

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

Annual Financial Report

Year Ended June 30, 2024

**CITY OF LINCOLN CITY**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b>FINANCIAL SECTION:</b>	
<b>INDEPENDENT AUDITOR’S REPORT</b>	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-Wide Financial Statements:	
Statement of Net Position	12-13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds	15
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	16
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	17
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	18
Statement of Net Position – Proprietary Funds	19-20
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds	21
Statement of Cash Flows – Proprietary Funds	22
Statement of Net Position and Changes in Fiduciary Net Position – Fiduciary Fund	23
Notes to Basic Financial Statements	24
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Changes in the City’s Total OPEB Liability and Related Ratios HIC	63
Schedule of Proportionate Share of Net OPEB (Asset)/Liability RHIA	64
Schedule of OPERS RHIA Plan Contributions	65
Schedule of Proportionate Share of Net Pension (Asset)/Liability	66
Schedule of Pension Plan Contributions	67
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
General Fund	68
Lincoln Square Operations Fund	69
Parks and Recreation Center Fund	70
Explore Lincoln City Fund	71
Notes to Required Supplementary Information	72
<b>OTHER SUPPLEMENTARY INFORMATION:</b>	
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Street Capital Fund	73
Combining Balance Sheet – Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Nonmajor Governmental Funds	75
Combining Balance Sheet – Nonmajor Special Revenue Funds	76

**CITY OF LINCOLN CITY**

**TABLE OF CONTENTS (Continued)**

	<b><u>Page</u></b>
<b>FINANCIAL SECTION (Continued):</b>	
<b>OTHER SUPPLEMENTARY INFORMATION (Continued):</b>	
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds	77
Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:	
Workforce Housing Fund	78
Street Operations Fund	79
Urban Renewal Property Rehabilitation Program Fund	80
Urban Renewal Tax Increment – Roads End Fund	81
Urban Renewal Fund	82
Percent for Art Fund	83
Combining Balance Sheet - Nonmajor Capital Projects Funds	84
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Capital Project Funds	85
Schedules of Revenues, Expenditures and Change in Fund Balance – Budget and Actual:	
Transportation Development Fund	86
N Hwy 101 Improvement Program Fund	87
Intersection Improvement Fund	88
Storm Drainage Development Fund	89
Parks System Development Charge Improvement Fund	90
Parks Development Fund	91
Facilities Capital Fund	92
Police Building Construction Fund	93
Water Fund	94
Water System Capital Fund	95
Water System Development Charge Reimbursement Fund	96
Water System Development Charge Improvement Fund	97
Water Bond Fund	98
Sewer Fund	99
Sewer System Capital Fund	100
Sewer System Development Charge Reimbursement Fund	101
Sewer System Development Charge Improvement Fund	102
Sewer Bond Fund	103
Reconciliation of Revenues, Expenditures and Changes in Fund Balance to Change in Net Position:	
Water Fund	104
Sewer Fund	105
Schedule of Revenues, Expenditures, and Changes In Fund Balance – Budget and Actual - Internal Service Fund	106
Combining Balance Sheet – General Fund	107
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – General Fund	108

**CITY OF LINCOLN CITY**

**TABLE OF CONTENTS (Continued)**

	<b><u>Page</u></b>
<b>FINANCIAL SECTION (Continued):</b>	
<b>OTHER SUPPLEMENTARY INFORMATION (Continued):</b>	
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Agate Beach Closure Fund	109
Unbonded Assessments Fund	110
The Villages of Cascade Head Fund	111
Property Abatement Fund	112
Combining Statement of Fiduciary Net Position – Custodial Funds	113
Combining Statement of Changes in Fiduciary Net Position – Custodial Funds	114
<b>ADDITIONAL SCHEDULES:</b>	
Schedule of Property Tax Transactions and Outstanding Balances	115
Annual Disclosure Information	116
Real Market Value of Taxable Property in Lincoln City	117
Tax Collection Record	117
Consolidated Tax Rates	118
Outstanding Obligations	119
SDC Funds in Accordance with ORS 223.311:	
Transportation, Storm Drainage and Parks Improvement	120
Water	121
Sewer	122
<b>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</b>	123

**CITY OF LINCOLN CITY**

**CITY COUNCIL**

**JUNE 30, 2024**

**Term Expires**

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

December 31, 2026

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

December 31, 2026

Marci Baker  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2026

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

December 31, 2026

Todd Barker  
City of Lincoln City  
PO Box 50  
Lincoln City, Oregon 97367

December 31, 2024

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

**City Manager**

Daphnee Legarza

**Finance Director**

Debbie Bridges

**INDEPENDENT AUDITOR'S REPORT**



Your peace of mind is our passion.

## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln City, Oregon (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

## INDEPENDENT AUDITOR'S REPORT (Continued)

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that 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 is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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, Lincoln Square Operations Fund, Parks and Recreation Center Fund, and 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 GAAS. In our opinion, the budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### **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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual financial report. The other information comprises the Additional Schedules, as listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

### **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 January 29, 2025, 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.



For Talbot, Korvola & Warwick, LLP  
Portland, Oregon  
January 29, 2025

**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, 2024. 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 less total liabilities and deferred inflows) was \$156,716,556 at June 30, 2024, an increase of \$8,854,898 (or 6.0%) over the prior year's restated net position. The City's General Fund reported an ending fund balance of \$16,141,580, an increase of \$1,068,282 (or 7.1%) over the prior year's fund balance. General fund revenues have been steady overall, although Fees, Licenses, and Permits revenue decreased by 29.7% due to less new construction growth in the City.

#### REPORT LAYOUT

This discussion and analysis is intended to serve as an introduction to the City of Lincoln City's basic financial statements. The City's annual financial report consists of several sections. Taken together, they 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 use the accrual basis of accounting.

- The Statement of Net Position presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between assets plus deferred outflows and liabilities plus deferred inflows being reported as net position. Net position is separated into net investment in capital assets, 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 focuses on 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 funds and proprietary funds (water/sewer). Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the

remaining funds are combined into a column titled "Other Governmental funds." This section also includes reconciliations of the 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 fiduciary for certain funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of net position. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

#### *Notes to basic financial statements*

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

#### *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 (RHIA), the schedule of contributions for RHIA, the schedule of proportionate share of net pension (asset)/liability, and the schedule of pension plan contributions is included in this section. These schedules report additional pension and OPEB detail.

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

#### *Other supplementary information*

This section starts with budget information for a major capital fund and is followed by the combining balance sheets, revenues, expenditures, and changes in fund balances, and budgetary information for the non-major governmental funds, which includes non-major special revenue funds and capital projects funds. Following the governmental fund schedules are revenues, expenditures, and changes in fund balances, budgetary information, and reconciliation of revenues and expenditure 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 City's general fund, followed by a combining statement of assets and liabilities for the City's fiduciary 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.*

Supplemental communication on City compliance and internal controls as required by Oregon State statutes.

## FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The City's combined net position (total assets and deferred outflows less total liabilities and deferred inflows) was \$156,716,556 at June 30, 2024, an increase of \$8,854,898 (or 6.0%) over the prior year's net position.

Table 1 – NET POSITION

	June 30, 2024			June 30, 2023 (RESTATED)		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
<b>Assets:</b>						
Cash and investments	\$ 33,648,240	\$ 11,268,225	\$ 44,916,465	\$ 33,029,352	\$ 11,278,605	\$ 44,307,957
Cash with County Treasurer	65,657	12,506	78,163	50,974	10,175	61,149
Receivables, net	6,808,206	1,699,844	8,508,050	5,131,707	1,586,226	6,717,933
Internal balances	-	-	-	51,817	(51,817)	-
Lease receivables	3,230,244	-	3,230,244	3,352,166	-	3,352,166
Prepays and other	1,338,429	36,554	1,374,983	708,331	49,425	757,756
Inventories	-	247,136	247,136	-	235,060	235,060
Land held for sale	1,954,487	-	1,954,487	1,954,487	-	1,954,487
Capital assets net	<u>80,621,331</u>	<u>51,369,463</u>	<u>131,990,794</u>	<u>81,601,712</u>	<u>47,523,115</u>	<u>129,124,827</u>
Total assets	<u>127,666,594</u>	<u>64,633,728</u>	<u>192,300,322</u>	<u>125,880,546</u>	<u>60,630,789</u>	<u>186,511,335</u>
<b>Deferred outflow of resources:</b>						
Deferred amts related to pensions	3,937,318	910,315	4,847,633	4,374,691	1,000,928	5,375,619
Deferred amts related to OPEB	<u>86,312</u>	<u>18,679</u>	<u>104,991</u>	<u>67,001</u>	<u>14,499</u>	<u>81,500</u>
Total deferred outflow of resources	<u>4,023,630</u>	<u>928,994</u>	<u>4,952,624</u>	<u>4,441,692</u>	<u>1,015,427</u>	<u>5,457,119</u>
<b>Liabilities:</b>						
Accounts payable and accrued expenses	2,848,046	1,423,160	4,271,206	3,064,941	809,264	3,874,205
Landfill closure and postclosure care costs	245,497	-	245,497	350,499	-	350,499
Net other postemployment obligations	426,604	92,323	518,927	395,464	85,569	481,033
Net pension liability	10,391,515	2,402,538	12,794,053	8,516,984	1,948,684	10,465,668
Long-term obligations	<u>10,753,867</u>	<u>7,452,723</u>	<u>18,206,590</u>	<u>11,306,679</u>	<u>10,503,348</u>	<u>21,810,027</u>
Total liabilities	<u>24,665,529</u>	<u>11,370,744</u>	<u>36,036,273</u>	<u>23,634,567</u>	<u>13,346,865</u>	<u>36,981,432</u>
<b>Deferred inflow of resources:</b>						
Deferred amounts related to pensions	1,036,515	239,644	1,276,159	2,944,896	673,791	3,618,687
Deferred amounts related to OPEB	125,139	27,082	152,221	204,105	44,163	248,268
Deferred lease resources	<u>3,071,737</u>	<u>-</u>	<u>3,071,737</u>	<u>3,258,409</u>	<u>-</u>	<u>3,258,409</u>
Total deferred inflow of resources	<u>4,233,391</u>	<u>266,726</u>	<u>4,500,117</u>	<u>6,407,410</u>	<u>717,954</u>	<u>7,125,364</u>
<b>Net position:</b>						
Net investment in capital assets	70,718,985	44,603,187	115,322,172	71,565,033	38,735,559	110,300,592
Restricted	22,066,815	9,145,900	31,212,715	19,839,189	7,438,611	27,277,800
Unrestricted	<u>10,005,504</u>	<u>176,165</u>	<u>10,181,669</u>	<u>8,876,039</u>	<u>1,407,227</u>	<u>10,283,266</u>
Total net position	<u>\$102,791,304</u>	<u>\$ 53,925,252</u>	<u>\$156,716,556</u>	<u>\$100,280,261</u>	<u>\$ 47,581,397</u>	<u>\$147,861,658</u>

73.6% of the City's total net position is invested in capital assets. 10.6% of the City's net position is restricted for capital improvements (\$16,610,045), including proceeds from system development charges. \$355,627 (0.2%) is restricted for repayment of outstanding debt. \$10,931,669 (7.0%) of the City's net position is unrestricted and represents resources available to fund the programs of the City.

