

ANNUAL FINANCIAL REPORT

LINCOLN COUNTY,
OREGON

For the year ended June 30, 2021



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LINCOLN COUNTY
 Financial Statements and Supplemental Information
 For the Year Ended June 30, 2021
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INTRODUCTORY SECTION

LINCOLN COUNTY
PRINCIPAL OFFICIALS
June 30, 2021

BOARD OF COUNTY COMMISSIONERS

<u>Title</u>	<u>Name</u>
Commissioner, Chair	Kaety Jacobson
Commissioner	Doug Hunt
Commissioner	Claire Hall

OTHER ELECTED OFFICIALS

<u>Title</u>	<u>Name</u>
Assessor	Joseph Davidson
County Clerk	Dana Jenkins
District Attorney	Michelle Branam
Sheriff	Curtis Landers
Treasurer	Jayne Welch

MANAGEMENT OFFICIALS

<u>Title</u>	<u>Name</u>
County Counsel	Wayne Belmont
County Surveyor	John Waffenschmidt
Director, Community Justice	Tony Campa
Director, Finance	Christina Shearer
Co-Director, Health and Human Services	Rebecca Austen
Co-Director, Health and Human Services	Rebecca McBee-Wilson
Director, Information Technology	Todd Richmond
Director, Personnel	Michael Hereford
Director, Planning and Development	Onno Husing
Director, Public Works	Roy Kinion
Director, Transit	Cynda Bruce



FINANCIAL SECTION



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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Lincoln County
Newport, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lincoln County ("County"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Public Works, Mental Health, and Public Health funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the schedule of receipts and disbursements for elected officials are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated October 29, 2022 on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Isler CPA



Paul Nielson, CPA, a member of the firm

Eugene, Oregon

October 29, 2022

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, 2021. Readers are encouraged to consider the information presented here in conjunction with the additional information furnished in the financial statements that follow.

FINANCIAL HIGHLIGHTS

- The County's total net position, excluding restatement, increased by \$1,234,558 or 1.58%.
- Cash and investments increased by \$19,031,456 or 41.57%.
- Revenues increased by \$4,397,558 or 6.22%
- Expenses increased by \$503,525 or 0.69%.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Lincoln County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: *governmental funds*, *proprietary funds*, and *custodial 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 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Public Works, Mental Health, and Public Health funds. These funds are considered to be major funds. Data from the nonmajor governmental funds is combined into a single, aggregated presentation. Individual fund information for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Fiduciary funds. Fiduciary (or Custodial) funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government wide financial statements because the resources are not available to support the operations of Lincoln County. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary assets and liabilities are reported in a separate Statement of Fiduciary Net Position. An example is the Property Tax funds, which the Lincoln County Treasurer collects for many different entities within Lincoln County and then distributes these funds 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in Net Position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The County's combined net position was \$81,270,156 at June 30, 2021, which increased \$1,234,558 or 1.58% between fiscal years 2020 and 2021. An increase in cash and investments, due to COVID funding, contributed to the increase in net position. This was offset by increases in current liabilities and net pension liability. Table 1, below, compares the various components of the County's net position between the two years.

Cash and investments increased by \$19,031,456 or 41.57% while other current assets decreased 44.09% or \$3,035,642. Capital assets decreased \$1,331,045, or 3.19%. Overall, total assets decreased by \$15,293,375 or 16.21%.

Current liabilities decreased from last year by \$8,350,068 or 169.53%. Current liabilities consist mainly of accounts payable, accrued payroll payable, and unearned revenue. The increase is mostly due to the increase in unearned revenue. The increase in unearned revenue is due to COVID funding, for which the qualifying expenditures had not been made at year end. Long-term obligations increased \$4,443,916, due primarily to the issuance of new debt during the year.

With the continued implementation of GASB 68 and GASB 75, the County now reports a net pension liability of \$10,575,294 and net OPEB liability of \$1,026,226. At year end, the combined pension and OPEB deferred outflow of resources and deferred inflow of resources were \$3,398,407 and \$641,218, respectively.

The County's net investment in capital assets decrease by \$4,854,774 or 12.21%, with modest capital project activity in 2021. A decrease in utilization of reserves caused restricted net position to decrease \$332,699 or 1.25%.

GOVERNMENT-WIDE FINANCIAL ANALYSIS
SUMMARY OF NET POSITION
Table 1

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash and investments	\$ 64,111,570	\$ 45,214,041	\$ 701,944	\$ 568,017	\$ 64,813,514	\$ 45,782,058
Other current assets	3,848,750	6,833,634	-	50,758	3,848,750	6,884,392
Capital assets, net of accumulated depreciation	40,954,122	41,676,260	19,699	-	40,973,821	41,676,260
Total assets	108,914,442	93,723,935	721,643	618,775	109,636,085	94,342,710
Deferred outflows of resources:	3,398,407	2,865,841	-	-	3,398,407	2,865,841
Liabilities:						
Current liabilities	13,261,212	4,919,241	14,350	6,253	13,275,562	4,925,494
Long-term liabilities outstanding	6,244,975	1,802,120	1,061	-	6,246,036	1,802,120
Net OPEB liability	1,026,226	1,059,353	-	-	1,026,226	1,059,353
Net pension liability	10,575,294	8,558,329	-	-	10,575,294	8,558,329
Total liabilities	31,107,707	16,339,043	15,411	6,253	31,123,118	16,345,296
Deferred inflows of resources	641,218	833,237	-	-	641,218	833,237
Net position:						
Net investment in capital assets	34,909,764	39,764,538	-	-	34,909,764	39,764,538
Restricted	26,179,573	26,512,272	-	-	26,179,573	26,512,272
Unrestricted	19,474,587	13,140,686	706,232	612,522	20,180,819	13,753,208
Total net position	\$ 80,563,924	\$ 79,417,496	\$ 706,232	\$ 612,522	\$ 81,270,156	\$ 80,030,018

Governmental Activities. Revenues for the County's governmental activities increased by \$4,493,616 or 6.40% while total expenses increased \$493,959 or 0.68%. Refer to Table 2 for a comparison of governmental activities for the years 2021 and 2020.

The increase in revenue and expenses is due primarily to COVID funding and the related expenses, operating grants increasing \$2,167,419 (7.98%) and property taxes increasing \$663,641 (2.70%).

As stated above, overall expenses increased this year. Specifically, general government expenses decreased \$1,331,045 (8.98%), public safety expenses decreased \$303,120 (1.19%); and highways and streets expenses decreased by \$1,852,759 (21.29%) . These increases were driven by personnel costs and increases for technology costs, principally in the security realm.

Business-type Activities. The County maintains an enterprise fund, the Solid Waste District, as a business type activity. The fund derives its revenue principally from charges for services and an operating grant. This fund, through prudent spending, improved its net position for the year by \$88,130 (46.3%).

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

	Governmental Activities		Business-type Activities		Total Government	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 15,254,116	\$ 15,268,281	\$ 355,427	\$ 439,107	\$ 15,609,543	\$ 15,707,388
Operating grants and contributions	29,287,882	27,112,176	27,000	35,287	29,314,882	27,147,463
Capital grants and contributions	383,212	48,315	-	-	383,212	48,315
General revenues:						
Property taxes	25,280,377	24,616,736	-	-	25,280,377	24,616,736
Transient room taxes	2,163,014	2,163,013	-	-	2,163,014	2,163,013
Timber and land sales	-	140,999	-	-	-	140,999
Other taxes	1,802,706	82,218	-	-	1,802,706	82,218
Unrestricted investment earnings	415,385	811,256	5,274	9,365	420,659	820,621
Gain (loss) on sale of capital assets	149,918	-	-	-	149,918	-
Total Revenues	74,736,610	70,242,994	387,701	483,759	75,124,311	70,726,753
Expenses:						
General government	13,494,881	14,825,926	-	-	13,494,881	14,825,926
Community services	7,997,486	5,016,993	299,571	290,005	8,297,057	5,306,998
Public safety	25,193,964	25,497,084	-	-	25,193,964	25,497,084
Highways and streets	6,851,483	8,704,242	-	-	6,851,483	8,704,242
Culture and recreation	342,484	308,915	-	-	342,484	308,915
Health and welfare	18,885,350	18,393,370	-	-	18,885,350	18,393,370
Education	682,272	273,550	-	-	682,272	273,550
Debt service interest	142,262	76,143	-	-	142,262	76,143
Total Expenses	73,590,182	73,096,223	299,571	290,005	73,889,753	73,386,228
Excess (deficiency) of revenues over (under) expenses	1,146,428	(2,853,229)	88,130	193,754	1,234,558	(2,659,475)
Net position at beginning of year	77,621,027	80,474,256	612,522	418,768	78,233,549	80,893,024
Restatement see note 16	1,796,469	-	5,580	-	1,802,049	-
Net position at end of year	\$ 80,563,924	\$ 77,621,027	\$ 706,232	\$ 612,522	\$ 81,270,156	\$ 78,233,549

The 2020 expenses have been restated to correct an over reporting of accrued payroll. see note 16

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 \$52,765,086, an increase of \$7,134,450 from the previous year.

- The County's General Fund balance increased \$954,439 from last year. Increases in taxes and land sale revenue and expenditures remaining relatively flat contributed to this increase in fund balance.
- The Public Works Fund balance decreased \$1,264,842. This is due to a decrease in grant funding from other governments.
- The Mental Health Fund showed a fund balance increase of \$548,910. This reflected a status quo year with no major new programs.
- The Public Health Fund showed a fund balance increase of \$335,468. This reflected a significant increase in grant funding.
- The Nonmajor Governmental fund balances increased a total of \$1,509,086 for the year, attributable to increase intergovernmental revenues for the year.

BUDGETARY HIGHLIGHTS

Changes were made during the fiscal year to adjust the County's originally adopted General Fund budget to reflect the anticipated issuance of debt during the year. The Mental Health and Public Health funds' budgets were changed to account for additional COVID related funding received from the federal government.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. As of June 30, 2021 the County had \$40,973,821 invested in capital assets. This amount represents a net decrease of \$- over last year. All capital assets are contained in the governmental activities.

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

	Governmental Activities		Business-type Activities		Total	
	2021	2021	2021	2020	2021	2020
Land, easements and improvements	\$ 2,315,256	\$ 2,315,256	\$ -	\$ -	\$ 2,315,256	\$ 2,315,256
Infrastructure	74,534,068	74,534,068	-	-	74,534,068	74,534,068
Buildings and improvements	31,164,196	31,164,196	-	-	31,164,196	31,164,196
Equipment	18,470,573	16,866,645	21,888	-	18,492,461	16,866,645
Construction in progress	1,563,760	1,245,362	-	-	1,563,760	1,245,362
Less accumulated depreciation	(87,093,731)	(84,449,267)	(2,189)	-	(87,095,920)	(84,449,267)
Total	<u>\$ 40,954,122</u>	<u>\$ 41,676,260</u>	<u>\$ 19,699</u>	<u>\$ -</u>	<u>\$ 40,973,821</u>	<u>\$ 41,676,260</u>

Table 4 shows a comparison in the changes in capital assets for the years 2021 and 2020. 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		Business-type Activities		Total	
	2021	2021	2021	2020	2021	2020
Beginning Balance	\$ 41,676,260	\$ 43,958,358	\$ -	\$ -	\$ 41,676,260	\$ 43,958,358
Additions	2,608,400	1,474,296	21,888	-	2,630,288	1,474,296
Depreciation expense	(3,330,538)	(3,723,703)	(2,189)	-	(3,332,727)	(3,723,703)
Deletions, net book value	-	(32,691)	-	-	-	(32,691)
Ending Balance	<u>\$ 40,954,122</u>	<u>\$ 41,676,260</u>	<u>\$ 19,699</u>	<u>\$ -</u>	<u>\$ 40,973,821</u>	<u>\$ 41,676,260</u>

Long-term Debt. At year end, the County had outstanding debt of \$6,482,437, including a premium net of amortization. This represented two debt issues from 2013. The first was a bond issue for the face value of \$3,100,000 that sold with a premium of \$95,264. The second was a promissory note for \$380,000. Both issues were for the purpose of capital acquisition and improvement. Additional information regarding long term debt can be found in Note 8 of the Notes to the Financial Statements. On July 30, 2020 the County entered into a full faith and credit financing agreement in the amount of \$5 million.

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

	Governmental Activities	
	2021	2020
Bonds	\$ 1,520,000	\$ 1,605,000
Notes payable	4,962,437	240,038
Total	\$ 6,482,437	\$ 1,845,038

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The onset of the COVID pandemic in fiscal year 2019-20 continued to impact on the fiscal year 2020-21 budget. Reductions in planned capital projects, changes in operational patterns, remote staff deployments, and COVID mitigation costs and activities are expected to continue throughout the fiscal year and beyond. While federal aid in various forms is expected to at least partially offset these impacts, lack of clarity regarding timing, allowability of expenses, and the duration of the pandemic is resulting in a conservative approach to budgeting. The County is attempting to prudently budget in a way that reduces impacts to reserves while still maintaining critical County services and functions. While the County is not anticipating a significant downturn in reserve balances, improvements at the same pace as recent years are unlikely to be realized until the effects of the pandemic subside.

