



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2012

**Lincoln County
Oregon**





COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2012

Prepared by:
Janice Riessbeck, Finance Director

LINCOLN COUNTY, OREGON
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For the Year Ended June 30, 2012
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Introductory Section



County of Lincoln

Finance Department

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December 21, 2012

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, 2012. 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 2011-12 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 46,155 and a true cash value of \$9,001,860,240.

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, and Lincoln County Transportation Service 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 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, debt service fund, capital projects fund, 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 2011-12, 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 not been immune to the national economic downturn that began in mid-2008. Due in large part to the decreased availability of credit, construction of new homes in the county has slowed dramatically, and sales of new and existing homes have dropped by two-thirds from peak levels. At the same time, unemployment in the county has almost doubled, keeping pace with the growth in the statewide jobless rate.

Like other local governments in Oregon, Lincoln County continues to struggle with the impacts of the Property Tax Limitation Measures of 1990 and 1996. The 1990 measure capped the tax rate per thousand dollars of value at \$10.00 for general government and phased in a limit of \$5.00 per thousand for schools. The 1996 measure limited the growth of property tax revenues to 3% per year, except for new construction, which now provides the only new revenues, rather than an adjustment in the tax rate.

The abrupt downturn in new construction and home sales is not the only financial challenge facing Lincoln County government. Revenues have declined across the board - federal and state support (except for one-time Recovery Act funds); timber sales on state forest lands (also driven by the downturn in housing); fees for services; interest income; and the transient room tax. Property tax collections are showing only a slight decline, but this continues to be an area of concern. Overall cash value of property in Lincoln County has declined in the last three years.

In response, the county's Management Team has moved aggressively to reduce operating costs, including program and staff reductions, salary freezes and furloughs, and the cancellation or postponement of many capital projects.

The county's primary industries - commercial fishing, tourism and timber - have ridden through the economic downturn with varying degrees of success. The decline in home construction and its impact on the timber industry has been noted previously. The diversity of the local fishing industry has allowed it to weather restrictions on some fisheries, with the crab and shrimp fisheries and sports fishing being particular bright spots. A decline in out-of-state tourist traffic has been compensated for, at least in part, by increased visits from in-state tourists. One bright spot has been completion of the move of NOAA's Pacific research fleet to Newport in July 2011. A local economic development study indicates that the location of the NOAA fleet to Newport will generate around \$19,000,000 in personal income over the first five years. Another boost in Lincoln County's near economic future is the anticipated completion of the Highway 20 realignment project in 2014-15. The highway project will make the county more accessible to commercial centers in the Willamette Valley, and cut down on travel time for visitors to Lincoln County.

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, are being implemented in some areas and negotiated with employee associations in others. Planned expenditures in technology to increase efficiency and productivity remain a high funding priority. 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

Because of the economic downturn, new initiatives, programs and spending were limited during the Fiscal Year 2011-12. One area of major economic impact to the County's finances is the extension of one more year of federal funding (FY 2012-13) through the Secure Rural Schools and Community Self Determination Act (also known as Safety Net or County Payments). The Act was reauthorized by Public Law 110-343, but at significantly reduced revenues for the county. Likelihood of any further extensions is minimal. For the 2011-12 fiscal year, the County Road Fund received \$1,145,996 which is 47% less than the previous fiscal year. \$130,000 is projected for fiscal year 2012-13. After fiscal year 2012-13, the Road Fund is not expecting any revenue from this source which constitutes a major reduction in Road Fund revenues of 44% compared to prior years. The County General fund also saw a reduction to \$116,000 in fiscal year 2011-12, and is projecting even less in fiscal year 2012-13, after which the Act expires. Efforts continue to be undertaken to restore or replace the federal funding, but the outlook does not look good for federal replacement dollars for these funding sources.

Capital projects completed in the County in 2011-12 included a \$1.5 million Public Safety Communications Project funded by Federal Homeland Security Grant monies to construct communications towers in several locations of the County.

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 issues various types of debt. The County currently has \$462,000 of long-term debt in the form of a loan for the replacement of the County's telephone system.

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

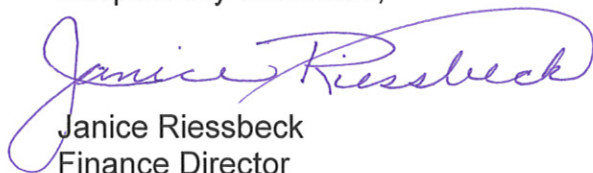
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate for Excellence in Financial Reporting to Lincoln County for its CAFR for the fiscal year ended June 30, 2011. This is the twentieth consecutive year that the government has achieved this prestigious 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 conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for a 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


Bill Hall
Chair, Board of Commissioners

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lincoln County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

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



Linda C. Davidson

President

Jeffrey R. Emer

Executive Director

LINCOLN COUNTY
PRINCIPAL OFFICIALS
June 30, 2012

BOARD OF COUNTY COMMISSIONERS

| <u>Title</u> | <u>Name</u> |
|---------------------|-------------------|
| Commissioner | Terry N. Thompson |
| Commissioner, Chair | Bill Hall |
| Commissioner | Doug Hunt |

OTHER ELECTED OFFICIALS

| <u>Title</u> | <u>Name</u> |
|-------------------|---------------|
| Assessor | Rob Thomas |
| County Clerk | Dana Jenkins |
| District Attorney | Rob Bovett |
| Sheriff | Dennis Dotson |
| Surveyor | Tom Hamilton |
| 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 | John Waffenschmidt |
| Director, Personnel | Sheahan Griffiths |
| Director, Planning and Development | Onno Husing |
| Director, Public Works | Jim Buisman |
| Director, Transit | Cynda Bruce |

Lincoln County Organization Chart

Citizens

Board of Commissioners

Elected Officials

County Sheriff

- Patrol
- Jail
- Civil
- Animal Services

District Attorney

- Prosecution
- Support Enforcement
- Anti-Drug Program

County Surveyor

County Assessor

County Treasurer

- Tax Collection

County Clerk

- Elections
- Recording
- BOPTA

Community Services

Health & Human Services

Veterans' Services

Commission on Children & Families

Parks

Roads

Transit

County Fair

General Government

Central Administration

Finance

Planning

Personnel

Computer Services

Public Safety

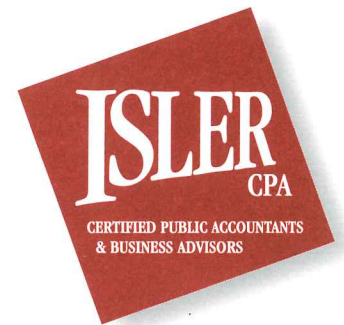
Community Corrections

Juvenile Detention & Shelter

Emergency Services



Financial Section



An Independently Owned Member
McGLADREY ALLIANCE



INDEPENDENT AUDITORS' REPORT

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

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, 2012, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2012, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2012, 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* and should be read in conjunction with this report in considering the results of our audit and other matters.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and the required supplementary schedule of OPEB funding progress 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.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The, the combining and individual nonmajor fund financial statements, other supplementary information the statistical tables section, and other financial schedules 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 financial statements. The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, the schedule of receipts and disbursements for elected officials, and the schedule of property tax transactions and outstanding balances 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 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.

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
December 21, 2012

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, 2012. 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 assets increased by \$3,141,434 or 5.05% due to increases in receivables and a reduction in overall liabilities.
- During the year the County's revenues increased by \$4,688,530 because of increases in Charges for Services and Capital Grant revenues.
- The General Fund reported a total fund balance of \$5,575,568, an 8.5%, \$435,591 increase over the prior year. Careful expenditure monitoring and modest revenue increases have enabled the continued additions to the General Fund reserves.

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 assets presents information on all of Lincoln County's assets and liabilities, with the difference of the two reported as net assets. Over time, increases and decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the 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 22 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 Health and Human Services 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, property, fire, auto and liability 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 activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets. An example is the Property Tax fund, which the Lincoln County Treasurer collects for many different entities within Lincoln County and then redistributes in accordance with tax rates certified by the County Assessor.

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 Assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The County's combined net assets were \$63,651,612 at June 30, 2012, an increase of \$3,141,434, or 5.05% between fiscal years 2011 and 2012. Table 1, below, compares the various components of the County's net assets between the two years.

Cash and investments decreased by \$366,639 or 1.3% decrease due to the use of cash to pay current liabilities, while other assets showed a 38.8% \$2,173,986 increase with additional receivables added in Health and Human Services for patient services. Capital assets increased \$1,221,360, or 3.59%. Overall, total assets increased by \$3,028,707 or 4.5%.

Current liabilities increased from last year by \$46,929 or 4.02% because of deferred revenues. Long-term obligations decreased \$159,656 or 3.83%. This result stems from no new borrowing in the current year and the continued diminishment of a general obligation bond that will be paid off in the 2012-13 fiscal year.

The County's investment in capital assets, net of debt decreased by \$1,667,360 or 5.03%, restricted assets decreased \$1,202,941 or 8.0%, and unrestricted net assets increased \$2,677,015 or 21.05% at the end of this year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
SUMMARY OF NET ASSETS
Table 1

| | Governmental Activities | | Business-type Activities | | Total Government | |
|---|--------------------------------|----------------------|---------------------------------|------------------|-------------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Assets: | | | | | | |
| Cash and investments | \$ 27,380,400 | \$ 27,720,092 | \$ - | \$ 26,947 | \$ 27,380,400 | \$ 27,747,039 |
| Other current assets | 7,707,797 | 5,567,405 | 72,358 | 38,764 | 7,780,155 | 5,606,169 |
| Capital assets, net of accumulated depreciation | 35,269,428 | 34,048,068 | - | - | 35,269,428 | 34,048,068 |
| Total assets | \$ 70,357,625 | \$ 67,335,565 | \$ 72,358 | \$ 65,711 | \$ 70,429,983 | \$ 67,401,276 |
| Liabilities: | | | | | | |
| Current liabilities | \$ 2,741,624 | \$ 2,718,504 | \$ 30,349 | \$ 6,540 | \$ 2,771,973 | \$ 2,725,044 |
| Long-term debt outstanding | 3,996,298 | 4,157,419 | 10,100 | 8,635 | 4,006,398 | 4,166,054 |
| Total liabilities | \$ 6,737,922 | \$ 6,875,923 | \$ 40,449 | \$ 15,175 | \$ 6,778,371 | \$ 6,891,098 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 34,807,428 | 33,140,068 | - | - | 34,807,428 | 33,140,068 |
| Restricted | 13,833,548 | 15,036,489 | - | - | 13,833,548 | 15,036,489 |
| Unrestricted | 14,978,727 | 12,283,085 | 31,909 | 50,536 | 15,010,636 | 12,333,621 |
| Total net assets | \$ 63,619,703 | \$ 60,459,642 | \$ 31,909 | \$ 50,536 | \$ 63,651,612 | \$ 60,510,178 |

Governmental Activities. Revenues for the County's governmental activities increased 9.3% or \$4,651,764 while total expenses increased 0.8% or \$342,562. Refer to Table 2 for a comparison of governmental activities for the years 2012 and 2011.

An increase of 27.5%, or \$2,548,898 in charges for services in program revenue led to the increase in overall revenue. The charges for services increase can be attributed to across-the-board increases in all programs' charges for services, particularly in the area of health and welfare. Capital grants increased by \$733,456, a 130% increase over 2011. In the general revenue category, property taxes increased by 4.3% or \$797,230, while other taxes decreased \$194,085 or 10%, and distributions from federal and state timber and land sales increased by \$339,189 or 210%.

General government expenses decreased by \$1,709,131 or 18.3%. Public safety expenses increased by \$2,400,331 or 14.14%, partially due to a capital grant-funded public safety communication infrastructure project. Highways and streets decreased by \$174,895 or 2.09%.

Business-type Activities. The County maintains one of its special revenue funds, the Solid Waste District, as a business-type activity community service function. The fund derives its revenue principally from charges for services and an operating grant.

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

| | Governmental Activities | | Business-type Activities | | Total Government | |
|---|--------------------------------|----------------------|---------------------------------|-------------------|-------------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenues: | | | | | | |
| Program | | | | | | |
| Charges for services | \$ 11,810,657 | \$ 9,261,759 | \$ 218,898 | \$ 181,832 | \$ 12,029,555 | \$ 9,443,591 |
| Operating grants and contributions | 19,957,576 | 19,520,348 | 20,000 | 20,000 | 19,977,576 | 19,540,348 |
| Capital grants and contributions | 1,295,146 | 561,690 | - | - | 1,295,146 | 561,690 |
| General revenues: | | | | | | |
| Property taxes | 18,985,524 | 18,188,294 | - | - | 18,985,524 | 18,188,294 |
| Other taxes | 1,736,690 | 1,930,775 | - | - | 1,736,690 | 1,930,775 |
| Unrestricted investment earnings | 150,952 | 163,312 | 75 | 375 | 151,027 | 163,687 |
| Timber and land sales | 500,400 | 161,211 | - | - | 500,400 | 161,211 |
| Gain (loss) on sale of capital assets | - | (2,208) | - | - | - | (2,208) |
| Total Revenues | \$ 54,436,945 | \$ 49,785,181 | \$ 238,973 | \$ 202,207 | \$ 54,675,918 | \$ 49,987,388 |
| Expenses: | | | | | | |
| General government | 7,635,089 | 9,399,811 | - | - | 7,635,089 | 9,399,811 |
| Community Services | 3,971,637 | 3,782,982 | 257,600 | 277,605 | 4,229,237 | 4,060,587 |
| Public Safety | 19,372,574 | 16,972,243 | - | - | 19,372,574 | 16,972,243 |
| Highways and streets | 8,190,751 | 8,365,646 | - | - | 8,190,751 | 8,365,646 |
| Culture and recreation | 235,219 | 142,226 | - | - | 235,219 | 142,226 |
| Health and welfare | 10,889,334 | 10,994,448 | - | - | 10,889,334 | 10,994,448 |
| Education | 956,592 | 1,236,257 | - | - | 956,592 | 1,236,257 |
| Debt service -interest | 25,688 | 40,709 | - | - | 25,688 | 40,709 |
| Total Expenses | 51,276,884 | 50,934,322 | 257,600 | 277,605 | 51,534,484 | 51,211,927 |
| Excess (deficiency) of revenues over (under) expenditures | 3,160,061 | (1,149,141) | (18,627) | (75,398) | 3,141,434 | (1,224,539) |
| Net assets at beginning of year, as restated | 60,459,642 | 61,608,783 | 50,536 | 125,934 | 60,510,178 | 61,734,717 |
| Net assets at end of year | \$ 63,619,703 | \$ 60,459,642 | \$ 31,909 | \$ 50,536 | \$ 63,651,612 | \$ 60,510,178 |

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 \$29,057,452, an increase of \$1,026,551 or 3.7% from the previous year.

- The County's General Fund balance increased \$435,591 (8.5%) from last year. Continued conservative spending was a factor in this increase to the General Fund reserves.
- The Road Fund balance showed a decrease of \$1,202,941 (8.0%) over last year. Planned utilization of reserves to rebuild bridges within the County contributed to this decrease, plus storm damage repairs that also contributed to increases in spending.
- Mental Health Fund balance showed a fund balance increase of \$946,736 (141.7%). A one-time distribution of approximately \$653,000 from the dissolution of the Accountable Behavior Health Alliance, of which the County was a member, contributed to this increase in reserves.
- The Nonmajor Governmental fund balances increased a total of \$847,165 (11.7%) led by a 15.4% (\$501,359) increase in charges for services.

BUDGETARY HIGHLIGHTS

Several small changes were made during the fiscal year to adjust the County's originally adopted budget. They included the following:

- \$1,415,165 increase in the appropriations for Public Safety instigated by the grant-funded communications infrastructure project that was completed this year.
- A decrease in the Community Services appropriation of \$497,218, mostly because of the State-mandated establishment of a new special revenue fund (Economic Development) to account for State Lottery distributions to counties.
- Overall, the General Fund budget increased by \$785,895 in the 2011-12 fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As of June 30, 2012, the County had \$97,244,772 invested in capital assets. Accumulated depreciation was \$61,975,344, which brought the County's net capital assets to \$35,269,428. This amount represents a net increase of \$1,221,360 (3.59%) 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, 2011 and June 30, 2012.

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

| | Governmental Activities | |
|----------------------------------|--------------------------------|----------------------|
| | 2012 | 2011 |
| Land, easements and improvements | \$ 844,825 | \$ 844,825 |
| Infrastructure | 61,973,084 | 61,133,381 |
| Buildings and improvements | 22,694,118 | 22,272,519 |
| Equipment | 11,291,798 | 9,953,693 |
| Construction in progress | 440,947 | 675,448 |
| Less accumulated depreciation | (61,975,344) | (60,831,798) |
| Total | <u>\$ 35,269,428</u> | <u>\$ 34,048,068</u> |

Table 4 shows a comparison in the changes in capital assets for the years 2012 and 2011. 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 | |
|---------------------------|--------------------------------|----------------------|
| | 2012 | 2011 |
| Beginning Balance | \$ 34,048,068 | \$ 33,697,090 |
| Additions | 3,571,113 | 2,589,306 |
| Accumulated depreciation | (2,349,495) | (2,236,121) |
| Deletions, net book value | (258) | (2,207) |
| Ending Balance | <u>\$ 35,269,428</u> | <u>\$ 34,048,068</u> |

Long-term Debt. At year-end, the County had \$462,000 in a tax-exempt loan. The loan was fully paid off in October of 2012. The loan was for a telecommunications and accounting software systems purchased in 2011. Table 5 lists the County's outstanding debt at June 30, 2012. Additional information regarding long-term debt can be found in Note 9 of the Notes to the Financial Statements.