**Changes in Net Position.** The City's total revenues were \$44,499,331, an increase of 15.9% from the prior year. Of the City's total revenue, \$10,852,629 (or 24.4%) is from property taxes, \$12,634,698 (or 28.4%) is from transient room taxes, \$11,783,076 (or 26.5%) is from charges for services and \$9,228,928 (or 20.7%) 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, 2024			Year Ended June 30, 2023 (RESTATED)		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
<b>Program revenues:</b>						
Charges for services	\$ 2,008,346	\$ 9,774,730	\$ 11,783,076	\$ 2,479,666	\$ 9,428,289	\$ 11,907,955
Operating grants and contributions	790,232	1,060,345	1,850,577	783,458	48,662	832,120
Capital grants and contributions	2,585,193	384,473	2,969,666	1,262,871	478,408	1,741,279
General revenues:						
Property taxes, general purposes	8,639,411	-	8,639,411	8,292,712	-	8,292,712
Property taxes, debt service	495,596	1,717,622	2,213,218	341,219	1,689,043	2,030,262
Franchise fees	1,311,086	-	1,311,086	1,199,838	-	1,199,838
Transient room taxes	12,634,698	-	12,634,698	10,223,349	-	10,223,349
Other	2,328,704	768,895	3,097,599	1,558,676	612,379	2,171,055
Total program and general revenues	<u>30,793,266</u>	<u>13,706,065</u>	<u>44,499,331</u>	<u>26,141,789</u>	<u>12,256,781</u>	<u>38,398,570</u>
<b>Program expenses:</b>						
General government	5,979,118	-	5,979,118	6,250,828	-	6,250,828
Public safety	8,118,236	-	8,118,236	7,069,467	-	7,069,467
Highways and streets	3,500,433	-	3,500,433	2,986,337	-	2,986,337
Cultural and recreation	7,748,645	-	7,748,645	6,771,910	-	6,771,910
Water and sewer	-	9,886,956	9,886,956	-	9,330,950	9,330,950
Interest on long-term debt	411,045	-	411,045	407,207	-	407,207
Total program expenses	<u>25,757,477</u>	<u>9,886,956</u>	<u>35,644,433</u>	<u>23,485,749</u>	<u>9,330,950</u>	<u>32,816,699</u>
Increase (decrease) in net position before transfers	5,035,789	3,819,109	8,854,898	2,656,040	2,925,831	5,581,871
Transfers	<u>(2,524,746)</u>	<u>2,524,746</u>	<u>-</u>	<u>641,977</u>	<u>(641,977)</u>	<u>-</u>
Change in net position	<u>2,511,043</u>	<u>6,343,855</u>	<u>8,854,898</u>	<u>3,298,017</u>	<u>2,283,854</u>	<u>5,581,871</u>
Net Position, beginning	<u>100,280,261</u>	<u>47,581,397</u>	<u>147,861,658</u>	<u>96,982,244</u>	<u>45,297,543</u>	<u>142,279,787</u>
Net position, ending	<u>\$ 102,791,304</u>	<u>\$ 53,925,252</u>	<u>\$ 156,716,556</u>	<u>\$ 100,280,261</u>	<u>\$ 47,581,397</u>	<u>\$ 147,861,658</u>

The total cost of all programs and services was \$35,644,433, an increase of \$2,827,734 (or 8.6%) from the prior year. Expenses for Governmental Activities increased by 7.7% while expenses for Business-Type Activities increased by 10.9%. Of the total costs, \$9,886,956 (or 27.7%) was for Business-type Activities, and \$25,757,477 (or 72.3%) was for general government, public safety, highways and streets, cultural and recreation, and interest.

In FY2022-23, the City donated land with a book value of \$551,930 for purposes of affordable housing, which was not included in the FY2022-23 statements. In FY2022-23, the Urban Renewal Agency of the City of Lincoln City transferred \$99,998 to the City to fund initial work on the 44-47<sup>th</sup> Connector. However, none of these funds were expended in FY2022-23. The City is restating the FY2022-23 governmental ending net position from \$100,732,193 to \$100,280,261.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

### Governmental Funds

The City's General Fund reported an ending fund balance of \$16,141,580, an increase of \$1,068,282 (or 7.1%) over the prior year's fund balance. Total General fund revenues increased by 4.1% from the prior fiscal year, while General fund expenditures increased by 8.0%.

Transient Room Taxes (TRT) are a significant source of revenue for governmental funds, and they are an important indicator of how the local economy is doing. TRT revenues increased by \$2,411,349 (or 23.6%) from the prior fiscal year. This is largely due to the increase in the Transient Room Tax rate, which changed from 9.5% to 12.0% in July 2023.

### Business-type Activities

The City's Water funds reported an ending net position of \$24,061,028, an increase of \$996,190 (or 4.3%) over the prior fiscal year's ending net position. Charges for Services increased by \$141,014 (or 3.2%). Water rates increased by 5% for the fiscal year.

The City's Sewer funds reported an ending net position of \$29,864,224, an increase of \$5,377,665 (or 22.0%) over the previous fiscal year's ending net position. Of this amount, \$2,453,079 is due to the transfer of assets previously built by the Urban Renewal Agency's Y2000 district. Charges for Services increased by \$205,427 (or 4.1%). Sewer rates were increased by 5% for the fiscal year.

System development charges (SDC) for both the Water and Sewer funds are generated from new building activity and are a reflection of changes in new construction occurring within the City. Water system development charges decreased by \$37,759 (or 21.2%). Sewer system development charges decreased by \$56,176 (or 18.7%).

## BUDGETARY HIGHLIGHTS

City Council approved four changes to the fiscal year 2023-24 General Fund adopted budget. These changes re-categorized operating expenditures to reflect actual spending patterns. It also added \$150,000 for Cultural Center repairs, \$86,000 for police automobiles, and a \$100,000 transfer to the Property Abatement fund.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

At the end of fiscal year 2023-24, the City had capital assets totaling \$131,990,794 in a broad range of categories, including land, infrastructure, equipment, buildings, vehicles, and subscriptions. This amount represents a net increase (including additions and deductions) of \$2,314,037 (or 1.8%). More detailed information is presented in notes 5, 6 and 7 of the notes to basic financial statements.

Table 3  
CHANGE IN CAPITAL ASSETS

	June 30, 2024			June 30, 2023 (RESTATED)		
	Governmental Activities	Business-type Activities	Totals	Governmental Activities	Business-type Activities	Totals
Beginning balance	\$ 81,601,712	\$ 47,523,115	\$ 129,124,827	\$ 81,365,478	\$ 46,129,239	\$ 127,494,717
GASB96 beg balance	-	-	-	62,642	-	62,642
Additions	5,407,248	3,971,614	9,378,862	4,322,433	4,435,734	8,758,167
Transfers	(5,472,257)	5,472,257	-	-	-	-
Retirements	(629,288)	(452,175)	(1,081,463)	(1,487,331)	(70,783)	(1,558,114)
Amortization, net	(40,073)	(1,212)	(41,285)	(21,823)	(1,214)	(23,037)
Depreciation, net	(246,011)	(5,144,136)	(5,390,147)	(2,639,687)	(2,969,861)	(5,609,548)
Ending balance	<u>\$ 80,621,331</u>	<u>\$ 51,369,463</u>	<u>\$ 131,990,794</u>	<u>\$ 81,601,712</u>	<u>\$ 47,523,115</u>	<u>\$ 129,124,827</u>

#### Governmental Activities

Additions to capital assets from governmental activities totaled \$5,407,248. These additions included: (1) Completion of the Police Utility building \$474,678, (2) Schooner Creek Discovery Park \$621,625 (3) UR Cutler Baywalk \$499,530, (4) NW 21<sup>st</sup> Safe Routes improvements \$346,329, and (5) NE 14<sup>th</sup> Sidewalk Port to Regatta Park \$1,667,575.

#### Business-type Activities

Additions to capital assets from business-type activities totaled \$3,971,614. These additions included (1) SE Oar 19<sup>th</sup> & Lee water pumpstation \$1,552,651, (2) Nelscott Force Main \$1,029,345, and (3) Water radio read meters \$1,051,064.

#### LONG-TERM OBLIGATIONS

At the end of fiscal year 2023-24, the City had \$18,206,590 in outstanding debt, a decrease of \$3,603,437 (16.5%) relative to the prior year.

#### Governmental Activities

The City entered into one Lease Right-of-Use asset during the fiscal year for a Pitney Bowes postage machine. The lease has a term of 5 years and had a net present value of \$16,062 at inception.

The City entered into three Subscription Information Technology Arrangements (SBITA) during the fiscal year. The Police fleet license plate recognition subscription has a term of 4.5 years with an automatic renewal of another 5 years, and had a net present value of \$57,422 at inception. The Escribe subscription has a term of 3 years with an automatic renewal of another 3 years, and had a net present value of \$74,845 at inception. The ESRI subscription has a term of 3 years had a net present value of \$31,527 at inception. The City made all scheduled principal and interest payments as required.

The City has received several grants for a new park. The City received state grant funds of \$1,000,000 in FY2022-23, and as of June 30,2024, it has expended \$223,479 of these funds. The City received a Travel Oregon grant of \$50,000 in FY2023-24, and as of June 30, 2024, none of these

funds have been expended. The City received \$25,000 in other local governmental grants in FY2023-24, and as of June 30, 2024, none of the funds have been expended.

#### Business-type Activities

The City did not issue any new debt for the fiscal year ending June 30, 2024 and made all scheduled principal and interest payments as required. As of June 30, 2024, the City's Series 2013 Sewer Bonds carry a Moody's Aa3 rating. See additional schedules for the annual disclosure statement in conformance with SEC Rule 15c2-12.

The City received American Rescue Plan Act (ARPA) funds of \$1,018,397 in FY2021-22 and \$1,018,397 in FY2022-23, for water and sewer improvements. As of June 30, 2024, \$686,447 of the funds have not been expended and are recorded in unearned revenue.

For additional information on the City's long-term outstanding obligations, see note 8 of the notes to basic financial statements.

**Table 4  
LONG-TERM OBLIGATIONS**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Governmental:		
Full Faith and Credit Bond Series 2018	\$ 9,465,000	\$ 9,695,000
Full Faith and Credit Bond Premium Series 2018	69,990	101,831
Contracts Payable - Police Copier	<u>1,333</u>	<u>4,148</u>
Total governmental activities	<u>9,536,323</u>	<u>9,800,979</u>
Business-type:		
General Obligation Bonds		
Sewer Bonds - Series 2011	1,051,875	1,620,080
Sewer Bonds - Series 2013	5,655,000	6,505,000
Full Faith and Credit Note Series 2014	-	435,000
Contract Payable - Sewer Vactor	-	119,973
Contract Payable - Water Hydro	<u>57,876</u>	<u>104,706</u>
Total business-type activities	<u>6,764,751</u>	<u>8,784,759</u>
Total long-term obligations, bonds, notes, and contracts	<u>\$ 16,301,074</u>	<u>\$ 18,585,738</u>

GASB 87 leases payable are as follows:

**Table 5  
LEASES PAYABLE**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Governmental:		
Public works copier (1/3 of lease)	\$ 762	\$ 1,399
Explore Lincoln City postage machine	3,767	5,116
City Hall postage machine	-	1,919
City Hall postage machine	<u>14,155</u>	<u>-</u>
Total governmental activities	<u>18,684</u>	<u>8,434</u>
Business-type:		
Public works copier (2/3 of lease)	<u>1,525</u>	<u>2,797</u>
Total long-term obligations	<u>\$ 20,209</u>	<u>\$ 11,231</u>

GASB 96 subscriptions payable are as follows:

Table 6  
SUBSCRIPTIONS PAYABLE

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Governmental:		
Police/Planning Code Enforcement subscription	\$ 50,236	\$ 56,892
Fleet camera subscription	41,322	44,570
Body camera subscription	121,064	125,804
Fleet license plate recognition subscription	43,725	-
Escribe subscription	69,838	-
ESRI subscription	21,154	-
Total subscription obligations	<u>\$ 347,339</u>	<u>\$ 227,266</u>

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

Property taxes comprise 57.0% of the City's General Fund revenue (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 2024-25 is \$16,077,041 and expenditures in the adopted budget are \$20,083,057, resulting in a \$4,006,016 decrease to fund balance. The projected ending General Fund reserves for fiscal year 2024-25 total \$7,012,150 (or 34.9% of budgeted expenditures).

Another major source of revenue for governmental activities is the Transient Room Tax (TRT). Transient Room Taxes are budgeted at the same level in FY2024-25 as in the prior year (budget to year end estimate).

For fiscal year 2024-25, the City's Street capital funds have budgeted \$7,501,925 for capital projects, with another \$596,624 in capital reserves. The City's Parks funds have budgeted \$4,981,326 in capital projects, with another \$657,580 in capital reserves.

#### Business-type Activities

The majority of revenue for business-type activities is from user charges and system development charges. Water rates were budgeted to increase by 5% and sewer rates were budgeted to increase by 5% for fiscal year 2024-25.

For fiscal year 2024-25, the City's Water Capital funds have budgeted \$3,804,027 in capital outlay for water system upgrades and replacements, with another \$657,407 in capital reserves.

