

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

Annual Financial Report

Year Ended June 30, 2021

**CITY OF LINCOLN CITY**

**CITY COUNCIL**

**JUNE 30, 2021**

**Term Expires**

Susan Wahlke (Mayor)  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2022

Mitch Parsons  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2022

Elaine Starmer  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2024

Rick Mark  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2022

Sydney Kasner  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2022

Dennis "Riley" Hoagland  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2024

Judy Casper  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2024

**Interim City Manager**

Lila Bradley

**Finance Director**

Debbie Bridges

**CITY OF LINCOLN CITY**

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**INDEPENDENT AUDITOR'S REPORT**



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224  
P 503.274.2849 F 503.274.2853 [www.tkw.com](http://www.tkw.com)

## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of City Council  
City of Lincoln City  
Lincoln City, Oregon

### **REPORT ON THE FINANCIAL STATEMENTS**

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

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, 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.

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## INDEPENDENT AUDITOR'S REPORT (Continued)

Honorable Mayor and Members of City Council  
City of Lincoln City

### OTHER MATTERS

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

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis (MD&A) and the Pension and OPEB schedules, as listed in the Table of Contents in the Required Supplementary Information section, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A and the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund and the Explore Lincoln City Fund, listed in the Table of Contents as Required Supplementary Information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This budgetary comparison 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 City's basic financial statements. The information listed in the Table of Contents as Other Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Other Supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



**INDEPENDENT AUDITOR'S REPORT (Continued)**

Honorable Mayor and Members of City Council  
City of Lincoln City

**OTHER MATTERS (Continued)**

***Other Information***

The Additional Schedules, as listed in the Table of Contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**OTHER REPORTING REQUIRED BY OREGON MINIMUM STANDARDS**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated March 31, 2022, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

**TALBOT, KORVOLA & WARWICK, LLP**

By   
Timothy R. Gillette, Partner

Portland, Oregon  
March 31, 2022

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

## CITY OF LINCOLN CITY

### MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis presents the highlights of financial activities and financial position for the City of Lincoln City (City) and the Lincoln City Urban Renewal Agency (Agency), a component unit of the City, for the fiscal year ended June 30, 2021. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget. Please read this analysis in conjunction with the City's financial statements, which follow.

#### FINANCIAL HIGHLIGHTS

The City's combined net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) was \$135,486,351 at June 30, 2021, an increase of \$6,380,483 (or 4.94%) over the prior year's net position. The City's General Fund reported an ending fund balance of \$12,815,447, an increase of \$1,248,999 (or 10.80%) relative to the prior year's fund balance. General fund revenues have been steady.

#### REPORT LAYOUT

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's annual financial report consists of several sections which, when taken together provide a comprehensive financial look at the City. The components of the report include the following:

*Independent auditor's report*

*Management's discussion and analysis (this report)*

*Government-wide financial statements*

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business, and are presented on the accrual basis of accounting.

- The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Net position is separated into amounts restricted for specific purposes and unrestricted amounts. This statement focuses on resources available for future operations.
- The Statement of Activities presents revenue and expense information showing how the City's net position changed during the most recent fiscal year. This statement presents gross and net costs of City programs and the extent to which such programs rely upon general tax and other revenues.

### *Fund financial statements*

Fund financial statements focus separately on major governmental and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented each in their own column and the remaining nonmajor funds are combined into a column titled "Other Governmental funds." This section also includes reconciliations of the governmental fund statements to the government-wide statements.

Statements for the City's proprietary funds include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows.

The City is the trustee, or fiduciary, for certain funds, and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All fiduciary activities are reported in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These activities are reported in the fund statements but excluded from the City's government-wide financial statements because the City cannot use these assets to finance its own operations.

### *Notes to basic financial statements*

The notes to basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition and results.

### *Required supplementary information*

The Schedule of Changes in the City's Total OPEB Liability and Related Ratios for Health Insurance Continuation, the Schedule of Proportionate Share of the Net OPEB (Asset)/(Liability) for the OPERS Retirement Health Insurance Account, the Schedule of Contributions for OPERS Retirement Health Insurance Account, the Schedule of Proportionate Share of Net Pension (Asset)/Liability for the Oregon Public Employees Retirement System, and the Schedule of Pension Plan Contributions for the Oregon Public Employees Retirement System are included in this section. These schedules report required additional pension and OPEB detail.

Budget information for the General Fund and the major special revenue fund is also included in this section. These schedules report revenues, expenditures, changes in fund balances, and related budgetary information.

### *Other supplementary information*

This section includes combining balance sheets, revenues, expenditures, and changes in fund balances, and budgetary information for other governmental funds including non-major special revenue funds, debt service fund, and capital projects funds. Following the governmental fund schedules are revenues, expenditures, and changes in fund balances, budgetary information, and reconciliation of revenues and expenditures to changes in fund net position for the City's proprietary funds. Also included are revenues, expenditures, and changes in fund balances for the City's internal service fund. Next are the combining balance sheets, revenues, expenditures, and changes in fund balances, and budgetary information for the funds that combine to form the City's General Fund, followed by a combining statement of fiduciary net position and combining statement of changes in fiduciary net position for the City's custodial funds.

### *Additional schedules*

This section contains property tax information, and annual disclosure information in conformance with SEC Rule 15c2-12, and System Development Charges in accordance with ORS 223.311.

*Independent auditor's report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Oregon state regulations.*

This report provides supplemental communication on City compliance and internal controls as required by Oregon statutes.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

**Statement of Net Position.** The City's combined net position (total assets and deferred outflows of resources less total liabilities and deferred inflows of resources) was \$135,486,351 at June 30, 2021, an increase of \$6,380,483 (or 4.94%) over the prior year's net position.

Table 1  
NET POSITION

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
<b>Assets:</b>						
Cash and investments	\$ 23,761,878	\$ 7,805,825	\$ 31,567,703	\$ 25,219,435	\$ 5,522,825	\$ 30,742,260
Receivables, net	5,746,798	1,200,874	6,947,672	3,667,588	1,374,113	5,041,701
Internal balances	153,239	(153,239)	-	202,865	(202,865)	-
Prepaid Items	988,541	23,383	1,011,924	536,245	78,289	614,534
Inventories	-	213,066	213,066	-	223,134	223,134
Assets held for sale	1,954,487	-	1,954,487	1,954,487	-	1,954,487
Capital assets net of depreciation	<u>82,125,027</u>	<u>47,359,004</u>	<u>129,484,031</u>	<u>80,684,222</u>	<u>50,453,371</u>	<u>131,137,593</u>
Total assets	<u>114,729,970</u>	<u>56,448,913</u>	<u>171,178,883</u>	<u>112,264,842</u>	<u>57,448,867</u>	<u>169,713,709</u>
<b>Deferred outflow of resources:</b>						
Deferred amts related to pensions	6,013,881	1,526,253	7,540,134	3,431,905	879,550	4,311,455
Deferred amts related to OPEB	<u>102,598</u>	<u>26,416</u>	<u>129,014</u>	<u>78,339</u>	<u>18,819</u>	<u>97,158</u>
Total deferred outflow of resources	<u>6,116,479</u>	<u>1,552,669</u>	<u>7,669,148</u>	<u>3,510,244</u>	<u>898,369</u>	<u>4,408,613</u>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	2,389,081	372,742	2,761,823	3,491,559	428,504	3,920,063
Landfill closure and postclosure care costs	450,869	-	450,869	450,869	-	450,869
Net other postemployment obligations	407,157	104,825	511,982	420,318	100,971	521,289
Net pension liability	12,932,086	3,282,014	16,214,100	9,633,649	2,468,972	12,102,621
Long-term obligations	<u>10,305,314</u>	<u>12,511,848</u>	<u>22,817,162</u>	<u>12,507,977</u>	<u>14,270,895</u>	<u>26,778,872</u>
Total liabilities	<u>26,484,507</u>	<u>16,271,429</u>	<u>42,755,936</u>	<u>26,504,372</u>	<u>17,269,342</u>	<u>43,773,714</u>
<b>Deferred inflow of resources:</b>						
Deferred amts related to pensions	376,445	95,538	471,983	896,199	229,684	1,125,883
Deferred amts related to OPEB	<u>106,375</u>	<u>27,386</u>	<u>133,761</u>	<u>94,223</u>	<u>22,634</u>	<u>116,857</u>
Total deferred inflow of resources	<u>482,820</u>	<u>122,924</u>	<u>605,744</u>	<u>990,422</u>	<u>252,318</u>	<u>1,242,740</u>
<b>Net position:</b>						
Net investment in capital assets	72,021,224	34,847,156	106,868,380	69,720,517	36,182,476	105,902,993
Restricted	14,292,609	6,780,626	21,073,235	13,258,403	4,650,458	17,908,861
Unrestricted	<u>7,565,289</u>	<u>(20,553)</u>	<u>7,544,736</u>	<u>5,301,372</u>	<u>(7,358)</u>	<u>5,294,014</u>
Total net position	<u>\$ 93,879,122</u>	<u>\$ 41,607,229</u>	<u>\$ 135,486,351</u>	<u>\$ 88,280,292</u>	<u>\$ 40,825,576</u>	<u>\$ 129,105,868</u>

Approximately 78.88% of the City's total net position is invested in capital assets. 10.12% of the City's net position is restricted for capital improvements (\$13,716,707), including proceeds from system development charges. A total of \$217,461 (0.16%) is restricted for repayment of outstanding debt. \$7,544,736 (5.57%) of the City's net position is unrestricted and available to fund the programs of the City.

**Changes in Net Position.** The City's total revenues were \$36,017,454, an increase of 13.21% from the prior year. Of the City's total revenue, \$9,841,557 (or 27.32%) is from property taxes, \$9,655,683 (or 26.81%) is from transient room taxes, \$9,960,653 (or 27.66%) is from charges for services and \$6,559,561 (or 18.21%) is from grants, interest earnings, franchise fees, and other non-tax sources. More detailed information is presented in table 2 below.

Table 2  
CHANGE IN NET POSITION

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
	<b>Program revenues:</b>					
Charges for services	\$ 1,745,140	\$ 8,215,513	\$ 9,960,653	\$ 1,515,789	\$ 7,957,915	\$ 9,473,704
Operating grants and contributions	1,318,509	20,644	1,339,153	1,047,800	89,706	1,137,506
Capital grants and contributions	2,642,404	464,056	3,106,460	1,883,793	667,912	2,551,705
<b>General revenues:</b>						
Property taxes, general purposes	7,495,630	-	7,495,630	7,222,746	-	7,222,746
Property taxes, debt service	784,458	1,561,469	2,345,927	762,288	1,521,913	2,284,201
Franchise fees	1,081,537	-	1,081,537	1,071,625	-	1,071,625
Transient room taxes	9,655,683	-	9,655,683	5,958,386	-	5,958,386
Other	798,485	233,926	1,032,411	1,816,722	297,139	2,113,861
Total program and general revenues	25,521,846	10,495,608	36,017,454	21,279,149	10,534,585	31,813,734
<b>Program expenses:</b>						
General government	4,654,630	-	4,654,630	4,837,031	-	4,837,031
Public safety	6,684,827	-	6,684,827	6,587,958	-	6,587,958
Highways and streets	2,735,330	-	2,735,330	2,963,879	-	2,963,879
Cultural and recreation	5,529,477	-	5,529,477	5,960,640	-	5,960,640
Art and education	111	-	111	1,949	-	1,949
Water and sewer	-	9,640,787	9,640,787	-	9,401,263	9,401,263
Interest on long-term debt	391,809	-	391,809	584,000	-	584,000
Total program expenses	19,996,184	9,640,787	29,636,971	20,935,457	9,401,263	30,336,720
Increase (decrease) in net position before transfers	5,525,662	854,821	6,380,483	343,692	1,133,322	1,477,014
Transfers	73,168	(73,168)	-	72,872	(72,872)	-
Change in net position	5,598,830	781,653	6,380,483	416,564	1,060,450	1,477,014
Net Position - starting	88,280,292	40,825,576	129,105,868	87,863,728	39,765,126	127,628,854
Net position - ending	\$ 93,879,122	\$ 41,607,229	\$ 135,486,351	\$ 88,280,292	\$ 40,825,576	\$ 129,105,868

The total cost of all City programs and services was \$29,636,971, a decrease of \$699,749 (or 2.31%) from the prior year. Expenses for Governmental Activities decreased by 4.49% while expenses for Business-Type Activities increased by 2.55%. Of the total expenses, \$9,640,787 (or 32.53%) was for Business-type Activities, and \$19,996,184 (or 67.47%) was for general government, public safety, highways and streets, cultural and recreation, and interest.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

### Governmental Funds

The City's General Fund reported an ending fund balance of \$12,815,447, an increase of \$1,248,999 (or 10.80%) versus the prior year's fund balance. Total General fund revenues increased by 2.84% from the prior fiscal year, while General fund expenditures decreased by 11.29%.

Transient Room Taxes (TRT) are a significant source of revenue for governmental funds, and an important indicator of how the local economy is doing. The lodging industry in Lincoln City began to recover in fiscal year 2020-21 following the COVID-19 pandemic resulting in a significant increase in TRT revenues. TRT revenues increased by \$3,697,297 (or 62.05%) from the prior fiscal year.

### Business-type Activities

The City's Water funds reported an ending net position of \$21,576,361, a decrease of \$40,557 (or 0.19%) versus the prior fiscal year's ending net position. Charges for Services decreased by \$67,285 (or 1.73%). Water rates did not change during the fiscal year.

The City's Sewer funds reported an ending net position of \$20,030,868, an increase of \$822,210 (or 4.28%) over the previous fiscal year's ending net position. Charges for Services increased by \$324,883 (or 7.99%), primarily due to a 6.0% rate increase.

System development charges (SDC) for both the Water and Sewer funds are generated from new building activity and reflect changes in new construction occurring within the City. Water system development charges decreased by \$24,232 (or 13.09%). Sewer system development charges decreased by \$22,191 (or 6.82%).

## BUDGETARY HIGHLIGHTS

City Council approved three changes to the fiscal year 2020-21 adopted budget. Resolution 2020-25 added \$250,000 to the Helping Hands loan appropriation and transferred \$250,000 to the Police Building Bond 2018 Fund for the new police building. Resolution 2021-17 added a \$150,000 appropriation for a legal settlement and transferred \$500,000 to the Park Operations Fund. Resolution 2021-30 added \$50,000 to the Building Inspection appropriation, \$100,000 for the wildlife grant and expenditures, moved \$150,076 of Emergency services appropriations from Police to City Hall Operations, increased the appropriation of Emergency Services by \$18,000, moved the Recreation Department budget of \$1,554,783 to the Parks and Recreation Fund, added funds for the parking lot at the new Police building for \$800,000, and increased the appropriation of unemployment by \$45,000. There was one Urban Renewal change to the fiscal 2020-21 adopted budget. Urban Renewal Resolution 2021-02 provided \$150,000 of additional funding for additional rehabilitation loans.

The budgetary schedule for the General Fund's original budget, and actual revenues and expenditures is included in the RSI, and more detailed information by department can also be found on page 61. Following is an analysis of significant variations:

- Resources – total actual revenue was \$867,000 more than final budget primarily because of increases in property tax received due to assessed value being higher than expected (\$306,000), increases in intergovernmental revenue due to additional federal and state grants received (\$219,000), and increases in transient room tax (\$396,000) due to an increase in rental activity.

- Expenditures – the total General Fund’s actual expenditures came in at \$1.4 million less than the final budget primarily because of a decrease in personnel services expenditures due to various position vacancies and a decrease in capital outlay due to the effects of the COVID-19 pandemic.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of fiscal year 2020-21, the City had capital assets totaling \$129,484,031 in a broad range of categories, including land, infrastructure, equipment, buildings and vehicles. This amount represents a net decrease (including additions and deductions) of \$1,653,562 (or 1.26%). More detailed information is presented in note 4 of the notes to basic financial statements.

Table 3  
CHANGE IN CAPITAL ASSETS

	June 30, 2021			June 30, 2020		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Beginning balance	\$ 80,684,222	\$ 50,453,371	\$ 131,137,593	\$ 72,007,078	\$ 51,153,068	\$ 123,160,146
Additions	4,630,220	154,778	\$ 4,784,998	12,337,655	3,577,522	15,915,177
Retirements	(2,033,116)	(553,122)	\$ (2,586,238)	(1,975,010)	(1,277,174)	(3,252,184)
Depreciation, net	(1,156,299)	(2,696,023)	(3,852,322)	(1,685,501)	(3,000,045)	(4,685,546)
Ending balance	<u>\$ 82,125,027</u>	<u>\$ 47,359,004</u>	<u>\$ 129,484,031</u>	<u>\$ 80,684,222</u>	<u>\$ 50,453,371</u>	<u>\$ 131,137,593</u>

### Governmental Activities

Additions to capital assets resulting from governmental activities totaled \$4,630,220. Construction in progress was reduced for completed projects transferred to buildings and system improvements totaling nearly \$16 million. Annual depreciation was recorded in the amount of \$2,894,359.

### Business-type Activities

Additions to capital assets resulting from business-type activities totaled \$154,778. These additions included \$114,779 in construction in progress and \$39,999 in equipment. A total of \$3,174,183 in annual depreciation was recorded.

## LONG-TERM OBLIGATIONS

At the end of fiscal year 2020-21, the City reported \$22,817,162 in outstanding debt, a decrease of \$3,961,710 (14.79%) relative to the prior year.

### Governmental Activities

The City did not issue any new debt for the fiscal year ending June 30, 2021 and made all scheduled principal and interest payments as required as well as paying off the remaining maturities of outstanding Urban Renewal bonds.



## Business-type Activities

The City did not issue any new debt for the fiscal year ending June 30, 2021 and made all scheduled principal and interest payments as required.

As of June 30, 2021, the City's Series 2013 Sewer Bonds carried a Moody's Aa3 rating. See additional schedules for the annual continuing disclosure statement in conformance with SEC Rule 15c2-12.

For additional information on the City's long-term outstanding obligations, see note 5 of the notes to basic financial statements.

Table 4  
LONG-TERM OBLIGATIONS

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Governmental:		
Full Faith and Credit Note Series 2017	\$ -	\$ 1,956,394
Full Faith and Credit Bond Series 2018	10,125,000	10,325,000
Full Faith and Credit Bond Premium Series 2018	<u>180,314</u>	<u>226,583</u>
Total governmental activities	<u>10,305,314</u>	<u>12,507,977</u>
Business-type:		
General Obligation Bonds		
Sewer Bonds - Series 2011	2,689,264	3,192,022
Sewer Bonds - Series 2013	8,130,000	8,890,000
Full Faith and Credit Note Series 2014	1,285,000	1,695,000
Contract payable	214,134	258,393
Contract payable	<u>193,450</u>	<u>235,480</u>
Total business-type activities	<u>12,511,848</u>	<u>14,270,895</u>
Total long-term obligations	<u>\$ 22,817,162</u>	<u>\$ 26,778,872</u>

## ECONOMIC FACTORS, NEXT YEAR'S BUDGET AND RATES

### Governmental Activities

Property taxes comprise 54.6% of the City's General Fund resources (excluding beginning fund balances and transfers in). Since 1997 increases in taxable assessed values have been limited by state statute to an increase of 3% a year plus the value of new construction. The City's projected General Fund revenue for fiscal year 2021-22 is \$14,309,440 and expenditures are budgeted at \$14,753,294, resulting in a \$443,854 decrease to fund balance. The projected ending General Fund reserves for fiscal year 2021-22 total \$7,287,931 (or 49.4% of budgeted expenditures).

Transient Room Tax (TRT) provides another major source of revenue for governmental activities. TRT is budgeted to increase by 3% in the next fiscal year (budget to budget).

For the fiscal year ending June 30, 2022, the City's Urban Renewal Agency has budgeted \$385,242 for capital reserves, and \$75,000 for design completion of the Siletz BayWalk Sidewalk Section.

