

**LINCOLN COUNTY, OREGON**

ANNUAL FINANCIAL REPORT  
AND INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2023



**LINCOLN COUNTY, OREGON**

List of Elected and Appointed Officials

June 30, 2023

**BOARD OF COMMISSIONERS**

<b>Title</b>	<b>Name</b>
Commissioner, Chair	Kaety Jacobson
Commissioner	Claire Hall
Commissioner	Casey Miller

All individuals receive mail at the address listed below:

225 West Olive Street  
Newport, OR 97365

**Administrative Staff**

Kristin Yuille, County Counsel  
Tim Johnson, County Administrator



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**| INDEPENDENT AUDITOR'S REPORT**



## Independent Auditor's Report

Board of Commissioners  
Lincoln County

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Lincoln County ("County"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Emphasis of Matters**

As described in *Note 1* to the financial statements, the 2023 financial statements have been restated to correct misstatements. As further described in *Note 1* to the financial statements, in 2023 the County adopted new accounting guidance GASB Statement No. 96, *Subscription based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and general fund and major special revenue funds budgetary comparison information, certain pension schedules, and certain other postemployment benefit schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 management's discussion and analysis, certain pension schedules, and certain other postemployment schedules 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 management's discussion and analysis because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The general fund and major special revenue funds budgetary comparison information is the responsibility of management and is 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 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 general fund and major special revenue funds budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The supplementary information as listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also 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 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024 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 solely 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 effectiveness of the County's 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.

### ***Other Reporting Required by Oregon State Regulations***

In accordance with *Oregon State Regulations*, we have also issued our report dated November 5, 2024 on our consideration of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of *the Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.



Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
November 5, 2024



## | MANAGEMENT'S DISCUSSION AND ANALYSIS

**LINCOLN COUNTY**  
**Management's Discussion and Analysis**  
**June 30, 2023**

As management of Lincoln County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here and the accompanying basic financial statements.

**FINANCIAL HIGHLIGHTS**

- The County's total net position increased by \$13.2 million or 14.6%.
- Revenues increased by \$9.1 million or 11.4%.
- Expenses increased by \$6.8 million or 9.4%.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are 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.

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.

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

**Fund financial statements**

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

**Governmental funds**

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

**LINCOLN COUNTY**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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 27 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and change in fund balances for the General, Public Works, Mental Health, Public Health, American Rescue Plan, and Capital Projects 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 agency) funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not included in the government wide financial statements because the resources are not available to support the operations of Lincoln County. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the County's fiduciary assets and liabilities are reported in a separate Statement of Fiduciary Net Position. An example is the Property Tax 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. A statistical section containing selected financial, economic, and demographic information is presented immediately following the combining statements.

**LINCOLN COUNTY**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Changes in Net Position. As noted earlier, any changes in net position may serve over time as a useful indicator of a government's financial position. The County's combined net position was \$103.4 million at June 30, 2023, which increased \$13.2 million or 14.6% between fiscal years 2022 and 2023. 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 liabilities.

Current and other assets increased by \$14.6 million or 17.6%. Capital assets increased \$2.8 million, or 6.3%. Overall, total assets and deferred outflows or resources increased by \$17.2 million or 13.1%.

Other liabilities increased from last year by \$3.9 million or 20.6%. Other 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 liabilities increased \$1,960,830 or 11.8% due primarily to the issuance of new debt during the year.

The County's net investment in capital assets increased by \$6.1 million or 19.0% with modest capital project activity in 2023. An increase in utilization of reserves caused restricted net position to increase \$1.2 million or 3.7%.

	June 30, 2023		June 30, 2022		Total	
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	2023	2022
Current & other assets	\$ 96,311,435	\$ 1,456,237	\$ 82,194,650	\$ 975,486	\$ 97,767,672	\$ 83,170,136
Capital assets, net	47,309,474	10,944	44,511,040	15,322	47,320,418	44,526,362
Total assets	143,620,909	1,467,181	126,705,690	990,808	145,088,090	127,696,498
Deferred outflows of resources	3,678,988	-	3,901,700	-	3,678,988	3,901,700
Total assets and deferred outflows	147,299,897	1,467,181	130,607,390	990,808	148,767,078	131,598,198
Long-term liabilities	18,623,130	-	16,662,300	-	18,623,130	16,662,300
Other liabilities	23,037,713	29,519	19,120,243	12,494	23,067,232	19,132,737
Total liabilities	41,660,843	29,519	35,782,543	12,494	41,690,362	35,795,037
Deferred inflows of resources	3,647,223	-	5,548,789	-	3,647,223	5,548,789
Total liabilities and deferred inflows	45,308,066	29,519	41,331,332	12,494	45,337,585	41,343,826
Net investment in capital assets	38,168,762	10,944	32,062,895	15,322	38,179,706	32,078,217
Restricted	33,779,571	-	32,585,086	-	33,779,571	32,585,086
Unrestricted	30,043,498	1,426,718	24,628,077	962,992	31,470,216	25,591,069
Total net position	\$ 101,991,831	\$ 1,437,662	\$ 89,276,058	\$ 978,314	\$ 103,429,493	\$ 90,254,372

Governmental Activities. Revenues for the County's governmental activities increased by \$8.9 million or 11.2% while total expenses increased by \$6.6 million or 9.2%.

The increase in revenue is due primarily to COVID funding and the related expenses, operating grants increasing \$2,465,518 or 8.1% and property taxes increasing \$1.7 million or 7.0%.

**LINCOLN COUNTY**  
**Management's Discussion and Analysis**  
**June 30, 2023**

As stated above, overall expenses increased this year. Specifically, general government expenses increased \$2.8 million or 16.4%, public safety expenses increased \$1.4 million or 6.5% and highways and streets expenses increased \$2.0 million or 35.3%. 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 \$459,000 or 32.0%.

	June 30, 2023		June 30, 2022		Total	
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	2023	2022
<b>Revenues</b>						
Program revenues:						
Fines, fees, and charges for services	\$ 19,269,853	\$ 729,662	\$16,803,084	\$513,351	\$ 19,999,515	\$17,316,435
Operating grants/c ontributions	32,999,911	31,000	30,534,393	42,426	33,030,911	30,576,819
Capital grants/contributions	546,956	-	-	-	546,956	-
General revenues:						
Property taxes	26,635,480	-	24,902,205	-	26,635,480	24,902,205
Transient room taxes	5,413,054	-	6,912,213	-	5,413,054	6,912,213
Other taxes	690,825	-	167,343	-	690,825	167,343
Miscellaneous	212,772	17,960	-	-	230,732	-
Investment income (loss)	2,520,852	32,235	(21,534)	5,818	2,553,087	(15,716)
Gain on disposal of assets	-	-	126,512	-	-	126,512
<b>Total revenues</b>	<b>88,289,703</b>	<b>810,857</b>	<b>79,424,216</b>	<b>561,595</b>	<b>89,100,560</b>	<b>79,985,811</b>
<b>Expenses</b>						
General government	19,599,361	-	16,833,005	-	19,599,361	16,833,005
Public safety	22,237,989	-	20,872,869	-	22,237,989	20,872,869
Community services	7,490,531	-	6,711,699	-	7,490,531	6,711,699
Culture and recreation	339,665	-	1,241,964	-	339,665	1,241,964
Health and welfare	20,375,498	-	19,775,969	-	20,375,498	19,775,969
Education	381,721	-	419,289	-	381,721	419,289
Highway and streets	7,654,843	-	5,656,595	-	7,654,843	5,656,595
Interest on long-term debt	147,870	-	139,125	-	147,870	139,125
Solid waste	-	479,354	-	289,513	479,354	289,513
<b>Total expenses</b>	<b>78,227,478</b>	<b>479,354</b>	<b>71,650,515</b>	<b>289,513</b>	<b>78,706,832</b>	<b>71,940,028</b>
Change in net positon	10,062,225	331,503	7,773,701	272,082	10,393,728	8,045,783
Beginning net position	89,276,058	978,314	81,502,357	706,232	81,502,357	82,208,589
Restatement	2,653,548	127,845	-	-	2,781,393	-
<b>Ending net position</b>	<b>\$ 101,991,831</b>	<b>\$ 1,437,662</b>	<b>\$ 89,276,058</b>	<b>\$ 978,314</b>	<b>\$ 91,896,085</b>	<b>\$ 90,254,372</b>

**LINCOLN COUNTY**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**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 \$70.0 million, an increase of \$9.4 million from the previous year.

- The County's General Fund balance increased \$4.5 million from last year, increases in taxes and land sale revenue while decreased expenditures contributed to this increase in fund balance.
- The Public Works Fund balance decreased by \$18,000. This is due to a decrease in grant funding from other governments
- The Mental Health Fund showed a fund balance increase of \$4.3 million. This reflected a status quo year with no major new programs.
- The Public Health Fund showed a fund balance decrease of \$224,000. This reflected a significant decrease in grant funding
- The Nonmajor Governmental Fund balances increased a total of \$6,269,848 for the year, attributable to increase intergovernmental revenues for the year.

**BUDGETARY HIGHLIGHTS**

Minor changes were made during the fiscal year to adjust the County's originally adopted General Fund budget. The public safety budget increased by \$930,000, general government increased by \$41,000, community service increased by \$95,000 and the contingency was reduced by \$106,000. These increases were driven by new operating grant related expenditures and COVID pandemic expenditures. The County anticipates that much, if not all, of the COVID expenditures will be reimbursed by Federal aid programs.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The County's investment in capital assets for its governmental activities on June 30, 2023, was \$47.3 million (net of accumulated depreciation/amortization), an increase of \$3.9 million over last year. This investment in capital assets includes buildings, and equipment. The County's business-type activities have a nominal investment in capital assets of \$11,000 (net of accumulated depreciation) at June 30, 2023.

	June 30, 2023		June 30, 2022		Total	
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	2023	2022
Land	\$ 2,490,912	\$ -	\$ 2,315,256	\$ -	\$ 2,490,912	\$ 2,315,256
Construction in progress	1,770,648	-	2,511,248	-	1,770,648	2,511,248
Infrastructure	20,335,011	-	20,435,477	-	20,335,011	20,435,477
Buildings	11,296,895	-	6,707,510	-	11,296,895	6,707,510
Improvements	4,569,095	-	4,589,508	-	4,569,095	4,589,508
Equipment	4,960,264	10,944	4,471,117	15,322	4,971,208	4,486,439
Right-of-use assets	1,787,290	-	2,309,155	-	1,787,290	2,309,155
Software	99,359	-	-	-	99,359	-
<b>Total</b>	<b>\$ 47,309,474</b>	<b>\$ 10,944</b>	<b>\$ 43,339,271</b>	<b>\$ 15,322</b>	<b>\$ 47,320,418</b>	<b>\$ 43,354,593</b>

Additional information on the County's capital asset activity may be found in the Capital Assets section (Note 6) of the notes to the financial statements.

**LINCOLN COUNTY**  
**Management's Discussion and Analysis**  
**June 30, 2023**

**Long-term Debt.** On June 30, 2023, the County had total direct borrowing debt of \$7.2 million.

	June 30, 2023		June 30, 2022		Total	
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	2023	2022
	Direct borrowing	\$ 7,225,553	\$ -	\$ 6,059,628	\$ -	\$ 7,225,553
Total	\$ 7,225,553	\$ -	\$ 6,059,628	\$ -	\$ 7,225,553	\$ 6,059,628

The County's total general obligation debt increased by \$1.2 million during 2023. The County made principal payments of \$434,000 on its direct borrowings. The County issued \$1.6 million in direct borrowings.

Additional information on the County's long-term debt activity may be found in the Noncurrent Liabilities section (Note 8) of the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The onset of the COVID pandemic in fiscal year 2019-20 is expected to have a continuing impact on the fiscal year 2023-24 budget. Changes in operational patterns, remote staff deployments, and COVID mitigation costs and activities are expected to continue throughout the fiscal year. While federal aid in various forms is expected to offset these impacts, a lack of clarity regarding timing, allowability of expenses, and the duration of the pandemic has resulted 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 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**



**| GOVERNMENT-WIDE FINANCIAL  
STATEMENTS**

**LINCOLN COUNTY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:</b>			
<b>ASSETS:</b>			
Cash and investments	\$ 88,133,185	\$ 1,361,428	\$ 89,494,613
Receivables, net	7,885,310	94,809	7,980,119
Prepaid items	183,324	-	183,324
Net other post-employment benefit asset (RHIA)	109,616	-	109,616
Capital assets not being depreciated	4,261,560	-	4,261,560
Capital assets being depreciated/amortized, net	43,047,914	10,944	43,058,858
<b>TOTAL ASSETS</b>	<b>143,620,909</b>	<b>1,467,181</b>	<b>145,088,090</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amounts related to OPERS	3,120,941	-	3,120,941
Deferred amounts related to RHIA	2,857	-	2,857
Deferred amounts related to OPEB	555,190	-	555,190
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,678,988</b>	<b>-</b>	<b>3,678,988</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>147,299,897</b>	<b>1,467,181</b>	<b>148,767,078</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:</b>			
<b>LIABILITIES:</b>			
Accounts payable	2,083,796	17,991	2,101,787
Accrued payroll and related expenses	2,054,693	1,609	2,056,302
Accrued interest payable	30,029	-	30,029
Unearned revenue	16,273,930	-	16,273,930
Accrued compensated absences	2,595,265	9,919	2,605,184
Net pension liability (OPERS) (due in more than one year)	7,870,048	-	7,870,048
Total other post employment benefit obligation (due in more than one year)	1,612,370	-	1,612,370
Leases and subscriptions payable:			
Due within one year	361,309	-	361,309
Due in more than one year	1,522,241	-	1,522,241
Long-term debt, net of unamortized premium/discount:			
Due within one year	449,130	-	449,130
Due in more than one year	6,808,032	-	6,808,032
<b>TOTAL LIABILITIES</b>	<b>41,660,843</b>	<b>29,519</b>	<b>41,690,362</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred amounts related to OPERS	2,884,553	-	2,884,553
Deferred amounts related to RHIA	26,522	-	26,522
Deferred amounts related to OPEB	73,423	-	73,423
Deferred amounts related to leases	662,725	-	662,725
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,647,223</b>	<b>-</b>	<b>3,647,223</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>45,308,066</b>	<b>29,519</b>	<b>45,337,585</b>
<b>NET POSITION:</b>			
Net investment in capital assets	38,168,762	10,944	38,179,706
Restricted	33,669,955	-	33,669,955
Restricted for RHIA	109,616	-	109,616
Unrestricted	30,043,498	1,426,718	31,470,216
<b>TOTAL NET POSITION</b>	<b>\$ 101,991,831</b>	<b>\$ 1,437,662</b>	<b>\$ 103,429,493</b>

**LINCOLN COUNTY  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Fines, Fees, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government:							
General government	\$ 19,599,361	\$ 3,711,808	\$ 7,334,184	\$ -	\$ (8,553,369)	\$ -	\$ (8,553,369)
Public safety	22,237,989	1,612,993	2,677,917	-	(17,947,079)	-	(17,947,079)
Community services	7,490,531	1,031,797	3,900,994	-	(2,557,740)	-	(2,557,740)
Culture and recreation	339,665	15,045	77,368	-	(247,252)	-	(247,252)
Health and welfare	20,375,498	11,530,147	13,051,988	-	4,206,637	-	4,206,637
Education	381,721	-	2,824	546,956	168,059	-	168,059
Highway and streets	7,654,843	1,368,063	5,954,636	-	(332,144)	-	(332,144)
Interest on long-term debt	147,870	-	-	-	(147,870)	-	(147,870)
Total government activities	<u>78,227,478</u>	<u>19,269,853</u>	<u>32,999,911</u>	<u>546,956</u>	<u>(25,410,758)</u>	<u>-</u>	<u>(25,410,758)</u>
<b>Business-type activities:</b>							
Solid waste	479,354	729,662	31,000	-	-	281,308	281,308
Total primary government	<u>\$ 78,706,832</u>	<u>\$ 19,999,515</u>	<u>\$ 33,030,911</u>	<u>\$ 546,956</u>	<u>(25,410,758)</u>	<u>281,308</u>	<u>(25,129,450)</u>
General revenues:							
Property taxes					26,635,480	-	26,635,480
Transient room taxes					5,413,054	-	5,413,054
Other taxes					690,825	-	690,825
Miscellaneous					212,772	17,960	230,732
Investment income (loss)					2,520,852	32,235	2,553,087
Total general revenues					<u>35,472,983</u>	<u>50,195</u>	<u>35,523,178</u>
<b>CHANGE IN NET POSITION</b>					10,062,225	331,503	10,393,728
<b>BEGINNING NET POSITION - JULY 1, 2022, AS RESTATED</b>					<u>91,929,606</u>	<u>1,106,159</u>	<u>93,035,765</u>
<b>ENDING NET POSITION - JUNE 30, 2023</b>					<u>\$ 101,991,831</u>	<u>\$ 1,437,662</u>	<u>\$ 103,429,493</u>



## | FUND FINANCIAL STATEMENTS

**LINCOLN COUNTY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	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
<b>ASSETS:</b>								
Cash and investments	\$ 12,574,328	\$ 9,918,949	\$ 10,879,207	\$ 3,324,748	\$ 9,014,156	\$ 9,153,667	\$ 29,397,782	\$ 84,262,837
Receivables, net	3,002,482	48,901	524,320	345,723	52,764	-	3,911,120	7,885,310
<b>TOTAL ASSETS</b>	<b>\$ 15,576,810</b>	<b>\$ 9,967,850</b>	<b>\$ 11,403,527</b>	<b>\$ 3,670,471</b>	<b>\$ 9,066,920</b>	<b>\$ 9,153,667</b>	<b>\$ 33,308,902</b>	<b>\$ 92,148,147</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>								
<b>LIABILITIES:</b>								
Accounts payable	\$ 614,940	\$ 209,377	\$ 148,509	\$ 161,777	\$ 49,904	\$ -	\$ 330,684	\$ 1,515,191
Accrued payroll and related expenses	1,098,737	167,361	196,209	252,413	-	-	339,973	2,054,693
Unearned revenue	282,068	-	4,152,669	942,322	8,815,170	500,000	1,581,701	16,273,930
<b>TOTAL LIABILITIES</b>	<b>1,995,745</b>	<b>376,738</b>	<b>4,497,387</b>	<b>1,356,512</b>	<b>8,865,074</b>	<b>500,000</b>	<b>2,252,358</b>	<b>19,843,814</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable revenue - property taxes	474,756	-	-	-	-	-	85,074	559,830
Deferred inflow - leases	-	-	-	-	-	-	662,725	662,725
Unavailable revenue - AR	-	-	107,243	6,157	-	-	992,535	1,105,935
<b>TOTAL DEFERRED INFLOWS</b>	<b>474,756</b>	<b>-</b>	<b>107,243</b>	<b>6,157</b>	<b>-</b>	<b>-</b>	<b>1,740,334</b>	<b>2,328,490</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>2,470,501</b>	<b>376,738</b>	<b>4,604,630</b>	<b>1,362,669</b>	<b>8,865,074</b>	<b>500,000</b>	<b>3,992,692</b>	<b>22,172,304</b>
<b>FUND BALANCES:</b>								
Restricted	153,863	9,591,112	-	-	201,846	-	23,723,134	33,669,955
Committed	-	-	6,798,897	2,307,802	-	8,653,667	5,593,076	23,353,442
Unassigned	12,952,446	-	-	-	-	-	-	12,952,446
<b>TOTAL FUND BALANCES</b>	<b>13,106,309</b>	<b>9,591,112</b>	<b>6,798,897</b>	<b>2,307,802</b>	<b>201,846</b>	<b>8,653,667</b>	<b>29,316,210</b>	<b>69,975,843</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 15,576,810</b>	<b>\$ 9,967,850</b>	<b>\$ 11,403,527</b>	<b>\$ 3,670,471</b>	<b>\$ 9,066,920</b>	<b>\$ 9,153,667</b>	<b>\$ 33,308,902</b>	<b>\$ 92,148,147</b>