For fiscal year 2024-25, the City's Wastewater Capital funds has budgeted \$6,259,441 in capital outlay for sewer system upgrades and replacements, with another \$2,149,866 in capital reserves.

### 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, 2024**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Current assets			
Cash and investments	\$ 33,648,240	\$ 11,268,225	\$ 44,916,465
Cash with County Treasurer	65,657	12,506	78,163
Receivables	4,767,612	1,699,844	6,467,456
Lease receivables	128,770	-	128,770
Inventories	-	247,136	247,136
Noncurrent assets			
Receivables	2,040,594	-	2,040,594
Lease receivables	3,101,474	-	3,101,474
Prepays and other	1,338,429	36,554	1,374,983
Land held for resale	1,954,487	-	1,954,487
Capital assets:			
Land, improvements and construction in progress	37,499,026	4,748,626	42,247,652
Lease assets, net	17,508	1,112	18,620
Subscription assets, net	340,665	-	340,665
Other capital assets, net	42,764,132	46,619,725	89,383,857
<b>TOTAL ASSETS</b>	<b>127,666,594</b>	<b>64,633,728</b>	<b>192,300,322</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred amounts related to pensions	3,937,318	910,315	4,847,633
Deferred amounts related to OPEB	86,312	18,679	104,991
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,023,630</b>	<b>928,994</b>	<b>4,952,624</b>

See notes to basic financial statements.

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

**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ 1,000,857	\$ 1,204,977	\$ 2,205,834
Other accrued liabilities	883,395	-	883,395
Accrued interest payable	93,569	17,882	111,451
Accrued compensated absences	870,225	200,301	1,070,526
Long-term obligations:			
Portion due or payable within one year:			
Landfill closure and post closure care costs	40,000	-	40,000
Long-term debt	267,974	1,524,738	1,792,712
Unearned grant revenue	851,521	686,447	1,537,968
Lease payable	4,986	1,525	6,511
Subscriptions payable	43,900	-	43,900
Portion due or payable after one year:			
Landfill closure and post closure care costs	205,497	-	205,497
Long-term debt	9,268,349	5,240,013	14,508,362
Lease payable	13,698	-	13,698
Subscriptions payable	303,439	-	303,439
Net pension liability	10,391,515	2,402,538	12,794,053
Total other postemployment benefit obligation	426,604	92,323	518,927
	<b>24,665,529</b>	<b>11,370,744</b>	<b>36,036,273</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred amounts related to pensions	1,036,515	239,644	1,276,159
Deferred amounts related to OPEB	125,139	27,082	152,221
Deferred lease resources	3,071,737	-	3,071,737
	<b>4,233,391</b>	<b>266,726</b>	<b>4,500,117</b>
<b>NET POSITION:</b>			
Net investment in capital assets	70,718,985	44,603,187	115,322,172
Restricted for:			
Capital improvements	7,856,326	8,753,719	16,610,045
Debt service	-	355,627	355,627
Highways and streets	1,047,807	-	1,047,807
Landfill postclosure costs	234,733	-	234,733
Tourism	8,018,660	-	8,018,660
Urban renewal	2,142,402	-	2,142,402
Parks maintenance	1,847,984	-	1,847,984
OPEB asset	168,903	36,554	205,457
Unrestricted	10,755,504	176,165	10,931,669
	<b>\$ 102,791,304</b>	<b>\$ 53,925,252</b>	<b>\$ 156,716,556</b>

See notes to basic financial statements.

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

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2024**

ACTIVITIES	Program Revenues				Net Revenue (Expense) and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 5,979,118	\$ 1,234,952	\$ 790,232	\$ 143,282	\$ (3,810,652)	\$ -	\$ (3,810,652)
Public safety	8,118,236	58,493	-	-	(8,059,743)	-	(8,059,743)
Highways and streets	3,500,433	84,569	-	1,961,225	(1,454,639)	-	(1,454,639)
Culture and recreation	7,748,645	630,332	-	480,686	(6,637,627)	-	(6,637,627)
Interest on long-term obligations	411,045	-	-	-	(411,045)	-	(411,045)
Total governmental activities	<u>25,757,477</u>	<u>2,008,346</u>	<u>790,232</u>	<u>2,585,193</u>	<u>(20,373,706)</u>	<u>-</u>	<u>(20,373,706)</u>
Business-type activities:							
Water	4,227,739	4,586,438	31,000	140,048	-	529,747	529,747
Sewer	5,659,217	5,188,292	1,029,345	244,425	-	802,845	802,845
Total business-type activities	<u>9,886,956</u>	<u>9,774,730</u>	<u>1,060,345</u>	<u>384,473</u>	<u>-</u>	<u>1,332,592</u>	<u>1,332,592</u>
<b>Total</b>	<u>\$ 35,644,433</u>	<u>\$ 11,783,076</u>	<u>\$ 1,850,577</u>	<u>\$ 2,969,666</u>	<u>(20,373,706)</u>	<u>1,332,592</u>	<u>(19,041,114)</u>
<b>GENERAL REVENUES</b>							
Property taxes levied for:							
General purposes					8,639,411	-	8,639,411
Debt service					495,596	1,717,622	2,213,218
Franchise fees					1,311,086	-	1,311,086
Transient room taxes					12,634,698	-	12,634,698
Unrestricted investment earnings					1,803,950	620,327	2,424,277
Gain (loss) from sale of capital assets					4,829	(5,405)	(576)
Miscellaneous					519,925	153,973	673,898
<b>TRANSFERS</b>					<u>(2,524,746)</u>	<u>2,524,746</u>	<u>-</u>
<b>Total general revenues and transfers</b>					<u>22,884,749</u>	<u>5,011,263</u>	<u>27,896,012</u>
<b>CHANGE IN NET POSITION</b>					<u>2,511,043</u>	<u>6,343,855</u>	<u>8,854,898</u>
<b>NET POSITION, June 30, 2023, as previously reported</b>					<u>100,732,193</u>	<u>47,581,397</u>	<u>148,313,590</u>
Restatement for correction of prepaid balance					99,998	-	99,998
Restatement for correction of property donation					(551,930)	-	(551,930)
<b>NET POSITION, beginning of year, as restated</b>					<u>100,280,261</u>	<u>47,581,397</u>	<u>147,861,658</u>
<b>NET POSITION, June 30, 2024</b>					<u>\$ 102,791,304</u>	<u>\$ 53,925,252</u>	<u>\$ 156,716,556</u>

See notes to basic financial statements.

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**BALANCE SHEET GOVERNMENTAL FUNDS**

**JUNE 30, 2024**

	General Fund	Lincoln Square Operations	Street Capital	Parks and Recreation Center	Explore Lincoln City	Other Governmental Funds	Totals
<b>ASSETS:</b>							
Cash and investments	\$ 14,062,848	\$ 198,212	\$ 3,473,187	\$ 1,403,803	\$ 6,821,691	\$ 7,454,671	\$ 33,414,412
Cash with County Treasurer	62,529	-	-	-	-	3,128	65,657
Receivables	2,604,313	-	594,604	536,266	1,237,145	1,831,239	6,803,567
Lease receivables	1,112,897	2,117,347	-	-	-	-	3,230,244
Prepaid Items	274	-	750,000	-	376,693	34,074	1,161,041
Land held for sale	1,393,665	-	-	-	-	560,822	1,954,487
<b>TOTAL ASSETS</b>	<b><u>\$ 19,236,526</u></b>	<b><u>\$ 2,315,559</u></b>	<b><u>\$ 4,817,791</u></b>	<b><u>\$ 1,940,069</u></b>	<b><u>\$ 8,435,529</u></b>	<b><u>\$ 9,883,934</u></b>	<b><u>\$ 46,629,408</u></b>
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ 368,029	\$ 13,709	\$ 127,825	\$ 92,085	\$ 40,176	\$ 348,648	\$ 990,472
Unearned grant revenue	-	-	-	-	-	851,521	851,521
Other accrued liabilities	883,395	-	-	-	-	-	883,395
<b>TOTAL LIABILITIES</b>	<b><u>1,251,424</u></b>	<b><u>13,709</u></b>	<b><u>127,825</u></b>	<b><u>92,085</u></b>	<b><u>40,176</u></b>	<b><u>1,200,169</u></b>	<b><u>2,725,388</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable revenue, property taxes	375,845	-	-	-	-	17,301	393,146
Unavailable revenue, LID assessments	344,770	-	-	-	-	-	344,770
Unavailable revenue, municipal court fees	55,318	-	-	-	-	-	55,318
Unavailable revenue, grant revenues	-	-	306,696	-	-	249,160	555,856
Deferred inflows, leases	1,067,589	2,004,148	-	-	-	-	3,071,737
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>1,843,522</u></b>	<b><u>2,004,148</u></b>	<b><u>306,696</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>266,461</u></b>	<b><u>4,420,827</u></b>
<b>FUND BALANCES:</b>							
Nonspendable in form	2,357,606	-	750,000	-	376,693	1,150,539	4,634,838
Restricted for:							
Capital projects	-	-	3,633,270	-	-	4,223,056	7,856,326
Post closure landfill costs	480,230	-	-	-	-	-	480,230
Road construction/maintenance	-	-	-	-	-	1,047,807	1,047,807
Tourism promotion	-	-	-	-	8,018,660	-	8,018,660
Urban renewal	-	-	-	-	-	1,620,275	1,620,275
Parks maintenance	-	-	-	1,847,984	-	-	1,847,984
Committed to:							
Capital projects	821,180	-	-	-	-	-	821,180
Affordable housing	-	-	-	-	-	309,866	309,866
Maintenance services	-	297,702	-	-	-	-	297,702
Art and education	-	-	-	-	-	65,761	65,761
Assigned	5,578,633	-	-	-	-	-	5,578,633
Unassigned	6,903,931	-	-	-	-	-	6,903,931
<b>TOTAL FUND BALANCES</b>	<b><u>16,141,580</u></b>	<b><u>297,702</u></b>	<b><u>4,383,270</u></b>	<b><u>1,847,984</u></b>	<b><u>8,395,353</u></b>	<b><u>8,417,304</u></b>	<b><u>39,483,193</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</b>	<b><u>\$ 19,236,526</u></b>	<b><u>\$ 2,315,559</u></b>	<b><u>\$ 4,817,791</u></b>	<b><u>\$ 1,940,069</u></b>	<b><u>\$ 8,435,529</u></b>	<b><u>\$ 9,883,934</u></b>	<b><u>\$ 46,629,408</u></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, 2024**

<b>TOTAL FUND BALANCE</b>		\$ 39,483,193
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.		80,062,740
Lease assets are not financial resources and therefore are not reported in governmental funds.		17,508
Subscription assets are not financial resources and therefore are not reported in governmental funds.		315,103
Certain items are not available to pay for current period expenditures, but are reported in in the Statement of Net Position:		
Net OPEB RHIA Asset		159,713
Unavailable grant revenues		555,856
Deferred outflows of resources related to pensions		3,700,352
Deferred outflows of resources related to OPEB		81,616
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.		793,234
Interest not payable with current resources is not recorded as governmental fund liabilities.		(93,569)
Compensated absences not payable in the current year are not recorded as governmental fund liabilities.		(804,191)
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	(403,393)	
Net pension liability	(9,766,105)	
Deferred inflows of resources related to pensions	(974,133)	
Deferred inflows of resources related to OPEB	(118,329)	
Bonds payable, bond premium, and notes payable	(9,536,323)	
Leases payable	(18,684)	
Subscription payable	(326,185)	
Landfill closure and post closure costs	(245,497)	
Total		(21,388,649)
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.		(91,602)
<b>TOTAL NET POSITION</b>		<b>\$ 102,791,304</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, 2024**