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
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 64,111,570	\$ 701,944	\$ 64,813,514
Receivables - net	3,011,223	-	3,011,223
Inventories	502,648	-	502,648
Prepaid Expenses	334,879	-	334,879
Total current assets	<u>67,960,320</u>	<u>701,944</u>	<u>68,662,264</u>
Noncurrent assets:			
Capital assets:			
Land and construction in progress	3,879,016	-	3,879,016
Other capital assets (net of accumulated depreciation)	37,075,106	19,699	37,094,805
Total noncurrent assets	<u>40,954,122</u>	<u>19,699</u>	<u>40,973,821</u>
Total assets	<u>108,914,442</u>	<u>721,643</u>	<u>109,636,085</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow of resources related to pensions	3,303,645	-	3,303,645
Deferred outflow of resources related to OPEB	94,762	-	94,762
Total deferred outflows of resources	<u>3,398,407</u>	<u>-</u>	<u>3,398,407</u>
Total assets and deferred outflow of resources	<u>\$ 112,312,849</u>	<u>\$ 721,643</u>	<u>\$ 113,034,492</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,755,703	\$ 5,921	\$ 1,761,624
Accrued payroll and related liabilities	1,861,424	4,189	1,865,613
Unearned revenue	6,771,487	-	6,771,487
Accrued interest payable	33,578	-	33,578
Notes payable	426,365	-	426,365
Compensated absences payable	2,412,655	4,240	2,416,895
Total current liabilities	<u>13,261,212</u>	<u>14,350</u>	<u>13,275,562</u>
Noncurrent liabilities:			
Notes payable	6,117,993	-	6,117,993
Compensated absences payable	126,982	1,061	128,043
Net other postemployment benefit obligation	1,026,226	-	1,026,226
Net Pension Liability	10,575,294	-	10,575,294
Total noncurrent liabilities	<u>17,846,495</u>	<u>1,061</u>	<u>17,847,556</u>
Total liabilities	<u>31,107,707</u>	<u>15,411</u>	<u>31,123,118</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources related to pensions	508,055	-	508,055
Deferred inflow of resources related to OPEB	133,163	-	133,163
Total deferred inflows of resources	<u>641,218</u>	<u>-</u>	<u>641,218</u>
NET POSITION			
Net investment in capital assets	34,909,764	-	34,909,764
Restricted for:			
Road maintenance	8,309,474	-	8,309,474
Transit services	3,664,517	-	3,664,517
Outpatient services	7,636,916	-	7,636,916
Title III	1,364,042	-	1,364,042
DUII administration	22,703	-	22,703
Other purposes	5,181,921	-	5,181,921
Unrestricted	<u>19,474,587</u>	<u>706,232</u>	<u>20,180,819</u>
Total net position	<u>80,563,924</u>	<u>706,232</u>	<u>81,270,156</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 112,312,849</u>	<u>\$ 721,643</u>	<u>\$ 113,034,492</u>

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

LINCOLN COUNTY

Statement of Activities

For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
General government	\$ 13,494,881	\$ 1,667,054	\$ 3,990,049	\$ -	\$ (7,837,778)	\$ -	\$ (7,837,778)
Community services	7,997,486	1,760,245	4,295,335	-	(1,941,906)	-	(1,941,906)
Public safety	25,193,964	1,278,243	5,839,742	-	(18,075,979)	-	(18,075,979)
Highways and streets	6,851,483	1,027,540	5,429,418	383,212	(11,313)	-	(11,313)
Culture and recreation	342,484	143,929	200,755	-	2,200	-	2,200
Health and welfare	18,885,350	9,377,105	9,532,583	-	24,338	-	24,338
Education	682,272	-	-	-	(682,272)	-	(682,272)
Interest on long-term debt	142,262	-	-	-	(142,262)	-	(142,262)
Total governmental activities	<u>73,590,182</u>	<u>15,254,116</u>	<u>29,287,882</u>	<u>383,212</u>	<u>(28,664,972)</u>	<u>-</u>	<u>(28,664,972)</u>
Business-type activities:							
Solid waste	<u>299,571</u>	<u>355,427</u>	<u>27,000</u>	<u>-</u>	<u>-</u>	<u>82,856</u>	<u>82,856</u>
Total primary government	<u>\$ 73,889,753</u>	<u>\$ 15,609,543</u>	<u>\$ 29,314,882</u>	<u>\$ 383,212</u>	<u>(28,664,972)</u>	<u>82,856</u>	<u>(28,582,116)</u>
General revenues:							
Property taxes					25,280,377	-	25,280,377
Transient room taxes					2,163,014	-	2,163,014
Other taxes					1,802,706	-	1,802,706
Unrestricted investment earnings					415,385	5,274	420,659
Gain on disposal of assets					149,918	-	149,918
Total general revenues					<u>29,811,400</u>	<u>5,274</u>	<u>29,816,674</u>
Change in net position					1,146,428	88,130	1,234,558
Net position, beginning					77,621,027	612,522	78,233,549
Prior period adjustment, see note 16					1,796,469	5,580	1,802,049
Net position, ending					<u>\$ 80,563,924</u>	<u>\$ 706,232</u>	<u>\$ 81,270,156</u>

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

LINCOLN COUNTY
GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2021

	101 General Fund	201 Public Works Fund	209 Mental Health Fund	208 Public Health Fund	275-American Rescue Plan	219 Capital Projects Fund	Nonmajor Governmental Funds	Total
ASSETS								
Cash and investments	\$ 12,142,973	\$ 8,681,031	\$ 3,535,043	\$ 4,364,263	\$ 4,852,267	\$ 11,163,603	\$ 16,065,257	\$ 60,804,437
Receivables - net	1,495,686	16,335	143,587	95,033	-	-	1,260,582	3,011,223
Inventories	-	502,648	-	-	-	-	-	502,648
Total assets	<u>\$ 13,638,659</u>	<u>\$ 9,200,014</u>	<u>\$ 3,678,630</u>	<u>\$ 4,459,296</u>	<u>\$ 4,852,267</u>	<u>\$ 11,163,603</u>	<u>\$ 17,325,839</u>	<u>\$ 64,318,308</u>
LIABILITIES								
Accounts Payable	\$ 658,292	\$ 247,556	\$ 75,061	\$ 93,780	\$ -	\$ 113	\$ 204,335	\$ 1,279,137
Accrued payroll and related expenses	1,128,581	140,336	173,572	227,318	-	-	191,617	1,861,424
Unearned revenue	-	-	-	1,628,884	4,852,267	-	290,334	6,771,485
Total liabilities	<u>1,786,873</u>	<u>387,892</u>	<u>248,633</u>	<u>1,949,982</u>	<u>4,852,267</u>	<u>113</u>	<u>686,286</u>	<u>9,912,046</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues - A/R	<u>1,268,266</u>	<u>-</u>	<u>86,056</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,854</u>	<u>1,641,176</u>
FUND BALANCES								
Nonspendable	-	502,648	-	-	-	-	-	502,648
Restricted	1,207,093	8,309,474	3,343,941	2,509,314	-	-	10,809,751	26,179,573
Committed	-	-	-	-	-	11,163,490	5,585,683	16,749,173
Unassigned	<u>9,376,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,735)</u>	<u>9,333,692</u>
Total fund balances	<u>10,583,520</u>	<u>8,812,122</u>	<u>3,343,941</u>	<u>2,509,314</u>	<u>-</u>	<u>11,163,490</u>	<u>16,352,699</u>	<u>52,765,086</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,638,659</u>	<u>\$ 9,200,014</u>	<u>\$ 3,678,630</u>	<u>\$ 4,459,296</u>	<u>\$ 4,852,267</u>	<u>\$ 11,163,603</u>	<u>\$ 17,325,839</u>	<u>\$ 64,318,308</u>

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

LINCOLN COUNTY

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

June 30, 2021

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

Fund balances - governmental funds	\$	52,765,086
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Governmental capital assets, cost	\$	128,047,851
Less accumulated depreciation	<u>(87,093,731)</u>	40,954,120
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.		
		1,641,176
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the fund financial statement, but are recognized in the Statement of Net Position.		
Deferred outflow of resources pension	3,303,645	
Deferred outflow of resources OPEB	<u>94,762</u>	3,398,407
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	(33,578)	
Bonds and notes payable	(6,544,358)	
Compensated absences	(2,539,635)	
Net pension liability	(10,575,294)	
Deferred inflow of resources pension	(508,055)	
Deferred inflow of resources OPEB	(133,163)	
Net other postemployment benefit obligation	<u>(1,026,226)</u>	(21,360,309)
An internal service fund is used by management to charge the costs of certain insurance activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.		
		<u>3,165,444</u>
Net position of governmental activities	\$	<u><u>80,563,924</u></u>

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

LINCOLN COUNTY

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2021

	101 General Fund	201 Public Works Fund	209 Mental Health Fund	208 Public Health Fund	275-American Rescue Plan	219 Capital Projects Fund	Nonmajor Governmental Funds	Total
REVENUES:								
Taxes and land sales	\$ 25,567,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,664,533	\$ 29,231,840
Intergovernmental Revenues	9,844,093	5,812,630	3,127,580	3,591,432	-	-	7,214,334	29,590,069
Fines and Fees	63,677	-	-	-	-	-	34,199	97,876
Permits and fees	1,738,101	-	-	-	-	-	284,997	2,023,098
Charges for services	1,421,275	991,282	3,946,716	3,978,328	-	-	2,208,395	12,545,996
Donations	-	-	-	-	-	-	81,025	81,025
Indirect charges	-	-	-	-	-	88,042	-	88,042
Investment Earnings	106,828	77,246	28,024	17,988	-	6,377	118,924	355,387
Other revenue	211,702	36,258	18,200	71,623	-	-	22,451	360,234
Total revenues	38,952,983	6,917,416	7,120,520	7,659,371	-	94,419	13,628,858	74,373,567
EXPENDITURES:								
Current:								
General government	12,132,103	-	-	-	-	40,630	367,228	12,539,961
Public safety	22,261,931	-	-	-	-	-	1,600,923	23,862,854
Community services	2,621,484	-	-	-	-	-	4,680,340	7,301,824
Culture and recreation	-	-	-	-	-	-	133,737	133,737
Health and welfare	-	-	6,571,610	7,383,903	-	-	4,770,511	18,726,024
Education	-	-	-	-	-	-	346,146	346,146
Highway and streets	-	5,793,960	-	-	-	-	-	5,793,960
Debt service:								
Principal	360,902	1,700	-	-	-	-	-	362,602
Interest	141,216	1,352	-	-	-	-	-	142,568
Capital Outlay	419,996	2,440,234	-	-	-	2,400	316,729	3,179,359
Total expenditures	37,937,632	8,237,246	6,571,610	7,383,903	-	43,030	12,215,614	72,389,035
Excess (deficiency) of revenues over (under) expenditures	1,015,351	(1,319,830)	548,910	275,468	-	51,389	1,413,244	1,984,532
OTHER FINANCING SOURCES (USES):								
Transfers in	50,000	-	-	60,000	-	-	147,542	257,542
Transfers Out	(110,912)	(21,630)	-	-	-	-	(125,000)	(257,542)
Gains (Losses) on Sale of Capital Asset	-	76,618	-	-	-	-	73,300	149,918
Debt Issuance Proceeds	-	-	-	-	-	5,000,000	-	5,000,000
Total other financing sources (uses)	(60,912)	54,988	-	60,000	-	5,000,000	95,842	5,149,918
Net change in fund balances	954,439	(1,264,842)	548,910	335,468	-	5,051,389	1,509,086	7,134,450
Beginning fund balance	8,550,584	9,944,475	2,605,568	1,949,265	-	6,112,101	14,672,174	43,834,167
Restatement of beginning fund balance, see note 16	1,078,497	132,489	189,463	224,581	-	-	171,439	1,796,469
Ending fund balances	\$ 10,583,520	\$ 8,812,122	\$ 3,343,941	\$ 2,509,314	\$ -	\$ 11,163,490	\$ 16,352,699	\$ 52,765,086

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

LINCOLN COUNTY

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, 2021

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

Net change in fund balances - governmental funds	\$	7,134,450
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Governmental funds report capital outlay as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation exceeds capital outlay in the current period is:

Capital outlay	\$ 2,608,400		
Less current year depreciation	<u>(3,330,538)</u>		(722,138)

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

Change in deferred inflows of resources			(72,500)
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The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the net position. This amount is the net effect of those differences in the treatment of long-term debt and related items:

Change in accrued interest	(4,456)		
Proceeds from issuance of debt	(5,000,000)		
Principal payments	362,602		
Change in bond premium	<u>4,762</u>		(4,637,092)

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	59,334		
Change in net pension asset / liability	(2,016,965)		
Change in deferred outflow of resources related to pensions	544,434		
Change in deferred inflow of resources related to pensions	260,771		
Change in net OPEB liability	33,127		
Change in deferred outflow of resources related to OPEB	(11,868)		
Change in deferred inflow of resources related to OPEB	<u>(68,752)</u>		(1,199,919)

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>643,742</u>
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Change in net position of governmental activities	\$	<u><u>1,146,543</u></u>
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LINCOLN COUNTY

101 GENERAL FUND

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes and land sales	\$ 23,690,500	\$ 23,792,667	\$ 25,567,307	\$ 1,774,640
Intergovernmental Revenues	9,441,322	10,244,762	9,844,093	(400,669)
Fines and Fees	75,000	75,000	63,677	(11,323)
Permits and fees	1,423,700	1,423,700	1,738,101	314,401
Charges for services	1,428,109	1,403,109	1,421,275	18,166
Investment Earnings	120,000	120,000	106,828	(13,172)
Other revenue	268,900	268,900	211,702	(57,198)
Total revenues	36,447,531	37,328,138	38,952,983	1,624,845
Expenditures:				
Personnel services	27,797,293	27,542,686	26,448,269	1,094,417
Materials and services	10,837,420	11,682,030	10,567,249	1,114,781
Capital Outlay	200,000	552,386	419,996	132,390
Debt service:				
Principal	125,884	1,721,629	360,902	1,360,727
Interest	59,239	153,221	141,216	12,005
Contingency	1,931,363	1,927,914	-	1,927,914
Total expenditures	40,951,199	43,579,866	37,937,632	5,642,234
Excess revenues over (under) expenditures	(4,503,668)	(6,251,728)	1,015,351	7,267,079
Other financing sources (uses):				
Transfers In	-	50,000	50,000	-
Transfers Out	(484,245)	(500,912)	(110,912)	(390,000)
Total other financing sources (uses)	(484,245)	(450,912)	(60,912)	390,000
Net change in fund balances	(4,987,913)	(6,702,640)	954,439	7,657,079
Fund Balance:				
Beginning of year	8,206,025	8,251,618	8,550,584	298,966
Restatement of beginning fund balance	-	-	1,078,497	(1,078,497)
End of year	\$ 3,218,112	\$ 1,548,978	\$ 10,583,520	\$ 9,034,542

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

LINCOLN COUNTY
201 PUBLIC WORKS FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental Revenues	\$ 6,303,909	\$ 6,303,909	\$ 5,812,630	\$ (491,279)
Charges for services	979,688	979,688	991,282	11,594
Investment Earnings	130,000	130,000	77,246	(52,754)
Other revenue	<u>1,046,000</u>	<u>1,046,000</u>	<u>36,258</u>	<u>(1,009,742)</u>
Total revenues	<u>8,459,597</u>	<u>8,459,597</u>	<u>6,917,416</u>	<u>(1,542,181)</u>
Expenditures:				
Personal services	4,037,669	4,037,669	3,282,411	755,258
Materials and services	2,664,460	2,664,460	2,511,549	152,911
Capital outlay	2,805,000	2,805,000	2,440,234	364,766
Debt service	3,052	3,052	3,052	-
Contingency	<u>9,373,841</u>	<u>9,373,841</u>	<u>-</u>	<u>9,373,841</u>
Total expenditures	<u>18,884,022</u>	<u>18,884,022</u>	<u>8,237,246</u>	<u>10,646,776</u>
Excess revenues under expenditures	<u>(10,424,425)</u>	<u>(10,424,425)</u>	<u>(1,319,830)</u>	<u>9,104,595</u>
Other financing sources (uses):				
Transfers Out	21,630	21,630	(21,630)	(43,260)
Proceeds from Sale of Capital Asset	<u>67,000</u>	<u>67,000</u>	<u>76,618</u>	<u>9,618</u>
Total other financing sources (uses)	<u>88,630</u>	<u>88,630</u>	<u>54,988</u>	<u>(33,642)</u>
Net change in fund balances	(10,335,795)	(10,335,795)	(1,264,842)	9,070,953
Fund Balance:				
Beginning of year	10,402,795	10,402,795	9,944,475	(458,320)
Restatement of beginning fund balance	<u>-</u>	<u>-</u>	<u>132,489</u>	<u>(132,489)</u>
End of year	<u>\$ 67,000</u>	<u>\$ 67,000</u>	<u>\$ 8,812,122</u>	<u>\$ 8,745,122</u>