TABLE 5
Outstanding Debt at Year-End

| | Governmental Activities | |
|-----------------|--------------------------------|-------------|
| | 2012 | 2011 |
| Tax-exempt Loan | \$ 462,000 | \$ 908,000 |

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Lincoln County continues to face challenges posed by the current local, state, national and global economy. Fiscal year 2012-13 continues to be one of austere budgets and cost-cutting measures. Traditional revenue sources are stagnant at best, diminishing in the worst case. The 2012-13 budget is the result of management taking a hard 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 Assets

June 30, 2012

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 27,380,400 | \$ - | \$ 27,380,400 |
| Receivables | 7,302,014 | 72,358 | 7,374,372 |
| Inventories | 405,783 | - | 405,783 |
| Total current assets | <u>35,088,197</u> | <u>72,358</u> | <u>35,160,555</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land and construction in progress | 1,285,772 | - | 1,285,772 |
| Other capital assets (net of accumulated depreciation) | 33,983,656 | - | 33,983,656 |
| Total noncurrent assets | <u>35,269,428</u> | <u>-</u> | <u>35,269,428</u> |
| Total assets | <u>\$ 70,357,625</u> | <u>\$ 72,358</u> | <u>\$ 70,429,983</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable and other current liabilities | \$ 1,730,146 | \$ 27,642 | \$ 1,757,788 |
| Accrued payroll and related liabilities | 871,342 | 2,707 | 874,049 |
| Accrued interest payable | 2,838 | - | 2,838 |
| Deferred revenue | 90,650 | | 90,650 |
| Compensated absences payable | 125,000 | 10,100 | 135,100 |
| Claims payable | 46,648 | - | 46,648 |
| Tax exempt loans payable | 462,000 | - | 462,000 |
| Total current liabilities | <u>3,328,624</u> | <u>40,449</u> | <u>3,369,073</u> |
| Noncurrent liabilities: | | | |
| Compensated absences payable | 1,982,245 | - | 1,982,245 |
| Net other postemployment benefit obligation | 1,427,053 | - | 1,427,053 |
| Total noncurrent liabilities | <u>3,409,298</u> | <u>-</u> | <u>3,409,298</u> |
| Total liabilities | <u>6,737,922</u> | <u>40,449</u> | <u>6,778,371</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 34,807,428 | - | 34,807,428 |
| Restricted for: | | | |
| Highway and streets | 13,833,548 | - | 13,833,548 |
| Unrestricted | 14,978,727 | 31,909 | 15,010,636 |
| Total net assets | <u>\$ 63,619,703</u> | <u>\$ 31,909</u> | <u>\$ 63,651,612</u> |
| Total liabilities and net assets | <u>\$ 70,357,625</u> | <u>\$ 72,358</u> | <u>\$ 70,429,983</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, 2012

| Functions/Programs | Program Revenues | | | Net Revenue (Expense) and Changes in Net Assets | | |
|-------------------------------------|------------------|----------------------|------------------------------------|---|-------------------------|--------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities |
| Primary government | | | | | | |
| Governmental activities: | | | | | | |
| General government | \$ 7,635,089 | \$ 2,558,414 | \$ 9,735,484 | \$ 16,310 | \$ 4,675,119 | \$ - |
| Community services | 3,971,637 | 706,257 | 1,171,484 | 24,215 | (2,069,681) | - |
| Public safety | 19,372,574 | 1,915,582 | 3,241,229 | 1,205,717 | (13,010,046) | - |
| Highway and streets | 8,190,751 | - | 521,181 | - | (7,669,570) | - |
| Culture and recreation | 235,219 | - | - | - | (235,219) | - |
| Health and welfare | 10,889,334 | 6,630,404 | 5,282,748 | 48,904 | 1,072,722 | - |
| Education | 956,592 | - | 5,450 | - | (951,142) | - |
| Interest on long-term debt | 25,688 | - | - | - | (25,688) | - |
| Total governmental activities | \$ 51,276,884 | \$ 11,810,657 | \$ 19,957,576 | \$ 1,295,146 | \$ (18,213,505) | \$ - |
| Business-type activities: | | | | | | |
| Solid waste | 257,600 | 218,898 | 20,000 | - | - | (18,702) |
| Total primary government | \$ 51,534,484 | \$ 12,029,555 | \$ 19,977,576 | \$ 1,295,146 | \$ (18,213,505) | \$ (18,702) |
| General revenues: | | | | | | |
| Property taxes | | | | | 18,985,524 | - |
| Transient room taxes | | | | | 1,736,690 | - |
| Timber and land sales | | | | | 500,400 | - |
| Unrestricted investment earnings | | | | | 150,952 | 75 |
| Total general revenues | | | | | 21,373,566 | 75 |
| Change in net assets | | | | | 3,160,061 | (18,627) |
| Net assets, beginning - as restated | | | | | 60,459,642 | 50,536 |
| Net assets, ending | | | | | \$ 63,619,703 | \$ 31,909 |
| | | | | | \$ 63,651,612 | \$ 63,651,612 |

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

LINCOLN COUNTY, OREGON

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2012

| | General Fund | General Roads Fund | Mental Health Fund | Nonmajor Governmental Funds | Total |
|--------------------------------------|---------------------|----------------------|---------------------|-----------------------------|----------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 3,669,925 | \$ 13,053,748 | \$ 1,761,110 | \$ 7,390,645 | \$ 25,875,428 |
| Receivables - net | 4,881,714 | 560,243 | 435,403 | 1,422,852 | 7,300,212 |
| Inventories | 1,602 | 404,181 | - | - | 405,783 |
| Total assets | <u>\$ 8,553,241</u> | <u>\$ 14,018,172</u> | <u>\$ 2,196,513</u> | <u>\$ 8,813,497</u> | <u>\$ 33,581,423</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 691,656 | \$ 115,107 | \$ 297,368 | \$ 297,493 | \$ 1,401,624 |
| Accrued payroll and related expenses | 557,070 | 69,517 | 86,189 | 158,566 | 871,342 |
| Deferred revenue | 1,728,947 | - | 197,800 | 324,258 | 2,251,005 |
| Total liabilities | <u>2,977,673</u> | <u>184,624</u> | <u>581,357</u> | <u>780,317</u> | <u>4,523,971</u> |
| Fund balances: | | | | | |
| Nonspendable | 1,602 | 404,181 | - | - | 405,783 |
| Restricted | - | 13,429,367 | 1,615,156 | 5,147,797 | 20,192,320 |
| Committed | - | - | - | 2,885,378 | 2,885,378 |
| Assigned | - | - | - | 5 | 5 |
| Unassigned | 5,573,966 | - | - | - | 5,573,966 |
| Total fund balances | <u>5,575,568</u> | <u>13,833,548</u> | <u>1,615,156</u> | <u>8,033,180</u> | <u>29,057,452</u> |
| Total liabilities and fund balances | <u>\$ 8,553,241</u> | <u>\$ 14,018,172</u> | <u>\$ 2,196,513</u> | <u>\$ 8,813,497</u> | <u>\$ 33,581,423</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 Assets

For the Year Ended June 30, 2012

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

| | | | |
|---|----|---------------------|--------------------------|
| Fund balances - governmental funds | | \$ | 29,057,452 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds | | | |
| Governmental capital assets, cost | \$ | 97,244,772 | |
| Less accumulated depreciation | | <u>(61,975,344)</u> | 35,269,428 |
| 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. | | | 1,678,338 |
| Certain accounts receivable are not considered to be fully collectible and a reserve is established for this allowance | | | 482,017 |
| 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 | \$ | (2,838) | |
| Bonds payable | | (462,000) | |
| Compensated absences | | (2,107,245) | |
| Net other postemployment benefit obligation | | <u>(1,427,053)</u> | (3,999,136) |
| An internal service fund is used by management to charge the costs of certain insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets | | | <u>1,131,604</u> |
| Net assets of governmental activities | | \$ | <u><u>63,619,703</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, 2012

| | General Fund | General Roads Fund | Mental Health Fund | Nonmajor Governmental Funds | Total |
|---|---------------------|----------------------|---------------------|-----------------------------|----------------------|
| REVENUES: | | | | | |
| Taxes and land sales | \$ 18,866,851 | \$ - | \$ - | \$ 1,805,971 | \$ 20,672,822 |
| Licenses and permits | 1,103,765 | - | - | 224,123 | 1,327,888 |
| Intergovernmental revenues | 9,091,390 | 6,836,133 | 2,398,965 | 3,664,996 | 21,991,484 |
| Charges for services | 1,450,381 | 363,339 | 3,282,609 | 4,215,727 | 9,312,056 |
| Fines and penalties | 55,891 | - | - | 62,169 | 118,060 |
| Investment earnings | 33,157 | 70,225 | 3,766 | 35,684 | 142,832 |
| Other revenue | 267,770 | 109,599 | 64,282 | 298,235 | 739,886 |
| Total revenue | <u>30,869,205</u> | <u>7,379,296</u> | <u>5,749,622</u> | <u>10,306,905</u> | <u>54,305,028</u> |
| EXPENDITURES: | | | | | |
| Current: | | | | | |
| General government | 8,593,774 | - | - | 133,893 | 8,727,667 |
| Community services | 1,880,191 | - | - | 1,922,570 | 3,802,761 |
| Public safety | 18,005,410 | - | - | 817,936 | 18,823,346 |
| Highway and streets | - | 7,078,681 | - | - | 7,078,681 |
| Culture and recreation | - | - | - | 117,673 | 117,673 |
| Health and welfare | - | - | 4,951,909 | 5,864,993 | 10,816,902 |
| Education | - | - | - | 956,592 | 956,592 |
| Debt service: | | | | | |
| Principal | 446,000 | - | - | - | 446,000 |
| Interest | 25,688 | - | - | - | 25,688 |
| Capital Outlay | 935,685 | 1,503,556 | - | 43,925 | 2,483,166 |
| Total expenditures | <u>29,886,748</u> | <u>8,582,237</u> | <u>4,951,909</u> | <u>9,857,582</u> | <u>53,278,476</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>982,457</u> | <u>(1,202,941)</u> | <u>797,713</u> | <u>449,323</u> | <u>1,026,552</u> |
| OTHER FINANCING SOURCES (USES): | | | | | |
| Transfers in | 9,221 | - | 149,023 | 407,064 | 565,308 |
| Transfers out | (556,087) | - | - | (9,221) | (565,308) |
| Total other financing sources (uses) | <u>(546,866)</u> | <u>-</u> | <u>149,023</u> | <u>397,843</u> | <u>-</u> |
| Net change in fund balances | 435,591 | (1,202,941) | 946,736 | 847,166 | 1,026,552 |
| Beginning fund balances, as restated | 5,139,977 | 15,036,489 | 668,420 | 7,186,014 | 28,030,900 |
| Ending fund balances | <u>\$ 5,575,568</u> | <u>\$ 13,833,548</u> | <u>\$ 1,615,156</u> | <u>\$ 8,033,180</u> | <u>\$ 29,057,452</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, 2012

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

| | | |
|--|----|-----------|
| Net change in fund balances - governmental funds | \$ | 1,026,552 |
|--|----|-----------|

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 | \$ | 3,571,113 | |
| Less current year depreciation | | <u>(2,349,495)</u> | 1,221,618 |

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

| | | | |
|----------------------------|--|--|---------|
| Change in deferred revenue | | | 127,857 |
|----------------------------|--|--|---------|

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 assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of those differences in the treatment of long-term debt and related items:

| | | | |
|--|--|------------------|---------|
| Principal payments | | 446,000 | |
| Accrual of other postemployment benefits | | <u>(196,617)</u> | 249,383 |

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 | | | (88,263) |
|--------------------------------|--|--|----------|

Contributed capital assets are reported as contributions in the statement of activities, but do not appear in the governmental funds because they are not financial resources. In addition, the statement of activities reports gains and losses arising from the disposal of existing capital assets while the governmental funds do not

| | | | |
|-----------------------------------|--|--|-------|
| Net book value of assets disposed | | | (258) |
|-----------------------------------|--|--|-------|

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>623,172</u> |
|--|--|----------------|

| | | |
|---|----|------------------|
| Change in net assets of governmental activities | \$ | <u>3,160,061</u> |
|---|----|------------------|

LINCOLN COUNTY, OREGON

GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | |
| Taxes and land sales | \$ 18,505,749 | \$ 18,505,749 | \$ 18,866,851 | \$ 361,102 |
| Licenses and permits | 1,136,325 | 1,136,325 | 1,103,765 | (32,560) |
| Intergovernmental revenues | 7,888,353 | 8,889,300 | 9,091,390 | 202,090 |
| Charges for services | 1,594,246 | 1,582,171 | 1,450,381 | (131,790) |
| Fines and penalties | 55,000 | 55,000 | 55,891 | 891 |
| Investment earnings | 20,000 | 20,000 | 33,157 | 13,157 |
| Other revenue | <u>1,188,125</u> | <u>1,197,892</u> | <u>267,770</u> | <u>(930,122)</u> |
| Total revenues | <u>30,387,798</u> | <u>31,386,437</u> | <u>30,869,205</u> | <u>(517,232)</u> |
| Expenditures: | | | | |
| Personal services | 20,858,737 | 20,854,164 | 19,832,870 | 1,021,294 |
| Materials and services | 8,387,736 | 9,249,872 | 8,646,505 | 603,367 |
| Capital outlay | 2,137,450 | 2,137,450 | 935,685 | 1,201,765 |
| Contingency | 1,176,146 | 1,064,094 | - | 1,064,094 |
| Debt service: | | | | |
| Principal | 446,000 | 446,000 | 446,000 | - |
| Interest | <u>25,688</u> | <u>25,688</u> | <u>25,688</u> | <u>-</u> |
| Total expenditures | <u>33,031,757</u> | <u>33,777,268</u> | <u>29,886,748</u> | <u>3,890,520</u> |
| Excess revenues over (under) expenditures | <u>(2,643,959)</u> | <u>(2,390,831)</u> | <u>982,457</u> | <u>3,373,288</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 12,752 | 53,136 | 49,605 | (3,531) |
| Transfers out | <u>(307,500)</u> | <u>(347,884)</u> | <u>(347,884)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(294,748)</u> | <u>(294,748)</u> | <u>(298,279)</u> | <u>(3,531)</u> |
| Net change in fund balances | (2,938,707) | (2,685,579) | 684,178 | 3,369,757 |
| Fund Balance: | | | | |
| Beginning of year | <u>5,701,233</u> | <u>5,448,105</u> | <u>5,139,977</u> | <u>(308,128)</u> |
| End of year | <u>\$ 2,762,526</u> | <u>\$ 2,762,526</u> | 5,824,155 | <u>\$ 3,061,629</u> |
| Reconciliation to GAAP Basis: | | | | |
| Transfer to Economic development fund | | | <u>(248,587)</u> | |
| GAAP Fund Balance - end of year | | | <u>\$ 5,575,568</u> | |

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

LINCOLN COUNTY, OREGON**GENERAL ROADS FUND****Statement of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2012**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------|------------------------|----------------------|----------------------|---------------------|
| Revenues: | | | | |
| Charges for services | \$ 231,000 | \$ 231,000 | \$ 363,339 | \$ 132,339 |
| Intergovernmental revenues | 5,338,757 | 5,338,757 | 6,836,133 | 1,497,376 |
| Investment earnings | 85,000 | 85,000 | 70,225 | (14,775) |
| Other revenue | <u>77,600</u> | <u>77,600</u> | <u>109,599</u> | <u>31,999</u> |
| Total revenues | <u>5,732,357</u> | <u>5,732,357</u> | <u>7,379,296</u> | <u>1,646,939</u> |
| Expenditures: | | | | |
| Personal services | 2,774,162 | 2,824,162 | 2,653,288 | 170,874 |
| Materials and services | 4,154,465 | 4,987,465 | 4,425,393 | 562,072 |
| Capital outlay | 2,405,000 | 2,405,000 | 1,503,556 | 901,444 |
| Contingency | <u>1,000,000</u> | <u>117,000</u> | <u>-</u> | <u>117,000</u> |
| Total expenditures | 10,333,627 | 10,333,627 | 8,582,237 | 1,751,390 |
| Net change in fund balances | (4,601,270) | (4,601,270) | (1,202,941) | 3,398,329 |
| Fund Balance: | | | | |
| Beginning of year | <u>15,665,694</u> | <u>15,665,694</u> | <u>15,036,489</u> | <u>(629,205)</u> |
| End of year | <u>\$ 11,064,424</u> | <u>\$ 11,064,424</u> | <u>\$ 13,833,548</u> | <u>\$ 2,769,124</u> |

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

LINCOLN COUNTY, OREGON

MENTAL HEALTH FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | |
| Intergovernmental revenues | \$ 4,163,067 | \$ 4,896,037 | \$ 2,398,965 | \$ (2,497,072) |
| Charges for services | 2,825,536 | 2,739,667 | 3,282,609 | 542,942 |
| Investment earnings | 5,000 | 5,000 | 3,766 | (1,234) |
| Other revenue | <u>17,200</u> | <u>27,200</u> | <u>64,282</u> | <u>37,082</u> |
| Total revenues | <u>7,010,803</u> | <u>7,667,904</u> | <u>5,749,622</u> | <u>(1,918,282)</u> |
| Expenditures: | | | | |
| Personal services | 4,118,758 | 3,447,160 | 3,167,509 | 279,651 |
| Materials and services | <u>3,601,708</u> | <u>4,720,963</u> | <u>1,784,400</u> | <u>2,936,563</u> |
| Total expenditures | <u>7,720,466</u> | <u>8,168,123</u> | <u>4,951,909</u> | <u>3,216,214</u> |
| Excess revenues over (under) expenditures | <u>(709,663)</u> | <u>(500,219)</u> | <u>797,713</u> | <u>1,297,932</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>157,500</u> | <u>149,023</u> | <u>149,023</u> | <u>-</u> |
| Net change in fund balances | (552,163) | (351,196) | 946,736 | 1,297,932 |
| Fund Balance: | | | | |
| Beginning of year | <u>552,163</u> | <u>351,196</u> | <u>668,420</u> | <u>317,224</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,615,156</u> | <u>\$ 1,615,156</u> |

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

LINCOLN COUNTY, OREGON

PROPRIETARY FUNDS

Balance Sheet

June 30, 2012

| | Business-type Activities - Nonmajor Enterprise Fund Solid Waste District Fund | Governmental Activities - Internal Service Fund Self Insurance Fund |
|--|--|--|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ - | \$ 1,504,972 |
| Receivables | <u>72,358</u> | <u>1,802</u> |
| Total assets | <u>\$ 72,358</u> | <u>\$ 1,506,774</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable and other current liabilities | \$ 27,642 | \$ 328,522 |
| Payroll and related accruals | 2,707 | - |
| Compensated absences | 10,100 | - |
| Claims payable | <u>-</u> | <u>46,648</u> |
| Total liabilities | <u>40,449</u> | <u>375,170</u> |
| NET ASSETS | | |
| Unrestricted | <u>31,909</u> | <u>1,131,604</u> |
| Total liabilities and net assets | <u>\$ 72,358</u> | <u>\$ 1,506,774</u> |

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 Fund Net Assets

For the Year Ended June 30, 2012

| | Business-type Activities - Nonmajor Enterprise Fund Solid Waste District Fund | Governmental Activities - Internal Service Fund Self Insurance Fund |
|--|--|--|
| Operating revenues: | | |
| Charges for services | \$ 217,893 | \$ 1,021,485 |
| Other revenue | 1,005 | 37,957 |
| Total Operating Revenues | <u>218,898</u> | <u>1,059,442</u> |
| Operating expenses: | | |
| General and administrative costs | 100,522 | 17,790 |
| Operations and maintenance | <u>157,078</u> | <u>422,541</u> |
| Total Operating Expenses | <u>257,600</u> | <u>440,331</u> |
| Operating Income (Loss) | (38,702) | 619,111 |
| Nonoperating revenues (expenses): | | |
| Operating grant | 20,000 | - |
| Investment earnings | <u>75</u> | <u>4,061</u> |
| Change in Net Assets | (18,627) | 623,172 |
| Beginning Net Assets | <u>50,536</u> | <u>508,432</u> |
| Ending Net Assets | <u>\$ 31,909</u> | <u>\$ 1,131,604</u> |

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, 2012

| | Business-type Activities - Nonmajor Enterprise Fund Solid Waste District Fund | Governmental Activities - Internal Service Fund Self Insurance Fund |
|--|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from services provided | \$ 185,304 | \$ - |
| Cash received from interfund services provided | - | 1,057,980 |
| Cash payments to employees for services | (99,096) | (17,790) |
| Cash payments to other suppliers for goods and services | (133,230) | - |
| Cash paid for interfund services used | - | (478,914) |
| Net cash provided (used) by operating activities | <u>(47,022)</u> | <u>561,276</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Cash received from operating grant | <u>20,000</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>75</u> | <u>4,061</u> |
| Net change in cash and investments | (26,947) | 565,337 |
| Cash and investments: | | |
| Beginning of year | <u>26,947</u> | <u>939,635</u> |
| End of year | <u>\$ -</u> | <u>\$ 1,504,972</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | |
| Operating income (loss) | \$ (38,702) | \$ 619,111 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| (Increase) decrease in assets: | | |
| Receivables | (33,594) | (1,464) |
| Increase (decrease) in liabilities: | | |
| Accounts payable and other current liabilities | 23,848 | 1,956 |
| Payroll and related accruals | 1,426 | - |
| Claims payable | - | (58,327) |
| Net cash provided (used) by operating activities | <u>\$ (47,022)</u> | <u>\$ 561,276</u> |

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

LINCOLN COUNTY, OREGON
FIDUCIARY FUNDS
Statement of Fiduciary Net Assets
June 30, 2012

| | <u>Agency Fund</u> |
|------------------------------------|----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 2,221,403 |
| Receivables - net | <u>7,345,327</u> |
| Total assets | <u><u>\$ 9,566,730</u></u> |
| LIABILITIES | |
| Due to other governmental agencies | \$ 588,794 |
| Amounts held for others | <u>8,977,936</u> |
| Total liabilities | <u><u>\$ 9,566,730</u></u> |

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 three blended component units. The blended component units, although legally separate entities are, in substance, part of the County's operations and data from these units is combined with data of the primary government.