The City is currently in the process of building a new Police building, for which it issued \$10,950,000 in full faith and credit obligations in November 2018. Bond payments will be made from TRT revenues in the Facilities Capital fund.

## **Business-type Activities**

The majority of revenue for business-type activities is user charges and system development charges. Water rates were budgeted to increase by 4% and sewer rates were budgeted to increase by 4% for fiscal year 2021-22.

For fiscal year 2021-22, the City's Water Capital funds have budgeted \$4,308,523 in capital outlay and reserves for water system upgrades and replacements as needed. The City's Wastewater Capital funds have budgeted \$4,680,742 in capital outlay and reserves for sewer system upgrades and replacements as needed, such as pump station upgrades.

## **REQUESTS FOR INFORMATION**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional information, please contact the City's Finance Director at City Hall, 801 SW Highway 101, Lincoln City, Oregon 97367. Copies of this report are also available at the Driftwood Library, and on the City's website at [www.lincolncity.org](http://www.lincolncity.org).

**BASIC FINANCIAL STATEMENTS**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and investments	\$ 23,700,228	\$ 7,795,249	\$ 31,495,477
Cash with County Treasurer	61,650	10,576	72,226
Receivables, net	5,746,798	1,200,874	6,947,672
Internal balances	153,239	(153,239)	-
Prepays and OPEB asset	988,541	23,383	1,011,924
Inventories	-	213,066	213,066
Assets held for sale	1,954,487	-	1,954,487
Capital assets:			
Land, improvements and construction in progress	35,076,962	1,625,156	36,702,118
Other capital assets, net	47,048,065	45,733,848	92,781,913
<b>TOTAL ASSETS</b>	<b>114,729,970</b>	<b>56,448,913</b>	<b>171,178,883</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amounts related to pensions	6,013,881	1,526,253	7,540,134
Deferred amounts related to OPEB	102,598	26,416	129,014
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>6,116,479</b>	<b>1,552,669</b>	<b>7,669,148</b>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	906,186	128,103	1,034,289
Other accrued liabilities	623,812	-	623,812
Accrued interest payable	101,819	49,653	151,472
Accrued compensated absences	757,264	194,986	952,250
Landfill closure and post closure care costs	450,869	-	450,869
Total other postemployment benefit obligation	407,157	104,825	511,982
Net pension liability	12,932,086	3,282,014	16,214,100
Long-term obligations:			
Due within one year	251,641	1,828,377	2,080,018
Due in more than one year	10,053,673	10,683,471	20,737,144
<b>TOTAL LIABILITIES</b>	<b>26,484,507</b>	<b>16,271,429</b>	<b>42,755,936</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred amounts related to pensions	376,445	95,538	471,983
Deferred amounts related to OPEB	106,375	27,386	133,761
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>482,820</b>	<b>122,924</b>	<b>605,744</b>
<b>NET POSITION:</b>			
Net investment in capital assets	72,021,224	34,847,156	106,868,380
Restricted for:			
Capital improvements	7,111,331	6,605,376	13,716,707
Debt service	65,594	151,867	217,461
Highways and streets	1,142,556	-	1,142,556
Landfill postclosure costs	129,610	-	129,610
Tourism	3,122,429	-	3,122,429
Urban renewal	1,184,070	-	1,184,070
Parks Maintenance	1,446,192	-	1,446,192
OPEB asset	90,827	23,383	114,210
Unrestricted	7,565,289	(20,553)	7,544,736
<b>TOTAL NET POSITION</b>	<b>\$ 93,879,122</b>	<b>\$ 41,607,229</b>	<b>\$ 135,486,351</b>

See notes to basic financial statements.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2021**

ACTIVITIES	Program Revenues				Net Revenue (Expense) and Change in Net Position		Totals
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 4,654,630	\$ 1,187,454	\$ 963,792	\$ -	\$ (2,503,384)	\$ -	\$ (2,503,384)
Public safety	6,684,827	52,000	-	-	(6,632,827)	-	(6,632,827)
Highways and streets	2,735,330	172,217	26,525	2,635,833	99,245	-	99,245
Culture and recreation	5,529,477	333,469	328,192	6,571	(4,861,245)	-	(4,861,245)
Art and education	111	-	-	-	(111)	-	(111)
Interest on long-term obligations	391,809	-	-	-	(391,809)	-	(391,809)
Total governmental activities	<u>19,996,184</u>	<u>1,745,140</u>	<u>1,318,509</u>	<u>2,642,404</u>	<u>(14,290,131)</u>	<u>-</u>	<u>(14,290,131)</u>
Business-type activities:							
Water	4,015,675	3,822,368	2,788	160,837	-	(29,682)	(29,682)
Sewer	5,625,112	4,393,145	17,856	303,219	-	(910,892)	(910,892)
Total business-type activities	<u>9,640,787</u>	<u>8,215,513</u>	<u>20,644</u>	<u>464,056</u>	<u>-</u>	<u>(940,574)</u>	<u>(940,574)</u>
<b>Total</b>	<u>\$ 29,636,971</u>	<u>\$ 9,960,653</u>	<u>\$ 1,339,153</u>	<u>\$ 3,106,460</u>	<u>(14,290,131)</u>	<u>(940,574)</u>	<u>(15,230,705)</u>
<b>GENERAL REVENUES</b>							
Property taxes levied for:							
General purposes					7,495,630	-	7,495,630
Debt service					784,458	1,561,469	2,345,926
Franchise fees					1,081,537	-	1,081,537
Transient room taxes					9,655,683	-	9,655,683
Unrestricted investment earnings					184,926	59,084	244,011
Miscellaneous					613,559	174,842	788,401
<b>TRANSFERS</b>					<u>73,168</u>	<u>(73,168)</u>	<u>-</u>
<b>Total general revenues and transfers</b>					<u>19,888,961</u>	<u>1,722,227</u>	<u>21,611,189</u>
<b>CHANGE IN NET POSITION</b>					<u>5,598,830</u>	<u>781,653</u>	<u>6,380,483</u>
<b>NET POSITION, June 30, 2020</b>					<u>88,280,292</u>	<u>40,825,576</u>	<u>129,105,868</u>
<b>NET POSITION, June 30, 2021</b>					<u>\$ 93,879,122</u>	<u>\$ 41,607,229</u>	<u>\$135,486,351</u>

See notes to basic financial statements.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**BALANCE SHEET GOVERNMENTAL FUNDS**

**JUNE 30, 2021**

	General Fund	Explore Lincoln City	Police Building Construction	Other Governmental Funds	Totals
<b>ASSETS:</b>					
Cash and investments	\$ 10,351,994	\$ 2,303,538	\$ 1,242,804	\$ 9,637,254	\$ 23,535,590
Cash with County Treasurer	51,735	-	-	9,915	61,650
Receivables	2,290,575	831,386	-	2,619,525	5,741,486
Prepaid Items	184,289	697,985	-	-	882,274
Advance to other funds	153,239	-	-	-	153,239
Assets held for sale	1,393,665	-	-	560,822	1,954,487
<b>TOTAL ASSETS</b>	<b>\$ 14,425,497</b>	<b>\$ 3,832,909</b>	<b>\$ 1,242,804</b>	<b>\$ 12,827,516</b>	<b>\$ 32,328,726</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 156,767	\$ 12,495	\$ 282,701	\$ 445,137	\$ 897,100
Other accrued liabilities	623,812	-	-	-	623,812
<b>TOTAL LIABILITIES</b>	<b>780,579</b>	<b>12,495</b>	<b>282,701</b>	<b>445,137</b>	<b>1,520,912</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>					
Unavailable revenue	829,471	-	-	69,840	899,311
<b>FUND BALANCES:</b>					
Nonspendable in form	2,331,193	697,985	-	1,479,938	4,509,116
Restricted for:					
Capital projects	-	-	-	7,312,842	7,312,842
Post closure landfill costs	580,479	-	-	-	580,479
Debt service	-	-	-	65,594	65,594
Road construction/maintenance	-	-	-	1,142,556	1,142,556
Tourism promotion	-	3,122,429	-	-	3,122,429
Urban renewal	-	-	-	281,882	281,882
Parks maintenance	-	-	-	1,446,192	1,446,192
Committed to:					
Capital projects	657,509	-	-	-	657,509
Affordable housing	-	-	-	231,645	231,645
Maintenance services	-	-	-	228,592	228,592
Art and education	-	-	-	123,298	123,298
Unassigned	9,246,266	-	960,103	-	10,206,369
<b>TOTAL FUND BALANCES</b>	<b>12,815,447</b>	<b>3,820,414</b>	<b>960,103</b>	<b>12,312,539</b>	<b>29,908,503</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 14,425,497</b>	<b>\$ 3,832,909</b>	<b>\$ 1,242,804</b>	<b>\$ 12,827,516</b>	<b>\$ 32,328,726</b>

See notes to basic financial statements.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**RECONCILIATION OF GOVERNMENTAL FUNDS**  
**BALANCE SHEET TO STATEMENT OF NET POSITION**

**JUNE 30, 2021**

<b>TOTAL FUND BALANCE</b>	\$ 29,908,503
Total net position shown in the Statement of Net Position is different because:	
Capital assets are not financial resources for budgetary purposes and therefore are not reported in the governmental funds.	81,932,614
Certain items are not available to pay for current period expenditures, but are reported in the Statement of Net Position	
Net OPEB RHIA Asset	86,004
Deferred outflows of resources related to pensions	5,712,167
Deferred outflows of resources related to OPEB	97,149
A portion of the City's receivables are collected after year-end but they are not collected soon enough to be available as financial resources for the current year. The revenues related to these receivables are not reported in the governmental funds.	899,311
Interest not payable with current resources is not recorded as governmental fund liabilities.	(101,819)
Compensated absences not payable in the current year are not recorded as governmental fund liabilities.	(687,351)
Long-term liabilities and deferred inflows are not reported as governmental fund liabilities as they are not payable in the current year. These long-term liabilities and deferred inflows consist of:	
Total other post-employment benefit obligation	(385,535)
Net pension liability	(12,283,288)
Deferred inflows of resources related to pensions	(357,559)
Deferred inflows of resources related to OPEB	(100,727)
Bonds payable, bond premium, and notes payable	(10,305,314)
Landfill closure and post closure costs	(450,869)
Total	<u>(23,883,292)</u>
The internal service fund is used by management to charge the cost of services to individual funds. Their assets and liabilities are included in the Statement of Net Position.	<u>(84,164)</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 93,879,122</u></b>

See notes to basic financial statements.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**GOVERNMENTAL FUNDS**

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED JUNE 30, 2021**

	General	Explore Lincoln City	Police Building Construction	Other Governmental Funds	Totals
<b>REVENUES:</b>					
Property Taxes	\$ 7,563,527	\$ -	\$ -	\$ 794,325	\$ 8,357,852
Franchise fees	1,081,537	-	-	-	1,081,537
Transient room tax	1,902,514	2,937,346	-	4,815,823	9,655,683
Fines and forfeitures	228,338	-	-	-	228,338
Fees, licenses and permits	725,277	-	-	-	725,277
Rents	-	-	-	233,839	233,839
Charges for services	52,000	-	-	505,686	557,686
Intergovernmental	962,596	10,030	-	2,464,317	3,436,943
Interest on investments	88,328	17,170	3,257	76,171	184,926
Miscellaneous	682,297	707	-	41,341	724,345
<b>TOTAL REVENUES</b>	<b>13,286,414</b>	<b>2,965,253</b>	<b>3,257</b>	<b>8,931,502</b>	<b>25,186,426</b>
<b>EXPENDITURES:</b>					
Current:					
General government	2,983,175	-	-	606,639	3,589,814
Public safety	6,404,686	-	-	-	6,404,686
Highways and streets	-	-	-	1,352,249	1,352,249
Culture and recreation	1,056,857	1,652,318	-	2,225,184	4,934,359
Art and education	-	-	-	111	111
Debt service	-	-	-	2,604,482	2,604,482
Capital outlay	77,882	-	1,087,684	2,906,537	4,072,103
<b>TOTAL EXPENDITURES</b>	<b>10,522,600</b>	<b>1,652,318</b>	<b>1,087,684</b>	<b>9,695,202</b>	<b>22,957,804</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,763,814</b>	<b>1,312,935</b>	<b>(1,084,427)</b>	<b>(763,700)</b>	<b>2,228,622</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from sale of capital assets	9,450	-	-	11,350	20,800
Transfers in	2,942	-	1,050,000	617,817	1,670,759
Transfers out	(1,527,207)	(70,384)	-	-	(1,597,591)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,514,815)</b>	<b>(70,384)</b>	<b>1,050,000</b>	<b>629,167</b>	<b>93,968</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,248,999</b>	<b>1,242,551</b>	<b>(34,427)</b>	<b>(134,533)</b>	<b>2,322,590</b>
<b>FUND BALANCES, beginning of year</b>	<b>11,566,448</b>	<b>2,577,863</b>	<b>994,530</b>	<b>12,447,072</b>	<b>27,585,913</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 12,815,447</b>	<b>\$ 3,820,414</b>	<b>\$ 960,103</b>	<b>\$ 12,312,539</b>	<b>\$ 29,908,503</b>

See notes to basic financial statements.



**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2021**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 2,322,590

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

Governmental funds report capital assets additions as expenditures while  
governmental activities report depreciation expense to allocate those expenditures  
over the life of the assets. The difference between these two amounts is:

Capital outlay	\$ 4,072,103	
Depreciation	<u>(2,834,903)</u>	1,237,200

The net effect of transactions involving capital assets, i.e. gain/loss on sales,  
donations. These transactions are not reported in the governmental funds. 264,997

Receivables that do not meet the measurable and available criteria are not  
recognized as revenue in the current year in governmental funds. In the  
Statement of Activities they are recognized as revenue when levied or earned. (188,550)

Repayment of bond principal is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the Statement of Net Position. 2,156,394

Accrued interest is not recorded in the governmental funds. 10,010

Amortization of bond premium is not recorded in the governmental funds. 46,269

Internal service fund is used by management to charge the costs of services  
to individual governmental funds. The net loss of the internal service fund is  
reported as a governmental activity. (22,248)

Some expenses reported in the Statement of Activities do not require the  
use of current financial resources and therefore are not reported as  
expenditures in governmental funds.

Pension expense	(195,059)	
Net OPEB benefit	4,996	
Compensated absences	<u>(37,769)</u>	

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 5,598,830**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION**

**JUNE 30, 2021**

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Totals	
<b>ASSETS:</b>				
Current assets:				
Cash and investments	\$ 3,099,273	\$ 4,695,976	\$ 7,795,249	\$ 164,638
Cash with County Treasurer	-	10,576	10,576	-
Receivables, net	457,882	742,992	1,200,874	5,312
Prepays and OPEB asset	11,191	12,192	23,383	20,263
Inventories	190,943	22,123	213,066	-
Total current assets	3,759,289	5,483,859	9,243,148	190,213
Capital assets:				
Land, improvements and construction in progress	796,236	828,920	1,625,156	7,376
Other capital assets, net	19,713,458	26,020,390	45,733,848	185,037
Total capital assets	20,509,694	26,849,310	47,359,004	192,413
<b>TOTAL ASSETS</b>	<b>24,268,983</b>	<b>32,333,169</b>	<b>56,602,152</b>	<b>382,626</b>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>				
Deferred amounts related to pensions	815,382	710,871	1,526,253	301,714
Deferred amounts related to OPEB	12,642	13,774	26,416	5,449
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<b>828,024</b>	<b>724,645</b>	<b>1,552,669</b>	<b>307,163</b>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and accrued expenses	26,984	101,119	128,103	9,086
Advance from other funds	-	153,239	153,239	-
Accrued interest payable	15,686	33,967	49,653	-
Accrued compensated absences	131,832	63,154	194,986	69,913
Current portion of long-term obligations	463,573	1,364,804	1,828,377	-
Total current liabilities	638,075	1,716,283	2,354,358	78,999
Long-term liabilities	1,014,877	9,668,594	10,683,471	-
Total other postemployment benefit obligation	50,169	54,656	104,825	21,622
Net pension liability	1,753,377	1,528,637	3,282,014	648,798
<b>TOTAL LIABILITIES</b>	<b>3,456,498</b>	<b>12,968,170</b>	<b>16,424,668</b>	<b>749,419</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts related to pensions	51,041	44,497	95,538	18,886
Deferred amounts related to OPEB	13,107	14,279	27,386	5,648
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>64,148</b>	<b>58,776</b>	<b>122,924</b>	<b>24,534</b>
<b>NET POSITION:</b>				
Net investment in capital assets	19,031,244	15,815,912	34,847,156	192,413
Restricted for:				
Capital improvement	3,151,504	3,453,872	6,605,376	-
Debt service	10,706	141,161	151,867	-
OPEB asset	11,191	12,192	23,383	4,823
Unrestricted	(628,284)	607,731	(20,553)	(281,400)
<b>TOTAL NET POSITION</b>	<b>\$ 21,576,361</b>	<b>\$ 20,030,868</b>	<b>\$ 41,607,229</b>	<b>\$ (84,164)</b>

See notes to basic financial statements.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**PROPRIETARY FUNDS**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**

**YEAR ENDED JUNE 30, 2021**

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Totals	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 3,822,368	\$ 4,393,145	\$ 8,215,513	\$ 1,010,204
Intergovernmental	2,788	17,856	20,644	959
Miscellaneous	1,012	173,830	174,842	21,560
<b>TOTAL OPERATING REVENUES</b>	<b>3,826,168</b>	<b>4,584,831</b>	<b>8,410,999</b>	<b>1,032,723</b>
<b>OPERATING EXPENSES:</b>				
Personal services	1,658,580	1,646,290	3,304,870	678,724
Materials and services	718,341	1,587,928	2,306,269	280,709
Support services	241,766	177,492	419,258	-
Depreciation	1,324,050	1,850,133	3,174,183	59,456
<b>TOTAL OPERATING EXPENSES</b>	<b>3,942,737</b>	<b>5,261,843</b>	<b>9,204,580</b>	<b>1,018,889</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(116,569)</b>	<b>(677,012)</b>	<b>(793,581)</b>	<b>13,834</b>
<b>NONOPERATING INCOME (EXPENSE):</b>				
System development charges	160,837	303,219	464,056	-
Interest earned on investments	22,101	36,983	59,084	-
Gain (loss) from sale of asset	(20,347)	(50,715)	(71,062)	(36,082)
Property taxes	-	1,561,469	1,561,469	-
Interest expense	(52,591)	(312,554)	(365,145)	-
<b>TOTAL NONOPERATING INCOME (EXPENSE)</b>	<b>110,000</b>	<b>1,538,402</b>	<b>1,648,402</b>	<b>(36,082)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(6,569)</b>	<b>861,390</b>	<b>854,821</b>	<b>(22,248)</b>
<b>TRANSFERS:</b>				
Transfers out	(33,988)	(39,180)	(73,168)	-
<b>CHANGE IN NET POSITION</b>	<b>(40,557)</b>	<b>822,210</b>	<b>781,653</b>	<b>(22,248)</b>
<b>NET POSITION, June 30, 2020</b>	<b>21,616,918</b>	<b>19,208,658</b>	<b>40,825,576</b>	<b>(61,916)</b>
<b>NET POSITION, June 30, 2021</b>	<b>\$ 21,576,361</b>	<b>\$ 20,030,868</b>	<b>\$ 41,607,229</b>	<b>\$ (84,164)</b>

See notes to basic financial statements.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 2021**