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

LINCOLN COUNTY
209 MENTAL HEALTH FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 2,908,908	\$ 3,703,605	\$ 3,127,580	\$ (576,025)
Charges for services	3,653,635	3,653,635	3,946,716	293,081
Investment earnings	69,458	69,458	28,024	(41,434)
Other revenue	<u>18,100</u>	<u>18,100</u>	<u>18,200</u>	<u>100</u>
Total revenues	<u>6,650,101</u>	<u>7,444,798</u>	<u>7,120,520</u>	<u>(324,278)</u>
Expenditures:				
Personal services	6,392,954	6,510,153	4,733,070	1,777,083
Materials and services	<u>2,157,512</u>	<u>2,549,234</u>	<u>1,838,540</u>	<u>710,694</u>
Total expenditures	<u>8,550,466</u>	<u>9,059,387</u>	<u>6,571,610</u>	<u>2,487,777</u>
Net change in fund balances	(1,900,365)	(1,614,589)	548,910	2,163,499
Fund Balance:				
Beginning of year	1,900,365	3,319,274	2,605,568	(713,706)
Restatement of beginning fund balance	<u>-</u>	<u>-</u>	<u>189,463</u>	<u>(189,463)</u>
End of year	<u>\$ -</u>	<u>\$ 1,704,685</u>	<u>\$ 3,343,941</u>	<u>\$ 1,639,256</u>

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

LINCOLN COUNTY
208 PUBLIC HEALTH FUND
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 3,028,773	\$ 3,852,728	\$ 3,591,432	\$ (261,296)
Charges for services	4,522,107	4,514,894	3,978,328	(536,566)
Investment earnings	2,500	2,500	17,988	15,488
Other revenue	<u>61,400</u>	<u>61,400</u>	<u>71,623</u>	<u>10,223</u>
Total revenues	<u>7,614,780</u>	<u>8,431,522</u>	<u>7,659,371</u>	<u>(772,151)</u>
Expenditures:				
Personal services	5,954,138	6,819,749	5,541,275	1,278,474
Materials and services	<u>2,535,260</u>	<u>2,468,900</u>	<u>1,842,628</u>	<u>626,272</u>
Total expenditures	<u>8,489,398</u>	<u>9,288,649</u>	<u>7,383,903</u>	<u>1,904,746</u>
Excess revenues over (under) expenditures	<u>(57,876)</u>	<u>(857,127)</u>	<u>275,468</u>	<u>1,132,595</u>
Other financing sources (uses):				
Transfers in	<u>450,000</u>	<u>444,872</u>	<u>60,000</u>	<u>(384,872)</u>
Total other financing sources (uses)	<u>450,000</u>	<u>444,872</u>	<u>60,000</u>	<u>(384,872)</u>
Net change in fund balances	392,124	(412,255)	335,468	747,723
Fund Balance:				
Beginning of year	1,404,015	2,229,915	1,949,265	(280,650)
Restatement of beginning fund balance	<u>-</u>	<u>-</u>	<u>224,581</u>	<u>(224,581)</u>
End of year	<u>\$ 1,796,139</u>	<u>\$ 1,817,660</u>	<u>\$ 2,509,314</u>	<u>\$ 691,654</u>

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

LINCOLN COUNTY
PROPRIETARY FUNDS

Balance Sheet

June 30, 2021

	Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District Fund	Governmental Activities - Internal Service Fund 215 Self Insurance Fund
ASSETS		
Current assets:		
Cash and investments	\$ 701,944	\$ 3,307,133
Prepaid Expenses and Other Current Assets	-	334,879
Current Assets	701,944	3,642,012
Noncurrent assets:		
Capital assets:		
Equipment, net of accumulated depreciation	19,699	-
Total assets	\$ 721,643	\$ 3,642,012
LIABILITIES		
Current liabilities:		
Accounts payable and payroll liabilities	\$ 5,921	\$ 476,568
Accrued payroll and related expenses	4,189	-
Current portion of compensated absences	4,240	-
Total current liabilities	14,350	476,568
Noncurrent liabilities:		
Long-term portion of compensated absences	1,061	-
Total liabilities	15,411	476,568
NET POSITION		
Net investment in capital assets	19,699	-
Unrestricted	686,533	3,165,444
Total net position	706,232	3,165,444
Total liabilities and net position	\$ 721,643	\$ 3,642,012

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

LINCOLN COUNTY
PROPRIETARY FUNDS

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	Business-type Activities - Nonmajor Enterprise Fund	Governmental Activities - Internal Service Fund
	210 Solid Waste District Fund	215 Self Insurance Fund
Operating revenues:		
Charges for services	\$ 355,427	\$ 1,359,943
Other revenue	-	71,556
Total operating revenues	355,427	1,431,499
Operating expenses:		
General and administrative costs	107,913	-
Operations and maintenance	191,658	1,074,345
Total operating expenses	299,571	1,074,345
Operating income (loss)	55,856	357,154
Nonoperating revenues:		
Operating grant	27,000	270,491
Investment Earnings	5,274	16,097
Total nonoperating revenues	32,274	286,588
Change in net position	88,130	643,742
Restatement of beginning net position	5,580	-
Beginning net position	612,522	2,521,702
Ending net position	\$ 706,232	\$ 3,165,444

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

LINCOLN COUNTY
PROPRIETARY FUNDS
Statement of Cash Flows
For the Year Ended June 30, 2021

	Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District Fund	Governmental Activities - Internal Service Fund 215 Self Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from services provided	\$ 406,185	\$ -
Cash received from interfund services provided	-	1,431,499
Cash payments to employees for services	(92,909)	(4,830)
Cash payments to other suppliers for goods and services	<u>(189,735)</u>	<u>(1,436,418)</u>
Net cash provided (used) by operating activities	<u>123,541</u>	<u>(9,749)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash received from operating grant	<u>27,000</u>	<u>270,491</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	<u>(21,888)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>5,274</u>	<u>16,097</u>
Net change in cash and investments	133,927	276,839
Cash and investments:		
Beginning of year	<u>568,017</u>	<u>3,030,294</u>
End of year	<u>\$ 701,944</u>	<u>\$ 3,307,133</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 55,856	\$ 357,154
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	2,189	-
(Increase) decrease in assets:		
Receivables	50,758	-
Prepays	-	(334,879)
Increase (decrease) in liabilities:		
Accounts payable	(267)	14,562
Accrued payroll	9,769	-
Claims payable	-	(46,586)
	<u>5,236</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 123,541</u>	<u>\$ (9,749)</u>

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

LINCOLN COUNTY

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2021

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 5,767,808
Taxes Receivables	<u>6,950,691</u>
Total assets	<u>\$ 12,718,499</u>
 Net Position- Restricted	 <u>\$ 12,718,499</u>

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

LINCOLN COUNTY, OREGON

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

June 30, 2021

	<u>Custodial Funds</u>
Additions	
Property tax collections	\$ 128,877,967
Sheriff's Civil Trust	891,295
Jail Inmate Trust	1,058,755
Other	<u>120,323</u>
Total additions	<u>\$ 130,948,340</u>
Deductions	
Property tax distributions	\$ 127,967,166
Sheriff's Civil Trust	895,189
Jail Inmate Trust	918,023
Other	<u>185,696</u>
Total deductions	<u>129,966,074</u>
Change in net position	<u>982,266</u>
Net position - beginning	<u>11,736,233</u>
Net position - ending	<u><u>\$ 12,718,499</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

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 five 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 five blended component units are included because the County Board of Commissioners, the governing board of the Primary Government, also serves as their respective governing bodies, and management of the County has operational responsibility for the component units as follows:

Lincoln County Transportation Service District

The District provides a comprehensive transportation program to the county. Services include a scheduled stop bus system, and a dial-a-ride service for the transit disadvantaged, senior, and disabled population.

Lincoln County Solid Waste Disposal Service District

The countywide district coordinates solid waste management planning throughout the county, implements recycling and waste reduction education programs, and coordinates illegal dumping enforcement, prevention, and clean-up activities.

Lincoln County Extension District

The district accounts for the operations of the Oregon State University – Lincoln County Extension District that provides educational programs to citizens of the county.

Lincoln County Animal Services District

The district accounts for the operations of the county animal shelter and provides animal control services countywide.

Siletz Enhanced Law Enforcement District

The district accounts for County Sheriff's patrol and law enforcement services in the City of Siletz and surrounding area that encompasses the Siletz Fire Protection District.

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 2 - Summary of Significant Accounting Policies

A. Government-wide financial statements

The statement of net position and statement of activities display information about the primary government (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely primarily upon fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. Indirect expenses are those incurred for central services and not specifically associated with a program or function. Indirect expenses are allocated to functions based on each functions estimated use of central services. 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.
- *Public Works Fund* - accounts for the operations of the County Road Department. Significant sources of revenue are federal forest fees and state motor vehicle fees. Expenditures are primarily for maintenance and construction of County roads.
- *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.
- *Public Health* - This fund accounts for public health services through a variety of programs funded from grants and other resources.
- *American Rescue Plan* - accounts for the funds received under the American Rescue Plan Act.
- *Capital Projects Funds* - accounts for financial resources used for the acquisition and construction of major capital facilities.

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.
- *Capital Projects Funds* - accounts for financial resources used for the acquisition and construction of major capital facilities.
- *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.
- *Custodial* - 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

Notes to Financial Statements

June 30, 2021

Note 2 - Summary of Significant Accounting Policies, continued

A. Government-wide financial statements, continued

B. Basis of accounting

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

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

C. Cash and investments

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

D. Inventories and prepaid items

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

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

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 2 - Summary of Significant Accounting Policies, continued

E. Receivables

In general, receivables in the governmental fund types, which have been collected within sixty days following year end, are considered measurable and available and are recognized as revenues. Deviations from this collection time period arise in medical receivables, and certain grant or intergovernmental receivables. The collection period for medical receivables is based on the time required for the medical billing system to process the services provided prior to year end. Certain grant or intergovernmental receivables will be recognized as revenue in the current period if it is material, measurable, and the related expenditures have been incurred.

Property taxes receivable in the agency funds are offset by amounts held in trust and, accordingly, have not been recorded as revenue. All other property taxes receivable are offset by deferred inflows of resources if received more than sixty days following year end and accordingly, have not been recognized as revenue. Real and personal property are assessed and property taxes become a lien against the property as of July 1 each year. Property taxes are payable in three installments, following the lien date, on November 15, February 15, and May 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

For the year ended June 30, 2021, the County's tax levy did not exceed the Oregon constitutional limitation. All other districts' property taxes receivable are reported in the Custodial 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. Contributed capital assets are recorded at the actual cost incurred by the property owner.

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.

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

Infrastructure	20 to 50 years
Structures and improvements	10 to 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. 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

Notes to Financial Statements

June 30, 2021

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 operations, in which the maximum accumulation is 120 hours.

H. Deferred inflows and outflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The County has one item that qualifies for reporting in this category. It is the deferred amounts relating to pensions. This amount is deferred and recognized as an outflow of resources in the period when the County recognizes pension and Other Post Employment Benefits (OPEB) expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has two items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The County also reports deferred amounts related to pensions and OPEB. This amount is deferred and recognized as an inflow of resources in the period when the County recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position.

I. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. 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.

K. Fund balance / net position

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

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

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 2 - Summary of Significant Accounting Policies, continued

K. Fund balance / net position continued

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

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

Assigned - resources that are constrained by the County's intent to use them for a specific purpose, but are neither restricted nor committed. Intent is expressed when the County Commissioners approve which resources should be "reserved" during the adoption of the annual budget. The County had no assigned fund balance as of June 30, 2019.

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

Fund balances by classification for the year ended June 30, 2021 are as follows:

	General Fund	Public Works Fund	Mental Health Fund	Public Health Fund	Capital Projects Fund	Nonmajor Government al Funds	Total Governmental Funds
Nonspendable							
Inventories	\$ -	\$ 502,648	\$ -	\$ -	\$ -	\$ -	\$ 502,648
Restricted for:							
Road maintenance	-	8,309,474	-	-	-	-	8,309,474
Economic development	-	-	-	-	-	1,746,627	1,746,627
Transit services	-	-	-	-	-	3,664,517	3,664,517
Public safety	1,207,093	-	-	-	-	-	1,207,093
County Fair	-	-	-	-	-	289,968	289,968
Outpatient services	-	-	3,343,941	2,509,314	-	1,783,661	7,636,916
Veterans' services outreach	-	-	-	-	-	215,496	215,496
Animal control services	-	-	-	-	-	237,011	237,011
Title III	-	-	-	-	-	1,364,042	1,364,042
DUII administration	-	-	-	-	-	22,703	22,703
Law enforcement	-	-	-	-	-	135,528	135,528
Maintenance of government surveys	-	-	-	-	-	410,901	410,901
Public education	-	-	-	-	-	939,297	939,297
Total restricted	1,207,093	8,309,474	3,343,941	2,509,314	-	10,809,751	26,179,573
Committed to:							
Law library	-	-	-	-	-	141,153	141,153
County records	-	-	-	-	-	183,615	183,615
Post-closure obligations	-	-	-	-	-	683,568	683,568
Capital outlay	-	-	-	-	11,163,490	4,577,347	15,740,837
Total committed	-	-	-	-	11,163,490	5,585,683	16,749,173
Unassigned	9,376,427	-	-	-	-	(42,735)	9,333,692
Total fund balances	<u>\$10,583,520</u>	<u>\$ 8,812,122</u>	<u>\$ 3,343,941</u>	<u>\$2,509,314</u>	<u>\$11,163,490</u>	<u>\$ 16,352,699</u>	<u>\$ 52,765,086</u>

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

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.

L. 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

Notes to Financial Statements

June 30, 2021

Note 2 - Summary of Significant Accounting Policies, continued

M. Budget policies and budgetary control

The County begins its budgeting process by appointing a Budget Committee in January. Budget recommendations are developed by management through the month of April with the Budget Committee meeting and approving the budget document in May. Public notices for the budget hearing are published 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-spent, 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 Community Justice fund reported a deficit fund balance of \$42,735 for the year ended June 30, 2021.

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, 2021 are as follows:

Total investments	\$ 59,571,760
Deposits with financial institutions	11,009,562
Total deposits and investments	<u>\$ 70,581,322</u>

B. Cash and investments are reported as follows:

Governmental Activities/Funds	
General Fund	\$ 12,142,973
Public Works Fund	8,681,031
Mental Health Fund	3,535,043
Community Health Centers Fund	4,364,263
American Rescue Plan Fund	4,852,267
Capital Projects Fund	11,163,603
Nonmajor governmental funds	<u>16,065,257</u>
Total governmental funds	60,804,437
Internal Service Fund	<u>3,307,133</u>
Total Governmental Activities	64,111,570
Business-Type Activities	701,944
Fiduciary Funds	<u>5,767,808</u>
Total cash and investments	<u>\$ 70,581,322</u>

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 3 - Cash and Investments, continued

Deposits:

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At June 30, 2021, the County's deposits with various financial institutions had a bank value of \$8,561,261. All deposits not covered by FDIC insurance are covered by the Public Funds Collateralization Program (PFCP) of the State of Oregon. The PFCP is a shared liability structure for participating bank depositories. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities.

