	3,207,756
Total liabilities and net position	\$ 76,186	\$ 3,409,679

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

LINCOLN COUNTY, OREGON

PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2015

	Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District Fund	Governmental Activities - Internal Service Fund 215 Self Insurance Fund
Operating revenues:		
Charges for services	\$ 206,344	\$ 1,238,679
Other revenue	1,125	18,251
Total operating revenues	207,469	1,256,930
Operating expenses:		
General and administrative costs	103,069	-
Operations and maintenance	130,982	408,377
Total operating expenses	234,051	408,377
Operating income (loss)	(26,582)	848,553
Nonoperating revenues (expenses):		
Operating grant	30,000	-
Investment earnings	90	15,845
Capital transfer to governmental funds	-	(239,073)
Change in net position	3,508	625,325
Beginning net position	58,423	2,582,431
Ending net position	\$ 61,931	\$ 3,207,756

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

LINCOLN COUNTY, OREGON
PROPRIETARY FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2015

	Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District Fund	Governmental Activities - Internal Service Fund 215 Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from services provided	\$ 204,443	\$ -
Cash received from interfund services provided	-	1,256,930
Cash payments to employees for services	(106,147)	-
Cash payments to other suppliers for goods and services	(124,968)	-
Cash paid for interfund services used	-	(345,496)
	<u>(26,672)</u>	<u>911,434</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from operating grant	<u>30,000</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	<u>-</u>	<u>(239,073)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>90</u>	<u>15,845</u>
Net change in cash and investments	3,418	688,206
Cash and investments:		
Beginning of year	<u>9,537</u>	<u>2,721,473</u>
End of year	<u>\$ 12,955</u>	<u>\$ 3,409,679</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (26,582)	\$ 848,553
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
(Increase) decrease in assets:		
Receivables	(3,026)	-
Increase (decrease) in liabilities:		
Accounts payable and payroll liabilities	5,924	35,631
Claims payable	-	27,250
Compensated absences	<u>(3,078)</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ (26,762)</u>	<u>\$ 911,434</u>

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

LINCOLN COUNTY, OREGON
FIDUCIARY FUNDS
Statement of Fiduciary Net Position
June 30, 2015

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 2,589,487
Receivables - net	<u>8,302,194</u>
Total assets	<u>\$ 10,891,681</u>
LIABILITIES	
Due to other governmental agencies	\$ 12,552
Amounts held for others	<u>10,879,129</u>
Total liabilities	<u>\$ 10,891,681</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 1 - The Financial Reporting Entity

A. Reporting entity

Lincoln County, Oregon (the "County"), a general law county exercising the authority of a county under ORS Chapter 203.035, was established by an Act of the State Legislature on February 20, 1893, as 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 four 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 2nd Street, Newport, OR 97365.

B. Blended component units

The four blended component units are included because the County Board of Commissioners, the governing board of the Primary Government, also serves as their respective governing bodies, and management of the County has operational responsibility for the component units 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 to the county. 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.

Lincoln County Animal Services District

The District accounts for the operations of a shelter and animal control services county-wide. The primary source of revenue is property taxes and the sale of dog licenses and fees charged by the County Animal Shelter.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies

A. Government-wide financial statements

The statement of net position 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, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily upon fees charged to external parties.

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.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, whereby each major fund is displayed discretely in a separate column. All remaining governmental funds are 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.
- *Mental Health* - accounts for mental health services which are funded in part by the Oregon Health Plan, participation in the Inter-community Health Network (IHN) Coordinated Care Organization (CCO), State of Oregon Department of Human Services contracts for Mental Health Services, as well as private insurances and self-pay funds.

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.
- *Enterprise* - accounts for the operations services rendered to the surrounding governmental entities on a user charge basis, a predominantly self-supporting activity.
- *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.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

B. Basis of accounting

The government-wide financial statements and proprietary fund 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.

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 generally 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise fund, the Solid Waste District, and its internal service fund are charges for services. Operating expenses for the aforementioned funds are personal services and materials and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Cash and investments

For purposes of the accompanying statement of cash flows, the proprietary 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. Investments, including amounts held in pooled cash and investments, are stated at fair value.

D. Inventories and prepaid items

Inventories purchased are stated at cost (average costing method). Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

E. Receivables

In general, receivables 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. Deviations from this collection time period arise in medical receivables, and certain grant or intergovernmental receivables. The collection period for medical receivables is based on the time required for the medical billing system to process the services provided prior to year end. Certain grant or intergovernmental receivables will be recognized as revenue in the current period if it is material, measurable, and the related expenditures have been incurred.

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 inflows of resources if received more than sixty days following year end 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.

For the year ended June 30, 2015, the County's tax levy did not exceed the Oregon constitutional limitation. All other districts' property taxes receivable are reported in the Agency Fund.

F. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.) are reported in the governmental activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Infrastructure acquired prior to July 1, 1980 is not reported in capital assets. Donated capital assets are recorded at their estimated fair market value at the time received.

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. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

Infrastructure	20 to 50 years
Structures and improvements	50 years
Equipment	3 to 15 years

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

G. Net pension asset

The net pension asset in the *Statement of Net Position* has been recognized in connection with the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*, GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date* (amendment to No. 68), and the most recent PERS actuarial valuation measurement date. The net pension asset/liability is measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees past periods of service less the amount of the pension plan's fiduciary net position.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

H. Deferred outflow of resources

Deferred outflows of resources in the *Statement of Net Position* represents a consumption of net position that is applicable to a future reporting period and will not be recognized as an outflow of resources (expenditure/expense) until then. The deferred outflow of resources is pension contributions made subsequent to the measurement date of the net pension liability/asset. Contributions will be recognized as either a reduction to the net pension liability or an increase in the net pension asset in the year ended June 30, 2016.

I. 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, Mental Health, and Nonmajor 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 Lincoln County Employee's Association - Roads, or the Lincoln County Employee's Association - Transit, 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. Sick leave accumulates at the rate of 8 hours per month for the employees who qualify for vested sick leave.

All benefit-eligible employees (after six months of continuous service) earn vacation leave. The amount earned per pay period is determined based upon length of service and representation. Accumulation limits of vacation leave differ by length of service.

Certain employees earn paid leave for personal holidays with a maximum accumulation of 8 hours. All non-exempt benefit-eligible employees are eligible 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.

J. Deferred inflows of resources

Deferred inflows of resources represent an acquisition of net pension that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until then. In the *Statement of Net Position* this includes resources that are received before the County has met eligibility requirements related to time. For the pension plan deferred inflows of resources includes the net differences between projected and actual investment earnings and differences between employer pension contributions and the proportionate share of pension contributions. In the governmental fund financial statements, deferred inflows of resources also include revenues that are measurable but not available.

K. Interfund transactions

Interfund transactions are reflected as loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, and 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.

L. Fund balance

In the fund financial statements, the fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The fund balance classifications are:

Nonspendable - resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, prepaids and deposits, and assets held for sale.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

L. Fund balance, continued

Restricted - constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grants, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed - the County Commissioners pass an ordinance that places specific constraints on how the resources may be used. The County Commissioners can modify or rescind the ordinance at any time through passage of an additional ordinance.

Assigned - resources that are constrained by the County's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the County Commissioners approve which resources should be "reserved" during the adoption of the annual budget.

Unassigned - resources that have not been restricted, committed, or assigned within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

Fund balances by classification for the year ended June 30, 2015 are as follows:

	<u>General Fund</u>	<u>General Roads Fund</u>	<u>Mental Health Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable					
Inventories	\$ -	\$ 502,140	\$ -	\$ -	\$ 502,140
Prepays	322,659	6,585	-	-	329,244
Restricted for:					
Road maintenance	-	10,721,517	-	-	10,721,517
Economic development	-	-	-	218,320	218,320
Transit services	-	-	-	2,414,788	2,414,788
County schools	-	-	-	389,001	389,001
Worksite wellness	4,258	-	-	-	4,258
Public safety	734,766	-	-	-	734,766
County Fair	-	-	-	25,077	25,077
Outpatient services	-	-	2,325,531	1,208,689	3,534,220
Veterans' services outreach	2,312	-	-	-	2,312
Animal control services	-	-	-	327,884	327,884
Title III	-	-	-	1,812,747	1,812,747
Capital Outlay	-	-	-	1,350,471	1,350,471
Maintenance of government surveys	-	-	-	222,309	222,309
Public education	-	-	-	420,595	420,595
Committed to:					
Law library	-	-	-	72,801	72,801
County records	-	-	-	121,653	121,653
Post-closure obligations	-	-	-	696,584	696,584
DUII administration	-	-	-	14,747	14,747
Capital outlay	-	-	-	2,953,464	2,953,464
Assigned to:					
Capital outlay	-	-	-	5	5
Unassigned:	<u>5,677,716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,677,716</u>
Total fund balances	<u>\$ 6,741,711</u>	<u>\$ 11,230,242</u>	<u>\$ 2,325,531</u>	<u>\$ 12,249,135</u>	<u>\$ 32,546,619</u>

When both restricted and unrestricted (committed, assigned, or unassigned) resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources, as they are needed. When an expenditure is incurred, where an unrestricted fund balance classification could be used, it is the County's policy to use committed resources first, assigned resources second, and then unassigned amounts as they are needed.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

M. 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.

N. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The annual budgets are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 - Local Budget Law).

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.

Noncompliance with Oregon Budget Law for the year ended June 30, 2015 is as follows:

The following fund reported expenditures over budgeted amounts for the year ended June 30, 2015.

Transit District Fund: Materials and services	\$19,643
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Note 3 - Cash 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 investments balances.

A. The County's deposits and investments at June 30, 2015 are as follows:

Total investments	\$ 33,590,544
Deposits with financial institutions	3,653,311
Total deposits and investments	<u>\$ 37,243,855</u>

B. Cash and investments are reported as follows:

Governmental Activities/Funds	
General Fund	\$ 6,303,235
General Roads Fund	11,063,309
Mental Health Fund	2,464,059
Nonmajor governmental funds	<u>11,401,131</u>
Total governmental funds	31,231,734
Internal Service Fund	<u>3,409,679</u>
Total Governmental Activities	34,641,413
Business-Type Activities	12,955
Fiduciary Funds	<u>2,589,487</u>
Total cash and investments	<u>\$ 37,243,855</u>

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 3 - Cash and Investments, continued

Deposits:

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At June 30, 2015, the County's deposits with various financial institutions had a bank value of \$3,894,372. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

Investments:

As of June 30, 2015, the County held the following investments and maturities:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Weighted Average Maturity in Years</u>	<u>Moody's Credit Rating</u>	<u>% of Investment Portfolio</u>
JP Morgan Chase corporate debt securities	\$ 521,588	0.970	Aa3/A+/AA-	0.016 %
Wells Fargo & Company corporate debt securities	526,793	1.000	Aa3/A+/AA-	0.016 %
Local government investment pool	32,542,163	N/A	N/A	0.968 %
Total	<u>\$ 33,590,544</u>			<u>1.000 %</u>

The "weighted average maturity in years" calculation assumes that all investments are held until maturity.

The Oregon Local Government Investment Pool (LGIP) is an open-ended, no-load diversified portfolio offered to any municipality, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any public funds. The Office of the State Treasurer (OST) manages the LGIP. The LGIP is commingled with other State funds in the Oregon Short-Term Fund (OSTF). The OSTF is not managed as a stable net asset value fund; therefore, the preservation of principal is not assured. The LGIP is not rated by a national rating service. Additional information about the OSTF can be obtained at www.ost.state.or.us and www.oregon.gov/treasury. The weighted-average maturity of LGIP is less than one year. County's investment in LGIP is stated at fair value.

Credit risk - investments. The Count adheres to State of Oregon law, is to limit its Corporate and Municipal investments to the following: Issuers must be rated "A-1" (commercial paper and bankers acceptance) or "AA" (bonds and debt obligations for the states of Oregon, California, Idaho, and Washington) or "AAA" (FDIC guaranteed corporate bonds) or better by Standard and Poor's, Moody's Investors Service or any other nationally recognized statistical rating organization at time of purchase. Federal instrumentality securities shall be rated in the highest rating category by a nationally recognized statistical rating organization (NRSRO) and shall be rated not less by any NRSRO that rates the debt.