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 3,958,853	\$ 4,629,361	\$ 8,588,214	\$ 1,042,051
Payments to suppliers	(688,712)	(1,574,220)	(2,262,932)	(279,001)
Payments to employees	(1,658,781)	(1,607,338)	(3,266,119)	(670,238)
Payments for support services	(241,766)	(177,492)	(419,258)	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,369,594</b>	<b>1,270,311</b>	<b>2,639,905</b>	<b>92,812</b>
<b>CASH FLOWS FROM NON FINANCING ACTIVITIES:</b>				
Property taxes	-	1,561,469	1,561,469	-
Transfers out	(33,988)	(39,180)	(73,168)	-
<b>NET CASH FROM NON FINANCING ACTIVITIES</b>	<b>(33,988)</b>	<b>1,522,289</b>	<b>1,488,301</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital assets	(37,631)	(117,147)	(154,778)	(34,146)
Proceeds received from sale of capital assets	-	3,900	3,900	-
System development charges	160,837	303,219	464,056	-
Principal paid on advance from other funds	-	(49,626)	(49,626)	-
Principal paid on long-term obligations	(452,030)	(1,307,017)	(1,759,047)	-
Interest paid on long-term obligations	(56,933)	(347,886)	(404,819)	-
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(385,757)</b>	<b>(1,514,557)</b>	<b>(1,900,314)</b>	<b>(34,146)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	22,101	36,983	59,084	-
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>971,950</b>	<b>1,315,026</b>	<b>2,286,976</b>	<b>58,666</b>
<b>CASH AND INVESTMENTS, beginning of year</b>	<b>2,127,323</b>	<b>3,380,950</b>	<b>5,508,273</b>	<b>105,972</b>
<b>CASH AND INVESTMENTS, end of year</b>	<b>\$ 3,099,273</b>	<b>\$ 4,695,976</b>	<b>\$ 7,795,249</b>	<b>\$ 164,638</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (116,569)	\$ (677,012)	\$ (793,581)	\$ 13,834
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,324,050	1,850,133	3,174,183	59,456
Decrease (increase) in assets and deferred outflows				
Receivables, net	132,685	40,554	173,239	9,328
Prepays	50,672	841	51,513	12,480
Inventories	10,068	-	10,068	-
Cash with County Treasurer	-	3,976	3,976	-
Net OPEB Asset	1,779	1,614	3,393	888
Deferred outflows	(336,296)	(318,004)	(654,300)	(126,997)
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued expenses	(31,111)	12,867	(18,244)	(10,772)
Compensated absences payable	7,256	(5,100)	2,156	6,478
OPEB	1,259	2,595	3,854	86
Net pension liability	398,644	414,398	813,042	154,324
Deferred inflows	(72,843)	(56,551)	(129,394)	(26,293)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,369,594</b>	<b>\$ 1,270,311</b>	<b>\$ 2,639,905</b>	<b>\$ 92,812</b>
<b>NON CASH TRANSACTIONS</b>				
Gain/(loss) on sale of asset	\$ (20,347)	\$ (54,615)	\$ (74,962)	\$ (36,082)

See notes to basic financial statements.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**CUSTODIAL FUND**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2021**

<b>ASSETS:</b>	
Cash and investments	<u>\$ 77,557</u>
<b>LIABILITIES:</b>	
Accounts payable	<u>9,501</u>
<b>NET POSITION:</b>	
Restricted for:	
Individuals and organizations	<u><u>\$ 68,056</u></u>

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED JUNE 30, 2021**

<b>ADDITIONS:</b>	
Grants and donations	\$ 23,947
System development charges	1,016
Deposits held for other	1,030
Interest on investments	<u>105</u>
<b>TOTAL ADDITIONS</b>	<u>26,098</u>
<b>DEDUCTIONS:</b>	
Refunds	<u>61,322</u>
<b>CHANGE IN NET POSITION</b>	<u>(35,224)</u>
<b>NET POSITION, June 30, 2020</b>	-
Restatement*	<u>103,280</u>
<b>NET POSITION, June 30, 2020, as restated</b>	<u>103,280</u>
<b>NET POSITION, June 30, 2021</b>	<u><u>\$ 68,056</u></u>

\*Restatement per GASB 84 (Fiduciary Activities) implementation.

See notes to basic financial statements.

**NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF LINCOLN CITY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Lincoln City, Oregon (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting entity for establishing governmental accounting and financial reporting standards.

**Organization**

The City was incorporated as a home-rule city on March 3, 1965, consolidating the incorporated cities of Taft, Delake, Oceanlake, and the unincorporated communities of Cutler City and Nelscott.

Control of the City is vested in its Mayor and Council members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Council. The chief administrative officer is the City Manager.

**Reporting Entity**

The accompanying financial statements present the primary government and component unit for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government with respect to the component unit.

The City Council serves as the governing board of the Lincoln City Urban Renewal Agency (the Agency). Therefore, the accounts of the Agency are included in the financial statements of the City as a blended component unit.

Complete financial statements for the Lincoln City Urban Renewal Agency may be viewed on the City's website at [www.lincolncity.org](http://www.lincolncity.org).

**Basis of Presentation**

The basic financial statements include both government-wide and fund-based financial statements. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally financed through taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

**Government-wide Financial Statements**

The government-wide financial statements display information about all non-fiduciary activities of the City, and its component unit.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-wide Financial Statements (Continued)**

The Statement of Activities presents a comparison between direct expenses and program revenues for the City's programs. Direct expenses are those that are clearly identified with a specific function or segment. The City does not allocate indirect expenses. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**Measurement Focus and Basis of Accounting**

The government-wide financial statements and the proprietary funds financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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 City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

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 are charges to customers for sales and services. Operating expenses for proprietary 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if they are collected within thirty days after year end. Property taxes and interest are considered susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have been incurred. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from borrowing are reported as other financing sources.



**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting (Continued)**

A deferred inflow of resources arises on the balance sheet of the governmental funds when potential revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to finance operations of the current period. In the government-wide statement of activities, under a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the deferral created on the balance sheet of the governmental funds for unavailable revenue is eliminated.

**Fund Financial Statements**

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Each fund is considered a separate accounting entity. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the Other Supplementary Information section of this report.

The City reports the following major governmental funds:

General Fund – accounts for the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, fees, licenses and state apportionments.

Explore Lincoln City (ELC) – accounts for the financial operations of the ELC fund. Resources are primarily provided from transient room taxes which are restricted for promoting tourism.

Police Building Construction Fund – accounts for the construction of a new Police building. Principal source of revenue is interest on investments.

The City reports the following major proprietary funds:

Water Fund – accounts for the water system operations. This fund is predominantly self-supported through user charges to customers.

Sewer Fund – accounts for the sewer system operations. This fund is predominantly self-supported through user charges to customers. Property taxes are collected to service bond payments.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Financial Statements (Continued)**

The City also reports an Internal Service Fund. This fund accounts for vehicle maintenance, information technology, and geographic information system operations. The activities of the Internal Service Fund are aggregated into governmental activities for purposes of reporting in the entity-wide financial statements.

Additionally, the City reports a custodial fund as a fiduciary fund to account for assets held in a purely custodial capacity for others.

The City also reports activity within the following nonmajor governmental funds types:

- Special revenue funds
- Debt service funds
- Capital projects funds

**Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

**Inventories**

Inventories consisting of water and sewer system supplies and materials are stated at cost, on a first-in, first-out basis.

**Receivables**

User charges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to user charges receivable. No provisions for uncollectible accounts was necessary at June 30, 2021.

Property taxes are levied on and become a lien against property on July 1 of the year in which they are due. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is paid by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Receivables (Continued)**

In the fund financial statements, property tax receivables collected within 30 days after the end of fiscal year are considered measurable and available, and therefore, are recognized as revenue. The property taxes receivable portion beyond 30 days is recorded as deferred inflow of resources for unavailable revenue.

In the government-wide financial statements, property taxes are recognized as revenue when earned.

In the proprietary funds, receivables include services provided but not billed. The enterprise funds' receivables include billings for residential and commercial customers utilizing the City's water, sewer, and storm water services and are reported net of an allowance for uncollectible amounts, which is determined based upon an estimated percentage of the receivable balance. No provision for uncollectible accounts was necessary at June 30, 2021.

The City makes loans to third parties for rehabilitation of properties consistent with the establishment of the City's Urban Renewal Agency. Loans receivable are recorded when the borrower has signed a promissory note and disbursements are made in accordance with the loan agreement. As the City obtains liens against the affected properties, no allowance is deemed necessary.

**Assets Held for Sale**

Land that is held for sale is reported in the applicable governmental columns in the government-wide and fund-level financial statements. Land is recorded at the lower of cost or market.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, and in the proprietary funds. Capital assets are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at acquisition value.

Capital assets are defined by the City as assets with an initial, individual cost of \$1,000 or more, and an estimated useful life of greater than 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. Costs for repairs and maintenance are expensed as incurred.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets (Continued)**

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with assets shown net of accumulated depreciation in the Statement of Net Position. For enterprise funds, depreciation is recorded as an expense on the fund level, while depreciation is recorded at the enterprise level for governmental funds. Depreciation is calculated on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	25 to 40
Improvements other than buildings	10 to 20
Machinery and equipment	5 to 10
Vehicles	5 to 10
Utility systems	25 to 40
Infrastructure	20 to 50
Intangibles	25 to 40

Depreciation is taken in the year the assets are acquired or retired based upon the number of days held. Gains or losses from sales or retirements of capital assets are recorded in the current period.

**Long-term obligations**

In the government-wide financial statements, and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, gain or loss on refunding, as well as bond issuance costs, during the current period. The face amount of debt issued as well as any premium is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences**

The City has a policy which permits full-time employees to accumulate unused sick leave at the rate of one day per month over their working careers. The City does not compensate employees for unused accumulations upon termination of employment. Sick leave, which does not vest, is recognized in funds when leave is taken.

Each employee earns vacation at rates determined by their length of employment. Normally, an employee can accumulate a maximum of 320 hours, except for utilities personnel, which may accrue 340 hours. Due to the COVID-19 pandemic, these limits have been temporarily removed.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Compensated Absences (Continued)**

Accumulated vested vacation leave is accrued as it is earned. In the government-wide and proprietary fund financial statements, all vacation and compensatory time is reported when earned. In the governmental funds, a liability for compensated absences is reported only if they have matured, and thus become due. Compensated absences are considered a current liability in the entity-wide and proprietary fund statements as they are susceptible to liquidation at any time.

**Fund Balance**

The City reports fund balances within the governmental funds based on the hierarchy of constraints to which those balances are subject. Fund balances in the governmental funds are reported within the following categories:

- Non-Spendable – Includes items not in spendable form, such as prepaid items, inventory, assets held for sale, and other assets not quickly convertible to cash.
- Restricted – Includes items that are restricted by external creditors, grantors or contributors, or restricted by constitutional provisions or enabling legislation.
- Committed – Includes items committed by the City Council, by formal Council action.
- Assigned – Includes items assigned for specific uses, authorized by the City's Finance Director or City Manager.
- Unassigned – This is the residual classification used in the General Fund for those balances not assigned to another category. Deficit fund balances reported in other governmental funds are also categorized as unassigned.

The City has adopted the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the basic financial statements report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the basic financial statements report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Deferred Inflows/Outflows of Resources (Continued)**

(revenue) until that time. The governmental funds report unavailable revenues from property tax receivables, unbonded assessments, and municipal court receivables. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**Pensions**

For purposes of measuring the net pension liability/(asset), 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 OPER's fiduciary net position have been determined on the same basis as they are reported by OPERS.

**Other Post-employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's two separate plans, the Implicit Rate Subsidy and Oregon Public Employees Retirement Systems (OPERS), and additions to/deductions from Implicit Rate Subsidy and OPERS's fiduciary net position have been determined on the same basis as they are reported by Implicit Rate Subsidy and OPERS. For this purpose, Implicit Rate Subsidy and OPERS recognizes benefit payments when due and payable in accordance with the benefit terms.

**2. DEPOSITS AND INVESTMENTS**

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

Investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any public funds. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**2. DEPOSITS AND INVESTMENTS (Continued)**

established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP approximates the value of the pool shares.

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings, and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less from the date of purchase.

At June 30, 2021, the City's cash and investments were comprised of the following:

Cash on hand	\$ 2,825
Deposits with financial institutions	476,455
Oregon State Treasurer's Local Government Investment Pool	<u>31,093,754</u>
	<u>\$ 31,573,034</u>

Reported as:

Governmental activities	\$ 23,700,228
Business-type activities	<u>7,795,249</u>
Total per Statement of Net Position	31,495,477
Custodial Fund	<u>77,557</u>
	<u>\$ 31,573,034</u>

**Interest Rate Risk**

The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from changes in interest rates.

**Credit Risk**

The City does not have a formal policy that places a limit on the amount that may be invested in any one institution. 100 percent of the City's investments are in the State Treasurer's Local Government Investment Pool.

The City does not have a policy which limits the amount of investments that can be held with counterparties.

The City's deposits with financial institutions are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) per institution. The City's bank balance as of June 30, 2021, was \$956,289, with amounts beyond the coverage of FDIC held at qualified depositories of public funds as required by Oregon Statutes. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by, and in the name of, the Office of the State Treasurer.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**2. DEPOSITS AND INVESTMENTS (Continued)**

**Credit Risk (Continued)**

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

**3. ACCOUNTS RECEIVABLE**

Receivables as of June 30, 2021, for the City's governmental activities/funds are as follows:

	<u>General</u>	<u>Explore Lincoln City</u>	<u>Other Governmental</u>	<u>Internal Service</u>	<u>Totals</u>
Property taxes	\$ 407,822	\$ -	\$ 69,840	\$ -	\$ 477,662
Intergovernmental	102,966	-	267,659	-	370,625
Fines and warrants	41,344	-	-	-	41,344
Franchise fees	124,956	-	-	5,312	130,268
Transient room taxes	531,541	831,386	1,362,910	-	2,725,837
Reimburse/Local Impr District	362,683	-	-	-	362,683
Miscellaneous other	719,263	-	919,116	-	1,638,379
	<u>\$ 2,290,575</u>	<u>\$ 831,386</u>	<u>\$ 2,619,525</u>	<u>\$ 5,312</u>	<u>\$ 5,746,798</u>

The City's permanent tax rate is \$4.0996 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The Lincoln City Urban Renewal Agency levied 20 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations without making a special levy in 2020-21.

Rehabilitation loans receivable are comprised of loans to qualified borrowers for the rehabilitation and restoration of single-family and multi-family residences, and commercial loans to small business to promote economic development. Loans are collateralized by real property. Net loans receivable are as follows:

<u>Fund and Program</u>	<u>Maximum Term</u>	<u>Interest Rate</u>	<u>Loans Receivable</u>
Non-major Governmental Funds:			
Urban development:			
Rehabilitation loans	10 years	0%	\$ 834,225
Affordable Housing:			
Habitat and Housing Rehabilitation	15 years	0%	\$ 84,891



**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**3. ACCOUNTS RECEIVABLE (Continued)**

Receivables as of June 30, 2021, for the City's business-type activities/funds are as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
User charges	\$ 452,475	\$ 585,845	\$ 1,038,320
Intergovernmental	1,559	20,000	21,559
Reimburse/Local Impr District	-	30,177	30,177
Property taxes	-	85,476	85,476
Miscellaneous accounts receivable	3,848	21,494	25,342
	<u>\$ 457,882</u>	<u>\$ 742,992</u>	<u>\$ 1,200,874</u>

**4. CAPITAL ASSETS**

Transactions for the year ended June 30, 2021, of the governmental activities, were as follows:

	<u>Balance June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Capital assets not being depreciated:				
Land	\$ 10,437,540	\$ 1,201,585	\$ (33,661)	\$ 11,605,464
Public right-of-way	22,328,786	-	-	22,328,786
Construction in progress	13,827,709	3,312,091	(15,997,088)	1,142,712
Total capital assets not being depreciated	<u>46,594,035</u>	<u>4,513,676</u>	<u>(16,030,749)</u>	<u>35,076,962</u>
Capital assets being depreciated:				
Buildings	16,227,970	13,113,710	(78,185)	29,263,495
Heavy equipment	778,187	-	(168,093)	610,094
Urban renewal projects	4,916,491	-	(4,535)	4,911,956
System improvements	60,362,423	2,693,698	(139,260)	62,916,861
Vehicles	1,559,845	37,943	(191,003)	1,406,785
Equipment and furniture	4,398,693	268,281	(1,388,483)	3,278,491
Books and art	173,885	-	(29,896)	143,989
Total capital assets being depreciated	<u>88,417,494</u>	<u>16,113,632</u>	<u>(1,999,455)</u>	<u>102,531,671</u>
Accumulated depreciation	<u>(54,327,307)</u>	<u>(2,894,359)</u>	<u>1,738,060</u>	<u>(55,483,606)</u>
Total capital assets being depreciated, net	<u>34,090,187</u>	<u>13,219,273</u>	<u>(261,395)</u>	<u>47,048,065</u>
Total capital assets, net	<u>\$ 80,684,222</u>	<u>\$ 17,732,949</u>	<u>\$ (16,292,144)</u>	<u>\$ 82,125,027</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**4. CAPITAL ASSETS (Continued)**

Depreciation expense for governmental activities was charged to functions as follows:

General government	\$	721,481
Internal Service Fund		59,456
Public safety		172,735
Highway and streets		1,388,362
Culture and recreation		552,325
		<u>552,325</u>
Total	\$	<u>2,894,359</u>

Transactions for the year ended June 30, 2021, of the business-type activities, were as follows:

	<u>Balance</u> <u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets not being depreciated:				
Land and improvements	\$ 811,950	\$ -	\$ (19,322)	\$ 792,628
Construction in progress	717,749	114,779	-	832,528
	<u>1,529,699</u>	<u>114,779</u>	<u>(19,322)</u>	<u>1,625,156</u>
Total capital assets not being depreciated				
Capital assets being depreciated:				
Buildings	1,131,776	-	(25,010)	1,106,766
Facilities	94,047,203	-	(157,252)	93,889,951
Equipment	2,705,035	39,999	(351,538)	2,393,496
Intangibles	120,868	-	-	120,868
	<u>98,004,882</u>	<u>39,999</u>	<u>(533,800)</u>	<u>97,511,081</u>
Total capital assets being depreciated				
Accumulated depreciation	(49,081,210)	(3,174,183)	478,160	(51,777,233)
Total capital assets being depreciated, net	<u>48,923,672</u>	<u>(3,134,184)</u>	<u>(55,640)</u>	<u>45,733,848</u>
Total capital assets, net	\$ <u>50,453,371</u>	\$ <u>(3,019,405)</u>	\$ <u>(74,962)</u>	\$ <u>47,359,004</u>

Depreciation expense for business-type activities was charged to functions as follows:

Water	\$	1,324,050
Sewer		1,850,133
		<u>1,850,133</u>
Total	\$	<u>3,174,183</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**5. LONG-TERM OBLIGATIONS**

Transactions for the year ended June 30, 2021, of the governmental activities, were as follows:

<u>Note</u>	<u>Balances</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2021</u>	<u>Due within</u> <u>one year</u>
<u>Note</u>					
Full Faith and Credit Note, Series 2017, URA					
Original issue amount \$2.975 million, final maturity					
June 2023, interest at 3.15 percent	\$ 1,956,394	\$ -	\$ 1,956,394	\$ -	\$ -
<u>Bond</u>					
Full Faith and Credit Obligation, Series 2018,					
Original issue amount \$10.950 million, final maturity					
April 2048, interest at 3.85 percent	10,325,000	-	200,000	10,125,000	210,000
<u>Bond Premium</u>					
Full Faith and Credit Obligation, Series 2018	226,583	-	46,269	180,314	41,641
	<u>\$ 12,507,977</u>	<u>\$ -</u>	<u>\$ 2,202,663</u>	<u>\$ 10,305,314</u>	<u>\$ 251,641</u>
Compensated absences	<u>\$ 713,017</u>	<u>\$ 757,264</u>	<u>\$ 713,017</u>	<u>\$ 757,264</u>	<u>\$ 757,264</u>

The future maturities for governmental activity long-term obligations outstanding as of June 30, 2021 are as follows:

Fiscal Year	Police Building Bonds, Series 2018		Police Bldg Bond	Totals	
	Principal	Interest	Premium	Principal	Interest
2022	\$ 210,000	\$ 407,275	\$ 41,641	\$ 251,641	\$ 407,275
2023	220,000	396,775	36,841	256,841	396,775
2024	230,000	385,775	31,841	261,841	385,775
2025	240,000	374,275	26,641	266,641	374,275
2026	255,000	362,275	21,329	276,329	362,275
2027-2031	1,460,000	1,613,975	22,021	1,482,021	1,613,975
2032-2036	1,745,000	1,330,644	-	1,745,000	1,330,644
2037-2041	2,080,000	990,038	-	2,080,000	990,038
2042-2046	2,525,000	543,000	-	2,525,000	543,000
2047-2048	1,160,000	70,000	-	1,160,000	70,000
	<u>\$ 10,125,000</u>	<u>\$ 6,474,032</u>	<u>\$ 180,314</u>	<u>\$ 10,305,314</u>	<u>\$ 6,474,032</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**5. LONG-TERM OBLIGATIONS (Continued)**

Transactions for the year ended June 30, 2021 of the business-type activities, were as follows:

	Balance <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balances <u>June 30, 2021</u>	Due within <u>one year</u>
<u>Financing Agreement</u>					
Full Faith and Credit Water Bonds, Series 2014, Original issue amount \$4 million, final maturity April 2024, interest at 2.81 percent	\$ 1,695,000	\$ -	\$ 410,000	\$ 1,285,000	\$ 420,000
<u>General Obligation Bonds</u>					
Sewer Bonds, Series 2011, Original issue amount \$7 million, final maturity March 2026, interest at 4.1 percent	3,192,022	-	502,758	2,689,264	523,690
Sewer Bonds, Refunding Series 2013 Original issue amount \$9.885 million, final maturity June 2030, interest at 2.4 percent	8,890,000	-	760,000	8,130,000	795,000
<u>Contract payable</u>					
Original issue amount \$355,960, final maturity August 2023, interest at 4.19 percent	258,393	-	44,259	214,134	46,114
Original issue amount \$286,152, final maturity July 2024, interest at 3.67 percent	235,480	-	42,030	193,450	43,573
	<u>\$ 14,270,895</u>	<u>\$ -</u>	<u>\$ 1,759,047</u>	<u>\$ 12,511,848</u>	<u>\$ 1,828,377</u>
Compensated absences	<u>\$ 192,830</u>	<u>\$ 194,986</u>	<u>\$ 192,830</u>	<u>\$ 194,986</u>	<u>\$ 194,986</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**5. LONG-TERM OBLIGATIONS (Continued)**

The future maturities for business-type activity long-term obligations outstanding as of June 30, 2021 are as follows:

Fiscal Year	Full Faith and Credit Note Series 2014		General Obligation Sewer Bonds Series 2011		General Obligation Sewer Refunding Bond Series 2013	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 420,000	\$ 36,610	\$ 523,690	\$ 102,276	\$ 795,000	\$ 198,650
2023	430,000	24,644	545,494	80,473	830,000	182,750
2024	435,000	12,427	568,205	57,761	850,000	166,150
2025	-	-	591,862	34,104	875,000	148,088
2026	-	-	460,013	9,462	900,000	128,400
2027-30	-	-	-	-	3,880,000	280,925
	<u>\$ 1,285,000</u>	<u>\$ 73,681</u>	<u>\$ 2,689,264</u>	<u>\$ 284,076</u>	<u>\$ 8,130,000</u>	<u>\$ 1,104,963</u>

Fiscal Year	Contract Payable Sewer		Contract Payable Water		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 46,114	\$ 8,972	\$ 43,573	\$ 7,100	\$ 1,828,377	\$ 353,608
2023	48,046	7,040	45,172	5,500	1,898,712	300,407
2024	119,974	5,027	46,829	3,843	2,020,008	245,208
2025	-	-	57,876	2,124	1,524,738	184,316
2026	-	-	-	-	1,360,013	137,862
2027-30	-	-	-	-	3,880,000	280,925
	<u>\$ 214,134</u>	<u>\$ 21,039</u>	<u>\$ 193,450</u>	<u>\$ 18,567</u>	<u>\$ 12,511,848</u>	<u>\$ 1,502,326</u>

**6. UNAVAILABLE REVENUE**

Resources to the City, which are measurable, but not available, are reported as deferred inflows of resources in the governmental funds. As of June 30, 2021 unavailable revenue consists of the following:

	General Fund	Other Governmental Funds	Totals
Property taxes	\$ 407,822	\$ 69,840	\$ 477,662
LID/Reimbursement Dist/Abatement	386,277	-	386,277
Fines and warrants	35,372	-	35,372
Total	<u>\$ 829,471</u>	<u>\$ 69,840</u>	<u>\$ 899,311</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**7. LANDFILL CLOSURE AND POST CLOSURE CARE COSTS**

The City is a member of the Lincoln County Consortium for Solid Waste Management, which was organized in 1984 to assume responsibility for the management and closure of the Agate Beach Landfill site.

State and Federal laws and regulations required the Consortium to place a final cover on the Agate Beach Landfill site when it stopped accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty (30) years subsequent to closure. This 30-year post-closure period was initiated on December 27, 1997. Since the landfill is closed it has used 100% of its capacity. The City is responsible for a 25.3% share of Consortium's estimated unfunded costs, which is based on submissions of engineering estimates, construction bids, and projected monitoring costs over the next six years. The estimated liability is based on the assumption that the least expensive disposal alternative will be used.

Reporting requirements for the Lincoln County Consortium for Solid Waste Management have changed and they no longer provide an annual Financial Recertification document. Instead the Consortium provides certified estimates. The City is reporting its landfill closure and post closure care costs liability using the most recent Consortium estimates from June 2018.

At June 30, 2021 the City reports a restricted fund balance amount related to these post-closure requirements of \$580,479 and liability in the entity-wide financial statements \$450,869.

**8. EMPLOYEE RETIREMENT PENSION PLAN**

**Plan Description**

**Plan Benefits** - The City is a participating employer in the Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit pension plan. The Oregon Legislature has delegated authority to the Public Employees Retirement Board (PERB) to administer and manage the system. The PERB governs and acts as a common investment and administrative agent for public employers in the State of Oregon. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

- 1) *Public Employee Retirement System (PERS) - Tier One/Tier Two Retirement Benefit (ORS Chapter 238)*. The Tier One/Tier Two Retirement Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
  - a) *Pension Benefits*. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Plan Description (Continued)**

and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. 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.

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 2020. The limit will be equal to \$195,000 in 2020 and will be indexed with inflation in later years.

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). General service employees may retire after reaching age 55. Police 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 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.

- b) *Death Benefits.* Upon death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following criterion are met:
- i. the member was employed by a PERS employer at the time of death,
  - ii. the member died within 120 days after termination of PERS-covered employment,
  - iii. the member died as a result of injury sustained while employed in a PERS-covered job, or
  - iv. the member was on an official leave of absence from a PERS-covered job at the time of death.
- c) *Disability Benefits.* A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police members) when determining the monthly benefit.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Plan Description (Continued)**

- d) *Benefit Changes after Retirement.* Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The COLA is capped at 2.0 percent.
  
- 2) *Oregon Public Service Retirement Pension Defined Benefit Program.* The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
  - a) *Pension Benefits.* 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:
    - i. *Police:* 1.8 percent multiplied by the number of years of service and the final average salary. Normal retirement age for police members is age 60, or age 53 with 25 years of retirement credit. To be classified as a police member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
    - ii. *General service:* 1.5 percent multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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 2020. The limit will be equal to \$195,000 in 2020 and will be indexed with inflation in later years.

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, or if the pension program terminated, the date on which termination becomes effective.

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



**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Plan Description (Continued)**

d) *Benefit Changes after Retirement.* Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living adjustments (COLA). The cap on the COLA will vary based on the amount of the annual benefit.

3) *OPSRP Individual Account Program.*

a) *Pension Benefits.* The IAP is an individual account-based program under the PERS 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 with respect to those contributions: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

b) *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.

c) *Recordkeeping.* OPERS contracts with VOYA Financial to maintain IAP participant records.

Both PERS and OPSRP plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

**Contributions**

1) *Employer Contributions.* PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2018 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent)

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Contributions (Continued)**

contributions. Employer contributions for the year ended June 30, 2021 were \$3,359,893. Of this amount, \$1,372,066 was contractually required. The remaining \$1,987,827 is the City's lump sum contribution of \$1,590,262 and the 25% match from the State of \$397,565 to the Employer Incentive Fund, which pre-pays some of the City's outstanding PERS liability. The rates in effect for the fiscal year ended June 30, 2021 were 24.47 percent for Tier One/Tier Two General Service Member, 24.47 percent for Tier One/Tier Two Police Members, 18.22 percent for OPSRP Pension Program General Service Members, 22.59 percent for OPSRP Pension Program Police Members.

- 2) *Employee Contributions.* Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. 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 and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contributions were \$418,563 for the year ended June 30, 2021.

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

At June 30, 2021 the City reported a liability of \$16,214,100 for its proportionate share of the plan pension liability. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2021, the City's proportion was 0.0743 percent, which was an increase from its proportion of 0.0700 measured as of June 30, 2020.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

For the year ended June 30, 2021 the City recognized pension expense of \$3,537,012. At June 30, 2021, the City 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	\$ 713,617	\$ -
Change of assumptions	870,159	30,489
Net difference between projected and actual earnings on pension plan investments	1,906,567	-
Changes in proportionate share	509,980	233,871
Difference between employer contributions and employer's proportionate share of contributions	179,918	207,623
Subtotal	<u>4,180,241</u>	<u>471,983</u>
City contributions subsequent to the measurement date	1,372,066	-
EIF payment	1,987,827	-
Total	<u>\$ 7,540,134</u>	<u>\$ 471,983</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2022.

Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	<u>Total</u>
2022	\$ 713,577
2023	1,069,220
2024	1,046,215
2025	816,845
2026	62,402
	<u>\$ 3,708,259</u>

**Actuarial Methods and Assumptions**

**Actuarial Valuations** - The employer contribution rates effective July 1, 2020 through June 30, 2021 were set using the entry age normal actuarial method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Actuarial Methods and Assumptions (Continued)**

from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

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

Valuation date	December 31, 2018
Measurement date	June 30, 2020
Experience study report	2018, published July 24, 2019
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation	2.50%
Long-term expected rate of return	7.20%
Discount rate	7.20%
Salary increase	3.50%
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality	<i>Healthy retirees and beneficiaries:</i> 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.  <i>Active member:</i> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.  <i>Disabled retirees:</i> Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Actuarial Methods and Assumptions (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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

**Assumed Asset Allocation**

<u>Asset Class</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Debt Securities	15.0 %	25.0 %	20.0%
Public Equity	27.5	37.5	32.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	7.5	17.5	15.0
Opportunity Portfolio	-	3.0	-
Risk Parity	-	2.5	2.5
Total			<u>100.0%</u>

**Long-Term Expected Rate of Return** - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compound Annual Return (Geometric)</u>
Core Fixed Income	9.60 %	4.07 %
Short-Term Bond	9.60	3.68
Bank/Leveraged Loans	3.60	5.19
High Yield Bonds	1.20	5.74
Large/Mid Cap US Equities	16.17	6.30
Small Cap US Equities	1.35	6.68
Micro Cap US Equities	1.35	6.79
Developed Foreign Equities	13.48	6.91
Emerging Foreign Equities	4.24	7.69
Non-US Small Cap Equities	1.93	7.25
Private Equity	17.50	8.33

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Actuarial Methods and Assumptions (Continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compound Annual Return (Geometric)</u>
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50	6.69
Hedge Fund of Funds- Diversified	1.50	4.06
Hedge Fund Event-Driven	0.38	5.59
Timber	1.13	5.61
Farmland	1.13	6.12
Infrastructure	2.25	6.67
Commodities	1.13	3.79
Total	100.0 %	

Assumed Inflation – Mean 2.50%

**Discount Rate** - The discount rate used to measure the total pension liability was 7.20 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.

**Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

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

	<u>1% Decrease (6.2%)</u>	<u>Discount Rate (7.2%)</u>	<u>1% Increase (8.2%)</u>
City’s proportionate share of net pension liability	\$ 24,076,599	\$ 16,214,100	\$ 9,621,030

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**8. EMPLOYEE RETIREMENT PENSION PLAN (Continued)**

**Changes in Plan Provisions During the Measurement Period**

A legislative change that occurred during the measurement period affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

**Changes in Plan Provisions Subsequent to Measurement Date**

There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

**9. OTHER POST-EMPLOYMENT BENEFITS**

Reported other post-employment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation (HIC) premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple employer defined benefit plan (RHIA).

	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Net OPEB on Financials</u>
Net OPEB asset	\$ -	\$ 114,210	\$ 114,210
Deferred outflows of resources:			
Change in assumptions	39,393	-	39,393
Differences between expected and actual experience	23,303	-	23,303
Difference in earnings	-	12,701	12,701
Change in proportionate share	-	15,855	15,855
Contributions after MD	36,529	1,223	37,752
Net OPEB liability	511,982	-	511,982
Deferred inflows of resources:			
Difference in expected and actual experience	44,667	11,676	56,343
Change in assumptions	70,019	6,071	76,090
Change in proportionate share	-	1,328	1,328
OPEB expense/(income)*	48,229	(11,141)	37,088

\*Included in program expenses on the Statement of Activities

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**9. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Health Insurance Continuation**

**Plan Description** - The City provides other post-employment benefits (OPEB) for employees, retirees, spouses and dependents through a single employer defined benefit plan in the form of group health insurance benefits. As required by ORS 243.303(2) retirees who were hired after July 1, 2003 may continue, at the retirees' expense, coverage under the group health insurances plan until age 65. The difference between the premium actually paid by retirees under the group insurance plan and the premium that they would pay if they were not included in the plan is considered to be an implicit rate subsidy. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: <https://www.cisoregon.org/About/TrustDocs>.

For the purpose of calculating the OPEB liability, the July 1, 2020 actuarial valuation includes 132 active participants and 4 inactive participants.

**OPEB Plan Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – The City's net OPEB liability of \$511,982 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$48,229. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 23,303	\$ 44,667
Change of assumptions	39,393	70,019
Subtotal	62,696	114,686
City contributions subsequent to the measurement date	36,529	-
Total	\$ 99,225	\$ 114,686

Deferred outflows of resources related to OPEB of \$36,529 resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:



**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**9. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Health Insurance Continuation (Continued)**

Year ended June 30:	Total
2022	\$ (12,387)
2023	(12,387)
2024	(12,387)
2025	(9,181)
2026	(2,859)
Thereafter	(2,789)
	<u>\$ (51,990)</u>

***Actuarial assumptions and other inputs*** – The OPEB liability for the current year was determined as a part of the July 1, 2020 actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future.

The OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal
Inflation	2.50%
Salary increase	3.50%
Discount rate	2.21%
Withdrawal, retirement, and mortality rates	December 31, 2019 Oregon PERS valuation
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.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**9. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**Health Insurance Continuation (Continued)**

**Changes in OPEB Liability** - The annual OPEB cost is calculated based on the OPEB liability, as actuarially determined. The following table shows the components of the City's annual OPEB costs and liabilities for the fiscal year ending June 30, 2021.

	<u>Total OPEB Liability</u>
Balance as of June 30, 2020	\$ 521,289
Changes for the Year	
Service Costs	41,833
Interest	18,783
Changes of economic/demographic gains or losses	(51,539)
Changes of assumptions	35,032
Benefit payments	<u>(53,416)</u>
Balance as of June 30, 2021	<u>\$ 511,982</u>

**Sensitivity of the OPEB Liability to Changes in the Discount Rate** – The following presents the OPEB liability of the City, as well as what the OPEB liability would be if it were calculated using a discount rate one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate. A similar sensitivity analysis is presented for changes in the healthcare cost trend assumption.

	<u>1% Decrease (1.21%)</u>	<u>Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
OPEB Liability	\$ 548,355	\$ 511,982	\$ 477,652
		<u>Current Healthcare Cost Trend Rates (4.00%-5.75%)</u>	
OPEB Liability	<u>1% Decrease</u> \$ 455,295	\$ 511,982	<u>1% Increase</u> \$ 580,020

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**9. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**OPERS Retirement Health Insurance Account**

***Plan Description*** - As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefits other post-employment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281, or online at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>.

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA post-employment benefits because the payment amount is set by statute and is not adjusted for increases in healthcare costs.

***Contributions and Benefits Provided*** - 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 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 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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS sponsored health plan. A surviving spouse or dependent of a deceased PERS 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 PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

PERS funding policy provides for 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. Employer contribution rates for the period were based on the December 31, 2018 actuarial valuation and a percentage of payroll that first became effective July 1, 2019. The City contributed 0.05% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits and 0.00% of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The City's total for the year ended June 30, 2021 contributions was \$1,223.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**9. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**OPERS Retirement Health Insurance Account (Continued)**

***OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB*** - At June 30, 2021 the City reported an asset of \$114,210 for its proportionate share of the net OPEB asset, which is included in prepaids and other on the Statement of Net Position. The net OPEB asset was measured as of June 30, 2020, and the net OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2021, the City's proportionate share was 0.0561%, which is a decrease from its proportion of 0.0715% as of June 30, 2020.

For the year ended June 30, 2021 the City recognized OPEB income of \$11,141. The following table shows the components of the City's annual OPEB expense/ (income) for the year ended June 30, 2021:

Employer's proportionate share of collective system OPEB Expense / (Income)	\$ (18,370)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share	<u>7,229</u>
Total OPEB Expense / (Income)	<u>\$ (11,141)</u>

***Components of Deferred Outflows/Inflows of Resources*** - At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the City's RHIA plan from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 11,676
Changes of assumptions	-	6,071
Net difference between projected and actual earnings on investments	12,701	-
Changes in proportionate share	<u>15,855</u>	<u>1,328</u>
Subtotal	28,556	19,075
City contributions subsequent to the measurement date	<u>1,223</u>	-
Deferred Outflows / Inflows of Resources	<u>\$ 29,779</u>	<u>\$ 19,075</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**9. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**OPERS Retirement Health Insurance Account (Continued)**

Deferred outflows of resources related to OPEB of \$1,223 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Total
2022	\$ (4,220)
2023	5,001
2024	4,695
2025	4,006
	\$ 9,482

***Actuarial Methods and Assumptions*** - The net OPEB asset in the December 31, 2018 actuarial valuation was determined using the actuarial methods and assumptions the same as listed above in Note 8 – Pension Plan Actuarial Assumptions.

***Long-term Expected Rate of Return*** - Are the same as listed above in Note 8 – Pension Plan Long-term Expected Rate of Return

***Discount Rate*** – The discount rates used to measure the net OPEB liability at June 30, 2020 was 7.20%. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the net OPEB liability.

***Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*** - The following presents the City's proportional share of the net OPEB asset, as well as what the City's proportionate share of the net OPEB asset would be if calculated using a discount rate that is one percentage point lower (6.20%) or one percentage point higher (8.20%) than the current discount rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of net OPEB Liability/ (Asset)	\$ (92,205)	\$ (114,210)	\$ (133,025)

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**9. OTHER POST-EMPLOYMENT BENEFITS (Continued)**

**OPERS Retirement Health Insurance Account (Continued)**

The RHIA plan is unaffected by health care cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums. Consequently, disclosure of a healthcare cost trend analysis is not applicable.

***OPEB Plan Fiduciary Net Position*** - Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

***Changes in Plan Provisions During the Measurement Period*** - There were no changes during the June 30, 2020 measurement period that require disclosure.

***Changes in Plan Provisions Subsequent to Measurement Date*** - There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

**10. OTHER INFORMATION**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is currently involved in various legal matters. While the City intends to mount a defense to these matters, the possibility of unfavorable outcomes does exist. The likelihood and related amounts of losses, if any, are not currently determinable. Management believes these matters will not have a material impact on City operations.

In 1981, the League of Oregon Cities joined together with the Association of Oregon Cities to form City County Insurance Services (CCIS), a public entity risk pool currently operating as a common risk management and insurance program for approximately 265 municipal corporations and associated entities in the State of Oregon. CCIS is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of \$2 million for each insured event.