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

B. Blended component units

The three blended component units included because the County Board of Commissioners serves as their respective governing bodies are as follows:

Lincoln County Transportation Service District

The District was formed in May 1996 at a General Election and was funded in November 1996. The District provides a comprehensive transportation program 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, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies

A. Government-wide financial statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions. Governmental activities, 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 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 is personal services and materials and services. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County has elected to implement GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained on Pre-November 30 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain FASB and AICPA pronouncements issued prior to November 30, 1989. Implementation of this statement has no impact on the County's CAFR.

C. Cash and cash equivalents

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

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 revenues and accordingly, have not been recognized as revenue. Real and personal property are assessed and property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

For the year ended June 30, 2012, the County's tax levy did not exceed the Oregon constitutional limitation. All other districts's property taxes receivable is 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 assets 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. 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.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

G. Compensated absences, continued

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.

H. 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.

I. 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.

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.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

I. Fund balance, continued

Fund balances by classification for the year ended June 30, 2012 are as follows:

| | General Fund | General Roads Fund | Mental Health Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-----------------------|-----------------------|-----------------------------------|--------------------------------|
| Nonspendable | | | | | |
| Inventories | \$ 1,602 | \$ 404,181 | \$ - | \$ - | \$ 405,783 |
| Restricted for: | | | | | |
| Road maintenance | - | 13,429,367 | - | - | 13,429,367 |
| Economic development | - | - | - | 281,068 | 281,068 |
| County schools | - | - | - | 209 | 209 |
| Public safety | - | - | - | 6,360 | 6,360 |
| County Fair | - | - | - | 26,888 | 26,888 |
| Outpatient services | - | - | 1,615,156 | 1,419,268 | 3,034,424 |
| Enforcement of liquor and drug laws | - | - | - | 9,613 | 9,613 |
| Title III | - | - | - | 2,155,362 | 2,155,362 |
| Capital Outlay | - | - | - | 749,467 | 749,467 |
| Maintenance of government surveys | - | - | - | 165,955 | 165,955 |
| Public education | - | - | - | 333,607 | 333,607 |
| Committed to: | | | | | |
| Transit services | - | - | - | 1,694,692 | 1,694,692 |
| Law library | - | - | - | 61,271 | 61,271 |
| County records | - | - | - | 117,044 | 117,044 |
| Animal control services | - | - | - | 280,706 | 280,706 |
| Post-closure obligations | - | - | - | 728,045 | 728,045 |
| DUII administration | - | - | - | 3,620 | 3,620 |
| Assigned to: | | | | | |
| Capital outlay | - | - | - | 5 | 5 |
| Unassigned: | <u>5,573,966</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,573,966</u> |
| Total fund balances | <u>\$ 5,575,568</u> | <u>\$ 13,833,548</u> | <u>\$ 1,615,156</u> | <u>\$ 8,033,180</u> | <u>\$ 29,057,452</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.

J. Estimates

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

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 2 - Summary of Significant Accounting Policies, continued

K. Budget policies and budgetary control

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

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

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

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, 2012 are as follows:

| | |
|--------------------------------------|----------------------|
| Total investments | \$ 22,273,424 |
| Deposits with financial institutions | <u>7,328,379</u> |
| Total deposits and investments | <u>\$ 29,601,803</u> |

B. Cash and cash investments are reported as follows:

| | |
|-------------------------------|----------------------|
| Governmental Activities/Funds | |
| General Fund | \$ 3,669,925 |
| General Roads Fund | 13,053,748 |
| Mental Health Fund | 1,761,110 |
| Nonmajor governmental funds | <u>7,390,645</u> |
| Total governmental funds | 25,875,428 |
| Internal Service Fund | <u>1,504,972</u> |
| Total governmental activities | 27,380,400 |
| Fiduciary funds | <u>2,221,403</u> |
| Total cash and investments | <u>\$ 29,601,803</u> |

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 3 - Cash and Investments, continued

Deposits:

At June 30, 2012, the County's deposits with various financial institutions had a bank value of \$7,424,705. 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.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At June 30, 2012, the County's deposits were fully insured.

Investments:

As of June 30, 2012, the County held the following investments and maturities:

| Investment type | Carrying Value | Weighted Average Maturity in Years | % of Investment Portfolio |
|----------------------------------|----------------|------------------------------------|---------------------------|
| Local government investment pool | \$ 22,273,424 | N/A | 100 % |

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

Interest Rate Risk: In accordance with its investment policy, the government manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than eighteen months. As of June 30, 2012, 62.81% of the investments in the LGIP mature within 93 days, 16.88% mature from 94 days to one year, and 20.31% mature from one year to three years.

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

| Instrument | Maximum Percent of Portfolio |
|---------------------------------|------------------------------|
| US Treasury Obligation | 100% |
| US Government Agency | 75 |
| Banker's Acceptances (BA) | 50 |
| Certificates of Deposit (CD) | 25 |
| State of Oregon Investment Pool | 100 |

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

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

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

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

At June 30, 2012, the County's investments were rated as follows:

| Investment type | Total | Not Rated |
|----------------------------------|---------------|---------------|
| Local government investment pool | \$ 22,273,424 | \$ 22,273,424 |

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 3 - Cash and Investments, continued

The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative for Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by the OSTF and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2012, the fair value of the County's deposits with the LGIP approximates cost. The OSTF financial statements are available at <http://www.ost.state.or.us/>.

The LGIP's portfolio concentration of credit risk at June 30, 2012 included: Corporate Notes (46.9%), U.S. Treasury and Agency Securities (41.1%), Non-US Governmental Debt (.9%), Commercial Paper (3.3%), Certificates of Deposits (.9%), Municipal Bonds (1.3%) and Temporary Liquidity Guarantee (5.7%). The credit risk associated with the investments was: AA rating (36.3%), A rating (33.9%), BBB rating (7.1%), and not rated (7.1%).

Custodial Credit Risk: This is the risk that, in the event of the failure of a counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. The County does not have a policy which limits the amount of investments that can be held by counterparties.

Note 4 - Receivables

Receivables at June 30, 2012 were as follows:

| | Governmental Funds | | | | |
|---------------------------------------|---------------------|-------------------|-------------------|---------------------|---------------------|
| | General | General Roads | Mental Health | Nonmajor | Totals |
| Property taxes | \$ 1,814,610 | \$ - | \$ - | \$ 146,463 | \$ 1,961,073 |
| Accounts | 3,067,104 | 560,243 | 475,170 | 1,323,686 | 5,426,203 |
| Less: allowance for doubtful accounts | - | - | (39,767) | (47,297) | (87,064) |
| | <u>\$ 4,881,714</u> | <u>\$ 560,243</u> | <u>\$ 435,403</u> | <u>\$ 1,422,852</u> | <u>\$ 7,300,212</u> |

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:

| Transfer From | Transfer To | Amount |
|--------------------------|---------------------------|-------------------|
| General | Health and Human Services | \$ 158,477 |
| General | Economic Development | 248,587 |
| General | Mental Health | 149,023 |
| Nonmajor Special Revenue | General | 9,221 |
| Total | | <u>\$ 565,308</u> |

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 6 - Capital Assets

A. Capital asset activity for the year ended June 30, 2012 was as follows:

| | Balances July 1, 2011, as restated | Additions and Reclassifications | Deletions and Reclassifications | Balances June 30, 2012 |
|---|--|------------------------------------|------------------------------------|---------------------------|
| <u>Governmental Activities</u> | | | | |
| <i>Capital assets, not being depreciated:</i> | | | | |
| Land and easements | \$ 844,825 | \$ - | \$ - | \$ 844,825 |
| Construction in progress | 675,448 | 2,325,589 | 2,560,090 | 440,947 |
| Total capital assets, not being depreciated | <u>1,520,273</u> | <u>2,325,589</u> | <u>2,560,090</u> | <u>1,285,772</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Infrastructure | 61,133,381 | 839,703 | - | 61,973,084 |
| Buildings | 15,663,660 | 410,422 | - | 16,074,082 |
| Improvements | 6,608,859 | 65,830 | 54,653 | 6,620,036 |
| Equipment | 9,953,693 | 2,489,659 | 1,151,554 | 11,291,798 |
| Total capital assets being depreciated | <u>93,359,593</u> | <u>3,805,614</u> | <u>1,206,207</u> | <u>95,959,000</u> |
| <i>Less accumulated depreciation for:</i> | | | | |
| Infrastructure | 44,831,236 | 752,830 | - | 45,584,066 |
| Buildings | 7,526,759 | 416,019 | - | 7,942,778 |
| Improvements | 1,632,977 | 461,095 | 54,652 | 2,039,420 |
| Equipment | 6,840,826 | 719,551 | 1,151,297 | 6,409,080 |
| Total accumulated depreciation | <u>60,831,798</u> | <u>2,349,495</u> | <u>1,205,949</u> | <u>61,975,344</u> |
| Total capital assets being depreciated, net | <u>32,527,795</u> | <u>1,456,119</u> | <u>258</u> | <u>33,983,656</u> |
| | <u>\$ 34,048,068</u> | <u>\$ 3,781,708</u> | <u>\$ 2,560,348</u> | <u>\$ 35,269,428</u> |

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

| | |
|--|---------------------|
| General government | \$ 440,861 |
| Community services | 143,290 |
| Public safety | 546,579 |
| Highways and streets | 1,057,418 |
| Culture and recreation | 117,546 |
| Health and welfare | 43,801 |
| Total depreciation expense - governmental activities | <u>\$ 2,349,495</u> |

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 | \$ - | \$ 1,200,000 |
| Yachats Covered Bridge | 665,000 | - | 665,000 |
| Trapp Creek Road Bridge | <u>1,727,000</u> | <u>-</u> | <u>1,727,000</u> |
| Totals | <u>\$ 3,592,000</u> | <u>\$ -</u> | <u>\$ 3,592,000</u> |

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 8 - Deferred Revenue

Deferred revenue for the governmental funds at June 30, 2012 consists of:

| | Governmental Funds | | | |
|---------------------|---------------------|--------------------|-----------------------------|---------------------|
| | General Fund | Mental Health Fund | Nonmajor Governmental Funds | Total |
| Property taxes | \$ 1,638,297 | \$ - | \$ 130,691 | \$ 1,768,988 |
| Accounts receivable | - | 197,800 | 193,568 | 391,368 |
| Other revenue | 90,650 | - | - | 90,650 |
| Totals | <u>\$ 1,728,947</u> | <u>\$ 197,800</u> | <u>\$ 324,259</u> | <u>\$ 2,251,006</u> |

Note 9 - Long-Term Obligations

Tax-exempt loans are direct obligations and pledge the full faith and credit of the government. Tax-exempt loans currently outstanding are as follows:

| Purpose | Interest Rate | Amount |
|--|---------------|-------------------|
| Governmental Activities - Tax-Exempt Loan | | |
| Original loan issued on October 17, 2007 for \$2,140,000 to be repaid over a period of 5 years with an annual principal payment and semi-annual interest payments. Used to finance upgrades to the County's telecommunication system and financial reporting system. | 3.75% | <u>\$ 462,000</u> |

Long-term liability activity for the year ended June 30, 2012, was as follows:

| | Outstanding July 1, 2011 | Additions | Reductions | Outstanding June 30, 2012 | Balances Due Within One Year |
|--|--------------------------------|-------------------|---------------------|---------------------------------|------------------------------------|
| Governmental activities: | | | | | |
| Tax-exempt loans payable | | | | | |
| Tax exempt loan | \$ 908,000 | \$ - | \$ (446,000) | \$ 462,000 | \$ 462,000 |
| Vested compensated absences | <u>2,018,983</u> | <u>165,763</u> | <u>(77,501)</u> | <u>2,107,245</u> | <u>125,000</u> |
| Total Governmental activities long-term liabilities | <u>\$ 2,926,983</u> | <u>\$ 165,763</u> | <u>\$ (523,501)</u> | <u>\$ 2,569,245</u> | <u>\$ 587,000</u> |
| Business-type activities: | | | | | |
| Vested compensated absences | <u>\$ 8,635</u> | <u>\$ 10,100</u> | <u>\$ (8,635)</u> | <u>\$ 10,100</u> | <u>\$ 10,100</u> |

Annual debt service requirements to maturity for long-term obligations are as follows:

| | Governmental Activities | |
|-------------|-------------------------|-----------------|
| Fiscal Year | Principal | Interest |
| 2013 | <u>\$ 462,000</u> | <u>\$ 8,663</u> |

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 10 - Operating Leases

The County leases office equipment and office facilities under operating leases expiring at various times through 2020. Total cost for such leases for the year ended June 30, 2012 was \$493,519. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2012 for each of the next five years are:

| <u>Year Ended June 30,</u> | <u>Amount</u> |
|--------------------------------|---------------------|
| 2013 | \$ 451,957 |
| 2014 | 440,416 |
| 2015 | 423,172 |
| 2016 | 416,574 |
| 2017 | <u>407,427</u> |
| Total | <u>\$ 2,139,546</u> |

Note 11 - Defined Contribution Plan

The Lincoln County Retirement Plan is a defined contribution pension plan (401(k)) established by the County to provide benefits to substantially all employees, except for certain employees of the Sheriff's office. At June 30, 2012, there were 472 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 \$1,761,656 and employees contributed \$424,258 for the year ended June 30, 2012. 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 12 - 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 assets. Employee contributions to the 457 Plan for the year ended June 30, 2012, were \$232,060.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 13- Defined Benefit Pension Plan

Retirement plan

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

Employees are eligible to participate after completing six months of service. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the County to pay this amount on behalf of the employees. The County's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. For employees hired before August 29, 2003, the County's contribution rate is 10.36 percent of covered compensation. For employees hired on or after August 29, 2003, the County's contribution rate is 4.24 percent of covered compensation.

The County's contribution to the plan for the years ending June 30, 2012, 2011 and 2010, were equal to the County's required contributions for each year as follows:

| <u>Years Ended June 30,</u> | <u>Employer County Contribution</u> | <u>Employer Paid Member Contribution</u> | <u>Totals</u> |
|---------------------------------|---|--|---------------|
| 2012 | \$ 356,884 | \$ 256,849 | \$ 613,733 |
| 2011 | \$ 253,325 | \$ 249,212 | \$ 502,537 |
| 2010 | \$ 240,278 | \$ 249,654 | \$ 489,932 |

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 14 - 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 18. 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, 2010 (the date of the most recent actuarial valuation) consisted of the following:

| | |
|--------------------------------|------------|
| Active employees | 350 |
| Retirees, spouse or dependents | <u>9</u> |
| Total | <u>359</u> |

Funding policy and contributions

The required contribution is based on projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2012, the County's combined plan contributions were \$49,574. 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, 2010, for the County are as follows:

| | |
|-------------------------|--------|
| For retirees | \$ 556 |
| For spouses of retirees | 612 |

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, 2010 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 as of June 30, 2012 is equal to the ARC as follows:

| | |
|------------------------------------|-------------------|
| Normal cost | \$ 191,739 |
| Amortization of UAAL | <u>153,674</u> |
| Annual required contribution (ARC) | <u>\$ 345,413</u> |

The net OPEB obligation as of June 30, 2012 was calculated as follows:

| | |
|--|------------------|
| Annual required contribution | \$ 345,413 |
| Interest on prior year Net OPEB obligation | 49,217 |
| Less: Adjustment to ARC | <u>(83,619)</u> |
| Annual OPEB Cost | \$ 311,011 |
| Less: Explicit Benefit Payments | - |
| Less: Implicit Benefit Payments | <u>(114,394)</u> |
| Increase in Net OPEB Obligation | \$ 196,617 |
| Net OPEB Obligation - beginning of year | <u>1,230,436</u> |
| Net OPEB Obligation - end of year | <u>1,427,053</u> |

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 14 - Other Postemployment Benefits (OPEB), continued

The County's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation as of June 30, 2012 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> |
|------------------------------|-----------------------------|---|--------------------------------|
| July 01, 2009 | \$ 550,220 | 15% | \$ 468,366 |
| July 01, 2010 | \$ 438,799 | 12% | \$ 852,692 |
| July 01, 2011 | \$ 468,854 | 19% | \$ 1,230,436 |
| June 30, 2012 | \$ 311,011 | 37% | \$ 1,427,053 |

Funded status and funding progress

As of August 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$2,102,563, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability of \$2,102,563. The covered payroll amount (annual payroll of active employees covered by the plans) was \$21,144,030. and the ratio of the UAAL to the covered payroll was 9.95%. For the fiscal year ending June 30, 2012, 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, 2010 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 4.0% rate for discounting future liabilities; a payroll growth rate of 3.75% per year; healthcare cost inflation trend rate of 8.5% in the first year, 6.5% in the second year, 6.0% in the third year, 5.0% for the 4th through 23rd year, 5.5% for the 24th through 47th year, and 5.0% thereafter; and participation rate of 65% of future retirees electing coverage under the plan. The unfunded actuarially accrued liability is being amortized using a level percent of payroll over a open period of 15 years.