Note 4 - Receivables

Receivables at June 30, 2015 were as follows:

	<u>Governmental Funds</u>				<u>Totals</u>
	<u>General</u>	<u>General Roads</u>	<u>Mental Health</u>	<u>Nonmajor</u>	
Property taxes	\$ 1,603,377	\$ -	\$ -	\$ 141,437	\$ 1,744,814
Accounts	1,351,267	19,408	551,702	1,652,635	3,575,012
Less: allowance for doubtful accounts	-	-	(87,201)	(28,034)	(115,235)
	<u>\$ 2,954,644</u>	<u>\$ 19,408</u>	<u>\$ 464,501</u>	<u>\$ 1,766,038</u>	<u>\$ 5,204,591</u>

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 5 - Interfund Transactions

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 summarizes the County's transfer activity between funds within the governmental activities:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>
General Fund	Non Major Health and Human Services Fund	\$ 307,500
General Fund	Non Major Vehicle Replacement Fund	8,535
Mental Health Fund	Non Major Capital Projects Fund	2,000,000
Fair Facilities Fund	General Fund	<u>15,000</u>
Total		<u>\$ 2,331,035</u>

Note 6 - Capital Assets

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

<u>Governmental Activities</u>	<u>Balances July 1, 2014,</u>	<u>Additions and Reclassifications</u>	<u>Deletions and Reclassifications</u>	<u>Balances June 30, 2015</u>
<i>Capital assets, not being depreciated:</i>				
Land and easements	\$ 2,034,928	\$ -	\$ -	\$ 2,034,928
Construction in progress	<u>833,676</u>	<u>2,814,374</u>	<u>2,051,262</u>	<u>1,596,788</u>
Total capital assets, not being depreciated	<u>2,868,604</u>	<u>2,814,374</u>	<u>2,051,262</u>	<u>3,631,716</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	65,940,446	-	-	65,940,446
Buildings	16,174,497	-	-	16,174,497
Improvements	8,054,713	2,255,000	-	10,309,713
Equipment	<u>12,353,697</u>	<u>1,593,490</u>	<u>831,101</u>	<u>13,116,086</u>
Total capital assets being depreciated	<u>102,523,353</u>	<u>3,848,490</u>	<u>831,101</u>	<u>105,540,742</u>
<i>Less accumulated depreciation for:</i>				
Infrastructure	47,111,668	905,384	5,510	48,011,542
Buildings	8,805,350	435,135	-	9,240,485
Improvements	2,990,070	565,285	(5,510)	3,560,865
Equipment	<u>7,556,946</u>	<u>1,361,334</u>	<u>818,521</u>	<u>8,099,759</u>
Total accumulated depreciation	<u>66,464,034</u>	<u>3,267,138</u>	<u>818,521</u>	<u>68,912,651</u>
Total capital assets being depreciated, net	<u>36,059,319</u>	<u>581,352</u>	<u>12,580</u>	<u>36,628,091</u>
Total capital assets, net	<u>\$ 38,927,923</u>	<u>\$ 3,395,726</u>	<u>\$ 2,063,842</u>	<u>\$ 40,259,807</u>

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

General government	\$ 478,768
Community services	300,227
Public safety	989,248
Highways and streets	1,249,385
Culture and recreation	127,924
Health and welfare	<u>121,586</u>
Total depreciation expense - governmental activities	<u>\$ 3,267,138</u>

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 7 - Construction Commitments

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

	Project Authorization	Expended to Date	Commitment
Chitwood Covered Bridge	\$ 1,200,000	\$ 124,459	\$ 1,075,541
Yachats Covered Bridge	665,000	42,207	622,793
Trapp Creek Road Bridge	<u>1,727,000</u>	<u>91,152</u>	<u>1,635,848</u>
Totals	<u>\$ 3,592,000</u>	<u>\$ 257,818</u>	<u>\$ 3,334,182</u>

Note 8 - Noncurrent liabilities

General Obligation Bonds

General obligation bonds at year end are as follows:

Purpose	Amount
Local Oregon Capital Asset Program (LOCAP) certificates of participation	
The County issued certificates of participation, series 2013C, on July 30, 2013 in the amount of \$3.1 million through the Local Oregon Capital Assets Program with an average coupon rate of 4.27%. Proceeds are to be used to purchase new assessment and taxation software and hardware replacement; simulcast communications installation; Health and Human Services Building and Extension District Buildings improvements; the purchase and improvement of property for Courthouse parking; and additional property acquisition and improvements for County purposes if funds remain and the Board and Special Counsel approve. Principal amounts are due on August 1 and semi-annual interest payments are due on August 1 and February 1.	\$ 2,835,000

Notes payable

The County signed a 15-year promissory note on August 31, 2013 with the Trustees under the Curry Living Trust to purchase property. The original amount of the note was \$380,000 with monthly installments due of \$2,966 at 4.8% interest annum.

Noncurrent liability activity for the year ended June 30, 2015, was as follows:

	Outstanding July 1, 2014	Additions	Reductions	Outstanding June 30, 2015	Balances Due Within One Year
<u>Governmental activities:</u>					
Certificates of Participation					
LOCAP Series 2013C	\$ 3,100,000	\$ -	\$ (265,000)	\$ 2,835,000	\$ 270,000
Notes payable					
Curry property note	365,281	-	(18,456)	346,825	19,362
Vested compensated absences	<u>2,147,230</u>	<u>1,940,698</u>	<u>(2,025,779)</u>	<u>2,062,149</u>	<u>1,856,000</u>
Total Governmental activities noncurrent liabilities	<u>\$ 5,612,511</u>	<u>\$ 1,940,698</u>	<u>\$ (2,309,235)</u>	<u>\$ 5,243,974</u>	<u>\$ 2,145,362</u>
	Outstanding July 1, 2014	Additions	Reductions	Outstanding June 30, 2015	Balances Due Within One Year
<u>Business-type activities:</u>					
Vested compensated absences	<u>\$ 7,936</u>	<u>\$ 2,867</u>	<u>\$ (5,945)</u>	<u>\$ 4,858</u>	<u>\$ 3,640</u>

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 8 - Noncurrent liabilities, continued

The General Fund has been used to liquidate governmental activities compensated absences in prior years. Annual debt service requirements to maturity for long-term obligations are as follows:

Fiscal Year	LOCAP Series 2013C		Curry property note		Governmental Activities Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 270,000	\$ 113,088	\$ 19,362	\$ 16,225	\$ 289,362	\$ 129,313
2017	280,000	102,088	20,311	15,275	300,311	117,363
2018	290,000	90,688	21,308	14,279	311,308	104,967
2019	305,000	78,788	22,354	13,233	327,354	92,021
2020	85,000	70,988	23,451	12,136	108,451	83,124
2021-2025	470,000	299,039	135,687	42,248	605,687	341,287
2026-2030	575,000	189,470	104,352	8,340	679,352	197,810
2031-2035	<u>560,000</u>	<u>51,976</u>	<u>-</u>	<u>-</u>	<u>560,000</u>	<u>51,976</u>
	<u>\$ 2,835,000</u>	<u>\$ 996,125</u>	<u>\$ 346,825</u>	<u>\$ 121,736</u>	<u>\$ 3,181,825</u>	<u>\$ 1,117,861</u>

Certificates of participation are reported in the Statement of Net Position as follows:

LOCAP payable ending balance	\$ 2,835,000
Less: current portion	(270,000)
Add: unamortized premium	<u>90,501</u>
Bonds payable, due in more than one year	<u>\$ 2,655,501</u>

Note 9 - Operating Leases

The County leases office equipment and office facilities under operating leases expiring at various times through 2026. Total cost for such leases for the year ended June 30, 2015 was \$692,122. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2015 are:

Year Ended June 30,	Amount
2016	\$ 480,163
2017	392,372
2018	143,425
2019	39,983
2020	21,693
2021-2025	<u>19,674</u>
Total	<u>\$ 1,097,310</u>

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 10 - Defined Contribution Plan

The Lincoln County Retirement Plan is a defined contribution pension plan (401(k)) established by the County to provide benefits to substantially all employees, except for certain employees of the Sheriff's office. At June 30, 2015, there were 486 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. 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.

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 \$1,986,451 and employees contributed \$485,558 for the year ended June 30, 2015. 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.

Note 11 - Deferred Compensation Plan

The County's employees can contribute to the Lincoln County deferred compensation plan created in accordance with the Internal Revenue Code Section 457(g) ("457 Plan"). The 457 Plan is administered by independent plan administrators through administrative service agreements. The 457 Plan is available to substantially all employees of the County. Employees may defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The 457 Plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries, and are not subject to claims of the County's creditors, nor can they be used by the County for any purpose other than the payment of benefits to the plan participants. Accordingly, these plan assets and related liabilities are not recorded on the accompanying statement of net position. Employee contributions to the 457 Plan for the year ended June 30, 2015, were \$309,454.

Note 12- Defined Benefit Pension Plan

The County is a participating employer in the Oregon Public Employee Retirement System (OPERS) for certain employees of the Sheriff's office. OPERS is a cost-sharing multiple-employee defined benefit pension plan.

Risk Pooling:

For certain employees of the Sheriff's office, the County contributes to the State and Local Government Rate Pool (SLGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants.

Plan Benefits:

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature.

1. Tier One/Tier Two Retirement Benefit (Chapter 238).

Pension Benefits

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (1.67 percent for general service employees, 2.0 percent for police and fire employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 12 - Defined Benefit Pension Plan, continued

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS-covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

General service members: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Police and fire members: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 12 - Defined Benefit Pension Plan, continued

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

1. Member contributions

Beginning January 1, 2004, all member contributions, except judge members, were placed in the OPSRP Individual Account Program. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 to 7.0 percent of salary and are remitted by participating employers, who may agree to make member contributions on the member's behalf. The contributions are either deducted from member salaries or paid by the employers. The County has elected to make payments on behalf of its employees, who pay 6.0% of their salary to the IAP.

2. Employer contributions

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates, based on a percentage of payroll, first became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivisions, including the County, have made lump sum payments to establish side accounts, and their rates have been reduced.

Employer contributions for the year ended June 30, 2015 were \$634,532. The rates in effect for the fiscal year ended June 30, 2015 were 12.98 percent for OPSRP Police and Fire members.

A 10 year schedule of Defined Benefit Pension Plan Contributions can be found beginning on page 58 of the June 30, 2014 PERS CAFR.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 12 - Defined Benefit Pension Plan, continued

Pension Plan CAFR:

Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

At June 30, 2015, The County's proportionate share of the net pension asset is \$896,723. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the County's proportion was 0.0396 percent, which was unchanged from its proportion measured as of June 30, 2013.

At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 1,730,311
Changes in proportion and differences between Commission contributions and proportionate share of contributions	-	(25,601)
Commission contributions subsequent to the measurement date	<u>352,922</u>	<u>-</u>
Total	<u>\$ 352,922</u>	<u>\$ 1,704,710</u>

Deferred outflows of resources related to pensions of \$352,922 resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension asset in the year ending June 30, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Difference of Projected and Actual Investment Earnings	Change in employer proportion and differences between employer contributions proportionate share of contribution	Total
2016	\$ 433,425	\$ (6,413)	\$ 427,012
2017	433,425	(6,413)	427,012
2018	433,425	(6,413)	427,012
2019	433,425	(6,413)	427,012
2020	<u>(3,389)</u>	<u>51</u>	<u>(3,338)</u>
Total	<u>\$ 1,730,311</u>	<u>\$ (25,601)</u>	<u>\$ 1,704,710</u>

Actuarial Valuations:

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), and (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 12 - Defined Benefit Pension Plan, continued

Actuarial Methods and Assumptions Used in Developing Total Pension Liability:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization based over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Discount Rate:

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Assumed Asset Allocation:

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

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 12 - Defined Benefit Pension Plan, continued

Long-term Expected Rate of Return:

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

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	7.20 %	4.50 %
Short-Term Bonds	8.00 %	3.70 %
Intermediate - Term Bonds	3.00 %	4.10 %
High Yield Bonds	1.80 %	6.66 %
Large Cap US Equities	11.65 %	7.20 %
Mid Cap US Equities	3.88 %	7.30 %
Small Cap US Equities	2.27 %	7.45 %
Developed Foreign Equities	14.21 %	6.90 %
Emerging Foreign Equities	5.49 %	7.40 %
Private Equities	20.00 %	8.26 %
Opportunity Funds/Absolute Return	5.00 %	6.01 %
Real Estate (Property)	13.75 %	6.51 %
Real Estate (REITS)	2.50 %	6.76 %
Commodities	1.25 %	6.07 %
Total	100.00 %	
Assumed Inflation - Mean		2.75 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the County's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	1% Decrease (6.75%)	Discount Rate (7.75%)	1% Increase (8.75%)
Proportionate share of net pension liability (asset)	\$ 1,898,934	\$ (896,723)	\$ (3,261,193)

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 12 - Defined Benefit Pension Plan, continued

Changes in Plan Provisions Subsequent to Measurement Date:

The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients. OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision has not been fully determined. However, the change in benefit terms is estimated to increase the County's proportionate share of the net pension (asset)/liability by \$1,933,563 as shown in the following table.

	Prior to Moro	After Moro (estimated)	Change
Total pension liability	\$ 24,976,437	\$ 26,910,000	\$ (1,933,563)
Fiduciary net position	25,873,160	25,783,160	-
Net pension (asset)/liability	\$ (896,723)	\$ 1,126,840	\$ (1,933,563)

Note 13 - Other Postemployment Benefits (OPEB)

The County administers a single-employer defined benefit healthcare plan. The healthcare plan provides for post-retirement medical, dental, and vision coverage for eligible retirees, their spouses, domestic partners, and dependents on a self-pay basis. The level of benefits provided by the plans are the same as those afforded to active employees. Coverage is provided to retirees, spouses, and domestic partners until they become eligible for Medicare, typically age 65, and to eligible dependents until age 26. The County's post-retirement healthcare plan was established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulate that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. Due to the effect of age, retiree claim costs are generally higher than claim costs for all members as a whole. The difference between retiree claims costs and the amount of retiree healthcare premiums represents the County's implicit employer contribution.