**LINCOLN COUNTY  
RECONCILIATION OF GOVERNMENTAL FUNDS  
BALANCE SHEET TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

<b>TOTAL FUND BALANCES</b>		\$ 69,975,843
Capital assets are not financial resources and therefore are not reported in the governmental funds:		
Cost	\$ 140,671,165	
Accumulated depreciation and amortization	<u>(93,361,691)</u>	47,309,474
The asset associated with the County's retirement health insurance account (RHIA) is not recorded in the governmental funds as it is not available nor payable currently.		
		109,616
The net deferred outflow/(inflow) associated with the County's pension and other post-employment benefits is not recorded in the governmental funds as it is not available nor payable currently.		
		694,490
Prepaid items are not included in the governmental funds.		
		183,324
A portion of the County's property taxes are collected after year-end but are not available soon enough to pay for the current year's operations, and therefore are not reported as revenue in the governmental funds.		
		559,830
A portion of the County Health Center's receivables are collected after year-end, but are not available soon enough to pay for current year's operations, and therefore are not reported as revenues in the governmental funds.		
		1,105,935
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest on long-term debt is not accrued in the governmental funds, but rather recognized as an expenditure when due. These liabilities consist of:		
Compensated absences payable	(2,595,265)	
Net pension liability	(7,870,048)	
Other post employment obligations benefits	(1,612,370)	
Accrued interest payable	(30,029)	
Leases payable	(1,883,550)	
Long-term debt payable	<u>(7,257,162)</u>	(21,248,424)
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>3,301,743</u>
<b>TOTAL NET POSITION</b>		<u><u>\$ 101,991,831</u></u>

**LINCOLN COUNTY**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	101 General Fund	201 Public Works Fund	209 Mental Health Fund	208 Public Health Fund	275 American Rescue Plan Fund	219 Capital Projects Fund	Nonmajor Governmental Funds	Total
<b>REVENUES:</b>								
Taxes	\$ 28,701,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,987,403	\$ 32,689,283
Intergovernmental	5,854,744	5,954,636	4,731,381	2,979,102	1,396,150	-	13,094,464	34,010,477
Fines and fees	60,511	-	-	-	-	-	-	60,511
Permits and fees	1,969,030	-	-	-	-	-	194,624	2,163,654
Charges for services	1,956,618	1,275,017	5,846,759	3,713,393	-	-	3,052,400	15,844,187
Indirect charges	-	-	-	-	-	125,083	-	125,083
Investment income (loss)	976,843	240,224	244,840	70,534	201,846	4,973	697,367	2,436,627
Miscellaneous	317,780	110,350	42,639	88,904	-	7,058	225,034	791,765
<b>TOTAL REVENUES</b>	<b>39,837,406</b>	<b>7,580,227</b>	<b>10,865,619</b>	<b>6,851,933</b>	<b>1,597,996</b>	<b>137,114</b>	<b>21,251,292</b>	<b>88,121,587</b>
<b>EXPENDITURES:</b>								
Current:								
General government	14,204,463	-	-	-	759,834	201,933	2,383,261	17,549,491
Public safety	19,954,043	-	-	-	-	-	1,414,139	21,368,182
Community services	2,380,691	-	-	-	-	-	4,185,435	6,566,126
Culture and recreation	-	-	-	-	-	-	225,683	225,683
Health and welfare	-	-	7,216,255	6,853,125	-	-	6,320,381	20,389,761
Education	-	-	-	-	-	-	371,721	371,721
Highway and streets	-	6,379,654	-	-	-	-	-	6,379,654
Debt service	712,578	3,103	1,250	22,501	-	-	304,560	1,043,992
Capital outlay	-	1,214,978	1,500,000	-	537,559	1,885,095	3,199,690	8,337,322
<b>TOTAL EXPENDITURES</b>	<b>37,251,775</b>	<b>7,597,735</b>	<b>8,717,505</b>	<b>6,875,626</b>	<b>1,297,393</b>	<b>2,087,028</b>	<b>18,404,870</b>	<b>82,231,932</b>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	103,117	-	-	471,345	-	438,942	1,683,969	2,697,373
Transfers out	(554,455)	(23,770)	(512,087)	(1,230,187)	(98,757)	-	(278,117)	(2,697,373)
Proceeds from issuance of long-term debt	-	-	-	-	-	-	1,600,000	1,600,000
Proceeds from sale of capital assets	-	23,600	-	-	-	-	20,082	43,682
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(451,338)</b>	<b>(170)</b>	<b>(512,087)</b>	<b>(758,842)</b>	<b>(98,757)</b>	<b>438,942</b>	<b>3,025,934</b>	<b>1,643,682</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>2,134,293</b>	<b>(17,678)</b>	<b>1,636,027</b>	<b>(782,535)</b>	<b>201,846</b>	<b>(1,510,972)</b>	<b>5,872,356</b>	<b>7,533,337</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>10,972,016</b>	<b>9,608,790</b>	<b>5,162,870</b>	<b>3,090,337</b>	<b>-</b>	<b>10,164,639</b>	<b>23,443,854</b>	<b>62,442,506</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 13,106,309</b>	<b>\$ 9,591,112</b>	<b>\$ 6,798,897</b>	<b>\$ 2,307,802</b>	<b>\$ 201,846</b>	<b>\$ 8,653,667</b>	<b>\$ 29,316,210</b>	<b>\$ 69,975,843</b>

**LINCOLN COUNTY  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

<b>NET CHANGE IN FUND BALANCE</b>		\$ 7,533,337
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Government 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/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period:</p>		
Expenditures for capital assets	\$ 8,201,226	
Less: current year depreciation/amortization	(3,877,543)	
Disposal of capital assets	<u>(159,361)</u>	
		4,164,322
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds:</p>		
Change in unavailable revenue - AR	(116,841)	
Change in unavailable revenue - property taxes	<u>(425,564)</u>	
		(542,405)
<p>Expenditures for services extending over more than one accounting period may be accounted for as expenditures of the period of acquisition in the governmental funds. This is the change in the amount of prepaids in the Statement of Activities.</p>		
		(33,392)
<p>Long-term debt proceeds are reported as other financing sources in governmental funds. In the Statement of Net Assets, however, issuing long-term debt increases liabilities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the Statement of Net Assets. This is the amount of repayments:</p>		
Lease principal paid	390,438	
Subscription principal paid	43,053	
Loans principal paid	434,075	
Bond premium	25,549	
Issuance of long-term debt	(1,600,000)	
Issuances of leases	(71,216)	
Issuance of subscription financing	<u>(112,040)</u>	
		(890,141)
<p>Compensated absences are recognized as an expenditure in the governmental funds when they are paid. In the Statement of Activities compensated absences are recognized as an expenditure when earned.</p>		
		(58,729)
<p>In the Statement of Activities interest is accrued on long-term debt, whereas in the governmental funds it is recorded as an interest expense when due.</p>		
		1,417
<p>Government funds report pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employee contributions is reported as expenses.</p>		
		112,721
<p>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</p>		
		<u>(224,905)</u>
<b>CHANGE IN NET POSITION</b>		<u>\$ 10,062,225</u>

**LINCOLN COUNTY  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District</b>	<b>Governmental Activities - Internal Service Fund 215 Self Insurance Fund</b>
<b>ASSETS:</b>		
Current assets:		
Cash and investments	\$ 1,361,428	\$ 3,870,348
Receivables, net	94,809	-
Capital assets, net	10,944	-
<b>TOTAL ASSETS</b>	<b>1,467,181</b>	<b>3,870,348</b>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable and accrued payroll and related expenses	19,600	568,605
Accrued compensated absences	9,919	-
<b>TOTAL LIABILITIES</b>	<b>29,519</b>	<b>568,605</b>
<b>NET POSITION:</b>		
Unrestricted	1,437,662	3,301,743
<b>TOTAL NET POSITION</b>	<b>\$ 1,437,662</b>	<b>\$ 3,301,743</b>

**LINCOLN COUNTY  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District</b>	<b>Governmental Activities - Internal Service Fund 215 Self Insurance Fund</b>
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 729,662	\$ 825,421
Operating grants	31,000	-
Miscellaneous	17,960	51,953
<b>TOTAL OPERATING REVENUES</b>	<u>778,622</u>	<u>877,374</u>
<b>OPERATING EXPENSES:</b>		
Operations and maintenance	<u>479,354</u>	<u>1,186,504</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>479,354</u>	<u>1,186,504</u>
<b>OPERATING INCOME (LOSS)</b>	<u>299,268</u>	<u>(309,130)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment income (loss)	<u>32,235</u>	<u>84,225</u>
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<u>32,235</u>	<u>84,225</u>
<b>CHANGES IN NET POSITION</b>	331,503	(224,905)
<b>NET POSITION - JULY 1, 2022, AS RESTATED</b>	<u>1,106,159</u>	<u>3,526,648</u>
<b>NET POSITION - JUNE 30, 2023</b>	<u>\$ 1,437,662</u>	<u>\$ 3,301,743</u>

**LINCOLN COUNTY  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	<b>Business-type Activities - Nonmajor Enterprise Fund 210 Solid Waste District</b>	<b>Governmental Activities - Internal Service Fund 215 Self Insurance Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	\$ 811,658	\$ -
Cash received from interfund services provided	-	877,374
Payments to suppliers	(345,430)	(1,462,373)
Payments to employees	(112,521)	-
<b>Net cash provided (used) by operating activities</b>	<b>353,707</b>	<b>(584,999)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest and dividends	32,235	84,225
<b>Net cash provided (used) by investing activities</b>	<b>32,235</b>	<b>84,225</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>385,942</b>	<b>(500,774)</b>
<b>CASH AND INVESTMENTS - BEGINNING OF THE YEAR</b>	<b>975,486</b>	<b>4,371,122</b>
<b>CASH AND INVESTMENTS - END OF THE YEAR</b>	<b>\$ 1,361,428</b>	<b>\$ 3,870,348</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 299,268	\$ (309,130)
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation expense	4,378	-
Change in assets and liabilities:		
Accounts receivable	33,036	-
Accounts payable	13,330	(20,300)
Accrued payroll and related expenses	1,274	(255,569)
Compensated absences	2,421	-
<b>Net cash provided (used) by operating activities</b>	<b>\$ 353,707</b>	<b>\$ (584,999)</b>

**LINCOLN COUNTY  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2023**

	<b>Custodial Funds</b>
<b>ASSETS:</b>	
Cash and investments	\$ 4,883,405
Receivables	5,380,441
<b>TOTAL ASSETS</b>	<b>10,263,846</b>
<b>LIABILITIES</b>	
Due to individuals, organizations, and other governments	6,684,795
<b>TOTAL LIABILITIES</b>	<b>6,684,795</b>
<b>TOTAL RESTRICTED NET POSITION</b>	<b>\$ 3,579,051</b>

**LINCOLN COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUND  
JUNE 30, 2023**

	<b>Custodial Funds</b>
<b>ADDITIONS:</b>	
Property tax collections for other governments	\$ 136,398,639
Sheriff's civil trust	294,002
Jail inmate trust	817,392
Other	105,907
Investment income (loss)	82,329
<b>TOTAL ADDITIONS</b>	<b>137,698,269</b>
<b>DEDUCTIONS:</b>	
Property tax distributions to other governments	137,209,400
Sheriff's civil trust	292,832
Jail inmate trust	821,843
Other	120,686
<b>TOTAL DEDUCTIONS</b>	<b>138,444,761</b>
<b>CHANGE IN NET POSITION</b>	<b>(746,492)</b>
<b>NET POSITION, JULY 1, 2022, AS RESTATED</b>	<b>4,325,543</b>
<b>NET POSITION, JUNE 30, 2023</b>	<b>\$ 3,579,051</b>



**| NOTES TO THE FINANCIAL  
STATEMENTS**

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**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.

**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**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*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.

**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.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for reimbursement based grants which use one year. Expenditures generally are 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.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property taxes, state revenue, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

- General Fund - 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 Fund - 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 Fund - This fund accounts for public health services through a variety of programs funded from grants and other resources.
- Capital Projects Fund – This fund contains several self contained departments for the purpose of acquiring or constructing capital assets over multiple fiscal years.
- American Rescue Plan Fund – This fund accounts for financial resources used for programs funded from grants.

The County also includes the following other fund types:

- Special Revenue Funds - 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 Fund - accounts for the operations services rendered to the surrounding governmental entities on a user charge basis, a predominantly self-supporting activity.
- Internal Service Fund - accounts for the County's self-insurance programs. Charges to other funds and refunds from insurance policies support this activity.
- Agency Fund - 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 BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Cash and Investments**

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

**Inventories and Prepaid Items**

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

In the government-wide financial statements, prepaids are considered a current asset because they are expected to be consumed, used, or exhausted in a future accounting period. In the fund financial statements, prepaids are not reported and are included as an expenditure in the period of acquisition.

**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, 2023, the County's tax levy did not exceed the Oregon constitutional limitation. All other districts' property taxes receivable are reported in the Agency Fund.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, streetlights, 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 - 50 years
Buildings and improvements	10 - 50 years
Equipment	3 - 15 years
ROU assets	Based on length of lease
Software subscription	Based on length of subscription

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.

**Leases**

*Lessee.* The County is a lessee for noncancellable leases of easement property, buildings and equipment. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide and proprietary fund financial statements. The County recognizes lease liabilities with an initial, annual value of \$10,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price (if applicable) that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Lessor.* The County is a lessor for noncancellable leases of land and buildings. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide, proprietary fund and governmental fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for prepaid lease payments received at lease inception. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The County has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the County will report inflows of cash for lessor leases and outflows of cash for lessee leases.

**Subscription-based Information Technology Arrangements (SBITAs)**

The County has noncancellable subscription-based information technology arrangements. The County recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements. The County recognizes subscription liabilities with an initial, annual value of \$10,000 or more.

At the commencement of a subscription, the County initially measures the subscription liability at the present value of payments expected to be made during the SBITA term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to subscriptions include how the County determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) subscription term, and (3) subscription payments. The County uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for SBITAs. The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price (if applicable) that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its subscription and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The County has chosen not to implement GASB 96 for the budgetary basis of accounting. For both the budgetary basis of accounting and for SBITAs that do not meet the criteria for valuation under GASB 96, the County will report outflows of cash for subscription payments.

**Compensated Absences**

Compensated absences and related taxes are not recorded as expenditures in the governmental funds until paid. The expenditures are recorded in the General, General Road, Mental Health, Public Health, and Nonmajor Governmental Funds. Sick leave does not vest, except in the following two cases: employees who reach the age of 55 or older; and employees who are represented by the Lincoln County Employee's Association - Roads, and have been a member of the union for at least five continuous 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. Non-represented employees above a certain range receive paid time off from the start of employment at 11 hours per pay period.

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.

**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 two items that qualify for reporting in this category. It is the deferred amounts relating to pensions and OPEBs. This amount is deferred and recognized as an outflow of resources in the period when the County recognizes pension 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 several items that qualify for reporting in this category. Unavailable revenue from property taxes and receivable 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, OPEBs, and leases. 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.

**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.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Post-Employment Benefits**

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.

Additionally, substantially all of the County's employees are participants in the State of Oregon Public Employees Retirement System (OPERS) – Retirement Health Insurance Account (RHIA). Contributions to OPERS RHIA are made on a current basis as required by the plan and are charged as expenses.

**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.

**Fund Balances**

Governmental funds report nonspendable fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Restricted fund balance is reported when externally imposed constraints are placed on the use of the resources by grantors, contributors, or laws or regulations of other governments. Committed fund balance is reported for amounts that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority, the Board of Commissioners. A formal resolution of the Board of Commissioners is required to establish, modify or rescind a fund balance commitment. Assigned fund balance is reported for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Assignments, if any, will be authorized by the Board of Commissioners; however, no such authorizations have yet been made. Unassigned fund balance is the residual classification used for a general fund. In governmental funds, other than the general fund, it is not appropriate to report a positive unassigned fund balance amount. When expenditures incurred for specific purposes in the other governmental funds exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

When the County incurs an expenditure for purposes for which various fund balance classifications can be used, it is the County's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance, if any.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fund balances by classification for the year ended June 30, 2023 are as follows:

	General Fund	Public Works Fund	Mental Health Fund	Public Health Fund	American Rescue Plan Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Restricted for:								
Road maintenance	\$ -	\$ 9,591,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,591,112
Economic development	123,019	-	-	-	201,846	-	2,535,934	2,860,799
Transit services	-	-	-	-	-	-	5,863,942	5,863,942
Public safety	30,844	-	-	-	-	-	4,615,033	4,645,877
County fair	-	-	-	-	-	-	429,202	429,202
Capital outlay	-	-	-	-	-	-	6,360,678	6,360,678
Animal control services	-	-	-	-	-	-	788,358	788,358
Title III	-	-	-	-	-	-	1,300,609	1,300,609
County records	-	-	-	-	-	-	136,681	136,681
DUII administration	-	-	-	-	-	-	21,548	21,548
Law library	-	-	-	-	-	-	156,437	156,437
Maintenance of government surveys	-	-	-	-	-	-	507,042	507,042
Public education	-	-	-	-	-	-	1,007,670	1,007,670
Total restricted	<u>153,863</u>	<u>9,591,112</u>	<u>-</u>	<u>-</u>	<u>201,846</u>	<u>-</u>	<u>23,723,134</u>	<u>33,669,955</u>
Committed for:								
Outpatient services	-	-	6,798,897	2,307,802	-	-	3,921,863	13,028,562
Economic development	-	-	-	-	-	-	34,426	34,426
Public safety	-	-	-	-	-	-	173,977	173,977
Post-closure obligations	-	-	-	-	-	-	659,339	659,339
Capital outlay	-	-	-	-	-	8,653,667	803,471	9,457,138
Total committed	<u>-</u>	<u>-</u>	<u>6,798,897</u>	<u>2,307,802</u>	<u>-</u>	<u>8,653,667</u>	<u>5,593,076</u>	<u>23,353,442</u>
Unassigned	<u>12,952,446</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,952,446</u>
Total fund balances	<u>\$ 13,106,309</u>	<u>\$ 9,591,112</u>	<u>\$ 6,798,897</u>	<u>\$ 2,307,802</u>	<u>\$ 201,846</u>	<u>\$ 8,653,667</u>	<u>\$ 29,316,210</u>	<u>\$ 69,975,843</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.