LINCOLN COUNTY, OREGON

Notes to Financial Statements

Note 15 - 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.

Changes in the balances of claims liabilities during 2010, 2011, and 2012 are as follows:

| | Year Ended June 30, | | |
|----------------------------------|---------------------|------------------|------------------|
| | 2010 | 2011 | 2012 |
| Workers' compensation | | | |
| Upaid claims, beginning of year | \$ - | \$ - | \$ 50,000 |
| Incurred claims (including IBNR) | - | 100,000 | 150,000 |
| Claim payments | - | (50,000) | (180,000) |
| Upaid claims, end of year | <u>\$ -</u> | <u>\$ 50,000</u> | <u>\$ 20,000</u> |
| State unemployment | | | |
| Upaid claims, beginning of year | \$ 90,034 | \$ 49,386 | \$ 54,975 |
| Incurred claims (including IBNR) | 402,743 | 411,596 | 116,862 |
| Claim payments | (443,391) | (406,007) | (145,189) |
| Upaid claims, end of year | <u>\$ 49,386</u> | <u>\$ 54,975</u> | <u>\$ 26,648</u> |

Note 16 - Net Assets Restricted Through Legislation

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

| | |
|---|---------------|
| Oregon and federal laws restrict the usage of state gas tax and federal forest fees for road repairs and improvements | \$ 13,833,548 |
|---|---------------|

Note 17 - Contingencies

A. General

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

Note 18 - Prior Period Adjustments

In prior years, infrastructure assets acquired prior to 1980 were reported at cost or value when acquired with no accumulated depreciation being reported. Management has determined that infrastructure assets acquired prior to 1980 should not be recorded on the balance sheet. Accordingly, a prior period adjustment has been made to decrease beginning net assets of the County in the amount of \$90,298,680.

The County removed certain assets and liabilities from the Extension Agency's balance sheet that represented amounts that were assets and obligations of OSU, not the County. This adjustment resulted in a decrease in beginning fund balance of \$97,626 (\$96,326 cash; \$4,085 receivables; and \$2,785 payables). The Extension Agency is reported as part of the nonmajor special revenue funds.

REQUIRED SUPPLEMENTARY INFORMATION

LINCOLN COUNTY, OREGON
Notes to Required Supplementary Information
June 30, 2012

Schedule of Funding Progress - OPEB

Other Postemployment benefists (OPEB) schedule of funding progress:

| <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, 2008 | - | \$ 2,274,467 | \$ 2,274,467 | 0% | \$ 22,311,273 | 10.19% |
| August 1, 2010 | - | \$ 2,102,563 | \$ 2,102,563 | 0% | \$ 21,144,030 | 9.95% |

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

**COMBINING AND INDIVIDUAL NONMAJOR FUNDS
STATEMENTS AND SCHEDULES**

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.
- **Enforcement** – Fines for certain liquor and drug violations are earmarked by statute for this fund to be utilized for the enforcement of liquor and drug laws.
- **Animal Services** – A special 5-year property tax levy and the sale of dog licenses and fees charged by the County Animal Shelter provide the revenue for this fund 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.
- **Meth Grant** – This fund is used to assure compliance with ORS Chapter 209 and 672 through review and policy development.
- **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 Disposal Site 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, 2012

| | <u>Economic Development Fund</u> | <u>Transit District Fund</u> | <u>County School Fund</u> | <u>County Fair Fund</u> | <u>Law Library Fund</u> | <u>Clerk Records Fund</u> | <u>Health and Human Services Fund</u> | <u>Community Health Centers Fund</u> | <u>Enforcement Fund</u> |
|--------------------------------------|--|----------------------------------|-----------------------------------|-----------------------------|-----------------------------|-----------------------------------|---|--|-----------------------------|
| ASSETS | | | | | | | | | |
| Cash and investments | \$ 223,366 | \$ 1,463,200 | \$ 27 | \$ 28,787 | \$ 68,550 | \$ 117,044 | \$ 644,869 | \$ 410,110 | \$ 9,349 |
| Receivables - net | <u>57,702</u> | <u>331,379</u> | <u>117,454</u> | <u>-</u> | <u>3,236</u> | <u>-</u> | <u>180,597</u> | <u>590,751</u> | <u>665</u> |
| Total assets | <u>\$ 281,068</u> | <u>\$ 1,794,579</u> | <u>\$ 117,481</u> | <u>\$ 28,787</u> | <u>\$ 71,786</u> | <u>\$ 117,044</u> | <u>\$ 825,466</u> | <u>\$ 1,000,861</u> | <u>\$ 10,014</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ - | \$ 12,449 | \$ 117,272 | \$ 1,899 | \$ 10,515 | \$ - | \$ 64,501 | \$ 41,860 | \$ 28 |
| Accrued payroll and related expenses | - | 31,960 | - | - | - | - | 60,388 | 46,743 | 373 |
| Deferred revenue | - | <u>55,478</u> | - | - | - | - | <u>17,740</u> | <u>175,827</u> | - |
| Total liabilities | - | <u>99,887</u> | <u>117,272</u> | <u>1,899</u> | <u>10,515</u> | - | <u>142,629</u> | <u>264,430</u> | <u>401</u> |
| Fund balances: | | | | | | | | | |
| Restricted | 281,068 | - | 209 | 26,888 | - | - | 682,837 | 736,431 | 9,613 |
| Committed | - | 1,694,692 | - | - | 61,271 | 117,044 | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Total fund balances | <u>281,068</u> | <u>1,694,692</u> | <u>209</u> | <u>26,888</u> | <u>61,271</u> | <u>117,044</u> | <u>682,837</u> | <u>736,431</u> | <u>9,613</u> |
| Total liabilities and fund balances | <u>\$ 281,068</u> | <u>\$ 1,794,579</u> | <u>\$ 117,481</u> | <u>\$ 28,787</u> | <u>\$ 71,786</u> | <u>\$ 117,044</u> | <u>\$ 825,466</u> | <u>\$ 1,000,861</u> | <u>\$ 10,014</u> |

| <u>Animal Services Fund</u> | <u>Title III/Safety Net Fund</u> | <u>Corner Preservation Fund</u> | <u>Meth Grant Fund</u> | <u>Extension Agency</u> | <u>Agate Beach Disposal Site Closure Fund</u> | <u>DUII Fund</u> | <u>Building Reserve Fund</u> | <u>Fair Facilities Fund</u> | <u>Total Nonmajor Governmental Funds</u> |
|-------------------------------------|--------------------------------------|---|----------------------------|-----------------------------|---|------------------|--------------------------------------|-------------------------------------|--|
| \$ 301,759 | \$ 2,185,559 | \$ 169,531 | \$ 6,360 | \$ 329,301 | \$ 731,694 | \$ 3,620 | \$ 5 | \$ 697,514 | \$ 7,390,645 |
| <u>58,416</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,007</u> | <u>692</u> | <u>-</u> | <u>-</u> | <u>51,953</u> | <u>1,422,852</u> |
| <u>\$ 360,175</u> | <u>\$ 2,185,559</u> | <u>\$ 169,531</u> | <u>\$ 6,360</u> | <u>\$ 359,308</u> | <u>\$ 732,386</u> | <u>\$ 3,620</u> | <u>\$ 5</u> | <u>\$ 749,467</u> | <u>\$ 8,813,497</u> |
| | | | | | | | | | |
| \$ 13,812 | \$ 30,197 | \$ 619 | \$ - | \$ - | \$ 4,341 | \$ - | \$ - | \$ - | \$ 297,493 |
| 16,145 | - | 2,957 | - | - | - | - | - | - | 158,566 |
| <u>49,512</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,701</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>324,258</u> |
| <u>79,469</u> | <u>30,197</u> | <u>3,576</u> | <u>-</u> | <u>25,701</u> | <u>4,341</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>780,317</u> |
| | | | | | | | | | |
| - | 2,155,362 | 165,955 | 6,360 | 333,607 | - | - | - | 749,467 | 5,147,797 |
| 280,706 | - | - | - | - | 728,045 | 3,620 | - | - | 2,885,378 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>5</u> | <u>-</u> | <u>5</u> |
| <u>280,706</u> | <u>2,155,362</u> | <u>165,955</u> | <u>6,360</u> | <u>333,607</u> | <u>728,045</u> | <u>3,620</u> | <u>5</u> | <u>749,467</u> | <u>8,033,180</u> |
| | | | | | | | | | |
| <u>\$ 360,175</u> | <u>\$ 2,185,559</u> | <u>\$ 169,531</u> | <u>\$ 6,360</u> | <u>\$ 359,308</u> | <u>\$ 732,386</u> | <u>\$ 3,620</u> | <u>\$ 5</u> | <u>\$ 749,467</u> | <u>\$ 8,813,497</u> |

LINCOLN COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2012

| | Economic Development Fund | Transit District Fund | County School Fund | County Fair Fund | Law Library Fund | Clerk Records Fund | Health and Human Services Fund | Community Health Centers Fund | Enforcement Fund |
|---|---------------------------------|-----------------------------|--------------------------|---------------------|---------------------|--------------------------|---|--|---------------------|
| REVENUES: | | | | | | | | | |
| Taxes and land sales | \$ - | \$ 588,124 | \$ 32,276 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | 38,509 | - | - | - |
| Charges for services | - | 547,755 | - | 23,211 | - | - | 1,967,103 | 1,112,441 | - |
| Intergovernmental revenues | 276,661 | 646,725 | 748,747 | 50,002 | - | - | 1,134,313 | 1,338,733 | - |
| Fines and penalties | - | - | - | - | 44,665 | - | - | - | 13,133 |
| Investment earnings | - | 7,132 | 51 | 204 | 301 | 530 | 2,923 | 1,783 | 86 |
| Donations | - | - | - | - | - | - | - | 300 | - |
| Other revenue | 5,960 | 35,283 | 1,638 | - | 35 | - | 178,575 | 12,722 | - |
| Total revenues | 282,621 | 1,825,019 | 782,712 | 73,417 | 45,001 | 39,039 | 3,282,914 | 2,465,979 | 13,219 |
| EXPENDITURES: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government | - | - | - | - | - | 13,568 | - | - | - |
| Community services | 250,140 | 1,553,137 | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | 31,645 | - | - | - | 9,200 |
| Culture and recreation | - | - | - | 82,263 | - | - | - | - | - |
| Public service | - | - | - | - | - | - | 3,612,600 | 2,252,393 | - |
| Education | - | - | 736,592 | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - | - |
| Total expenditures | 250,140 | 1,553,137 | 736,592 | 82,263 | 31,645 | 13,568 | 3,612,600 | 2,252,393 | 9,200 |
| Excess (deficiency) of revenues over (under) expenditures | 32,481 | 271,882 | 46,120 | (8,846) | 13,356 | 25,471 | (329,686) | 213,586 | 4,019 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Transfers in | 248,587 | - | - | - | - | - | 158,477 | - | - |
| Transfers out | - | - | - | - | - | - | - | - | (9,221) |
| Total other financing sources (uses) | 248,587 | - | - | - | - | - | 158,477 | - | (9,221) |
| Net change in fund balance | 281,068 | 271,882 | 46,120 | (8,846) | 13,356 | 25,471 | (171,209) | 213,586 | (5,202) |
| Beginning fund balance, as restated | - | 1,422,810 | (45,911) | 35,734 | 47,915 | 91,573 | 854,046 | 522,845 | 14,815 |
| Ending fund balance | \$ 281,068 | \$ 1,694,692 | \$ 209 | \$ 26,888 | \$ 61,271 | \$ 117,044 | \$ 682,837 | \$ 736,431 | \$ 9,613 |

| Animal Services Fund | Title III/Safety Net Fund | Corner Preservation Fund | Meth Grant Fund | Extension Agency | Agate Beach Disposal Site Closure Fund | DUII Fund | Building Reserve Fund | Fair Facilities Fund | Total |
|----------------------------|------------------------------|--------------------------------|--------------------|---------------------|--|-----------------|-----------------------------|----------------------------|---------------------|
| \$ 687,191 | \$ - | \$ - | \$ - | \$ 272,438 | \$ - | \$ - | \$ - | \$ 225,942 | \$ 1,805,971 |
| 79,241 | - | 97,689 | - | - | 5,887 | 2,797 | - | - | 224,123 |
| 14,486 | - | - | - | - | - | - | - | - | 3,664,996 |
| 505 | - | 323 | 14,775 | 4,943 | - | - | - | - | 4,215,727 |
| 4,371 | - | - | - | - | - | - | - | - | 62,169 |
| 1,766 | 11,190 | 916 | - | 1,845 | 3,674 | 15 | - | 3,268 | 35,684 |
| 63,650 | - | - | - | - | - | - | - | - | 63,950 |
| - | - | - | - | 72 | - | - | - | - | 234,285 |
| <u>851,210</u> | <u>11,190</u> | <u>98,928</u> | <u>14,775</u> | <u>279,298</u> | <u>9,561</u> | <u>2,812</u> | <u>-</u> | <u>229,210</u> | <u>10,306,905</u> |
| - | - | 120,325 | - | - | - | - | - | - | 133,893 |
| - | 105,646 | - | - | - | 13,647 | - | - | - | 1,922,570 |
| 756,933 | - | - | 19,581 | - | - | 577 | - | - | 817,936 |
| - | - | - | - | - | - | - | - | 35,410 | 117,673 |
| - | - | - | - | - | - | - | - | - | 5,864,993 |
| - | - | - | - | 220,000 | - | - | - | - | 956,592 |
| <u>25,695</u> | <u>7,500</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>10,730</u> | <u>43,925</u> |
| <u>782,628</u> | <u>113,146</u> | <u>120,325</u> | <u>19,581</u> | <u>220,000</u> | <u>13,647</u> | <u>577</u> | <u>-</u> | <u>46,140</u> | <u>9,857,582</u> |
| <u>68,582</u> | <u>(101,956)</u> | <u>(21,397)</u> | <u>(4,806)</u> | <u>59,298</u> | <u>(4,086)</u> | <u>2,235</u> | <u>-</u> | <u>183,070</u> | <u>449,323</u> |
| - | - | - | - | - | - | - | - | - | 407,064 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(9,221)</u> |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>397,843</u> |
| 68,582 | (101,956) | (21,397) | (4,806) | 59,298 | (4,086) | 2,235 | - | 183,070 | 847,166 |
| <u>212,124</u> | <u>2,257,318</u> | <u>187,352</u> | <u>11,166</u> | <u>274,309</u> | <u>732,131</u> | <u>1,385</u> | <u>5</u> | <u>566,397</u> | <u>7,186,014</u> |
| <u>\$ 280,706</u> | <u>\$ 2,155,362</u> | <u>\$ 165,955</u> | <u>\$ 6,360</u> | <u>\$ 333,607</u> | <u>\$ 728,045</u> | <u>\$ 3,620</u> | <u>\$ 5</u> | <u>\$ 749,467</u> | <u>\$ 8,033,180</u> |

LINCOLN COUNTY, OREGON
ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Intergovernmental revenues | \$ 190,000 | \$ 195,000 | \$ 276,661 | \$ 81,661 |
| Other revenue | - | - | 5,960 | 5,960 |
| Total revenues | <u>190,000</u> | <u>195,000</u> | <u>282,621</u> | <u>87,621</u> |
| Expenditures: | | | | |
| Materials and services | 266,000 | 418,937 | 250,140 | 168,797 |
| Contingency | <u>121,587</u> | <u>50,000</u> | - | <u>50,000</u> |
| Total expenditures | <u>387,587</u> | <u>468,937</u> | <u>250,140</u> | <u>218,797</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>197,587</u> | <u>273,937</u> | <u>248,587</u> | <u>(25,350)</u> |
| Net change in fund balances | - | - | 281,068 | 281,068 |
| Fund Balance: | | | | |
| Beginning of year | - | - | - | - |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 281,068</u> | <u>\$ 281,068</u> |

LINCOLN COUNTY, OREGON**TRANSIT DISTRICT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------|------------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | |
| Taxes and land sales | \$ 525,500 | \$ 525,500 | \$ 588,124 | \$ 62,624 |
| Intergovernmental revenues | 1,354,845 | 1,354,845 | 646,725 | (708,120) |
| Charges for services | 441,000 | 441,000 | 547,755 | 106,755 |
| Investment earnings | 3,000 | 3,000 | 7,132 | 4,132 |
| Other revenue | <u>39,511</u> | <u>39,511</u> | <u>35,283</u> | <u>(4,228)</u> |
| Total revenues | <u>2,363,856</u> | <u>2,363,856</u> | <u>1,825,019</u> | <u>(538,837)</u> |
| Expenditures: | | | | |
| Personal services | 1,554,131 | 1,579,131 | 1,117,180 | 461,951 |
| Materials and services | 1,001,934 | 1,003,576 | 435,957 | 567,619 |
| Capital outlay | 404,799 | 404,799 | - | 404,799 |
| Contingency | <u>300,000</u> | <u>275,000</u> | <u>-</u> | <u>275,000</u> |
| Total expenditures | <u>3,260,864</u> | <u>3,262,506</u> | <u>1,553,137</u> | <u>1,709,369</u> |
| Net change in fund balances | (897,008) | (898,650) | 271,882 | 1,170,532 |
| Fund Balance: | | | | |
| Beginning of year | <u>1,375,947</u> | <u>1,377,589</u> | <u>1,422,810</u> | <u>45,221</u> |
| End of year | <u>\$ 478,939</u> | <u>\$ 478,939</u> | <u>\$ 1,694,692</u> | <u>\$ 1,215,753</u> |

LINCOLN COUNTY, OREGON**COUNTY SCHOOL FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------|------------------------|---------------------|-----------------|-----------------|
| Revenues: | | | | |
| Taxes and land sales | \$ 28,000 | \$ 28,000 | \$ 32,276 | \$ 4,276 |
| Intergovernmental revenues | 752,000 | 752,000 | 748,747 | (3,253) |
| Investment earnings | 250 | 250 | 51 | (199) |
| Other revenue | <u>-</u> | <u>-</u> | <u>1,638</u> | <u>1,638</u> |
| Total revenues | <u>780,250</u> | <u>780,250</u> | <u>782,712</u> | <u>2,462</u> |
| Expenditures: | | | | |
| Materials and services | <u>780,250</u> | <u>780,250</u> | <u>736,592</u> | <u>43,658</u> |
| Net change in fund balances | - | - | 46,120 | 46,120 |
| Fund Balance: | | | | |
| Beginning of year | <u>-</u> | <u>-</u> | <u>(45,911)</u> | <u>45,911</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 209</u> | <u>\$ 209</u> |