Membership:

The County's membership in the plan at August 1, 2014 (the date of the most recent actuarial valuation) consisted of the following:

Active employees	366
Retirees, spouse or dependents	13
Spouses of ineligible retirees	1
Total	380

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 13 - Other Postemployment Benefits (OPEB), continued

Funding Policy and Contributions:

The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2015, the County's combined plan contributions were \$50,280. Implicit employer subsidies generally represent the increase in premiums the County must pay on behalf of its active employees as a consequence of providing retirees access to OPEB. The implicit premium requirements, as of August 1, 2014, for the County are as follows:

<u>Medical and Vision</u>	<u>Male Retirees</u>	<u>Female Retirees</u>	<u>Male Spouses</u>	<u>Female Spouses</u>
Age 50	\$ 540	\$ 613	\$ 385	\$ 455
Age 55	576	604	459	508
Age 60	706	687	564	588
Age 64	885	797	705	679
<u>Dental</u>	<u>Male Retirees</u>	<u>Female Retirees</u>	<u>Male Spouses</u>	<u>Female Spouses</u>
Age 50	\$ 54	\$ 60	\$ 54	\$ 60
Age 55	61	64	61	64
Age 60	67	68	67	68
Age 64	71	70	71	70

The County has not established an irrevocable trust to accumulate assets to fund the cost of the net OPEB obligation that arises from the implicit subsidy.

Annual OPEB Cost and Net OPEB Obligation:

The County had an actuarial valuation performed as of August 1, 2014 to determine the unfunded accrued actuarial liability (UAAL), annual required contribution (ARC) and net other postemployment benefit obligation (NOPEBO) as of that date. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The annual OPEB cost for the year ended June 30, 2015 was equal to the ARC as follows:

Normal cost	\$ 149,578
Amortization of UAAL	<u>194,051</u>
Annual required contribution (ARC)	<u>\$ 343,629</u>

The net OPEB obligation as of June 30, 2015 was calculated as follows:

Annual required contribution	\$ 343,629
Interest on prior year Net OPEB obligation	60,679
Less: Adjustment to ARC	<u>(208,461)</u>
Annual OPEB Cost	195,847
Less: Explicit Benefit Payments	-
Less: Implicit Benefit Payments	<u>(64,886)</u>
Increase in Net OPEB Obligation	130,961
Net OPEB Obligation - beginning of year	<u>1,733,689</u>
Net OPEB Obligation - end of year	<u>\$ 1,864,650</u>

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2015 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 330,661	43%	\$ 1,614,468
June 30, 2014	\$ 183,066	35%	\$ 1,733,689
June 30, 2015	\$ 195,847	34%	\$ 1,864,650

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 13 - Other Postemployment Benefits (OPEB), continued

Funded Status and Funding Progress:

As of August 1, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$903,596, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$903,596. The covered payroll amount (annual payroll of active employees covered by the plans) was \$23,432,495, and the ratio of the UAAL to the covered payroll was 3.86%. For the fiscal year ending June 30, 2015, the County has set aside \$0 to pay for future post-employment benefits for retired employees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amount determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress included in the Notes to the Required Supplementary Information presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time, relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions:

Actuarial valuations will be performed every two years for the County's OPEB plan. Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and plan members and include the types of benefits provided at the time of each valuation and historical patterns of sharing of benefit costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the August 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used to determine contribution levels comprised of normal cost and amortization payments. The actuarial assumptions included a 3.5% rate for discounting future liabilities; healthcare cost inflation trend rate of 5.75% in the first year with a variable rate of 5.00% to 6.75% in future years depending on the timing of the excise tax scheduled to affect health care benefits beginning in 2018; general inflation of 2.75% per year; and participation rate of 45% of future retirees electing coverage under the plan. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2013. The unfunded actuarially accrued liability is being amortized using a level percent of payroll over an open period of 10 years.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 14 - 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; 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.

Effective July 1, 2010 the County became self-insured for worker's compensation and unemployment insurance. Premiums are paid into the Risk Management internal service fund by County departments based on each department's operating budget, claim activity, and vehicle usage. The County carries a supplemental liability policy with a \$10 million limit per occurrence or wrongful act, and a \$500,000 deductible. The annual aggregate limit of the policy is \$10 million. The policy renews July 1 of each year.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

Changes in the balances of claims liabilities are as follows:

	Year Ended June 30,		
	2013	2014	2015
<u>Workers' compensation</u>			
Unpaid claims, beginning of year	\$ 16,961	\$ 10,710	\$ 15,968
Incurred claims (including IBNR)	12,138	67,353	44,703
Claim payments	(18,389)	(62,095)	(30,949)
Unpaid claims, end of year	<u>\$ 10,710</u>	<u>\$ 15,968</u>	<u>\$ 29,722</u>
<u>State unemployment</u>			
Unpaid claims, beginning of year	\$ 26,648	\$ 15,801	\$ 5,019
Incurred claims (including IBNR)	81,600	64,655	66,578
Claim payments	(92,447)	(75,437)	(53,082)
Unpaid claims, end of year	<u>\$ 15,801</u>	<u>\$ 5,019</u>	<u>\$ 18,515</u>

Note 15 - Contingencies

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.

Note 16 - Restatement of net position

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for contributions Made Subsequent to the Measurement Date - an Amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The City implemented GASB Statements No. 68 and 71 in the year ending June 30, 2015.

	<u>Governmental Activities</u>
Ending net position, June 30, 2014:	
As previously reported	\$ 67,734,128
Deferred outflows of resources related to pension	330,906
Net pension liability	<u>(2,018,828)</u>
Net position, July 1, 2014 as restated	<u>\$ 66,046,206</u>

REQUIRED SUPPLEMENTARY INFORMATION

LINCOLN COUNTY, OREGON

Schedule of Funding Progress - Other Postemployment Healthcare Benefits

June 30, 2015

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAL/ Payroll</u>
August 1, 2010	\$ -	\$ 2,102,563	\$ 2,102,563	0%	\$ 21,144,030	9.95%
August 1, 2012	\$ -	\$ 1,449,232	\$ 1,449,232	0%	\$ 22,611,533	6.41%
August 1, 2014	\$ -	\$ 903,596	\$ 903,596	0%	\$ 23,432,495	3.86%

The table above presents the three most recent actuarial evaluations for the County's post-retirement medical plan.

The County's OPEB benefits include an implicit benefit for retiree paid healthcare participation in the County's health insurance plan. The actuarial cost method is entry age normal.

LINCOLN COUNTY, OREGON

Required Supplemental Information - Oregon Public Employee Retirement System
Year Ended June 30, 2015

Proportionate Share of Net Pension Liability
Last Two Fiscal Years*

	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset)	0.039560 %	0.039560 %
Proportionate share of the net pension liability (asset)	\$ (896,723)	\$ 2,018,828
Covered payroll	\$ 4,358,196	\$ 4,463,814
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	(20.58)%	45.23 %
Plan net position as a percentage of the total pension liability	103.59 %	92.00 %

Schedule of the County's Pension Contributions
Last Two Fiscal Years *

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 634,532	\$ 657,544
Contributions in relation to the contractually required contribution	<u>634,532</u>	<u>657,544</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,358,196	\$ 4,463,814
Contributions as a percentage of covered employee payroll	14.56 %	14.73 %

* The schedule is required to show information for 10 years. However, until a full 10-year trend is completed, the information presented is for those years for which information is available.

OTHER SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL NONMAJOR FUNDS
STATEMENTS AND SCHEDULES

LINCOLN COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2015

	<u>Special Revenue Funds</u>	<u>219 Capital Projects Fund</u>	<u>103 Vehicle Replacement</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and investments	\$ 8,359,524	\$ 2,722,301	\$ 319,306	\$ 11,401,131
Receivables - net	<u>1,766,038</u>	<u>-</u>	<u>-</u>	<u>1,766,038</u>
Total assets	<u>\$ 10,125,562</u>	<u>\$ 2,722,301</u>	<u>\$ 319,306</u>	<u>\$ 13,167,169</u>
LIABILITIES				
Accounts payable	\$ 343,873	\$ 88,143	\$ -	\$ 432,016
Accrued payroll and related expenses	<u>192,814</u>	<u>-</u>	<u>-</u>	<u>192,814</u>
Total liabilities	<u>536,687</u>	<u>88,143</u>	<u>-</u>	<u>624,830</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - accounts receivable	169,887	-	-	169,887
Unavailable revenue - property taxes	<u>123,317</u>	<u>-</u>	<u>-</u>	<u>123,317</u>
Total deferred inflows of resources	293,204	-	-	293,204
FUND BALANCES				
Restricted	8,389,881	-	-	8,389,881
Committed	905,785	2,634,158	319,306	3,859,249
Assigned	<u>5</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total fund balances	<u>9,295,671</u>	<u>2,634,158</u>	<u>319,306</u>	<u>12,249,135</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,125,562</u>	<u>\$ 2,722,301</u>	<u>\$ 319,306</u>	<u>\$ 13,167,169</u>

LINCOLN COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2015

	Special Revenue	219 Capital Projects Fund	103 Vehicle Replacement	Total Nonmajor Governmental Funds
REVENUES:				
Taxes and land sales	\$ 1,954,058	\$ -	\$ -	\$ 1,954,058
Licenses and permits	219,211	-	-	219,211
Charges for services	5,417,932	-	279,240	5,697,172
Intergovernmental revenues	5,803,128	-	-	5,803,128
Fines and penalties	39,537	-	-	39,537
Investment earnings	38,679	-	-	38,679
Donations	78,816	-	-	78,816
Other revenue	99,313	-	37,085	136,398
	<u>13,650,674</u>	<u>-</u>	<u>316,325</u>	<u>13,966,999</u>
Total revenues				
EXPENDITURES:				
Current:				
General government	127,287	45,926	3,000	176,213
Community services	1,988,270	-	-	1,988,270
Public safety	824,893	-	-	824,893
Culture and recreation	83,844	-	-	83,844
Health and welfare	8,332,296	-	-	8,332,296
Education	692,962	-	-	692,962
Capital Outlay	503,819	1,709,714	276,598	2,490,131
	<u>12,553,371</u>	<u>1,755,640</u>	<u>279,598</u>	<u>14,588,609</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>1,097,303</u>	<u>(1,755,640)</u>	<u>36,727</u>	<u>(621,610)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	307,500	2,000,000	8,535	2,316,035
Transfers out	(15,000)	-	-	(15,000)
	<u>1,389,803</u>	<u>244,360</u>	<u>45,262</u>	<u>1,679,425</u>
Net change in fund balances				
Fund balances at beginning of year	<u>7,905,868</u>	<u>2,389,798</u>	<u>274,044</u>	<u>10,569,710</u>
Fund balances at end of year	<u>\$ 9,295,671</u>	<u>\$ 2,634,158</u>	<u>\$ 319,306</u>	<u>\$ 12,249,135</u>

Nonmajor Special Revenue Funds

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

- **Economic Development** – Revenue received from the distribution of State Lottery monies is accounted for in this fund. All revenue is earmarked for local economic development.
- **Transit District** (a component unit) - The district provides a comprehensive transportation program for the County. It is funded by property tax and federal and state transportation grant programs.
- **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 are accounted for in this fund. Major sources of revenue include state apportionments, annual fair proceeds, and grounds and building rentals.
- **Law Library** – This fund is used to maintain the County law library with revenues derived from court fees.
- **Clerk Records** – This fund accounts for expenditures incurred by the County Clerk to improve record storage and to acquire systems that facilitate records retrieval.
- **Health & Human Services** – This fund accounts for public health services through a variety of programs funded from grants and other resources.
- **Community Health Center** – This fund operates federally funded community health centers in various locations in the County.
- **Animal Services** (a component unit) – This district is supported by a property tax levy and the sale of dog licenses and fees charged by the County Animal Shelter to operate the shelter and provide animal control services county-wide.
- **Title III Safety Net** – Under Public Law 106-393, “The Secure Rural Schools and Community Self-Determination Act of 2000,” this fund accrues revenue to be set aside for projects authorized by the law.
- **Corner Preservation** – This fund accounts for expenditures incurred by the County Surveyor in the establishment, re-establishment, and maintenance of corners of government surveys.
- **Extension Agency** (a component unit) – This fund accounts for the operations of the OSU/Lincoln County Extension Agency which provides educational programs to county citizens. The District is funded mainly from property tax.
- **Agate Beach Closure** – This fund accounts for the County’s share of the post-closure obligations for the closed Agate Beach Landfill.
- **DUII** – This fund is used to comply with the legal provisions concerning the collection and expenditure of funds obtained through civil forfeiture proceedings.
- **Building Reserve** – This fund is used to accumulate funds for bringing County buildings up to code and for repairs and renovations to prevent losses due to earthquakes or other natural disasters.
- **Fair Facilities** – This fund accounts for the upgrade and improvement to the County Fairgrounds and its buildings and infrastructure through a dedicated transient room tax.