**Adoption of New GASB Pronouncement**

During the year ended June 30, 2023, the County implemented the following GASB Pronouncements:

**GASB Statement No. 91, *Conduit Debt Obligations*.** The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. There is no effect on the County's financial statements upon adoption of this Statement.

**GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** This Statement's objective is to address accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. There is no effect on the County's financial statements upon adoption of this Statement.

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.** This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. There was no material effect on the County's financial statements upon adoption of this Statement.

**GASB Statement No. 99, *Omnibus 2022*.** This Statement includes a variety of small technical revisions to previously issued GASB Statements. There is no effect on the County's financial statements upon adoption of this Statement.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the County for the fiscal year ending June 30, 2025. There is no material effect on the County's financial statements upon adoption of this Statement.

**Future GASB Pronouncements**

The following GASB pronouncements have been issued, but are not effective as of June 30, 2023:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement clarifies the presentation and disclosures requirements for prior period adjustments to beginning net position. This Statement will be effective for the County for fiscal year ending June 30, 2024.

The County will implement new GASB pronouncements no later than the required effective date. The County is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the County's financial statements

**Use of 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.

**Restatement of Beginning Net Position**

For the year ended June 30, 2023, the County had restatements of previously reported balances as follows:

Governmental and proprietary beginning fund balances were restated due to improper recognition of amounts received as well as not recording appropriate revenue accruals. Additionally, the fiduciary fund beginning fund balance was restated due to improper recognition of funds held for individuals, organizations, and other governments.

Fund	(previously reported) Fund Balance at June 30, 2022	Restatement	(as restated) Fund Balance at June 30, 2022
<b>Governmental Funds:</b>			
General Fund	\$ 8,626,092	\$ 2,345,924	\$ 10,972,016
Mental Health Fund	6,088,185	(925,315)	5,162,870
Public Health Fund	2,532,190	558,147	3,090,337
Capital Projects Fund	10,664,639	(500,000)	10,164,639
Economic Development Fund	1,981,951	92,416	2,074,367
Transit District	5,031,272	31,029	5,062,301
Community Health Centers Fund	1,764,580	187,600	1,952,180
Siletz Area Law Enforcement District	306,701	41,097	347,798
Community Justice Fund	2,873,979	45,348	2,919,327
<b>Proprietary Funds:</b>			
Solid Waste District	978,314	127,845	1,106,159
Fiduciary Fund	10,080,841	(5,755,298)	4,325,543

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental and business-type activities beginning net positions were restated due to not recording appropriate revenue accruals.

Net Position	(previously reported) Net Position at June 30, 2022	Restatement	(as restated) Net Position at June 30, 2022
Governmental Activities	\$ 89,276,058	\$ 2,653,548	\$ 91,929,606
Business-type Activities	978,314	127,845	1,106,159

The governmental activities restatements were due to the following:

2,756,246	Revenue recognition
(319,414)	Capital assets
216,716	Prepays
<u>\$ 2,653,548</u>	

**Reclassifications**

Certain beginning balances have been reclassified from the prior year financial statements' ending balances to conform with the presentation in the current year.

**NOTE 2 – APPROPRIATION AND BUDGETARY CONTROLS**

**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.

During the fiscal year ended June 30, 2023, the County exceeded its appropriation authority in the following funds:

	<u>Final Budget</u>	<u>Actual</u>	<u>Excess</u>
<b>General Fund</b>			
Debt service	\$ 488,902	\$ 567,370	\$ 78,468
Transfers out	294,686	554,455	259,769
<b>Public Works Fund</b>			
Materials and services	2,927,082	3,049,608	122,526
Transfers out	22,711	23,770	1,059
<b>Law Library Fund</b>			
Materials and services	47,175	48,433	1,258
<b>Development Disabilities Fund</b>			
Debt service	8,000	8,008	8
Capital outlay	500,000	2,112,613	1,612,613

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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.

The County's deposits and investments at June 30, 2023 are as follows:

Total investments	\$	85,563,558
Deposits with financial institutions		8,814,463
Total	\$	94,378,021

Cash and investments are reported as follows:

Governmental Activities/Funds:		
General Fund	\$	12,232,106
Public Works Fund		10,025,610
Mental Health Fund		10,933,993
Community Health Fund		3,345,294
American Rescue Plan Fund		9,212,310
Capital Projects Fund		9,153,667
Nonmajor governmental funds		29,325,016
Total governmental funds		84,227,996
Internal Service Fund		3,888,906
Total governmental activities		88,116,902
Business-Type Activities:		
		1,368,666
Fiduciary Funds		4,892,453
Total cash and investments	\$	94,378,021

**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, 2023, the County's deposits with various financial institutions had a bank value of \$9,957,397. 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.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

**Investments**

As of June 30, 2023, the County held the following investments and maturities:

Investment type	Carrying value	Weighted Average Maturity in Years	Moody's Credit Rating	% of Investment Portfolio
U.S. Treasuries	\$ 9,658,990	1.071	AAA	11.29%
Federal Farm Credit Bank	2,435,940	1.614	AAA	2.85%
Federal National Mortgage Association	931,870	1.726	AAA	1.09%
Federal Home Loan Mortgage Corporation	1,853,635	2.221	AAA	2.17%
Federal Home Loan Bank	3,751,555	1.649	AAA	4.38%
Local government investment pool	<u>66,931,568</u>	N/A	N/A	78.22%
Total investment type	<u>\$ 85,563,558</u>			

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

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

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 – CASH AND INVESTMENTS (CONTINUED)**

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.

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's fair value estimates at June 30, 2023 are as follows:

	Totals as of 6/30/2023	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
U.S. Agency Securities	\$ 18,631,990	\$ -	\$ 18,631,990	\$ -	\$ -
LGIP	66,931,568	-	-	-	66,931,568
<b>Total</b>	<b>\$ 85,563,558</b>	<b>\$ -</b>	<b>\$ 18,631,990</b>	<b>\$ -</b>	<b>\$ 66,931,568</b>

**NOTE 4 – RECEIVABLES**

Receivables at June 30, 2023 were as follows:

	General Fund	Public Works Fund	Mental Health Fund	Public Health Fund	American Rescue Plan	Nonmajor Governmental Funds	Total Governmental Funds
Property taxes	\$ 717,723	\$ -	\$ -	\$ -	\$ -	\$ 109,404	\$ 827,127
Due from other governments	2,284,759	32,566	417,077	339,566	52,764	2,946,457	6,073,189
Leases	-	-	-	-	-	662,725	662,725
Accounts	-	16,335	132,195	9,393	-	231,515	389,438
Less: allowance for doubtful accounts	-	-	(24,952)	(3,236)	-	(38,981)	(67,169)
<b>Total governmental receivables</b>	<b>\$ 3,002,482</b>	<b>\$ 48,901</b>	<b>\$ 524,320</b>	<b>\$ 345,723</b>	<b>\$ 52,764</b>	<b>\$ 3,911,120</b>	<b>\$ 7,885,310</b>

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

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 – INTERFUND TRANSACTIONS**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues.

The following schedule summarizes the County’s transfer activity between funds within the governmental activities:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental activities:		
General Fund	\$ 103,117	\$ 554,455
Public Works Fund	-	23,770
Mental Health Fund	-	512,087
Public Health Fund	471,345	1,230,187
American Rescue Plan Fund	-	98,757
Capital Projects Fund	438,942	-
County Commons Fund	175,000	-
Community Health Centers Fund	20,326	-
Development Disabilities Fund	1,230,187	-
Community Justice Fund	197,392	-
Radio Communications Fund	61,064	-
County Commons Facility Fund	-	258,000
Community Enhancement Projects Fund	-	20,117
Total Transfers	<u>\$ 2,697,373</u>	<u>\$ 2,697,373</u>

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	(as restated)				
	Balance				Balance
<b>Governmental Activities:</b>	June 30, 2022	Additions	Disposals	Transfers	June 30, 2023
Capital assets not being depreciated/amortized:					
Land	\$ 2,315,256	\$ 175,656	\$ -	\$ -	\$ 2,490,912
Construction in progress	2,511,248	1,370,344	(159,144)	(1,951,800)	1,770,648
Total capital assets not being depreciated/amortized	<u>4,826,504</u>	<u>1,546,000</u>	<u>(159,144)</u>	<u>(1,951,800)</u>	<u>4,261,560</u>
Capital assets being depreciated/amortized:					
Infrastructure	75,153,681	-	-	748,238	75,901,919
Buildings	19,375,362	5,045,643	-	173,542	24,594,547
Improvements	13,019,804	525,966	-	-	13,545,770
Equipment	17,798,975	898,771	(253,550)	1,030,020	19,474,216
Right-of-use assets	2,911,093	71,216	(202,786)	-	2,779,523
Software	-	113,630	-	-	113,630
Total capital assets being depreciated/amortized	<u>128,258,915</u>	<u>6,655,226</u>	<u>(456,336)</u>	<u>1,951,800</u>	<u>136,409,605</u>
Less accumulated depreciation/amortization for:					
Infrastructure	(54,718,204)	(848,704)	-	-	(55,566,908)
Buildings	(12,667,852)	(629,800)	-	-	(13,297,652)
Improvements	(8,430,296)	(546,379)	-	-	(8,976,675)
Equipment	(13,327,858)	(1,439,644)	253,550	-	(14,513,952)
Right-of-use assets	(601,938)	(398,745)	8,450	-	(992,233)
Software	-	(14,271)	-	-	(14,271)
Total accumulated depreciation/ amortization	<u>(89,746,148)</u>	<u>(3,877,543)</u>	<u>262,000</u>	<u>-</u>	<u>(93,361,691)</u>
Total capital assets being depreciated/amortized, net	<u>38,512,767</u>	<u>2,777,683</u>	<u>(194,336)</u>	<u>1,951,800</u>	<u>43,047,914</u>
Total capital assets governmental activities, net	<u>\$ 43,339,271</u>	<u>\$ 4,323,683</u>	<u>\$ (353,480)</u>	<u>\$ -</u>	<u>\$ 47,309,474</u>

Depreciation/amortization expense was charged to governmental functions as follows:

General government	\$ 844,522
Public safety	1,040,878
Community services	618,011
Culture and recreation	113,982
Health and welfare	220,308
Highway and streets	1,039,842
Total	<u>\$ 3,877,543</u>

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 – CAPITAL ASSETS (CONTINUED)**

<b><u>Business-type Activities:</u></b>	Balance June 30, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Capital assets being depreciated:					
Equipment	\$ 21,888	\$ -	\$ -	\$ -	\$ 21,888
Total capital assets being depreciated	21,888	-	-	-	21,888
Less accumulated depreciation for:					
Equipment	(6,566)	(4,378)	-	-	(10,944)
Total accumulated depreciation	(6,566)	(4,378)	-	-	(10,944)
Total capital assets being depreciated, net	<u>\$ 15,322</u>	<u>\$ (4,378)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,944</u>

**Lease and Subscription Right-of-Use Assets**

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The County is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet. Further information on these transactions can be found in Note 9.

A subscription-based information technology arrangement (SBITA) is defined as a contract that conveys the right to use vendor-provided information technology and associated tangible capital assets for subscription payments without granting governments a perpetual license or title to the IT software and associated tangible capital assets. The County is involved in various SBITAs for information technology software and underlying subscription assets which are subscribed mainly from commercial and retail software vendors. With the implementation of GASB Statement No. 96, effective the fiscal year ended June 30, 2023, all existing and newly acquired subscriptions during the current fiscal year were analyzed and classified as either qualified or non-qualified SBITAs.

The County has entered into three qualified SBITA agreements as the subscriber for software. The subscription related to these SBITAs was initially recognized on July 1, 2022, with the adoption of GASB Statement No. 96. All ten of the SBITAs are related to software.

Lease and subscription right-of-use assets at June 30, 2023 consisted of the following:

	(as restated) Balance July 1, 2022	Additions	Disposals	Transfers	Balance June 30, 2023
Intangible assets being amortized:					
Right-of-use assets	\$ 2,911,093	\$ 71,216	\$ (202,786)	\$ -	\$ 2,779,523
Software	-	113,630	-	-	113,630
Total leased assets being amortized	2,911,093	184,846	(202,786)	-	2,893,153
Less accumulated amortization for:					
Right-of-use assets	(601,938)	(398,745)	8,450	-	(992,233)
Software	-	(14,271)	-	-	(14,271)
Total accumulated amortization	(601,938)	(413,016)	8,450	-	(1,006,504)
Total intangible assets, net	<u>\$ 2,309,155</u>	<u>\$ (228,170)</u>	<u>\$ (194,336)</u>	<u>\$ -</u>	<u>\$ 1,886,649</u>

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 – CONSTRUCTION COMMITMENTS**

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

Project	Contract Amount	Completed to Date	Remaining Commitment
Assessor's Office Digitization Project	\$ 103,640	\$ -	\$ 103,640

**NOTE 8 – NONCURRENT LIABILITIES**

**General Obligation Bonds**

**Local Oregon Capital Asset Program (LOCAP) certificates of participation**

The County issued certificates of participation, series 2013C, on July 30, 2013 in the amount of \$3.1 million through the Local Oregon Capital Assets Program with an average coupon rate of 4.27%.

Proceeds are to be used to purchase new assessment and taxation software and hardware replacement; simulcast communications installation and Extension County 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. The amount outstanding as of June 30, 2023 is \$1,335,000.

**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. The amount outstanding as of June 30, 2023 is \$4,128,000.

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

**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 per 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 County signed a 5-year promissory note on June 1, 2023 with Slape Investments Properties, LLC. to purchase property. The original amount of the note was \$1,600,000 with monthly installments of interest due of \$8,000 at 6% interest per annum. The full amount of unpaid principal and unpaid accrued interest is due and payable in fully on May 1, 2028.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 – NONCURRENT LIABILITIES (CONTINUED)**

Noncurrent liability activity for the year ended June 30, 2023, was as follows:

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Due within one year
<b>Governmental Activities:</b>					
LOCAP Series 2013C (direct borrowing)	\$ 1,430,000	\$ -	\$ (95,000)	\$ 1,335,000	\$ 100,000
Full Faith and Credit Series (direct borrowing)	4,440,000	-	(312,000)	4,128,000	316,000
Curry note (direct borrowing)	189,628	-	(27,075)	162,553	28,404
Slape Property Investments note (direct borrowing)	-	1,600,000	-	1,600,000	-
Unamortized premium/(discount)	57,158	-	(25,549)	31,609	4,726
Compensated absences	2,536,536	58,729 *	-	2,595,265	2,595,265
<b>Total Governmental Activities</b>	<b>\$ 8,653,322</b>	<b>\$ 1,658,729</b>	<b>\$ (459,624)</b>	<b>\$ 9,852,427</b>	<b>\$ 3,044,395</b>

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Due within one year
<b>Business-Type Activities:</b>					
Compensated absences	\$ 7,498	\$ 2,421 *	\$ -	\$ 9,919	\$ 9,919

\*The change in the compensated absences liability is presented as a net change.

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:

Year Ending June 30,	LOCAP Series 2013C			Full Faith and Credit Series 2020		Curry Property Note		Slape Property Investments		Principal Total	Interest Total
	Principal	Interest	Premium/ (Discount)	Principal	Interest	Principal	Interest	Principal	Interest		
2024	\$ 100,000	\$ 55,763	\$ 4,726	\$ 316,000	\$ 62,746	\$ 28,404	\$ 7,183	\$ -	\$ 96,000	\$ 444,404	\$ 221,692
2025	100,000	51,450	4,411	321,000	57,942	29,798	5,789	-	96,000	450,798	211,181
2026	105,000	47,222	4,081	326,000	53,063	31,260	4,327	-	96,000	462,260	200,612
2027	110,000	42,788	3,751	331,000	48,108	32,794	2,793	-	96,000	473,794	189,689
2028	115,000	38,147	3,404	336,000	43,077	34,403	1,184	1,600,000	88,000	2,085,403	170,408
2029-2033	655,000	109,913	11,236	1,757,000	137,241	5,894	35	-	-	2,417,894	247,189
2034-2035	150,000	3,375	-	741,000	16,933	-	-	-	-	891,000	20,308
<b>Total</b>	<b>\$ 1,335,000</b>	<b>\$ 348,658</b>	<b>\$ 31,609</b>	<b>\$ 4,128,000</b>	<b>\$ 419,110</b>	<b>\$ 162,553</b>	<b>\$ 21,311</b>	<b>\$ 1,600,000</b>	<b>\$ 472,000</b>	<b>\$ 7,225,553</b>	<b>\$ 1,261,079</b>

**NOTE 9 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The County is involved in leasing arrangements with both lessor and lessee positions.

Lessee - The County is involved in ten agreements as a lessee that qualify as long-term lease agreements. Below is a summary of the nature of these agreements. These agreements qualify as intangible, right-to-use assets and not financed purchases, as the County will not own the assets at the end of the contract terms and the noncancelable terms of the agreements surpass one year.

Lessor - The County is involved in two agreements as a lessor that qualify as long-term lease agreements. Below is a summary of these agreements. These agreements qualify as long-term lease agreements as the County will not surrender control of the asset at the end of the term and the noncancelable term of the agreement surpasses one year.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)**

**Lessor Leases Receivable**

The County has entered into a lease agreement as the lessor for a building used as office space and a radio tower. Implied interest rate on the leases are 3.98% and 1.48%, respectively. The building lease has monthly payments ranging from \$14,155 to \$17,442 and end December 31, 2026. The radio tower lease has annual payments of \$7,800 and ends December 31, 2031. During the year ended June 30, 2023 the County recognized rent revenue of \$21,760 and interest revenue of \$2,974.

Lease receivable at June 30, 2023 consisted of the following:

	(as restated) Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Leases receivable	\$ 65,736	\$ 618,749	\$ (21,760)	\$ 662,725
	\$ 65,736	\$ 618,749	\$ (21,760)	\$ 662,725

Future annual leases receivable for the year ended June 30, 2023 are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 192,470	\$ 21,588	\$ 214,058
2025	180,980	13,931	194,911
2026	167,734	7,097	174,831
2027	91,254	1,479	92,733
2028	7,406	394	7,800
2029 - 2031	22,881	512	23,393
	\$ 662,725	\$ 45,001	\$ 707,726

**Lease Payments Not Included in Receivable**

Variable payments based on future performance of the lessee or usage of the underlying asset were not included in the measurement of the lease receivable. These other payments were recognized as inflows of resources in the period to which those payments were related. During the fiscal year ended June 30, 2023, variable payments not included in the lease liability were \$20,854.