Investments:

As of June 30, 2021, the County held the following investments and maturities:

<u>Investment type</u>	<u>Carrying Value</u>	<u>Weighted Average Maturity in Years</u>	<u>Moody's Credit Rating</u>	<u>% of Investment Portfolio</u>
Local government investment pool	\$ 59,571,760	N/A	N/A	100.00 %

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

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

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

Fair Value Hierarchy Investments are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

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

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

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments) The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 3 - Cash and Investments, continued

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has recorded its investments at fair value, and primarily uses the Market Approach to valuing each security. The County applies fair market value updates to its securities on a daily basis. Security pricing is provided by a third-party, and is reported daily to the County by its custodian bank. Assets are categorized by asset type, which is a key component of determining hierarchy levels. Asset types allowable per the County's investment policy generally fall within hierarchy level 1 and 2.

The County has no investments measures at fair value measurement:

	Total as of June 30, 2021	Fair Value Measurement Using			Cost Measurement Not Measured at Fair Value
		Level One	Level Two	Level Three	
LGIP	<u>\$ 59,571,760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,571,760</u>

Note 4 - Receivables

Receivables at June 30, 2021 were as follows:

	Governmental Funds					Totals
	General	Public Works	Mental Health	Public Health	Nonmajor	
Property taxes	\$ 1,268,266	\$ -	\$ -	\$ -	\$ 123,331	\$ 1,391,597
Accounts	227,420	16,335	185,472	95,052	1,175,544	1,699,823
Less: allowance for doubtful accounts	-	-	(41,885)	(19)	(38,293)	(80,197)
	<u>\$ 1,495,686</u>	<u>\$ 16,335</u>	<u>\$ 143,587</u>	<u>\$ 95,033</u>	<u>\$ 1,260,582</u>	<u>\$ 3,011,223</u>

Management has determined that no allowance for doubtful accounts is necessary for accounts receivable of the Business-type Activities of the County.

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 Fund	Public Health	\$ 60,000
Public Works	Nonmajor funds	21,630
Nonmajor Funds	Nonmajor Funds	125,912
Nonmajor Funds	General Fund	50,000
Total		<u>\$ 257,542</u>

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 6 - Capital Assets

A. Capital asset activity for the year ended June 30, 2021 was as follows:

<u>Governmental Activities</u>	<u>Balances July 1, 2020,</u>	<u>Additions and Reclassifications</u>	<u>Deletions and Reclassifications</u>	<u>Balances June 30, 2021</u>
<i>Capital assets, not being depreciated:</i>				
Land and easements	\$ 2,315,256	\$ -	\$ -	\$ 2,315,256
Construction in progress	<u>1,245,362</u>	<u>318,398</u>	<u>-</u>	<u>1,563,760</u>
Total capital assets, not being depreciated	<u>3,560,618</u>	<u>318,398</u>	<u>-</u>	<u>3,879,016</u>
<i>Capital assets being depreciated:</i>				
Infrastructure	74,534,068	-	-	74,534,068
Buildings	18,268,090	-	-	18,268,090
Improvements	12,896,106	-	-	12,896,106
Equipment	<u>16,866,645</u>	<u>2,290,002</u>	<u>(686,074)</u>	<u>18,470,573</u>
Total capital assets being depreciated	<u>122,564,909</u>	<u>2,290,002</u>	<u>(686,074)</u>	<u>124,168,837</u>
<i>Less accumulated depreciation for:</i>				
Infrastructure	(53,118,314)	(804,398)	-	(53,922,712)
Buildings	(11,634,475)	(515,454)	-	(12,149,929)
Improvements	(7,313,523)	(584,876)	-	(7,898,399)
Equipment	<u>(12,382,955)</u>	<u>(1,425,810)</u>	<u>686,074</u>	<u>(13,122,691)</u>
Total accumulated depreciation	<u>(84,449,267)</u>	<u>(3,330,538)</u>	<u>686,074</u>	<u>(87,093,731)</u>
Total capital assets being depreciated, net	<u>38,115,642</u>	<u>(1,040,536)</u>	<u>-</u>	<u>37,075,106</u>
Total capital assets, net	<u>\$ 41,676,260</u>	<u>\$ (722,138)</u>	<u>\$ -</u>	<u>\$ 40,954,122</u>

Depreciation expense was charged to governmental functions as follows:

General government	\$ 507,119
Community services	275,713
Public safety	1,233,393
Highways and streets	1,057,523
Culture and recreation	101,793
Health and welfare	<u>154,997</u>
Total depreciation expense - governmental activities	<u>\$ 3,330,538</u>

<u>Business-type Activities</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions and Reclassifications</u>	<u>Balance June 30, 2021</u>
<i>Capital assets being depreciated:</i>				
Equipment	\$ -	\$ 21,888	\$ -	\$ 21,888
<i>Less accumulated depreciation for:</i>				
Equipment	<u>\$ -</u>	<u>\$ (2,189)</u>	<u>\$ -</u>	<u>\$ (2,189)</u>
Total capital assets, net	<u>\$ -</u>	<u>\$ 19,699</u>	<u>\$ -</u>	<u>\$ 19,699</u>

Note 7 - Construction Commitments

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

	<u>Project Authorization</u>	<u>Expended to Date</u>	<u>Commitment</u>
East Devils Lake Road	\$ 333,829	\$ -	\$ 333,829

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 8 - Noncurrent liabilities

General Obligation Bonds

General obligation bonds at year end are as follows:

Purpose	Amount
Local Oregon Capital Asset Program (LOCAP) certificates of participation	
<p>The County issued certificates of participation, series 2013C, on July 30, 2013 in the amount of \$3.1 million through the Local Oregon Capital Assets Program with an average coupon rate of 4.27%. Proceeds are to be used to purchase new assessment and taxation software and hardware replacement; simulcast communications installation and Extension District Buildings improvements; the purchase and improvement of property for Courthouse parking; and additional property acquisition and improvements for County purposes if funds remain and the Board and Special Counsel approve. Principal amounts are due on August 1 and semi-annual interest payments are due on August 1 and February 1.</p>	\$ 1,520,000
<p>Full Faith and Credit Financing Agreement, Series 2020. On July 30, 2020, the County issued \$5 million in debt through JPMorgan Chase Bank at a rate of 1.52% per annum. Proceeds are to be used to improve County facilities and to acquire property and equipment for the County. Principal payments are due annually on June 1 of each year through 2035, with interest payable semiannually on December 1 and June 1 of each year beginning December 2020.</p>	<u>4,747,000</u>
Total general obligation bonds outstanding	<u>\$ 6,267,000</u>

If an event of default occurs on any of the direct borrowing LOCAP an order or judgment by any court may be ordered to liquidate a substantial part of the assets of the County.

Upon the occurrence of any Event of Default the Bank may exercise any remedy available at law or in equity.

Notes payable

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

If an event of default occurs on any of the direct borrowing Curry Living Trust. Curry Living Trust may declare the entire unpaid balance together with all accrued interest to be immediately due and payable. The Bank may, in addition to pursuing other remedies, at its election increase the interest rate applicable to the Outstanding Balance under this Financing Agreement by 3.00%.

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 8 - Noncurrent liabilities, continued

Noncurrent liability activity for the year ended June 30, 2021, was as follows:

	Outstanding July 1, 2020	Additions	Reductions	Outstanding June 30, 2021	Balances Due Within One Year
Governmental activities:					
LOCAP Series 2013C	\$ 1,605,000	\$ -	\$ (85,000)	\$ 1,520,000	\$ 90,000
Premium on LOCAP Series 2013C	66,684	-	(4,763)	61,921	4,763
Net LOCAP Series 2013C	1,671,684	-	(89,763)	1,581,921	94,763
Full Faith and Credit Series 2020	-	5,000,000	(253,000)	4,747,000	307,000
Curry property note	240,038	-	(24,601)	215,437	24,602
Total bonds and notes payable	1,911,722	5,000,000	(367,364)	6,544,358	426,365
Vested compensated absences	2,599,816	2,539,635	(2,599,816)	2,539,635	2,412,655
Total governmental activities	<u>\$ 4,511,538</u>	<u>\$ 7,539,635</u>	<u>\$ (2,967,180)</u>	<u>\$ 9,083,993</u>	<u>\$ 2,839,020</u>
Business-type activities:					
Vested compensated absences	<u>\$ 65</u>	<u>\$ 5,301</u>	<u>\$ (65)</u>	<u>\$ 5,301</u>	<u>\$ 4,240</u>

The General Fund has been used to liquidate governmental activities compensated absences in prior years.

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

Fiscal Year	LOCAP Series 2013C		Full Faith and Credit Series 2020		Curry property note		Governmental Activities Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 90,000	\$ 64,088	\$ 307,000	\$ 72,154	\$ 25,809	\$ 9,778	\$ 422,809	\$ 146,020
2023	95,000	60,150	312,000	67,488	27,075	8,512	434,075	136,150
2024	100,000	55,763	316,000	62,746	28,404	7,183	444,404	125,692
2025	100,000	51,450	321,000	57,942	29,798	5,789	450,798	115,181
2026	105,000	47,222	326,000	53,063	31,260	4,327	462,260	104,612
2027-2031	600,000	164,523	1,705,000	189,468	73,091	4,013	2,378,091	358,004
2032-2035	430,000	29,701	1,460,000	55,890	-	-	1,890,000	85,591
	<u>\$ 1,520,000</u>	<u>\$ 472,897</u>	<u>\$ 4,747,000</u>	<u>\$ 558,751</u>	<u>\$ 215,437</u>	<u>\$ 39,602</u>	<u>\$ 6,482,437</u>	<u>\$ 1,071,250</u>

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

LOCAP payable ending balance	\$ 1,520,000
Less: current portion	(90,000)
Add: unamortized premium	61,921
LOCAP bond payable, due in more than one year	<u>\$ 1,491,921</u>

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 9 - Operating Leases

The County leases office equipment and office facilities under operating leases expiring at various times throughout 2020 through 2023. Total cost for such leases for the year ended June 30, 2021 was \$846,584. Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of June 30, 2021 are:

Year Ended June 30,	Amount
2022	\$ 839,539
2023	840,285
2024	836,357
2025	826,539
2026	<u>773,057</u>
Total	<u>\$ 4,115,777</u>

Note 10 - Defined Contribution Plan

The Lincoln County Retirement Plan is a defined contribution pension plan (401(k)) established by the County to provide benefits to substantially all employees, except for certain employees of the Sheriff's office. At June 30, 2021, there were 374 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 \$2,644,218 and employees contributed \$807,179 for the year ended June 30, 2021. Investments are self-directed by the employees between a fixed income account and a number of equity funds. Plan provisions and contribution requirements are established and may be amended by the Board of Commissioners.

Note 11 - Deferred Compensation Plan

The County's employees can contribute to the Lincoln County deferred compensation plan created in accordance with the Internal Revenue Code Section 457(g) ("457 Plan"). The 457 Plan is administered by independent plan administrators through administrative service agreements. The 457 Plan is available to substantially all employees of the County. Employees may defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or financial hardship. The 457 Plan's assets are held in a custodial account for the exclusive benefit of participants and beneficiaries, and are not subject to claims of the County's creditors, nor can they be used by the County for any purpose other than the payment of benefits to the plan participants. Accordingly, these plan assets and related liabilities are not recorded on the accompanying statement of net position. Employee contributions to the 457 Plan for the year ended June 30, 2021, were \$428,500.

Note 12- Defined Benefit Pension Plan

For certain employees of the Sheriff's office, the County is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Risk Pooling:

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 12 - Defined Benefit Pension Plan, continued

The County has elected to participate in the State and Local Government Rate Pool (SLGRP). Pooling allows separate employers to be part of one group for the purpose of determining employer pension costs and contribution rates. Pool participants share pension assets and future pension liabilities and surpluses. Employers in the pool jointly fund the future pension costs of all of the pooled participants.

Plan Benefits:

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

Benefits Provided

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2 percent) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

Death Benefits

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

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

Disability Benefits

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

Benefit Changes After Retirement

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. All monthly pension and annuity benefits except unit purchases are eligible for post-retirement adjustments. As a result of the Senate Bills 822 and 861 and the Oregon Supreme Court Decision in *Moro v. State of Oregon*, automatic post-retirement adjustments are based on a blended COLA rate.

2. OPSRP Pension Program (OPSRP DB)

Pension Benefits.

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

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age is age 60 or age 53 with 25 years of retirement credit. The individual must have been employed continuously in a PERS position for the County at least five years immediately preceding retirement.

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 12 - Defined Benefit Pension Plan, continued

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

Death Benefits

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

Disability Benefits

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

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2%.

3. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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

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

Death Benefits

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

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

Contributions:

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. Employer contributions for the year ended June 30, 2021 were \$790,956 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 21.39 percent for Tier One/Tier Two members, 13.39 percent for OPSRP Pension Program members and 6 percent for OPSRP Individual Account Program. The County has elected to make the payments on behalf of its employees for the OPSRP Individual Account Program.

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 12 - Defined Benefit Pension Plan, continued

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

At June 30, 2021, The County's proportionate share of the net pension liability is \$10,575,294. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The County's proportion of the net pension liability was based on a projection of the County's long-term contribution effort as compared to the total projected contributions of all participating employers. At June 30, 2020, the County's proportion share was 0.04947696 percent, which was changed from its proportion measured as of June 30, 2019 of 0.04845842 percent.

For the year ended June 30, 2021, the County recognized pension expense of \$2,328,289.

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 465,441	\$ -
Change in assumptions	567,543	19,886
Net difference between projected and actual earnings on pension plan investments	1,243,517	-
Changes in proportion share	236,188	153,643
Changes in proportion and differences between contributions and proportionate share of contributions	-	334,526
Sub-total before post-measurement date contributions	2,512,689	508,055
Contributions subsequent to the measurement date	790,956	-
Total	\$ 3,303,645	\$ 508,055

Deferred outflows of resources related to pensions of \$790,956 resulting from the County's contributions subsequent to the measurement date will be recognized as either a reduction of the net pension liability or an increase in the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 423,746
2023	627,723
2024	562,596
2025	392,699
2026	(2,130)
Total	\$ 2,004,634

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 12 - Defined Benefit Pension Plan, continued

Actuarial Assumptions:

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date:	December 31, 2018
Amortization method:	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method:	Market value of assets
Actuarial assumptions	
Inflation Rate	2.50%
Investment Rate of return	7.20%
Projected Salary Increases	3.50% overall payroll growth; salaries for individuals are assumed to grow at 3.50% plus assumed rates of merit/longevity increases based on service
Mortality	<p>Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 12 - Defined Benefit Pension Plan, continued

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan’s portfolio, assumed asset allocation, and the long-term expected rate of turn for each major asset class, calculated using both arithmetic and geometric means, see PERS’ audited financial statements at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

Discount Rate

The discount rate used to measure the total pension liability was 7.2 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Depletion Date Projection.

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan’s Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.

The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.

GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is our independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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

The following presents the County’s proportionate share of the net pension liability (asset) calculated using the discount rate of 7.2 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.2 percent) or 1-percentage-point higher (8.2 percent) than the current rate:

	1% Decrease (6.2%)	Discount Rate (7.2%)	1% Increase (8.2%)
Proportionate share of net pension liability (asset)	\$ 15,703,438	\$ 10,575,294	\$ 6,275,107

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 12 - Defined Benefit Pension Plan, continued

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

Note 13 - Other Postemployment Benefits (OPEB)

The County provides an implicit rate subsidy for retiree health insurance premiums. The County's single-employer defined benefit postemployment healthcare plan is administered by City County Insurance Services. Benefit provisions are established through negotiations between the County and representatives of collective bargaining units or through resolutions passed by the County. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The County pays health, dental and vision insurance premiums for those retirees at the blended rate for each family classification. The required contributions to the plan consist of the amount paid by retirees.

Financial Statement Presentation

The amounts on the financial statements relate to the plans as follows:

Net OPEB assets	\$	-
Deferred outflow of resources		
Changes in assumptions		21,925
Differences between expected and actual experience		3,197
Contributions after measurement date		<u>69,640</u>
Total deferred outflow of resources		94,762
Net OPEB liability		1,026,226
Deferred inflow of resources		
Differences between expected and actual experience		(26,085)
Change in assumptions		<u>(107,078)</u>
Total deferred inflow of resources		(133,163)

Deferred outflows of resources related to OPEB of \$69,640 resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended					
<u>June 30:</u>					
2022	\$		(24,745)		
2023			(24,745)		
2024			(22,195)		
2025			(14,879)		
2026			(10,315)		
Thereafter			<u>(11,162)</u>		
Total			<u>\$ (108,041)</u>		

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 13 - Other Postemployment Benefits (OPEB), continued

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries receiving benefits	12
Active employees	<u>427</u>
Total	<u><u>439</u></u>

The County's total OPEB liability of \$1,026,226 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020.

For the fiscal year ended June 30, 2021, the County recognized OPEB expense from this plan of \$102,600

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal																						
Inflation	2.5 percent																						
Annual pay increases	3.5 percent																						
Mortality	Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one year setback for male general service employees and female safety employees.																						
Discount rate	2.21 percent (change from 3.5 percent in previous measurement period)																						
Health Care Cost Trend	The medical trend assumptions used in this valuation are based on long-term healthcare trend rates generated by the Society of Actuaries' Getzen Trend Model. Inputs to the model are consistent with other assumptions used in the valuation. The medical trend assumption includes the impact of the Further Consolidated Appropriations Act, 2020, which became law on December 20, 2019. This law repeals the Cadillac Tax completely and removes the Health Insurer Fee permanently beginning in 2021.																						
	Medical and vision:																						
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 40%;">Year</th> <th>Pre-65 Trend</th> </tr> </thead> <tbody> <tr><td>2020</td><td>3.75%</td></tr> <tr><td>2021</td><td>5.75</td></tr> <tr><td>2022</td><td>5.25</td></tr> <tr><td>2023 - 2025</td><td>5.00</td></tr> <tr><td>2026 - 2040</td><td>4.75</td></tr> <tr><td>2041 - 2049</td><td>5.00</td></tr> <tr><td>2050 - 2064</td><td>4.75</td></tr> <tr><td>2065 - 2067</td><td>4.50</td></tr> <tr><td>2068 - 2071</td><td>4.25</td></tr> <tr><td>2072+</td><td>4.00</td></tr> </tbody> </table>	Year	Pre-65 Trend	2020	3.75%	2021	5.75	2022	5.25	2023 - 2025	5.00	2026 - 2040	4.75	2041 - 2049	5.00	2050 - 2064	4.75	2065 - 2067	4.50	2068 - 2071	4.25	2072+	4.00
Year	Pre-65 Trend																						
2020	3.75%																						
2021	5.75																						
2022	5.25																						
2023 - 2025	5.00																						
2026 - 2040	4.75																						
2041 - 2049	5.00																						
2050 - 2064	4.75																						
2065 - 2067	4.50																						
2068 - 2071	4.25																						
2072+	4.00																						
	Dental: -1.25% for 2020, 4.00% per year thereafter																						
	Health care cost trend affects both the projected health care costs as well as the projected health care premiums.																						

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 13 - Other Postemployment Benefits (OPEB), continued

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020	\$ 1,059,353
Changes for the year	
Service cost	102,600
Interest on total OPEB liability	39,278
Effect of economic/demographic gains or losses	3,748
Effect of assumptions changes or inputs	(98,622)
Benefit payments	(80,131)
Balance as of June 30, 2021	<u>\$ 1,026,226</u>

Changes in assumptions is the result of the change in the discount rate from 3.5 percent to 2.21 percent.

Sensitivity of the Total OPEB Liability

The following presents the County's total OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Discount Rates:			
Total OPEB Liability	\$ 1,107,345	\$ 1,026,226	\$ 950,615
Health Cost Trends:			
Total OPEB Liability	\$ 903,945	\$ 1,026,226	\$ 1,174,338

LINCOLN COUNTY

Notes to Financial Statements

June 30, 2021

Note 14 - Risk Management

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

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

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

Changes in the balances of claims liabilities are as follows:

	Year Ended June 30,		
	2019	2020	2021
Workers' compensation			
Unpaid claims, beginning of year	\$ 39,759	\$ -	\$ 46,586
Incurred claims (including IBNR)	232,762	165,832	-
Claim payments	(272,521)	(119,246)	-
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ 46,586</u>	<u>\$ 46,586</u>
State unemployment			
Unpaid claims, beginning of year	\$ -	\$ -	\$ -
Incurred claims (including IBNR)	131,575	142,211	-
Claim payments	(131,575)	(142,211)	-
Unpaid claims, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note 15 - Subsequent Event

Subsequent to June 30, 2021, a Lincoln County Transit Bus was involved in an accident and two pedestrians and the bus driver were hospitalized. At this time no liability for the District has been determined. The District maintains insurance coverage that may apply to potential liabilities arising from this event. Net position which are restricted through enabling legislation are as follows:

Note 16 - Restatement of net position and fund balance

In the year ended June 30, 2020, the year end payroll was recorded twice as an expense / expenditure. Fund balance and net position for governmental activities has been restated to remove the expense, and recognize it in the current year.

	As originally reported	Adjustment	Restated balance
Fund balances			
General Fund	\$ 8,550,584	\$ 1,078,497	\$ 9,629,081
Public Works Fund	9,944,475	132,489	10,076,964
Mental Health Fund	2,605,568	189,463	2,795,031
Public Health Fund	1,949,265	224,581	2,173,846
Nonmajor governmental funds	14,672,174	171,439	14,843,613
Total	<u>\$ 37,722,066</u>	<u>\$ 1,796,469</u>	<u>\$ 39,518,535</u>
Net position			
Solid Waste Enterprise Fund	\$ 612,522	\$ 5,580	\$ 618,102
Governmental Activities	77,621,027	1,796,469	79,417,496
Total	<u>\$ 78,233,549</u>	<u>\$ 1,802,049</u>	<u>\$ 80,035,598</u>

REQUIRED SUPPLEMENTARY INFORMATION

LINCOLN COUNTY
Schedule of Changes in Total OPEB Liability and Related Ratios

June 30, 2021

	2021	2020	2019	2018
Balance at beginning of year	\$ 1,059,353	\$ 1,031,081	\$ 1,050,957	\$ 1,085,048
Services cost	102,600	91,723	83,397	88,685
Interest on total OPEB liability	39,278	40,861	38,912	32,067
Effect of economic/demographic gains or losses	3,748	-	(46,677)	(56,971)
Effect of assumptions changes or inputs	(98,622)	30,925	174	-
Benefit payments	(80,131)	(135,237)	(95,682)	(97,872)
Balance at end of year	<u>\$ 1,026,226</u>	<u>\$ 1,059,353</u>	<u>\$ 1,031,081</u>	<u>\$ 1,050,957</u>
Covered payroll	\$ 18,385,384	\$ 18,553,836	\$ 16,697,376	\$ 15,657,072
Total OPEB liability as a percentage of covered payroll	5.58 %	5.71 %	6.18 %	6.71 %

10-year trend information required by GASB Statement 75 will be presented prospectively

LINCOLN COUNTY

Required Supplemental Information - Oregon Public Employee Retirement System
Year Ended June 30, 2021

Proportionate Share of Net Pension Liability

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.049477 %	0.048458 %	0.048019 %	0.045001 %	0.045681 %	0.051031 %	0.039560 %
Proportionate share of the net pension liability	\$10,575,294	\$ 8,558,329	\$ 7,274,260	\$ 6,066,726	\$ 6,857,708	\$ 2,929,952	\$ 896,723
Covered payroll	\$ 5,333,586	\$ 4,879,786	\$ 4,837,953	\$ 4,773,548	\$ 4,519,494	\$ 4,358,196	\$ 4,183,868
Proportionate share of the pension liability as a percentage of its covered employee payroll	198.28 %	175.38 %	150.36 %	127.09 %	151.74 %	67.23 %	21.43 %
Plan net position as a percentage of the total pension liability	75.8 %	80.2 %	82.1 %	83.1 %	80.5 %	91.9 %	103.6 %

Amounts presented are for the measurement period reported during the fiscal year, which for FY 2020 is the July 1, 2018-June 30, 2019.

Schedule of the County's Pension Contributions

	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 790,956	\$ 779,776	\$ 817,231	\$ 826,330	\$ 686,083	\$ 671,464	\$ 634,532
Contributions in relation to the contractually required contribution	<u>790,956</u>	<u>779,776</u>	<u>817,231</u>	<u>826,330</u>	<u>686,083</u>	<u>671,464</u>	<u>634,532</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,363,922	\$ 5,333,586	\$ 4,879,786	\$ 4,837,853	\$ 4,773,548	\$ 4,519,494	\$ 4,358,196
Contributions as a percentage of covered employee payroll	14.75 %	14.62 %	16.75 %	17.08 %	14.37 %	14.86 %	14.56 %

10-year trend information required by GASB Statement 68 will be presented prospectively

OTHER SUPPLEMENTARY INFORMATION

LINCOLN COUNTY

219 CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Indirect charges	\$ 175,000	\$ 175,000	\$ 88,042	\$ (86,958)
Investment Earnings	<u>-</u>	<u>-</u>	<u>6,377</u>	<u>6,377</u>
Expenditures:				
Materials and services	852,829	889,829	40,630	849,199
Capital Outlay	<u>5,175,000</u>	<u>5,175,000</u>	<u>2,400</u>	<u>5,172,600</u>
Total expenditures	<u>6,027,829</u>	<u>6,064,829</u>	<u>43,030</u>	<u>6,021,799</u>
Other financing sources (uses):				
Transfers In	2,750,000	2,750,000	-	(2,750,000)
Debt Issuance Proceeds	<u>2,500,000</u>	<u>7,500,000</u>	<u>5,000,000</u>	<u>(2,500,000)</u>
Net change in fund balances	(602,829)	4,360,171	5,051,389	691,218
Fund Balance:				
Beginning of year	<u>2,357,957</u>	<u>2,357,957</u>	<u>6,112,101</u>	<u>3,754,144</u>
End of year	<u>\$ 1,755,128</u>	<u>\$ 6,718,128</u>	<u>\$ 11,163,490</u>	<u>\$ 4,445,362</u>

COMBINING AND INDIVIDUAL NONMAJOR FUNDS
STATEMENTS AND SCHEDULES

LINCOLN COUNTY
NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet

June 30, 2021

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and investments	\$ 11,487,910	\$ 4,577,347	\$ 16,065,257
Receivables - net	<u>970,248</u>	<u>290,334</u>	<u>1,260,582</u>
Total assets	<u>\$ 12,458,158</u>	<u>\$ 4,867,681</u>	<u>\$ 17,325,839</u>
LIABILITIES			
Accounts payable	\$ 204,335	\$ -	\$ 204,335
Accrued payroll and related liabilities	191,617	-	191,617
Unearned revenue	<u>-</u>	<u>290,334</u>	<u>290,334</u>
Total liabilities	<u>395,952</u>	<u>290,334</u>	<u>686,286</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue Accounts Receivables	<u>286,854</u>	<u>-</u>	<u>286,854</u>
FUND BALANCES			
Restricted	10,809,751	-	10,809,751
Committed	1,008,336	4,577,347	5,585,683
Unassigned	<u>(42,735)</u>	<u>-</u>	<u>(42,735)</u>
Total fund balances	<u>11,775,352</u>	<u>4,577,347</u>	<u>16,352,699</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,458,158</u>	<u>\$ 4,867,681</u>	<u>\$ 17,325,839</u>

LINCOLN COUNTY
NONMAJOR GOVERNMENTAL FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
REVENUES:			
Taxes and land sales	\$ 2,894,170	\$ 770,363	\$ 3,664,533
Intergovernmental Revenues	7,214,334	-	7,214,334
Fines and Fees	34,199	-	34,199
Permits and fees	284,997	-	284,997
Charges for services	1,902,530	305,865	2,208,395
Donations	81,025	-	81,025
Investment Earnings	88,870	30,054	118,924
Other revenue	22,451	-	22,451
Total revenues	<u>12,522,576</u>	<u>1,106,282</u>	<u>13,628,858</u>
EXPENDITURES:			
Current:			
General government	363,228	4,000	367,228
Public safety	1,600,923	-	1,600,923
Community Services	4,680,340	-	4,680,340
Culture and recreation	133,737	-	133,737
Public works	4,770,511	-	4,770,511
Education	346,146	-	346,146
Capital outlay	-	316,729	316,729
Total expenditures	<u>11,894,885</u>	<u>320,729</u>	<u>12,215,614</u>
Excess (deficiency) of revenues over expenditures	<u>627,691</u>	<u>785,553</u>	<u>1,413,244</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	147,542	-	147,542
Transfers out	-	(125,000)	(125,000)
Proceeds from sale of capital assets	-	73,300	73,300
Total other financing sources (uses)	<u>147,542</u>	<u>(51,700)</u>	<u>95,842</u>
Net change in fund balances	775,233	733,853	1,509,086
Fund balances at beginning of year	10,828,680	3,843,494	14,672,174
Restatement of beginning fund balance	<u>171,439</u>	<u>-</u>	<u>171,439</u>
Fund balances at end of year	<u>\$ 11,775,352</u>	<u>\$ 4,577,347</u>	<u>\$ 16,352,699</u>

Nonmajor Special Revenue Funds

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

- **Economic Development** – Revenue received from the distribution of State Lottery monies is accounted for in this fund. All revenue is earmarked for local economic development.
- **Property Management** – Revenue
- **County Commons** – 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.
- **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.
- **Community Health Centers** – This fund operates federally funded community health centers in various locations in the County.
- **Siletz Area Enhanced Law Enforcement District (a component unit)** – This fund accounts for the law enforcement activities for the special district established for that purpose. It is funded by a property tax levy and contributions from the Confederated Tribes of the Siletz Indians.
- **Animal Services District (a component unit)** – This district is supported by a property tax levy and the sale of dog licenses and fees charged by the County Animal Shelter to operate the shelter and provide animal control services county-wide.
- **Title III/Safety Net** – Under Public Law 106-393, “The Secure Rural Schools and Community Self-Determination Act of 2000,” this fund accrues revenue to be set aside for projects authorized by the law.
- **Corner Preservation** – This fund accounts for expenditures incurred by the County Surveyor in the establishment, re-establishment, and maintenance of corners of government surveys.
- **Community Justice** – This fund Accounts for Community Justice grant funded activity.
- **Radio Communications Systems** – This fund accounts for the activities related to the operation and maintenance of the County-wide public safety communications system. It is funded by contributions from the various public agencies who utilize it.
- **OSU Extension District (a component unit)** – This fund accounts for the operations of the OSU/Lincoln County Extension District 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.