LINCOLN COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2015

	102 Economic Development Fund	204 Transit District Fund	202 County School Fund	203 County Fair Fund	205 Law Library Fund	207 Clerk Records Fund	208 Health and Human Services Fund	216 Community Health Centers Fund
ASSETS								
Cash and investments	\$ 218,320	\$ 2,367,973	\$ 308,817	\$ 26,538	\$ 84,055	\$ 146,341	\$ 59,551	\$ 294,696
Receivables - net	-	146,956	80,184	-	-	312	485,257	903,541
Total assets	<u>\$ 218,320</u>	<u>\$ 2,514,929</u>	<u>\$ 389,001</u>	<u>\$ 26,538</u>	<u>\$ 84,055</u>	<u>\$ 146,653</u>	<u>\$ 544,808</u>	<u>\$ 1,198,237</u>
LIABILITIES								
Accounts payable	\$ -	\$ 23,600	\$ -	\$ 1,461	\$ 11,254	\$ 25,000	\$ 102,184	\$ 116,486
Accrued payroll and related expenses	-	28,472	-	-	-	-	96,936	48,863
Total liabilities	<u>-</u>	<u>52,072</u>	<u>-</u>	<u>1,461</u>	<u>11,254</u>	<u>25,000</u>	<u>199,120</u>	<u>165,349</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - accounts receivable	-	-	-	-	-	-	17,088	152,799
Unavailable revenue - property taxes	-	48,069	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>48,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,088</u>	<u>152,799</u>
FUND BALANCES								
Restricted	218,320	2,414,788	389,001	25,077	-	-	328,600	880,089
Committed	-	-	-	-	72,801	121,653	-	-
Assigned	-	-	-	-	-	-	-	-
Total fund balances	<u>218,320</u>	<u>2,414,788</u>	<u>389,001</u>	<u>25,077</u>	<u>72,801</u>	<u>121,653</u>	<u>328,600</u>	<u>880,089</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 218,320</u>	<u>\$ 2,514,929</u>	<u>\$ 389,001</u>	<u>\$ 26,538</u>	<u>\$ 84,055</u>	<u>\$ 146,653</u>	<u>\$ 544,808</u>	<u>\$ 1,198,237</u>

LINCOLN COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2015

212 Animal Services Fund	213 Title III/Safety Net Fund	217 Corner Preservation Fund	859 Extension Agency	603 Agate Beach Disposal Site Closure Fund	601 DUII Fund	214 Building Reserve Fund	607 Fair Facilities Fund	Total
\$ 360,729	\$ 1,827,658	\$ 221,681	\$ 437,957	\$ 698,295	\$ 14,747	\$ 5	\$ 1,292,161	\$ 8,359,524
<u>63,574</u>	<u>-</u>	<u>628</u>	<u>26,561</u>	<u>715</u>	<u>-</u>	<u>-</u>	<u>58,310</u>	<u>1,766,038</u>
<u>\$ 424,303</u>	<u>\$ 1,827,658</u>	<u>\$ 222,309</u>	<u>\$ 464,518</u>	<u>\$ 699,010</u>	<u>\$ 14,747</u>	<u>\$ 5</u>	<u>\$ 1,350,471</u>	<u>\$ 10,125,562</u>
\$ 24,891	\$ 14,911	\$ -	\$ 21,660	\$ 2,426	\$ -	\$ -	\$ -	\$ 343,873
<u>18,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,814</u>
<u>43,434</u>	<u>14,911</u>	<u>-</u>	<u>21,660</u>	<u>2,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>536,687</u>
-	-	-	-	-	-	-	-	169,887
<u>52,985</u>	<u>-</u>	<u>-</u>	<u>22,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,317</u>
<u>52,985</u>	<u>-</u>	<u>-</u>	<u>22,263</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,204</u>
327,884	1,812,747	222,309	420,595	-	-	-	1,350,471	8,389,881
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>696,584</u>	<u>14,747</u>	<u>-</u>	<u>-</u>	<u>905,785</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>5</u>
<u>327,884</u>	<u>1,812,747</u>	<u>222,309</u>	<u>420,595</u>	<u>696,584</u>	<u>14,747</u>	<u>5</u>	<u>1,350,471</u>	<u>9,295,671</u>
<u>\$ 424,303</u>	<u>\$ 1,827,658</u>	<u>\$ 222,309</u>	<u>\$ 464,518</u>	<u>\$ 699,010</u>	<u>\$ 14,747</u>	<u>\$ 5</u>	<u>\$ 1,350,471</u>	<u>\$ 10,125,562</u>

LINCOLN COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2015

	102 Economic Development Fund	204 Transit District Fund	202 County School Fund	203 County Fair Fund	205 Law Library Fund	207 Clerk Records Fund	208 Health and Human Services Fund	216 Community Health Centers Fund
REVENUES:								
Taxes and land sales	\$ -	\$ 643,407	\$ 36,541	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	39,417	-	-
Charges for services	-	616,850	-	30,383	-	-	3,244,216	1,526,483
Intergovernmental revenues	162,529	1,208,902	673,021	50,964	-	-	1,511,965	2,139,022
Fines and penalties	-	-	-	-	38,522	-	-	-
Investment earnings	1,165	12,174	262	149	421	760	(4,360)	1,772
Donations	-	-	-	-	-	-	-	174
Other revenue	-	7,702	-	-	-	-	81,351	6,954
Total revenues	163,694	2,489,035	709,824	81,496	38,943	40,177	4,833,172	3,674,405
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	49,816	-	-
Community services	186,447	1,760,075	-	-	-	-	-	-
Public safety	-	-	-	-	33,540	-	-	-
Culture and recreation	-	-	-	73,121	-	-	-	-
Health and Welfare	-	-	-	-	-	-	5,039,722	3,292,574
Education	-	-	387,854	-	-	-	-	-
Capital Outlay	-	474,212	-	-	-	-	-	-
Total expenditures	186,447	2,234,287	387,854	73,121	33,540	49,816	5,039,722	3,292,574
Excess (deficiency) of revenues over (under) expenditures	(22,753)	254,748	321,970	8,375	5,403	(9,639)	(206,550)	381,831
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	307,500	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	307,500	-
Net change in fund balance	(22,753)	254,748	321,970	8,375	5,403	(9,639)	100,950	381,831
Beginning fund balance	241,073	2,160,040	67,031	16,702	67,398	131,292	227,650	498,258
Ending fund balance	\$ 218,320	\$ 2,414,788	\$ 389,001	\$ 25,077	\$ 72,801	\$ 121,653	\$ 328,600	\$ 880,089

LINCOLN COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended June 30, 2015

212 Animal Services Fund	213 Title III/Safety Net Fund	217 Corner Preservation Fund	859 Extension Agency	603 Agate Beach Disposal Site Closure Fund	601 DUII Fund	214 Building Reserve Fund	607 Fair Facilities Fund	Total
\$ 728,607	\$ -	\$ -	\$ 298,031	\$ -	\$ -	\$ -	\$ 247,472	\$ 1,954,058
65,480	-	102,391	-	6,826	5,097	-	-	219,211
-	-	-	-	-	-	-	-	5,417,932
10,727	-	-	45,998	-	-	-	-	5,803,128
1,015	-	-	-	-	-	-	-	39,537
2,205	9,919	1,233	2,420	3,821	76	-	6,662	38,679
78,642	-	-	-	-	-	-	-	78,816
-	-	-	3,306	-	-	-	-	99,313
<u>886,676</u>	<u>9,919</u>	<u>103,624</u>	<u>349,755</u>	<u>10,647</u>	<u>5,173</u>	<u>-</u>	<u>254,134</u>	<u>13,650,674</u>
-	-	77,471	-	-	-	-	-	127,287
-	25,437	-	-	16,311	-	-	-	1,988,270
791,353	-	-	-	-	-	-	-	824,893
-	-	-	-	-	-	-	10,723	83,844
-	-	-	-	-	-	-	-	8,332,296
-	-	-	305,108	-	-	-	-	692,962
29,607	-	-	-	-	-	-	-	503,819
<u>820,960</u>	<u>25,437</u>	<u>77,471</u>	<u>305,108</u>	<u>16,311</u>	<u>-</u>	<u>-</u>	<u>10,723</u>	<u>12,553,371</u>
<u>65,716</u>	<u>(15,518)</u>	<u>26,153</u>	<u>44,647</u>	<u>(5,664)</u>	<u>5,173</u>	<u>-</u>	<u>243,411</u>	<u>1,097,303</u>
-	-	-	-	-	-	-	-	307,500
-	-	-	-	-	-	-	(15,000)	(15,000)
-	-	-	-	-	-	-	(15,000)	292,500
65,716	(15,518)	26,153	44,647	(5,664)	5,173	-	228,411	1,389,803
<u>262,168</u>	<u>1,828,265</u>	<u>196,156</u>	<u>375,948</u>	<u>702,248</u>	<u>9,574</u>	<u>5</u>	<u>1,122,060</u>	<u>7,905,868</u>
<u>\$ 327,884</u>	<u>\$ 1,812,747</u>	<u>\$ 222,309</u>	<u>\$ 420,595</u>	<u>\$ 696,584</u>	<u>\$ 14,747</u>	<u>\$ 5</u>	<u>\$ 1,350,471</u>	<u>\$ 9,295,671</u>

LINCOLN COUNTY, OREGON
102 ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 195,000	\$ 195,000	\$ 162,529	\$ (32,471)
Investment earnings	<u>775</u>	<u>775</u>	<u>1,165</u>	<u>390</u>
Total revenues	<u>195,775</u>	<u>195,775</u>	<u>163,694</u>	<u>(32,081)</u>
Expenditures:				
Materials and services	250,000	250,000	186,447	63,553
Contingency	<u>172,532</u>	<u>172,532</u>	<u>-</u>	<u>172,532</u>
Total expenditures	<u>422,532</u>	<u>422,532</u>	<u>186,447</u>	<u>236,085</u>
Net change in fund balances	(226,757)	(226,757)	(22,753)	204,004
Fund Balance:				
Beginning of year	<u>226,757</u>	<u>226,757</u>	<u>241,073</u>	<u>14,316</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,320</u>	<u>\$ 218,320</u>

LINCOLN COUNTY, OREGON**204 TRANSIT DISTRICT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 597,000	\$ 597,000	\$ 643,407	\$ 46,407
Intergovernmental revenues	703,221	1,054,778	1,208,902	154,124
Charges for services	550,500	550,500	616,850	66,350
Investment earnings	8,000	8,000	12,174	4,174
Other revenue	<u>8,000</u>	<u>8,000</u>	<u>7,702</u>	<u>(298)</u>
Total revenues	<u>1,866,721</u>	<u>2,218,278</u>	<u>2,489,035</u>	<u>270,757</u>
Expenditures:				
Personal services	1,430,300	1,430,300	1,122,723	307,577
Materials and services	617,709	617,709	637,352	(19,643)
Capital outlay	220,000	659,542	474,212	185,330
Contingency	<u>462,838</u>	<u>374,853</u>	<u>-</u>	<u>374,853</u>
Total expenditures	<u>2,730,847</u>	<u>3,082,404</u>	<u>2,234,287</u>	<u>848,117</u>
Net change in fund balances	(864,126)	(864,126)	254,748	1,118,874
Fund Balance:				
Beginning of year	<u>1,777,224</u>	<u>1,777,224</u>	<u>2,160,040</u>	<u>382,816</u>
End of year	<u>\$ 913,098</u>	<u>\$ 913,098</u>	<u>\$ 2,414,788</u>	<u>\$ 1,501,690</u>

LINCOLN COUNTY, OREGON

202 COUNTY SCHOOL FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 35,000	\$ 36,541	\$ 36,541	\$ -
Intergovernmental revenues	244,000	302,963	673,021	370,058
Investment earnings	<u>25</u>	<u>54</u>	<u>262</u>	<u>208</u>
Total revenues	<u>279,025</u>	<u>339,558</u>	<u>709,824</u>	<u>370,266</u>
Expenditures:				
Materials and services	<u>279,025</u>	<u>406,590</u>	<u>387,854</u>	<u>18,736</u>
Net change in fund balances	-	(67,032)	321,970	389,002
Fund Balance:				
Beginning of year	<u>-</u>	<u>67,032</u>	<u>67,031</u>	<u>1</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,001</u>	<u>\$ 389,001</u>

LINCOLN COUNTY, OREGON

203 COUNTY FAIR FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 48,000	\$ 48,000	\$ 50,964	\$ 2,964
Charges for services	24,500	24,500	30,383	5,883
Investment earnings	<u>35</u>	<u>35</u>	<u>149</u>	<u>114</u>
Total revenues	<u>72,535</u>	<u>72,535</u>	<u>81,496</u>	<u>8,961</u>
Expenditures:				
Materials and services	76,360	76,360	73,121	3,239
Contingency	<u>-</u>	<u>10,963</u>	<u>-</u>	<u>10,963</u>
Total expenditures	<u>76,360</u>	<u>87,323</u>	<u>73,121</u>	<u>14,202</u>
Net change in fund balances	(3,825)	(14,788)	8,375	23,163
Fund Balance:				
Beginning of year	<u>14,788</u>	<u>14,788</u>	<u>16,702</u>	<u>1,914</u>
End of year	<u>\$ 10,963</u>	<u>\$ -</u>	<u>\$ 25,077</u>	<u>\$ 25,077</u>

LINCOLN COUNTY, OREGON

205 LAW LIBRARY FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Fines and penalties	\$ 25,000	\$ 25,000	\$ 38,522	\$ 13,522
Investment earnings	150	150	421	271
Total revenues	<u>25,150</u>	<u>25,150</u>	<u>38,943</u>	<u>13,793</u>
Expenditures:				
Materials and services	47,175	47,175	33,540	13,635
Contingency	<u>36,039</u>	<u>36,039</u>	-	<u>36,039</u>
Total expenditures	<u>83,214</u>	<u>83,214</u>	<u>33,540</u>	<u>49,674</u>
Net change in fund balances	(58,064)	(58,064)	5,403	63,467
Fund Balance:				
Beginning of year	<u>58,064</u>	<u>58,064</u>	<u>67,398</u>	<u>9,334</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,801</u>	<u>\$ 72,801</u>