The City continues to carry commercial insurance for other risks of loss, including workers' compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**Interfund Transfers**

Cash transfers are indicative of funding for capital projects, debt service, and subsidies of various City operations and re-allocations of special revenues. The non-cash transfers occur when a governmental fund purchases a capital asset which will be used in the operation of a business-type activity (or vice versa), or when a governmental fund receives proceeds from or pays principal on long-term obligations reported in a business-type activity fund (or vice versa). The following schedule briefly summarizes the City's transfer activity for the year ended June 30, 2021:

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**10. OTHER INFORMATION (Continued)**

**Interfund Transfers (Continued)**

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental		
General	\$ 2,942	\$ 1,527,207
Explore Lincoln City	-	70,384
Police Building Construction	1,050,000	-
Other governmental	617,817	-
Proprietary		
Water	-	33,988
Sewer	-	39,180
	<u>\$ 1,670,759</u>	<u>\$ 1,670,759</u>

**Construction Commitments**

The City has entered into an agreement with Oregon Department of Transportation (ODOT) for Highway 101 NE Neotsu to NE West Devils Lake Road Bike/Pedestrian Improvements. ODOT will pay approximately \$2.7 million to the City for this improvement. In March of 2020, the City Council approved a design-build-contract award for the project, which is expected to cost approximately \$3 million. In April 2020, the City issued a purchase order for \$219,702 for phase 1 of the project. In February of 2021, the City added \$305,194 to that existing purchase order to bring the total amount to \$524,896. As of June 30, 2021, \$253,966 was spent on the purchase order.

In April 2020, the City issued a purchase order for \$150,723 for the UR Cutler BayWalk Hwy 101 Sidewalk Gap project. As of June 30, 2021, \$92,760 was spent on the purchase order.

In February 2021, the City Council approved \$439,997 plus contingency to be used for upgrading the existing Spyglass Pump Station. No monies have been expended on this project as of June 30, 2021.

In March 2021, the City Council approved \$440,000 to be used on the Water Treatment Plant Generator Replacement project. As of June 30, 2021, \$21,900 has been expended on this project.

In March 2021, the City Council approved a construction contract of \$194,293 to replace the City Hall HVAC control system. As of June 30, 2021, \$38,106 has been expended on this project.

In April 2021, the City Council approved \$874,452 to be used on the NE 14<sup>th</sup> Street Sidewalk and Sewer LID Project. As of June 30, 2021, \$27,725 has been expended on this project.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2021**

**10. OTHER INFORMATION (continued)**

**Construction Commitments (continued)**

In April 2021, the City Council approved \$366,751 to be used on the SW 29<sup>th</sup> Street Improvement and NE 36<sup>th</sup> Drive Project. No monies have been expended on this project as of June 30, 2021.

In May 2021, the City Council approved \$495,000 plus contingency to be used on the Dewatering Screw Press Project. As of June 30, 2021, \$21,908 has been expended on this project.

**Budget Policies and Budgetary Control**

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

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City adopts the budget, makes appropriations, and declares the tax levy no later than June 30.

Expenditure appropriations may not be legally over-expended, except in the case of spending related to grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing the appropriations for each fund sets the level at which expenditures and transfers cannot legally exceed appropriations. The City establishes levels of budgetary control at personal services, materials and services, capital outlay, operating contingencies, and debt services for all funds, except the General Fund, where budgetary control is established at the department level.

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The City Council must authorize all appropriation transfers and supplementary budgetary appropriations.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**

**HEALTH INSURANCE CONTINUATION**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2018	2019	2020	2021
<b>Total OPEB Liability</b>				
Service Cost	\$ 44,858	\$ 42,313	\$ 37,408	\$ 41,833
Interest	16,413	20,231	20,014	18,783
Changes in economic/demographic gains or losses	-	39,560	-	(51,539)
Changes in assumptions	(28,874)	(97,082)	12,440	35,032
Benefit payments	(41,145)	(40,205)	(56,121)	(53,416)
Net change in total OPEB liability	(8,748)	(35,183)	13,741	(9,307)
Total OPEB liability - beginning	551,479	542,731	507,548	521,289
Total OPEB liability - ending	<u>\$ 542,731</u>	<u>\$ 507,548</u>	<u>\$ 521,289</u>	<u>\$ 511,982</u>
Covered-employee payroll	\$ 8,028,837	\$ 8,621,321	\$ 8,960,286	\$ 8,928,070
<b>Total OEPB liability as a percentage of covered-employee payroll</b>	6.76%	5.89%	5.82%	5.73%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB (ASSET) / LIABILITY**

**OPERS RETIREMENT HEALTH INSURANCE ACCOUNT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Fiscal Year</u>	<u>City's proportion of the net OPEB (asset)/liability</u>	<u>City's proportionate share of the net OPEB (asset)/liability</u>	<u>City's covered employee payroll</u>	<u>City's proportionate share of the net OPEB (asset)/liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
2017	0.07183499%	\$ 19,508	\$ 7,678,745	0.25%	94.2%
2018	0.07009318	(29,253)	8,028,837	-0.36	108.9
2019	0.06690803	(74,688)	8,621,321	-0.87	124.0
2020	0.07153686	(138,235)	8,960,286	-1.54	144.4
2021	0.05605109	(114,210)	8,928,070	-1.28	150.1

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SCHEDULE OF CONTRIBUTIONS**

**OPERS RETIREMENT HEALTH INSURANCE ACCOUNT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contributions</u>	<u>Contribution deficiency/ (excess)</u>	<u>City's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2017	\$ 40,618	\$ 40,618	\$ -	\$ 7,678,745	0.53%
2018	32,396	32,396	-	8,028,837	0.40%
2019	35,455	35,455	-	8,621,321	0.41%
2020	4,003	4,003	-	8,960,286	0.04%
2021	1,223	1,223	-	8,928,070	0.01%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION (ASSET) / LIABILITY**

**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Fiscal Year</u>	<u>City's proportion of the net pension (asset)/liability</u>	<u>City's proportionate share of the net pension (asset)/liability</u>	<u>City's covered employee payroll</u>	<u>City's proportionate share of the net pension (asset)/liability as a percentage of its covered payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2014	0.07669903%	\$ 3,914,064	\$ 7,456,657	52.5%	92.0%
2015	0.07669903	(1,738,548)	7,695,975	-22.6	103.6
2016	0.08575513	4,923,598	7,676,583	64.1	91.9
2017	0.07758981	11,648,031	7,888,036	147.7	80.5
2018	0.07083796	9,548,984	7,678,745	124.4	83.1
2019	0.07086270	10,734,766	8,028,837	133.7	82.1
2020	0.06996703	12,102,621	8,621,321	140.4	80.2
2021	0.07429672	16,214,100	8,960,286	181.0	75.8

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Source: [https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB\\_68\\_FYE\\_6.30.2020.pdf](https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_68_FYE_6.30.2020.pdf)

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS**

**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Fiscal Year</u>	<u>Contractually required contributions</u>	<u>Contributions in relation to the contractually required contributions</u>	<u>Contribution excess/ (deficiency)</u>	<u>City's covered employee payroll</u>	<u>Contractual contributions as a percentage of covered employee payroll</u>
2014	\$ 613,563	\$ 613,563	\$ -	\$ 7,695,975	8.0%
2015	599,044	599,044	-	7,676,583	7.8
2016	670,745	670,745	-	7,888,036	8.5
2017	747,380	747,380	-	7,678,745	9.7
2018	857,176	857,176	-	8,028,837	10.7
2019	953,119	953,119	-	8,621,321	11.1
2020	1,345,467	1,345,467	625,000	8,960,286	15.0
2021	1,372,066	1,372,066	1,987,827	8,928,070	15.4

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 7,257,457	\$ 7,257,457	\$ 7,563,527	\$ 306,070
Franchise fees	1,093,900	1,093,900	1,081,537	(12,363)
Transient room tax	1,701,820	1,506,020	1,902,514	396,494
Fees, licenses and permits	687,070	737,070	725,277	(11,793)
Fines, and forfeitures	205,267	205,267	228,338	23,071
Charges for services	51,500	51,500	52,000	500
Intergovernmental	833,657	742,724	962,596	219,872
Interest	222,949	222,949	73,386	(149,563)
Miscellaneous	1,072,130	461,924	557,044	95,120
<b>TOTAL REVENUES</b>	<b>13,125,750</b>	<b>12,278,811</b>	<b>13,146,219</b>	<b>867,408</b>
<b>EXPENDITURES:</b>				
City council	35,178	35,178	28,070	7,108
City administration	792,203	942,203	933,526	8,677
Finance	905,118	905,118	812,972	92,146
Library	1,147,408	1,147,408	1,053,852	93,556
Municipal court	115,995	115,995	112,807	3,188
City attorney	290,360	290,360	284,348	6,012
Planning	496,734	496,734	457,521	39,213
Building inspection	324,217	374,217	351,539	22,678
Economic Development	635,988	635,988	291,667	344,321
Police	5,848,679	5,698,603	5,365,505	333,098
Dispatch Center	1,224,926	1,224,926	1,090,725	134,201
Recreation department	1,554,783	-	-	-
Non-departmental	274,716	837,792	493,552	344,240
Contingencies	1,731,785	218,785	-	218,785
<b>TOTAL EXPENDITURES</b>	<b>15,378,090</b>	<b>12,923,307</b>	<b>11,276,084</b>	<b>1,647,223</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,252,340)</b>	<b>(644,496)</b>	<b>1,870,135</b>	<b>2,514,631</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	9,450	9,450
Transfers in	608,709	608,709	608,709	-
Transfers out	(477,207)	(2,085,051)	(1,527,207)	557,844
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>131,502</b>	<b>(1,476,342)</b>	<b>(909,048)</b>	<b>567,294</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,120,838)</b>	<b>(2,120,838)</b>	<b>961,087</b>	<b>3,081,925</b>
<b>FUND BALANCE, beginning of year</b>	<b>8,120,838</b>	<b>8,120,838</b>	<b>9,705,591</b>	<b>1,584,753</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 10,666,678</b>	<b>\$ 4,666,678</b>
Change in fund balance - budgetary basis			\$ 961,087	
New loan reported as increase in receivable			250,000	
Loan repayments reported as reduction in receivable			(49,626)	
Change in fund balance - GAAP basis			\$ 1,161,461	
Fund balance - budgetary basis			\$ 10,666,678	
Balance of loans receivable			753,239	
Fund balance - GAAP basis			\$ 11,419,917	

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**EXPLORE LINCOLN CITY**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ -	\$ 10,030	\$ (10,030)
Transient room tax	2,293,012	2,937,346	644,334
Interest on investments	45,000	17,170	(27,830)
Miscellaneous	41,150	707	(40,443)
<b>TOTAL REVENUES</b>	<b>2,379,162</b>	<b>2,965,253</b>	<b>566,031</b>
<b>EXPENDITURES:</b>			
Explore Lincoln City operations	2,374,804	1,833,982	540,822
Contingency	1,796,076	-	1,796,076
<b>TOTAL EXPENDITURES</b>	<b>4,170,880</b>	<b>1,833,982</b>	<b>2,336,898</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,791,718)</b>	<b>1,131,271</b>	<b>2,922,989</b>
<b>OTHER FINANCING USES:</b>			
Transfers out	(110,378)	(70,384)	(39,994)
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,902,096)</b>	<b>1,060,887</b>	<b>2,962,983</b>
<b>FUND BALANCE, beginning of year</b>	<b>1,902,096</b>	<b>2,061,542</b>	<b>159,446</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ 3,122,429</b>	<b>\$ 3,122,429</b>
Change in fund balance - budgetary basis		\$ 1,060,887	
COVID-19 Relief recorded as expense		181,664	
Change in fund balance - GAAP basis		\$ 1,242,551	
Fund balance - budget basis		\$ 3,122,429	
Prepaid expense		697,985	
Fund balance - GAAP basis		\$ 3,820,414	



**CITY OF LINCOLN CITY, OREGON**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2021**

**Budget Policies and Budgetary Control**

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

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City adopts the budget, makes appropriations, and declares the tax levy no later than June 30.

Expenditure appropriations may not be legally over-expended, except in the case of spending related to grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing the appropriations for each fund sets the level at which expenditures and transfers cannot legally exceed appropriations. The City establishes levels of budgetary control at personal services, materials and services, capital outlay, special payments, debt service, and operating contingencies for all funds, except the General Fund and Internal Service Fund, where budgetary control is established at the department level.

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The City Council must authorize all appropriation transfers and supplementary budgetary appropriations.

City Council approved three changes to the fiscal year 2020-21 General Fund adopted budget. These changes recatergorized operating expenditures to reflect actual spending patterns. It also added an expenditure of an additional \$250,000 for Helping Hands, a \$1,050,000 transfer to the Police Building for a parking lot, and moved the Recreation Center budget from the General Fund to the Parks and Recreation Fund.

**OTHER SUPPLEMENTARY INFORMATION**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 2021**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Project Funds</u>	<u>Totals</u>
<b>ASSETS:</b>				
Cash and investments	\$ 2,467,576	\$ 55,679	\$ 7,113,999	\$ 9,637,254
Cash with County Treasurer	-	9,915	-	9,915
Receivables	2,012,722	69,840	536,963	2,619,525
Assets held for sale	<u>560,822</u>	<u>-</u>	<u>-</u>	<u>560,822</u>
<b>TOTAL ASSETS</b>	<u><b>\$ 5,041,120</b></u>	<u><b>\$ 135,434</b></u>	<u><b>\$ 7,650,962</b></u>	<u><b>\$ 12,827,516</b></u>
<b>LIABILITIES:</b>				
Accounts payable	<u>\$ 107,017</u>	<u>\$ -</u>	<u>\$ 338,120</u>	<u>\$ 445,137</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	<u>-</u>	<u>69,840</u>	<u>-</u>	<u>69,840</u>
<b>FUND BALANCES:</b>				
Nonspendable in form	1,479,938	-	-	1,479,938
Restricted for:				
Capital projects	-	-	7,312,842	7,312,842
Road construction/maintenance	1,142,556	-	-	1,142,556
Urban renewal	281,882	-	-	281,882
Parks maintenance	1,446,192	-	-	1,446,192
Debt service	-	65,594	-	65,594
Committed to:				
Affordable housing	231,645	-	-	231,645
Maintenance	228,592	-	-	228,592
Art and education	<u>123,298</u>	<u>-</u>	<u>-</u>	<u>123,298</u>
<b>TOTAL FUND BALANCES</b>	<u><b>4,934,103</b></u>	<u><b>65,594</b></u>	<u><b>7,312,842</b></u>	<u><b>12,312,539</b></u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><b>\$ 5,041,120</b></u>	<u><b>\$ 135,434</b></u>	<u><b>\$ 7,650,962</b></u>	<u><b>\$ 12,827,516</b></u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Eliminations	Totals
<b>REVENUES:</b>					
Property taxes	\$ -	\$ 794,325	\$ -	\$ -	\$ 794,325
Transient room tax	3,852,366	-	963,457	-	4,815,823
Rents	233,839	-	-	-	233,839
Charges for services	202,134	-	303,552	-	505,686
Intergovernmental	345,883	-	2,118,434	-	2,464,317
Interest on investments	18,589	5,761	51,821	-	76,171
Miscellaneous	40,342	-	999	-	41,341
<b>TOTAL REVENUES</b>	<b>4,693,153</b>	<b>800,086</b>	<b>3,438,263</b>	<b>-</b>	<b>8,931,502</b>
<b>EXPENDITURES:</b>					
Current:					
General government	606,639	-	-	-	606,639
Highways and streets	1,282,563	-	69,686	-	1,352,249
Culture and recreation	2,225,184	-	-	-	2,225,184
Art and education	111	-	-	-	111
Capital outlay	123,671	-	2,782,866	-	2,906,537
Debt service	-	1,987,207	617,275	-	2,604,482
<b>TOTAL EXPENDITURES</b>	<b>4,238,168</b>	<b>1,987,207</b>	<b>3,469,827</b>	<b>-</b>	<b>9,695,202</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>454,985</b>	<b>(1,187,121)</b>	<b>(31,564)</b>	<b>-</b>	<b>(763,700)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of equipment	8,850	-	2,500	-	11,350
Transfers in	349,342	-	275,000	(6,525)	617,817
Transfers out	-	-	(6,525)	6,525	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>358,192</b>	<b>-</b>	<b>270,975</b>	<b>-</b>	<b>629,167</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>813,177</b>	<b>(1,187,121)</b>	<b>239,411</b>	<b>-</b>	<b>(134,533)</b>
<b>FUND BALANCE, beginning of year</b>	<b>4,120,926</b>	<b>1,252,715</b>	<b>7,073,431</b>	<b>-</b>	<b>12,447,072</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 4,934,103</b>	<b>\$ 65,594</b>	<b>\$ 7,312,842</b>	<b>\$ -</b>	<b>\$ 12,312,539</b>

**SPECIAL REVENUE FUNDS**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 2021**

	<u>Affordable Housing</u>	<u>Lincoln Square Operations</u>	<u>Street</u>	<u>Urban Renewal Property Rehabilitation Program</u>
<b>ASSETS:</b>				
Cash and investments	\$ 231,645	\$ 235,857	\$ 612,662	\$ 206,142
Receivables	84,891	-	545,164	837,503
Assets held for Sale	<u>560,822</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>\$ 877,358</u>	<u>\$ 235,857</u>	<u>\$ 1,157,826</u>	<u>\$ 1,043,645</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ -	\$ 7,265	\$ 15,270	\$ 2,685
<b>FUND BALANCES:</b>				
Nonspendable in form	645,713	-	-	834,225
Restricted for:				
Road construction/maintenance	-	-	1,142,556	-
Parks maintenance	-	-	-	-
Urban Renewal	-	-	-	206,735
Committed to:				
Affordable housing	231,645	-	-	-
Maintenance	-	228,592	-	-
Art and education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL FUND BALANCES</b>	<u>877,358</u>	<u>228,592</u>	<u>1,142,556</u>	<u>1,040,960</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 877,358</u>	<u>\$ 235,857</u>	<u>\$ 1,157,826</u>	<u>\$ 1,043,645</u>

<u>Parks Maintenance</u>	<u>Urban Renewal</u>	<u>Percent for Art</u>	<u>Totals</u>
\$ 980,437	\$ 77,535	\$ 123,298	\$ 2,467,576
545,164	-	-	2,012,722
-	-	-	560,822
<u>\$ 1,525,601</u>	<u>\$ 77,535</u>	<u>\$ 123,298</u>	<u>\$ 5,041,120</u>
\$ 79,409	\$ 2,388	\$ -	\$ 107,017
-	-	-	1,479,938
-	-	-	1,142,556
1,446,192	-	-	1,446,192
-	75,147	-	281,882
-	-	-	231,645
-	-	-	228,592
-	-	123,298	123,298
<u>1,446,192</u>	<u>75,147</u>	<u>123,298</u>	<u>4,934,103</u>
<u>\$ 1,525,601</u>	<u>\$ 77,535</u>	<u>\$ 123,298</u>	<u>\$ 5,041,120</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Affordable Housing</u>	<u>Lincoln Square Operations</u>	<u>Street</u>	<u>Urban Renewal Property Rehabilitation Program</u>
<b>REVENUES:</b>				
Transient room tax	\$ -	\$ -	\$ 1,926,183	\$ -
Rents	26,208	207,631	-	-
Charges for services	-	-	17,896	-
Intergovernmental	-	1,196	26,525	-
Interest on investments	1,799	698	4,395	(1,203)
Miscellaneous	-	26,268	2,475	-
<b>TOTAL REVENUES</b>	<u>28,007</u>	<u>235,793</u>	<u>1,977,474</u>	<u>(1,203)</u>
<b>EXPENDITURES:</b>				
Current				
General government	27,962	423,311	-	37,960
Highways and streets	-	-	1,282,563	-
Culture and recreation	-	-	-	-
Art and education	-	-	-	-
Capital outlay	-	-	32,336	-
<b>TOTAL EXPENDITURES</b>	<u>27,962</u>	<u>423,311</u>	<u>1,314,899</u>	<u>37,960</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>45</u>	<u>(187,518)</u>	<u>662,575</u>	<u>(39,163)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	6,250	-
Transfers in	-	237,905	-	-
Transfers out	-	-	(33,988)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>237,905</u>	<u>(27,738)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	45	50,387	634,837	(39,163)
<b>FUND BALANCE, beginning of year</b>	<u>877,313</u>	<u>178,205</u>	<u>507,719</u>	<u>1,080,123</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 877,358</u>	<u>\$ 228,592</u>	<u>\$ 1,142,556</u>	<u>\$ 1,040,960</u>