	General	Lincoln Square Operations	Street Capital	Parks and Recreation Center	Explore Lincoln City	Other Governmental Funds	Totals
<b>REVENUES:</b>							
Property taxes	\$ 8,564,038	\$ -	\$ -	\$ -	\$ -	\$ 487,027	\$ 9,051,065
Franchise fees	1,311,086	-	-	-	-	-	1,311,086
Transient room tax	2,202,732	-	-	1,992,790	4,782,695	3,656,481	12,634,698
Fines and forfeitures	162,358	-	-	-	-	-	162,358
Fees, licenses and permits	748,089	-	-	-	-	-	748,089
Rents	-	-	-	-	-	21,712	21,712
Lease revenue	105,992	165,499	-	-	-	4,600	276,091
Charges for services	58,493	-	-	538,240	-	176,661	773,394
Intergovernmental	790,232	30	1,536,862	143,282	-	349,193	2,819,599
Interest on investments	760,423	99,516	179,899	95,652	318,476	349,984	1,803,950
Miscellaneous	443,709	44,018	-	18,133	3,866	28,643	538,369
<b>TOTAL REVENUES</b>	<b>15,147,152</b>	<b>309,063</b>	<b>1,716,761</b>	<b>2,788,097</b>	<b>5,105,037</b>	<b>5,074,301</b>	<b>30,140,411</b>
<b>EXPENDITURES:</b>							
Current:							
General government	4,807,556	608,782	-	-	-	135,329	5,551,667
Public safety	7,212,037	-	-	-	-	-	7,212,037
Highways and streets	-	-	563,034	-	-	1,416,386	1,979,420
Culture and recreation	1,306,145	-	-	3,131,628	2,630,558	-	7,068,331
Debt service	66,684	-	-	-	1,632	616,615	684,931
Capital outlay	505,525	-	3,146,754	212,473	61,638	1,389,115	5,315,505
<b>TOTAL EXPENDITURES</b>	<b>13,897,947</b>	<b>608,782</b>	<b>3,709,788</b>	<b>3,344,101</b>	<b>2,693,828</b>	<b>3,557,445</b>	<b>27,811,891</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,249,205</b>	<b>(299,719)</b>	<b>(1,993,027)</b>	<b>(556,004)</b>	<b>2,411,209</b>	<b>1,516,856</b>	<b>2,328,520</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Proceeds from sale of capital assets	12,723	-	-	5,395	-	8,655	26,773
New leases and subscriptions	148,330	-	-	-	-	-	148,330
Transfers in	632,942	259,967	850,500	-	-	581,391	2,324,800
Transfers out	(974,918)	-	(11,391)	(50,470)	(87,832)	(667,022)	(1,791,633)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(180,923)</b>	<b>259,967</b>	<b>839,109</b>	<b>(45,075)</b>	<b>(87,832)</b>	<b>(76,976)</b>	<b>708,270</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,068,282</b>	<b>(39,752)</b>	<b>(1,153,918)</b>	<b>(601,079)</b>	<b>2,323,377</b>	<b>1,439,880</b>	<b>3,036,790</b>
<b>FUND BALANCES, beginning of year, as previously reported</b>	<b>15,073,298</b>	<b>337,454</b>	<b>5,537,188</b>	<b>2,449,063</b>	<b>6,071,976</b>	<b>6,877,426</b>	<b>36,346,405</b>
Restatement for correction of prepaid balance	-	-	-	-	-	99,998	99,998
<b>FUND BALANCE, beginning of year, as restated</b>	<b>15,073,298</b>	<b>337,454</b>	<b>5,537,188</b>	<b>2,449,063</b>	<b>6,071,976</b>	<b>6,977,424</b>	<b>36,446,403</b>
<b>FUND BALANCES, end of year</b>	<b>\$ 16,141,580</b>	<b>\$297,702</b>	<b>\$ 4,383,270</b>	<b>\$ 1,847,984</b>	<b>\$8,395,353</b>	<b>\$ 8,417,304</b>	<b>\$ 39,483,193</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, 2024**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS** \$ 3,036,790

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	\$ 5,306,225	
Depreciation	<u>(3,209,175)</u>	2,097,050

The net effect of transactions involving capital assets, i.e, gain/loss on sales, donations.  
These transactions are not reported in the governmental funds. (19,507)

Capital contribution from the Urban Renewal Agency to the Water and Sewer funds (3,060,350)

Governmental funds report lease and subscription assets as expenditures while governmental activities report lease and subscription assets as capital assets and reports amortization expense to allocate those expenditures over the life of the assets. (42,255)

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.

Unavailable Revenue - Property Taxes	83,942	
Unavailable Revenue - Unbonded Assessment (LID/Reimbursement District Receivable)	(18,962)	
Unavailable Revenue - Port Dr Assessment (Abatement)	518	
Unavailable Revenue - Municipal Court	26,672	
Unavailable Revenue - Grant Revenue	<u>555,856</u>	648,026

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. (148,330)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 232,815

Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. 4,848

Repayments of subscription principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the Statement of Net Position. 33,348

Accrued interest is not recorded in the governmental funds. 2,875

Amortization of bond premium is not recorded in the governmental funds. 31,841

Landfill post closure costs are reported as expenditures in the governmental fund statements, but reduce the liability in the Statement of Net Position. 105,002

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. (39,936)

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		(349,494)
Net OPEB benefit		8,234
Compensated absences		<u>(29,914)</u>

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 2,511,043**

See notes to basic financial statements.

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

**PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Totals	
<b>ASSETS:</b>				
Current assets:				
Cash and investments	\$ 3,075,054	\$ 8,193,171	\$ 11,268,225	\$ 233,828
Cash with County Treasurer	-	12,506	12,506	-
Receivables, net	735,670	964,174	1,699,844	4,639
Prepays and OPEB asset	17,563	18,991	36,554	17,675
Inventories	247,136	-	247,136	-
Total current assets	4,075,423	9,188,842	13,264,265	256,142
Capital assets:				
Land, improvements and construction in progress	1,058,431	3,690,195	4,748,626	-
Lease asset, net	556	556	1,112	-
Subscription assets, net	-	-	-	25,562
Other capital assets, net	20,405,462	26,214,263	46,619,725	200,418
Total capital assets	21,464,449	29,905,014	51,369,463	225,980
<b>TOTAL ASSETS</b>	25,539,872	39,093,856	64,633,728	482,122
<b>DEFERRED OUTFLOW OF RESOURCES:</b>				
Deferred amounts related to pensions	501,827	408,488	910,315	236,966
Deferred amounts related to OPEB	8,975	9,704	18,679	4,696
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	510,802	418,192	928,994	241,662

See notes to basic financial statements.

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PROPRIETARY FUNDS**

**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

	<u>Enterprise Funds</u>			<u>Internal Service Fund</u>
	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>	
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 285,606	\$ 919,371	\$ 1,204,977	\$ 10,385
Accrued interest payable	1,947	15,935	17,882	-
Accrued compensated absences	129,534	70,767	200,301	66,034
Unearned grant revenue	-	686,447	686,447	-
Current portion bonds payable	57,876	1,466,862	1,524,738	-
Current portion lease payable	763	762	1,525	-
Current portion subscriptions payable	-	-	-	10,025
Total current liabilities	<u>475,726</u>	<u>3,160,144</u>	<u>3,635,870</u>	<u>86,444</u>
Bonds payable	-	5,240,013	5,240,013	-
Subscriptions payable	-	-	-	11,129
Total other postemployment benefit obligation	44,358	47,965	92,323	23,211
Net pension liability	<u>1,324,442</u>	<u>1,078,096</u>	<u>2,402,538</u>	<u>625,410</u>
<b>TOTAL LIABILITIES</b>	<u>1,844,526</u>	<u>9,526,218</u>	<u>11,370,744</u>	<u>746,194</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred amounts related to pensions	132,108	107,536	239,644	62,382
Deferred amounts related to OPEB	<u>13,012</u>	<u>14,070</u>	<u>27,082</u>	<u>6,810</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>145,120</u>	<u>121,606</u>	<u>266,726</u>	<u>69,192</u>
<b>NET POSITION:</b>				
Net investment in capital assets	21,405,810	23,197,377	44,603,187	204,826
Restricted for:				
Capital improvement	3,278,939	5,474,780	8,753,719	-
Debt service	-	355,627	355,627	-
OPEB Asset	17,563	18,991	36,554	9,190
Unrestricted	<u>(641,284)</u>	<u>817,449</u>	<u>176,165</u>	<u>(305,618)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 24,061,028</u>	<u>\$ 29,864,224</u>	<u>\$ 53,925,252</u>	<u>\$ (91,602)</u>

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**

**FOR THE YEAR ENDED JUNE 30, 2024**

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Totals	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 4,586,438	\$ 5,188,292	\$ 9,774,730	\$ 1,449,301
Intergovernmental	31,000	1,029,345	1,060,345	-
Miscellaneous	3,535	150,438	153,973	19,259
<b>TOTAL OPERATING REVENUES</b>	<b>4,620,973</b>	<b>6,368,075</b>	<b>10,989,048</b>	<b>1,468,560</b>
<b>OPERATING EXPENSES:</b>				
Personal services	1,652,684	1,584,577	3,237,261	907,583
Materials and services	1,137,467	2,140,116	3,277,583	544,595
Depreciation and amortization	1,425,763	1,713,437	3,139,200	55,377
<b>TOTAL OPERATING EXPENSES</b>	<b>4,215,914</b>	<b>5,438,130</b>	<b>9,654,044</b>	<b>1,507,555</b>
<b>OPERATING INCOME (LOSS)</b>	<b>405,059</b>	<b>929,945</b>	<b>1,335,004</b>	<b>(38,995)</b>
<b>NONOPERATING INCOME (EXPENSE):</b>				
System development charges	140,048	244,425	384,473	-
Interest earned on investments	173,353	446,974	620,327	-
Gain (loss) from sale of asset	(46,391)	38,549	(7,842)	311
Property taxes	-	1,717,622	1,717,622	-
Interest expense	(11,825)	(221,087)	(232,912)	(1,252)
<b>TOTAL NONOPERATING INCOME (EXPENSE)</b>	<b>255,185</b>	<b>2,226,483.00</b>	<b>2,481,668</b>	<b>(941)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>660,244</b>	<b>3,156,428</b>	<b>3,816,672</b>	<b>(39,936)</b>
<b>TRANSFERS:</b>				
Transfers out	(301,325)	(231,842)	(533,167)	-
<b>CONTRIBUTIONS:</b>				
Capital contributions	607,271	2,453,079	3,060,350	-
<b>CHANGE IN NET POSITION</b>	<b>966,190</b>	<b>5,377,665</b>	<b>6,343,855</b>	<b>(39,936)</b>
<b>NET POSITION, June 30, 2023</b>	<b>23,094,838</b>	<b>24,486,559</b>	<b>47,581,397</b>	<b>(51,666)</b>
<b>NET POSITION, June 30, 2024</b>	<b>\$ 24,061,028</b>	<b>\$ 29,864,224</b>	<b>\$ 53,925,252</b>	<b>\$ (91,602)</b>

See notes to basic financial statements.

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

**PROPRIETARY FUNDS**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	Enterprise Funds			Internal Service Fund
	Water	Sewer	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 4,562,456	\$ 6,310,643	\$ 10,873,099	\$ 1,469,053
Payments to suppliers	(1,324,401)	(1,321,180)	(2,645,581)	(543,179)
Payments to employees	(1,630,353)	(1,515,637)	(3,145,990)	(862,738)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>1,607,702</b>	<b>3,473,826</b>	<b>5,081,528</b>	<b>63,136</b>
<b>CASH FLOWS FROM NON FINANCING ACTIVITIES:</b>				
Property taxes	-	1,717,622	1,717,622	-
Transfers out	(301,325)	(231,842)	(533,167)	-
<b>NET CASH FROM NON FINANCING ACTIVITIES</b>	<b>(301,325)</b>	<b>1,485,780</b>	<b>1,184,455</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of capital and right-to-use assets	(1,255,991)	(2,715,623)	(3,971,614)	(69,496)
Proceeds received from sale of capital assets	25	38,549	38,574	311
Proceeds from grants	-	(1,029,345)	(1,029,345)	-
System development charges	140,048	244,425	384,473	-
Principal paid on advance from other funds	-	(51,817)	(51,817)	-
Principal paid on long-term obligations	(482,466)	(1,538,815)	(2,021,281)	(10,373)
Interest paid on long-term obligations	(16,540)	(229,140)	(245,680)	(1,251)
<b>NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<b>(1,614,924)</b>	<b>(5,281,766)</b>	<b>(6,896,690)</b>	<b>(80,809)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	173,353	446,974	620,327	-
<b>NET INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>	<b>(135,194)</b>	<b>124,814</b>	<b>(10,380)</b>	<b>(17,673)</b>
<b>CASH AND INVESTMENTS, beginning of year</b>	<b>3,210,248</b>	<b>8,068,357</b>	<b>11,278,605</b>	<b>251,501</b>
<b>CASH AND INVESTMENTS, end of year</b>	<b>\$ 3,075,054</b>	<b>\$ 8,193,171</b>	<b>\$ 11,268,225</b>	<b>\$ 233,828</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 405,059	\$ 929,945	\$ 1,335,004	\$ (38,995)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	1,425,763	1,713,437	3,139,200	55,377
Decrease (increase) in assets and deferred outflows				
Receivables, net	(58,517)	(55,101)	(113,618)	493
Prepays	-	-	-	1,161
Inventories	(12,077)	-	(12,077)	-
Cash with County Treasurer	-	(2,331)	(2,331)	-
Net OPEB Asset	7,749	5,122	12,871	2,464
Deferred outflows	55,538	30,895	86,433	6,685
Increase (decrease) in liabilities and deferred inflows				
Accounts payable and accrued expenses	(174,857)	818,936	644,079	255
Compensated absences payable	(24,059)	6,646	(17,413)	(9,802)
OPEB	536	6,218	6,754	3,035
Net pension liability	236,305	217,549	453,854	148,563
Deferred inflows	(253,738)	(197,490)	(451,228)	(106,100)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,607,702</b>	<b>\$ 3,473,826</b>	<b>\$ 5,081,528</b>	<b>\$ 63,136</b>

See notes to basic financial statements.