LINCOLN COUNTY, OREGON

207 CLERK RECORDS FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 40,000	\$ 40,000	\$ 39,417	\$ (583)
Investment earnings	700	700	760	60
Total revenues	<u>40,700</u>	<u>40,700</u>	<u>40,177</u>	<u>(523)</u>
Expenditures:				
Personal services	55,800	55,800	8,416	47,384
Materials and services	<u>107,886</u>	<u>107,886</u>	<u>41,400</u>	<u>66,486</u>
Total expenditures	<u>163,686</u>	<u>163,686</u>	<u>49,816</u>	<u>113,870</u>
Net change in fund balances	(122,986)	(122,986)	(9,639)	113,347
Fund Balance:				
Beginning of year	<u>122,986</u>	<u>122,986</u>	<u>131,292</u>	<u>8,306</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,653</u>	<u>\$ 121,653</u>

LINCOLN COUNTY, OREGON
208 HEALTH AND HUMAN SERVICES FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 1,617,838	\$ 1,617,838	\$ 1,511,965	\$ (105,873)
Charges for services	3,217,826	3,217,826	3,244,216	26,390
Investment earnings	1,646	1,646	(4,360)	(6,006)
Other revenue	<u>52,157</u>	<u>52,157</u>	<u>81,351</u>	<u>29,194</u>
Total revenues	<u>4,889,467</u>	<u>4,889,467</u>	<u>4,833,172</u>	<u>(56,295)</u>
Expenditures:				
Personal services	3,754,616	3,754,616	3,499,087	255,529
Materials and services	<u>1,740,707</u>	<u>1,740,707</u>	<u>1,540,635</u>	<u>200,072</u>
Total expenditures	<u>5,495,323</u>	<u>5,495,323</u>	<u>5,039,722</u>	<u>455,601</u>
Other financing sources (uses):				
Transfers in	307,500	307,500	307,500	-
Transfers out	<u>(198,326)</u>	<u>(198,326)</u>	<u>-</u>	<u>198,326</u>
Net change in fund balances	(496,682)	(496,682)	100,950	597,632
Fund Balance:				
Beginning of year	<u>496,682</u>	<u>496,682</u>	<u>227,650</u>	<u>(269,032)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,600</u>	<u>\$ 328,600</u>

LINCOLN COUNTY, OREGON
216 COMMUNITY HEALTH CENTERS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 1,687,859	\$ 1,687,859	\$ 2,139,022	\$ 451,163
Charges for services	1,190,210	1,190,210	1,526,483	336,273
Investment earnings	1,548	1,548	1,772	224
Contributions and donations	300	300	174	(126)
Other revenue	<u>6,500</u>	<u>6,500</u>	<u>6,954</u>	<u>454</u>
Total revenues	<u>2,886,417</u>	<u>2,886,417</u>	<u>3,674,405</u>	<u>787,988</u>
Expenditures:				
Personal services	2,176,854	2,176,854	1,857,314	319,540
Materials and services	<u>1,671,736</u>	<u>1,671,736</u>	<u>1,435,260</u>	<u>236,476</u>
Total expenditures	<u>3,848,590</u>	<u>3,848,590</u>	<u>3,292,574</u>	<u>556,016</u>
Net change in fund balances	(962,173)	(962,173)	381,831	1,344,004
Fund Balance:				
Beginning of year	<u>962,173</u>	<u>962,173</u>	<u>498,258</u>	<u>(463,915)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 880,089</u>	<u>\$ 880,089</u>

LINCOLN COUNTY, OREGON

212 ANIMAL SERVICES FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 705,354	\$ 705,354	\$ 728,607	\$ 23,253
Licenses and permits	62,500	62,500	65,480	2,980
Intergovernmental revenues	-	-	10,727	10,727
Fines and penalties	-	-	1,015	1,015
Investment earnings	-	-	2,205	2,205
Contributions and donations	<u>50,000</u>	<u>50,000</u>	<u>78,642</u>	<u>28,642</u>
Total revenues	<u>817,854</u>	<u>817,854</u>	<u>886,676</u>	<u>68,822</u>
Expenditures:				
Personal services	605,388	605,388	585,467	19,921
Materials and services	223,500	223,500	205,886	17,614
Capital outlay	-	35,000	29,607	5,393
Contingency	<u>197,180</u>	<u>162,180</u>	<u>-</u>	<u>162,180</u>
Total expenditures	<u>1,026,068</u>	<u>1,026,068</u>	<u>820,960</u>	<u>205,108</u>
Net change in fund balances	(208,214)	(208,214)	65,716	273,930
Fund Balance:				
Beginning of year	<u>229,214</u>	<u>229,214</u>	<u>262,168</u>	<u>32,954</u>
End of year	<u>\$ 21,000</u>	<u>\$ 21,000</u>	<u>\$ 327,884</u>	<u>\$ 306,884</u>

LINCOLN COUNTY, OREGON
213 TITLE III/SAFETY NET FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ 8,500	\$ 8,500	\$ 9,919	\$ 1,419
Expenditures:				
Materials and services	1,071,708	1,071,708	25,437	1,046,271
Capital outlay	782,334	782,334	-	782,334
Total expenditures	<u>1,854,042</u>	<u>1,854,042</u>	<u>25,437</u>	<u>1,828,605</u>
Net change in fund balances	(1,845,542)	(1,845,542)	(15,518)	1,830,024
Fund Balance:				
Beginning of year	<u>1,845,542</u>	<u>1,845,542</u>	<u>1,828,265</u>	<u>(17,277)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,812,747</u>	<u>\$ (1,812,747)</u>

LINCOLN COUNTY, OREGON

217 CORNER PRESERVATION FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 90,000	\$ 90,000	\$ 102,391	\$ 12,391
Investment earnings	1,000	1,000	1,233	233
Total revenues	<u>91,000</u>	<u>91,000</u>	<u>103,624</u>	<u>12,624</u>
Expenditures:				
Personal services	33,783	33,783	-	33,783
Materials and services	127,100	127,100	77,471	49,629
Capital outlay	35,000	35,000	-	35,000
Contingency	45,960	45,960	-	45,960
Total expenditures	<u>241,843</u>	<u>241,843</u>	<u>77,471</u>	<u>164,372</u>
Net change in fund balances	(150,843)	(150,843)	26,153	176,996
Fund Balance:				
Beginning of year	<u>150,843</u>	<u>150,843</u>	<u>196,156</u>	<u>45,313</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 222,309</u>	<u>\$ 222,309</u>

LINCOLN COUNTY, OREGON

859 EXTENSION AGENCY

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Property taxes	\$ 276,000	\$ 276,000	\$ 298,031	\$ 22,031
Intergovernmental revenues	78,500	78,500	45,998	(32,502)
Investment earnings	2,200	2,200	2,420	220
Other revenue	-	-	3,306	3,306
Total revenues	<u>356,700</u>	<u>356,700</u>	<u>349,755</u>	<u>(6,945)</u>
Expenditures:				
Materials and services	<u>472,949</u>	<u>472,949</u>	<u>305,108</u>	<u>167,841</u>
Total expenditures	<u>472,949</u>	<u>472,949</u>	<u>305,108</u>	<u>167,841</u>
Other financing sources (uses):				
Net change in fund balances	(116,249)	(116,249)	44,647	160,896
Fund Balance:				
Beginning of year	306,249	306,249	375,948	69,699
End of year	<u>\$ 190,000</u>	<u>\$ 190,000</u>	<u>\$ 420,595</u>	<u>\$ 230,595</u>

LINCOLN COUNTY, OREGON
603 AGATE BEACH DISPOSAL SITE CLOSURE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 6,800	\$ 6,800	\$ 6,826	\$ 26
Investment earnings	<u>3,200</u>	<u>3,200</u>	<u>3,821</u>	<u>621</u>
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>10,647</u>	<u>647</u>
Expenditures:				
Materials and services	704,596	704,596	16,311	688,285
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>709,596</u>	<u>709,596</u>	<u>16,311</u>	<u>693,285</u>
Net change in fund balances	(699,596)	(699,596)	(5,664)	693,932
Fund Balance:				
Beginning of year	<u>699,596</u>	<u>699,596</u>	<u>702,248</u>	<u>2,652</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 696,584</u>	<u>\$ 696,584</u>

LINCOLN COUNTY, OREGON

601 DUII FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Licenses and permits	\$ 1,500	\$ 1,500	\$ 5,097	\$ 3,597
Investment earnings	20	20	76	56
Total revenues	<u>1,520</u>	<u>1,520</u>	<u>5,173</u>	<u>3,653</u>
Expenditures:				
Materials and services	5,818	5,818	-	5,818
Contingency	2,000	2,000	-	2,000
Total expenditures	<u>7,818</u>	<u>7,818</u>	<u>-</u>	<u>7,818</u>
Net change in fund balances	(6,298)	(6,298)	5,173	11,471
Fund Balance:				
Beginning of year	<u>6,298</u>	<u>6,298</u>	<u>9,574</u>	<u>3,276</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,747</u>	<u>\$ 14,747</u>

LINCOLN COUNTY, OREGON

607 FAIR FACILITIES FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 240,000	\$ 240,000	\$ 247,472	\$ 7,472
Investment earnings	3,500	3,500	6,662	3,162
Total revenues	<u>243,500</u>	<u>243,500</u>	<u>254,134</u>	<u>10,634</u>
Expenditures:				
Materials and services	175,000	175,000	10,723	164,277
Capital outlay	500,000	500,000	-	500,000
Contingency	716,594	701,594	-	701,594
Total expenditures	<u>1,391,594</u>	<u>1,376,594</u>	<u>10,723</u>	<u>1,365,871</u>
Transfers out	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Net change in fund balances	(1,148,094)	(1,148,094)	228,411	1,376,505
Fund Balance:				
Beginning of year	<u>1,148,094</u>	<u>1,148,094</u>	<u>1,122,060</u>	<u>(26,034)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,350,471</u>	<u>\$ 1,350,471</u>

LINCOLN COUNTY, OREGON

219 CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Expenditures:				
Materials and services	618,750	618,750	45,926	572,824
Capital outlay	3,703,326	3,703,326	1,709,714	1,993,612
Contingency	356,699	356,699	-	356,699
Total expenditures	<u>4,678,775</u>	<u>4,678,775</u>	<u>1,755,640</u>	<u>2,923,135</u>
Excess revenues under expenditures	<u>(4,678,775)</u>	<u>(4,678,775)</u>	<u>(1,755,640)</u>	<u>2,923,135</u>
Other financing sources (uses):				
Transfers in	<u>2,198,326</u>	<u>2,198,326</u>	<u>2,000,000</u>	<u>(198,326)</u>
Total other financing sources (uses)	<u>2,198,326</u>	<u>2,198,326</u>	<u>2,000,000</u>	<u>(198,326)</u>
Net change in fund balances	(2,480,449)	(2,480,449)	244,360	2,724,809
Fund Balance:				
Beginning of year	<u>2,480,449</u>	<u>2,480,449</u>	<u>2,389,798</u>	<u>(90,651)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,634,158</u>	<u>\$ 2,634,158</u>

LINCOLN COUNTY, OREGON

103 VEHICLE REPLACEMENT

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 226,795	\$ 226,795	\$ 279,240	\$ 52,445
Investment earnings	500	500	-	(500)
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>37,085</u>	<u>27,085</u>
Total revenues	<u>237,295</u>	<u>237,295</u>	<u>316,325</u>	<u>79,030</u>
Expenditures:				
Materials and services	1,500	3,000	3,000	-
Capital outlay	269,359	277,894	276,598	1,296
Contingency	<u>184,165</u>	<u>182,665</u>	<u>-</u>	<u>182,665</u>
Total expenditures	<u>455,024</u>	<u>463,559</u>	<u>279,598</u>	<u>183,961</u>
Excess revenues over (under) expenditures	<u>(217,729)</u>	<u>(226,264)</u>	<u>36,727</u>	<u>262,991</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>8,535</u>	<u>8,535</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>8,535</u>	<u>8,535</u>	<u>-</u>
Net change in fund balances	(217,729)	(217,729)	45,262	262,991
Fund Balance:				
Beginning of year	<u>217,729</u>	<u>217,729</u>	<u>274,044</u>	<u>56,315</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 319,306</u>	<u>\$ 319,306</u>

LINCOLN COUNTY, OREGON
210 SOLID WASTE DISTRICT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Charges for services	200,000	200,000	206,344	6,344
Investment earnings	150	150	90	(60)
Other revenue	<u>1,000</u>	<u>1,000</u>	<u>1,125</u>	<u>125</u>
Total revenues	<u>231,150</u>	<u>231,150</u>	<u>237,559</u>	<u>6,409</u>
Expenditures:				
Personal services	106,238	106,238	106,147	91
Materials and services	148,491	148,491	130,982	17,509
Contingency	<u>17,421</u>	<u>17,421</u>	<u>-</u>	<u>17,421</u>
Total expenditures	<u>272,150</u>	<u>272,150</u>	<u>237,129</u>	<u>35,021</u>
Net change in fund balances	(41,000)	(41,000)	430	41,430
Fund Balance:				
Beginning of year	<u>51,547</u>	<u>51,547</u>	<u>66,359</u>	<u>14,812</u>
End of year	<u>\$ 10,547</u>	<u>\$ 10,547</u>	<u>66,789</u>	<u>\$ 56,242</u>
Reconciliation to GAAP Basis:				
Compensated absences			<u>(4,858)</u>	
GAAP Fund Balance - end of year			<u>\$ 61,931</u>	