<u>Parks Maintenance</u>	<u>Urban Renewal</u>	<u>Percent for Art</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 1,926,183	\$ -	\$ -	\$ -	\$ 3,852,366
-	-	-	-	233,839
184,238	-	-	-	202,134
318,162	-	-	-	345,883
10,736	1,095	1,069	-	18,589
10,883	716	-	-	40,342
<u>2,450,202</u>	<u>1,811</u>	<u>1,069</u>	<u>-</u>	<u>4,693,153</u>
-	117,406	-	-	606,639
-	-	-	-	1,282,563
2,225,184	-	-	-	2,225,184
-	-	111	-	111
67,335	-	24,000	-	123,671
<u>2,292,519</u>	<u>117,406</u>	<u>24,111</u>	<u>-</u>	<u>4,238,168</u>
<u>157,683</u>	<u>(115,595)</u>	<u>(23,042)</u>	<u>-</u>	<u>454,985</u>
2,600	-	-	-	8,850
136,650	-	8,775	(33,988)	349,342
-	-	-	33,988	-
<u>139,250</u>	<u>-</u>	<u>8,775</u>	<u>-</u>	<u>358,192</u>
296,933	(115,595)	(14,267)	-	813,177
1,149,259	190,742	137,565	-	4,120,926
<u>\$ 1,446,192</u>	<u>\$ 75,147</u>	<u>\$ 123,298</u>	<u>\$ -</u>	<u>\$ 4,934,103</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**AFFORDABLE HOUSING FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Rents	\$ 15,000	\$ 26,208	\$ 11,208
Interest on investments	5,250	1,799	(3,451)
<b>TOTAL REVENUES</b>	<u>20,250</u>	<u>28,007</u>	<u>7,757</u>
<b>EXPENDITURES:</b>			
Workforce housing	116,271	27,962	88,309
Special payments	125,000	-	125,000
<b>TOTAL EXPENDITURES</b>	<u>241,271</u>	<u>27,962</u>	<u>213,309</u>
<b>REVENUES UNDER EXPENDITURES</b>	<u>(221,021)</u>	<u>45</u>	<u>221,066</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(221,021)	45	221,066
<b>FUND BALANCE</b> , beginning of year	<u>221,021</u>	<u>231,600</u>	<u>10,579</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 231,645</u>	<u>\$ 231,645</u>
Fund balance - budgetary basis		\$ 231,645	
Balance of loans receivable		84,891	
Assets held for sale		<u>560,822</u>	
Fund balance - GAAP basis		<u>\$ 877,358</u>	

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**LINCOLN SQUARE OPERATIONS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Rents	\$ 192,300	\$ 207,631	\$ 15,331
Intergovernmental	950	1,196	246
Interest on investments	4,000	698	(3,302)
Miscellaneous	37,500	26,268	(11,232)
<b>TOTAL REVENUES</b>	<u>234,750</u>	<u>235,793</u>	<u>1,043</u>
<b>EXPENDITURES:</b>			
Lincoln Square maintenance	465,663	423,311	42,352
Contingency	174,569	-	174,569
<b>TOTAL EXPENDITURES</b>	<u>640,232</u>	<u>423,311</u>	<u>216,921</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(405,482)	(187,518)	217,964
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	237,905	237,905	-
<b>NET CHANGE IN FUND BALANCE</b>	(167,577)	50,387	217,964
<b>FUND BALANCE, beginning of year</b>	167,577	178,205	10,628
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 228,592</u>	<u>\$ 228,592</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**STREET FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Transient room tax	\$ 1,503,594	\$ 1,926,183	\$ 422,589
Charges for services	14,000	17,896	3,896
Intergovernmental	-	26,525	26,525
Interest on investments	13,000	4,395	(8,605)
Miscellaneous	-	2,475	2,475
<b>TOTAL REVENUES</b>	<b>1,530,594</b>	<b>1,977,474</b>	<b>446,880</b>
<b>EXPENDITURES:</b>			
Street maintenance	1,420,631	1,241,796	178,835
Contingency	525,485	-	525,485
<b>TOTAL EXPENDITURES</b>	<b>1,946,116</b>	<b>1,241,796</b>	<b>704,320</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(415,522)</b>	<b>735,678</b>	<b>1,151,200</b>
<b>OTHER FINANCING USES:</b>			
Proceeds from sale of assets	-	6,250	6,250
Transfers out	(107,091)	(107,091)	-
<b>TOTAL OTHER FINANCING USES</b>	<b>(107,091)</b>	<b>(100,841)</b>	<b>6,250</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(522,613)</b>	<b>634,837</b>	<b>1,157,450</b>
<b>FUND BALANCE, beginning of year</b>	<b>522,613</b>	<b>507,719</b>	<b>(14,894)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ 1,142,556</b>	<b>\$ 1,142,556</b>
Transfers out - budgetary basis		\$ 107,091	
Transfer for support services		(73,103)	
Transfers out - GAAP basis		<u>\$ 33,988</u>	
Total expenditures - budgetary basis		\$ 1,241,796	
Transfer for support services		73,103	
Total expenses - GAAP basis		<u>\$ 1,314,899</u>	

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**URBAN RENEWAL PROPERTY REHABILITATION PROGRAM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Loan repayments	\$ 72,000	\$ 72,000	\$ 144,922	\$ 72,922
Interest on investments	7,350	7,350	(1,203)	(8,553)
<b>TOTAL REVENUES</b>	<u>79,350</u>	<u>79,350</u>	<u>143,719</u>	<u>64,369</u>
<b>EXPENDITURES:</b>				
Materials and services	32,400	32,400	28,858	3,542
Special payments	431,403	581,403	490,000	91,403
<b>TOTAL EXPENDITURES</b>	<u>463,803</u>	<u>613,803</u>	<u>518,858</u>	<u>94,945</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(384,453)	(534,453)	(375,139)	159,314
<b>FUND BALANCE</b> , beginning of year	<u>384,453</u>	<u>534,453</u>	<u>581,874</u>	<u>47,421</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 206,735</u>	<u>\$ 206,735</u>
Fund balance - budgetary basis			\$ 206,735	
Balance of loans receivable			<u>834,225</u>	
Fund balance - GAAP basis			<u>\$ 1,040,960</u>	
Change in fund balance - budgetary basis			\$ (375,139)	
New loan reported as increase in receivable			490,000	
Loan repayments reported as reduction in receivable			(144,922)	
Credit given on loan			<u>(9,102)</u>	
Changes in fund balance - GAAP basis			<u>\$ (39,163)</u>	

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**PARKS MAINTENANCE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Transient room tax	\$ 1,307,794	\$ 1,503,594	\$ 1,926,183	\$ 422,589
Charges for services	-	88,100	184,238	96,138
Intergovernmental	38,200	229,133	318,162	89,029
Interest on investments	30,000	30,000	10,736	(19,264)
Miscellaneous	-	522,106	10,883	(511,223)
<b>TOTAL REVENUES</b>	<b>1,375,994</b>	<b>2,372,933</b>	<b>2,450,202</b>	<b>77,269</b>
<b>EXPENDITURES:</b>				
Park operations	1,600,193	1,600,193	1,184,991	415,202
Recreation center	-	1,554,783	1,083,742	471,041
Contingency	957,220	957,220	-	957,220
<b>TOTAL EXPENDITURES</b>	<b>2,557,413</b>	<b>4,112,196</b>	<b>2,268,733</b>	<b>1,843,463</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,181,419)</b>	<b>(1,739,263)</b>	<b>181,469</b>	<b>1,920,732</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of equipment	-	-	2,600	2,600
Transfers in	136,650	694,494	136,650	(557,844)
Transfers out	(23,786)	(23,786)	(23,786)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>112,864</b>	<b>670,708</b>	<b>115,464</b>	<b>(555,244)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,068,555)</b>	<b>(1,068,555)</b>	<b>296,933</b>	<b>1,365,488</b>
<b>FUND BALANCE, beginning of year</b>	<b>1,068,555</b>	<b>1,068,555</b>	<b>1,149,259</b>	<b>80,704</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,446,192</b>	<b>\$ 1,446,192</b>
Transfers out - budgetary basis			\$ 23,786	
Transfer for support services			(23,786)	
Transfers out - GAAP basis			<u>\$ -</u>	
Total expenditures - budgetary basis			\$ 2,268,733	
Transfer for support services			23,786	
Total expenses - GAAP basis			<u>\$ 2,292,519</u>	

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**URBAN RENEWAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Interest on investments	\$ 2,099	\$ 1,095	\$ (1,004)
Miscellaneous	-	716	716
<b>TOTAL REVENUES</b>	<u>2,099</u>	<u>1,811</u>	<u>(288)</u>
<b>EXPENDITURES:</b>			
Personal services	68,482	79,603	(11,121)
Materials and services	92,907	37,803	55,104
<b>TOTAL EXPENDITURES</b>	<u>161,389</u>	<u>117,406</u>	<u>43,983</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(159,290)	(115,595)	43,695
<b>FUND BALANCE, beginning of year</b>	<u>159,290</u>	<u>190,742</u>	<u>31,452</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 75,147</u>	<u>\$ 75,147</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PERCENT FOR ART FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget <u>Original/Final</u>	<u>Actual</u>	Variance with Final Budget <u>Positive (Negative)</u>
<b>REVENUES:</b>			
Interest on investments	<u>\$ 3,200</u>	<u>\$ 1,069</u>	<u>\$ (2,131)</u>
<b>EXPENDITURES:</b>			
Materials and services	10,000	111	9,889
Capital outlay	<u>123,388</u>	<u>24,000</u>	<u>99,388</u>
<b>TOTAL EXPENDITURES</b>	<u>133,388</u>	<u>24,111</u>	<u>109,277</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(130,188)	(23,042)	107,146
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>15,000</u>	<u>8,775</u>	<u>(6,225)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(115,188)	(14,267)	100,921
<b>FUND BALANCE, beginning of year</b>	<u>115,188</u>	<u>137,565</u>	<u>22,377</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 123,298</u>	<u>\$ 123,298</u>



**DEBT SERVICE FUND**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**DEBT SERVICE FUND - URBAN RENEWAL TAX INCREMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes	\$ 756,556	\$ 794,325	\$ 37,769
Interest on investments	15,191	5,761	(9,430)
<b>TOTAL REVENUES</b>	<u>771,747</u>	<u>800,086</u>	<u>28,339</u>
<b>EXPENDITURES:</b>			
Debt service	<u>1,987,207</u>	<u>1,987,207</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(1,215,460)	(1,187,121)	28,339
<b>FUND BALANCE, beginning of year</b>	<u>1,215,460</u>	<u>1,252,715</u>	<u>37,255</u>
	-		
<b>FUND BALANCE, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 65,594</u></u>	<u><u>\$ 65,594</u></u>

**CAPITAL PROJECTS FUNDS**

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**POLICE BUILDING CONSTRUCTION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Interest on investments	\$ 50,000	\$ 50,000	\$ 3,257	\$ (46,743)
<b>EXPENDITURES:</b>				
Capital outlay	371,497	2,094,530	1,087,684	1,006,846
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(321,497)</u>	<u>(2,044,530)</u>	<u>(1,084,427)</u>	<u>960,103</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,050,000	1,050,000	-
<b>NET CHANGE IN FUND BALANCE</b>	(321,497)	(994,530)	(34,427)	960,103
<b>FUND BALANCE, beginning of year</b>	<u>321,497</u>	<u>994,530</u>	<u>994,530</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 960,103</u>	<u>\$ 960,103</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 2021**

	<u>Transportation Development</u>	<u>N Hwy 101 Improvement</u>	<u>Intersection Improvement</u>	<u>Storm Drainage Development</u>	<u>Park System Development Charge Improvement</u>
<b>ASSETS:</b>					
Cash and investments	\$ 817,866	\$ 149,710	\$ 142,512	\$ 70,357	\$ 602,755
Receivables	-	73,790	-	-	586
<b>TOTAL ASSETS</b>	<u>\$ 817,866</u>	<u>\$ 223,500</u>	<u>\$ 142,512</u>	<u>\$ 70,357</u>	<u>\$ 603,341</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 29,372	\$ -	\$ 3,376	\$ -
<b>FUND BALANCES:</b>					
Restricted for:					
Capital projects	<u>817,866</u>	<u>194,128</u>	<u>142,512</u>	<u>66,981</u>	<u>603,341</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 817,866</u>	<u>\$ 223,500</u>	<u>\$ 142,512</u>	<u>\$ 70,357</u>	<u>\$ 603,341</u>

<u>Parks Development</u>	<u>Facilities Capital</u>	<u>Street Capital</u>	<u>Urban Renewal Construction</u>	<u>Total</u>
\$ 558,200	\$ 1,200,829	\$ 3,335,680	\$ 236,090	\$ 7,113,999
<u>-</u>	<u>272,582</u>	<u>190,005</u>	<u>-</u>	<u>536,963</u>
<u>\$ 558,200</u>	<u>\$ 1,473,411</u>	<u>\$ 3,525,685</u>	<u>\$ 236,090</u>	<u>\$ 7,650,962</u>
<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 270,343</u>	<u>\$ 34,579</u>	<u>\$ 338,120</u>
<u>558,200</u>	<u>1,472,961</u>	<u>3,255,342</u>	<u>201,511</u>	<u>7,312,842</u>
<u>\$ 558,200</u>	<u>\$ 1,473,411</u>	<u>\$ 3,525,685</u>	<u>\$ 236,090</u>	<u>\$ 7,650,962</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Transportation Development</u>	<u>N Hwy 101 Improvement</u>	<u>Intersection Improvement</u>	<u>Storm Drainage Development</u>
<b>REVENUES:</b>				
Transient room tax	\$ -	\$ -	\$ -	\$ -
Charges for services	122,232	28,780	-	3,309
Intergovernmental	-	202,310	-	-
Interest on investments	6,011	187	1,112	757
Miscellaneous	-	-	-	-
<b>TOTAL REVENUES</b>	<u>128,243</u>	<u>231,277</u>	<u>1,112</u>	<u>4,066</u>
<b>EXPENDITURES:</b>				
Materials and services	-	-	-	-
Capital outlay	-	234,966	-	39,159
Debt service	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>234,966</u>	<u>-</u>	<u>39,159</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	128,243	(3,689)	1,112	(35,093)
<b>OTHER FINANCING SOURCES</b>				
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	128,243	(3,689)	1,112	(35,093)
<b>FUND BALANCE, beginning of year</b>	<u>689,623</u>	<u>197,817</u>	<u>141,400</u>	<u>102,074</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 817,866</u>	<u>\$ 194,128</u>	<u>\$ 142,512</u>	<u>\$ 66,981</u>

Parks System Development Charge Improvement	Parks Development	Facilities Capital	Street Capital	Urban Renewal Construction	Totals
\$ -	\$ -	\$ 963,457	\$ -	\$ -	\$ 963,457
149,231	-	-	-	-	303,552
6,571	-	-	1,909,553	-	2,118,434
5,862	4,353	10,325	19,147	4,067	51,821
999	-	-	-	-	999
<u>162,663</u>	<u>4,353</u>	<u>973,782</u>	<u>1,928,700</u>	<u>4,067</u>	<u>3,438,263</u>
-	-	-	69,686	-	69,686
421,916	-	190,270	1,541,757	354,798	2,782,866
-	-	617,275	-	-	617,275
<u>421,916</u>	<u>-</u>	<u>807,545</u>	<u>1,611,443</u>	<u>354,798</u>	<u>3,469,827</u>
(259,253)	4,353	166,237	317,257	(350,731)	(31,564)
-	-	-	-	2,500	2,500
-	-	-	275,000	-	275,000
-	-	(883)	(5,642)	-	(6,525)
<u>-</u>	<u>-</u>	<u>(883)</u>	<u>269,358</u>	<u>2,500</u>	<u>270,975</u>
(259,253)	4,353	165,354	586,615	(348,231)	239,411
<u>862,594</u>	<u>553,847</u>	<u>1,307,607</u>	<u>2,668,727</u>	<u>549,742</u>	<u>7,073,431</u>
<u>\$ 603,341</u>	<u>\$ 558,200</u>	<u>\$ 1,472,961</u>	<u>\$ 3,255,342</u>	<u>\$ 201,511</u>	<u>\$ 7,312,842</u>



**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**TRANSPORTATION DEVELOPMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 50,000	\$ 122,232	\$ 72,232
Interest on investments	15,500	6,011	(9,489)
<b>TOTAL REVENUES</b>	<u>65,500</u>	<u>128,243</u>	<u>62,743</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>655,876</u>	<u>-</u>	<u>655,876</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(590,376)	128,243	718,619
<b>FUND BALANCE</b> , beginning of year	<u>590,376</u>	<u>689,623</u>	<u>99,247</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 817,866</u>	<u>\$ 817,866</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**N HWY 101 IMPROVEMENT PROGRAM FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budget</u>		<u>Variance with</u>
	<u>Original/Final</u>	<u>Actual</u>	<u>Final Budget</u>
			<u>Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 18,000	\$ 28,780	\$ 10,780
Intergovernmental	2,847,000	202,310	(2,644,690)
Interest on investments	4,000	187	(3,813)
<b>TOTAL REVENUES</b>	<u>2,869,000</u>	<u>231,277</u>	<u>(2,637,723)</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>3,063,074</u>	<u>234,966</u>	<u>2,828,108</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(194,074)	(3,689)	190,385
<b>FUND BALANCE, beginning of year</b>	<u>194,074</u>	<u>197,817</u>	<u>3,743</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 194,128</u>	<u>\$ 194,128</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**INTERSECTION IMPROVEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest on investments	<u>\$ 3,547</u>	<u>\$ 1,112</u>	<u>\$ (2,435)</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>145,410</u>	<u>-</u>	<u>145,410</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(141,863)</u>	<u>1,112</u>	<u>142,975</u>
<b>FUND BALANCE</b> , beginning of year	<u>141,863</u>	<u>141,400</u>	<u>(463)</u>
<b>FUND BALANCE</b> , end of year	<u><u>\$ -</u></u>	<u><u>\$ 142,512</u></u>	<u><u>\$ 142,512</u></u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**STORM DRAINAGE DEVELOPMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 2,687	\$ 3,309	\$ 622
Interest on investments	2,566	757	(1,809)
<b>TOTAL REVENUES</b>	<u>5,253</u>	<u>4,066</u>	<u>(1,187)</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>107,428</u>	<u>39,159</u>	<u>68,269</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(102,175)	(35,093)	67,082
<b>FUND BALANCE, beginning of year</b>	<u>102,175</u>	<u>102,074</u>	<u>(101)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 66,981</u>	<u>\$ 66,981</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PARKS SYSTEM DEVELOPMENT CHARGE IMPROVEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 125,000	\$ 149,231	\$ 24,231
Intergovernmental	6,500	6,571	71
Interest on investments	18,000	5,862	(12,138)
Miscellaneous	800	999	199
<b>TOTAL REVENUES</b>	<u>150,300</u>	<u>162,663</u>	<u>12,363</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>545,671</u>	<u>421,916</u>	<u>123,755</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(395,371)	(259,253)	136,118
<b>FUND BALANCE, beginning of year</b>	<u>395,371</u>	<u>862,594</u>	<u>467,223</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 603,341</u>	<u>\$ 603,341</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PARKS DEVELOPMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Interest on investments	\$ 15,000	\$ 4,353	\$ (10,647)
<b>EXPENDITURES:</b>			
Capital outlay	570,188	-	570,188
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(555,188)	4,353	559,541
<b>FUND BALANCE</b> , beginning of year	555,188	553,847	(1,341)
<b>FUND BALANCE</b> , end of year	\$ -	\$ 558,200	\$ 558,200