**Lessee Leases Payable**

The County entered into multiple lease agreements for building space and land with expiration dates ranging from February 29, 2024 to April 30, 2045. Annual payments range from \$7,800 to \$112,200. During the year ended June 30, 2023, lease principal and interest payments for \$390,438 and \$30,430 were made, respectively. During the year a lease was cancelled and the reduction was \$194,120.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)**

Leases payable currently outstanding as of June 30, 2023 are as follows:

	(as restated) Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Leases payable	\$ 2,327,905	\$ 71,216	\$ (584,558)	\$ 1,814,563
	<u>\$ 2,327,905</u>	<u>\$ 71,216</u>	<u>\$ (584,558)</u>	<u>\$ 1,814,563</u>

Future maturities of the leases payable are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 322,076	\$ 26,231	\$ 348,307
2025	244,478	22,792	267,270
2026	249,013	19,801	268,814
2027	194,733	17,021	211,754
2028	86,317	14,939	101,256
2029-2033	465,067	48,030	513,097
2034-2038	129,990	17,381	147,371
2039-2043	98,935	6,065	105,000
2044	23,954	-	23,954
	<u>\$ 1,814,563</u>	<u>\$ 172,260</u>	<u>\$ 1,986,823</u>

**Lease Payments Not Included in Liability**

The County leases land which it subleases and includes variable payments payable to the lessor based on a percentage of the receipts the County receives from sublessees. These payments are not included in the measurement of lease liability due to the payments received from the sublessees not being consistent or at a fixed rate. During the fiscal year ended June 30, 2023, variable payments not included in the lease liability were \$16,477.

**Subscriptions Payable**

The County is involved in three arrangements that qualify as long-term subscription-based information technology arrangements ("SBITA"). Below is a summary of the nature of these arrangements. These arrangements qualify as intangible, right-to-use subscription assets as the County has the control of the right to use another party's IT software and the noncancelable term of the arrangement surpasses one year. Payments made for the current year totaled \$36,053 with interest rates ranging from 2.18% through 2.36%.

Subscription payables currently outstanding as of June 30, 2023 are as follows:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Lease subscriptions	\$ -	\$ 112,040	\$ (43,053)	\$ 68,987
	<u>\$ -</u>	<u>\$ 112,040</u>	<u>\$ (43,053)</u>	<u>\$ 68,987</u>

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 – LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA) (CONTINUED)**

Future annual subscription commitments as of June 30, 2023 are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 39,233	\$ 1,560	\$ 40,793
2025	26,044	656	26,700
2026	3,710	40	3,750
	<u>\$ 68,987</u>	<u>\$ 2,256</u>	<u>\$ 71,243</u>

**Combined Lease and Subscription Liabilities**

On the face of the financial statements, lease and subscription payables are combined as a single line item.

Lease and subscription payables currently outstanding as of June 30, 2023 are as follows:

	(as restated) Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Leases payable	\$ 2,327,905	\$ 71,216	\$ (584,558)	\$ 1,814,563	\$ 322,076
Lease subscriptions	-	112,040	(43,053)	68,987	39,233
Total	<u>\$ 2,327,905</u>	<u>\$ 183,256</u>	<u>\$ (627,611)</u>	<u>\$ 1,883,550</u>	<u>\$ 361,309</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, 2023, there were 366 plan members. Required contributions are made bi-weekly 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 1000 hours or the age 55. 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 \$2,949,300 and employees contributed \$817,566 for the year ended June 30, 2023. 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.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 – DEFINED 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, 2023, were \$235,866.

**NOTE 12 – DEFINED BENEFIT PENSION PLAN**

**Risk Pooling**

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 Description**

Employees are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan administered in accordance with Oregon Revised Statutes (ORS) Chapter 238, Chapter 238A, and Internal Revenue Service Code Section 401(a).

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) defined contribution; established and maintained as a tax-qualified governmental defined contribution plan.

The 1995 Legislature enacted Chapter 654, Section 3, Oregon Laws 1995, which was codified into ORS 238.435. This legislature created a second tier of benefits for those who established membership on or after January 1, 1996. The second tier does not have the Tier One assumed earnings rate guarantee and has a higher normal retirement age of 60, compared to age 58 for Tier One.

The 2003 Legislature enacted House Bill 2021, codified as ORS 238A, which created the Oregon Public Service Retirement Plan (OPSRP). OPSRP consists of the Pension Program and the Individual Account Program. Membership includes public employees hired on or after August 29, 2003.

Beginning January 1, 2004, OPERS active Tier One and Tier Two members became members of the IAP of OPSRP. OPERS members retain their existing Regular or Variable (if applicable) accounts, but member contributions are now deposited into the member's IAP account. Accounts are credited with earnings and losses net of administrative expenses.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Tier One/Tier Two (Chapter 238)**

*Pension Benefits* - The OPERS retirement allowance is payable monthly for life. Members may select from 13 retirement benefit options that are actuarially equivalent to the base benefit. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for Police and Fire employees, 1.67 percent for General Service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled to.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$210,582 as of January 1, 2022, and it is indexed with inflation every year.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for Police and Fire members). General Service employees may retire after reaching age 55. Police and Fire members are eligible after reaching age 50. Tier One General Service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and Fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The plans are 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 receives 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 OPERS employer at the time of death,
- The member died within 120 days after termination of OPERS-covered employment,
- The member died as a result of injury sustained while employed in a OPERS-covered job, or
- The member was on an official leave of absence from a OPERS-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 OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for Police and Fire members) when determining the monthly benefit.

*Benefit Changes After Retirement* - Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**OPSRP Pension Program (Chapter 238A)**

*Pension Benefits* - The ORS Chapter 238A Defined Benefit Pension Program 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:

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

Under Senate Bill 1049, passed during 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit was equal to \$210,582 as of January 1, 2022, and is indexed with inflation every year.

A member of the 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 nonretired 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. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years of age.

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

*Benefit Changes After Retirement.* Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living adjustment (COLA). The COLA is capped at 2.0%.

**Contributions**

OPERS' funding policy provides for periodic member and employer contributions at rates established by the OPERS Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendation of the OPERS third-party actuary.

*Member Contributions* - Beginning January 1, 2004, all member contributions, except for contributions by judge members, were placed in the IAP. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 or 7.0 percent of salary for County employees and are remitted by participating employers.

*Employer Contributions* - OPERS 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 OPERS Defined Benefit Plan and OPEB plans.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

Employer contributions during the period July 1, 2021 through June 30, 2023, were based on the December 31, 2019 actuarial valuation, which became effective July 1, 2021. For the period July 1, 2021 through June 30, 2023, net employer contribution rates were 21.78% for Tier 1/Tier 2 employees, 11.54% for OPSRP General Employees and 15.90% for OPSRP Police and Fire Payroll. Employer contributions for the year ended June 30, 2023 were \$1,035,861, excluding amounts to fund employees specific liabilities.

**Pension Plan Annual Comprehensive Financial Report (ACFR)**

OPERS prepares their financial statements in accordance with GAAP as set forth in GASB pronouncements that apply to governmental accounting for fiduciary funds and enterprise funds. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plans. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction in between market participants at the measurement date.

OPERS produces an independently audited ACFR which includes the OPEB plans and can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

**Actuarial Valuation**

The employer contribution rates effective July 1, 2021, through June 30, 2023, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

**Actuarial Methods and Assumptions Used in Developing Total Pension Liability**

Valuation date	December 31, 2020
Measurement date	June 30, 2022
Experience study	2020, published July 20, 2021
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Long-term expected rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service.

Mortality

***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.

***Active members:***

Pub-2010 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

***Disabled retirees:***

Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

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 2020 Experience Study, which reviewed experience for the four-year period ending on December 31, 2020.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Assumed Asset Allocation**

Asset Class	Target Allocation
Cash	0.00%
Debt securities	20.00%
Public equity	30.00%
Private equity	20.00%
Real estate	12.50%
Real assets	7.50%
Diversifying strategies	7.50%
Risk parity	2.50%
Total	100.00%

**Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June, 2021 the OPERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. 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.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at the time based on the OIC long-term target asset allocation. The OIC’s description of each asset was used to map the target allocation to the asset classes shown below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>20-Year Annualized Geometric Mean</u>
Global equity	30.62 %	5.85 %
Private equity	25.50 %	7.71 %
Core fixed income	23.75 %	2.73 %
Real estate	12.25 %	5.66 %
Master limited partnerships	0.75 %	5.71 %
Infrastructure	1.50 %	6.26 %
Commodities	0.63 %	3.10 %
Hedge fund of funds - multistrategy	1.25 %	5.11 %
Hedge fund equity - hedge	0.63 %	5.31 %
Hedge fund - macro	5.62 %	5.06 %
US cash	-2.50 %	1.76 %
Total	<u>100.00 %</u>	

Assumed inflation - mean 2.40 %

*Note: Negative allocation to cash represents levered exposure from allocation to Risk Parity strategy.*

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

As of June 30, 2023, the County reported a liability of \$7,870,048 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The County’s proportion of the net pension liability was based on the County’s long-term contribution effort to the pension plan compared with the total projected long-term contribution effort of all participating employers, actuarially determined. As of June 30, 2022 (measurement date), the County’s proportion was approximately 0.05139789 percent.

For the year ended June 30, 2023, the County recognized a decrease in pension expense of \$33,816. The \$33,816 was treated as a decrease of payroll related expense in the Statement of Activities.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

As of June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 382,027	\$ 49,079
Changes in assumptions	1,234,853	11,282
Net difference between projected and actual earnings on investments	-	1,407,012
Changes in proportionate share	468,200	189,464
Differences between employer contributions and employer's proportionate share of system contributions	-	1,227,716
Contributions subsequent to measurement date	<u>1,035,861</u>	<u>-</u>
Total	<u>\$ 3,120,941</u>	<u>\$ 2,884,553</u>

The \$1,035,861 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to pensions will be recognized in pension expense or (expense reduction) as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflow/(Inflow) of Resources</u>
2024	\$ (132,448)
2025	(313,718)
2026	(734,542)
2027	479,499
2028	(98,264)
Thereafter	<u>-</u>
Total	<u>\$ (799,473)</u>

**Sensitivity for the County's Proportionate Share of the Net Pension Liability to Changes in Discount Rate**

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.90 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate:

<u>County's Net Pension Asset/(Liability)</u>	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Defined Benefit Pension	\$ (13,956,850)	\$ (7,870,048)	\$ (2,775,676)

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Changes in Assumptions and Methods**

A summary of key changes implemented since the December 31, 2020 valuation are noted below. Additional detail and list of changes can be found in the 2020 Experience Study for the System, which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/Actuarial/2022/Actuarial-Valuation-Results.pdf>

**Assumption Changes**

- There were no changes to actuarial assumptions since the December 31, 2020 actuarial valuation.

**Actuarial Methods**

- There were no changes to actuarial methods since the December 31, 2020 actuarial valuation.

**Plan Changes**

- There were no changes to plan provisions valued since the December 31, 2020 actuarial valuation. The provisions of Senate Bill 111 and House Bill 2906, both enacted in June 2021, were reflected in the December 31, 2020 actuarial valuation

**Defined Contribution Plan – Individual Account Program (IAP)**

*Benefit Terms* - The IAP is an individual account-based program under the OPERS tax-qualified governmental plan as defined under ORS 238A.400. 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. The accounts fall under Internal Revenue Code Section 401(a).

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. When chosen, the distribution option must result in a \$200 minimum distribution amount or the frequency of the installments will be adjusted to the reach that minimum.

*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.

*Member Contributions* – Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index, 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to help fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

EPSA redirect is only triggered when the member's gross pay in a month exceeds the monthly salary threshold, tied to the annual Consumer Price Index (All Urban Consumers, West Region).

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**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.

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Change in Total OPEB Liability**

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

Total OPEB Liability as of June 30, 2022	\$	1,105,158
Changes for the year:		
Service cost		123,143
Interest		25,874
Effect of economic/demographic gains or losses		372,490
Effect of assumptions changes or inputs		46,872
Benefit payments		<u>(61,167)</u>
Total OPEB Liability as of June 30, 2023	\$	<u><u>1,612,370</u></u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 322,122	\$ 12,357
Change of assumptions or other input	56,134	61,066
Benefit payments	<u>176,934</u>	<u>-</u>
Total	<u><u>\$ 555,190</u></u>	<u><u>\$ 73,423</u></u>

Deferred outflows of resources related to OPEB of \$176,934 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Deferred Outflow/(Inflow) of Resources</u>
2024	\$ 37,513
2025	44,829
2026	49,393
2027	48,546
2028	59,580
Thereafter	<u>64,972</u>
Total	<u><u>\$ 304,833</u></u>

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (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, 2022, the following employees were covered by the benefit terms:

Active plan members	399
Inactive employees or beneficiaries currently receiving benefit payments	23
	23
Total	422

The County's total OPEB liability of \$1,612,370 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended June 30, 2023, the County recognized an increase in OPEB expense from this plan of \$7,046.

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2022 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	July 1, 2022
Measurement date	June 30, 2022
Actuarial assumptions:	
Actuarial cost method	Entry age normal
Inflation rate	2.40 percent
Salary increases	3.40 percent
Discount rate	3.54 percent (reflects the Bond Buyer 20-Year General Obligation Bond Index)
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 trend rate for 2022 includes an adjustment for known January 1, 2023 premiums.
	Dental: 1.75% for 2022, 4.00% per year until 2072, then 3.75% thereafter. The trend rate for 2022 includes an adjustment for known January 1, 2023 premiums.
	Health care cost trend affects both the projected health care costs as well as the projected health care premiums. Health trend prior to the valuation date uses the ultimate trend rates shown above.
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.
	Future mortality improvement: Generational Unisex Social Security Data Scale

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

Withdrawal	Based on Oregon PERS assumptions. Annual rates are based on employment classification, gender, and duration from hire date.
Retirement	Based on Oregon PERS assumptions. Annual rates are based on age, Tier / OPSRP, duration of service, and employment classification.
Excluded Employees	Temporary employees not eligible to participate in Oregon PERS or an Employer-sponsored retirement plan are excluded from the valuation.  Part-time employees scheduled to work fewer than 600 hours per year are excluded from the valuation. Elected officials and volunteers are excluded from the valuation if they are clearly ineligible for the benefits described in Appendix A.
Past PERS Service	Employee groups eligible for community-rated coverage are excluded from the implicit employer subsidy valuation as noted in Appendix A. PERS service (or that for any other Employer-sponsored retirement plan) as of the valuation date was generally estimated based upon the elapsed time from date of hire, using date of hire and PERS tier info provided by the Employer and/or CIS. Note that additional assumptions made for incomplete or inconsistent data are described below. Employees in the PERS waiting period are assumed to participate on July 1, 2022. OPSRP members who work less than full-time were assumed to have earned past service based on their current full time equivalent percentage.
Future PERS Service	Projected PERS service for retirement eligibility is generally assumed to accrue at a rate of 1.0 per year until retirement.
Future Retiree Coverage	35% of active members were assumed to elect coverage upon retirement. 60% of male members and 35% of female members who elect coverage upon retirement are also assumed to elect spouse coverage.
Lapse Rate	Retirees for whom the Employer will never pay any portion of the health care premiums are assumed to have a 5% probability of lapsing (dropping) coverage per year.
Spouse Age	Female spouses are assumed to be three years younger than male spouses.

Changes in assumptions is the result of the change in the discount rate from 2.16 percent to 3.54 percent.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

County's Total OPEB Asset/(Liability)	1% Decrease Rate 2.54%	Current Discount Rate 3.54%	1% Increase Rate 4.54%
Total OPEB Liability	\$ (1,715,429)	\$ (1,612,370)	\$ (1,516,847)

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

County's Total OPEB Asset/(Liability)	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	\$ (1,480,227)	\$ (1,612,370)	\$ (1,768,481)

**Retirement Health Insurance Account (RHIA)**

**Plan Description**

As a member of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment benefit plan administered by OPERS. ORS 238.420 established the RHIA and authorizes a payment of up to \$60 from RHIA toward the monthly cost of \$60 from RHIA toward the monthly cost of health insurance for eligible OPERS members. The plan was closed to new entrants hired on or after August 29, 2003.

**Funding Policy**

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410.

To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

**Contributions**

*Employer Contributions* – OPERS 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 OPERS Defined Benefit Plan and OPEB Plans. The contribution rates in effect for the fiscal year ended June 30, 2023 for the OPEB program were: Tier1/Tier 2 – 0.05%, and OPSRP general service – 0.00%. The County contributed \$393 for the year ended June 30, 2023.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

**Actuarial Valuation**

The actuarial valuation used for RHIA is identical to the actuarial valuation details related to the OPERS Plan disclosed in *Note 12 Defined Benefit Pension Plan* except the table listed below:

Actuarial assumptions:

Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Healthcare cost trend rate	Not applicable
Cost-of-living adjustments (COLA)	Not applicable

**OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2023, the County reported \$109,616 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2020. The County's proportion of the net OPEB asset was based on a projection of the County's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022 (measurement date) the County's proportion was approximately 0.03084858 percent.

For the year ended June 30, 2023, the County recognized a reduction of OPEB expense related to RHIA of \$85,951. The \$85,951 was treated as a reduction of payroll related expense in the Statement of Activities.

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 2,971
Changes in assumptions	858	3,654
Net difference between projected and actual earnings on investments	-	8,360
Changes in proportionate share	1,606	11,537
Contributions subsequent to measurement date	393	-
Total	<u>\$ 2,857</u>	<u>\$ 26,522</u>

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 13 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

The \$393 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as an increase to the net OPEB asset in the year ended June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources (prior to post-measurement date contributions) related to OPEB will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflow/(Inflow) of Resources
2024	\$ (12,525)
2025	(8,934)
2026	(5,275)
2027	2,676
2028	-
Thereafter	-
Total	<u>\$ (24,058)</u>

**Sensitivity for the County’s Proportionate Share of the Net OPEB Asset to Changes in Discount Rate**

The following presents the County’s proportionate share of the net OPEB asset calculated using the discount rate of 6.90 percent, as well as what the County’s proportionate share of the net OPEB asset would be if it were calculated using a discount rate that is 1-percentage point lower (5.90 percent) or 1-percentage point higher (7.90 percent) than the current rate:

<u>County's Net OPEB Asset/(Liability)</u>	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Retiree Health Insurance Account	\$ 98,795	\$ 109,616	\$ 118,892

The RHIA OPEB is unaffected by healthcare cost trends due to the benefit being limited to \$60 monthly payments toward Medicare companion insurance premiums.

**Changes in Assumptions**

The changes in assumptions used for RHIA are identical to the changes in assumptions related to the OPERS plan disclosed in Note 12.

**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.

**LINCOLN COUNTY**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 14 -RISK MANAGEMENT (CONTINUED)**

The County is self-insured for 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.

**NOTE 15 - CONTINGENCIES**

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

**NOTE 16 – TAX ABATEMENTS**

As of June 30, 2023, Lincoln County provides certain tax abatement programs that impact the County. Those programs are as follows:

**Non-Profit Low Income Rental Housing (ORS 307.515)**

In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing. The qualifying property must be located within the County.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption. The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.515.

**Enterprise Zone (ORS 285.597)**

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

**Multi-Unit Program Tax Exemption (ORS 307.600)**

The Multi-Unit Program Tax Exemption (MUPTE) program is a state-enabled housing incentive program that allows cities across Oregon to exempt property taxes on residential improvements of approved multi-unit properties for up to ten years.