LINCOLN COUNTY, OREGON

215 SELF INSURANCE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 1,400,000	\$ 1,400,000	\$ 1,238,679	\$ (161,321)
Investment earnings	10,000	10,000	15,845	5,845
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>18,251</u>	<u>8,251</u>
Total revenues	<u>1,420,000</u>	<u>1,420,000</u>	<u>1,272,775</u>	<u>(147,225)</u>
Expenditures:				
Personal services	60,975	60,975	900	60,075
Materials and services	683,850	683,850	380,227	303,623
Capital outlay	150,000	275,000	239,073	35,927
Contingency	<u>3,098,266</u>	<u>2,973,266</u>	<u>-</u>	<u>2,973,266</u>
Total expenditures	<u>3,993,091</u>	<u>3,993,091</u>	<u>620,200</u>	<u>3,372,891</u>
Net change in fund balances	(2,573,091)	(2,573,091)	652,575	3,225,666
Fund Balance:				
Beginning of year	<u>2,573,091</u>	<u>2,573,091</u>	<u>2,603,418</u>	<u>30,327</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>3,255,993</u>	<u>\$ 3,255,993</u>
Reconciliation to GAAP Basis:				
Claims payable			<u>(48,237)</u>	
GAAP Fund Balance - end of year			<u>\$ 3,207,756</u>	

LINCOLN COUNTY, OREGON
AGENCY FUND
Schedule of Changes in Assets and Liabilities
For the Year Ended June 30, 2015

	<u>Balances</u> <u>July 01, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balances</u> <u>June 30, 2015</u>
ASSETS				
Cash and investments	\$ 2,380,737	\$ 96,512,015	\$ 96,303,265	\$ 2,589,487
Receivables	<u>6,911,262</u>	<u>97,902,947</u>	<u>96,512,015</u>	<u>8,302,194</u>
Total assets	<u>\$ 9,291,999</u>	<u>\$ 194,414,962</u>	<u>\$ 192,815,280</u>	<u>\$ 10,891,681</u>
LIABILITIES				
Accounts payable	\$ 1,680,493	\$ 2,624,856	\$ 4,292,797	\$ 12,552
Amounts held for others	<u>7,611,506</u>	<u>95,212,669</u>	<u>91,945,046</u>	<u>10,879,129</u>
Total liabilities	<u>\$ 9,291,999</u>	<u>\$ 97,837,525</u>	<u>\$ 96,237,843</u>	<u>\$ 10,891,681</u>

LINCOLN COUNTY, OREGON

Schedule of Receipts and Disbursements for Elected Officials

For the Year Ended June 30, 2015

There is no cash on hand or cash transactions of independently elected officials for fiscal year ending June 30, 2015



STATISTICAL SECTION

STATISTICAL SECTION

Contents	Page
Financial Trends	73-76
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	77-80
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	81-84
These schedules present information to help the reader assess the affordability of the government's current levels of debt outstanding and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	85-86
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	87-89
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.	

LINCOLN COUNTY

**NET POSITION BY COMPONENT
(Accrual Basis of Accounting)
(in thousands of dollars)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net investment in capital assets	\$ 120,699	\$ 120,717	\$ 115,493	\$ 119,306	\$ 122,659	\$ 123,439	\$ 34,807	\$ 35,744	\$ 37,757	\$ 37,806
Restricted	3,257	3,278	19,717	20,238	17,921	15,036	13,834	18,466	12,116	22,178
Unrestricted	27,687	29,264	14,741	11,595	11,600	12,536	15,057	10,085	17,919	10,408
Total Net Position	<u>\$ 151,643</u>	<u>\$ 153,259</u>	<u>\$ 149,951</u>	<u>\$ 151,139</u>	<u>\$ 152,180</u>	<u>\$ 151,011</u>	<u>\$ 63,698</u>	<u>\$ 64,295</u>	<u>\$ 67,792</u>	<u>\$ 70,392</u>

FYE 2015 beginning net position was reduced by \$1,687,922 to implement GASB 68

LINCOLN COUNTY

CHANGES IN NET POSITION
(Accrual Basis of Accounting)
(in thousands of dollars)

EXPENSES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Government	\$ 8,277	\$ 9,320	\$ 11,082	\$ 11,229	\$ 9,427	\$ 9,344	\$ 7,693	\$ 8,778	\$ 8,665	\$ 8,735
Community Services	3,239	3,246	4,065	4,205	4,030	3,783	3,972	4,211	4,143	3,878
Public Safety	14,273	15,390	16,766	17,322	16,484	16,972	19,373	18,409	18,878	17,916
Highways and Streets	6,702	5,684	8,509	7,543	7,614	8,366	8,191	6,102	5,656	6,659
Culture and Recreation	112	(127)	249	198	265	142	235	218	258	211
Health and Welfare	10,968	12,622	11,881	12,033	10,101	10,994	10,889	12,686	13,465	14,577
Education	1,877	1,764	1,668	1,569	1,421	1,236	956	920	688	689
Interest	81	54	95	93	63	41	26	6	77	242
Total Governmental Activities Expense	\$ 45,529	\$ 47,953	\$ 54,315	\$ 54,192	\$ 49,405	\$ 50,878	\$ 51,335	\$ 51,330	\$ 51,830	\$ 52,907
Business-type Activities										
Solid waste	\$ -	\$ -	\$ -	\$ -	\$ 278	\$ 278	\$ 257	\$ 220	\$ 217	\$ 234
Total Business-type Activities	\$ -	\$ -	\$ -	\$ -	\$ 278	\$ 278	\$ 257	\$ 220	\$ 217	\$ 234
Total Primary Government Expenses	\$ 45,529	\$ 47,953	\$ 54,315	\$ 54,192	\$ 49,683	\$ 51,156	\$ 51,592	\$ 51,550	\$ 52,047	\$ 53,141
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 2,175	\$ 2,261	\$ 1,842	\$ 2,476	\$ 1,967	\$ 2,365	\$ 2,558	\$ 2,576	\$ 2,296	\$ 1,787
Community Services	437	494	559	670	406	397	706	663	797	753
Public Safety	367	502	447	911	1,266	1,061	1,916	2,336	2,641	1,033
Highways and Streets	701	619	1,365	1,144	-	-	-	-	675	320
Culture and Recreation	-	-	-	-	-	-	-	-	-	-
Health and Welfare	4,509	3,700	3,454	6,188	4,142	5,430	6,630	6,217	8,481	9,611
Education	6	1	1	6	2	9	-	-	-	-
Operating Grants and Contributions	14,997	17,279	18,962	19,766	21,192	19,520	19,958	18,076	18,740	20,072
Capital Grants and Contributions	5,165	18	1,500	12	2,136	562	1,295	383	57	452
Total Governmental Activities Program Revenues	\$ 28,357	\$ 24,874	\$ 28,130	\$ 31,173	\$ 31,111	\$ 29,344	\$ 33,063	\$ 30,251	\$ 33,687	\$ 34,028
Business-type Activities - Solid waste										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ 213	\$ 182	\$ 219	\$ 200	\$ 204	\$ 208
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ 20	\$ 20	\$ 30	\$ 30	\$ 30
Total Business-type Activities	\$ -	\$ -	\$ -	\$ -	\$ 233	\$ 202	\$ 239	\$ 230	\$ 234	\$ 238
Total Primary Government Program Revenues	\$ 28,357	\$ 24,874	\$ 28,130	\$ 31,173	\$ 31,344	\$ 29,546	\$ 33,302	\$ 30,481	\$ 33,921	\$ 34,266
Net (Expense)/Revenue										
Governmental Activities	\$ (17,172)	\$ (23,079)	\$ (26,185)	\$ (23,019)	\$ (18,294)	\$ (21,534)	\$ (18,272)	\$ (21,079)	\$ (18,143)	\$ (18,879)
Business-type Activities	-	-	-	-	(45)	(76)	(18)	10	17	4
Total Primary Government Net Expense	\$ (17,172)	\$ (23,079)	\$ (26,185)	\$ (23,019)	\$ (18,339)	\$ (21,610)	\$ (18,290)	\$ (21,069)	\$ (18,126)	\$ (18,875)
GENERAL REVENUES AND OTHER										
Taxes										
Property Taxes	\$ 14,653	\$ 15,287	\$ 15,954	\$ 16,705	\$ 16,942	\$ 18,188	\$ 18,986	\$ 19,389	\$ 19,417	\$ 20,657
Transient Room Taxes	-	-	-	-	-	1,666	1,502	1,800	1,775	1,856
Other Taxes	1,237	1,285	1,086	1,640	1,631	265	235	-	-	-
Unrestricted Grants and Contributions	3,032	2,957	3,448	3,335	-	-	-	-	-	-
Investment Earnings	1,213	1,685	1,541	661	219	163	151	157	174	155
State Motor Vehicle Fees	2,352	2,335	-	-	-	-	-	-	-	-
Timber and Land Sales	992	517	483	556	564	161	500	365	206	457
Gain (Loss) on Sale of Capital Assets	11	(24)	(162)	16	23	(2)	-	-	51	37
Miscellaneous	479	655	528	543	-	-	-	-	-	-
Total Governmental Activities	\$ 23,969	\$ 24,697	\$ 22,878	\$ 23,456	\$ 19,379	\$ 20,441	\$ 21,374	\$ 21,711	\$ 21,623	\$ 23,162
Business-type Activities										
Investment Earnings	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business-type Activities	\$ -	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government	\$ 23,969	\$ 24,697	\$ 22,878	\$ 23,456	\$ 19,380	\$ 20,441	\$ 21,374	\$ 21,711	\$ 21,623	\$ 23,162
CHANGE IN NET POSITION										
Governmental Activities	\$ 6,797	\$ 1,618	\$ (3,307)	\$ 437	\$ 1,085	\$ (1,093)	\$ 3,102	\$ 632	\$ 3,480	\$ 4,283
Business-type Activities	-	-	-	-	(44)	(76)	(18)	10	17	4
Total Primary Government Change in Net Position	\$ 6,797	\$ 1,618	\$ (3,307)	\$ 437	\$ 1,041	\$ (1,169)	\$ 3,084	\$ 642	\$ 3,497	\$ 4,287

Notes

1. The Solid Waste fund was categorized as a business-type fund for the first time in FY 2010. Therefore, no historical data separate from the governmental activities is available before this year.
2. Data for transient room taxes is included with "Other Taxes" category for years prior to 2011

LINCOLN COUNTY

FUND BALANCES OF GOVERNMENTAL FUNDS

(Modified Accrual Basis of Accounting)
(in thousands of dollars)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL FUND										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,517	9,592	8,346	4,486	4,135	-	-	-	-	-
Nonspendable	-	-	-	-	-	3	2	-	-	323
Restricted	-	-	-	-	-	673	309	472	811	741
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	4,464	5,264	5,724	5,475	5,678
Total General Fund	\$ 9,517	\$ 9,592	\$ 8,346	\$ 4,486	\$ 4,135	\$ 5,140	\$ 5,575	\$ 6,196	\$ 6,286	\$ 6,742
ALL OTHER GOVERNMENTAL FUNDS										
Reserved For:										
Debt Service	\$ 223	\$ 246	\$ 262	\$ 262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outpatient Services	-	-	50	50	50	-	-	-	-	-
Unreserved, reported in Special Revenue Funds	21,210	22,907	25,582	25,545	25,261	-	-	-	-	-
Nonspendable	-	-	-	-	-	330	404	436	463	509
Restricted	-	-	-	-	-	19,528	20,192	18,466	18,926	21,437
Committed	-	-	-	-	-	3,127	2,886	3,240	5,997	3,859
Assigned	-	-	-	-	-	50	-	-	67	-
Unassigned	-	-	-	-	-	(46)	-	-	-	-
Total All Other Governmental Funds	\$ 21,433	\$ 23,153	\$ 25,894	\$ 25,857	\$ 25,311	\$ 22,989	\$ 23,482	\$ 22,142	\$ 25,453	\$ 25,805

This schedule has been modified with the implementation of GASB 54, effective FY 2011.