LINCOLN COUNTY, OREGON**COUNTY FAIR FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|------------------|------------------|
| Revenues: | | | | |
| Intergovernmental revenues | \$ 36,031 | \$ 36,031 | \$ 50,002 | \$ 13,971 |
| Charges for services | 18,000 | 18,000 | 23,211 | 5,211 |
| Investment earnings | <u>140</u> | <u>140</u> | <u>204</u> | <u>64</u> |
| Total revenues | <u>54,171</u> | <u>54,171</u> | <u>73,417</u> | <u>19,246</u> |
| Expenditures: | | | | |
| Materials and services | 65,550 | 91,046 | 82,263 | 8,783 |
| Contingency | <u>25,496</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>91,046</u> | <u>91,046</u> | <u>82,263</u> | <u>8,783</u> |
| Net change in fund balances | (36,875) | (36,875) | (8,846) | 28,029 |
| Fund Balance: | | | | |
| Beginning of year | <u>36,875</u> | <u>36,875</u> | <u>35,734</u> | <u>(1,141)</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 26,888</u> | <u>\$ 26,888</u> |

LINCOLN COUNTY, OREGON**LAW LIBRARY FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|------------------|------------------|
| Revenues: | | | | |
| Fines and penalties | \$ 49,200 | \$ 49,200 | \$ 44,665 | \$ (4,535) |
| Investment earnings | 225 | 225 | 301 | 76 |
| Other revenue | <u>-</u> | <u>-</u> | <u>35</u> | <u>35</u> |
| Total revenues | <u>49,425</u> | <u>49,425</u> | <u>45,001</u> | <u>(4,424)</u> |
| Expenditures: | | | | |
| Materials and services | 58,413 | 58,413 | 31,645 | 26,768 |
| Contingency | <u>12,700</u> | <u>12,700</u> | <u>-</u> | <u>12,700</u> |
| Total expenditures | <u>71,113</u> | <u>71,113</u> | <u>31,645</u> | <u>39,468</u> |
| Net change in fund balances | (21,688) | (21,688) | 13,356 | 35,044 |
| Fund Balance: | | | | |
| Beginning of year | <u>21,688</u> | <u>21,688</u> | <u>47,915</u> | <u>26,227</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 61,271</u> | <u>\$ 61,271</u> |

LINCOLN COUNTY, OREGON**CLERK RECORDS FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Licenses and permits | \$ 46,000 | \$ 46,000 | \$ 38,509 | \$ (7,491) |
| Investment earnings | <u>300</u> | <u>300</u> | <u>530</u> | <u>230</u> |
| Total revenues | <u>46,300</u> | <u>46,300</u> | <u>39,039</u> | <u>(7,261)</u> |
| Expenditures: | | | | |
| Personal services | 17,586 | 17,586 | 176 | 17,410 |
| Materials and services | <u>115,050</u> | <u>115,050</u> | <u>13,392</u> | <u>101,658</u> |
| Total expenditures | <u>132,636</u> | <u>132,636</u> | <u>13,568</u> | <u>119,068</u> |
| Net change in fund balances | (86,336) | (86,336) | 25,471 | 111,807 |
| Fund Balance: | | | | |
| Beginning of year | <u>86,336</u> | <u>86,336</u> | <u>91,573</u> | <u>5,237</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 117,044</u> | <u>\$ 117,044</u> |

LINCOLN COUNTY, OREGON
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, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Intergovernmental revenues | \$ 1,056,353 | \$ 1,266,318 | \$ 1,134,313 | \$ (132,005) |
| Charges for services | 1,207,652 | 2,210,661 | 1,967,103 | (243,558) |
| Investment earnings | - | - | 2,923 | 2,923 |
| Other revenue | <u>40,500</u> | <u>43,402</u> | <u>178,575</u> | <u>135,173</u> |
| Total revenues | <u>2,304,505</u> | <u>3,520,381</u> | <u>3,282,914</u> | <u>(237,467)</u> |
| Expenditures: | | | | |
| Personal services | 1,964,597 | 2,522,095 | 2,332,667 | 189,428 |
| Materials and services | <u>827,283</u> | <u>1,629,120</u> | <u>1,279,933</u> | <u>349,187</u> |
| Total expenditures | <u>2,791,880</u> | <u>4,151,215</u> | <u>3,612,600</u> | <u>538,615</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>150,000</u> | <u>131,477</u> | <u>158,477</u> | <u>27,000</u> |
| Net change in fund balances | (337,375) | (499,357) | (171,209) | 328,148 |
| Fund Balance: | | | | |
| Beginning of year | <u>337,375</u> | <u>499,357</u> | <u>854,046</u> | <u>354,689</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 682,837</u> | <u>\$ 682,837</u> |

LINCOLN COUNTY, OREGON
COMMUNITY HEALTH CENTERS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-----------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Intergovernmental revenues | \$ 1,916,033 | \$ 1,880,177 | \$ 1,338,733 | \$ (541,444) |
| Charges for services | 1,010,479 | 1,093,143 | 1,112,441 | 19,298 |
| Investment earnings | 500 | 1,548 | 1,783 | 235 |
| Contributions and donations | 300 | 300 | 300 | - |
| Other revenue | <u>6,500</u> | <u>6,500</u> | <u>12,722</u> | <u>6,222</u> |
| Total revenues | <u>2,933,812</u> | <u>2,981,668</u> | <u>2,465,979</u> | <u>(515,689)</u> |
| Expenditures: | | | | |
| Personal services | 2,317,334 | 1,938,426 | 1,748,932 | 189,494 |
| Materials and services | 1,101,723 | 1,172,013 | 503,461 | 668,552 |
| Contingency | <u>-</u> | <u>276,305</u> | <u>-</u> | <u>276,305</u> |
| Total expenditures | <u>3,419,057</u> | <u>3,386,744</u> | <u>2,252,393</u> | <u>1,134,351</u> |
| Net change in fund balances | (485,245) | (405,076) | 213,586 | 618,662 |
| Fund Balance: | | | | |
| Beginning of year | <u>485,245</u> | <u>405,076</u> | <u>522,845</u> | <u>117,769</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 736,431</u> | <u>\$ 736,431</u> |

LINCOLN COUNTY, OREGON**ENFORCEMENT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|-----------------|-----------------|
| Revenues: | | | | |
| Fines and penalties | \$ 15,000 | \$ 15,000 | \$ 13,133 | \$ (1,867) |
| Investment earnings | 150 | 150 | 86 | (64) |
| Total revenues | <u>15,150</u> | <u>15,150</u> | <u>13,219</u> | <u>(1,931)</u> |
| Expenditures: | | | | |
| Personal services | 11,600 | 11,600 | 9,200 | 2,400 |
| Materials and services | <u>3,550</u> | <u>3,550</u> | - | <u>3,550</u> |
| Total expenditures | <u>15,150</u> | <u>15,150</u> | <u>9,200</u> | <u>5,950</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(12,752)</u> | <u>(12,752)</u> | <u>(9,221)</u> | <u>3,531</u> |
| Net change in fund balances | (12,752) | (12,752) | (5,202) | 7,550 |
| Fund Balance: | | | | |
| Beginning of year | <u>12,752</u> | <u>12,752</u> | <u>14,815</u> | <u>2,063</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,613</u> | <u>\$ 9,613</u> |

LINCOLN COUNTY, OREGON

ANIMAL SERVICES FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Property taxes | \$ 680,185 | \$ 680,185 | \$ 687,191 | \$ 7,006 |
| Licenses and permits | 75,000 | 75,000 | 79,241 | 4,241 |
| Intergovernmental revenues | - | - | 505 | 505 |
| Charges for services | 15,000 | 15,000 | 14,486 | (514) |
| Fines and penalties | 1,000 | 1,000 | 4,371 | 3,371 |
| Investment earnings | 300 | 300 | 1,766 | 1,466 |
| Contributions and donations | <u>15,000</u> | <u>47,460</u> | <u>63,650</u> | <u>16,190</u> |
| Total revenues | <u>786,485</u> | <u>818,945</u> | <u>851,210</u> | <u>32,265</u> |
| Expenditures: | | | | |
| Personal services | 575,785 | 585,785 | 567,146 | 18,639 |
| Materials and services | 174,108 | 209,312 | 189,787 | 19,525 |
| Capital outlay | 20,000 | 37,256 | 25,695 | 11,561 |
| Contingency | <u>158,112</u> | <u>128,112</u> | <u>-</u> | <u>128,112</u> |
| Total expenditures | <u>928,005</u> | <u>960,465</u> | <u>782,628</u> | <u>177,837</u> |
| Net change in fund balances | (141,520) | (141,520) | 68,582 | 210,102 |
| Fund Balance: | | | | |
| Beginning of year | <u>141,520</u> | <u>141,520</u> | <u>212,124</u> | <u>70,604</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 280,706</u> | <u>\$ 280,706</u> |

LINCOLN COUNTY, OREGON**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, 2012**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|---------------------|-----------------------|
| Revenues: | | | | |
| Investment earnings | \$ 10,500 | \$ 10,500 | \$ 11,190 | \$ 690 |
| Expenditures: | | | | |
| Materials and services | 1,154,349 | 1,154,349 | 105,646 | 1,048,703 |
| Capital outlay | <u>1,060,352</u> | <u>1,060,352</u> | <u>7,500</u> | <u>1,052,852</u> |
| Total expenditures | <u>2,214,701</u> | <u>2,214,701</u> | <u>113,146</u> | <u>2,101,555</u> |
| Net change in fund balances | (2,204,201) | (2,204,201) | (101,956) | 2,102,245 |
| Fund Balance: | | | | |
| Beginning of year | <u>2,204,201</u> | <u>2,204,201</u> | <u>2,257,318</u> | <u>53,117</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,155,362</u> | <u>\$ (2,155,362)</u> |

LINCOLN COUNTY, OREGON
CORNER PRESERVATION FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Licenses and permits | \$ 110,000 | \$ 110,000 | \$ 97,689 | \$ (12,311) |
| Intergovernmental revenues | - | - | 323 | 323 |
| Investment earnings | <u>1,000</u> | <u>1,000</u> | <u>916</u> | <u>(84)</u> |
| Total revenues | <u>111,000</u> | <u>111,000</u> | <u>98,928</u> | <u>(12,072)</u> |
| Expenditures: | | | | |
| Personal services | 140,347 | 140,347 | 105,442 | 34,905 |
| Materials and services | 36,100 | 36,100 | 14,883 | 21,217 |
| Capital outlay | 55,000 | 55,000 | - | 55,000 |
| Contingency | <u>51,952</u> | <u>51,952</u> | <u>-</u> | <u>51,952</u> |
| Total expenditures | <u>283,399</u> | <u>283,399</u> | <u>120,325</u> | <u>163,074</u> |
| Net change in fund balances | (172,399) | (172,399) | (21,397) | 151,002 |
| Fund Balance: | | | | |
| Beginning of year | <u>172,399</u> | <u>172,399</u> | <u>187,352</u> | <u>14,953</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 165,955</u> | <u>\$ 165,955</u> |

LINCOLN COUNTY, OREGON**METH GRANT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|-----------------|-----------------|
| Revenues: | | | | |
| Intergovernmental revenues | \$ 44,400 | \$ 44,400 | \$ 14,775 | \$ (29,625) |
| Expenditures: | | | | |
| Materials and services | <u>44,400</u> | <u>44,400</u> | <u>19,581</u> | <u>24,819</u> |
| Net change in fund balances | - | - | (4,806) | (4,806) |
| Fund Balance: | | | | |
| Beginning of year | <u>-</u> | <u>-</u> | <u>11,166</u> | <u>11,166</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,360</u> | <u>\$ 6,360</u> |

LINCOLN COUNTY, OREGON**EXTENSION AGENCY****Schedule of Revenues, Expenditures, and Changes in Fund Balance****Budget and Actual (Budgetary Basis)****For the Year Ended June 30, 2012**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Property taxes | \$ 223,000 | \$ 223,000 | \$ 272,438 | \$ 49,438 |
| Intergovernmental revenues | 181,100 | 181,100 | 4,943 | (176,157) |
| Charges for services | 10,600 | 10,600 | - | (10,600) |
| Investment earnings | 500 | 500 | 1,845 | 1,345 |
| Other revenue | <u>1,000</u> | <u>1,000</u> | <u>72</u> | <u>(928)</u> |
| Total revenues | <u>416,200</u> | <u>416,200</u> | <u>279,298</u> | <u>(136,902)</u> |
| Expenditures: | | | | |
| Personal services | 338,398 | 338,398 | - | 338,398 |
| Materials and services | 230,870 | 230,870 | 220,000 | 10,870 |
| Capital outlay | 760,000 | 760,000 | - | 760,000 |
| Contingency | <u>66,176</u> | <u>66,176</u> | <u>-</u> | <u>66,176</u> |
| Total expenditures | <u>1,395,444</u> | <u>1,395,444</u> | <u>220,000</u> | <u>1,175,444</u> |
| Other financing sources (uses): | | | | |
| Loan Proceeds Building | <u>750,000</u> | <u>750,000</u> | <u>-</u> | <u>(750,000)</u> |
| Net change in fund balances | (229,244) | (229,244) | 59,298 | 288,542 |
| Fund Balance: | | | | |
| Beginning of year, as restated | <u>229,244</u> | <u>229,244</u> | <u>274,309</u> | <u>45,065</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 333,607</u> | <u>\$ 333,607</u> |

LINCOLN COUNTY, OREGON
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, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Licenses and permits | \$ 6,250 | \$ 6,250 | \$ 5,887 | \$ (363) |
| Investment earnings | <u>3,750</u> | <u>3,750</u> | <u>3,674</u> | <u>(76)</u> |
| Total revenues | <u>10,000</u> | <u>10,000</u> | <u>9,561</u> | <u>(439)</u> |
| Expenditures: | | | | |
| Materials and services | 681,313 | 681,313 | 13,647 | 667,666 |
| Capital outlay | 5,000 | 5,000 | - | 5,000 |
| Contingency | <u>50,000</u> | <u>50,000</u> | <u>-</u> | <u>50,000</u> |
| Total expenditures | <u>736,313</u> | <u>736,313</u> | <u>13,647</u> | <u>722,666</u> |
| Net change in fund balances | (726,313) | (726,313) | (4,086) | 722,227 |
| Fund Balance: | | | | |
| Beginning of year | <u>726,313</u> | <u>726,313</u> | <u>732,131</u> | <u>5,818</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 728,045</u> | <u>\$ 728,045</u> |

LINCOLN COUNTY, OREGON**DUII FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|-----------------|-----------------|
| Revenues: | | | | |
| Licenses and permits | \$ 1,500 | \$ 1,500 | \$ 2,797 | \$ 1,297 |
| Investment earnings | - | - | 15 | 15 |
| Other revenue | <u>500</u> | <u>500</u> | <u>-</u> | <u>(500)</u> |
| Total revenues | <u>2,000</u> | <u>2,000</u> | <u>2,812</u> | <u>812</u> |
| Expenditures: | | | | |
| Materials and services | 2,900 | 2,900 | 577 | 2,323 |
| Contingency | <u>233</u> | <u>233</u> | <u>-</u> | <u>233</u> |
| Total expenditures | <u>3,133</u> | <u>3,133</u> | <u>577</u> | <u>2,556</u> |
| Net change in fund balances | (1,133) | (1,133) | 2,235 | 3,368 |
| Fund Balance: | | | | |
| Beginning of year | <u>1,133</u> | <u>1,133</u> | <u>1,385</u> | <u>252</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,620</u> | <u>\$ 3,620</u> |

LINCOLN COUNTY, OREGON

BUILDING RESERVE FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | Original Budget | Final Budget | Actual | Variance |
|-------------------|-----------------|--------------|-------------|-------------|
| Expenditures: | | | | |
| Fund Balance: | | | | |
| Beginning of year | <u>-</u> | <u>-</u> | <u>5</u> | <u>(5)</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5</u> | <u>\$ 5</u> |

LINCOLN COUNTY, OREGON**FAIR FACILITIES FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------|------------------------|---------------------|-------------------|-------------------|
| Revenues: | | | | |
| Taxes and land sales | \$ 257,000 | \$ 257,000 | \$ 225,942 | \$ (31,058) |
| Investment earnings | <u>1,500</u> | <u>1,500</u> | <u>3,268</u> | <u>1,768</u> |
| Total revenues | <u>258,500</u> | <u>258,500</u> | <u>229,210</u> | <u>(29,290)</u> |
| Expenditures: | | | | |
| Materials and services | 136,368 | 136,368 | 35,410 | 100,958 |
| Capital outlay | <u>650,000</u> | <u>650,000</u> | <u>10,730</u> | <u>639,270</u> |
| Total expenditures | <u>786,368</u> | <u>786,368</u> | <u>46,140</u> | <u>740,228</u> |
| Net change in fund balances | (527,868) | (527,868) | 183,070 | 710,938 |
| Fund Balance: | | | | |
| Beginning of year | <u>527,868</u> | <u>527,868</u> | <u>566,397</u> | <u>38,529</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 749,467</u> | <u>\$ 749,467</u> |

NONMAJOR ENTERPRISE FUND

- **Solid Waste District** (a component unit) – This fund is responsible for county-wide solid waste management planning and enforcement. The principal revenue source are charges against various municipalities within the County for tons of waste dumped.