**LINCOLN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 16 – TAX ABATEMENTS (CONTINUED)**

**Strategic Investment Program (ORS 307.123)**

The Strategic Investment Program (SIP) was adopted by the Oregon Legislature in 1993. It allows businesses and local governments to negotiate alternative property taxing agreements if these businesses are willing to invest at least \$100 million at an urban site or at least \$25 million at a rural location\* in Oregon.

For the fiscal year ended June 30, 2023, the County’s abated property taxes totaled \$289,554 under these programs:

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
Non-profit low income rental housing	\$ 20,913
Enterprise zone	9,478
Multi-unit program tax exemption	26,394
Strategic investment program	232,769
Total	\$ 289,554

**NOTE 17 – SUBSEQUENT EVENTS**

Management of the County has evaluated events and transactions occurring after June 30, 2023 through the date the financial statements were available for issuance, for recognition and/or disclosure in the financial statements.

Following fiscal year end, the County paid off the Slape Property Investment debt, in the amount of \$1,600,000.



**| REQUIRED SUPPLEMENTARY  
INFORMATION**

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**101 GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Taxes	\$ 29,712,768	\$ 29,712,768	\$ 28,701,880	\$ (1,010,888)
Intergovernmental	5,443,613	6,064,435	5,854,744	(209,691)
Fines and fees	40,000	40,000	60,511	20,511
Permits and fees	1,787,806	1,787,806	1,969,030	181,224
Charges for services	1,562,273	1,798,828	1,956,618	157,790
Investment income (loss)	125,500	125,500	976,843	851,343
Miscellaneous	253,550	253,550	317,780	64,230
<b>TOTAL REVENUES</b>	<b>38,925,510</b>	<b>39,782,887</b>	<b>39,837,406</b>	<b>54,519</b>
<b>EXPENDITURES:</b>				
General government	15,281,265	15,322,765	14,349,671	973,094
Public safety	22,617,296	23,546,924	19,954,043	3,592,881
Community services	2,946,720	3,042,510	2,380,691	661,819
Debt service	488,902	488,902	567,370	(78,468)
Contingency	6,559,678	6,452,878	-	6,452,878
<b>TOTAL EXPENDITURES</b>	<b>47,893,861</b>	<b>48,853,979</b>	<b>37,251,775</b>	<b>11,602,204</b>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>(8,968,351)</b>	<b>(9,071,092)</b>	<b>2,585,631</b>	<b>11,656,723</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,151,000	1,429,995	103,117	(1,326,878)
Transfers out	(291,637)	(294,686)	(554,455)	(259,769)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>859,363</b>	<b>1,135,309</b>	<b>(451,338)</b>	<b>(1,586,647)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(8,108,988)</b>	<b>(7,935,783)</b>	<b>2,134,293</b>	<b>10,070,076</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>8,600,942</b>	<b>8,706,732</b>	<b>10,972,016</b>	<b>2,265,284</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 491,954</b>	<b>\$ 770,949</b>	<b>\$ 13,106,309</b>	<b>\$ 12,335,360</b>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**201 PUBLIC WORKS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 7,681,067	\$ 7,681,067	\$ 5,954,636	\$ (1,726,431)
Charges for services	1,050,453	1,050,453	1,275,017	224,564
Investment income (loss)	35,000	35,000	240,224	205,224
Miscellaneous	385,420	385,420	110,350	(275,070)
<b>TOTAL REVENUES</b>	<u>9,151,940</u>	<u>9,151,940</u>	<u>7,580,227</u>	<u>(1,571,713)</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	3,887,820	3,887,820	3,330,046	557,774
Materials and services	2,927,082	2,927,082	3,049,608	(122,526)
Debt service	3,052	3,252	3,103	149
Capital outlay	3,303,657	3,303,657	1,214,978	2,088,679
Contingency	216,469	216,269	-	216,269
<b>TOTAL EXPENDITURES</b>	<u>10,338,080</u>	<u>10,338,080</u>	<u>7,597,735</u>	<u>2,740,345</u>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<u>(1,186,140)</u>	<u>(1,186,140)</u>	<u>(17,508)</u>	<u>(4,312,058)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(22,711)	(22,711)	(23,770)	(1,059)
Proceeds from sale of capital assets	-	-	23,600	23,600
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(22,711)</u>	<u>(22,711)</u>	<u>(170)</u>	<u>22,541</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,208,851)</u>	<u>(1,208,851)</u>	<u>(17,678)</u>	<u>(4,289,517)</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>8,708,851</u>	<u>8,708,851</u>	<u>9,608,790</u>	<u>899,939</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 7,500,000</u>	<u>\$ 7,500,000</u>	<u>\$ 9,591,112</u>	<u>\$ (3,389,578)</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**209 MENTAL HEALTH FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,623,788	\$ 7,756,300	\$ 4,731,381	\$ (3,024,919)
Charges for services	3,858,500	4,149,500	5,846,759	1,697,259
Investment income (loss)	30,000	30,000	244,840	214,840
Miscellaneous	19,050	19,050	42,639	23,589
<b>TOTAL REVENUES</b>	<u>7,531,338</u>	<u>11,954,850</u>	<u>10,865,619</u>	<u>(1,089,231)</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	7,408,679	8,332,218	4,742,414	3,589,804
Materials and services	2,141,291	2,669,957	2,475,091	194,866
Capital outlay	-	1,500,000	1,500,000	-
Contingency	3,106,762	2,849,517	-	2,849,517
<b>TOTAL EXPENDITURES</b>	<u>12,656,732</u>	<u>15,351,692</u>	<u>8,717,505</u>	<u>6,634,187</u>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<u>(5,125,394)</u>	<u>(3,396,842)</u>	<u>2,148,114</u>	<u>(5,544,956)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(2,949,494)	(512,087)	2,437,407
<b>NET CHANGE IN FUND BALANCE</b>	<u>(5,125,394)</u>	<u>(6,346,336)</u>	<u>1,636,027</u>	<u>(3,107,549)</u>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>5,255,139</u>	<u>6,476,081</u>	<u>5,162,870</u>	<u>(1,313,211)</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 129,745</u>	<u>\$ 129,745</u>	<u>\$ 6,798,897</u>	<u>\$ (4,420,760)</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**208 PUBLIC HEALTH FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,430,545	\$ 3,656,669	\$ 2,979,102	\$ (677,567)
Charges for services	4,506,165	4,506,165	3,713,393	(792,772)
Investment income (loss)	12,000	12,000	70,534	58,534
Miscellaneous	66,300	66,300	88,904	22,604
<b>TOTAL REVENUES</b>	<b>8,015,010</b>	<b>8,241,134</b>	<b>6,851,933</b>	<b>(1,389,201)</b>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	5,942,822	6,192,093	5,016,898	1,175,195
Materials and services	2,210,208	2,167,650	1,858,728	308,922
Contingency	4,314,564	4,407,720	-	4,407,720
<b>TOTAL EXPENDITURES</b>	<b>12,467,594</b>	<b>12,767,463</b>	<b>6,875,626</b>	<b>5,891,837</b>
<b>EXCESS OF REVENUE OVER/(UNDER) EXPENDITURES</b>	<b>(4,452,584)</b>	<b>(4,526,329)</b>	<b>(23,693)</b>	<b>4,502,636</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	60,000	348,757	471,345	122,588
Transfers out	(1,178,484)	(1,346,442)	(1,230,187)	116,255
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,118,484)</b>	<b>(997,685)</b>	<b>(758,842)</b>	<b>238,843</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,571,068)</b>	<b>(5,524,014)</b>	<b>(782,535)</b>	<b>4,741,479</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>5,571,068</b>	<b>5,524,014</b>	<b>3,090,337</b>	<b>(2,433,677)</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,307,802</b>	<b>\$ 2,307,802</b>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**275 AMERICAN RESCUE PLAN FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 1,396,150	\$ 1,396,150
Investment income (loss)	-	-	201,846	201,846
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>1,597,996</u>	<u>1,597,996</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	1,068,000	2,036,001	759,834	1,276,167
Capital outlay	-	1,611,000	537,559	1,073,441
Contingency	8,320,086	4,579,785	-	4,579,785
<b>TOTAL EXPENDITURES</b>	<u>9,388,086</u>	<u>8,226,786</u>	<u>1,297,393</u>	<u>6,929,393</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(9,388,086)</u>	<u>(8,226,786)</u>	<u>300,603</u>	<u>8,527,389</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(1,166,757)	(98,757)	1,068,000
<b>NET CHANGE IN FUND BALANCE</b>	<u>(9,388,086)</u>	<u>(9,393,543)</u>	<u>201,846</u>	<u>9,595,389</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>9,388,086</u>	<u>9,393,543</u>	<u>-</u>	<u>(9,393,543)</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,846</u>	<u>\$ 201,846</u>

**LINCOLN COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION ASSET/(LIABILITY) AND SCHEDULE OF THE COUNTY'S CONTRIBUTIONS**  
**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (OPERS)**

**LAST 10 YEARS ENDING JUNE 30 (For Years Information is Available)**

**Lincoln County Proportionate Share of Net Pension Asset / (Liability)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County proportion of the net pension asset/(liability)	0.051398%	0.052314%	0.049477%	0.048458%	0.048019%	0.045001%	0.045681%	0.051031%	0.039560%
County proportion of the net pension asset/(liability)	\$ (7,870,048)	\$ (6,260,099)	\$ (10,575,294)	\$ (8,558,329)	\$ (7,274,260)	\$ (6,066,726)	\$ (6,857,708)	\$ (2,929,952)	\$ (896,723)
County's covered payroll	\$5,472,245	\$5,363,922	\$5,333,586	\$4,879,786	\$4,837,853	\$4,773,548	\$4,519,494	\$4,358,196	\$4,183,868
Proportionate share of the pension asset/(liability) as a percentage of its covered-employee payroll	143.82%	116.71%	198.28%	210.53%	166.63%	148.00%	158.19%	84.76%	-34.83%
Plan fiduciary net position as a percentage of the total pension liability	84.50%	87.57%	75.79%	80.23%	82.06%	83.12%	80.53%	91.88%	103.59%

**Lincoln County Contributions**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,035,861	\$916,720	\$790,956	\$779,776	\$817,231	\$826,330	\$686,083	\$671,464	\$634,532
Contribution in relation to the contractually required	(1,035,861)	(916,720)	(790,956)	(779,776)	(817,231)	(826,330)	(686,083)	(671,464)	(634,532)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 5,795,834	\$5,472,245	\$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 payroll	17.87%	16.75%	14.75%	14.62%	16.75%	17.08%	14.37%	14.86%	14.56%

**Notes to Schedule -**

A summary of key changes implemented since the December 31, 2019 valuation are described in *Note 12* in the Notes to the Basic Financial Statements. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system which was published in July 2021, and can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The County adopted GASB 68 during fiscal year 2015, as a result, only nine years of information is presented.

**LINCOLN COUNTY**  
**SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB**  
**ASSET/(LIABILITY) AND SCHEDULE OF THE COUNTY'S CONTRIBUTIONS -**  
**OPERS RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)**  
**LAST 10 YEARS ENDING JUNE 30 (For Years Information is Available)**

**Lincoln County Proportionate Share of Net OPEB Asset/(Liability)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportion of the net OPEB asset/(liability)	0.00616142%	0.02327496%	0.02645446%	0.04468549%	0.04461994%	0.04469649%
County's proportion of the net OPEB asset/(liability)	\$ 109,616	\$ 79,926	\$ 53,904	\$ 86,348	\$ 49,808	\$ 18,654
County's covered-employee payroll	\$ 5,472,245	\$ 5,363,922	\$ 5,333,586	\$ 4,879,786	\$ 4,837,853	\$ 719,002
County's proportionate share of the net OPEB asset/(liability) as a percentage of its covered-employee payroll	2.00%	1.49%	1.01%	1.77%	1.13%	1.13%
Plan fiduciary net position as a percentage of the total OPEB asset/(liability)	194.60%	183.90%	150.10%	144.37%	123.99%	108.88%

**Lincoln County Contributions**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 393	\$ 760	\$ 623	\$ 1,889	\$ 22,147	\$ 21,605
Contribution in relation to the contractually required	(393)	(760)	(623)	(1,889)	(22,147)	(21,605)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered - employee payroll	\$ 5,795,834	\$ 5,472,245	\$ 5,363,922	\$ 5,333,586	\$ 4,879,786	\$ 4,837,853
Contributions as a percentage of covered-employee payroll	0.01%	0.01%	0.01%	0.04%	0.45%	0.45%

**Notes to Schedule -**

A summary of assumption changes implemented since the December 31, 2019 valuation are outlined briefly in *Note 13* to the financial statements. A comprehensive list of changes in methods and assumptions can be found in the 2020 Experience Study for the system, which was published in July 2021, and can be found at: <https://www.oregon.gov/pers/Documents/Financials/Actuarial/2021/2020-Experience-Study.pdf>

**Other Information:**

This schedule is presented to illustrate required supplementary information for a 10 year period. The County adopted GASB 75 for RHIA during fiscal 2018, as a result, only six years of information is presented.

**LINCOLN COUNTY**  
**SCHEDULE OF CHANGES IN THE COUNTY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2023**

<b>Total OPEB Liability:</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 123,143	\$ 119,641	\$ 102,600	\$ 91,723	\$ 83,397	\$ 88,685
Interest	25,874	24,558	39,278	40,861	38,912	32,067
Effect of economic/demographic gains or losses	372,490	-	3,748	-	(46,677)	(56,971)
Changes of assumptions of other inputs	46,872	4,373	(98,622)	30,925	174	-
Benefit payments	<u>(61,167)</u>	<u>(69,640)</u>	<u>(80,131)</u>	<u>(135,237)</u>	<u>(95,682)</u>	<u>(97,872)</u>
<b>Net change in total OPEB liability:</b>	507,212	78,932	(33,127)	28,272	(19,876)	(34,091)
Total OPEB liability - beginning	<u>1,105,158</u>	<u>1,026,226</u>	<u>1,059,353</u>	<u>1,031,081</u>	<u>1,050,957</u>	<u>1,085,048</u>
Total OPEB liability - ending	<u><u>\$ 1,612,370</u></u>	<u><u>\$ 1,105,158</u></u>	<u><u>\$ 1,026,226</u></u>	<u><u>\$ 1,059,353</u></u>	<u><u>\$ 1,031,081</u></u>	<u><u>\$ 1,050,957</u></u>
Estimated covered - employee payroll	\$ 17,813,122	\$ 18,553,836	\$ 18,385,384	\$ 18,553,836	\$ 16,697,376	\$ 15,657,072
Total OPEB liability as a percentage of estimated covered - employee payroll	9.05%	5.96%	5.58%	5.71%	6.18%	6.71%

**Notes to Schedule -**

***Significant methods and assumptions used in calculating the actuarially determined contributions:***

Significant methods and assumptions used in calculating the actuarially determined contributions are described in *Note 13* to the financial statements. No assets are accumulated in a trust to pay related benefits.

***Changes in benefit terms:***

None noted.

***Other information:***

This schedule is presented to illustrate required supplementary information for a 10 year period. The County adopted GASB 75 during fiscal 2018, as a result, only six years of information is presented.



**| OTHER SUPPLEMENTARY  
INFORMATION**

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**219 CAPITAL PROJECTS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Indirect charges	\$ 100,000	\$ 100,000	\$ 125,083	\$ 25,083
Investment income (loss)	-	-	4,973	4,973
Miscellaneous	-	-	7,058	7,058
<b>TOTAL REVENUES</b>	<u>100,000</u>	<u>100,000</u>	<u>137,114</u>	<u>37,114</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	1,145,000	1,050,427	201,933	848,494
Capital outlay	8,048,254	9,848,254	1,885,095	7,963,159
Contingency	2,310,293	710,293	-	710,293
<b>TOTAL EXPENDITURES</b>	<u>11,503,547</u>	<u>11,608,974</u>	<u>2,087,028</u>	<u>9,521,946</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER EXPENDITURES</b>	<u>(11,403,547)</u>	<u>(11,508,974)</u>	<u>(1,949,914)</u>	<u>9,559,060</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	528,254	528,254	438,942	(89,312)
<b>NET CHANGE IN FUND BALANCE</b>	<u>(10,875,293)</u>	<u>(10,980,720)</u>	<u>(1,510,972)</u>	<u>9,469,748</u>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>10,875,293</u>	<u>10,980,720</u>	<u>10,164,639</u>	<u>(816,081)</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,653,667</u>	<u>\$ 8,653,667</u>

**LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and investments	\$ 21,931,876	\$ 7,465,906	\$ 29,397,782
Receivables, net	3,339,930	571,190	3,911,120
<b>TOTAL ASSETS</b>	<u>\$ 25,271,806</u>	<u>\$ 8,037,096</u>	<u>\$ 33,308,902</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 318,098	\$ 12,586	\$ 330,684
Accrued payroll and related expenses	339,973	-	339,973
Unearned revenue	721,340	860,361	1,581,701
<b>TOTAL LIABILITIES</b>	<u>1,379,411</u>	<u>872,947</u>	<u>2,252,358</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	85,074	-	85,074
Deferred inflow - leases	662,725	-	662,725
Unavailable revenue - AR	992,535	-	992,535
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,740,334</u>	<u>-</u>	<u>1,740,334</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>3,119,745</u>	<u>872,947</u>	<u>3,992,692</u>
<b>FUND BALANCES:</b>			
Restricted	17,362,456	6,360,678	23,723,134
Committed	4,789,605	803,471	5,593,076
<b>TOTAL FUND BALANCES</b>	<u>22,152,061</u>	<u>7,164,149</u>	<u>29,316,210</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 25,271,806</u>	<u>\$ 8,037,096</u>	<u>\$ 33,308,902</u>

**LINCOLN COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Total</u>
<b>REVENUES</b>			
Taxes	\$ 2,811,391	\$ 1,176,012	\$ 3,987,403
Intergovernmental	11,613,871	1,480,593	13,094,464
Permits and fees	194,624	-	194,624
Charges for services	2,738,974	313,426	3,052,400
Investment income (loss)	547,731	149,636	697,367
Miscellaneous	220,034	5,000	225,034
<b>TOTAL REVENUES</b>	<u>18,126,625</u>	<u>3,124,667</u>	<u>21,251,292</u>
<b>EXPENDITURES</b>			
Current:			
General government	2,377,449	5,812	2,383,261
Public safety	1,414,139	-	1,414,139
Community services	2,989,484	1,195,951	4,185,435
Culture and recreation	225,683	-	225,683
Health and welfare	6,320,381	-	6,320,381
Education	371,721	-	371,721
Debt service	304,560	-	304,560
Capital outlay	2,689,645	510,045	3,199,690
<b>TOTAL EXPENDITURES</b>	<u>16,693,062</u>	<u>1,711,808</u>	<u>18,404,870</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,683,969	-	1,683,969
Transfers out	-	(278,117)	(278,117)
Proceeds from the issuance of long-term debt	1,600,000	-	1,600,000
Proceeds from sale of capital assets	11,801	8,281	20,082
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,295,770</u>	<u>(269,836)</u>	<u>3,025,934</u>
<b>NET CHANGE IN FUND BALANCE</b>	4,729,333	1,143,023	5,872,356
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	17,422,728	6,021,126	23,443,854
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 22,152,061</u>	<u>\$ 7,164,149</u>	<u>\$ 29,316,210</u>