LINCOLN COUNTY
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
(Modified Accrual Basis of Accounting)
(in thousands of dollars)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes and Land Sales	\$ 17,063	\$ 17,132	\$ 17,737	\$ 18,854	\$ 19,009	\$ 19,915	\$ 20,673	\$ 21,228	\$ 21,280	\$ 22,637
Licenses, Fees, and Permits	2,554	2,253	1,908	1,532	1,431	1,416	1,328	1,328	1,203	1,291
Charges for Services	4,696	5,477	5,707	6,518	12,261	8,250	9,312	9,427	11,409	11,505
Intergovernmental	21,478	22,383	22,682	21,748	17,333	19,088	21,991	19,091	20,638	20,899
Fines and Penalties	132	147	160	130	138	133	118	91	100	90
Investment Earnings	1,240	1,719	1,544	637	215	162	143	150	163	139
Donations	-	-	-	-	-	-	-	-	62	79
Miscellaneous	720	1,016	885	2,717	1,113	772	740	580	740	382
Total Revenues	\$ 47,883	\$ 50,127	\$ 50,623	\$ 52,136	\$ 51,500	\$ 49,736	\$ 54,305	\$ 51,895	\$ 55,595	\$ 57,022
EXPENDITURES										
General Government	\$ 7,276	\$ 8,366	\$ 9,402	\$ 10,395	\$ 8,406	\$ 8,329	\$ 8,326	\$ 8,669	\$ 8,893	\$ 9,163
Community Services	3,159	3,156	4,187	4,050	3,910	3,633	3,803	4,063	3,897	3,599
Public Safety	14,162	14,759	16,133	16,746	15,957	16,443	18,789	17,611	18,044	18,275
Highways and Streets	6,681	5,607	4,336	4,564	6,594	7,177	6,426	6,149	7,592	5,444
Culture and Recreation	244	245	233	192	51	60	118	96	144	84
Health and Welfare	10,432	12,188	11,822	11,495	10,065	10,956	10,817	12,582	13,382	14,547
Education	1,795	1,668	1,669	1,566	1,421	1,236	956	920	687	693
Capital Outlay	1,226	1,620	2,715	6,291	4,956	2,748	3,571	2,053	2,969	3,988
Debt Service										
Principal	645	665	675	705	799	429	446	462	15	284
Interest	73	60	96	28	68	42	26	9	77	138
Bond Issuance Costs	-	-	-	-	-	-	-	-	69	-
Total Expenditures	\$ 45,693	\$ 48,334	\$ 51,268	\$ 56,032	\$ 52,227	\$ 51,053	\$ 53,278	\$ 52,614	\$ 55,769	\$ 56,215
Excess of Revenues Over (Under) Expenditures	\$ 2,190	\$ 1,793	\$ (645)	\$ (3,896)	\$ (727)	\$ (1,317)	\$ 1,027	\$ (719)	\$ (174)	\$ 807
OTHER FINANCING SOURCES (USES)										
Proceeds from Long-Term Debt	\$ -	\$ -	\$ 2,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,575	\$ -
Transfers in	851	1,044	2,631	494	639	878	606	339	797	2,331
Transfers out	(738)	(1,044)	(2,631)	(494)	(639)	(878)	(606)	(339)	(797)	(2,331)
Net Change in Fund Balances	\$ 2,303	\$ 1,793	\$ 1,495	\$ (3,896)	\$ (727)	\$ (1,317)	\$ 1,027	\$ (719)	\$ 3,401	\$ 807
Debt Service as a % of Noncapital Expenditures	1.6%	1.6%	1.6%	1.5%	1.9%	1.0%	1.0%	0.9%	0.2%	0.8%

LINCOLN COUNTY

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

Year Ended June 30,	Real Property		Personal Property		Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
	Manufactured Structures	Other Real Property	Manufactured Structures	Business Personal Property				
2006	62,089	4,947,378	27,479	105,371	5,142,317	3.0995	6,465,344	79.5%
2007	61,755	5,207,848	31,174	108,241	5,409,018	3.1045	8,607,856	62.8%
2008	60,927	5,495,187	32,745	114,225	5,703,084	3.1001	10,235,611	55.7%
2009	59,014	5,790,741	35,604	111,987	5,997,347	3.0963	11,030,893	54.4%
2010	54,519	6,042,207	37,950	121,456	6,256,132	3.0004	10,601,034	59.0%
2011	52,030	6,223,137	38,672	117,886	6,431,725	3.0727	9,694,409	66.3%
2012	49,867	6,390,364	36,818	101,617	6,578,666	3.0727	9,001,860	73.1%
2013	47,680	6,300,488	34,204	97,171	6,479,543	3.0727	8,301,862	78.0%
2014	46,847	6,596,883	33,966	104,232	6,781,928	3.0727	7,894,421	85.9%
2015	46,411	6,743,822	33,380	104,141	6,927,754	3.0727	7,938,141	87.3%

Source: Lincoln County Assessor's Office

LINCOLN COUNTY
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
Rate per \$1,000 of assessed value

Fiscal Year Ended	Lincoln County			Overlapping Rates			Total Direct and Overlapping Rates
	Operating	Debt Service	Total	Cities	Schools	Other Districts	
June 30,							
2006	2.9574	0.1421	3.0995	4.8349	6.5933	0.2824	14.8101
2007	2.9595	0.1450	3.1045	4.8198	6.4924	0.2834	14.7001
2008	2.9627	0.1374	3.1001	4.8744	6.4353	0.3075	14.7173
2009	2.9627	0.1336	3.0963	4.7598	6.4416	0.3211	14.6188
2010	2.9627	0.0377	3.0004	4.6874	6.4898	0.3252	14.5028
2011	3.0727	-	3.0727	4.8526	6.4401	0.3191	14.6845
2012	3.0727	-	3.0727	4.9789	6.4220	0.3141	14.7877
2013	3.0727	-	3.0727	4.9061	6.4128	0.3618	14.7534
2014	3.0727	-	3.0727	4.7727	6.2984	0.5547	14.6985
2015	3.0727	-	3.0727	4.9418	6.3248	0.5472	14.8865

Note: Overlapping rates are those of other governments that apply to property owners within Lincoln County. Not all overlapping rates apply to all property owners within the County as rates for cities, schools and other districts apply only to the proportion of the County's property owners whose property is located within the geographic boundaries of those governments.

Source: Lincoln County Assessor's Office

LINCOLN COUNTY

**PRINCIPAL PROPERTY TAXPAYERS
(in thousands of dollars)
Current and Ten Years Ago**

<u>Taxpayer</u>	2014-15			2005-06		
	Assessed Value	Rank	Percentage of County Total Assessed Value	Assessed Value	Rank	Percentage of County Total Assessed Value
Georgia Pacific West Inc	\$ 162,094	1	2.3%	\$ 142,781	1	2.2%
Central Lincoln PUD	74,351	2	1.1%	55,530	2	0.9%
Plum Creek Timberlands	55,528	3	0.8%	45,724	3	0.7%
Northwest Natural Gas	40,691	4	0.6%	36,499	4	0.6%
COROC/Lincoln City LLC	35,707	5	0.5%	28,042	6	0.4%
Charter Communications	32,018	6	0.5%			
The Worldmark Club	36,942	7	0.5%	33,785	5	0.5%
Nestucca Forests LLC	30,615	8	0.4%			
Centurylink	19,835	9	0.3%			
Fred Meyer Stores Inc	14,893	10	0.2%			
Green Diamond Resource Co				22,705	7	0.4%
Boise Cascade Corp				20,356	9	0.3%
Pioneer Telephone Coop.				20,541	8	0.3%
Shilo Inn Newport LLC				10,305	10	0.2%
Total Assessed Value	\$ 6,927,763			\$ 6,465,344		

Source : Lincoln County Assessor's Office

LINCOLN COUNTY

PROPERTY TAX LEVIES AND COLLECTIONS
(in thousands of dollars)

Year Ended June 30,	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
2006	13,847	13,367	96.5%	480	13,847	100.00%
2007	14,489	13,989	96.5%	500	14,489	100.00%
2008	15,153	14,508	95.7%	332	14,840	97.93%
2009	15,859	15,005	94.6%	577	15,582	98.25%
2010	15,942	15,092	94.7%	459	15,551	97.55%
2011	17,234	16,538	96.0%	666	17,204	99.83%
2012	18,248	16,869	92.4%	834	17,703	97.01%
2013	18,075	17,227	95.3%	848	18,075	100.00%
2014	19,669	18,370	93.4%	396	18,766	95.41%
2015	20,701	19,394	93.7%	-	19,394	93.69%

Source: Lincoln County Treasurer's Office

LINCOLN COUNTY

RATIOS OF OUTSTANDING DEBT BY TYPE (amounts expressed in thousands except debt per capita amounts shown as actual)

Governmental Activities

Year Ended June 30	General Obligation Bonds	Notes and Capital Leases	Total	Debt Per Personal Income Per Capita
2006	\$ 2,430	\$ -	\$ 2,430	\$ 83
2007	1,765	-	1,765	58
2008	1,090	2,140	3,230	102
2009	385	1,751	2,136	64
2010	-	1,337	1,337	40
2011	-	929	929	28
2012	-	462	462	13
2013	-	-	-	-
2014	-	3,465	3,465	N/A
2015	-	3,182	3,182	N/A

Note: Per Bureau of Economic Analysis (Regional Economic Accounts) (www.bea.gov). The latest personal income & per capita personal income available by BEA economic area is 2013.

*Sources: Lincoln County Finance Department
Bureau of Economic Analysis*

LINCOLN COUNTY

RATIOS OF GENERAL BONDED DEBT OUTSTANDING (amounts expressed in thousands except per capita amounts shown as actual)

Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property ^a	Outstanding Debt Per Capita ^b
2006	\$2,430	\$224	\$2,206	0.040%	\$50
2007	1,765	246	1,519	0.026%	34
2008	1,090	262	828	0.013%	19
2009	385	262	123	0.001%	3
2010	0	0	0	0.000%	0
2011	0	0	0	0.000%	0
2012	0	0	0	0.000%	0
2013	0	0	0	0.000%	0
2014	0	0	0	0.000%	0
2015	0	0	0	0.000%	0

(a) Property values can be found on 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, 2015

Municipality	Net General Debt Outstanding	Percent within County	Amount Applicable to County
Direct:			
Lincoln County	\$ 3,181,825	100.0000%	\$ 3,181,825
Overlapping:			
City of Depoe Bay	\$ 3,630,000	100.0000%	\$ 3,630,000
City of Lincoln City	12,074,394	100.0000%	12,074,394
City of Newport	35,250,541	100.0000%	35,250,541
City of Toledo	1,335,000	100.0000%	1,335,000
City of Yachats	549,289	100.0000%	549,289
Kernville, Gleneden, Lincoln Beach Water District	558,266	100.0000%	558,266
Lincoln County Unified School District	91,042,737	99.4024%	90,498,666
Lower Siletz Water District	36,129	100.0000%	36,129
Newport South Beach Urban Renewal	875,000	100.0000%	875,000
Central Oregon Coast RFPD	145,000	100.0000%	145,000
North Lincoln Fire and Rescue District #1	4,535,000	98.7912%	4,480,181
Oregon Coast Community College	16,125,000	100.0000%	16,125,000
Panther Creek Water District	46,197	100.0000%	46,197
Port of Alsea	112,279	100.0000%	112,279
Port of Newport	17,223,067	100.0000%	17,223,067
Port of Toledo	148,031	100.0000%	148,031
Seal Rock Water District	1,960,000	100.0000%	1,960,000
Silver Sands Special Road District	<u>35,000</u>	100.0000%	<u>35,000</u>
Total Overlapping	<u>\$ 185,680,930</u>		<u>\$ 185,082,040</u>
Total	<u><u>\$ 188,862,755</u></u>		<u><u>\$ 188,263,865</u></u>

Includes general obligation bonds less any that are fully self-supporting.

Source: Municipal Debt Advisory Commission, State of Oregon

Overlapping debt percentage is calculated by determining the percentage of real market value the issuer shares between itself and another issuer. This data is provided to the Oregon Treasury annually by the Oregon

LINCOLN COUNTY

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

Calculation of Legal Debt Margin for Fiscal Year 2015

True Cash Value	\$ 7,938,141
Debt Limit - 2% of true cash value per ORS 287.054	\$ 158,763
General Obligation Bonds	\$ -
Less: Amount set aside for repayment of G.O. debt	\$ -
Total Net Debt Applicable to Limit	-
Legal Debt Margin	\$ 158,763

Legal Debt Margin History

Year ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
True Cash Value of Property	\$ 6,465,344	\$ 8,607,856	\$ 10,235,611	\$ 11,030,893	\$ 10,601,034	\$ 9,694,409	\$ 9,001,860	\$ 8,301,862	\$ 7,894,421	\$ 7,938,141
Debt Limit	\$ 129,307	\$ 172,157	\$ 204,712	\$ 220,618	\$ 212,021	\$ 193,888	\$ 180,037	\$ 166,037	\$ 157,888	\$ 158,763
Total Net Debt Applicable to Limit	\$ 1,725	\$ 1,520	\$ 828	\$ 123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Debt Margin	\$ 127,582	\$ 170,637	\$ 203,884	\$ 220,495	\$ 212,021	\$ 193,888	\$ 180,037	\$ 166,037	\$ 157,888	\$ 158,763
Total Net Debt Applicable to Limit as a Percentage of Debt Limit	1.33%	0.88%	0.40%	0.06%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

LINCOLN COUNTY

DEMOGRAPHIC AND ECONOMIC STATISTICS

Year Ended June 30	Population ^a	Personal Income (\$000's) ^b	Per Capita Personal Income ^b	Unemployment Rate ^c
2006	44,520	1,355,011	30,436	6.0%
2007	44,360	1,410,471	31,796	5.0%
2008	44,715	1,497,282	33,485	5.5%
2009	45,946	1,553,434	33,810	10.4%
2010	46,293	1,559,195	33,681	11.0%
2011	46,135	1,572,179	34,228	10.1%
2012	46,155	1,679,689	36,377	9.5%
2013	46,560	1,718,619	37,079	8.4%
2014	46,890	N/A	N/A	7.6%
2015	47,225	N/A	N/A	6.6%

*Sources: (a) Portland State University, College of Urban Affairs,
Population Research Center
(b) Bureau of Economic Analysis
(c) Oregon Employment Department*