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**FACILITIES CAPITAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Transient room tax	\$ 751,797	\$ 963,457	\$ 211,660
Interest on investments	24,655	10,325	(14,330)
<b>TOTAL REVENUES</b>	<u>776,452</u>	<u>973,782</u>	<u>197,330</u>
<b>EXPENDITURES:</b>			
Capital outlay	752,167	190,270	561,897
Debt service	617,275	617,275	-
<b>TOTAL EXPENDITURES</b>	<u>1,369,442</u>	<u>807,545</u>	<u>561,897</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(592,990)</u>	<u>166,237</u>	<u>759,227</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	-	(883)	(883)
<b>NET CHANGE IN FUND BALANCE</b>	<u>(592,990)</u>	<u>165,354</u>	<u>758,344</u>
<b>FUND BALANCE, beginning of year</b>	<u>592,990</u>	<u>1,307,607</u>	<u>714,617</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 1,472,961</u>	<u>\$ 1,472,961</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**STREET CAPITAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Intergovernmental	\$ 1,793,637	\$ 1,909,553	\$ 115,916
Interest on investments	65,795	19,147	(46,648)
<b>TOTAL REVENUES</b>	<u>1,859,432</u>	<u>1,928,700</u>	<u>69,268</u>
<b>EXPENDITURES:</b>			
Materials and services	<u>4,190,724</u>	<u>1,611,443</u>	<u>2,579,281</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,331,292)</u>	<u>317,257</u>	<u>2,648,549</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	275,000	275,000	-
Transfers out	<u>(5,000)</u>	<u>(5,642)</u>	<u>(642)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>270,000</u>	<u>269,358</u>	<u>(642)</u>
<b>NET CHANGE IN FUND BALANCE</b>	(2,061,292)	586,615	2,647,907
<b>FUND BALANCE, beginning of year</b>	<u>2,061,292</u>	<u>2,668,727</u>	<u>607,435</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 3,255,342</u>	<u>\$ 3,255,342</u>



**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**URBAN RENEWAL CONSTRUCTION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Interest on investments	\$ 12,244	\$ 4,067	\$ (8,177)
<b>EXPENDITURES:</b>			
Capital outlay	503,986	354,798	149,188
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(491,742)</u>	<u>(350,731)</u>	<u>141,011</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of land	-	2,500	2,500
<b>NET CHANGE IN FUND BALANCE</b>	(491,742)	(348,231)	143,511
<b>FUND BALANCE, beginning of year</b>	<u>491,742</u>	<u>549,742</u>	<u>58,000</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 201,511</u>	<u>\$ 201,511</u>

**PROPRIETARY FUNDS**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**WATER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget			Variance with Final Budget
	<u>Original/Final</u>	<u>Final</u>	<u>Actual</u>	<u>Positive (Negative)</u>
<b>REVENUES:</b>				
Charges for services	\$ 4,009,699	\$ 4,009,699	\$ 3,822,368	\$ (187,331)
Intergovernmental	60,000	60,000	2,788	(57,212)
Interest on investments	-	-	6,416	6,416
Miscellaneous	1,000	1,000	1,012	12
	<u>4,070,699</u>	<u>4,070,699</u>	<u>3,832,584</u>	<u>(238,115)</u>
<b>TOTAL REVENUES</b>				
<b>EXPENDITURES:</b>				
Water utility maintenance	2,588,809	2,588,809	2,392,853	195,956
Debt service	50,673	50,673	50,672	1
Contingency	612,561	612,561	-	612,561
	<u>3,252,043</u>	<u>3,252,043</u>	<u>2,443,525</u>	<u>808,518</u>
<b>TOTAL EXPENDITURES</b>				
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>818,656</u>	<u>818,656</u>	<u>1,389,059</u>	<u>570,403</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(1,725,754)</u>	<u>(1,725,754)</u>	<u>(1,725,754)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(907,098)</u>	<u>(907,098)</u>	<u>(336,695)</u>	<u>570,403</u>
<b>FUND BALANCE, beginning of year</b>	<u>907,098</u>	<u>907,098</u>	<u>895,599</u>	<u>(11,499)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 558,904</u>	<u>\$ 558,904</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**WATER SYSTEM REPLACEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Interest on investments	\$ 45,422	\$ 11,157	\$ (34,265)
<b>EXPENDITURES:</b>			
Capital outlay	2,372,359	21,900	2,350,459
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,326,937)</u>	<u>(10,743)</u>	<u>2,316,194</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,000,000	1,000,000	-
Transfers out	(5,000)	-	(5,000)
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>995,000</u>	<u>1,000,000</u>	<u>5,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,331,937)	989,257	2,321,194
<b>FUND BALANCE</b> , beginning of year	<u>1,331,937</u>	<u>1,426,546</u>	<u>94,609</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 2,415,803</u>	<u>\$ 2,415,803</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**WATER SDC REIMBURSEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget Original/Final	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
System development charges	\$ 115,000	\$ 116,458	\$ 1,458
Interest on investments	8,509	3,441	(5,068)
<b>TOTAL REVENUES</b>	<b>123,509</b>	<b>119,899</b>	<b>(3,610)</b>
<b>EXPENDITURES:</b>			
Capital outlay	463,876	-	463,876
<b>TOTAL EXPENDITURES</b>	<b>463,876</b>	<b>-</b>	<b>463,876</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<b>(340,367)</b>	<b>119,899</b>	<b>460,266</b>
<b>FUND BALANCE</b> , beginning of year	<b>340,367</b>	<b>376,316</b>	<b>35,949</b>
<b>FUND BALANCE</b> , end of year	<b>\$ -</b>	<b>\$ 496,215</b>	<b>\$ 496,215</b>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**WATER SDC IMPROVEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
System development charges	\$ 45,000	\$ 44,379	\$ (621)
Interest on investments	4,507	1,704	(2,803)
<b>TOTAL REVENUES</b>	<u>49,507</u>	<u>46,083</u>	<u>(3,424)</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>229,787</u>	<u>-</u>	<u>229,787</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(180,280)</u>	<u>46,083</u>	<u>226,363</u>
<b>NET CHANGE IN FUND BALANCE</b>	(180,280)	46,083	226,363
<b>FUND BALANCE, beginning of year</b>	<u>180,280</u>	<u>193,403</u>	<u>13,123</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 239,486</u>	<u>\$ 239,486</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**WATER BOND FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest on investments	<u>\$ 8,000</u>	<u>\$ (617)</u>	<u>\$ (8,617)</u>
<b>EXPENDITURES:</b>			
Debt service	<u>480,563</u>	<u>458,291</u>	<u>22,272</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(472,563)</u>	<u>(458,908)</u>	<u>13,655</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>450,000</u>	<u>450,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(22,563)</u>	<u>(8,908)</u>	<u>13,655</u>
<b>FUND BALANCE, beginning of year</b>	<u>22,563</u>	<u>19,614</u>	<u>(2,949)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 10,706</u>	<u>\$ 10,706</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SEWER FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Actual	Variance with
	Original/Final	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 4,510,728	\$ 4,510,728	\$ 4,393,145	\$ (117,583)
Interest on investments	15,000	15,000	12,449	(2,551)
Intergovernmental	-	-	17,856	17,856
Miscellaneous	105,000	105,000	173,830	68,830
<b>TOTAL REVENUES</b>	<b>4,630,728</b>	<b>4,630,728</b>	<b>4,597,280</b>	<b>(33,448)</b>
<b>EXPENDITURES:</b>				
Sewer utility maintenance	3,805,633	3,805,633	3,219,534	586,099
Debt Service	55,087	55,087	55,086	1
Contingency	926,345	926,345	-	926,345
<b>TOTAL EXPENDITURES</b>	<b>4,787,065</b>	<b>4,787,065</b>	<b>3,274,620</b>	<b>1,512,445</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(156,337)</b>	<b>(156,337)</b>	<b>1,322,660</b>	<b>1,478,997</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,211,480)	(1,211,480)	(1,211,480)	-
Proceeds from sale of equipment	2,000	2,000	3,900	1,900
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,209,480)</b>	<b>(1,209,480)</b>	<b>(1,207,580)</b>	<b>1,900</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,365,817)</b>	<b>(1,365,817)</b>	<b>115,080</b>	<b>1,480,897</b>
<b>FUND BALANCE, beginning of year</b>	<b>1,365,817</b>	<b>1,365,817</b>	<b>1,630,258</b>	<b>264,441</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,745,338</b>	<b>\$ 1,745,338</b>



**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SEWER SYSTEM REPLACEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget <u>Original/Final</u>	<u>Actual</u>	Variance with Final Budget <u>Positive (Negative)</u>
<b>REVENUES:</b>			
Interest on investments	\$ 16,809	\$ 9,157	\$ (7,652)
<b>EXPENDITURES:</b>			
Capital outlay	<u>2,143,955</u>	<u>92,879</u>	<u>2,051,076</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,127,146)</u>	<u>(83,722)</u>	<u>2,043,424</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,000,000	1,000,000	-
Transfers out	<u>(5,000)</u>	<u>(2,250)</u>	<u>(2,750)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>995,000</u>	<u>997,750</u>	<u>2,750</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,132,146)	914,028	2,046,174
<b>FUND BALANCE, beginning of year</b>	<u>1,132,146</u>	<u>1,177,790</u>	<u>45,644</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 2,091,818</u>	<u>\$ 2,091,818</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SEWER SDC REIMBURSEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
System development charges	\$ 171,753	\$ 199,521	\$ 27,768
Interest on investments	<u>16,915</u>	<u>9,166</u>	<u>(7,749)</u>
<b>TOTAL REVENUES</b>	<u>188,668</u>	<u>208,687</u>	<u>20,019</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>1,114,258</u>	<u>-</u>	<u>1,114,258</u>
<b>TOTAL EXPENDITURES</b>	<u>1,114,258</u>	<u>-</u>	<u>1,114,258</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(925,590)</u>	<u>208,687</u>	<u>1,134,277</u>
<b>FUND BALANCE, beginning of year</b>	<u>925,590</u>	<u>978,022</u>	<u>52,432</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 1,186,709</u>	<u>\$ 1,186,709</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SEWER SDC IMPROVEMENT FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
System development charges	\$ 89,999	\$ 104,565	\$ 14,566
Interest on investments	1,896	1,730	(166)
<b>TOTAL REVENUES</b>	<u>91,895</u>	<u>106,295</u>	<u>14,400</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>134,128</u>	<u>-</u>	<u>134,128</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(42,233)</u>	<u>106,295</u>	<u>148,528</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	<u>(52,568)</u>	<u>(52,568)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(52,568)</u>	<u>(52,568)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(94,801)	53,727	148,528
<b>FUND BALANCE, beginning of year</b>	<u>94,801</u>	<u>121,618</u>	<u>26,817</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 175,345</u>	<u>\$ 175,345</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**SEWER BOND FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes	\$ 1,555,599	\$ 1,561,469	\$ 5,870
Interest on investments	13,100	4,272	(8,828)
<b>TOTAL REVENUES</b>	<u>1,568,699</u>	<u>1,565,741</u>	<u>(2,958)</u>
<b>EXPENDITURES:</b>			
Debt service	<u>1,733,020</u>	<u>1,599,817</u>	<u>133,203</u>
<b>NET CHANGE IN FUND BALANCE</b>	(164,321)	(34,076)	130,245
<b>FUND BALANCE</b> , beginning of year	<u>164,321</u>	<u>175,237</u>	<u>10,916</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 141,161</u>	<u>\$ 141,161</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO CHANGE IN NET POSITION - WATER FUND**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over (Under) Expenditures</u>
<b>BUDGETARY BASIS REVENUES AND EXPENDITURES:</b>			
Water Fund	\$ 3,832,584	\$ 2,443,525	\$ 1,389,059
Water System Replacement Fund	11,157	21,900	(10,743)
Water SDC Reimbursement Fund	119,899	-	119,899
Water SDC Improvement Fund	46,083	-	46,083
Water Bond Fund	(617)	458,291	(458,908)
<b>TOTAL</b>	<b><u>\$ 4,009,106</u></b>	<b><u>\$ 2,923,716</u></b>	<b>1,085,390</b>
<b>ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTERPRISE FUND REPORTING BASIS:</b>			
Depreciation			(1,324,050)
Capital asset additions			37,631
Gain (loss) on sale of assets			(20,347)
Change in accrued interest payable			4,342
Change in accrued compensated absences			(7,256)
OPEB Expense			(1,656)
Pension expense			9,113
Principal payments			452,030
Transfers out - support services			(241,766)
Transfers out			(33,988)
<b>CHANGES IN FUND NET POSITION - GAAP</b>			<b><u>\$ (40,557)</u></b>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**RECONCILIATION OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
TO CHANGE IN NET POSITION - SEWER FUND**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over (Under) Expenditures</u>
<b>BUDGETARY BASIS REVENUES AND EXPENDITURES:</b>			
Sewer Fund	\$ 4,597,280	\$ 3,274,620	\$ 1,322,660
Sewer System Replacement Fund	9,157	92,879	(83,722)
Sewer SDC Reimbursement Fund	208,687	-	208,687
Sewer SDC Improvement Fund	106,295	-	106,295
Sewer Bond Fund Fund	1,565,741	1,599,817	(34,076)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL</b>	<u>\$ 6,487,160</u>	<u>\$ 4,967,316</u>	1,519,844

**ADD (DEDUCT) ITEMS TO RECONCILE TO AN  
ENTERPRISE FUND REPORTING BASIS:**

Depreciation		(1,850,133)
Capital asset additions		117,147
Gain/(loss) on sale of assets		(50,715)
Adjustment of SDC fees levied but not recognized as revenue on budgetary basis		(658)
Change in accrued interest payable		35,332
Change in accrued compensated absences		5,100
OPEB expense		(2,746)
Pension expense		(41,306)
Principal payments		1,307,017
Transfers out - support services		(177,492)
Transfers out		(39,180)
		<u>                    </u>

**CHANGES IN FUND NET POSITION - GAAP**

\$ 822,210

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**INTERNAL SERVICE FUND**

**SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	Budget		Variance with
	Original/Final	Actual	Final Budget
			Positive (Negative)
<b>REVENUES:</b>			
Franchise fees	\$ 22,815	\$ 21,560	\$ (1,255)
Intergovernmental	325	959	634
Charges for services	1,046,227	1,010,204	(36,023)
<b>TOTAL REVENUES</b>	<b>1,069,367</b>	<b>1,032,723</b>	<b>(36,644)</b>
<b>EXPENDITURES:</b>			
Vehicle maintenance	349,565	324,282	25,283
Information technology	633,856	536,270	97,586
Geographical information systems	135,281	124,541	10,740
Contingency	35,451	-	35,451
<b>TOTAL EXPENDITURES</b>	<b>1,154,153</b>	<b>985,093</b>	<b>169,060</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<b>(84,786)</b>	<b>47,630</b>	<b>132,416</b>
<b>FUND BALANCE</b> , beginning of year	<b>84,786</b>	<b>128,674</b>	<b>43,888</b>
<b>FUND BALANCE</b> , end of year	<b>\$ -</b>	<b>\$ 176,304</b>	<b>\$ 176,304</b>
Change in fund balance - budgetary basis		\$ 47,630	
Depreciation		(59,456)	
Pension expense		(1,648)	
Net OPEB benefit		(360)	
Vacation Paid/Accrued		(6,478)	
Capital asset additions		34,146	
Loss on disposal of capital assets		(36,082)	
Change in fund net position - GAAP basis		<u>\$ (22,248)</u>	

**GENERAL FUND**



**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**COMBINING BALANCE SHEET**

**GENERAL FUND**

**JUNE 30, 2021**

	<u>General</u>	<u>Agate Beach Closure</u>	<u>Unbonded Assessments</u>	<u>The Villages of Cascade Head</u>	<u>Property Abatement</u>	<u>Totals</u>
<b>ASSETS:</b>						
Cash and investments	\$ 8,956,464	\$ 580,479	\$ 657,509	\$ 129,883	\$ 27,659	\$ 10,351,994
Cash with County Treasurer	51,735	-	-	-	-	51,735
Receivables	1,304,298	-	362,683	-	23,594	1,690,575
Prepaid items	184,289	-	-	-	-	184,289
Contracts Receivable	600,000	-	-	-	-	600,000
Advance to other funds	153,239	-	-	-	-	153,239
Assets held for sale	1,393,665	-	-	-	-	1,393,665
<b>TOTAL ASSETS</b>	<b>\$ 12,643,690</b>	<b>\$ 580,479</b>	<b>\$ 1,020,192</b>	<b>\$ 129,883</b>	<b>\$ 51,253</b>	<b>\$ 14,425,497</b>
<b>LIABILITIES:</b>						
Accounts payable	\$ 156,767	\$ -	\$ -	\$ -	\$ -	\$ 156,767
Other accrued liabilities	623,812	-	-	-	-	623,812
<b>TOTAL LIABILITIES</b>	<b>780,579</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>780,579</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>						
Unavailable revenue	443,194	-	362,683	-	23,594	829,471
<b>FUND BALANCES:</b>						
Nonspendable in form	2,331,193	-	-	-	-	2,331,193
Restricted for:						
Post-closure landfill costs	-	580,479	-	-	-	580,479
Committed to:						
Capital projects	-	-	657,509	-	-	657,509
Unassigned	9,088,724	-	-	129,883	27,659	9,246,266
<b>TOTAL FUND BALANCES</b>	<b>11,419,917</b>	<b>580,479</b>	<b>657,509</b>	<b>129,883</b>	<b>27,659</b>	<b>12,815,447</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 12,643,690</b>	<b>\$ 580,479</b>	<b>\$ 1,020,192</b>	<b>\$ 129,883</b>	<b>\$ 51,253</b>	<b>\$ 14,425,497</b>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE**

**GENERAL FUND**

**FOR THE YEAR ENDED JUNE 30, 2021**

	General	Agate Beach Closure	Unbonded Assessments	The Villages of Cascade Head
<b>REVENUES:</b>				
Property taxes	\$ 7,563,527	\$ -	\$ -	\$ -
Franchise fees	1,081,537	-	-	-
Transient room tax	1,902,514	-	-	-
Fees, licenses and permits	725,277	-	-	-
Fines and forfeitures	228,338	-	-	-
Charges for services	52,000	-	-	-
Intergovernmental	962,596	-	-	-
Interest on investments	73,386	-	13,181	1,026
Miscellaneous	557,044	-	124,487	-
<b>TOTAL REVENUES</b>	<b>13,146,219</b>	<b>-</b>	<b>137,668</b>	<b>1,026</b>
<b>EXPENDITURES:</b>				
Current				
General government	2,959,862	23,313	-	-
Public safety	6,404,686	-	-	-
Culture and recreation	1,053,852	-	-	3,005
Capital outlay	51,543	-	26,339	-
<b>TOTAL EXPENDITURES</b>	<b>10,469,943</b>	<b>23,313</b>	<b>26,339</b>	<b>3,005</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,676,276</b>	<b>(23,313)</b>	<b>111,329</b>	<b>(1,979)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	9,450	-	-	-
Transfers in	2,942	-	-	-
Transfers out	(1,527,207)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,514,815)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,161,461</b>	<b>(23,313)</b>	<b>111,329</b>	<b>(1,979)</b>
<b>FUND BALANCE, beginning of year</b>	<b>10,258,456</b>	<b>603,792</b>	<b>546,180</b>	<b>131,862</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 11,419,917</b>	<b>\$ 580,479</b>	<b>\$ 657,509</b>	<b>\$ 129,883</b>
Reconciliation budget to GAAP:				
Fund balance - budget basis	\$ 10,666,678			
Interfund loan balance at year end	753,239			
	<u>\$ 11,419,917</u>			
Net change in fund balance - budget basis	\$ 961,087			
Principal received on interfund loan	(49,626)			
New loans	250,000			
	<u>\$ 1,161,461</u>			