LINCOLN COUNTY, OREGON**SOLID WASTE DISTRICT FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|------------------|------------------|
| Revenues: | | | | |
| Intergovernmental revenues | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ - |
| Charges for services | 195,200 | 195,200 | 217,893 | 22,693 |
| Fines and penalties | 1,000 | 1,000 | - | (1,000) |
| Investment earnings | 500 | 500 | 75 | (425) |
| Other revenue | <u>1,000</u> | <u>1,000</u> | <u>1,005</u> | <u>5</u> |
| Total revenues | <u>217,700</u> | <u>217,700</u> | <u>238,973</u> | <u>21,273</u> |
| Expenditures: | | | | |
| Personal services | 109,571 | 109,571 | 99,057 | 10,514 |
| Materials and services | 174,963 | 174,963 | 157,078 | 17,885 |
| Capital outlay | 12,000 | 12,000 | - | 12,000 |
| Contingency | <u>26,091</u> | <u>26,091</u> | <u>-</u> | <u>26,091</u> |
| Total expenditures | <u>322,625</u> | <u>322,625</u> | <u>256,135</u> | <u>66,490</u> |
| Net change in fund balances | (104,925) | (104,925) | (17,162) | 87,763 |
| Fund Balance: | | | | |
| Beginning of year | <u>104,925</u> | <u>104,925</u> | <u>59,171</u> | <u>(45,754)</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>42,009</u> | <u>\$ 42,009</u> |
| Reconciliation to GAAP Basis: | | | | |
| Compensated absences | | | <u>(10,100)</u> | |
| GAAP Fund Balance - end of year | | | <u>\$ 31,909</u> | |

NONMAJOR INTERNAL SERVICE FUND

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

LINCOLN COUNTY, OREGON**SELF INSURANCE FUND**

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2012

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|---------------------|---------------------|
| Revenues: | | | | |
| Charges for services | \$ 1,140,000 | \$ 1,140,000 | \$ 1,021,485 | \$ (118,515) |
| Investment earnings | - | - | 4,061 | 4,061 |
| Other revenue | - | - | 37,957 | 37,957 |
| Total revenues | <u>1,140,000</u> | <u>1,140,000</u> | <u>1,063,503</u> | <u>(76,497)</u> |
| Expenditures: | | | | |
| Personal services | 150,000 | 150,000 | 17,790 | 132,210 |
| Materials and services | 898,750 | 898,750 | 480,870 | 417,880 |
| Capital outlay | 100,000 | 100,000 | - | 100,000 |
| Contingency | 718,750 | 718,750 | - | 718,750 |
| Total expenditures | <u>1,867,500</u> | <u>1,867,500</u> | <u>498,660</u> | <u>1,368,840</u> |
| Net change in fund balances | (727,500) | (727,500) | 564,843 | 1,292,343 |
| Fund Balance: | | | | |
| Beginning of year | <u>727,500</u> | <u>727,500</u> | <u>613,409</u> | <u>(114,091)</u> |
| End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,178,252</u> | <u>\$ 1,178,252</u> |
| Reconciliation to GAAP Basis: | | | | |
| Claims payable | | | <u>(46,648)</u> | |
| GAAP Fund Balance - end of year | | | <u>\$ 1,131,604</u> | |

NONMAJOR FIDUCIARY FUNDS

Agency Funds

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

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

LINCOLN COUNTY, OREGON
AGENCY FUND
Schedule of Changes in in Assets and Liabilities
For the Year Ended June 30, 2012

| | <u>Balances July 1, 2011</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balances June 30, 2012</u> |
|-------------------------|----------------------------------|-----------------------|-----------------------|-----------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 2,275,081 | \$ 345,619,957 | \$ 345,673,635 | \$ 2,221,403 |
| Receivables | <u>6,857,952</u> | <u>73,984,516</u> | <u>73,497,141</u> | <u>7,345,327</u> |
| Total assets | <u>\$ 9,133,033</u> | <u>\$ 419,604,473</u> | <u>\$ 419,170,776</u> | <u>\$ 9,566,730</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 589,979 | \$ 588,794 | \$ 589,979 | \$ 588,794 |
| Amounts held for others | <u>8,543,054</u> | <u>419,015,679</u> | <u>418,580,797</u> | <u>8,977,936</u> |
| Total liabilities | <u>\$ 9,133,033</u> | <u>\$ 419,604,473</u> | <u>\$ 419,170,776</u> | <u>\$ 9,566,730</u> |

A grayscale photograph of a coastal landscape. In the foreground, several tall, slender trees with dense foliage stand on a dark, rocky outcrop. The background shows a vast expanse of water with white-capped waves crashing against distant, low-lying land or rocks. The sky is filled with soft, wispy clouds. The overall tone is serene and naturalistic.

Statistical Section

STATISTICAL SECTION

| | |
|----------|------|
| Contents | Page |
|----------|------|

| | |
|-------------------------|--------------|
| Financial Trends | 65-68 |
|-------------------------|--------------|

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 | 69-72 |
|-------------------------|--------------|

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

| | |
|----------------------|--------------|
| Debt Capacity | 73-76 |
|----------------------|--------------|

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 | 77-78 |
|---|--------------|

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 | 79-81 |
|------------------------------|--------------|

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.

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

LINCOLN COUNTY

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

| | Year ended June 30, | | | | | | | | | |
|---|---------------------|------------|------------|------------|------------|------------|------------|------------|-----------|-----------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Invested in capital assets, net of related debt | \$ 115,313 | \$ 116,325 | \$ 115,587 | \$ 120,699 | \$ 120,717 | \$ 115,493 | \$ 119,306 | \$ 122,659 | \$ 33,140 | \$ 34,807 |
| Restricted | 145 | 200 | 3,383 | 3,257 | 3,278 | 19,717 | 20,238 | 17,921 | 15,037 | 13,834 |
| Unrestricted | 23,546 | 24,087 | 25,876 | 27,687 | 29,264 | 14,741 | 11,595 | 11,600 | 12,388 | 15,057 |
| Total Net Assets | \$ 139,004 | \$ 140,612 | \$ 144,846 | \$ 151,643 | \$ 153,259 | \$ 149,951 | \$ 151,139 | \$ 152,180 | \$ 60,565 | \$ 63,698 |

LINCOLN COUNTY

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

| | Year ended June 30, | | | | | | | | | |
|--|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| EXPENSES | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities | | | | | | | | | | |
| General Government | \$ 5,662 | \$ 5,652 | \$ 7,026 | \$ 8,277 | \$ 9,320 | \$ 11,082 | \$ 11,229 | \$ 9,427 | \$ 9,344 | \$ 7,693 |
| Community Services | 2,569 | 2,677 | 2,962 | 3,239 | 3,246 | 4,065 | 4,205 | 4,030 | 3,783 | 3,972 |
| Public Safety | 12,887 | 13,157 | 14,962 | 14,273 | 15,390 | 16,766 | 17,322 | 16,484 | 16,972 | 19,373 |
| Highways and Streets | 6,637 | 6,404 | 5,556 | 6,702 | 5,684 | 8,509 | 7,543 | 7,614 | 8,366 | 8,191 |
| Culture and Recreation | 264 | 239 | 256 | 112 | (127) | 249 | 198 | 265 | 142 | 235 |
| Health and Welfare | 9,939 | 9,502 | 10,053 | 10,968 | 12,622 | 11,881 | 12,033 | 10,101 | 10,994 | 10,889 |
| Education | 1,786 | 1,618 | 1,741 | 1,877 | 1,764 | 1,668 | 1,569 | 1,421 | 1,236 | 956 |
| Interest | 278 | 259 | 92 | 81 | 54 | 95 | 93 | 63 | 41 | 26 |
| Total Governmental Activities Expense | 40,022 | 39,508 | 42,648 | 45,529 | 47,953 | 54,315 | 54,192 | 49,405 | 50,878 | 51,335 |
| Business-type Activities | | | | | | | | | | |
| Solid waste | - | - | - | - | - | - | - | 278 | 278 | 258 |
| Total Business-type Activities | - | - | - | - | - | - | - | 278 | 278 | 258 |
| Total Primary Government Expenses | \$ 40,022 | \$ 39,508 | \$ 42,648 | \$ 45,529 | \$ 47,953 | \$ 54,315 | \$ 54,192 | \$ 49,683 | \$ 51,156 | \$ 51,593 |
| PROGRAM REVENUES | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | \$ 1,944 | \$ 1,997 | \$ 2,272 | \$ 2,175 | \$ 2,261 | \$ 1,842 | \$ 2,476 | \$ 1,967 | \$ 2,365 | \$ 2,558 |
| Community Services | 74 | 384 | 422 | 437 | 494 | 559 | 670 | 406 | 397 | 706 |
| Public Safety | 227 | 255 | 303 | 367 | 502 | 447 | 911 | 1,266 | 1,061 | 1,916 |
| Highways and Streets | 320 | 305 | 523 | 701 | 619 | 1,365 | 1,144 | - | - | - |
| Health and Welfare | 3,339 | 3,665 | 3,959 | 4,509 | 3,700 | 3,454 | 6,188 | 4,142 | 5,430 | 6,630 |
| Education | 9 | 6 | 5 | 6 | 1 | 1 | 6 | 2 | 9 | - |
| Operating Grants and Contributions | 10,603 | 13,021 | 17,542 | 14,997 | 17,279 | 18,962 | 19,766 | 21,192 | 19,520 | 19,958 |
| Capital Grants and Contributions | 24 | 630 | 22 | 5,165 | 18 | 1,500 | 12 | 2,136 | 562 | 1,295 |
| Total Governmental Activities Program Revenues | 16,540 | 20,263 | 25,048 | 28,357 | 24,874 | 28,130 | 31,173 | 31,111 | 29,344 | 33,063 |
| Business-type Activities - Solid waste | | | | | | | | | | |
| Charges for Services | - | - | - | - | - | - | - | 213 | 182 | 219 |
| Operating Grants and Contributions | - | - | - | - | - | - | - | 20 | 20 | 20 |
| Total Business-type Activities | - | - | - | - | - | - | - | 233 | 202 | 239 |
| Total Primary Government Program Revenues | \$ 16,540 | \$ 20,263 | \$ 25,048 | \$ 28,357 | \$ 24,874 | \$ 28,130 | \$ 31,173 | \$ 31,344 | \$ 29,546 | \$ 33,302 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (23,482) | \$ (19,245) | \$ (17,600) | \$ (17,172) | \$ (23,079) | \$ (26,185) | \$ (23,019) | \$ (18,294) | \$ (21,534) | \$ (18,272) |
| Business-type Activities | - | - | - | - | - | - | - | (45) | (76) | (19) |
| Total Primary Government Net Expense | \$ (23,482) | \$ (19,245) | \$ (17,600) | \$ (17,172) | \$ (23,079) | \$ (26,185) | \$ (23,019) | \$ (18,339) | \$ (21,610) | \$ (18,291) |
| GENERAL REVENUES AND OTHER | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property Taxes | \$ 13,371 | \$ 13,477 | \$ 13,974 | \$ 14,653 | \$ 15,287 | \$ 15,954 | \$ 16,705 | \$ 16,942 | \$ 18,188 | \$ 18,986 |
| Transient Room Taxes | - | - | - | - | - | - | - | - | 1,666 | 1,737 |
| Other Taxes | 1,028 | 1,030 | 1,115 | 1,237 | 1,285 | 1,086 | 1,640 | 1,631 | 265 | - |
| Unrestricted Grants and Contributions | 3,063 | 2,895 | 2,949 | 3,032 | 2,957 | 3,448 | 3,335 | - | - | - |
| Investment Earnings | 409 | 293 | 613 | 1,213 | 1,685 | 1,541 | 661 | 219 | 163 | 151 |
| State Motor Vehicle Fees | 2,025 | 2,061 | 2,272 | 2,352 | 2,335 | - | - | - | - | - |
| Federal and State Forest Fees | 5,537 | - | - | - | - | - | - | - | - | - |
| Timber and Land Sales | - | 583 | 574 | 992 | 517 | 483 | 556 | 564 | 161 | 500 |
| Gain (Loss) on Sale of Capital Assets | 86 | 25 | 18 | 11 | (24) | (162) | 16 | 23 | (2) | - |
| Miscellaneous | 518 | 488 | 319 | 479 | 655 | 528 | 543 | - | - | - |
| Total Governmental Activities | 26,037 | 20,852 | 21,834 | 23,969 | 24,697 | 22,878 | 23,456 | 19,379 | 20,441 | 21,374 |
| Business-type Activities | | | | | | | | | | |
| Investment Earnings | - | - | - | - | - | - | - | 1 | - | - |
| Total Business-type Activities | - | - | - | - | - | - | - | 1 | - | - |
| Total Primary Government | \$ 26,037 | \$ 20,852 | \$ 21,834 | \$ 23,969 | \$ 24,697 | \$ 22,878 | \$ 23,456 | \$ 19,380 | \$ 20,441 | \$ 21,374 |
| CHANGE IN NET ASSETS | | | | | | | | | | |
| Governmental Activities | \$ 2,555 | \$ 1,607 | \$ 4,234 | \$ 6,797 | \$ 1,618 | \$ (3,307) | \$ 437 | \$ 1,085 | \$ (1,093) | \$ 3,102 |
| Business-type Activities | - | - | - | - | - | - | - | (44) | (76) | (19) |
| Total Primary Government Change in Net Assets | \$ 2,555 | \$ 1,607 | \$ 4,234 | \$ 6,797 | \$ 1,618 | \$ (3,307) | \$ 437 | \$ 1,041 | \$ (1,169) | \$ 3,083 |

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)

| | Year ended June 30, | | | | | | | | | |
|---|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| GENERAL FUND | | | | | | | | | | |
| Reserved | \$ 9 | \$ 5 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 6,735 | 7,511 | 8,012 | 9,517 | 9,592 | 8,346 | 4,486 | 4,135 | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | 3 | 2 |
| Restricted | - | - | - | - | - | - | - | - | 673 | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | 4,464 | 5,573 |
| Total General Fund | \$ 6,744 | \$ 7,516 | \$ 8,012 | \$ 9,517 | \$ 9,592 | \$ 8,346 | \$ 4,486 | \$ 4,135 | \$ 5,140 | \$ 5,575 |
| ALL OTHER GOVERNMENTAL FUNDS | | | | | | | | | | |
| Reserved For: | | | | | | | | | | |
| Debt Service | \$ 145 | \$ 200 | \$ 236 | \$ 223 | \$ 246 | \$ 262 | \$ 262 | \$ - | \$ - | \$ - |
| Outpatient Services | - | - | - | - | - | 50 | 50 | 50 | - | - |
| Inventories | 375 | 332 | - | - | - | - | - | - | - | - |
| Unreserved, reported in Special Revenue Funds | 14,706 | 15,084 | 20,401 | 21,210 | 22,907 | 25,582 | 25,545 | 25,261 | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | 330 | 404 |
| Restricted | - | - | - | - | - | - | - | - | 19,528 | 20,192 |
| Committed | - | - | - | - | - | - | - | - | 3,127 | 2,886 |
| Assigned | - | - | - | - | - | - | - | - | 50 | - |
| Unassigned | - | - | - | - | - | - | - | - | (46) | - |
| Total All Other Governmental Funds | \$ 15,226 | \$ 15,616 | \$ 20,637 | \$ 21,433 | \$ 23,153 | \$ 25,894 | \$ 25,857 | \$ 25,311 | \$ 22,989 | \$ 23,482 |

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)

| | Year Ended June 30, | | | | | | | | | |
|--|---------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|-------------------|------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| REVENUES | | | | | | | | | | |
| Taxes and Land Sales | \$ 15,450 | \$ 15,452 | \$ 16,069 | \$ 17,063 | \$ 17,132 | \$ 17,737 | \$ 18,854 | \$ 19,009 | \$ 19,915 | \$ 20,673 |
| Licenses and Permits | 1,751 | 1,957 | 2,248 | 2,554 | 2,253 | 1,908 | 1,532 | 1,431 | 1,416 | 1,328 |
| Charges for Services | 3,500 | 3,733 | 4,077 | 4,696 | 5,477 | 5,707 | 6,518 | 12,261 | 8,250 | 9,312 |
| Intergovernmental | 19,896 | 18,474 | 23,407 | 21,478 | 22,383 | 22,682 | 21,748 | 17,333 | 19,088 | 21,992 |
| Fines and Penalties | 101 | 114 | 128 | 132 | 147 | 160 | 130 | 138 | 133 | 118 |
| Investment Earnings | 395 | 299 | 627 | 1,240 | 1,719 | 1,544 | 637 | 215 | 162 | 143 |
| Other Revenues | 1,455 | 875 | 921 | 720 | 1,016 | 885 | 2,717 | 1,113 | 772 | 740 |
| Total Revenues | <u>\$ 42,548</u> | <u>\$ 40,904</u> | <u>\$ 47,477</u> | <u>\$ 47,883</u> | <u>\$ 50,127</u> | <u>\$ 50,623</u> | <u>\$ 52,136</u> | <u>\$ 51,500</u> | <u>\$ 49,736</u> | <u>\$ 54,306</u> |
| EXPENDITURES | | | | | | | | | | |
| General Government | \$ 6,250 | \$ 6,472 | \$ 6,592 | \$ 7,276 | \$ 8,366 | \$ 9,402 | \$ 10,395 | \$ 8,406 | \$ 8,329 | \$ 8,728 |
| Community Services | 2,647 | 2,522 | 2,805 | 3,159 | 3,156 | 4,187 | 4,050 | 3,910 | 3,633 | 3,803 |
| Public Safety | 11,865 | 12,332 | 14,146 | 14,162 | 14,759 | 16,133 | 16,746 | 15,957 | 16,443 | 18,823 |
| Highways and Streets | 4,830 | 4,901 | 4,808 | 6,681 | 5,607 | 4,336 | 4,564 | 6,594 | 7,177 | 7,079 |
| Culture and Recreation | 241 | 223 | 242 | 244 | 245 | 233 | 192 | 51 | 60 | 118 |
| Health and Welfare | 9,039 | 8,894 | 9,473 | 10,432 | 12,188 | 11,822 | 11,495 | 10,065 | 10,956 | 10,817 |
| Education | 1,643 | 1,516 | 1,635 | 1,795 | 1,668 | 1,669 | 1,566 | 1,421 | 1,236 | 956 |
| Capital Outlay | 2,070 | 1,893 | 1,092 | 1,226 | 1,620 | 2,715 | 6,291 | 4,956 | 2,748 | 2,483 |
| Debt Service | | | | | | | | | | |
| Principal | 793 | 838 | 892 | 645 | 665 | 675 | 705 | 799 | 429 | 446 |
| Interest | 294 | 254 | 114 | 73 | 60 | 96 | 28 | 68 | 42 | 26 |
| Total Expenditures | <u>\$ 39,672</u> | <u>\$ 39,845</u> | <u>\$ 41,799</u> | <u>\$ 45,693</u> | <u>\$ 48,334</u> | <u>\$ 51,268</u> | <u>\$ 56,032</u> | <u>\$ 52,227</u> | <u>\$ 51,053</u> | <u>\$ 53,279</u> |
| Excess of Revenues Over (Under) Expenditures | \$ 2,876 | \$ 1,059 | \$ 5,678 | \$ 2,190 | \$ 1,793 | \$ (645) | \$ (3,896) | \$ (727) | \$ (1,317) | \$ 1,027 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Proceeds from Long-Term Debt | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,140 | \$ - | \$ - | \$ - | \$ - |
| Transfers in | 755 | 898 | 902 | 851 | 1,044 | 2,631 | 494 | 639 | 878 | 565 |
| Transfers out | (755) | (748) | (727) | (738) | (1,044) | (2,631) | (494) | (639) | (878) | (565) |
| Net Change in Fund Balances | <u>\$ 2,876</u> | <u>\$ 1,209</u> | <u>\$ 5,853</u> | <u>\$ 2,303</u> | <u>\$ 1,793</u> | <u>\$ 1,495</u> | <u>\$ (3,896)</u> | <u>\$ (727)</u> | <u>\$ (1,317)</u> | <u>\$ 1,027</u> |
| Debt Service as a % of Noncapital Expenditures | 3.0% | 3.0% | 2.5% | 1.6% | 1.6% | 1.6% | 1.5% | 1.9% | 1.0% | 0.9% |