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

**FIDUCIARY FUND**

**STATEMENT OF NET POSITION**

**JUNE 30, 2024**

**ASSETS:**

Cash and investments \$ 77,070

**LIABILITIES:**

Accounts payable 13,771

**NET POSITION:**

Restricted for:  
Individuals and organizations  
Funds held in trust \$ 63,299

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

**FOR THE YEAR ENDED JUNE 30, 2024**

**ADDITIONS:**

Grants and donations \$ 15,518  
Deposits held for other 8,334  
Interest on investments 1,687

**TOTAL ADDITIONS** 25,539

**DEDUCTIONS:**

Benefits paid 750

**CHANGE IN NET POSITION** 24,789

**NET POSITION, June 30, 2023** 38,510

**NET POSITION, June 30, 2024** \$ 63,299

**NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF LINCOLN CITY, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

**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 and 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, 2024**

**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 to sixty days after year end. Property taxes and interest are considered to be 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 general long-term debt are reported as other financing sources.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**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, with 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 in the Statement of Net Position.

**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.

Lincoln Square Operations Fund – accounts for the financial operations of the City Hall complex, which includes the space rented to McKays and to Career Tech. Resources are primarily from transfers from other operational funds with offices in City Hall, and from lease revenue.

Street Capital Fund – accounts for the capital projects of the Street department. Principal sources of revenue are motor vehicle revenue allocation (gas tax) and transfers from the street operations and general fund.

Parks and Recreation Center Fund – accounts for the financial operations of Parks, Open Space, and for the Community Center. Resources are primarily provided from transient room taxes which are restricted for Parks and Streets. Other resources include charges for services. The Parks Maintenance fund also receives Marijuana tax revenues.

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

The City reports the following major proprietary funds:

Water Fund – accounts for the water system operations. This fund is predominantly self-

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Fund Financial Statements (Continued)**

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.

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 government-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
- 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 for water 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 provision for uncollectible accounts was necessary at June 30, 2024.

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, 2024**

**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, 2024.

The City makes loans to third parties for rehabilitation of properties consistent with the establishment of the City's Urban Renewal Agency, as well as making loans for economic development purposes. 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.

**Lease Receivables**

Lease receivables are recognized at the net present value of the lease assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments received.

**Prepays**

When COVID created hardships for business in 2020 and 2021, the Explore Lincoln City fund provided loans to those business, in the form of prepayment for services to be rendered. Over time these prepaid services will be included in tourism promotion packages. A provision of \$159,373 for uncollectible accounts was made at June 30, 2024.

**Land 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.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**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 \$5,000 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.

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 included in operations of the current period.

**Lease and Subscription Assets**

Lease assets and subscription-based information technology arrangement (SBITA) assets are assets which the City leases for a term of more than one year. The value of lease or subscription is determined by the net present value using the City's incremental borrowing rate at the time of the lease or subscription agreement, amortized using the straight-line method over the term of the agreement.

**Net Other Post Employment Benefits and Obligations**

Net other post employment benefits and obligations are calculated as a long-term asset or long-term liability in the government-wide financial statements and in the proprietary fund statements, the amount of which is actuarially determined

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**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.

**Leases and Subscriptions Payable**

In the government-wide financial statements, leases and subscriptions payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of new lease and SBITA arrangements are reported as other financing sources.

**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.

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 incurred. 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:

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Fund Balance (Continued)**

- 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 board 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 Inflows/Outflows 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 assets 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from property tax receivables, unbonded assessments, municipal court receivables, and deferred lease resources. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

**Pension**

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the total OPEB liability, net OPEB asset, 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 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, 2024, the City's cash and investments were comprised of the following:

Cash on hand	\$ 3,000
Deposits with financial institutions	(386,905)
Oregon State Treasurer's Local Government Investment Pool	<u>45,377,440</u>
	<u>\$ 44,993,535</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

Reported as:

Governmental activities	\$ 33,648,240
Business-type activities	<u>11,268,225</u>
Total per Statement of Net Position	44,916,465
Fiduciary Fund	<u>77,070</u>
	<u>\$ 44,993,535</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 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, 2024, was \$345,373, 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.

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.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**3. ACCOUNTS RECEIVABLE**

Receivables as of June 30, 2024, for the City's governmental activities/funds are as follows:

	<u>General</u>	<u>Street Capital</u>	<u>Parks and Recreation Center</u>	<u>Explore Lincoln City</u>	<u>Other Governmental</u>	<u>Internal Service</u>	<u>Totals</u>
Property taxes	\$ 375,845	\$ -	\$ -	\$ -	\$ 17,301	\$ -	\$ 393,146
Intergovernmental	90,109	517,734	20,789	-	249,904	-	878,536
Fines and warrants	62,386	-	-	-	-	-	62,386
Franchise fees	117,046	-	-	-	-	4,639	121,685
Transient room taxes	536,503	-	515,477	1,237,145	966,520	-	3,255,645
Reimburse/Local Impr District	344,770	-	-	-	-	-	344,770
Notes-transitional housing	592,000	-	-	-	-	-	592,000
Notes-housing rehabilitation	-	-	-	-	589,717	-	589,717
Notes - economic development	371,667	-	-	-	-	-	371,667
Miscellaneous other	113,987	76,870	-	-	7,797	-	198,654
	<u>\$ 2,604,313</u>	<u>\$ 594,604</u>	<u>\$ 536,266</u>	<u>\$ 1,237,145</u>	<u>\$ 1,831,239</u>	<u>\$ 4,639</u>	<u>\$ 6,808,206</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 15 percent of the amount of its authority under option one of ORS 457.435(2)(a) without making a special levy in 2023-24, for its Roads End/Villages District.

Rehabilitation and economic development 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>
General Fund:			
Transitional housing	25 years	0%	\$ 592,000
Economic development	10 years	0%	371,667
Non-major Governmental Funds:			
Urban development:			
Rehabilitation loans	10 years	0%	\$ 504,826
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, 2024**

**3. ACCOUNTS RECEIVABLE (Continued)**

Receivables, net as of June 30, 2024, for the City's business-type activities/funds are as follows:

	<u>Water</u>	<u>Sewer</u>	<u>Totals</u>
User charges	\$ 704,670	\$ 856,064	\$ 1,560,734
Intergovernmental	31,000	-	31,000
Property taxes	-	74,873	74,873
Reimburse/Local Impr District	-	19,862	19,862
Miscellaneous	-	13,375	13,375
	<u>\$ 735,670</u>	<u>\$ 964,174</u>	<u>\$ 1,699,844</u>

**4. LEASE RECEIVABLES**

Lease receivables as of June 30, 2024, for the City's governmental activities/funds are as follows:

	<u>Balance June 30, 2023</u>	<u>Reductions</u>	<u>Balance June 30, 2024</u>
<u>Governmental Activities:</u>			
Lincoln City Glass Center, interest at 3.62%, monthly principal and interest ranges from \$622 to \$2,152, due FY2026-27	\$ 60,687	\$ 13,884	\$ 46,803
Mo's Restaurant land lease, interest at 2.90% principal and interest of \$14,923 to \$23,275 quarterly, due FY2042-43	1,094,737	28,643	1,066,094
McKays Grocery, interest at 4.51%, monthly principal and interest \$14,681, due FY2041-42	<u>2,196,742</u>	<u>79,395</u>	<u>2,117,347</u>
	<u>\$ 3,352,166</u>	<u>\$ 121,922</u>	<u>\$ 3,230,244</u>

Future maturities are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 128,770	\$ 124,673
2026	135,932	119,362
2027	143,421	113,770
2028	133,803	108,264
2029	140,994	102,719
2030-2034	822,866	420,024
2035-2039	1,048,760	233,767
2040-2043	675,698	33,143
	<u>\$ 3,230,244</u>	<u>\$ 1,255,722</u>

Deferred inflow of resources will be recognized as revenue on a straight-line basis over the life of the lease.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**5. CAPITAL ASSETS**

Transactions for the year ended June 30, 2024, of the governmental activities, were as follows:

	Balance June 30, 2023 (Restated)	Additions	Transfers	Disposals	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 11,093,816	\$ 22,293	\$ 187,820	\$ -	\$ 11,303,929
Public right-of-way	22,328,786	-	-	-	22,328,786
Construction in progress	<u>2,560,403</u>	<u>2,280,665</u>	<u>(974,757)</u>	<u>-</u>	<u>3,866,311</u>
Total capital assets not being depreciated	<u>35,983,005</u>	<u>2,302,958</u>	<u>(786,937)</u>	<u>-</u>	<u>37,499,026</u>
Capital assets being depreciated:					
Buildings	28,632,172	323,777	305,745	(184,539)	29,077,155
Heavy equipment	858,008	234,626	(26,221)	-	1,066,413
Urban renewal projects	4,911,956	-	(949,061)	(251,159)	3,711,736
System improvements	65,970,855	1,956,752	(4,125,818)	(70,507)	63,731,282
Vehicles	1,615,702	227,741	72,935	(49,465)	1,866,913
Equipment and furniture	3,207,527	181,538	37,101	(64,507)	3,361,659
Intangibles	25,000	-	-	-	25,000
Books and art	<u>276,197</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>276,197</u>
Total capital assets being depreciated	105,497,417	2,924,434	(4,685,319)	(620,177)	103,116,355
Accumulated depreciation	<u>(60,106,212)</u>	<u>(3,258,587)</u>	<u>2,414,343</u>	<u>598,233</u>	<u>(60,352,223)</u>
Total capital assets being depreciated, net	<u>45,391,205</u>	<u>(334,153)</u>	<u>(2,270,976)</u>	<u>(21,944)</u>	<u>42,764,132</u>
Total capital assets, net	<u>\$ 81,374,210</u>	<u>\$ 1,968,805</u>	<u>\$ (3,057,913)</u>	<u>\$ (21,944)</u>	<u>\$ 80,263,158</u>

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

General government	\$ 406,238
Internal Service Fund	49,412
Public safety	688,825
Highway and streets	1,600,229
Culture and recreation	<u>513,883</u>
Total	<u>\$ 3,258,587</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**5. CAPITAL ASSETS (Continued)**