## NONMAJOR SPECIAL REVENUE FUNDS

- **Economic Development Fund** - 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 Fund** - This fund is used to record activities related to maintaining an inventory of County owned property.
- **County Commons Fund** - 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 Fund** - This fund is used to maintain the County law library with revenues derived from court fees.
- **Clerk Records Fund**- 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 Fund** - 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 Fund** - 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 Fund** - This fund accounts for expenditures incurred by the County Surveyor in the establishment, re-establishment, and maintenance of corners of government surveys.
- **Community Justice Fund** - This fund houses the Parole & Probation program and several smaller grant programs addressing specific community justice objectives.
- **Radio Communications Systems Fund** - 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 Agency 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 Fund** - This fund accounts for the County's share of the post-closure obligations for the closed Agate Beach Landfill.
- **DUII Fund** - This fund is used to comply with the legal provisions concerning the collection and expenditure of funds obtained through civil forfeiture proceedings.
- **Homeless Planning Fund** - This fund consists of a state grant to facilitate housing opportunities for the homeless in the County.
- **Development Disabilities Fund** - This fund supports eligible adults and children with intellectual and developmental disabilities

**LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2023**

	<b>102 Economic Development Fund</b>	<b>111 Property Management Fund</b>	<b>203 County Commons Fund</b>	<b>205 Law Library Fund</b>
<b>ASSETS:</b>				
Cash and investments	\$ 2,361,274	\$ 43,526	\$ 444,307	\$ 169,872
Receivables, net	189,325	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,550,599</b>	<b>\$ 43,526</b>	<b>\$ 444,307</b>	<b>\$ 169,872</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payables	\$ 14,665	\$ 9,100	\$ 15,105	\$ 13,435
Accrued payroll and related expenses	-	-	-	-
Unearned revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>14,665</b>	<b>9,100</b>	<b>15,105</b>	<b>13,435</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	-	-	-	-
Deferred inflow - leases	-	-	-	-
Unavailable revenue - AR	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>14,665</b>	<b>9,100</b>	<b>15,105</b>	<b>13,435</b>
<b>FUND BALANCES:</b>				
Restricted	2,535,934	-	429,202	156,437
Committed	-	34,426	-	-
<b>TOTAL FUND BALANCES</b>	<b>2,535,934</b>	<b>34,426</b>	<b>429,202</b>	<b>156,437</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,550,599</b>	<b>\$ 43,526</b>	<b>\$ 444,307</b>	<b>\$ 169,872</b>

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**LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2023**

	<b>207 Clerk Records Fund</b>	<b>204 Transit District</b>	<b>216 Community Health Centers Fund</b>	<b>230 Siletz Law Enforcement District</b>
<b>ASSETS:</b>				
Cash and investments	\$ 137,619	\$ 5,230,487	\$ 2,289,132	\$ 342,291
Receivables, net	-	740,336	1,436,158	98,564
<b>TOTAL ASSETS</b>	<b>\$ 137,619</b>	<b>\$ 5,970,823</b>	<b>\$ 3,725,290</b>	<b>\$ 440,855</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payables	\$ 638	\$ 13,922	\$ 67,716	\$ 2,000
Accrued payroll and related expenses	300	63,501	129,241	-
Unearned revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>938</b>	<b>77,423</b>	<b>196,957</b>	<b>2,000</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	-	29,458	-	8,692
Deferred inflow - leases	-	-	-	-
Unavailable revenue - AR	-	-	992,535	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>29,458</b>	<b>992,535</b>	<b>8,692</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>938</b>	<b>106,881</b>	<b>1,189,492</b>	<b>10,692</b>
<b>FUND BALANCES:</b>				
Restricted	136,681	5,863,942	-	430,163
Committed	-	-	2,535,798	-
<b>TOTAL FUND BALANCES</b>	<b>136,681</b>	<b>5,863,942</b>	<b>2,535,798</b>	<b>430,163</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 137,619</b>	<b>\$ 5,970,823</b>	<b>\$ 3,725,290</b>	<b>\$ 440,855</b>

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**LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2023**

	<b>212 Animal Services District</b>	<b>213 Title III/Safety Net Fund</b>	<b>217 Corner Preservation Fund</b>	<b>250 Community Justice Fund</b>
<b>ASSETS:</b>				
Cash and investments	\$ 823,778	\$ 1,305,017	\$ 507,142	\$ 4,143,041
Receivables, net	42,482	-	-	152,663
<b>TOTAL ASSETS</b>	<b>\$ 866,260</b>	<b>\$ 1,305,017</b>	<b>\$ 507,142</b>	<b>\$ 4,295,704</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payables	\$ 13,383	\$ 4,408	\$ 100	\$ 45,764
Accrued payroll and related expenses	31,303	-	-	65,070
Unearned revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>44,686</b>	<b>4,408</b>	<b>100</b>	<b>110,834</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	33,216	-	-	-
Deferred inflow - leases	-	-	-	-
Unavailable revenue - AR	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>33,216</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>77,902</b>	<b>4,408</b>	<b>100</b>	<b>110,834</b>
<b>FUND BALANCES:</b>				
Restricted	788,358	1,300,609	507,042	4,184,870
Committed	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>788,358</b>	<b>1,300,609</b>	<b>507,042</b>	<b>4,184,870</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 866,260</b>	<b>\$ 1,305,017</b>	<b>\$ 507,142</b>	<b>\$ 4,295,704</b>

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**LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2023**

	<b>291 Radio Communications Systems Fund</b>	<b>859 OSU Extension Agency</b>	<b>603 Agate Beach Disposal Site Closure Fund</b>	<b>601 DUII Fund</b>
<b>ASSETS:</b>				
Cash and investments	\$ 174,451	\$ 1,076,601	\$ 659,439	\$ 21,648
Receivables, net	58,858	17,677	-	-
<b>TOTAL ASSETS</b>	<u>\$ 233,309</u>	<u>\$ 1,094,278</u>	<u>\$ 659,439</u>	<u>\$ 21,648</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payables	\$ 474	\$ 72,900	\$ 100	\$ 100
Accrued payroll and related expenses	-	-	-	-
Unearned revenue	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>474</u>	<u>72,900</u>	<u>100</u>	<u>100</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	-	13,708	-	-
Deferred inflow - leases	58,858	-	-	-
Unavailable revenue - AR	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>58,858</u>	<u>13,708</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>59,332</u>	<u>86,608</u>	<u>100</u>	<u>100</u>
<b>FUND BALANCES:</b>				
Restricted	-	1,007,670	-	21,548
Committed	173,977	-	659,339	-
<b>TOTAL FUND BALANCES</b>	<u>173,977</u>	<u>1,007,670</u>	<u>659,339</u>	<u>21,548</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 233,309</u>	<u>\$ 1,094,278</u>	<u>\$ 659,439</u>	<u>\$ 21,648</u>

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**LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2023**

	<b>218 Homeless Planning Fund</b>	<b>220 Development Disabilities Fund</b>	<b>Total</b>
<b>ASSETS:</b>			
Cash and investments	\$ 785,488	\$ 1,416,763	\$ 21,931,876
Receivables, net	-	603,867	3,339,930
<b>TOTAL ASSETS</b>	<u>\$ 785,488</u>	<u>\$ 2,020,630</u>	<u>\$ 25,271,806</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Accounts payables	\$ 41,667	\$ 2,621	\$ 318,098
Accrued payroll and related expenses	-	50,558	339,973
Unearned revenue	721,340	-	721,340
<b>TOTAL LIABILITIES</b>	<u>763,007</u>	<u>53,179</u>	<u>1,379,411</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	-	-	85,074
Deferred inflow - leases	-	603,867	662,725
Unavailable revenue - AR	-	-	992,535
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>603,867</u>	<u>1,740,334</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<u>763,007</u>	<u>657,046</u>	<u>3,119,745</u>
<b>FUND BALANCES:</b>			
Restricted	-	-	17,362,456
Committed	22,481	1,363,584	4,789,605
<b>TOTAL FUND BALANCES</b>	<u>22,481</u>	<u>1,363,584</u>	<u>22,152,061</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 785,488</u>	<u>\$ 2,020,630</u>	<u>\$ 25,271,806</u>

**LINCOLN COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<b>102 Economic Development Fund</b>	<b>111 Property Management Fund</b>	<b>203 County Commons Fund</b>	<b>205 Law Library Fund</b>
<b>REVENUES:</b>				
Taxes	\$ 338,942	\$ 500	\$ -	\$ -
Intergovernmental	375,162	-	53,167	45,411
Permits and fees	-	-	9,345	-
Charges for services	-	-	-	-
Investment income (loss)	52,462	-	11,777	4,485
Miscellaneous	7,268	80,000	56,607	-
<b>TOTAL REVENUES</b>	<b>773,834</b>	<b>80,500</b>	<b>130,896</b>	<b>49,896</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	235,057	-	-
Public safety	-	-	-	48,433
Community services	312,267	-	-	-
Culture and recreation	-	-	225,683	-
Health and welfare	-	-	-	-
Education	-	-	-	-
Debt service	-	-	-	-
Capital outlay	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>312,267</b>	<b>235,057</b>	<b>225,683</b>	<b>48,433</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	175,000	-
Proceeds from the issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>175,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>461,567</b>	<b>(154,557)</b>	<b>80,213</b>	<b>1,463</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>2,074,367</b>	<b>188,983</b>	<b>348,989</b>	<b>154,974</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 2,535,934</b>	<b>\$ 34,426</b>	<b>\$ 429,202</b>	<b>\$ 156,437</b>

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**LINCOLN COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<b>207 Clerk Records Fund</b>	<b>204 Transit District</b>	<b>216 Community Health Centers Fund</b>	<b>230 Siletz Law Enforcement District</b>
<b>REVENUES:</b>				
Taxes	\$ -	\$ 856,752	\$ -	\$ 252,797
Intergovernmental	-	2,047,981	3,551,781	174,692
Permits and fees	40,122	-	-	-
Charges for services	-	544,825	2,003,957	-
Investment income (loss)	3,777	138,636	51,712	9,226
Miscellaneous	-	7,326	2,691	-
<b>TOTAL REVENUES</b>	<b>43,899</b>	<b>3,595,520</b>	<b>5,610,141</b>	<b>436,715</b>
<b>EXPENDITURES:</b>				
Current:				
General government	79,401	-	-	-
Public safety	-	-	-	354,350
Community services	-	2,248,403	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	4,978,505	-
Education	-	-	-	-
Debt service	-	-	68,344	-
Capital outlay	-	557,277	-	-
<b>TOTAL EXPENDITURES</b>	<b>79,401</b>	<b>2,805,680</b>	<b>5,046,849</b>	<b>354,350</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	20,326	-
Proceeds from the issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	11,801	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>11,801</b>	<b>20,326</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(35,502)</b>	<b>801,641</b>	<b>583,618</b>	<b>82,365</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>172,183</b>	<b>5,062,301</b>	<b>1,952,180</b>	<b>347,798</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 136,681</b>	<b>\$ 5,863,942</b>	<b>\$ 2,535,798</b>	<b>\$ 430,163</b>

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**LINCOLN COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<b>212 Animal Services District</b>	<b>213 Title III/Safety Net Fund</b>	<b>217 Corner Preservation Fund</b>	<b>250 Community Justice Fund</b>
<b>REVENUES:</b>				
Taxes	\$ 965,568	\$ -	\$ -	\$ -
Intergovernmental	2,321	98,357	-	3,054,510
Permits and fees	49,695	-	86,251	1,375
Charges for services	-	-	-	83,978
Investment income (loss)	23,072	31,375	12,460	98,296
Miscellaneous	37,567	-	-	-
<b>TOTAL REVENUES</b>	<b>1,078,223</b>	<b>129,732</b>	<b>98,711</b>	<b>3,238,159</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	62,783	2,000,208
Public safety	891,971	-	-	-
Community services	-	109,827	-	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Education	-	-	-	-
Debt service	-	-	-	169,800
Capital outlay	-	-	9,755	-
<b>TOTAL EXPENDITURES</b>	<b>891,971</b>	<b>109,827</b>	<b>72,538</b>	<b>2,170,008</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	197,392
Proceeds from the issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197,392</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>186,252</b>	<b>19,905</b>	<b>26,173</b>	<b>1,265,543</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>602,106</b>	<b>1,280,704</b>	<b>480,869</b>	<b>2,919,327</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 788,358</b>	<b>\$ 1,300,609</b>	<b>\$ 507,042</b>	<b>\$ 4,184,870</b>

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**LINCOLN COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<b>291 Radio Communications Systems Fund</b>	<b>859 OSU Extension Agency District</b>	<b>603 Agate Beach Disposal Site Closure Fund</b>	<b>601 DUII Fund</b>
<b>REVENUES:</b>				
Taxes	\$ -	\$ 396,832	\$ -	\$ -
Intergovernmental	-	2,824	-	-
Permits and fees	-	-	7,836	-
Charges for services	106,214	-	-	-
Investment income (loss)	5,240	27,310	16,558	550
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>111,454</u>	<u>426,966</u>	<u>24,394</u>	<u>550</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	117,526	-	-	1,859
Community services	-	-	40,327	-
Culture and recreation	-	-	-	-
Health and welfare	-	-	-	-
Education	-	371,721	-	-
Debt service	58,408	-	-	-
Capital outlay	-	10,000	-	-
<b>TOTAL EXPENDITURES</b>	<u>175,934</u>	<u>381,721</u>	<u>40,327</u>	<u>1,859</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	61,064	-	-	-
Proceeds from the issuance of long-term debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>61,064</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(3,416)	45,245	(15,933)	(1,309)
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>177,393</u>	<u>962,425</u>	<u>675,272</u>	<u>22,857</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 173,977</u>	<u>\$ 1,007,670</u>	<u>\$ 659,339</u>	<u>\$ 21,548</u>