LINCOLN COUNTY
NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2021

	102 Economic Development Fund	111 Property Management	203 County Commons Fund	205 Law Library Fund	207 Clerk Records Fund	204 Transit District Fund	216 Community Health Centers Fund
ASSETS							
Cash and investments	\$ 1,492,658	\$ 146,576	\$ 313,951	\$ 141,552	\$ 186,646	\$ 3,460,016	\$ 1,694,023
Receivables - net	81,844	126,757	-	-	-	314,992	367,082
Total assets	<u>\$ 1,574,502</u>	<u>\$ 273,333</u>	<u>\$ 313,951</u>	<u>\$ 141,552</u>	<u>\$ 186,646</u>	<u>\$ 3,775,008</u>	<u>\$ 2,061,105</u>
LIABILITIES							
Accounts payable	\$ 18,100	\$ 1,264	\$ 23,983	\$ 399	\$ 2,657	\$ 11,103	\$ 72,513
Accrued payroll and related expenses	-	-	-	-	374	55,631	123,251
Total liabilities	<u>18,100</u>	<u>1,264</u>	<u>23,983</u>	<u>399</u>	<u>3,031</u>	<u>66,734</u>	<u>195,764</u>
DEFERRED INFLOWS OF RESOURCES							
Other Deferred Revenue	81,844	-	-	-	-	43,757	81,680
FUND BALANCES							
Restricted	1,474,558	272,069	289,968	-	-	3,664,517	1,783,661
Committed	-	-	-	141,153	183,615	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>1,474,558</u>	<u>272,069</u>	<u>289,968</u>	<u>141,153</u>	<u>183,615</u>	<u>3,664,517</u>	<u>1,783,661</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,574,502</u>	<u>\$ 273,333</u>	<u>\$ 313,951</u>	<u>\$ 141,552</u>	<u>\$ 186,646</u>	<u>\$ 3,775,008</u>	<u>\$ 2,061,105</u>

LINCOLN COUNTY
NONMAJOR SPECIAL REVENUE FUNDS

Combining Balance Sheet

June 30, 2021

	230 Siletz Law Enforcement District	212 Animal Services Fund	213 Title Ill/Safety Net Fund	217 Corner Preservation Fund	250 Community Justice	291 Radio Communications Fund	859 OSU Extension Agency
ASSETS							
Cash and investments	\$ 237,362	\$ 251,977	\$ 1,367,390	\$ 410,955	\$ -	\$ 136,321	\$ 939,649
Receivables - net	<u>9,413</u>	<u>49,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,248</u>
Total assets	<u>\$ 246,775</u>	<u>\$ 301,889</u>	<u>\$ 1,367,390</u>	<u>\$ 410,955</u>	<u>\$ -</u>	<u>\$ 136,321</u>	<u>\$ 959,897</u>
LIABILITIES							
Accounts payable	\$ 351	\$ 26,550	\$ 3,348	\$ -	\$ 40,359	\$ 793	\$ 352
Accrued payroll and related expenses	<u>-</u>	<u>9,931</u>	<u>-</u>	<u>54</u>	<u>2,376</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>351</u>	<u>36,481</u>	<u>3,348</u>	<u>54</u>	<u>42,735</u>	<u>793</u>	<u>352</u>
DEFERRED INFLOWS OF RESOURCES							
Other Deferred Revenue	<u>9,413</u>	<u>49,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,248</u>
FUND BALANCES							
Restricted	237,011	215,496	1,364,042	410,901	-	135,528	939,297
Committed	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,735)</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>237,011</u>	<u>215,496</u>	<u>1,364,042</u>	<u>410,901</u>	<u>(42,735)</u>	<u>135,528</u>	<u>939,297</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 246,775</u>	<u>\$ 301,889</u>	<u>\$ 1,367,390</u>	<u>\$ 410,955</u>	<u>\$ -</u>	<u>\$ 136,321</u>	<u>\$ 959,897</u>

LINCOLN COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2021

	603 Agate Beach Disposal Site Closure	601 DUII Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 686,131	\$ 22,703	\$ 11,487,910
Receivables - net	<u> -</u>	<u> -</u>	<u>970,248</u>
Total assets	<u>\$ 686,131</u>	<u>\$ 22,703</u>	<u>\$ 12,458,158</u>
LIABILITIES			
Accounts payable	\$ 2,563	\$ -	\$ 204,335
Accrued payroll and related expenses	<u> -</u>	<u> -</u>	<u>191,617</u>
Total liabilities	<u>2,563</u>	<u>-</u>	<u>395,952</u>
DEFERRED INFLOWS OF RESOURCES			
Other Deferred Revenue	<u> -</u>	<u> -</u>	<u>286,854</u>
FUND BALANCES			
Restricted	-	22,703	10,809,751
Committed	683,568	-	1,008,336
Unassigned	<u> -</u>	<u> -</u>	<u>(42,735)</u>
Total fund balances	<u>683,568</u>	<u>22,703</u>	<u>11,775,352</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 686,131</u>	<u>\$ 22,703</u>	<u>\$ 12,458,158</u>

LINCOLN COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2021

	102 Economic Development Fund	111 Property Management	203 County Commons Fund	205 Law Library Fund	207 Clerk Records Fund	204 Transit District Fund	216 Community Health Centers Fund
REVENUES:							
Taxes and land sales	\$ 216,947	\$ 400,361	\$ -	\$ -	\$ -	\$ 786,415	\$ -
Intergovernmental Revenues	1,728,512	-	53,167	-	-	2,438,185	2,813,021
Fines and Fees	-	-	-	34,199	-	-	-
Permits and fees	-	-	4,575	-	85,390	-	-
Charges for services	-	-	-	-	-	516,819	1,266,060
Donations	-	-	10,750	-	-	-	550
Investment Earnings	10,661	-	2,572	1,214	1,347	22,954	17,355
Other revenue	-	-	-	-	-	18,001	4,450
Total revenues	<u>1,956,120</u>	<u>400,361</u>	<u>71,064</u>	<u>35,413</u>	<u>86,737</u>	<u>3,782,374</u>	<u>4,101,436</u>
EXPENDITURES:							
Current:							
General government	-	128,292	-	-	41,314	-	-
Public safety	-	-	-	21,064	-	-	-
Community Services	1,506,010	-	-	-	-	3,083,263	-
Culture and recreation	-	-	133,737	-	-	-	-
Health and welfare	-	-	-	-	-	-	4,770,511
Education	-	-	-	-	-	-	-
Total expenditures	<u>1,506,010</u>	<u>128,292</u>	<u>133,737</u>	<u>21,064</u>	<u>41,314</u>	<u>3,083,263</u>	<u>4,770,511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>450,110</u>	<u>272,069</u>	<u>(62,673)</u>	<u>14,349</u>	<u>45,423</u>	<u>699,111</u>	<u>(669,075)</u>
OTHER FINANCING SOURCES (USES):							
Transfers In	-	-	75,000	-	-	-	-
Net change in fund balance	450,110	272,069	12,327	14,349	45,423	699,111	(669,075)
Fund balance beginning of year	1,024,448	-	277,641	126,804	136,977	2,916,956	2,331,810
Restatement of beginning fund balance	-	-	-	-	1,215	48,450	120,926
Ending fund balance	<u>\$ 1,474,558</u>	<u>\$ 272,069</u>	<u>\$ 289,968</u>	<u>\$ 141,153</u>	<u>\$ 183,615</u>	<u>\$ 3,664,517</u>	<u>\$ 1,783,661</u>

LINCOLN COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2021

	230 Siletz Law Enforcement District	212 Animal Services Fund	213 Title III/Safety Net Fund	217 Corner Preservation Fund	250 Community Justice	291 Radio Communications Fund
REVENUES:						
Taxes and land sales	\$ 236,334	\$ 889,904	\$ -	\$ -	\$ -	\$ -
Intergovernmental Revenues	115,565	11,265	-	-	50,000	-
Fines and Fees	-	-	-	-	-	-
Permits and fees	-	39,602	-	147,364	-	-
Charges for services	-	-	-	-	-	119,651
Donations	-	69,725	-	-	-	-
Investment Earnings	69	3,342	11,732	3,268	-	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>351,968</u>	<u>1,013,838</u>	<u>11,732</u>	<u>150,632</u>	<u>50,000</u>	<u>119,651</u>
EXPENDITURES:						
Current:						
General government	-	-	-	84,220	109,402	-
Public safety	336,007	1,120,029	-	-	-	123,823
Community Services	-	-	64,839	-	-	-
Culture and recreation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Education	-	-	-	-	-	-
Total expenditures	<u>336,007</u>	<u>1,120,029</u>	<u>64,839</u>	<u>84,220</u>	<u>109,402</u>	<u>123,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,961</u>	<u>(106,191)</u>	<u>(53,107)</u>	<u>66,412</u>	<u>(59,402)</u>	<u>(4,172)</u>
OTHER FINANCING SOURCES (USES):						
Transfers In	-	-	-	-	16,667	55,875
Net change in fund balance	15,961	(106,191)	(53,107)	66,412	(42,735)	51,703
Fund balance beginning of year	221,050	321,687	1,417,149	344,489	-	83,825
Restatement of beginning fund balance	-	-	-	-	-	-
Ending fund balance	<u>\$ 237,011</u>	<u>\$ 215,496</u>	<u>\$ 1,364,042</u>	<u>\$ 410,901</u>	<u>\$ (42,735)</u>	<u>\$ 135,528</u>

LINCOLN COUNTY

NONMAJOR SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2021

	<u>859 OSU Extension Agency</u>	<u>603 Agate Beach Disposal Site Closure</u>	<u>601 DUII Fund</u>	<u>Total</u>
REVENUES:				
Taxes and land sales	\$ 364,209	\$ -	\$ -	\$ 2,894,170
Intergovernmental Revenues	4,619	-	-	7,214,334
Fines and Fees	-	-	-	34,199
Permits and fees	-	8,066	-	284,997
Charges for services	-	-	-	1,902,530
Donations	-	-	-	81,025
Investment Earnings	8,433	5,736	187	88,870
Other revenue	-	-	-	22,451
Total revenues	<u>377,261</u>	<u>13,802</u>	<u>187</u>	<u>12,522,576</u>
EXPENDITURES:				
Current:				
General government	-	-	-	363,228
Public safety	-	-	-	1,600,923
Community Services	-	26,228	-	4,680,340
Culture and recreation	-	-	-	133,737
Health and welfare	-	-	-	4,770,511
Education	<u>346,146</u>	<u>-</u>	<u>-</u>	<u>346,146</u>
Total expenditures	<u>346,146</u>	<u>26,228</u>	<u>-</u>	<u>11,894,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>31,115</u>	<u>(12,426)</u>	<u>187</u>	<u>627,691</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,542</u>
Net change in fund balance	31,115	(12,426)	187	775,233
Fund balance beginning of year	908,182	695,146	22,516	10,828,680
Restatement of beginning fund balance	<u>-</u>	<u>848</u>	<u>-</u>	<u>171,439</u>
Ending fund balance	<u>\$ 939,297</u>	<u>\$ 683,568</u>	<u>\$ 22,703</u>	<u>\$ 11,775,352</u>

LINCOLN COUNTY
102 ECONOMIC DEVELOPMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 150,000	\$ 150,000	\$ 216,947	\$ 66,947
Intergovernmental revenues	250,000	1,488,290	1,728,512	240,222
Investment earnings	<u>12,500</u>	<u>12,500</u>	<u>10,661</u>	<u>(1,839)</u>
Total revenues	<u>412,500</u>	<u>1,650,790</u>	<u>1,956,120</u>	<u>305,330</u>
Expenditures:				
Materials and services	925,000	2,163,290	1,506,010	657,280
Contingency	<u>332,327</u>	<u>332,327</u>	<u>-</u>	<u>332,327</u>
Total expenditures	<u>1,257,327</u>	<u>2,495,617</u>	<u>1,506,010</u>	<u>989,607</u>
Net change in fund balances	(844,827)	(844,827)	450,110	1,294,937
Fund Balance:				
Beginning of year	<u>844,827</u>	<u>844,827</u>	<u>1,024,448</u>	<u>179,621</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,474,558</u>	<u>\$ 1,474,558</u>

LINCOLN COUNTY

111 PROPERTY MANAGEMENT

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	<u>\$ 1,225,368</u>	<u>\$ 1,225,368</u>	<u>\$ 400,361</u>	<u>\$ (825,007)</u>
Expenditures:				
Materials and services	<u>431,450</u>	<u>431,450</u>	<u>128,292</u>	<u>303,158</u>
Net change in fund balances	793,918	793,918	272,069	(521,849)
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ 793,918</u>	<u>\$ 793,918</u>	<u>\$ 272,069</u>	<u>\$ (521,849)</u>

LINCOLN COUNTY
203 COUNTY COMMONS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental Revenues	\$ 53,000	\$ 53,000	\$ 53,167	\$ 167
Permits and fees	15,000	15,000	4,575	(10,425)
Donations	10,000	10,000	10,750	750
Investment Earnings	2,000	2,000	2,572	572
Other revenue	<u>49,500</u>	<u>49,500</u>	<u>-</u>	<u>(49,500)</u>
Total revenues	<u>129,500</u>	<u>129,500</u>	<u>71,064</u>	<u>(58,436)</u>
Expenditures:				
Materials and services	247,800	247,800	133,737	114,063
Contingency	<u>128,430</u>	<u>128,430</u>	<u>-</u>	<u>128,430</u>
Total expenditures	<u>376,230</u>	<u>376,230</u>	<u>133,737</u>	<u>242,493</u>
Excess revenues under expenditures	<u>(246,730)</u>	<u>(246,730)</u>	<u>(62,673)</u>	<u>184,057</u>
Other financing sources (uses):				
Transfers In	<u>75,000</u>	<u>75,000</u>	<u>75,000</u>	<u>-</u>
Net change in fund balances	(171,730)	(171,730)	12,327	184,057
Fund Balance:				
Beginning of year	<u>171,730</u>	<u>171,730</u>	<u>277,641</u>	<u>105,911</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,968</u>	<u>\$ 289,968</u>