Transactions for the year ended June 30, 2024, of the business-type activities, were as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Transfers</u>	<u>Disposals</u>	<u>Balance</u> <u>June 30, 2024</u>
Capital assets not being depreciated:					
Land and improvements	\$ 821,528	\$ -	\$ -	\$ -	\$ 821,528
Construction in progress	<u>4,052,922</u>	<u>2,339,678</u>	<u>(2,465,502)</u>	<u>-</u>	<u>3,927,098</u>
Total capital assets not being depreciated	<u>4,874,450</u>	<u>2,339,678</u>	<u>(2,465,502)</u>	<u>-</u>	<u>4,748,626</u>
Capital assets being depreciated:					
Buildings	1,120,377	-	-	-	1,120,377
Facilities	94,183,301	1,118,386	7,935,540	(215,501)	103,021,726
Equipment	3,325,529	513,550	2,219	(236,674)	3,604,624
Intangibles	<u>120,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>120,868</u>
Total capital assets being depreciated	98,750,075	1,631,936	7,937,759	(452,175)	107,867,595
Accumulated depreciation	<u>(56,103,734)</u>	<u>(3,137,988)</u>	<u>(2,414,344)</u>	<u>408,196</u>	<u>(61,247,870)</u>
Total capital assets being depreciated, net	<u>42,646,341</u>	<u>(1,506,052)</u>	<u>5,523,415</u>	<u>(43,979)</u>	<u>46,619,725</u>
Total capital assets, net	<u>\$ 47,520,791</u>	<u>\$ 833,626</u>	<u>\$ 3,057,913</u>	<u>\$ (43,979)</u>	<u>\$ 51,368,351</u>

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

Water	\$ 1,425,156
Sewer	<u>1,712,832</u>
Total	<u>\$ 3,137,988</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**6. LEASE ASSETS**

Lease asset activity for the year ended June 30, 2024, was as follows:

	Balances <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>June 30, 2024</u>
<b><u>Governmental activities:</u></b>				
Public Works copier	\$ 2,375	\$ -	\$ -	\$ 2,375
Explore Lincoln City postage machine	6,952	-	-	6,952
City Hall postage machine	9,112	-	(9,112)	-
City Hall postage machine	-	16,062	-	16,062
Total assets being amortized	18,439	16,062	(9,112)	25,389
Less accumulated amortization:	<u>(10,742)</u>	<u>(5,286)</u>	<u>8,147</u>	<u>(7,881)</u>
Total leased assets being amortized, net	<u>\$ 7,697</u>	<u>\$ 10,776</u>	<u>\$ (965)</u>	<u>\$ 17,508</u>
<b><u>Business-type activities:</u></b>				
Public Works copier	\$ 4,750	\$ -	\$ -	\$ 4,750
Less accumulated amortization:	<u>(2,426)</u>	<u>(1,212)</u>	<u>-</u>	<u>(3,638)</u>
Total leased assets being amortized, net	<u>\$ 2,324</u>	<u>\$ (1,212)</u>	<u>\$ -</u>	<u>\$ 1,112</u>

Amortization expense in the governmental activities is recognized in the general government function.

**7. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT ASSETS**

As of June 30, 2024, the City had 6 subscription assets in service. Subscription asset activity for the year ended June 30, 2024, was as follows:

	Balances <u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>June 30, 2024</u>
<b><u>Governmental activities:</u></b>				
Police Fleet Camera subscription	\$ 47,516	\$ -	\$ -	\$ 47,516
Police Body Camera subscription	125,804	-	-	125,804
Police Fleet License Plate subscription	-	57,422	-	57,422
Escribe subscription	-	74,845	-	74,845
ESRI subscription	-	31,527	-	31,527
Police Code Enforcement subscription	31,321	-	-	31,321
Planning Code Enforcement subscription	31,321	-	-	31,321
Total assets being amortized	235,962	163,794	-	399,756
Less accumulated amortization:	<u>(16,157)</u>	<u>(42,934)</u>	<u>-</u>	<u>(59,091)</u>
Total SBITA assets being amortized, net	<u>\$ 219,805</u>	<u>\$ 120,860</u>	<u>\$ -</u>	<u>\$ 340,665</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**8. LONG-TERM OBLIGATIONS**

**Long-Term Debt**

Transactions for the year ended June 30, 2024 of the governmental activities, were as follows:

	<u>Balances</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2024</u>	<u>Due within</u> <u>one year</u>
<u>Bond</u>					
Full Faith and Credit Obligation, Series 2018, Original issue amount \$10.950 million, final maturity April 2048, interest at 3.85 %	\$ 9,695,000	\$ -	\$ 230,000	\$ 9,465,000	\$ 240,000
<u>Bond Premium</u>					
Full Faith and Credit Obligation, Series 2018	101,831	-	31,841	69,990	26,641
<u>Contracts Payable</u>					
Police Copier	4,148	-	2,815	1,333	1,333
	<u>\$ 9,800,979</u>	<u>\$ -</u>	<u>\$ 264,656</u>	<u>\$ 9,536,323</u>	<u>\$ 267,974</u>
Compensated absences	<u>\$ 850,113</u>	<u>\$ 870,225</u>	<u>\$ 850,113</u>	<u>\$ 870,225</u>	<u>\$ 870,225</u>

The future maturities for governmental activity long-term bond obligations outstanding as of June 30, 2024, are as follows:

Fiscal Year	Police Building Bonds, Series 2018		Police Bldg Bond	Contracts Payable Police Copier		Totals	
	Principal	Interest	Premium	Principal	Interest	Principal	Interest
2025	\$ 240,000	\$ 374,275	\$ 26,641	\$ 1,333	\$ 40	\$ 267,974	\$ 374,315
2026	255,000	362,275	21,329	-	-	276,329	362,275
2027	265,000	349,525	15,837	-	-	280,837	349,525
2028	280,000	336,275	6,183	-	-	286,183	336,275
2029	295,000	322,275	-	-	-	295,000	322,275
2030-2034	1,630,000	1,439,481	-	-	-	1,630,000	1,439,481
2035-2039	1,935,000	1,139,100	-	-	-	1,935,000	1,139,100
2040-2044	2,335,000	733,600	-	-	-	2,335,000	733,600
2045-2048	2,230,000	227,400	-	-	-	2,230,000	227,400
	<u>\$ 9,465,000</u>	<u>\$ 5,284,206</u>	<u>\$ 69,990</u>	<u>\$ 1,333</u>	<u>\$ 40</u>	<u>\$ 9,536,323</u>	<u>\$ 5,284,246</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Long-Term Debt (Continued)**

Transactions for the year ended June 30, 2024, of the business-type activities, were as follows:

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2024</u>	<u>Due within</u> <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	\$ 435,000	\$ -	\$ 435,000	\$ -	\$ -
<u>General Obligation Bonds</u>					
Sewer Bonds, Series 2011, Original issue amount \$7 million, final maturity March 2026, interest at 4.1 percent	1,620,080	-	568,205	1,051,875	591,862
Sewer Bonds, Refunding Series 2013 Original issue amount \$9.885 million, final maturity June 2030, interest at 2.4 percent	6,505,000	-	850,000	5,655,000	875,000
<u>Contract Payable</u>					
Sewer, Original issue amount \$355,960, final maturity August 2023, interest at 4.19%	119,973	-	119,973	-	-
Water, Original issue amount \$286,152, final maturity July 2024, interest at 3.67%	104,706	-	46,830	57,876	57,876
	<u>\$ 8,784,759</u>	<u>\$ -</u>	<u>\$ 2,020,008</u>	<u>\$ 6,764,751</u>	<u>\$ 1,524,738</u>
Compensated absences	<u>\$ 217,714</u>	<u>\$ 200,301</u>	<u>\$ 217,714</u>	<u>\$ 200,301</u>	<u>\$ 200,301</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Long-Term Debt (Continued)**

The future maturities for business-type activity long-term bond obligations outstanding as of June 30, 2024, are as follows:

Fiscal Year	General Obligation Sewer Bonds Series 2011		General Obligation Sewer Ref. Bond Series 2013		Contracts Payable Water	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 591,862	\$ 34,104	\$ 875,000	\$ 148,088	\$ 57,876	\$ 2,124
2026	460,013	9,462	900,000	128,400	-	-
2027			925,000	107,025	-	-
2028	-	-	950,000	83,900	-	-
2029	-	-	1,010,000	60,150	-	-
2030	-	-	995,000	29,850	-	-
	<u>\$ 1,051,875</u>	<u>\$ 43,566</u>	<u>\$ 5,655,000</u>	<u>\$ 557,413</u>	<u>\$ 57,876</u>	<u>\$ 2,124</u>
Fiscal Year	Totals					
	Principal	Interest				
2025	\$ 1,524,738	\$ 184,316				
2026	1,360,013	137,862				
2027	925,000	107,025				
2028	950,000	83,900				
2029	1,010,000	60,150				
2030	995,000	29,850				
	<u>\$ 6,764,751</u>	<u>\$ 603,103</u>				

**Unearned Revenue**

The City has received funding from the American Rescue Plan (ARPA) that has not yet been expended. Unspent ARAP funds are subject to GASB 33 and are recorded as a liability. The City received ARPA funds of \$1,018,394 in FY2021-22 and \$1,018,397 in FY2022-23. The City also received grant funds from the State and other governmental entities prior to expenses being incurred. Unearned grant amounts as of June 30, 2024 were as follows:

	Other Governmental Funds
<b>Governmental Funds:</b>	
State grant - Taft Park	\$ 776,521
Lincoln County - Taft Park	10,000
Siletz Tribe - Taft Park	15,000
Travel Oregon Grant - Taft Park	50,000
Total	<u>\$ 851,521</u>
<b>Business-type Funds:</b>	Sewer
ARPA Funds - Nelscott Force Main	<u>\$ 686,447</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Leases Payable**

Transactions for the year ended June 30, 2024, of the governmental activities, were as follows:

	<u>Balances</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2024</u>
<u>Governmental Activities:</u>				
Public works copier, interest at 18.20%, monthly payments principal and interest \$210, due 2025	\$ 1,399	\$ -	\$ 637	\$ 762
Explore Lincoln City postage machine, interest at 6.27%, quarterly payments principal and interest \$408, due 2026	5,116	-	1,349	3,767
City Hall postage machine, interest at 5.25%, quarterly payments principal and interest \$979, due 2023	1,919	-	1,919	-
City Hall postage machine, interest at 10.50%, quarterly payments principal and interest \$1,044.87, due 2028	-	16,062	1,907	14,155
	<u>\$ 8,434</u>	<u>\$ 16,062</u>	<u>\$ 5,812</u>	<u>\$ 18,684</u>

Future maturities are as follows:

Fiscal Year	Public Works Copier - Streets		Explore Lincoln City Postage Machine		City Hall Postage Machine		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 762	\$ 77	\$ 1,436	\$ 195	\$ 2,788	\$ 1,391	\$ 4,986	\$ 1,663
2026	-	-	1,529	103	3,096	1,084	4,625	1,187
2027	-	-	802	15	3,437	742	4,239	757
2028	-	-	-	-	3,816	364	3,816	364
2029	-	-	-	-	1,018	27	1,018	27
	<u>\$ 762</u>	<u>\$ 77</u>	<u>\$ 3,767</u>	<u>\$ 313</u>	<u>\$ 14,155</u>	<u>\$ 3,608</u>	<u>\$ 18,684</u>	<u>\$ 3,998</u>

Transactions for the year ended June 30, 2024, for business-type activities, were as follows:

	<u>Balances</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>June 30, 2024</u>
<u>Business-type Activities</u>				
Public works copier, interest at 18.20%, monthly payments principal and interest \$210, due 2025	\$ 2,797	\$ -	\$ 1,272	\$ 1,525

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Leases Payable (Continued)**

Future maturities are as follows:

Fiscal Year	Puplic Works Copier - Water		Puplic Works Copier - Sewer		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 763	\$ 77	\$ 762	\$ 77	\$ 1,525	\$ 154
	\$ 763	\$ 77	\$ 762	\$ 77	\$ 1,525	\$ 154

**Subscription-based Information Technology Arrangement (SBITAs) Payable**

As of June 30, 2024, the City had 6 subscription assets in service. Transactions for the year ended June 30, 2024, of the governmental activities, were as follows:

	Balances June 30, 2023	Additions	Reductions	Balances June 30, 2024
<u>Governmental Activities:</u>				
Police Fleet Camera software subscription interest at 10.25%, yearly payments principal and interest \$7,090, due 2033	\$ 44,570	\$ -	\$ 3,248	\$ 41,322
Police Body Camera software subscription interest at 10.00%, yearly payments principal and interest \$19,387, due 2033	125,804	-	4,740	121,064
Police Fleet License Plate subscription interest at 10.50%, yearly payments principal and interest \$8,283.60, due 2033	-	57,422	13,697	43,725
Escribe software subscription interest at 10.50%, yearly payments principal and interest \$18,161.84, due 2029	-	74,845	5,007	69,838
ESRI software subscription interest at 10.50%, yearly payments principal and interest \$11,625.00, due 2026	-	31,527	10,373	21,154
Police and Planning Code Enforcement software subscription, interest at 6.75%, yearly payments principal and interest range \$9,777 to \$13,103 due 2030	56,892	-	6,656	50,236
	<u>\$ 227,266</u>	<u>\$ 163,794</u>	<u>\$ 43,721</u>	<u>\$ 347,339</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**SBITAs Payable (Continued)**