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 | | | | |
| 2003 | \$ 64,020 | \$ 4,460,924 | \$ 26,571 | \$ 116,817 | \$ 4,668,332 | 2.9528 | \$ 5,334,777 | 87.5% |
| 2004 | 64,795 | 4,572,000 | 25,621 | 111,294 | 4,773,710 | 2.9817 | 5,460,252 | 87.4% |
| 2005 | 63,394 | 4,726,647 | 24,624 | 105,841 | 4,920,506 | 2.9747 | 5,770,292 | 85.3% |
| 2006 | 62,089 | 4,947,378 | 27,479 | 105,371 | 5,142,317 | 2.9570 | 6,465,344 | 79.5% |
| 2007 | 61,755 | 5,207,848 | 31,174 | 108,241 | 5,409,018 | 2.9620 | 8,607,856 | 62.8% |
| 2008 | 60,927 | 5,495,187 | 32,745 | 114,225 | 5,703,084 | 2.9576 | 10,235,611 | 55.7% |
| 2009 | 59,014 | 5,790,741 | 35,604 | 111,987 | 5,997,347 | 2.9538 | 11,030,893 | 54.4% |
| 2010 | 54,519 | 6,042,207 | 37,950 | 121,456 | 6,256,132 | 2.8579 | 10,601,034 | 59.0% |
| 2011 | 52,030 | 6,223,137 | 38,672 | 117,886 | 6,431,725 | 2.8202 | 9,694,409 | 66.3% |
| 2012 | 49,867 | 6,390,364 | 36,818 | 101,617 | 6,578,666 | 2.8202 | 9,001,860 | 73.1% |

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, | | | | | | | |
| 2003 | 2.7946 | 0.1582 | 2.9528 | 4.7074 | 6.3682 | 0.3064 | 14.3348 |
| 2004 | 2.7938 | 0.1879 | 2.9817 | 4.6352 | 6.2546 | 0.3069 | 14.1784 |
| 2005 | 2.8122 | 0.1625 | 2.9747 | 4.5736 | 6.5602 | 0.2942 | 14.4027 |
| 2006 | 2.8149 | 0.1421 | 2.9570 | 4.8349 | 6.5933 | 0.2824 | 14.6676 |
| 2007 | 2.8170 | 0.1450 | 2.9620 | 4.8198 | 6.4924 | 0.2834 | 14.5576 |
| 2008 | 2.8202 | 0.1374 | 2.9576 | 4.8744 | 6.4353 | 0.3075 | 14.5748 |
| 2009 | 2.8202 | 0.1336 | 2.9538 | 4.7598 | 6.4416 | 0.3211 | 14.4763 |
| 2010 | 2.8202 | 0.0377 | 2.8579 | 4.6874 | 6.4898 | 0.3252 | 14.3603 |
| 2011 | 2.8202 | - | 2.8202 | 4.8526 | 6.4401 | 0.3191 | 14.4320 |
| 2012 | 2.8202 | - | 2.8202 | 4.9789 | 6.4220 | 0.3141 | 14.5352 |

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 Nine Years Ago

| <u>Taxpayer</u> | 2011-12 | | | 2002-03 | | |
|-----------------------------------|---------------------------|------|---|------------------------------|------|---|
| | Taxable Assessed Value | Rank | Percentage of County Total Assessed Value | Taxable Assessed Value | Rank | Percentage of County Total Assessed Value |
| Georgia Pacific West Inc | \$ 153,512 | 1 | 32.4% | \$ 188,293 | 1 | 38.9% |
| Central Lincoln PUD | 68,759 | 2 | 14.5% | 50,013 | 3 | 10.3% |
| Plum Creek Timberlands | 54,729 | 3 | 11.5% | 58,504 | 2 | |
| Northwest Natural Gas | 37,746 | 4 | 8.0% | 32,696 | 4 | 6.8% |
| COROC/Lincoln City LLC | 33,780 | 5 | 7.1% | | | |
| The Worldmark Club | 38,526 | 6 | 8.1% | 31,994 | 5 | 6.6% |
| Nestucca Forests LLC | 27,868 | 7 | 5.9% | | | |
| Charter Communications | 18,902 | 8 | 4.0% | | | |
| Meriwether NW OR Land & Timber Co | 21,288 | 9 | 4.5% | | | |
| Pacificorp | 18,894 | 10 | 4.0% | | | |
| Simpson Timber Co. | | | | 28,348 | 6 | 5.9% |
| R. R. Lincoln City Inc | | | | 25,605 | 7 | 5.3% |
| Boise Cascade Corp | | | | 24,935 | 8 | 5.2% |
| YCP Salishan LP | | | | 23,839 | 9 | 4.9% |
| Pioneer Telephone Coop. | | | | 19,350 | 10 | 4.0% |

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 |
| 2003 | \$12,383 | \$11,673 | 94.3% | \$558 | \$12,231 | 98.77% |
| 2004 | 12,702 | 12,117 | 95.4% | 517 | 12,634 | 99.46% |
| 2005 | 13,205 | 12,722 | 96.3% | 473 | 13,195 | 99.92% |
| 2006 | 13,847 | 13,367 | 96.5% | 450 | 13,817 | 99.78% |
| 2007 | 14,489 | 13,989 | 96.5% | 434 | 14,423 | 99.54% |
| 2008 | 15,153 | 14,508 | 95.7% | 311 | 14,819 | 97.80% |
| 2009 | 15,859 | 15,005 | 94.6% | 466 | 15,471 | 97.55% |
| 2010 | 15,942 | 15,092 | 94.7% | 224 | 15,316 | 96.07% |
| 2011 | 17,234 | 16,538 | 96.0% | 219 | 16,757 | 97.23% |
| 2012 | 18,248 | 16,869 | 92.4% | - | 16,869 | 92.44% |

Source: Lincoln County Treasurer's Office

LINCOLN COUNTY

RATIOS OF OUTSTANDING DEBT BY TYPE

(amounts expressed in thousands except 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 |
|--------------------------|--------------------------------|--------------------------------|----------|--|
| 2003 | \$ 4,200 | \$ 583 | \$ 4,783 | \$ 182 |
| 2004 | 3,700 | 359 | 4,059 | 147 |
| 2005 | 3,075 | 123 | 3,198 | 109 |
| 2006 | 2,430 | - | 2,430 | 80 |
| 2007 | 1,765 | - | 1,765 | 56 |
| 2008 | 1,090 | 2,140 | 3,230 | 96 |
| 2009 | 385 | 1,751 | 2,136 | 63 |
| 2010 | - | 1,337 | 1,337 | 40 |
| 2011 | - | 929 | 929 | 28 |
| 2012 | - | 462 | 462 | 14 |

Note: Per Bureau of Economic Analysis (Regional Economic Accounts) (www.bea.gov/regional/bearfacts). The latest personal income & per capita personal income available by BEA economic area is 2010.

*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 |
|--------------------------|--------------------------------|--|---------|---|--|
| 2003 | \$4,200 | \$145 | \$4,055 | 0.076% | \$90 |
| 2004 | 3,700 | 200 | 3,500 | 0.064% | 79 |
| 2005 | 3,075 | 236 | 2,839 | 0.049% | 64 |
| 2006 | 2,430 | 224 | 2,206 | 0.034% | 50 |
| 2007 | 1,765 | 246 | 1,519 | 0.018% | 34 |
| 2008 | 1,090 | 262 | 828 | 0.008% | 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 |

(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, 2012

| Municipality | Net General Obligation Bonded Debt Outstanding | Percent within County | Amount Applicable to County |
|---|---|-----------------------------|--------------------------------------|
| Direct: | | | |
| Lincoln County | \$ - | 100.0000% | \$ - |
| Overlapping: | | | |
| City of Depoe Bay | \$ 788,022 | 100.0000% | \$ 788,022 |
| City of Lincoln City | 19,369,230 | 100.0000% | 19,369,230 |
| City of Newport | 35,475,541 | 100.0000% | 35,475,541 |
| City of Toledo | 1,610,000 | 100.0000% | 1,610,000 |
| City of Yachats | 632,293 | 100.0000% | 632,293 |
| Kernville, Gleneden, Lincoln Beach Water District | 712,212 | 100.0000% | 712,212 |
| Lincoln County Unified School District | 102,456,923 | 99.4500% | 101,893,410 |
| Lower Siletz Water District | 54,124 | 100.0000% | 54,124 |
| Newport South Beach Urban Renewal | 1,645,000 | 100.0000% | 1,645,000 |
| North Lincoln Fire and Rescue District #1 | 5,685,000 | 98.9100% | 5,623,034 |
| Oregon Coast Community College | 19,175,000 | 100.0000% | 19,175,000 |
| Panther Creek Water District | 59,397 | 100.0000% | 59,397 |
| Port of Newport | 14,605,000 | 100.0000% | 14,605,000 |
| Seal Rock Water District | 1,415,000 | 100.0000% | 1,415,000 |
| Siletz Keys Sanitary District | 69,453 | 100.0000% | 69,453 |
| Silver Sands Special Road District | <u>35,000</u> | 100.0000% | <u>35,000</u> |
| Total Overlapping | <u>\$ 203,787,195</u> | | <u>\$ 203,161,715</u> |
| Total | <u><u>\$ 203,787,195</u></u> | | <u><u>\$ 203,161,715</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 2012

| | |
|--|--------------|
| True Cash Value | \$ 9,001,860 |
| Debt Limit - 2% of true cash value per ORS 287.054 | \$ 180,037 |
| General Obligation Bonds | \$ - |
| Less: Amount set aside for repayment of G.O. debt | \$ - |
| Total Net Debt Applicable to Limit | - |
| Legal Debt Margin | \$ 180,037 |

Legal Debt Margin History

| Year ended June 30 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|--------------|--------------|
| True Cash Value of Property | \$ 5,334,777 | \$ 5,460,252 | \$ 5,770,292 | \$ 6,465,344 | \$ 8,607,856 | \$10,235,611 | \$ 11,030,893 | \$ 10,601,034 | \$ 9,694,409 | \$ 9,001,860 |
| Debt Limit | \$ 106,696 | \$ 109,205 | \$ 115,406 | \$ 129,307 | \$ 172,157 | \$ 204,712 | \$ 220,618 | \$ 212,021 | \$ 193,888 | \$ 180,037 |
| Total Net Debt Applicable to Limit | \$ 3,508 | \$ 2,869 | \$ 2,318 | \$ 1,725 | \$ 1,520 | \$ 828 | \$ 123 | \$ - | \$ - | \$ - |
| Legal Debt Margin | \$ 103,188 | \$ 106,336 | \$ 113,088 | \$ 127,582 | \$ 170,637 | \$ 203,884 | \$ 220,495 | \$ 212,021 | \$ 193,888 | \$ 180,037 |
| Total Net Debt Applicable to Limit As a Percentage of Debt Limit | 3.29% | 2.63% | 2.01% | 1.33% | 0.88% | 0.40% | 0.06% | 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 |
|--------------------------|-------------------------|--|---|-----------------------------------|
| 2002 | 44,700 | \$1,177,532 | \$26,343 | 7.1% |
| 2003 | 45,000 | 1,181,160 | 26,248 | 8.1% |
| 2004 | 44,400 | 1,225,662 | 27,605 | 8.4% |
| 2005 | 44,405 | 1,307,505 | 29,445 | 6.9% |
| 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 | NA | NA | 10.1% |
| 2012 | 46,155 | NA | NA | 9.5% |

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 2011-12 | | | FY 2002-03 | | |
|------------------------------------|------------|------|------------------------------------|------------|------|------------------------------------|
| | Employees | Rank | % of Total County Employment | Employees | Rank | % of Total County Employment |
| Confederated Tribes of the Siletz | 834 | 1 | 5.0% | 904 | 1 | 4.7% |
| Samaritan Health Services | 808 | 2 | 4.9% | 572 | 3 | 3.0% |
| Lincoln County School District | 487 | 3 | 2.9% | 613 | 2 | 3.2% |
| Georgia-Pacific/Koch | 400 | 4 | 2.4% | 500 | 4 | 2.6% |
| Lincoln County | 377 | 5 | 2.3% | 385 | 5 | 2.0% |
| Fred Meyer | 237 | 6 | 1.4% | NA | - | NA |
| Walmart | 180 | 7 | 1.1% | NA | - | NA |
| City of Newport | 171 | 8 | 1.0% | NA | - | NA |
| City of Lincoln City | 161 | 9 | 1.0% | NA | - | NA |
| Central Lincoln PUD | 127 | 10 | 0.8% | 215 | 7 | 1.1% |
| Inn at Spanish Head | 91 | 11 | 0.5% | NA | - | NA |
| Oregon Coast Community College | 80 | 12 | 0.5% | NA | - | NA |
| Total | 3,953 | | 23.8% | 3,189 | | 16.6% |
| Total Employment - Lincoln County: | 16,584 | | | 19,263 | | |

Source: Central Coast Economic Development Alliance

LINCOLN COUNTY

FULL TIME EQUIVALENT EMPLOYEES BY FUNCTION Last Ten Fiscal Years

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------|------|------|------|------|------|------|------|------|-------|-------|
| FUNCTION | | | | | | | | | | |
| General Government | | | | | | | | | | |
| Highways and Streets | 53 | 52 | 52 | 48 | 48 | 30 | 30 | 31 | 30 | 30 |
| Other | 84 | 84 | 83 | 83 | 89 | 91 | 81 | 71 | 72 | 72 |
| Community Services | | | | | | | | | | |
| Health and Welfare | 84 | 82 | 87 | 97 | 95 | 118 | 90 | 90 | 98 | 98 |
| Other | 9 | 9 | 9 | 59 | 7 | 12 | 9 | 7 | 6.5 | 6.5 |
| Public Safety | | | | | | | | | | |
| Sheriff's Department | 94 | 95 | 94 | 90 | 91 | 82 | 91 | 91 | 91 | 91 |
| Other | 66 | 63 | 64 | 16 | 73 | 71 | 65 | 61 | 59.5 | 59.5 |
| Total | 390 | 385 | 389 | 393 | 403 | 404 | 366 | 351 | 357 | 357 |
| General Government | 137 | 136 | 135 | 131 | 137 | 121 | 111 | 102 | 102 | 102 |
| Community Services | 93 | 91 | 96 | 156 | 102 | 130 | 99 | 97 | 104.5 | 104.5 |
| Public Safety | 160 | 158 | 158 | 106 | 164 | 153 | 156 | 152 | 150.5 | 150.5 |

Source : Lincoln County Finance Department

LINCOLN COUNTY

OPERATING INDICATORS BY FUNCTION Last Ten Fiscal Years

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| FUNCTION | | | | | | | | | | |
| Public Safety | | | | | | | | | | |
| Physical Arrests | 867 | 997 | 1,122 | 1,199 | 1,195 | 1,134 | 1,224 | 817 | 708 | 704 |
| Traffic Citations | 754 | 770 | 778 | 758 | 923 | 862 | 782 | 687 | 599 | 555 |
| Highways and Streets | | | | | | | | | | |
| Miles of Road Pavement Overlays | 2.5 | 5.6 | 6.4 | 8.5 | 7.4 | 2.4 | 1.9 | 20.2 | 10.9 | 3.0 |
| Miles of Road Shoulder Widening | 3.1 | 3.8 | 4.6 | 2.9 | 2.3 | 0.7 | 1.9 | 1.5 | 0.0 | 0.0 |
| # of Road Patches Performed | 49 | 30 | NA | NA | NA | 18 | 26 | 40 | 24 | 70 |
| Sanitation | | | | | | | | | | |
| Pounds of Waste Generated Per Capita | 2,498 | 2,496 | 2,774 | NA | 3,080 | 3,254 | 3,099 | 2,587 | 2,503 | 2,487 |
| Pounds of Waste Recovered Per Capita | 678 | 694 | 825 | NA | 810 | 898 | 957 | 761 | 815 | 805 |
| Total Recovery Rate Average Per Person | NA | NA | NA | NA | 28.3% | 29.6% | 30.9% | 29.4% | 32.6% | 32.4% |
| Transportation | | | | | | | | | | |
| Hours of Service | 16,437 | 17,971 | 19,147 | 19,995 | 22,870 | 22,492 | 25,375 | 23,525 | 26,238 | 28,576 |
| Number of Passengers | 71,926 | 88,131 | 88,380 | 89,258 | 98,159 | 104,655 | 140,598 | 125,452 | 141,124 | 139,986 |
| Miles Traveled | 278,684 | 290,515 | 304,087 | 322,046 | 341,980 | 346,166 | 379,089 | 366,887 | 407,103 | 479,799 |

Source: Individual County Departments

LINCOLN COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION Last Ten Fiscal Years

| FUNCTION | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------|------|------|------|------|------|------|------|------|------|------|
| Public Safety | | | | | | | | | | |
| Patrol Units | 21 | 24 | 25 | 25 | 24 | 29 | 28 | 28 | 28 | 30 |
| Highways and Streets | | | | | | | | | | |
| Streets (Miles) | 329 | 330 | 330 | 335 | 335 | 335 | 332 | 332 | 332 | 332 |
| Bridges | 82 | 82 | 82 | 84 | 85 | 85 | 84 | 84 | 84 | 84 |
| Parks | 12 | 12 | 12 | 13 | 12 | 14 | 14 | 15 | 15 | 15 |
| Transportation | | | | | | | | | | |
| Number of Buses | 10 | 17 | 17 | 16 | 16 | 16 | 19 | 19 | 19 | 19 |

Source : Individual County Departments



Other Financial Schedules

OTHER FINANCIAL SCHEDULES

LINCOLN COUNTY, OREGON

Schedule of Receipts and Disbursements for Elected Officials

For the Year Ended June 30, 2012

| | Cash and Investment Balances July 01, 2011 | Receipts | Disbursements | Cash and Investment Balances June 30, 2012 |
|-------------------|---|-----------------------|-----------------------|---|
| Treasurer | \$ 30,020,812 | \$ 419,738,471 | \$ 420,554,315 | \$ 29,204,968 |
| District Attorney | 184 | - | 184 | - |
| Totals | <u>\$ 30,020,996</u> | <u>\$ 419,738,471</u> | <u>\$ 420,554,499</u> | <u>\$ 29,204,968</u> |

LINCOLN COUNTY, OREGON

Schedule of Property Tax Transactions and Outstanding Balances
For the Year Ended June 30, 2012

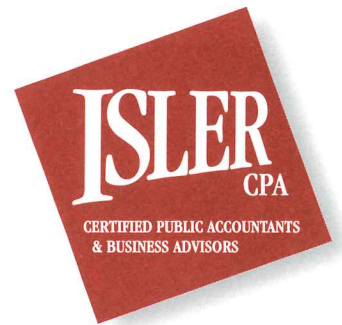
| Fiscal Year Ended June 30, | Taxes Receivable July 01, 2011 | 2009-2010 Levy Extension | Additions | Discounts and Adjustments | Net Taxes for Collection | Total Cash Collection | Taxes Receivable June 30, 2012 |
|---------------------------------------|---|-------------------------------------|------------------|--------------------------------------|-------------------------------------|----------------------------------|---|
| 2012 | \$ - | \$ 90,868,794 | \$ - | \$ (2,332,807) | \$ 88,535,987 | \$ 83,871,993 | \$ 4,663,994 |
| 2011 | 4,725,236 | - | - | (43,778) | 4,681,458 | 2,192,900 | 2,488,558 |
| 2010 | 2,158,357 | - | - | (11,603) | 2,146,754 | 732,069 | 1,414,685 |
| 2009 | 1,179,876 | - | - | (14,707) | 1,165,169 | 676,525 | 488,644 |
| 2008 | 334,520 | - | - | (14,236) | 320,284 | 255,230 | 65,054 |
| 2007 | 66,101 | - | - | (12,277) | 53,824 | 14,812 | 39,012 |
| 2006 | 30,693 | - | - | (10,675) | 20,018 | 6,452 | 13,566 |
| 2004 and prior | 167,256 | - | - | (29,192) | 138,064 | 5,177 | 132,887 |
| Subtotal | 8,662,039 | - | - | (136,468) | 8,525,571 | 3,883,165 | 4,642,406 |
| Total | \$ 8,662,039 | \$ 90,868,794 | \$ - | \$ (2,469,275) | \$ 97,061,558 | \$ 87,755,158 | \$ 9,306,400 |

| | |
|------------------------------|---------------------|
| Summary by fund types | |
| General fund | \$ 1,814,610 |
| Transportation district fund | 61,360 |
| Extension district fund | 28,426 |
| Animal services fund | 56,677 |
| Agency fund | 7,345,327 |
| Total | \$ 9,306,400 |



Compliance Section

COMPLIANCE SECTION



COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITORS' 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, 2012, and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the County's 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:

- Accounting records and related internal control structure.
- The use of various depositories to secure the deposit of public funds. (ORS Chapter 295)
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the County's budget for the year ending June 30, 2013. (ORS Chapter 294)
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- Authorized investment of surplus funds. (ORS Chapter 294)
- The requirements pertaining to the awarding of public contracts and the construction of public improvements. (ORS Chapters 279A, 279B, 279C)
- Schedule of Accountability for Independently Elected Officials.