LINCOLN COUNTY

205 LAW LIBRARY FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Fines and penalties	\$ 46,000	\$ 46,000	\$ 34,199	\$ (11,801)
Investment earnings	2,250	2,250	1,214	(1,036)
Total revenues	<u>48,250</u>	<u>48,250</u>	<u>35,413</u>	<u>(12,837)</u>
Expenditures:				
Materials and services	56,300	56,300	21,064	35,236
Contingency	101,803	101,803	-	101,803
Total expenditures	<u>158,103</u>	<u>158,103</u>	<u>21,064</u>	<u>137,039</u>
Net change in fund balances	(109,853)	(109,853)	14,349	124,202
Fund Balance:				
Beginning of year	<u>109,853</u>	<u>109,853</u>	<u>126,804</u>	<u>16,951</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,153</u>	<u>\$ 141,153</u>

LINCOLN COUNTY

207 CLERK RECORDS FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Permits and fees	\$ 52,000	\$ 52,000	\$ 85,390	\$ 33,390
Investment earnings	2,000	2,000	1,347	(653)
Total revenues	54,000	54,000	86,737	32,737
Expenditures:				
Personal services	56,734	56,734	16,249	40,485
Materials and services	118,120	118,120	25,065	93,055
Total expenditures	174,854	174,854	41,314	133,540
Net change in fund balances	(120,854)	(120,854)	45,423	166,277
Fund Balance:				
Beginning of year	120,854	120,854	136,977	16,123
Restatement of beginning fund balance	-	-	1,215	(1,215)
End of year	\$ -	\$ -	\$ 183,615	\$ 183,615

LINCOLN COUNTY
204 TRANSIT DISTRICT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 740,000	\$ 740,000	\$ 786,415	\$ 46,415
Intergovernmental revenues	2,283,919	2,283,919	2,438,185	154,266
Charges for services	630,885	630,885	516,819	(114,066)
Investment earnings	70,000	70,000	22,954	(47,046)
Other revenue	<u>6,000</u>	<u>6,000</u>	<u>18,001</u>	<u>12,001</u>
Total revenues	<u>3,730,804</u>	<u>3,730,804</u>	<u>3,782,374</u>	<u>51,570</u>
Expenditures:				
Personal services	2,511,774	2,511,774	1,365,943	1,145,831
Materials and services	997,174	997,174	741,325	255,849
Capital outlay	1,745,442	1,745,442	975,995	769,447
Contingency	<u>917,198</u>	<u>917,198</u>	<u>-</u>	<u>917,198</u>
Total expenditures	<u>6,171,588</u>	<u>6,171,588</u>	<u>3,083,263</u>	<u>3,088,325</u>
Excess revenues over (under) expenditures	<u>(2,440,784)</u>	<u>(2,440,784)</u>	<u>699,111</u>	<u>3,139,895</u>
Other financing sources (uses):				
Transfers out	<u>(1,375,000)</u>	<u>(1,375,000)</u>	<u>-</u>	<u>1,375,000</u>
Net change in fund balances	<u>(3,815,784)</u>	<u>(3,815,784)</u>	<u>699,111</u>	<u>4,514,895</u>
Fund Balance:				
Beginning of year	3,815,784	3,815,784	2,916,956	(898,828)
Restatement of beginning fund balance	<u>-</u>	<u>-</u>	<u>48,450</u>	<u>48,450</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,664,517</u>	<u>\$ 3,664,517</u>

LINCOLN COUNTY
216 COMMUNITY HEALTH CENTERS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 2,402,901	\$ 2,931,961	\$ 2,813,021	\$ (118,940)
Charges for services	1,938,500	1,938,500	1,266,060	(672,440)
Investment earnings	40,000	40,000	17,355	(22,645)
Contributions and donations	600	600	550	(50)
Other revenue	<u>100</u>	<u>100</u>	<u>4,450</u>	<u>4,350</u>
Total revenues	<u>4,382,101</u>	<u>4,911,161</u>	<u>4,101,436</u>	<u>(809,725)</u>
Expenditures:				
Personal services	4,062,170	4,041,967	3,203,341	838,626
Materials and services	1,482,997	2,005,531	1,567,170	438,361
Contingency	<u>-</u>	<u>1,317,867</u>	<u>-</u>	<u>1,317,867</u>
Total expenditures	<u>5,545,167</u>	<u>7,365,365</u>	<u>4,770,511</u>	<u>2,594,854</u>
Net change in fund balances	(1,163,066)	(2,454,204)	(669,075)	1,785,129
Fund Balance:				
Beginning of year	1,163,066	2,454,204	2,331,810	(122,394)
Restatement of beginning fund balance	<u>-</u>	<u>-</u>	<u>120,926</u>	<u>(120,926)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,783,661</u>	<u>\$ 1,783,661</u>

LINCOLN COUNTY

230 SILETZ AREA ENHANCED LAW ENFORCEMENT DISTRICT
 Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes and land sales	\$ 217,500	\$ 217,500	\$ 236,334	\$ 18,834
Intergovernmental revenues	168,031	168,031	115,565	(52,466)
Investment earnings	250	250	69	(181)
Total revenues	385,781	385,781	351,968	(33,813)
Expenditures:				
Materials and services	336,061	336,061	336,007	54
Contingency	229,869	229,869	-	229,869
Total expenditures	565,930	565,930	336,007	229,923
Net change in fund balances	(180,149)	(180,149)	15,961	196,110
Fund Balance:				
Beginning of year	180,149	180,149	221,050	40,901
End of year	\$ -	\$ -	\$ 237,011	\$ 237,011

LINCOLN COUNTY

212 ANIMAL SERVICES FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 883,621	\$ 883,621	\$ 889,904	\$ 6,283
Intergovernmental revenues	3,000	3,000	11,265	8,265
Permits and fees	47,000	47,000	39,602	(7,398)
Investment earnings	5,000	5,000	3,342	(1,658)
Contributions and donations	<u>60,000</u>	<u>60,000</u>	<u>69,725</u>	<u>9,725</u>
Total revenues	<u>998,621</u>	<u>998,621</u>	<u>1,013,838</u>	<u>15,217</u>
Expenditures:				
Personal services	817,642	817,642	773,152	44,490
Materials and services	304,000	364,000	346,877	17,123
Contingency	<u>273,717</u>	<u>213,717</u>	<u>-</u>	<u>213,717</u>
Total expenditures	<u>1,395,359</u>	<u>1,395,359</u>	<u>1,120,029</u>	<u>275,330</u>
Net change in fund balances	(396,738)	(396,738)	(106,191)	290,547
Fund Balance:				
Beginning of year	<u>396,738</u>	<u>396,738</u>	<u>321,687</u>	<u>(75,051)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,496</u>	<u>\$ 215,496</u>

LINCOLN COUNTY

213 TITLE III/SAFETY NET FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Investment earnings	\$ <u>20,000</u>	\$ <u>20,000</u>	\$ <u>11,732</u>	\$ <u>(8,268)</u>
Expenditures:				
Materials and services	896,631	896,631	64,839	831,792
Capital outlay	<u>477,975</u>	<u>477,975</u>	<u>-</u>	<u>477,975</u>
Total expenditures	<u>1,374,606</u>	<u>1,374,606</u>	<u>64,839</u>	<u>1,309,767</u>
Net change in fund balances	(1,354,606)	(1,354,606)	(53,107)	1,301,499
Fund Balance:				
Beginning of year	<u>1,354,606</u>	<u>1,354,606</u>	<u>1,417,149</u>	<u>62,543</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,364,042</u>	<u>\$ 1,364,042</u>

LINCOLN COUNTY
217 CORNER PRESERVATION FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Permits and fees	\$ 101,000	\$ 101,000	\$ 147,364	\$ 46,364
Investment earnings	8,000	8,000	3,268	(4,732)
Total revenues	<u>109,000</u>	<u>109,000</u>	<u>150,632</u>	<u>41,632</u>
Expenditures:				
Personal services	33,483	33,483	3,927	29,556
Materials and services	142,200	142,200	80,293	61,907
Capital outlay	78,000	78,000	-	78,000
Contingency	159,268	159,268	-	159,268
Total expenditures	<u>412,951</u>	<u>412,951</u>	<u>84,220</u>	<u>328,731</u>
Net change in fund balances	(303,951)	(303,951)	66,412	370,363
Fund Balance:				
Beginning of year	303,951	303,951	344,489	40,538
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 410,901</u>	<u>\$ 410,901</u>

LINCOLN COUNTY
250 COMMUNITY JUSTICE
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental Revenues	-	106,000	50,000	(56,000)
Expenditures:				
Personnel Services	-	91,167	79,264	11,903
Materials and services	-	31,500	30,138	1,362
Total expenditures	-	122,667	109,402	13,265
Excess revenues under expenditures	-	(16,667)	(59,402)	(42,735)
Other financing sources (uses):				
Transfers In	-	16,667	16,667	-
Total other financing sources (uses)	-	16,667	16,667	-
Net change in fund balances	-	-	(42,735)	(42,735)
Fund Balance:				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (42,735)</u>	<u>\$ (42,735)</u>

LINCOLN COUNTY
291 RADIO COMMUNICATIONS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 121,611	\$ 121,611	\$ 119,651	\$ (1,960)
Expenditures:				
Materials and services	157,216	157,216	123,823	33,393
Contingency	<u>83,351</u>	<u>83,351</u>	<u>-</u>	<u>83,351</u>
Total expenditures	<u>240,567</u>	<u>240,567</u>	<u>123,823</u>	<u>116,744</u>
Excess revenues under expenditures	<u>(118,956)</u>	<u>(118,956)</u>	<u>(4,172)</u>	<u>114,784</u>
Other financing sources (uses):				
Transfers in	<u>55,875</u>	<u>55,875</u>	<u>55,875</u>	<u>-</u>
Net change in fund balances	(63,081)	(63,081)	51,703	114,784
Fund Balance:				
Beginning of year	<u>63,081</u>	<u>63,081</u>	<u>83,825</u>	<u>20,744</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 135,528</u>	<u>\$ 135,528</u>

LINCOLN COUNTY

859 EXTENSION DISTRICT

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Taxes and land sales	\$ 331,500	\$ 331,500	\$ 364,209	\$ 32,709
Intergovernmental revenues	11,000	11,000	4,619	(6,381)
Investment earnings	<u>17,000</u>	<u>17,000</u>	<u>8,433</u>	<u>(8,567)</u>
Total revenues	<u>359,500</u>	<u>359,500</u>	<u>377,261</u>	<u>17,761</u>
Expenditures:				
Materials and services	680,829	680,829	346,146	334,683
Capital outlay	15,000	15,000	-	15,000
Contingency	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total expenditures	<u>945,829</u>	<u>945,829</u>	<u>346,146</u>	<u>599,683</u>
Net change in fund balances	(586,329)	(586,329)	31,115	617,444
Fund Balance:				
Beginning of year	<u>886,329</u>	<u>886,329</u>	<u>908,182</u>	<u>21,853</u>
End of year	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ 939,297</u>	<u>\$ 639,297</u>

LINCOLN COUNTY
603 AGATE BEACH DISPOSAL SITE CLOSURE
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Permits and fees	\$ 6,800	\$ 6,800	\$ 8,066	\$ 1,266
Investment earnings	<u>12,500</u>	<u>12,500</u>	<u>5,736</u>	<u>(6,764)</u>
Total revenues	<u>19,300</u>	<u>19,300</u>	<u>13,802</u>	<u>(5,498)</u>
Expenditures:				
Materials and services	728,446	728,446	26,228	702,218
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>743,446</u>	<u>743,446</u>	<u>26,228</u>	<u>717,218</u>
Net change in fund balances	(724,146)	(724,146)	(12,426)	711,720
Fund Balance:				
Beginning of year	724,146	724,146	695,146	(29,000)
Restatement of beginning fund balance	<u>-</u>	<u>-</u>	<u>848</u>	<u>(848)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 683,568</u>	<u>\$ 683,568</u>

LINCOLN COUNTY

601 DUUI FUND

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual (Budgetary Basis)

For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Permits and fees	\$ 1,500	\$ 1,500	\$ -	\$ (1,500)
Investment earnings	350	350	187	(163)
Total revenues	<u>1,850</u>	<u>1,850</u>	<u>187</u>	<u>(1,663)</u>
Expenditures:				
Materials and services	18,000	18,000	-	18,000
Contingency	6,574	6,574	-	6,574
Total expenditures	<u>24,574</u>	<u>24,574</u>	<u>-</u>	<u>24,574</u>
Net change in fund balances	(22,724)	(22,724)	187	22,911
Fund Balance:				
Beginning of year	<u>22,724</u>	<u>22,724</u>	<u>22,516</u>	<u>(208)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,703</u>	<u>\$ 22,703</u>

NONMAJOR CAPITAL PROJECTS FUNDS

- County Commons – This fund accounts for the upgrade and improvement to the County Fairgrounds and its buildings and infrastructure through a dedicated transient room tax.
- Capital Projects – This fund handles the expenses incurred for selected capital projects. Revenue sources include debt proceeds, grants, and transfers from other funds.
- Vehicle Replacement – This fund is responsible for the purchase of vehicles for the County's fleet. The principal revenue sources are charges to departments utilizing fleet vehicles.

LINCOLN COUNTY

Nonmajor Capital Project Funds

Balance Sheet

June 30, 2021

	<u>607 County Commons Facilities Fund</u>	<u>103 Vehicle Replacement Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 4,050,783	\$ 526,564	\$ 4,577,347
Accounts Receivable	<u>290,334</u>	<u>-</u>	<u>290,334</u>
 Total assets	 <u>\$ 4,341,117</u>	 <u>\$ 526,564</u>	 <u>\$ 4,867,681</u>
LIABILITIES AND FUND BALANCES			
Deferred Revenue	<u>\$ 290,334</u>	<u>\$ -</u>	<u>\$ 290,334</u>
Fund Balances:			
Committed	<u>4,050,783</u>	<u>526,564</u>	<u>4,577,347</u>
 Total liabilities and fund balances	 <u>\$ 4,341,117</u>	 <u>\$ 526,564</u>	 <u>\$ 4,867,681</u>

LINCOLN COUNTY

Nonmajor Capital Project Funds

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

Year ended June 30, 2021

	607 County Commons Facilities Fund	103 Vehicle Replacement Fund	Total
REVENUES			
Hotel and Motel Taxes	\$ 770,363	\$ -	\$ 770,363
Charges for services	-	305,865	305,865
Investment Earnings	30,054	-	30,054
Total revenues	800,417	305,865	1,106,282
EXPENDITURES			
Current			
General government	-	4,000	4,000
Capital Outlay	-	316,729	316,729
Total expenditures	-	320,729	320,729
Excess (deficiency) of revenues over (under) expenditures	800,417	(14,864)	785,553
OTHER FINANCING SOURCES (USES)			
Gains (Losses) on Sale of Capital Asset	-	73,300	73,300
Transfers Out	(125,000)	-	(125,000)
Total other financing source (uses)	(125,000)	73,300	(51,700)
Net change in fund balances	675,417	58,436	733,853
Beginning fund balances	3,375,366	468,128	3,843,494
Ending fund balances	\$ 4,050,783	\$ 526,564	\$ 4,577,347

LINCOLN COUNTY
607 COUNTY COMMONS FACILITIES FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Hotel and Motel Taxes	\$ 230,300	\$ 230,300	\$ 770,363	\$ 540,063
Investment Earnings	<u>52,000</u>	<u>52,000</u>	<u>30,054</u>	<u>(21,946)</u>
Total revenues	<u>282,300</u>	<u>282,300</u>	<u>800,417</u>	<u>518,117</u>
Expenditures:				
Materials and Services	320,000	320,000	-	320,000
Capital Outlay	<u>3,247,995</u>	<u>3,247,995</u>	<u>-</u>	<u>3,247,995</u>
Total expenditures	<u>3,567,995</u>	<u>3,567,995</u>	<u>-</u>	<u>3,567,995</u>
Excess revenues over (under) expenditures	<u>(3,285,695)</u>	<u>(3,285,695)</u>	<u>800,417</u>	<u>4,086,112</u>
Other financing sources (uses):				
Transfers Out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>-</u>
Net change in fund balances	(3,410,695)	(3,410,695)	675,417	4,086,112
Fund Balance:				
Beginning of year	<u>3,410,695</u>	<u>3,410,695</u>	<u>3,375,366</u>	<u>(35,329)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,050,783</u>	<u>\$ 4,050,783</u>

LINCOLN COUNTY
103 VEHICLE REPLACEMENT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Charges for services	\$ 299,775	\$ 299,775	\$ 305,865	\$ 6,090
Total revenues	<u>299,775</u>	<u>299,775</u>	<u>305,865</u>	<u>6,090</u>
Expenditures:				
Materials and services	4,000	4,000	4,000	-
Capital outlay	295,000	327,663	316,729	10,934
Contingency	<u>483,811</u>	<u>451,148</u>	<u>-</u>	<u>451,148</u>
Total expenditures	<u>782,811</u>	<u>782,811</u>	<u>320,729</u>	<u>462,082</u>
Excess revenues under expenditures	(483,036)	(483,036)	(14,864)	468,172
Other financing sources (uses):				
Proceeds from sale of capital assets	<u>24,000</u>	<u>24,000</u>	<u>73,300</u>	<u>49,300</u>
Net change in fund balances	(459,036)	(459,036)	58,436	517,472
Fund Balance:				
Beginning of year	<u>459,036</u>	<u>459,036</u>	<u>468,128</u>	<u>9,092</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 526,564</u>	<u>\$ 526,564</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 to waste haulers within the County for tons of waste hauled.