Property Abatement	Totals
\$ -	\$ 7,563,527
-	1,081,537
-	1,902,514
-	725,277
-	228,338
-	52,000
-	962,596
735	88,328
766	682,297
1,501	13,286,414
-	2,983,175
-	6,404,686
-	1,056,857
-	77,882
-	10,522,600
1,501	2,763,814
-	9,450
-	2,942
-	(1,527,207)
-	(1,514,815)
1,501	1,248,999
26,158	11,566,448
\$ 27,659	\$ 12,815,447

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**AGATE BEACH CLOSURE FUND**

**SCHEDULE OF EXPENDITURES AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>EXPENDITURES:</b>			
Materials and services	<u>\$ 40,000</u>	<u>\$ 23,313</u>	<u>\$ 16,687</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(40,000)	(23,313)	16,687
<b>FUND BALANCE, beginning of year</b>	<u>603,144</u>	<u>603,792</u>	<u>648</u>
<b>FUND BALANCE, end of year</b>	<u><u>\$ 563,144</u></u>	<u><u>\$ 580,479</u></u>	<u><u>\$ 17,335</u></u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**UNBONDED ASSESSMENTS FUND**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest	\$ 17,500	\$ 13,181	\$ (4,319)
LID repayments	18,250	123,118	104,868
Miscellaneous	-	1,369	1,369
	<u>35,750</u>	<u>137,668</u>	<u>101,918</u>
<b>TOTAL REVENUES</b>			
<b>EXPENDITURES:</b>			
Capital outlay	<u>378,701</u>	<u>26,339</u>	<u>352,362</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(342,951)</u>	<u>111,329</u>	<u>454,280</u>
<b>NET CHANGE IN FUND BALANCE</b>	(342,951)	111,329	454,280
<b>FUND BALANCE, beginning of year</b>	<u>342,951</u>	<u>546,180</u>	<u>203,229</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 657,509</u>	<u>\$ 657,509</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**THE VILLAGES OF CASCADE HEAD**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest	<u>\$ 3,300</u>	<u>\$ 1,026</u>	<u>\$ (2,274)</u>
<b>EXPENDITURES:</b>			
Materials and services	<u>40,350</u>	<u>3,005</u>	<u>37,345</u>
Capital outlay	<u>95,143</u>	<u>-</u>	<u>95,143</u>
<b>TOTAL EXPENDITURES</b>	<u>135,493</u>	<u>3,005</u>	<u>132,488</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(132,193)</u>	<u>(1,979)</u>	<u>130,214</u>
<b>FUND BALANCE</b> , beginning of year	<u>132,193</u>	<u>131,862</u>	<u>(331)</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 129,883</u>	<u>\$ 129,883</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PROPERTY ABATEMENT**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest on investments	\$ 775	\$ 735	\$ (40)
Miscellaneous	-	766	766
<b>TOTAL REVENUES</b>	<u>775</u>	<u>1,501</u>	<u>726</u>
<b>EXPENDITURES:</b>			
Materials and services	<u>26,358</u>	<u>-</u>	<u>26,358</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(25,583)</u>	<u>1,501</u>	<u>27,084</u>
<b>FUND BALANCE</b> , beginning of year	<u>25,583</u>	<u>26,158</u>	<u>575</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 27,659</u>	<u>\$ 27,659</u>

## **AGENCY FUNDS**

### **Recreation Scholarship**

*Donations received but not yet used for financial assistance with recreation programs for those in need.*

### **Miscellaneous Trust**

*Miscellaneous funds held in trust - binocular receipts, fundraising for a K-9 dog,*



**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**AGENCY FUNDS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2021**

	<u>Recreation Scholarship</u>	<u>Miscellaneous Trust</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and investments	<u>\$ 12,454</u>	<u>\$ 65,103</u>	<u>\$ 77,557</u>
<b>LIABILITIES:</b>			
Accounts payable	<u>-</u>	<u>9,501</u>	<u>9,501</u>
<b>NET POSITION:</b>			
Restricted for:			
Individuals and organizations	<u>\$ 12,454</u>	<u>\$ 55,602</u>	<u>\$ 68,056</u>

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Recreation Scholarship</u>	<u>Miscellaneous Trust</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Grants and donations	\$ 21,000	\$ 2,947	\$ 23,947
System development charges	-	1,016	1,016
Deposits held for other	31	999	1,030
Interest on investments	105	-	105
	<hr/>	<hr/>	<hr/>
<b>TOTAL ADDITIONS</b>	21,136	4,962	26,098
	<hr/>	<hr/>	<hr/>
<b>DEDUCTIONS:</b>			
Refunds	19,281	42,041	61,322
	<hr/>	<hr/>	<hr/>
<b>CHANGE IN NET POSITION</b>	1,855	(37,079)	(35,224)
	<hr/>	<hr/>	<hr/>
<b>NET POSITION, June 30, 2020</b>	-	-	-
	<hr/>	<hr/>	<hr/>
Restatement*	10,599	92,681	103,280
	<hr/>	<hr/>	<hr/>
<b>NET POSITION, June 30, 2020, as restated</b>	10,599	92,681	103,280
	<hr/>	<hr/>	<hr/>
<b>NET POSITION, June 30, 2021</b>	<u>\$ 12,454</u>	<u>\$ 55,602</u>	<u>\$ 68,056</u>

\*Restatement per GASB 84 (Fiduciary Activities) implementation.

**ADDITIONAL SCHEDULES**

**CITY OF LINCOLN CITY**  
Lincoln City, Oregon

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES**

**YEAR ENDED JUNE 30, 2021**

	Tax Year	Uncollected June 30, 2020	Levy as Extended by Assessor	Adjustments Discounts and Interest	Collections	Uncollected June 30, 2021
Current	2020-2021	\$ -	\$ 10,106,646	\$ (282,664)	\$ 9,617,764	\$ 206,218
Prior	2019-2020	269,792	-	(2,043)	156,092	111,657
	2018-2019	121,795	-	1,046	60,670	62,171
	2017-2018	70,185	-	10,119	63,715	16,589
	2016-2017	17,315	-	2,974	17,752	2,537
	and prior	<u>176,351</u>	<u>-</u>	<u>5,480</u>	<u>17,864</u>	<u>163,967</u>
Total prior		<u>655,438</u>	<u>-</u>	<u>17,576</u>	<u>316,093</u>	<u>356,921</u>
Totals		<u>\$ 655,438</u>	<u>\$ 10,106,646</u>	<u>\$ (265,088)</u>	<u>\$ 9,933,857</u>	<u>\$ 563,139</u>

## ANNUAL DISCLOSURE INFORMATION

**\$9,885,000**  
**City of Lincoln City**  
**General Obligation Bonds**  
**Series 2013 Refunding**

*In conformance with SEC Rule 15c2-12, as amended (17 CFR Part 240, ~240.15c212), the City is providing annually the information presented in this section to all NRMSIRs and SIDs, if any.*

### BASIS OF ACCOUNTING

The City's governmental fund types are maintained on the modified accrual basis of accounting. The enterprise fund types are accounted for using the accrual basis of accounting. The City's accounting practices conform to generally accepted accounting principles.

FISCAL YEAR: July 1 to June 30

The Oregon Municipal Audit Law (ORS 297.405 – 297.555) requires an audit to be made of the accounts and financial affairs of every municipal corporation at least once a year. Unless the municipality elects to have the audit performed by the State Division of Audits, the audit shall be made by accountants whose names are included on the roster prepared by the State Board of Accountancy.

The City's audits for fiscal years 2006-07 to 2008-09 were performed by Boldt, Carlisle & Smith, LLC, Salem, Oregon. The City's audits for 2009-10 to 2020-21 were performed by Talbot, Korvola & Warwick, LLC, Portland, Oregon. The auditors did not review the statistical tables and offer no opinion regarding the statistical tables.

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PROPERTY TAX INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2021**

**Table 1 -- Real Market Value of Taxable Property in City of Lincoln City (1) (2)**

<u>Fiscal Year</u>		<u>Real Market Value (RMV)</u>	<u>Percent Increase</u>	<u>Taxable Assessed Value (TAV)</u>	<u>Percent Increase</u>	<u>TAV as a Percent of RMV</u>
2010-11	\$	1,877,069,647	-10.24%	\$ 1,197,246,890	3.92%	63.78%
2011-12		1,738,085,538	-7.40	1,225,532,150	2.36	70.51
2012-13		1,590,620,412	-8.48	1,253,733,405	2.30	78.82
2013-14		1,810,020,147	13.79	1,521,308,480	21.34	84.05
2014-15		1,793,476,477	-0.91	1,555,329,561	2.24	86.72
2015-16		1,871,311,539	4.34	1,607,592,253	3.36	85.91
2016-17		1,945,165,287	3.95	1,658,586,165	3.17	85.27
2017-18		2,030,816,701	4.40	1,717,366,578	3.54	84.57
2018-19		2,189,452,424	7.81	1,788,938,018	4.17	81.71
2019-20		2,348,931,759	7.28	1,858,471,488	3.89	79.12
2020-21		2,483,974,016	5.75	1,935,534,770	4.15	77.92

(1) Total Real Market Values and Taxable Assessed Values include Urban Renewal Values and other offsets. Table 2 which follows, reflects Taxable Assessed Values which does not include Urban Renewal and other assets as calculated by the Lincoln County Assessor.

(2) Includes the annexation of Roads End on July 1, 2013

Source: City of Lincoln City

**Table 2 -- Tax Collection Record**

<u>Fiscal Year</u>		<u>Taxable Assessed Value (3) (4)</u>	<u>Percent Change</u>	<u>Total Levy</u>	<u>Tax Rate Per \$1,000</u>	<u>Percent Collected Year of Levy</u>
2010-11	\$	996,712,565	3.86%	\$ 4,086,178	4.0996%	92.08%
2011-12		1,019,912,885	2.33	4,181,233	4.0996	92.00
2012-13		1,044,755,460	2.44	4,283,079	4.0996	92.78
2013-14		1,311,973,295	25.58	5,068,668	4.0996	93.20
2014-15		1,512,625,183	15.29	6,049,977	4.0996	93.81
2015-16		1,563,039,653	3.33	6,407,861	4.0996	93.82
2016-17		1,609,237,512	2.96	6,597,333	4.0996	94.42
2017-18		1,666,937,530	3.59	6,833,895	4.0996	94.26
2018-19		1,735,883,564	4.14	7,116,558	4.0996	94.53
2019-20		1,802,267,032	3.82	7,388,713	4.0996	94.61
2020-21		1,877,576,583	4.18	7,697,415	4.0996	95.16

(3) Excludes Urban Renewal and other Offsets.

(4) Includes the annexation of Roads End on July 1, 2013

Source: City of Lincoln City

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**CONSOLIDATED TAX RATES**

**FOR THE YEAR ENDED JUNE 30, 2021**

The following table shows consolidated tax rates for one of many tax codes located within the City of Lincoln City.

**Table 3 -- 2020-21 Representative Consolidated Tax Rates for Tax Code Area 402 & 412 (1)**

<u>Area</u>	<u>Tax Rate for Operations (2)</u>	<u>Tax Rate for Bonds</u>	<u>Tax Rate Total</u>
Within the City of Lincoln City			
<b>Education</b>			
Lincoln County Unified School District	\$ 4.7622	\$ 0.7600	\$ 5.5222
Linn-Benton-Lincoln ESD	0.2958	-	0.2958
Oregon Coast Community College	0.1705	0.2436	0.4141
<b>Total Education</b>	<u>5.2285</u>	<u>1.0036</u>	<u>6.2321</u>
<b>Local Government</b>			
Lincoln County	2.7358	-	2.7358
Lincoln County Animal SVC	0.1068	-	0.1068
Lincoln County Extension	0.0438	-	0.0438
Lincoln County Transportation	0.0945	-	0.0945
City of Lincoln City	3.9769	0.8285	4.8054
Lincoln City Urban Renewal Agency	0.4173	-	0.4173
North Lincoln Fire & Rescue	1.4978	0.3223	1.8201
Devil Lake Water Improvement District	0.1223	-	0.1223
North Lincoln Hospital District	0.5184	-	0.5184
<b>Total Local Government</b>	<u>9.5136</u>	<u>1.1508</u>	<u>10.6644</u>
<b>Total Consolidated Tax Rate</b>	<u>\$ 14.7421</u>	<u>\$ 2.1544</u>	<u>\$ 16.8965</u>

(1) The 2020-21 Assessed Value to compute the tax rate of code area 402 & 412 is \$1,643,914,176 which is 84.93% of the total Assessed Value of the City.

(2) The Tax Rates for Operations are the combined Measure 50 permanent tax rates and local option levies which are then applied to the assessed value adjusted for Urban Renewal to obtain the amount of taxes to be collected. These are not the Measure 5 tax rates which determine if there is "compression" and which are calculated using Real Market Value.

Source: City of Lincoln City

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**OUTSTANDING OBLIGATIONS**

**FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Issue</u> <u>Date</u>	<u>Maturity</u> <u>Date</u>	<u>Amount</u> <u>Issued</u>	<u>Amount</u> <u>Outstanding</u> <u>as of 6/30/21</u>
<b>General Obligation Bonds</b>				
Series 2011 Sewer (3)	3/17/2011	3/1/2026	\$ 7,000,000	\$ 2,689,264
Series 2013 Sewer Refunding (2)	2/26/2013	6/1/2030	9,885,000	8,130,000
<b>Total General Obligation Bonds</b>			<u>16,885,000</u>	<u>10,819,264</u>
<b>Full Faith and Credit Borrowings</b>				
Series 2014 Water (1)	4/17/2014	4/1/2024	4,000,000	1,285,000
Series 2017 Urban Renewal Projects (4)	11/2/2017	6/1/2023	2,975,000	-
Series 2018 Police Building (5)	11/7/2018	4/1/2048	10,950,000	10,125,000
Series 2018 Police Building Bond Premium (5)	11/7/2018	4/1/2048	302,721	180,314
2018 Sewer Vactor Truck (6)	8/1/2018	8/1/2023	355,960	214,134
2019 Water Hydro Excavator (7)	7/26/2019	7/26/2024	286,152	193,450
<b>Total Full Faith and Credit-Backed</b>			<u>18,869,833</u>	<u>11,997,898</u>
<b>Total Borrowings</b>			<u>\$ 35,754,833</u>	<u>\$ 22,817,162</u>

(1) The City pays debt service on this bond from water system revenues.

(2) A portion of the 2005 Sewer Bonds were called with the 2013 Sewer Refunding Bonds. The City called the remaining 2005 Bonds on March 3, 2015.

(3) The City pays debt service on this bond from a tax levy.

(4) The City pays debt service on this bond from tax increment revenues of the Urban Renewal Agency.

(5) The City pays debt service on this bond from transient room tax revenues.

(6) The City pays debt services on this financing from sewer system revenues.

(7) The City pays debt services on this financing from water system revenues.

Source: City of Lincoln City



**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**SDC FUNDS IN ACCORDANCE WITH ORS 223.311**

**YEAR ENDED JUNE 30, 2021**

	Transportation Development Fund	Storm Drainage Development Fund	Parks Improvement Fund
<b>REVENUES:</b>			
System development charge - improvement	\$ 122,232	\$ 3,309	\$ 149,231
Motorcycle vehicle gas tax	-	-	6,571
Miscellaneous	-	-	999
Interest	6,011	757	5,862
<b>TOTAL REVENUES</b>	<u>128,243</u>	<u>4,066</u>	<u>162,663</u>
<b>EXPENDITURES:</b>			
Lincoln Square Ramps & ADA Improvements	<u>-</u>	<u>39,159</u>	<u>421,916</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	128,243	(35,093)	(259,253)
<b>BEGINNING FUND BALANCE</b>	<u>689,623</u>	<u>102,074</u>	<u>862,594</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 817,866</u>	<u>\$ 66,981</u>	<u>\$ 603,341</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**WATER SDC FUNDS****YEAR ENDED JUNE 30, 2021**

	<u>Water Replacement Fund</u>	<u>Water SDC Reimbursement Fund</u>	<u>Water SDC Improvement Fund</u>	<u>Total</u>
<b>REVENUES:</b>				
System development charge	\$ -	\$ 116,458	\$ 44,379	\$ 160,837
Interest	11,157	3,441	1,704	16,302
<b>TOTAL REVENUE</b>	<u>11,157</u>	<u>119,899</u>	<u>46,083</u>	<u>177,139</u>
<b>EXPENDITURES:</b>				
Water system construction	<u>21,900</u>	<u>-</u>	<u>-</u>	<u>21,900</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(10,743)	119,899	46,083	155,239
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	989,257	119,899	46,083	1,155,239
<b>BEGINNING FUND BALANCE</b>	<u>1,426,546</u>	<u>376,316</u>	<u>193,403</u>	<u>1,996,265</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,415,803</u>	<u>\$ 496,215</u>	<u>\$ 239,486</u>	<u>\$ 3,151,504</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**SEWER SDC FUNDS**

**YEAR ENDED JUNE 30, 2021**

	<u>Sewer Replacement Fund</u>	<u>Sewer SDC Reimbursement Fund</u>	<u>Sewer SDC Improvement Fund</u>	<u>Total</u>
<b>REVENUES:</b>				
System Development Charge	\$ -	\$ 199,521	\$ 104,565	\$ 304,086
Interest	9,157	9,166	1,730	20,053
<b>TOTAL REVENUE</b>	<u>9,157</u>	<u>208,687</u>	<u>106,295</u>	<u>324,139</u>
<b>EXPENDITURES:</b>				
Sewer System Construction	<u>92,879</u>	<u>-</u>	<u>-</u>	<u>92,879</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(83,722)</u>	<u>208,687</u>	<u>106,295</u>	<u>231,260</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,000,000	-	-	1,000,000
Transfers Out	<u>(2,250)</u>	<u>-</u>	<u>(52,568)</u>	<u>(54,818)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>997,750</u>	<u>-</u>	<u>(52,568)</u>	<u>945,182</u>
<b>NET CHANGE IN FUND BALANCE</b>	914,028	208,687	53,727	1,176,442
<b>BEGINNING FUND BALANCE</b>	<u>1,177,790</u>	<u>978,022</u>	<u>121,618</u>	<u>2,502,500</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 2,091,818</u>	<u>\$ 1,186,709</u>	<u>\$ 175,345</u>	<u>\$ 3,678,942</u>

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH OREGON STATE REGULATIONS**



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224  
P 503.274.2849 F 503.274.2853 [www.tkw.com](http://www.tkw.com)

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS**

Honorable Mayor and Members of City Council  
City of Lincoln City  
Lincoln City, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln City, Oregon (the City), as of and for the year ended June 30, 2021, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 31, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 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 an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as follows:

An independently owned member  
**RSM US Alliance**



RSM US Alliance is a premier affiliation of independent accounting and consulting firms. RSM US Alliance provides its members with access to resources of RSM US LLP. RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit [rsmus.com/aboutus](http://rsmus.com/aboutus) for more information regarding RSM US LLP and RSM International. RSM US®, the RSM US Alliance logo and the RSM US Alliance signatures are proprietary to RSM US LLP, while RSM™ is used under license by RSM US LLP.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

Honorable Mayor and Members of City Council  
City of Lincoln City

**COMPLIANCE (Continued)**

- The Facilities Capital Fund reported an over expenditure of \$883 in transfers out appropriations
- The Street Capital Fund reported an over expenditure of \$642 in transfers out appropriations
- The Urban Renewal Fund reported an over expenditure of \$11,121 in personal services appropriations

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph 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. We did identify a certain deficiency in internal control that we consider to be a material weakness and have communicated the deficiency in a separate letter to management dated March 31, 2022.

**PURPOSE OF THIS REPORT**

This report is intended solely for the information and use of the City Council, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.



Portland, Oregon  
March 31, 2022