Future maturities are as follows:

Fiscal Year	Police Fleet Cam		Police Body Cam		Police/Planning Code Enforcement		Police License Plate	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 3,581	\$ 3,509	\$ 8,741	\$ 10,641	\$ 7,650	\$ 3,129	\$ 3,684	\$ 4,599
2026	3,948	3,142	9,655	9,725	8,741	2,578	4,090	4,193
2027	4,352	2,737	10,666	8,721	9,935	1,950	4,541	3,742
2028	4,798	2,291	11,783	7,604	11,241	1,238	5,041	3,242
2029	5,290	1,799	13,017	6,370	12,669	434	5,597	2,687
2030	5,833	1,257	14,380	5,007	-	-	6,214	2,070
2031	6,430	659	15,886	3,501	-	-	6,899	1,385
2032	7,090	-	17,550	1,838	-	-	7,659	625
2033	-	-	19,386	-	-	-	-	-
	<u>\$ 41,322</u>	<u>\$ 15,394</u>	<u>\$ 121,064</u>	<u>\$ 53,407</u>	<u>\$ 50,236</u>	<u>\$ 9,329</u>	<u>\$ 43,725</u>	<u>\$ 22,543</u>
	<u>EWrite</u>		<u>ESRI</u>		<u>Total</u>			
	Principal	Interest	Principal	Interest	Principal	Interest		
2025	\$ 10,219	\$ 5,918	\$ 10,025	\$ 1,600	\$ 43,900	\$ 29,396		
2026	11,882	4,739	11,129	496	49,445	24,873		
2027	13,745	3,374	-	-	43,239	20,524		
2028	15,830	1,803	-	-	48,693	16,178		
2029	18,162	-	-	-	54,735	11,290		
2030	-	-	-	-	26,427	8,334		
2031	-	-	-	-	29,215	5,545		
2032	-	-	-	-	32,299	2,463		
2033	-	-	-	-	19,386	-		
	<u>\$ 69,838</u>	<u>\$ 15,834</u>	<u>\$ 21,154</u>	<u>\$ 2,096</u>	<u>\$ 347,339</u>	<u>\$ 118,603</u>		

**9. 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, 2024, unavailable revenue consists of the following:

	General Fund	Street Capital	Other Governmental Funds
Property taxes	\$ 375,845	\$ -	\$ 17,301
LID assessments	344,770	-	-
Fines and warrants	55,318	-	-
Grant revenues	-	306,696	249,160
Total	<u>\$ 775,933</u>	<u>\$ 306,696</u>	<u>\$ 266,461</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**10. LANDFILL CLOSURE AND POST CLOSURE 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 five years. The estimated liability is based on the assumption that the least expensive disposal alternative will be used.

The City is reporting its landfill closure and post closure care costs liability using the most recent estimates from the Agate Beach Landfill's 2024 Post-Closure Financial Assurance Cost Estimate report.

At June 30, 2024, the City reports a restricted fund balance amount related to these post-closure requirements of \$480,230 and liability in the entity-wide financial statements \$245,497.

**11. 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.

OPERS produces an independently audited Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at: <https://www.opers.org/financial/reports.shtml>

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, 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, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Plan Description (Continued)**

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 2021. The limit is \$232,976 in 2024 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 and fire members) when determining the monthly benefit.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**11. 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).
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 and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
  - ii. *General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2021. The limit is \$232,976 in 2024 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, and, 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, 2024**

**11. 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).

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, 2021 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2023. 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) contributions. Employer contributions for the year ended June 30, 2024 were \$1,767,905. The

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Contributions (Continued)**

contractually required contribution rates in effect for the fiscal year ended June 30, 2024 were 19.86% for Tier One/Tier Two, 14.67% for OPSRP Pension Program General Service Members, 19.46% for OPSRP Pension Program Police and Fire 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 6.0% contributions on behalf of employees; contributions were \$494,274 for the year ended June 30, 2024.

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

At June 30, 2024, the City reported a liability of \$12,794,053 for its proportionate share of the plan pension liability. The City's share 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 employers, actuarially determined. At June 30, 2024, the City's proportion was 0.0683 percent, which is approximately the same as its proportionate share measured as of June 30, 2023.

For the year ended June 30, 2024, the City recognized pension expense of \$2,298,206. At June 30, 2024, 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	\$ 625,668	\$ 50,730
Change of assumptions	1,136,548	8,474
Net difference between projected and actual earnings on pension plan investments	229,962	-
Changes in proportionate share	153,857	515,943
Difference between employer contributions and employer's proportionate share of contributions	933,693	701,012
City contributions subsequent to the measurement date	1,767,905	-
Total	<u>\$ 4,847,633</u>	<u>\$ 1,276,159</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

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

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, 2025.

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

<u>Year ending June 30:</u>	<u>Total</u>
2025	\$ 447,423
2026	(254,032)
2027	1,213,305
2028	362,183
2029	34,490
	<u>\$ 1,803,569</u>

**Actuarial Methods and Assumptions**

**Actuarial Valuations** - The employer contribution rates effective July 1, 2023, through June 30, 2025, 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 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, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2021
Measurement date	June 30, 2023
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation	2.40%
Long-term expected rate of return	6.90%
Discount rate	6.90%
Salary increase	3.40%

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Actuarial Methods and Assumptions (Continued)**

Cost of living adjustments	Blend of 2.0% and graded COLA (1.25%/ 0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	<i>Healthy retirees &amp; 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 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2020 Experience Study which reviewed experience for the four-year period ended on December 31, 2020.

**Assumed Asset Allocation**

<u>Asset Class</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Debt Securities	20.0 %	30.0 %	25.0 %
Public Equity	22.5	32.5	27.5
Real Estate	9.0	16.5	12.5
Private Equity	17.5	27.5	20.0
Real Assets	2.5	10.0	7.5
Diversifying Strategies	2.5	10.0	7.5
Opportunity Portfolio	-	5.0	-
Total			<u>100.0 %</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

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

**Actuarial Methods and Assumptions (Continued)**

**Long-Term Expected Rate of Return** - To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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>20-Year Annualized Return (Geometric)</u>
Global Equity	27.5 %	7.07 %
Private Equity	25.5	8.83
Core Fixed Income	25.0	4.50
Real Estate	12.3	5.83
Master Limited Partnerships	0.8	6.02
Infrastructure	1.5	6.51
Hedge Fund of Funds - Multistrategy	1.2	6.27
Hedge Fund Equity - Hedge	0.6	6.48
Hedge Fund – Macro	5.6	4.83
Total	100.0 %	
Assumed Inflation – Mean		2.35%

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

**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 6.9 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 (5.9%)</u>	<u>Discount Rate (6.9%)</u>	<u>1% Increase (7.9%)</u>
City’s proportionate share of net pension liability	\$ 21,133,367	\$ 12,794,053	\$ 5,814,931

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**12. OTHER POSTEMPLOYMENT 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).

The City's two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on this financial statement relate to the plans as follows:

	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Net OPEB on Financials</u>
Net OPEB asset	<u>\$ -</u>	<u>\$ 205,457</u>	<u>\$ 205,457</u>
Deferred outflows of resources:			
Change in assumptions	\$ 21,466	\$ -	\$ 21,466
Difference between expected and actual experience	7,046	583	7,629
Change in proportionate share	-	38,637	38,637
Contributions after MD	<u>37,198</u>	<u>61</u>	<u>37,259</u>
	<u>\$ 65,710</u>	<u>\$ 39,281</u>	<u>\$ 104,991</u>
	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Net OPEB on Financials</u>
OPEB Liability	<u>\$ 518,927</u>	<u>\$ -</u>	<u>\$ 518,927</u>
Deferred inflows of resources:			
Difference in expected and actual experience	\$ 37,930	\$ 5,158	\$ 43,088
Change in assumptions	90,425	2,215	92,640
Difference in earnings	-	-	-
Change in proportionate share	-	16,493	16,493
	<u>\$ 128,355</u>	<u>\$ 23,866</u>	<u>\$ 152,221</u>
OPEB expense/(income)*	<u>\$ 49,928</u>	<u>\$ (21,824)</u>	<u>\$ 28,104</u>

\*Included in program expenses on the Statement of Activities

**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 are allowed to 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 under the provisions of GASB 75.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Health Insurance Continuation (Continued)**

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 total OPEB liability, the July 1, 2022 actuarial valuation includes 131 active participants and 3 inactive participants.

***OPEB Plan Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*** – The City's total OPEB liability of \$518,927 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended June 30, 2024, the City recognized OPEB expense from this plan of \$49,928. At June 30, 2024, 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
Differences between expected & actual experience	\$ 7,046	\$ 37,930
Changes of assumptions	21,466	90,425
Subtotal	28,512	128,355
City contributions subsequent to the measurement date	37,198	-
Totals	<u>\$ 65,710</u>	<u>\$ 128,355</u>

Deferred outflows of resources related to OPEB of \$37,198 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the year ending June 30,	Total
2025	\$ (21,705)
2026	(15,383)
2027	(14,213)
2028	(13,624)
2029	(12,661)
Thereafter	(22,257)
Total	<u>\$ (99,843)</u>

***Actuarial assumptions and other inputs*** – The total OPEB liability for the current year was determined as a part of the July 1, 2022 actuarial valuation. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Health Insurance Continuation (Continued)**

occurrence of events far into the future.

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Actuarial cost method	Entry Age Normal
Inflation	2.40%
Salary increase	3.40%
Discount rate	3.65%
Withdrawal, retirement, and mortality rates	December 31, 2021 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.

***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, 2024.

	<u>Total OPEB Liability</u>
Balance as of June 30, 2023	\$ 481,033
Changes for the Year	
Service Costs	56,383
Interest	18,456
Changes of assumptions	(4,521)
Benefit payments	(32,424)
	<hr/>
Balance as of June 30, 2024	<u>\$ 518,927</u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*** – The following presents the total OPEB liability of the City, as well as what the total OPEB liability would be if it were calculated using a discount rate one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate. A similar sensitivity analysis is presented for changes in the healthcare cost trend assumption.

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

**Health Insurance Continuation (Continued)**

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB Liability	\$ 560,017	\$ 518,927	\$ 480,721
		Current Healthcare Cost Trend Rates (6.75% to 3.75%)	
Total OPEB Liability	1% Decrease \$ 459,076	\$ 518,927	1% Increase \$ 590,587

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

**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 postemployment 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/Pages/Financials/Actuarial-Financial-Information.aspx>

Employer contributions are advance-funded on an actuarially determined basis. There is no inflation assumption for RHIA postemployment 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

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**12. OTHER POSTEMPLOYMENT BENEFITS (continued)**

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

assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2021 actuarial valuation and a percentage of payroll that first became effective July 1, 2023. The City's contribution rates for the period were 0.0% for Tier One/Tier Two members, and 0.0% for OPSRP members. The City's total for the year ended June 30, 2024 contributions was \$61.

***Net OPEB Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB*** – As of June 30, 2024, the City reported an asset of \$205,457 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, 2023 and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021 rolled forward to the measurement date. The City's proportion of the net OPEB asset was based on a projection of the City's long-term share of contributions to the OPEB plan relative to the total projected contributions of all employers, actuarially determined. At June 30, 2024, the City's proportion was 0.0561%, which is an decrease from its proportion of 0.0782% as of June 30, 2023.

For the year ended June 30, 2024, the city recognized OPEB income of \$21,824. The following table shows the components of the City's annual OPEB expense/ (income) for the year ended June 30, 2024:

Employer's proportionate share of collective system OPEB Expense / (Income)	\$ (23,779)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share	1,955
Total OPEB Expense / (Income)	<u>\$ (21,824)</u>

***Components of Deferred Outflows/Inflows of Resources*** - At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ -	\$ 5,158
Changes of assumptions	-	2,215
Net difference between projected and actual earnings on investments	583	-
Changes in proportionate share	38,637	16,493
Subtotal - Amortized Deferrals (shown below)	39,220	23,866
City contributions subsequent to the measurement date	61	-
Deferred Outflows / Inflows of Resources	<u>\$ 39,281</u>	<u>\$ 23,866</u>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2025.