LINCOLN COUNTY

PRINCIPAL EMPLOYERS Current and Ten Years Ago

Employer	FY 2014-15			FY 2005-06		
	Employees	Rank	% of Total County Employment	Employees	Rank	% of Total County Employment
Confederated Tribes of the Siletz	1,266	1	7.2%	904	1	4.7%
Samaritan Health Services	816	2	4.7%	572	3	3.0%
Lincoln County School District	500	3	2.9%	613	2	3.2%
Lincoln County	395	4	2.3%	385	5	2.0%
Georgia-Pacific/Koch	390	5	2.2%	500	4	2.6%
OHSU/Hatfield Marine Science Center	320	6	1.8%	N/A	-	N/A
Walmart	213	7	1.2%	N/A	-	N/A
Fred Meyer	200	8	1.1%	N/A	-	N/A
Safeway	179	9	1.0%	N/A	-	N/A
City of Newport	159	10	0.9%	N/A	-	N/A
City of Lincoln City	157	11	0.9%	N/A	-	N/A
Central Lincoln PUD	136	12	0.8%	215	7	1.1%
NOAA	128	13	0.7%	N/A	-	N/A
Oregon Coast Community College	105	14	0.6%	N/A	-	N/A
The Inn at Spanish Head	100	15	0.6%	N/A	-	N/A
Total	5,064		29.0%	3,189		16.6%
Total Employment - Lincoln County:	17,490			19,263		

Source: Central Coast Economic Development Alliance and Employers

LINCOLN COUNTY

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FUNCTION										
General Government										
Highways and Streets	48	48	30	30	31	30	30	30	31.25	30.6
Other	83	89	91	81	71	72	72	72	74	75.1
Community Services										
Health and Welfare	97	95	118	90	90	98	98	101	127	140.21
Other	59	7	12	9	7	6.5	6.5	8	6	5.13
Public Safety										
Sheriff's Department	90	91	82	91	91	91	91	88	82	82
Other	16	73	71	65	61	59.5	59.5	57.5	61.75	61.85
Total	393	403	404	366	351	357	357	356.5	382	394.89
General Government	131	137	121	111	102	102	102	102	105.25	105.7
Community Services	156	102	130	99	97	104.5	104.5	109	133	145.34
Public Safety	106	164	153	156	152	150.5	150.5	145.5	143.75	143.85

Source : Lincoln County Finance Department

LINCOLN COUNTY

OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

FUNCTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Physical Arrests	1,199	1,195	1,134	1,224	817	708	704	958	760	842
Traffic Citations	758	923	862	782	687	599	555	787	754	755
Concealed Handgun Licensing										
Issued	N/A	N/A	N/A	N/A	N/A	N/A	N/A	675	811	717
Denied	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	14	4
Revoked	N/A	N/A	N/A	N/A	N/A	N/A	N/A	13	9	6
Sex Offender Registrations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	204	232	238
Fingerprints (not for CHL, sex offender or juvenile)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	765	352	843
Civil Papers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,493	1,497	1,578
Criminal Subpoenas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,258	1,491	1,637
Sheriff's Sales	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33	115	117
Jail Bookings	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,108	NA	3,141
Jail Releases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,113	NA	3,141
Released early (pre-trial or sentenced)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	554	NA	NA
Highways and Streets										
Miles of Road Pavement Overlays	8.5	7.4	2.4	1.9	20.2	10.9	3.0	4	1	2.65
Miles of Road Shoulder Widening	2.9	2.3	0.7	1.9	1.5	0	0	0	0	0
# of Road Patches Performed	N/A	N/A	18	26	40	24	70	21	67	65
Sanitation										
Pounds of Waste Generated Per Capita	N/A	3,080	3,254	3,099	2,587	2,503	2,487	2,657	N/A	N/A
Pounds of Waste Recovered Per Capita	N/A	810	898	957	761	815	805	956	N/A	N/A
Total Recovery Rate Average Per Person	N/A	28.3%	29.6%	30.9%	29.4%	34.6%	34.4%	38.0%	N/A	N/A
Transportation										
Hours of Service	19,995	22,870	22,492	25,375	23,525	26,238	28,576	30,851	31,134	31,243
Number of Passengers	89,258	98,159	104,655	140,598	125,452	141,124	139,986	147,485	141,297	125,887
Miles Traveled	322,046	341,980	346,166	379,089	366,887	407,103	479,799	553,533	563,181	547,096
Number of Trips	N/A	N/A	N/A	N/A	N/A	N/A	312,211	328,892	319,418	315,170
County Clerk										
Marriage Licenses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	370	406	442
Voter registrations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6,774	4,934	5,502
Documents Filed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12,796	11,421	12,456
Passports	N/A	N/A	N/A	N/A	N/A	N/A	N/A	565	561	687

Source: Individual County Departments

LINCOLN COUNTY

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

FUNCTION	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Patrol Units	25	24	29	28	28	28	30	30	31	33
Highways and Streets										
Streets (Miles)	335	335	335	332	332	332	332	332	330	330
Bridges	84	85	85	84	84	84	84	85	85	84
Culture and Recreation										
Parks	13	12	14	14	15	15	15	16	18	19
Transportation										
Number of Buses	16	16	16	19	19	19	19	19	19	21

Source : Individual County Departments



COMPLIANCE SECTION



COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUTE

To the Board of Commissioners
Lincoln County, Oregon
Newport, Oregon

An Independently Owned Member
McGLADREY ALLIANCE



We have audited the basic financial statements of Lincoln County, Oregon, ("County") as of and for the year ended June 30, 2015, and have issued our report thereon dated January 18, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for expenditures in the Transit District fund in excess of budget, as disclosed in Note 2.N.

OAR 162-10-0230 Internal Control

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

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

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

This report is intended solely for the information and use of the board of commissioners and management of the County and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Paul R Nielson

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
January 18, 2016



FEDERAL SINGLE AUDIT



INDEPENDENT AUDITOR'S 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

An Independently Owned Member
McGLADREY ALLIANCE



To the Board of Commissioners
Lincoln County, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lincoln County, Oregon as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Lincoln County, Oregon's basic financial statements, and have issued our report thereon dated January 18, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln County, Oregon'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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Paul R. Nielson

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
January 18, 2016



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

An Independently Owned Member
McGLADREY ALLIANCE



To the Board of Commissioners
Lincoln County, Oregon

Report on Compliance for Each Major Federal Program

We have audited the compliance of Lincoln County, Oregon with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Lincoln County, Oregon's major federal programs for the year ended June 30, 2015. Lincoln County, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Lincoln County, Oregon's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lincoln County, Oregon's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Lincoln County, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Lincoln County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Lincoln County, Oregon's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Lincoln County, Oregon's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
January 18, 2016

LINCOLN COUNTY, OREGON
 Schedule of Findings and Questioned Costs
 Year Ended June 30, June 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) that are not considered to be material weaknesses?	No
• Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) that are not considered to be material weaknesses?	No
Type of auditor’s report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of Major Federal Award Programs:

Name of Federal Program or Cluster	CFDA Number
Schools and Roads - Grants to States	10.665
Implement and Enhance	16.738
5310 Preventative Maintenance	20.513
Consolidated Health Centers	93.224

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

Section IV – Summary Schedule of Prior Audit Findings

None

LINCOLN COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through Number	Expenditures (Revenue Recognized)
<hr/> <i>Department of Agriculture</i> <hr/>			
Food and Nutrition Service			
Oregon Department of Human Services - Health Division Special Supplement Nutrition Program for Women, Infants, and Children	10.557	280559	\$ 233,908
Forest Service			
Oregon Department of Administrative Services Schools and Roads - Grants to States	10.665	ORS 293.560	<u>1,388,465</u>
<i>Total Department of Agriculture</i>			<u>1,622,373</u>
<hr/> <i>Department of Commerce</i> <hr/>			
National Oceanic and Atmospheric Administration			
Oregon Department of Land Conservation and Development Coastal Zone Management Awards	11.419	CZM-14-021	<u>27,000</u>
<i>Total Department of Commerce</i>			<u>27,000</u>
<hr/> <i>Department of Interior</i> <hr/>			
Payment in Lieu of Taxes and Distribution of Receipts of State and Local Governments	15.227	FY15	64,560
Oregon and California Land Grant	15.227	FY15	105,954
Refuge Revenue Sharing Act	15.659	FY15	2,627
Noxious Weed Control	15.230	12-PA- 11061200-015	1,540
Coastal Range Stewardship - Cascade Pacific	15.230	USFS-12-SA- 11061200-015	3,834
Department of Fish and Wildlife			
River Access for Public Improvements at Ojalla Park	15.605	F14AF00336	<u>74,425</u>
<i>Total Department of Interior</i>			<u>252,940</u>

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through Number	Expenditures (Revenue Recognized)
Department of Justice			
Department of Justice			
Bulletproof Vest Partnership	16.607	09-251	10,800
Grants to Encourage Arrest Policies and Enforcement of Protection Orders	16.590	2012-WE-AX-0045	36,185
Oregon Commission on Children and Families Crime Victim Assistance	16.575	VOCA-NC-2012-00050	32,884
JAG Program Cluster			
Oregon Criminal Justice Division			
Implement and Enhance	16.738	BJ-13-012	137,050
Hope Court Measure 57	16.738	IGA 4198	<u>81,043</u>
<i>Total JAG Program Cluster</i>			218,093
<i>Total Department of Justice</i>			<u>297,962</u>
Department of Transportation			
Oregon Department of Transportation			
Agreement with Confederated Tribes of Siletz	20.509	29274	260,672
5311 Operating Funds	20.509	29942	497,746
5310 Preventative Maintenance	20.513	29318	380,695
<i>Highway Planning and Construction Cluster</i>			
Department of Transportation			
National Historic Covered Bridge Preservation Project	20.205	27094	99,586
National Historic Covered Bridge Preservation Project	20.205	27095	58,909
Highway Bridge Program-Trapp Creek	20.205	28239	21,287
Federal Highway Administration			
Miller Park Recreational Trails Program	20.219	RT-12-020	<u>25,353</u>
<i>Total Highway planning and Construction Cluster</i>			205,135
<i>Total Department of Transportation</i>			<u>1,344,248</u>
Department of Health and Human Services			
Consolidated Health Centers	93.224	FY15	1,076,489
Oregon Health Authority			
Parent Cafe	93.234	146056	5,000
Oregon Health and Human Services			
Family Planning Services			
Family Planning Services	93.217	280558	58,253
Immunization Program	93.712	280540	14,474
Bioterrorism-Preparedness and Response	93.069	280618	20,000
Health Security Preparedness and Response Grant	93.889	144068	60,000
Tuberculosis	93.116	280549	2,033
Nurse Family Partnership	93.505	CDC 280641-11	425,626

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through Number	Expenditures (Revenue Recognized)
Department of Health and Human Services, continued			
Oregon Health and Human Services, continued			
HIV Care Formula Grants			
Oregon Mothers Care	93.940	280646	4,138
MCH Title V Flexible Funds and CAH	93.940	280646	17,459
Babies First	93.940	280646	8,141
Adult Services-SE20	93.958	112001	572,779
Child Services-SE22	93.958	112001	4,616
Continuum of Care-SE66	93.959	135001	236,948
Local Administration	93.778		75,938
Juvenile Crime Prevention-Basic and Diversion	93.667	12665	11,557
Juvenile Crime Prevention-Basic and Diversion	93.268	12596	36,714
Oregon Health Authority			
EMS Health Care Preparedness and Ebola	93.889	146864	5,077
Oregon Department of Justice-Child Support Division			
Child Support Enforcement	93.563	15431/610008	210,113
Oregon Commission on Children and Families			
Federal Youth Investment	93.667	FY15	3,243
Youth Investment Basic Capacity	93.667	FY15	22,500
Oregon Health Sciences University			
		4BO4MCO660	
		4-01-044	
Coastal Families	93.994	1004395	5,133
		4BO4MCO660	
		4-01-044	
OHSU Cocoon	93.994	1004395	<u>24,160</u>
<i>Total Department of Health and Human Services</i>			<u>2,900,391</u>
 Department of Homeland Security			
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036	FY15	14,415
Oregon Military Department-Emergency Management			
Emergency Management Performance Grants	97.042	14-521	81,799
2013 Homeland Security -EOP Program	97.073	13-227	16,000
		FEMA-DR-	
Hazard Mitigation	97.039	4055-OR	4,030
Simulcast Expansion	97.073	14-235	160,536
CERT Kits-Citizens Corp	97.073	14-236	4,125
Tsunami Sign Installation	97.082		4,533
National Incident Management System	97.107	G259-15-81	3,600
2012 Homeland Security Program	64.009		
Transfer of Personal Property-NASPO GW 16 16 Amateur Radio			
Winlink Dell Vistro Computer	97.073		855
Oregon State Marine Board			
Boating Safety Financial Assistance	97.012	VA648-C31768	<u>223,249</u>
<i>Total Department of Homeland Security</i>			<u>513,142</u>

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through Number	Expenditures (Revenue Recognized)
Department of Veterans Affairs			
Primary Care, Outpatient Services	64.009	VA648-C31768	478,731
Oregon Department of Military Affairs Veteran Services	64.111	VA260-P-0781	<u>40,691</u>
<i>Total Department of Veterans Affairs</i>			<u>519,422</u>
Environmental Protection Agency			
Oregon Department of Human Services Sanitary Survey Program	66.432	280557	<u>26,483</u>
<i>Total Environmental Protection Agency</i>			26,483
General Services Administration			
Donation of Federal Surplus Property	39.003	13-521	<u>16,122</u>
<i>Total General Services Administration</i>			16,122
Total Expenditures of Federal Awards			<u><u>\$ 7,520,083</u></u>

Note to Schedule of Expenditures of Federal Awards

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.