LINCOLN COUNTY
210 SOLID WASTE DISTRICT FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ 30,000	\$ 30,000	\$ 27,000	\$ (3,000)
Charges for services	403,383	403,383	355,427	(47,956)
Investment earnings	<u>8,000</u>	<u>8,000</u>	<u>5,274</u>	<u>(2,726)</u>
Total revenues	<u>441,383</u>	<u>441,383</u>	<u>387,701</u>	<u>(53,682)</u>
Expenditures:				
Personal services	115,297	115,297	102,677	12,620
Materials and services	260,442	263,792	189,469	74,323
Capital outlay	<u>-</u>	<u>30,000</u>	<u>21,888</u>	<u>8,112</u>
Total expenditures	<u>375,739</u>	<u>409,089</u>	<u>314,034</u>	<u>95,055</u>
Net change in fund balances	65,644	32,294	73,667	41,373
Fund Balance:				
Beginning of year	-	-	612,587	612,587
Restatement of beginning fund balance	<u>-</u>	<u>-</u>	<u>5,580</u>	<u>(5,580)</u>
End of year	<u>\$ 65,644</u>	<u>\$ 32,294</u>	691,834	<u>\$ 659,540</u>
Reconciliation to GAAP Basis:				
Compensated absences			(5,301)	
Capital Assets			<u>19,699</u>	
GAAP Fund Balance - end of year			<u>\$ 706,232</u>	

NONMAJOR INTERNAL SERVICE FUND

- **Self Insurance Fund** - This fund accounts for costs of the County's self-insurance activities for workers' compensation and unemployment, as well as risk management projects.

LINCOLN COUNTY
215 SELF INSURANCE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:				
Intergovernmental revenues	\$ -	\$ -	\$ 270,491	\$ 270,491
Charges for services	850,000	850,000	1,359,943	509,943
Investment earnings	75,000	75,000	16,097	(58,903)
Other revenue	<u>10,000</u>	<u>10,000</u>	<u>71,556</u>	<u>61,556</u>
Total revenues	<u>935,000</u>	<u>935,000</u>	<u>1,718,087</u>	<u>783,087</u>
Expenditures:				
Personal services	60,975	60,975	4,830	56,145
Materials and services	948,650	948,650	889,813	58,837
Capital outlay	410,000	410,000	226,288	183,712
Contingency	<u>2,005,761</u>	<u>2,005,761</u>	<u>-</u>	<u>2,005,761</u>
Total expenditures	<u>3,425,386</u>	<u>3,425,386</u>	<u>1,120,931</u>	<u>2,304,455</u>
Transfers out	<u>(1,575,000)</u>	<u>(1,575,000)</u>	<u>-</u>	<u>1,575,000</u>
Total other financing sources (uses)	<u>(1,575,000)</u>	<u>(1,575,000)</u>	<u>-</u>	<u>1,575,000</u>
Net change in fund balances	(4,065,386)	(4,065,386)	597,156	4,662,542
Fund Balance:				
Beginning of year	<u>4,065,386</u>	<u>4,065,386</u>	<u>2,568,288</u>	<u>(1,497,098)</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,165,444</u>	<u>\$ 3,165,444</u>

LINCOLN COUNTY

Schedule of Receipts and Disbursements for Elected Officials
For the Year Ended June 30, 2021

There is no cash on hand or cash transactions for independently elected officials for fiscal year ending June 30, 2021.



COMPLIANCE SECTION



COMMENTS AND DISCLOSURES OF INDEPENDENT AUDITOR REQUIRED BY STATE STATUTE

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To the Board of Commissioners
Lincoln County
Newport, Oregon

We have audited the basic financial statements of Lincoln County, ("County") as of and for the year ended June 30, 2021, and have issued our report thereon dated October 29, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

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

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

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

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
October 29, 2022



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

To the Board of Commissioners
Lincoln County
Newport, Oregon

1976 Garden Ave.
Eugene, OR 97403
541.342.5161
www.islercpa.com

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lincoln County as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements, and have issued our report thereon dated October 29, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of This Report

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

Isler CPA

By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
October 29, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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To the Board of Commissioners
Lincoln County
Newport, Oregon

Report on Compliance for Each Major Federal Program

We have audited the compliance of Lincoln County with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lincoln County's major federal programs for the year ended June 30, 2021. Lincoln County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Lincoln County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

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

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

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

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

Schedule of Expenditures of Federal Awards

We have audited of the governmental activities, the business-type activities, and the aggregate remaining fund information of Lincoln County as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise Lincoln County's basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We issued our report thereon dated October 29, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Isler CPA



By: Paul Nielson, CPA, a member of the firm
Eugene, Oregon
October 29, 2022

LINCOLN COUNTY
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements:

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

Federal Awards:

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs?	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 516(a) of the Uniform Guidance?	No

Identification of Major Federal Award Programs:

Name of Federal Program or Cluster	
Formula Grant for Rural Users	20.509
Coronavirus Relief Fund	21.019
Primary Care, Outpatient Services	64.009
Provider Relief	93.498
Prescription Drug Overdose	93.778
Ryan White HIV/AIDS	93.917

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Summary Schedule of Prior Audit Findings

None

LINCOLN COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through Number	Expenditures (Revenue Recognized)	Amounts Provided to subrecipients
<i>Department of Agriculture</i>				
Oregon Department of Human Services - Health Division				
Special Supplement Nutrition Program for Women, Infants, and Children	10.557	PE 40-01	\$ 333,592	\$ -
<i>Department of Interior</i>				
Direct Awards				
National Wildlife Refuge Fund	15.659	FY 20	2,483	-
Noxious Weed Control-False Brome	15.230	20-SA-11061200-008	<u>4,000</u>	<u>-</u>
<i>Total Department of Interior</i>			<u>6,483</u>	<u>-</u>
<i>Department of Justice</i>				
Direct Awards				
Coronavirus Emergency Supplemental	16.034	6051	6,916	-
Oregon Department of Justice				
Bulletproof Vest Partnership	16.607	09-251	15,355	-
Oregon Commission on Children and Families				
Crime Victim Assistance	16.575	CFA-2017-LINCOLNCODAVAP-00045	163,879	-
Discretionary grant	16.585	2017-DC-BX-0025	18,629	-
Rural Domestic Violence, Dating Violence, Sexual Assault,	16.589	2019-X00843-OR-WR	92,022	-
Pretrial Justice Program	16.745	2018-MO-BX-0023	288,357	-
<i>JAG Program Cluster</i>				
Lincoln County Adult Drug Court	16.738	SC-21-032	190,482	-
Transitional Housing Fees	16.738	SC -21-032	105,198	-
Hope Court Measure 57	16.738	IGA 5436/5468	207,078	-
Justice Reinvestment Grant Program-TAPS	16.738	JR-19-021	187,648	-
Downward Departure	16.738	JR-19-021	<u>200,652</u>	<u>-</u>
<i>Total JAG Program Cluster</i>			<u>891,058</u>	<u>-</u>
<i>Total Department of Justice</i>			<u>1,476,216</u>	<u>-</u>
<i>Department of Transportation</i>				
Oregon Department of Transportation				
Formula Grants for Rural Areas				
5311 Operating Funds	20.509	33426	594,001	-
5311 Cares Act	20.509	34203	313,816	-
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	33582	464,331	-
Speed Enforcement	20.616	M*SE-19-35-12	2,314	-
Hazardous Material	20.703	FFY-19-HMEP	<u>5,000</u>	<u>-</u>
<i>Total Department of Transportation</i>			<u>1,379,462</u>	<u>-</u>

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through Number	Expenditures (Revenue Recognized)	Amounts Provided to subrecipients
Department of Health and Human Services				
<i>Health Center Program Cluster</i>				
Community Health Centers	93.224	6H80CS06639 17H80CS06639-14-	1,316,078	-
HRSA Substance Abuse and Disorder	93.224	01	5,376	-
HRSA COVID	93.224	H8CC34165-01-00	19,142	-
Integrated Behavioral Health Service	93.224	H80CS06639	62,849	-
Expanded Capacity for Coronavirus Testing	93.224	H8ECS38056	39,188	-
Integrated Behavioral Health Service	93.527	H8DCS35810, H8CCS34165	1,343	-
<i>Health Center Program Cluster Total</i>			<u>1,443,976</u>	<u>-</u>
Oregon Health and Human Services				
Prescription Drug Overdose	93.788	159820-14	30,000	-
Immunization Action Program	93.268	159820	25,738	-
CARES Flu	93.268	159820-16	30,297	-
Healthcare Preparedness	93.889	161724	-	-
Public Health Emergency Preparedness				
Bioterrorism-Preparedness and Response	93.069	159820	79,461	45,580
ELC Lab Capacity				
Contract Tracing	93.323	159820	23,228	-
COVID 19 Response	93.354	159820	39,744	-
Provider Relief Funding	93.498	159820	934,517	-
<i>Affordable Care Act Maternal, Infant, and Early Childhood Home Visits Cluster</i>				
Nurse Family Partnership	93.505	166293	<u>112,075</u>	-
<i>Affordable Care Act Maternal, Infant, and Early Childhood Home Visits Clusterr total</i>			<u>112,075</u>	
Rural Communities Opioid Response	93.912	GA1R33539	55,893	-
HIV Care Formula Grants				
Maternal and Child Health Services Block Grant to the States	93.994	159820	2,850	-
MCH Title V Child Adolescent Health	93.994	155918	39,275	-
Ryan White HIV/AIDS	93.917	155918	645,039	-
Block Grant for Community Mental Health Services	93.958	159171	76,318	-
Block Grants for Prevention and Treatment of Substance Abuse				
Continuum of Care	93.959	159171	158,470	39,600
Peer Support	93.959	159171	32,422	12,213
A and D Prevention Education	93.959	159820	61,250	-
Block Grants for Prevention and Treatment of Substance Abuse	93.778	157831	1,301,250	-
Child Welfare Program-	93.658	159067	34,710	-
Juvenile Crime Prevention-Basic and Diversion	93.667	14306	85,883	-
Oregon Department of Justice-Child Support Division				
Child Support Enforcement	93.563	11080	243,706	-
COVID Behavioral Health Crisis Outreach	93.982	168038	88,395	-

Federal Grantor / Pass-Through Grantor / Program Title	CFDA Number	Pass-Through Number	Expenditures (Revenue Recognized)	Amounts Provided to subrecipients
<i>Department of Health and Human Services (cont.)</i>				
Oregon Commission on Children and Families)				
Youth Investment Basic	93.667	11080	31,864	-
Basic Center	93.623	90CY7288-01-00	46,388	-
Project Nurture Oregon	93.788	208-009	2,626	-
Oregon Military Department-Emergency Management				
Healthcare Preparedness	93.889	161724	22,132	-
Oregon Health Sciences University				
OHSU Cocoon	93.994	101448	19,344	-
<i>Total Department of Health and Human Services</i>			<u>5,666,851</u>	<u>97,393</u>
<i>Department of Homeland Security</i>				
Oregon Military Department-Emergency Management				
Boating Safety Financial Assistance	97.012	3312FAS120141	296,965	-
Mass Care and Sheltering Planning	97.067	167616-0	14,024	-
CERT Kits	97.042	19-241	6,944	-
Incident Trailer	97.073	19-242	178,512	-
Wildfire Behavioral Health Crisis Outreach	97.032	19-241	19,719	-
<i>Total Department of Homeland Security</i>			<u>516,164</u>	<u>-</u>
<i>Department of Treasury</i>				
Coronavirus Relief Fund				
Direct Awards				
COVID 19-Marion County Epidemiology	21.019	HE-3790-20	15,776	-
CARES Act	21.019	2516	1,188,290	-
Emergency Rural Broadband Capacity Program	21.019	159171-7	27,986	-
COVID-19 Reimbursement	21.019	FY21	994,328	-
COVID Active Monitoring	21.019	159820	739,427	-
COVID 19 Vaccine Access	21.019	2621	145,680	-
American Rescue Plan Act	21.027	21H8FCS40768C6	146,468	-
<i>Total Department of Treasury</i>			<u>3,257,955</u>	<u>-</u>
<i>Department of Veterans Administration</i>				
Veterans Medical Care Benefits				
Primary Care, Outpatient Services	64.009	VA260-15-0-0037	748,881	-
<i>Environmental Protection Agency</i>				
Oregon Department of Human Services				
State Public Water System Supervision Sanitary Survey Program	66.432	280557	3,208	-
Total Expenditures of Federal Awards			<u>\$ 14,832,788</u>	<u>\$ 97,393</u>

LINCOLN COUNTY

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Lincoln County under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 US Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Because the schedule presents only a selected portion of the operation of the County, it is not intended to and does not present the financial position, changes in financial position, or cash flow for the County.

2. Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis of accounting in accordance with generally accepted accounting principles. Expenditures reported on this schedule are recognized following the cost principles in Title 2 US Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, where certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

3. Indirect Cost

The County has not elected to use the 10% *de minimis* cost rate.