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.

Internal Control

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

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.

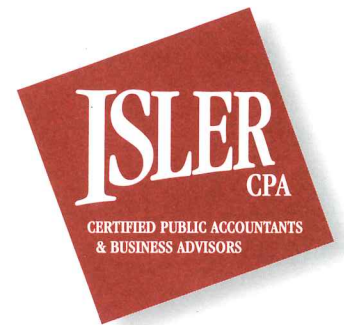
A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a long, sweeping underline.

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
December 21, 2012
Eugene, Oregon



Federal Single Audit

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



An Independently Owned Member
McGLADREY ALLIANCE



To the Board of Commissioners
Lincoln County, Oregon

We have audited the 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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We noted other matters that we have reported to management of Lincoln County in a separate letter dated December 20, 2012.

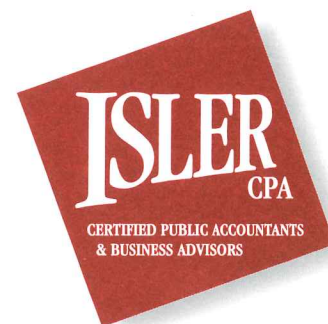
This report is intended solely for the information and use of the Board of Commissioners, management and others within the organization, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive style with a long, sweeping underline.

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
December 21, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS THAT COULD HAVE A DIRECT
AND MATERIAL EFFECT ON 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

Compliance

We have audited the compliance of Lincoln County, Oregon ("County") with the types of compliance requirements described in *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Isler CPA

A handwritten signature in black ink that reads "Paul R. Nielson". The signature is written in a cursive, flowing style.

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
December 21, 2012

LINCOLN COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section I - Summary of Auditors' Results

Financial Statements:

| | |
|---|-------------|
| Type of auditors' report issued: | Unqualified |
| Internal control over financial reporting: | |
| Material weakness(es) identified? | No |
| Significant deficiencies(s) identified that are not considered material weakness? | No |
| Non compliance material to financial statements noted? | No |

Federal Awards:

| | |
|--|-------------|
| Internal control over major programs: | |
| Material weakness(es) identified? | No |
| Significant deficiencies(s) identified that are not considered to be material weaknesses? | No |
| Type of auditors' report issued on compliance for major programs: | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | No |

Identification of Major Programs:

CFDA Numbers Name of Federal Program or Cluster

10.665 Schools and Roads - Grants to States

JAG Program Cluster:

| | |
|--------|---|
| 16.803 | (ARRA)Edward Byrne Memorial Justice Assistance Grant Program |
| 16.804 | (ARRA)Edward Byrne Memorial Justice Assistance Grant Program |
| 16.738 | Edward Byrne Memorial Justice Assistance Grant Program |
| 20.509 | Formula Grants for Other Than Urbanized Areas |
| 93.224 | Consolidated Health Centers |
| 93.958 | Block Grants for Community Mental Health |
| 97.036 | Disaster Grants-Public Assistance (Presidentially Declared Disasters) |
| 97.073 | State Homeland Security Program |

| | |
|--|-----------|
| Dollar threshold used to distinguish between type A and type B programs: | \$300,000 |
| Auditee qualified as low-risk auditee? | No |

LINCOLN COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

Section II - Financial Statement Findings

None noted.

Section III - Federal Award Findings and Questioned Costs

None noted.

Section IV - Summary Schedule of Prior Audit Findings

There was one financial statement finding identified for the audit of the financial statements for the year ended June 30, 2011 as follows:

2011-1 – Timesheet certifications

Condition: Timesheets were not certified by employee or supervisor as to whether their time was spent on a specific grant activity. This was a repeat finding from 2010.

Criteria: Per OMB A 87 Attachment B(8)(h)(2), charges for employees' salaries and wages will be supported by periodic certifications that the employees worked on that program for the period and actual hours covered by the certification. These certifications will be prepared at least semiannually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee. Evidence of this was not noted in any of the payroll selections tested for the year ended June 30, 2011.

Cause: Employees prepare their timesheets and then submit them to their supervisors for review. However, the employee and supervisor did not sign the timesheets and there was no statement that by signing they are certifying the timesheet to be accurate and true.

Management's corrective action taken:

To remedy this issue, as of July 1, 2011, all timesheets for grant-funded positions are printed, verified, and signed by the employee and kept on file in the appropriate department to serve as certification of hours worked.

LINCOLN COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

| Federal Grantor / Pass-Through Grantor / Program Title | CFDA Number | Pass-Through Number | Expenditures (Revenue Recognized) |
|--|----------------|-----------------------------|---|
| <i>Department of Agriculture</i> | | | |
| Food and Nutrition Service | | | |
| Oregon Department of Human Services - Health Division | | | |
| Special Supplement Nutrition Program for Women, Infants, and Children | 10.557 | 280559 | \$ 240,903 |
| Child and Adult Care Food Program | 10.558 | 280559 | 7,500 |
| Forest Service | | | |
| Oregon Department of Administrative Services | | | |
| Schools and Roads - Grants to States | 10.665 | ORS 293.560 | 1,542,737 |
| Oregon Department of Agriculture | | | |
| Forest-Health-Butterfly Bush Control | 10.680 | ODA3118 IGA | <u>2,575</u> |
| <i>Total Department of Agriculture</i> | | | <u>1,793,715</u> |
| <i>Department of Commerce</i> | | | |
| National Oceanic and Atmospheric Administration | | | |
| Oregon Department of Land Conservation and Development | | | |
| Coastal Zone Management Awards | 11.419 | CZM-11-020 | 30,000 |
| Bayshore Foredune Mgt Plan | 11.419 | TA-306-00-010 | <u>5,000</u> |
| <i>Total Department of Commerce</i> | | | <u>35,000</u> |
| <i>Department of Energy</i> | | | |
| Oregon Department of Energy-Columbia County | | | |
| Energy Efficiency and Conservation Block Grant - ARRA | 81.128 | DE-EE0003808 | <u>90,655</u> |
| <i>Total Department of Energy</i> | | | <u>90,655</u> |
| <i>Department of Housing and Urban Development</i> | | | |
| Oregon Economic Development Program | | | |
| Community Development Block Grant - Microenterprise | 14.228 | M11015 | <u>13,821</u> |
| <i>Total Department of Housing and Urban Development</i> | | | <u>13,821</u> |
| <i>Department of Interior</i> | | | |
| Department of Interior | | | |
| Payment in Lieu of Taxes and Distribution of | | | |
| Receipts of State and Local Governments | 15.227 | FY12 | 71,313 |
| Oregon and California Land Grant | 15.227 | FY12 | 115,867 |
| Refuge Revenue Sharing Act | 15.659 | FY12 | 2,545 |
| Siuslaw National Forest - Clematis | 15.230 | 2007-CA- 11061200-015 | 11,725 |
| Noxious Weed Control | 15.230 | 07-PA- 11061200-007 | 16,500 |
| Coast Range Stewardship-Cascade Pacific | | | |
| Restoration Planting | 15.230 | USFS-11-SA- 11061200-018 | <u>13,959</u> |
| <i>Total Department of Interior</i> | | | <u>231,909</u> |

LINCOLN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

For the Year Ended June 30, 2012

| Federal Grantor / Pass-Through Grantor / Program Title | CFDA Number | Pass-Through Number | Expenditures (Revenue Recognized) |
|---|----------------|----------------------------|---|
| <i>Department of Justice</i> | | | |
| Department of Justice | | | |
| Bulletproof Vest Partnership | 16.607 | FY12 | 7,590 |
| Secure Our Schools | 16.710 | 2010-CK-WX-0688 | 62,391 |
| Grants to Encourage Arrest Policies and Enforcement of Protection Orders | 16.590 | 2006-WE-AX-0052 | 204,666 |
| Oregon Commission on Children and Families | | | |
| Juvenile Accountability Incentive Block Grants | 16.523 | 2010-6357 | 10,000 |
| Byrne-Rural Law Enforcement - ARRA | 16.810 | 2009-SD-B9-0187 | 185,439 |
| Byrne-Rural Law Enforcement - ARRA | 16.810 | 2009-SD-B9-0202 | 60,338 |
| BJA Alien Assistance | 16.606 | 2009-AP-BX-0534 | 8,176 |
| Crime Victim Assistance | 16.575 | VOCA-NC-2011-00053 | 30,218 |
| Methamphetamine Initiative, Lincoln Interagency Narcotics Team (Innovative) | 16.710 | BJ/DC-2011-LincolnCo-00012 | 19,581 |
| JAG Program Cluster | | | |
| Oregon Department of Justice | | | |
| Byrne Formula Grant Program - ARRA | 16.804 | BJ/DC-2011-LincolnCo-00012 | 5,969 |
| Department of Justice - Tillamook | | | |
| Byrne JAG Grant - Narcotics Overtime | 16.738 | BJ/DC-2011-LincolnCo-00012 | 4,883 |
| Rural Drug Enforcement - ARRA | 16.804 | BJ/DC-2011-LincolnCo-00012 | 86,642 |
| Oregon Criminal Justice Division | | | |
| Byrne JAG Grant - ARRA | 16.803 | BJ/DC-2011-LincolnCo-00012 | 82,340 |
| Lincoln County Adult Drug Court | | | |
| Implement and Enhance | 16.738 | DC021-12 | 97,318 |
| JAG Drug Court | 16.738 | TC0005-10JAG | 22,202 |
| Hope Court Measure 57 | 16.738 | IGA 4198 | 97,844 |
| <i>Total JAG Program Cluster</i> | | | <u>397,198</u> |
| <i>Total Department of Justice</i> | | | <u>985,597</u> |

LINCOLN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

For the Year Ended June 30, 2012

| Federal Grantor / Pass-Through Grantor / Program Title | CFDA Number | Pass-Through Number | Expenditures (Revenue Recognized) |
|--|----------------|------------------------|---|
| <i>Department of Transportation</i> | | | |
| National Historic Covered Bridge Preservation Project - Trapp | 20.205 | 27094 | 612 |
| National Historic Covered Bridge Preservation Project - NF Yachats | 20.205 | 27095 | 725 |
| Highway Bridge Program - Trapp Creek | 20.205 | 27292 | 553 |
| Salmon River Highway Corridor | 20.205 | 27458 | 2,679 |
| Oregon State Police | | | |
| Hazardous Materials Emergency Preparedness Program | 20.703 | OSP IGA-255- 2001 | 10,850 |
| Oregon Department of Transportation | | | |
| Formula Grants for Other Than Urbanized Areas | 20.509 | D2010-TRTR- 046 | 233,944 |
| Agreement with Confederated Tribes of Siletz | | | - |
| 5310 Preventative Maintenance | 20.509 | 27692 | 24,215 |
| 5311 Operating Funds | 20.509 | 27408 | 351,317 |
| Oregon State Sheriff's Association | | | |
| Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants | 20.601 | K8-12-12-21 | 5,471 |
| Safety Belt Enforcement - Occupant Protection | 20.602 | K2-10-46-06 | 1,596 |
| <i>Total Department of Transportation</i> | | | <u>631,962</u> |
| <i>Department of Education</i> | | | |
| Office of Elementary and Secondary Education | | | |
| Oregon Department of Human Services | | | |
| Safe and Drug-Free Schools and Communities - State Grants | 84.186 | 236501 | 72,500 |
| Oregon Department of Education | | | |
| Education for Homeless Children and Youth | 84.196 | FY12 | 3,950 |
| <i>Total Department of Education</i> | | | <u>76,450</u> |
| <i>Department of Health and Human Services</i> | | | |
| Consolidated Health Centers | 93.224 | FY12 | 757,945 |
| Capital Improvement Project - ARRA | 93.703 | FY12 | 138,115 |
| Meaningful Use - ARRA | 93.729 | FY12 | 21,250 |
| Oregon Health and Human Services Department | | | |
| Family Planning Services | | | |
| Family Planning | 93.944 | 280558 | 67,809 |
| High Cost Contraceptive | 93.217 | 280558 | 1,764 |
| Immunization Program | 93.712 | 280540 | 13,622 |
| Bioterrorism - Preparedness and Response | 93.069 | 280618 | 73,763 |
| PHER All Hazards Mini Grants | 93.069 | 280618 | 66,346 |
| Tuberculosis | 93.116 | 280549 | 1,723 |
| Nurse Family Partnership | 93.505 | 5H79SP01471 9-04 | 36,090 |

LINCOLN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

For the Year Ended June 30, 2012

| Federal Grantor / Pass-Through Grantor / Program Title | CFDA Number | Pass-Through Number | Expenditures (Revenue Recognized) |
|--|----------------|------------------------|---|
| <i>Department of Health and Human Services, continued</i> | | | |
| HIV Care Formula Grants | | | |
| Ryan White: Case Management | 93.940 | 280646 | 5,997 |
| Ryan White: Support | 93.940 | 280646 | 8,637 |
| HIV Prevention Activities | 93.940 | 280646 | 998 |
| Oregon Mothers Care | 93.940 | 280646 | 6,533 |
| MCH Title V Flexible Funds and CAH | 93.940 | 5H79SP01471 9-04 | 17,052 |
| MCH Title V Child Adolescent Health | 93.940 | 5H79SP01471 9-04 | 7,309 |
| Babies First | 93.940 | 5H79SP01471 9-04 | 8,165 |
| Adult Services - SE20 | 93.958 | 5H79SP01471 9-04 | 217,637 |
| Child Services - SE22 | 93.958 | 5H79SP01471 9-04 | 90,905 |
| Continuum of Care - SE66 | 93.959 | 5H79SP01471 9-04 | 241,185 |
| Drug Free Communities | 93.276 | 9-04 | 130,000 |
| Oregon Health Authority | | | |
| National Bioterrorism Hospital Preparedness Program | 93.889 | 137690 | 21,491 |
| Oregon Department of Justice - Child Support Division | | | |
| Child Support Enforcement | 93.563 | 610008 | 159,562 |
| Oregon Commission on Children and Families | | | |
| Promoting Safe and Stable Families | 93.556 | 13041 | 13,041 |
| Social Services Block Grant | | | |
| Youth Basic Capacity | 93.667 | 186868 | 186,868 |
| Youth Investment - Runaway Homeless Youth | 93.667 | 136878 | 15,525 |
| A&D Outreach | 93.558 | FY12 | 2,052 |
| Oregon Department of Health and Human Services - Klamath County | | | |
| Community Based Intergenerational Oral Health | 93.121 | FY12 | <u>56,230</u> |
| <i>Total Department Health and Human Services</i> | | | <u>2,367,614</u> |

LINCOLN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

For the Year Ended June 30, 2012

| Federal Grantor / Pass-Through Grantor / Program Title | CFDA Number | Pass-Through Number | Expenditures (Revenue Recognized) |
|---|----------------|------------------------|---|
| <i>Department of Homeland Security</i> | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | FY12 | 724,147 |
| Oregon Military Department - Emergency Management | | | |
| Emergency Management Performance Grants | 97.042 | 11.521 | 69,569 |
| State Homeland Security Program | 97.073 | 08-236 | 402,890 |
| Citizens Corps | 97.053 | 09-116 | 17,638 |
| Communications Project-Courthouse / Jail Microwave | 97.073 | 09-250 | 258,196 |
| CERT Equipment | 97.073 | 09-251 | 10,454 |
| Communications Inoperability Project | 97.073 | 10-279 | 54,550 |
| 2011 Homeland Security Grant | 97.073 | 11-260 | 60,248 |
| County-level Communications Interoperability Project | 97.073 | 08-279 | 15,577 |
| PSIC Grant | 97.073 | 07-410 | 496,949 |
| Oregon State Marine Board | | | |
| Boating Safety Financial Assistance | 97.012 | 3312FAS12014 1 | <u>206,027</u> |
| <i>Total Department of Homeland Security</i> | | | <u>2,316,245</u> |
| <i>Department of Veterans Administration</i> | | | |
| Primary Care, Outpatient Services | 64.009 | FY12 | 217,786 |
| Oregon Department of Military Affairs | | | |
| Veterans Services | 64.111 | FY12 | <u>158,029</u> |
| <i>Total Department of Veterans Administration</i> | | | <u>375,815</u> |
| <i>Environmental Health Protection Agency</i> | | | |
| Oregon Department of Human Services | | | |
| State Public Water System Supervision | 66.432 | 280557 | <u>26,175</u> |
| <i>Total Environmental Health Agency</i> | | | <u>26,175</u> |
| Total Expenditures of Federal Awards | | | \$ <u>8,944,958</u> |

LINCOLN COUNTY, OREGON

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

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.