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**LINCOLN COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<b>218 Homeless Planning Fund</b>	<b>220 Development Disabilities Fund</b>	<b>Total</b>
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ 2,811,391
Intergovernmental	278,660	1,929,005	11,613,871
Permits and fees	-	-	194,624
Charges for services	-	-	2,738,974
Investment income (loss)	22,481	38,314	547,731
Miscellaneous	-	28,575	220,034
<b>TOTAL REVENUES</b>	<b>301,141</b>	<b>1,995,894</b>	<b>18,126,625</b>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	2,377,449
Public safety	-	-	1,414,139
Community services	278,660	-	2,989,484
Culture and recreation	-	-	225,683
Health and welfare	-	1,341,876	6,320,381
Education	-	-	371,721
Debt service	-	8,008	304,560
Capital outlay	-	2,112,613	2,689,645
<b>TOTAL EXPENDITURES</b>	<b>278,660</b>	<b>3,462,497</b>	<b>16,693,062</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	1,230,187	1,683,969
Proceeds from the issuance of long-term debt	-	1,600,000	1,600,000
Proceeds from sale of capital assets	-	-	11,801
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>2,830,187</b>	<b>3,295,770</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>22,481</b>	<b>1,363,584</b>	<b>4,729,333</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>-</b>	<b>-</b>	<b>17,422,728</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 22,481</b>	<b>\$ 1,363,584</b>	<b>\$ 22,152,061</b>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**102 ECONOMIC DEVELOPMENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Taxes	\$ 398,000	\$ 398,000	\$ 338,942	\$ (59,058)
Intergovernmental	381,000	381,000	375,162	(5,838)
Investment income (loss)	12,500	12,500	52,462	39,962
Miscellaneous	-	-	7,268	7,268
<b>TOTAL REVENUES</b>	<u>791,500</u>	<u>791,500</u>	<u>773,834</u>	<u>(17,666)</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	915,000	915,000	312,267	602,733
Capital outlay	-	375,000	-	375,000
Contingency	1,711,357	1,336,357	-	1,336,357
<b>TOTAL EXPENDITURES</b>	<u>2,626,357</u>	<u>2,626,357</u>	<u>312,267</u>	<u>2,314,090</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,834,857)</u>	<u>(1,834,857)</u>	<u>461,567</u>	<u>2,296,424</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,834,857)	(1,834,857)	461,567	2,296,424
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>1,834,857</u>	<u>1,834,857</u>	<u>2,074,367</u>	<u>239,510</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,535,934</u>	<u>\$ 2,535,934</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**111 PROPERTY MANAGEMENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Taxes	\$ 582,000	\$ 582,000	\$ 500	\$ (581,500)
Miscellaneous	-	-	80,000	80,000
<b>TOTAL REVENUES</b>	<u>582,000</u>	<u>582,000</u>	<u>80,500</u>	<u>(501,500)</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	478,250	478,250	235,057	243,193
Capital outlay	100,000	100,000	-	100,000
Contingency	435,251	435,251	-	435,251
<b>TOTAL EXPENDITURES</b>	<u>1,013,501</u>	<u>1,013,501</u>	<u>235,057</u>	<u>778,444</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(431,501)</u>	<u>(431,501)</u>	<u>(154,557)</u>	<u>276,944</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(431,501)</u>	<u>(431,501)</u>	<u>(154,557)</u>	<u>276,944</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>431,501</u>	<u>431,501</u>	<u>188,983</u>	<u>(242,518)</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,426</u>	<u>\$ 34,426</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**203 COUNTY COMMONS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 53,800	\$ 53,800	\$ 53,167	\$ (633)
Permits and fees	10,000	10,000	9,345	(655)
Investment income (loss)	2,100	2,100	11,777	9,677
Miscellaneous	50,000	50,000	56,607	6,607
<b>TOTAL REVENUES</b>	<u>115,900</u>	<u>115,900</u>	<u>130,896</u>	<u>14,996</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	303,550	303,550	225,683	77,867
Contingency	288,241	288,241	-	288,241
<b>TOTAL EXPENDITURES</b>	<u>591,791</u>	<u>591,791</u>	<u>225,683</u>	<u>366,108</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(475,891)</u>	<u>(475,891)</u>	<u>(94,787)</u>	<u>381,104</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	175,000	175,000	175,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>(300,891)</u>	<u>(300,891)</u>	<u>80,213</u>	<u>381,104</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>300,891</u>	<u>300,891</u>	<u>348,989</u>	<u>48,098</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 429,202</u>	<u>\$ 429,202</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**205 LAW LIBRARY FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 45,411	\$ 411
Investment income (loss)	1,000	1,000	4,485	3,485
<b>TOTAL REVENUES</b>	<u>46,000</u>	<u>46,000</u>	<u>49,896</u>	<u>3,896</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	47,175	47,175	48,433	(1,258)
Contingency	147,189	147,189	-	147,189
<b>TOTAL EXPENDITURES</b>	<u>194,364</u>	<u>194,364</u>	<u>48,433</u>	<u>145,931</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER EXPENDITURES</b>	<u>(148,364)</u>	<u>(148,364)</u>	<u>1,463</u>	<u>149,827</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(148,364)</u>	<u>(148,364)</u>	<u>1,463</u>	<u>149,827</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>148,364</u>	<u>148,364</u>	<u>154,974</u>	<u>6,610</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,437</u>	<u>\$ 156,437</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**207 CLERKS RECORDS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Permits and fees	\$ 70,000	\$ 70,000	\$ 40,122	\$ (29,878)
Investment income (loss)	1,000	1,000	3,777	2,777
<b>TOTAL REVENUES</b>	<u>71,000</u>	<u>71,000</u>	<u>43,899</u>	<u>(27,101)</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	58,939	58,939	52,326	6,613
Materials and services	165,131	165,131	27,075	138,056
<b>TOTAL EXPENDITURES</b>	<u>224,070</u>	<u>224,070</u>	<u>79,401</u>	<u>144,669</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER EXPENDITURES</b>	<u>(153,070)</u>	<u>(153,070)</u>	<u>(35,502)</u>	<u>117,568</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(153,070)</u>	<u>(153,070)</u>	<u>(35,502)</u>	<u>117,568</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>153,070</u>	<u>153,070</u>	<u>172,183</u>	<u>19,113</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 136,681</u>	<u>\$ 136,681</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**204 TRANSIT DISTRICT**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Taxes	\$ 820,500	\$ 820,500	\$ 856,752	\$ 36,252
Intergovernmental	3,038,814	3,038,814	2,047,981	(990,833)
Charges for services	480,885	480,885	544,825	63,940
Investment income (loss)	25,000	25,000	138,636	113,636
Miscellaneous	2,000	2,000	7,326	5,326
<b>TOTAL REVENUES</b>	<b>4,367,199</b>	<b>4,367,199</b>	<b>3,595,520</b>	<b>(771,679)</b>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	2,690,882	2,690,882	1,397,157	1,293,725
Materials and services	1,750,828	1,750,828	851,246	899,582
Capital outlay	1,125,000	1,125,000	557,277	567,723
Contingency	598,746	598,746	-	598,746
<b>TOTAL EXPENDITURES</b>	<b>6,165,456</b>	<b>6,165,456</b>	<b>2,805,680</b>	<b>3,359,776</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,798,257)</b>	<b>(1,798,257)</b>	<b>789,840</b>	<b>2,588,097</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(528,254)	(528,254)	-	528,254
Proceeds from sale of capital assets	-	-	11,801	11,801
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(528,254)</b>	<b>(528,254)</b>	<b>11,801</b>	<b>540,055</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,326,511)</b>	<b>(2,326,511)</b>	<b>801,641</b>	<b>3,128,152</b>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<b>2,826,511</b>	<b>2,826,511</b>	<b>5,062,301</b>	<b>2,235,790</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ 500,000</b>	<b>\$ 500,000</b>	<b>\$ 5,863,942</b>	<b>\$ 5,363,942</b>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**216 COMMUNITY HEALTH CENTERS FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,727,252	\$ 3,727,252	\$ 3,551,781	\$ (175,471)
Charges for services	2,350,500	2,350,500	2,003,957	(346,543)
Investment income (loss)	20,000	20,000	51,712	31,712
Miscellaneous	700	700	2,691	1,991
<b>TOTAL REVENUES</b>	<u>6,098,452</u>	<u>6,098,452</u>	<u>5,610,141</u>	<u>(488,311)</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	5,109,188	5,231,694	3,455,487	1,776,207
Materials and services	1,490,441	1,626,441	1,591,362	35,079
Capital outlay	556,045	556,045	-	556,045
Contingency	795,860	795,860	-	795,860
<b>TOTAL EXPENDITURES</b>	<u>7,951,534</u>	<u>8,210,040</u>	<u>5,046,849</u>	<u>3,163,191</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,853,082)</u>	<u>(2,111,588)</u>	<u>563,292</u>	<u>2,674,880</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	274,000	20,326	(253,674)
Transfers out	-	(15,494)	-	15,494
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>258,506</u>	<u>20,326</u>	<u>(238,180)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,853,082)</u>	<u>(1,853,082)</u>	<u>583,618</u>	<u>2,436,700</u>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>1,982,535</u>	<u>1,982,535</u>	<u>1,952,180</u>	<u>(30,355)</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 129,453</u>	<u>\$ 129,453</u>	<u>\$ 2,535,798</u>	<u>\$ 2,406,345</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**230 SILETZ AREA ENHANCED LAW ENFORCEMENT DISTRICT**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Taxes	\$ 227,000	\$ 227,000	\$ 252,797	\$ 25,797
Intergovernmental	174,692	174,692	174,692	-
Investment income (loss)	170	170	9,226	9,056
<b>TOTAL REVENUES</b>	<u>401,862</u>	<u>401,862</u>	<u>436,715</u>	<u>34,853</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	352,725	362,725	354,350	8,375
Contingency	305,879	295,879	-	295,879
<b>TOTAL EXPENDITURES</b>	<u>658,604</u>	<u>658,604</u>	<u>354,350</u>	<u>304,254</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER EXPENDITURES</b>	<u>(256,742)</u>	<u>(256,742)</u>	<u>82,365</u>	<u>339,107</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(256,742)</u>	<u>(256,742)</u>	<u>82,365</u>	<u>339,107</u>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>256,742</u>	<u>256,742</u>	<u>347,798</u>	<u>91,056</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,163</u>	<u>\$ 430,163</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**212 ANIMAL SERVICES DISTRICT**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Taxes	\$ 906,000	\$ 906,000	\$ 965,568	\$ 59,568
Intergovernmental	3,000	3,000	2,321	(679)
Permits and fees	44,500	44,500	49,695	5,195
Investment income (loss)	1,500	1,500	23,072	21,572
Miscellaneous	65,000	65,000	37,567	(27,433)
<b>TOTAL REVENUES</b>	<u>1,020,000</u>	<u>1,020,000</u>	<u>1,078,223</u>	<u>58,223</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	718,687	718,687	594,066	124,621
Materials and services	355,150	355,150	297,905	57,245
Contingency	394,361	394,361	-	394,361
<b>TOTAL EXPENDITURES</b>	<u>1,468,198</u>	<u>1,468,198</u>	<u>891,971</u>	<u>576,227</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(448,198)</u>	<u>(448,198)</u>	<u>186,252</u>	<u>634,450</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(448,198)</u>	<u>(448,198)</u>	<u>186,252</u>	<u>634,450</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>448,198</u>	<u>448,198</u>	<u>602,106</u>	<u>153,908</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 788,358</u>	<u>\$ 788,358</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**213 TITLE III/SAFETY NET FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 98,357	\$ 98,357
Investment income (loss)	10,000	10,000	31,375	21,375
<b>TOTAL REVENUES</b>	<u>10,000</u>	<u>10,000</u>	<u>129,732</u>	<u>119,732</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	535,047	535,047	109,827	425,220
Capital outlay	671,495	671,495	-	671,495
<b>TOTAL EXPENDITURES</b>	<u>1,206,542</u>	<u>1,206,542</u>	<u>109,827</u>	<u>1,096,715</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER EXPENDITURES</b>	<u>(1,196,542)</u>	<u>(1,196,542)</u>	<u>19,905</u>	<u>1,216,447</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,196,542)</u>	<u>(1,196,542)</u>	<u>19,905</u>	<u>1,216,447</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>1,196,542</u>	<u>1,196,542</u>	<u>1,280,704</u>	<u>84,162</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,300,609</u>	<u>\$ 1,300,609</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**217 CORNER PRESERVATION FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Permits and fees	\$ 103,000	\$ 103,000	\$ 86,251	\$ (16,749)
Investment income (loss)	3,800	3,800	12,460	8,660
<b>TOTAL REVENUES</b>	<u>106,800</u>	<u>106,800</u>	<u>98,711</u>	<u>(8,089)</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	43,800	43,800	9,795	34,005
Materials and services	145,700	145,700	52,988	92,712
Capital outlay	98,000	98,000	9,755	88,245
Contingency	217,618	217,618	-	217,618
<b>TOTAL EXPENDITURES</b>	<u>505,118</u>	<u>505,118</u>	<u>72,538</u>	<u>432,580</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(398,318)</u>	<u>(398,318)</u>	<u>26,173</u>	<u>424,491</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(398,318)</u>	<u>(398,318)</u>	<u>26,173</u>	<u>424,491</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>398,318</u>	<u>398,318</u>	<u>480,869</u>	<u>82,551</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 507,042</u>	<u>\$ 507,042</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**250 COMMUNITY JUSTICE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,161,152	\$ 3,181,689	\$ 3,054,510	\$ (127,179)
Permits and fees	1,700	1,700	1,375	(325)
Charges for services	5,000	5,000	83,978	78,978
Investment income (loss)	-	-	98,296	98,296
Miscellaneous	300	300	-	(300)
<b>TOTAL REVENUES</b>	<u>3,168,152</u>	<u>3,188,689</u>	<u>3,238,159</u>	<u>49,470</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	2,514,811	2,514,811	1,433,665	1,081,146
Materials and services	1,519,132	1,539,669	736,343	803,326
Contingency	1,526,454	1,526,454	-	1,526,454
<b>TOTAL EXPENDITURES</b>	<u>5,560,397</u>	<u>5,580,934</u>	<u>2,170,008</u>	<u>3,410,926</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER EXPENDITURES</b>	<u>(2,392,245)</u>	<u>(2,392,245)</u>	<u>1,068,151</u>	<u>3,460,396</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	197,392	197,392	197,392	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>197,392</u>	<u>197,392</u>	<u>197,392</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,194,853)</u>	<u>(2,194,853)</u>	<u>1,265,543</u>	<u>3,460,396</u>
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>2,194,853</u>	<u>2,194,853</u>	<u>2,919,327</u>	<u>724,474</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,184,870</u>	<u>\$ 4,184,870</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**291 RADIO COMMUNICATIONS FUND**  
**YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 125,199	\$ 125,199	\$ 106,214	\$ (18,985)
Investment income (loss)	-	-	5,240	5,240
<b>TOTAL REVENUES</b>	<u>125,199</u>	<u>125,199</u>	<u>111,454</u>	<u>(13,745)</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	160,761	192,261	175,934	16,327
Contingency	125,100	93,600	-	93,600
<b>TOTAL EXPENDITURES</b>	<u>285,861</u>	<u>285,861</u>	<u>175,934</u>	<u>109,927</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(160,662)</u>	<u>(160,662)</u>	<u>(64,480)</u>	<u>96,182</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	56,956	56,956	61,064	4,108
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>56,956</u>	<u>56,956</u>	<u>61,064</u>	<u>4,108</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(103,706)</u>	<u>(103,706)</u>	<u>(3,416)</u>	<u>100,290</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>103,706</u>	<u>103,706</u>	<u>177,393</u>	<u>73,687</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,977</u>	<u>\$ 173,977</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**OSU 859 EXTENSION AGENCY DISTRICT**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Taxes	\$ 341,500	\$ 341,500	\$ 396,832	\$ 55,332
Intergovernmental	6,000	6,000	2,824	(3,176)
Investment income (loss)	10,000	10,000	27,310	17,310
<b>TOTAL REVENUES</b>	<u>357,500</u>	<u>357,500</u>	<u>426,966</u>	<u>69,466</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	517,550	517,550	371,721	145,829
Capital outlay	10,000	10,000	10,000	-
Contingency	395,762	395,762	-	395,762
<b>TOTAL EXPENDITURES</b>	<u>923,312</u>	<u>923,312</u>	<u>381,721</u>	<u>541,591</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(565,812)</u>	<u>(565,812)</u>	<u>45,245</u>	<u>611,057</u>
<b>NET CHANGE IN FUND BALANCE</b>	(565,812)	(565,812)	45,245	611,057
<b>FUND BALANCE - JULY 1, 2022</b>	<u>834,812</u>	<u>834,812</u>	<u>962,425</u>	<u>127,613</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 269,000</u>	<u>\$ 269,000</u>	<u>\$ 1,007,670</u>	<u>\$ 738,670</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**603 AGATE BEACH DISPOSAL SITE CLOSURE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Permits and fees	\$ 7,500	\$ 7,500	\$ 7,836	\$ 336
Investment income (loss)	5,000	5,000	16,558	11,558
<b>TOTAL REVENUES</b>	<u>12,500</u>	<u>12,500</u>	<u>24,394</u>	<u>11,894</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	500,000	500,000	40,327	459,673
Capital outlay	15,000	15,000	-	15,000
Contingency	193,494	193,494	-	193,494
<b>TOTAL EXPENDITURES</b>	<u>708,494</u>	<u>708,494</u>	<u>40,327</u>	<u>668,167</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(695,994)</u>	<u>(695,994)</u>	<u>(15,933)</u>	<u>680,061</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(695,994)</u>	<u>(695,994)</u>	<u>(15,933)</u>	<u>680,061</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>695,994</u>	<u>695,994</u>	<u>675,272</u>	<u>(20,722)</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 659,339</u>	<u>\$ 659,339</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**601 DUII FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ 200	\$ 200	\$ 550	\$ 350
<b>TOTAL REVENUES</b>	<u>200</u>	<u>200</u>	<u>550</u>	<u>350</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	18,000	18,000	1,859	16,141
Contingency	4,716	4,716	-	4,716
<b>TOTAL EXPENDITURES</b>	<u>22,716</u>	<u>22,716</u>	<u>1,859</u>	<u>20,857</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(22,516)</u>	<u>(22,516)</u>	<u>(1,309)</u>	<u>21,207</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(22,516)</u>	<u>(22,516)</u>	<u>(1,309)</u>	<u>21,207</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>22,516</u>	<u>22,516</u>	<u>22,857</u>	<u>341</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,548</u>	<u>\$ 21,548</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**218 HOMELESS PLANNING**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 1,000,000	\$ 278,660	\$ (721,340)
Investment income (loss)	-	-	22,481	22,481
<b>TOTAL REVENUES</b>	<b>-</b>	<b>1,000,000</b>	<b>301,141</b>	<b>(698,859)</b>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	-	950,000	278,660	671,340
Personnel services	-	50,000	-	50,000
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>1,000,000</b>	<b>278,660</b>	<b>721,340</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>22,481</b>	<b>22,481</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>22,481</b>	<b>22,481</b>
<b>FUND BALANCE - JULY 1, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 22,481</b>	<b>\$ 22,481</b>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**220 DEVELOPMENT DISABILITIES FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,858,362	\$ 1,858,362	\$ 1,929,005	\$ 70,643
Investment income (loss)	-	-	38,314	38,314
Miscellaneous	-	-	28,575	28,575
<b>TOTAL REVENUES</b>	<u>1,858,362</u>	<u>1,858,362</u>	<u>1,995,894</u>	<u>137,532</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	1,325,085	1,325,085	1,107,491	217,594
Materials and services	240,313	356,568	234,385	122,183
Debt service	-	8,000	8,008	(8)
Capital outlay	-	500,000	2,112,613	(1,612,613)
Contingency	1,471,448	1,015,151	-	1,015,151
<b>TOTAL EXPENDITURES</b>	<u>3,036,846</u>	<u>3,204,804</u>	<u>3,462,497</u>	<u>(257,693)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,178,484)</u>	<u>(1,346,442)</u>	<u>(1,466,603)</u>	<u>(120,161)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,178,484	1,346,442	1,230,187	(116,255)
Proceeds from the issuance of long-term debt	-	-	1,600,000	1,600,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,178,484</u>	<u>1,346,442</u>	<u>2,830,187</u>	<u>1,483,745</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	1,363,584	1,363,584
<b>FUND BALANCE - JULY 1, 2022</b>	-	-	-	-
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,363,584</u>	<u>\$ 1,363,584</u>

## **NONMAJOR CAPITAL PROJECTS FUNDS**

- **County Commons Fund** - This fund accounts for the upgrade and improvement to the County Fairgrounds and its buildings and infrastructure through a dedicated transient room tax.
- **Vehicle Replacement Fund** - This fund is responsible for the purchases of vehicles for the County's fleet. The principal revenue sources are charges to departments utilizing fleet vehicles.
- **Community Enhancement Projects Fund** - This fund is a fund that allows for the receipt and administration of grant and community sourced money for execution of community based projects. These projects are outside the normal operations of the County but represent unique opportunities to provide services to our residents, local governments, and public/private partners.

**LINCOLN COUNTY  
COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2023**

	<b>607 County Commons Facilities Fund</b>	<b>103 Vehicle Replacement Fund</b>	<b>105 Community Enhancement Projects Fund</b>	<b>Total</b>
<b>ASSETS:</b>				
Cash and investments	\$ 5,854,791	\$ 805,709	\$ 805,406	\$ 7,465,906
Receivables, net	506,420	-	64,770	571,190
<b>TOTAL ASSETS</b>	<b>\$ 6,361,211</b>	<b>\$ 805,709</b>	<b>\$ 870,176</b>	<b>\$ 8,037,096</b>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 533	\$ 100	\$ 11,953	\$ 12,586
Unearned revenue	-	-	860,361	860,361
<b>TOTAL LIABILITIES</b>	<b>533</b>	<b>100</b>	<b>872,314</b>	<b>872,947</b>
<b>FUND BALANCES:</b>				
Restricted	6,360,678	-	-	6,360,678
Committed	-	805,609	(2,138)	803,471
<b>TOTAL FUND BALANCES</b>	<b>6,360,678</b>	<b>805,609</b>	<b>(2,138)</b>	<b>7,164,149</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,361,211</b>	<b>\$ 805,709</b>	<b>\$ 870,176</b>	<b>\$ 8,037,096</b>

**LINCOLN COUNTY**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	<b>607 County Commons Facilities Fund</b>	<b>103 Vehicle Replacement Fund</b>	<b>105 Community Enhancement Projects Fund</b>	<b>Total</b>
<b>REVENUES:</b>				
Taxes	\$ 1,176,012	\$ -	\$ -	\$ 1,176,012
Intergovernmental	277,000	-	1,203,593	1,480,593
Charges for services	-	313,426	-	313,426
Investment income (loss)	139,088	18,214	(7,666)	149,636
Miscellaneous	-	-	5,000	5,000
<b>TOTAL REVENUES</b>	<u>1,592,100</u>	<u>331,640</u>	<u>1,200,927</u>	<u>3,124,667</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	5,812	-	5,812
Community services	13,003	-	1,182,948	1,195,951
Capital outlay	262,342	247,703	-	510,045
<b>TOTAL EXPENDITURES</b>	<u>275,345</u>	<u>253,515</u>	<u>1,182,948</u>	<u>1,711,808</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(258,000)	-	(20,117)	(278,117)
Proceeds from sale of capital assets	-	8,281	-	8,281
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(258,000)</u>	<u>8,281</u>	<u>(20,117)</u>	<u>(269,836)</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,058,755	86,406	(2,138)	1,143,023
<b>FUND BALANCE - JULY 1, 2022</b>	5,301,923	719,203	-	6,021,126
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ 6,360,678</u>	<u>\$ 805,609</u>	<u>\$ (2,138)</u>	<u>\$ 7,164,149</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**607 COUNTY COMMONS FACILITIES FUND**  
**YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Adopted</u>	<u>Final</u>		
<b>REVENUES:</b>				
Taxes	\$ 975,000	\$ 975,000	\$ 1,176,012	\$ 201,012
Intergovernmental revenues	-	-	277,000	277,000
Investment income (loss)	20,000	20,000	139,088	119,088
<b>TOTAL REVENUES</b>	<u>995,000</u>	<u>995,000</u>	<u>1,592,100</u>	<u>597,100</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	470,000	470,000	13,003	456,997
Capital outlay	4,147,966	4,147,966	262,342	3,885,624
<b>TOTAL EXPENDITURES</b>	<u>4,617,966</u>	<u>4,617,966</u>	<u>275,345</u>	<u>4,342,621</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,622,966)</u>	<u>(3,622,966)</u>	<u>1,316,755</u>	<u>4,939,721</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(258,000)	(258,000)	(258,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>(3,880,966)</u>	<u>(3,880,966)</u>	<u>1,058,755</u>	<u>4,939,721</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>3,880,966</u>	<u>3,880,966</u>	<u>5,301,923</u>	<u>1,420,957</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,360,678</u>	<u>\$ 6,360,678</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**103 VEHICLE REPLACEMENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 311,128	\$ 311,128	\$ 313,426	\$ 2,298
Investment income (loss)	-	-	18,214	18,214
<b>TOTAL REVENUES</b>	<u>311,128</u>	<u>311,128</u>	<u>331,640</u>	<u>20,512</u>
<b>EXPENDITURES:</b>				
Current:				
Materials and services	4,000	9,000	5,812	3,188
Capital outlay	309,000	309,000	247,703	61,297
Contingency	557,256	552,256	-	552,256
<b>TOTAL EXPENDITURES</b>	<u>870,256</u>	<u>870,256</u>	<u>253,515</u>	<u>616,741</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(559,128)</u>	<u>(559,128)</u>	<u>78,125</u>	<u>637,253</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	43,000	43,000	8,281	(34,719)
<b>NET CHANGE IN FUND BALANCE</b>	<u>(516,128)</u>	<u>(516,128)</u>	<u>86,406</u>	<u>602,534</u>
<b>FUND BALANCE - JULY 1, 2022</b>	<u>516,128</u>	<u>516,128</u>	<u>719,203</u>	<u>203,075</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 805,609</u>	<u>\$ 805,609</u>

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**105 COMMUNITY ENHANCEMENT FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 2,943,963	\$ 1,203,593	\$ (1,740,370)
Investment income (loss)	-	-	(7,666)	(7,666)
Miscellaneous	-	-	5,000	5,000
<b>TOTAL REVENUES</b>	<b>-</b>	<b>2,943,963</b>	<b>1,200,927</b>	<b>(1,743,036)</b>
<b>EXPENDITURES:</b>				
Current:				
Material and services	-	2,664,968	1,182,948	1,482,020
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>2,664,968</b>	<b>1,182,948</b>	<b>1,482,020</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>278,995</b>	<b>17,979</b>	<b>(261,016)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer out	-	(278,995)	(20,117)	258,878
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>-</b>	<b>(2,138)</b>	<b>(2,138)</b>
<b>FUND BALANCE - JULY 1, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE - JUNE 30, 2023</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,138)</b>	<b>\$ (2,138)</b>

## **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 charges to waste haulers within the County for tons of waste hauled.

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**210 SOLID WASTE DISTRICT**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 31,500	\$ 31,500	\$ 31,000	\$ (500)
Charges for services	424,288	424,288	729,662	305,374
Investment income (loss)	6,000	6,000	32,235	26,235
Miscellaneous	-	-	17,960	17,960
<b>TOTAL REVENUES</b>	<u>461,788</u>	<u>461,788</u>	<u>810,857</u>	<u>349,069</u>
<b>EXPENDITURES:</b>				
Current:				
Personnel services	117,462	117,462	113,795	3,667
Materials and services	348,226	848,226	358,760	489,466
Contingency	956,373	456,373	-	456,373
<b>TOTAL EXPENDITURES</b>	<u>1,422,061</u>	<u>1,422,061</u>	<u>472,555</u>	<u>949,506</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(960,273)</u>	<u>(960,273)</u>	<u>338,302</u>	<u>1,298,575</u>
<b>NET CHANGE IN FUND BALANCE</b>				
<b>FUND BALANCE - JULY 1, 2022, AS RESTATED</b>	<u>960,273</u>	<u>960,273</u>	<u>1,098,335</u>	<u>138,062</u>
<b>FUND BALANCE - JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,436,637</u>	<u>\$ 1,436,637</u>
Add (deduct) adjustments to budgetary basis working capital to reconcile ending net position.				
Capital assets being depreciated/amortized, net			10,944	
Compensated absences			(9,919)	
<b>ENDING NET POSITION</b>			<u>\$ 1,437,662</u>	

## **NONMAJOR INTERNAL SERVICE FUND**

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

**LINCOLN COUNTY**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**215 SELF INSURANCE FUND**  
**YEAR ENDED JUNE 30, 2023**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,250,000	\$ 1,250,000	\$ 825,421	\$ (424,579)
Investment income (loss)	52,500	52,500	84,225	31,725
Miscellaneous	10,000	10,000	51,953	41,953
<b>TOTAL REVENUES</b>	<u>1,312,500</u>	<u>1,312,500</u>	<u>961,599</u>	<u>(350,901)</u>
<b>EXPENDITURES:</b>				
Current:				
Material and services	1,232,900	1,232,900	1,174,213	58,687
Capital outlay	175,000	175,000	12,291	162,709
Contingency	3,315,644	3,315,644	-	3,315,644
<b>TOTAL EXPENDITURES</b>	<u>4,723,544</u>	<u>4,723,544</u>	<u>1,186,504</u>	<u>3,537,040</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(3,411,044)</u>	<u>(3,411,044)</u>	<u>(224,905)</u>	<u>3,186,139</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(3,411,044)</u>	<u>(3,411,044)</u>	<u>(224,905)</u>	<u>3,186,139</u>
<b>FUND BALANCE, JULY 1, 2022</b>	<u>3,411,044</u>	<u>3,411,044</u>	<u>3,526,648</u>	<u>115,604</u>
<b>FUND BALANCE, JUNE 30, 2023</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,301,743</u>	<u>\$ 3,301,743</u>



**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATIONS**

Board of Commissioners  
Lincoln County

We have audited the basic financial statements of Lincoln County ("County") as of and for the year ended June 30, 2023, and have issued our report thereon dated November 5, 2024. 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.

**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 grant agreements, including the provisions of *Oregon Revised Statutes* (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 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 statement amounts. However, providing an opinion on compliance with those provisions was not the 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 but were not limited to the following:

- Deposit of public funds with financial institutions under ORS Chapter 295.
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required under ORS Chapter 294.
- Insurance and fidelity under 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 under ORS Chapter 294.
- Public contracts and purchasing under ORS Chapters 279A, 279B, 279C.

In connection with our audit, 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 grant agreements, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as described in *Note 1* to the financial statements.

## OAR 162-010-0230 Internal Control

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 to be material weaknesses.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a significant deficiency.

### Restrictions on Use

This report is intended solely for the information and use of the County's Board, 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.



Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
November 5, 2024



**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**

Board of Commissioners  
Lincoln County

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 ("County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 5, 2024.

**Report on Internal Control Over Financial Reporting**

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 County's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2023-001, 2023-002, and 2023-003 to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a significant deficiency.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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 financial statements. 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*.

## **Lincoln County's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
November 5, 2024



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

Board of Commissioners  
Lincoln County

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Lincoln County's ("County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the 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, 2023.

***Basis for Opinion on Each Major Federal Program***

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 Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal controls 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.

A handwritten signature in black ink that reads "Donald F. Ewalt". The signature is written in a cursive style with a long horizontal stroke at the end.

Donald F. Ewalt, CPA  
KDP Certified Public Accountants, LLP  
Medford, Oregon  
November 5, 2024

**LINCOLN COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantors Number	Passed Through to Subrecipients	Expenditures
<b>U.S. Department of Agriculture:</b>				
<b>Passed Through Oregon Health Authority:</b>				
Special Supplement Nutrition Program for Women, Infants, and Children (WIC)	10.557	169520	\$ -	\$ 262,193
<b>Total U.S. Department of Agriculture</b>			-	262,193
<b>U.S. Department of the Interior:</b>				
<b>Direct Federal Awards:</b>				
National Wildlife Refuge Fund	15.659	FY22	-	2,755
<b>Total U.S. Department of the Interior</b>			-	2,755
<b>U.S. Department of Justice:</b>				
<b>Direct Federal Awards:</b>				
Bulletproof Vest Partnership Program	16.607	FY22	-	13,335
<b>Passed Through My Sister's Place:</b>				
Rural Domestic, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589	15JOVW-21-GG-00825-RURA	-	78,323
<b>Passed Through Oregon Department of Justice Crime Victim and Survivor Services Division:</b>				
Crime Victim Assistance	16.575	VOCA/CFA-2021-LINCOLNCODAVAP-000105	-	134,917
<b>Passed Through Children's Advocacy Center:</b>				
Crime Victim Assistance - Human Trafficking	16.575	VOCA-FI-2020-LINCOLNCOCACA-00050	-	4,173
Total AL 16.575			-	139,090
<b>Passed Through Oregon Commission of Children and Families:</b>				
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	15PBJA-21-GG-04569-COAP	-	162,957
<b>Total U.S. Department of Justice</b>			-	393,705
<b>U.S. Department of Transportation:</b>				
<b>Passed Through Oregon Department of Transportation:</b>				
Formula Grants for Rural Areas - 5311 Operating Funds	20.509	34996	-	544,194
COVID-19 Formula Grants for Rural Areas - Cares Formula - 5311	20.509	34203	-	95,664
COVID-19 Formula Grants for Rural Areas - Cares Needs-based - 5311	20.509	34522	-	180,000
Total AL 20.509			-	819,858
Enhanced Mobility for Seniors and Individuals with Disabilities	20.513	35190	-	366,958
Total Transit Services Programs Cluster			-	366,958
<b>Total U.S. Department of Transportation</b>			-	1,186,816
<b>U.S. Department of the Treasury:</b>				
<b>Direct Federal Awards:</b>				
COVID 19-Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,197,108
<b>Passed Through Oregon Department of Environmental Quality:</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Septic	21.027	037-23	-	65,921
<b>Passed Through Oregon Business Development Department:</b>				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Panther Creek	21.027	02-23-046	-	166,691
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Well Repair	21.027	SR 2241	-	32,351
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Cougar Creek	21.027	SR2232A	-	18,370
Total AL 21.027			-	1,480,441
<b>Total U.S. Department of the Treasury</b>			-	1,480,441
<b>General Services Administration</b>				
<b>Passed Through Oregon Department of Administrative Services:</b>				
Donation of Federal Surplus Personal Property	39.003	N/A	-	1,090
<b>Total General Services Administration</b>			-	1,090
<b>U.S. Environmental Protection Agency:</b>				
<b>Passed Through Oregon Health Authority:</b>				
State Public Water System Supervision	66.432	169520	-	9,772
Capitalization Grants for Drinking Water State Revolving Funds	66.468	169520	-	9,772
Total Drinking Water State Revolving Fund Cluster			-	9,772
<b>Total U.S. Environmental Protection Agency</b>			-	19,544
<b>U.S. Department of Health and Human Services:</b>				
<b>Direct Federal Awards:</b>				
Health Center Program	93.224	6H80CS06639	-	1,482,794
COVID-19 Health Center Program	93.224	21H8FCS40768C6	-	718,862
Total Health Center Program Cluster			-	2,201,656

**LINCOLN COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2023**

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Pass-Through Grantors Number	Passed Through to Subrecipients	Expenditures
<b>Passed Through Samaritan North Lincoln Hospital:</b>				
Chiropractic Demonstration Projects Grant	93.212	GF00507-21	\$ 6,864	\$ 146,299
<b>Passed Through Oregon Health Authority:</b>				
Public Health Emergency Preparedness	93.069	169520	-	76,756
Injury Prevention and Control Research and State and Community Based Programs	93.136	169520	-	124,537
Family Planning Services	93.217	169520	-	18,074
Family Planning Services	93.217	178899	-	3,492
Total AL 93.217			-	21,566
Immunization Cooperative Agreements - Juvenile Crime Prev.-Basic & Diversion	93.268	14708	-	40,625
Immunization Cooperative Agreements	93.268	169520	-	13,582
Immunization Cooperative Agreements - Public Health OIP Cares	93.268	169520	-	221,445
Total AL 93.268			-	275,652
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	169520	-	65,019
COVID-19 Public Health Emergency Response	93.354	169520	-	98,799
Medical Assistance Program - MCAH General Funds and Title XIX	93.778	169520	-	7,593
Total Medicaid Cluster			-	7,593
Maternal, Infant and Early Childhood Homevisiting Grant Program	93.870	177274	-	264,368
Maternal, Infant and Early Childhood Homevisiting Grant Program	93.870	177274	-	22,500
Total AL 93.870			-	286,868
Block Grants for Community Mental Health Services	93.958	173141	-	76,318
Block Grants for Prevention and Treatment of Substance Abuse - Continuum of Care - SE66	93.959	173141	58,000	168,711
Block Grants for Prevention and Treatment of Substance Abuse - Peer Support	93.959	169520	-	18,202
Block Grants for Prevention and Treatment of Substance Abuse - A and D Community Prevention	93.959	169520	-	101,628
Total AL 93.959			58,000	288,541
<b>Passed Through Oregon Department of Justice:</b>				
Child Support Services	93.563	21010RCSES	-	244,872
<b>Passed Through Oregon Commission of Children and Families:</b>				
Social Services Block Grant	93.667	11080	5,565	5,565
<b>Passed Through Oregon Health Authority:</b>				
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977	169520	-	85,715
Maternal and Child Health Services Block Grant to States - Perinatal General Funds and Title XIX	93.994	169520	-	30,232
<b>Passed Through Oregon &amp; Health Science University:</b>				
Maternal and Child Health Services Block Grant to States - OHSU Cocoon	93.994	B04MC31511	-	13,304
Total AL 93.994			-	43,536
<b>Total U.S. Department of Health and Human Services</b>			70,429	4,049,292
<b>U.S. Department of Homeland Security:</b>				
<b>Passed Through Oregon State Marine Board:</b>				
Boating Safety Financial Assistance	97.012	02-23-046	-	248,249
<b>Passed Through Oregon Military Department Emergency Management:</b>				
Emergency Management Performance Grants	97.042	22-520	-	74,926
<b>Total U.S. Department of Homeland Security</b>			-	323,175
<b>Total Federal Expenditures</b>			\$ 70,429	\$ 7,719,011

**LINCOLN COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Lincoln County (the County) under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to and does not present the financial position and changes in fund balance of the County.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C – INDIRECT COST RATE:**

The County has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**LINCOLN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2023**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

***Federal Awards***

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  Yes  No

Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
#21.027	Coronavirus State and Local Fiscal Recovery Funds
#93.224	Health Center Program Cluster

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as a low-risk auditee?  Yes  No

**LINCOLN COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2023**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

2023-001 Audit Administration and Preparation

Criteria: Generally accepted accounting principles (GAAP) require entities to properly record and report financial transactions in the correct accounting period. Internal controls over financial reporting should include proper reporting.

Condition: The County had numerous funds which required adjustment to beginning fund balance and consequently beginning net position of the County as a whole. Additionally, numerous funds required adjustments to accounts receivable, unearned revenue and the associated revenue.

Cause: The County did not follow its financial reporting policy for audit administration and preparation.

Effect: Prior to adjustment, numerous County funds were materially misstated and required restatements as well as year-end accruals.

Recommendation: We highly recommend the County follow its policy for year-end audit administration to properly record transactions at/near year-end.

View of Responsible Officials and Planned Corrective Actions: The County agrees with the finding and the recommended procedures have been implemented.

Repeat Finding: 2022-001

**MATERIAL WEAKNESS**

2023-002 Accounting for Capital Assets

Criteria: Internal controls over financial reporting should be in place to ensure all property, plant and equipment transactions are captured and properly reported.

Condition: The County's property, plant and equipment were not properly reported when KDP initially received the current year activity.

Cause: The County does not have adequate controls over the property, plant and equipment reporting.

Effect: Certain construction in progress projects were not appropriately reported as depreciable assets. Additionally, an asset purchased with debt was not recorded.

Recommendation: We recommend the County adopt or reinforce internal controls to ensure that property, plant and equipment activity during the year are reported accurately and completely; this includes adequate review of reports.

View of Responsible Officials and Planned Corrective Actions: The County agrees with the finding and the recommended procedures have been implemented.

Repeat Finding: 2022-002

**LINCOLN COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2023**

**MATERIAL WEAKNESS**

2023-003 Schedule of Expenditures of Federal Awards Reporting

Criteria: The Code of Federal Regulations Title 2 U. S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Subpart F – Audit Requirements, requires an auditee to have internal controls in place to prepare appropriate financial statements, including the Schedule of Expenditures of Federal Awards (the Schedule). The Schedule should be complete and accurate.

Condition: The Schedule included amounts that were not federal expenditures that materially misstated the Schedule.

Cause: Internal controls in place did not ensure that the Schedule was complete and accurate.

Effect: The County was not in compliance with responsibility to prepare appropriate financial statements including the Schedule. Inappropriate federal programs could be selected as major for testing and a federal program could be missed from testing as a major program.

Recommendation: We recommend that the County enhance internal controls to ensure that amounts reported on the Schedule are accurate and should be included for reporting.

View of Responsible Officials and Planned Corrective Actions: The County agrees with the finding and the recommended procedures have been implemented.

**SIGNIFICANT DEFICIENCY**

2023-004 Bank Reconciliations

Criteria: Bank reconciliations should be performed timely and accurately and then reconciled to County fund cash balances and accounts.

Condition: The County's bank reconciliations contained many old outstanding checks and other old, uncleared reconciling items and are being carried on monthly cash reconciliations. The bank accounts required adjustments to accurately report the cash of the County.

Cause: Transactions were not appropriately cleared from the County's financial reporting software (incode).

Effect: The County's cash was inaccurately reported.

Recommendation: We highly recommend the County reconcile all bank accounts and remove any reconciling transactions that are inappropriate. Additionally, we highly recommend the County reconcile all bank accounts to the County fund balances to ensure that cash is reported accurately for the County.

View of Responsible Officials and Planned Corrective Actions: The County agrees with the finding and the recommended procedures have been implemented.

LINCOLN COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2023

**SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None reported

**LINCOLN COUNTY  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
JUNE 30, 2023**

**MATERIAL WEAKNESS**

2022-001 Deferred Revenue

Condition: The County did not properly defer revenue that had not met the revenue recognition criteria.

Recommendation: The County should implement a system to monitor what revenues should be recorded as deferred revenue.

Current Status: Ongoing

**MATERIAL WEAKNESS**

2022-002 Accounting for Capital Assets

Condition: The County did not properly record capital assets in the 2021 audit. This was discovered in performing the 2022 audit.

Recommendation: The County should implement a system to review capital asset and construction in progress listings in conjunction with finance and public works personnel.

Current Status: Ongoing