Other amounts reported as deferred outflows or inflows of resources related to OPEB will be recognized in OPEB expense/(income) as follows:

For the year ending June 30,	Total
2025	\$ 3,847
2026	1,190
2027	7,593
2028	2,724
Total	<u>\$ 15,354</u>

***Actuarial Methods and Assumptions*** – Actuarial methods and assumptions are consistent with those disclosed in the OPERS Pension Plan. See Note 11 – Pension Plan Actuarial Assumptions for additional information on Assumptions and Methods, the Long-Term Expected Rate of Return, and the Discount Rate.

***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 (5.90%) or one percentage point higher (7.90%) than the current discount rate:

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
City's proportionate share of net OPEB Asset	\$ (186,761)	\$ (205,457)	\$ (221,498)

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 a separately issued OPERS financial report.

**13. 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

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**13. OTHER INFORMATION (Continued)**

**Risk Management (Continued)**

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 determinable at this time. 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 \$2,000,000 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, 2024:

<b><u>Funds</u></b>	<b><u>Transfers In</u></b>	<b><u>Transfers Out</u></b>
Governmental		
General	\$632,942	\$974,918
Lincoln Square Operations	259,967	-
Street Capital	850,500	11,391
Parks & Recreation Center	-	50,470
Explore Lincoln City	-	87,832
Other governmental	581,391	667,022
Proprietary		
Water	-	301,325
Sewer	-	231,842
	<b><u>\$2,324,800</u></b>	<b><u>\$2,324,800</u></b>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**13. OTHER INFORMATION (Continued)**

**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. As of June 30, 2024, the total amount issued in purchase orders for this project is \$5,127,026, and the City has expended \$820,506 on these purchase orders.

In January 2023, the City Council approved planning and construction of a large new community park in Taft. As of June 30, 2024, the City has issued \$3,285,836 in purchase orders for this park, and has expended \$846,929.

In February 2023, the City Council approved \$883,581 for Holmes Pump Station upgrade. In June 2023, the City Council approved an increase to this project of \$115,280, bringing the total to \$998,861. As of June 30, 2024, \$447,071 has been expended.

In May 2023, the City Council approved \$1,733,254 for construction of the Nelscott force main phase 1. As of June 30, 2024, \$970,289 has been expended.

On December 2023, the City Council approved \$1,153,354 for construction of NE 21<sup>st</sup> sidewalk and a purchase order was issued in January 2024. As of June 30, 2024, \$157,506 has been expended on this purchase order.

In February 2024, the City Council approved \$631,912 for replacement of the NW 17<sup>th</sup> Street public restroom. As of June 30, 2024, the City has expended \$13,626.

**Budget Policies and Budgetary Control**

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except fiduciary 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.

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 OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**14. RESTATEMENT**

*Property Transfer*

During the fiscal year ending June 30, 2022, the URA Agency donated property with a book value of \$415,918 to the City. During the fiscal year ending June 30, 2023, the City entered into an agreement with Innovative Housing Inc. (IHI) for purposes of affordable housing. The City conveyed the property from URA and two other City lots with a book value of \$136,012 to IHI, for a total donation amount of \$551,930. This donation of property was not included in the FY2022-2023 financial statements; instead, the property was left in capital assets and included in net position.

*Funding for Capital Project*

During the fiscal year ending June 30, 2023, the URA agency transferred \$99,998 to the City to fund initial work on the NE 44-47<sup>th</sup> connector capital project. The City did not expend any funds on this project until FY2023-24; therefore the payment from the URA should have been recorded as a prepaid expense, rather than an expense.

The City has accordingly restated beginning fund balances and beginning net position within the fund statements and within the government-wide financial statements as follows:

**FY2022-2023**

<b>Statement of Net Position</b>	<b>As Originally Reported</b>	<b>As Restated</b>	<b>Effect of Change</b>
<i>Assets:</i>			
Prepays and other	\$ 608,333	\$ 708,331	\$ 99,998
Land, improvements, construction in progress	36,534,935	35,983,005	(551,930)
<b>Total Net Position</b>	<b>100,732,193</b>	<b>100,280,261</b>	<b>\$ (451,932)</b>

<b>Statement of Activities</b>	<b>As Originally Reported</b>	<b>As Restated</b>	<b>Effect of Change</b>
<i>Governmental Activities:</i>			
General government	\$ 5,798,896	\$ 6,250,828	\$ (451,932)
<b>Net Position: end of year</b>	<b>100,732,193</b>	<b>100,280,261</b>	<b>\$ (451,932)</b>

<b>Balance Sheet Governmental Funds</b>	<b>As Originally Reported</b>	<b>As Restated</b>	<b>Effect of Change</b>
<i>Assets:</i>			
Prepaid Items	\$ 370,263	\$ 470,261	\$ 99,998
<b>Total Fund Balance</b>	<b>36,346,405</b>	<b>36,446,403</b>	<b>\$ 99,998</b>

<b>Statement of Revenues, Expenditures, and Changes in Fund Balances</b>	<b>As Originally Reported</b>	<b>As Restated</b>	<b>Effect of Change</b>
<i>Expenditures:</i>			
General Government	\$ 4,919,476	\$ 4,819,478	\$ (99,998)
<b>Total Fund Balance</b>	<b>36,346,405</b>	<b>36,446,403</b>	<b>\$ 99,998</b>

**CITY OF LINCOLN CITY, OREGON**

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

**YEAR ENDED JUNE 30, 2024**

**15. SUBSEQUENT EVENTS**

In July 2024, the City issued purchase order for \$2,154,453 for continued construction of the Schooner Creek Discovery park.

**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, 2024**

	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>					
Service cost	\$ 44,858	\$ 42,313	\$ 37,408	\$ 41,833	\$ 59,738
Interest	16,413	20,231	20,014	18,783	12,234
Changes in economic/demographic gains or losses	-	39,560	-	(51,539)	-
Changes in assumptions	(28,874)	(97,082)	12,440	35,032	1,999
Benefit payments	(41,145)	(40,205)	(56,121)	(53,416)	(36,529)
Net change in total OPEB liability	(8,748)	(35,183)	13,741	(9,307)	37,442
Total OPEB liability - beginning	551,479	542,731	507,548	521,289	511,982
Total OPEB liability - ending	<u>\$ 542,731</u>	<u>\$ 507,548</u>	<u>\$ 521,289</u>	<u>\$ 511,982</u>	<u>\$ 549,424</u>
Covered-employee payroll	\$ 8,028,837	\$ 8,621,321	\$ 8,960,286	\$ 8,928,070	\$ 9,294,505
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	6.76%	5.89%	5.82%	5.73%	5.91%

	2023	2024
<b>Total OPEB Liability</b>		
Service cost	\$ 61,495	\$ 56,383
Interest	12,810	18,456
Changes in economic/demographic gains or losses	(18,023)	-
Changes in assumptions	(88,730)	(4,521)
Benefit payments	(35,943)	(32,424)
Net change in total OPEB liability	(68,391)	37,894
Total OPEB liability - beginning	549,424	481,033
Total OPEB liability - ending	<u>\$ 481,033</u>	<u>\$ 518,927</u>
Covered-employee payroll	\$ 10,386,450	\$ 11,152,124
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	4.63%	4.65%

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, 2024**

<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 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
2022	0.04571168	(156,974)	9,294,505	-1.69	183.9
2023	0.07819363	(277,849)	10,386,450	-2.68	194.6
2024	0.05611032	(205,457)	11,152,124	-1.84	201.6

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, 2024**

<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 payroll</u>	<u>Contributions as a percentage of covered 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
2022	1,927	1,927	-	9,294,505	0.02
2023	1,106	1,106	-	10,386,450	0.01
2024	61	61	-	11,152,124	0.00

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, 2024**

<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 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>
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
2022	0.07009325	8,387,695	8,928,070	93.9	87.6
2023	0.06834942	10,465,668	9,294,505	112.6	84.5
2024	0.06830531	12,794,053	11,152,124	114.7	81.7

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

**SCHEDULE OF PENSION PLAN CONTRIBUTIONS**

**OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<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 payroll</u>	<u>Contractual contributions as a percentage of covered payroll</u>
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
2022	1,676,734	1,676,734	-	9,294,505	18.0
2023	1,655,879	1,655,879	-	10,386,450	15.9
2024	1,767,905	1,767,905	-	11,152,124	15.9

**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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 8,488,753	\$ 8,488,753	\$ 8,564,038	\$ 75,285
Franchise fees	1,122,475	1,122,475	1,311,086	188,611
Transient room tax	3,075,283	3,075,283	2,202,732	(872,551)
Fees, licenses and permits	968,525	968,525	748,089	(220,436)
Fines, and forfeitures	252,240	252,240	162,358	(89,882)
Charges for services	58,494	58,494	58,493	(1)
Intergovernmental	780,306	780,306	790,232	9,926
Lease revenue	77,049	77,049	105,992	28,943
Loan repayments	-	-	19,000	19,000
Interest	194,159	194,159	706,193	512,034
Miscellaneous	318,202	320,768	420,816	100,048
<b>TOTAL REVENUES</b>	<b>15,335,486</b>	<b>15,338,052</b>	<b>15,089,029</b>	<b>(249,023)</b>
<b>EXPENDITURES:</b>				
City council	72,568	72,568	40,555	32,013
City administration	1,003,702	1,078,547	1,040,948	37,599
Finance	1,070,103	1,070,103	1,001,202	68,901
Library	1,338,186	1,338,186	1,293,271	44,915
Municipal court	107,493	107,493	105,247	2,246
City attorney	395,027	395,027	270,330	124,697
Planning	582,846	582,846	526,633	56,213
Building inspection	545,726	545,726	384,581	161,145
Economic development	1,434,876	1,584,876	899,296	685,580
Police	6,859,037	6,979,203	6,222,733	756,470
Dispatch center	1,598,021	1,598,021	1,409,805	188,216
City hall operations	1,188,208	1,188,208	797,975	390,233
Contingencies	3,084,753	2,834,753	-	2,834,753
<b>TOTAL EXPENDITURES</b>	<b>19,280,546</b>	<b>19,375,557</b>	<b>13,992,576</b>	<b>5,382,981</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,945,060)</b>	<b>(4,037,505)</b>	<b>1,096,453</b>	<b>5,133,958</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	12,723	12,723
New leases and subscriptions	-	74,845	148,330	73,485
Transfers in	684,760	684,760	684,759	(1)
Transfers out	(1,656,668)	(1,756,668)	(1,524,918)	231,750
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(971,908)</b>	<b>(997,063)</b>	<b>(679,106)</b>	<b>317,957</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,916,968)</b>	<b>(5,034,568)</b>	<b>417,347</b>	<b>5,451,915</b>
<b>FUND BALANCE, beginning of year</b>	<b>10,916,968</b>	<b>11,034,568</b>	<b>12,717,286</b>	<b>1,682,718</b>
<b>FUND BALANCE, end of year</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>\$ 13,134,633</b>	<b>\$ 7,134,633</b>
Change in fund balance - budgetary basis			\$ 417,347	
New loan reported as increase in receivable			150,000	
Interfund loan repayment reported as reduction in receivable			(51,817)	
Economic development loan repayments reported as reduction in receivable			(19,000)	
Change in fund balance - GAAP basis			<u>\$ 496,530</u>	
Fund balance - budgetary basis			\$ 13,134,633	
Balance of loans receivable			963,667	
Fund balance - GAAP basis			<u>\$ 14,098,300</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, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Lease revenue	\$ 157,851	\$ 157,851	\$ 165,499	\$ 7,648
Intergovernmental	-	-	30	30
Interest	89,570	89,570	99,516	9,946
Miscellaneous	47,000	47,000	44,018	(2,982)
<b>TOTAL REVENUES</b>	<b>294,421</b>	<b>294,421</b>	<b>309,063</b>	<b>14,642</b>
<b>EXPENDITURES:</b>				
Lincoln Square maintenance	565,664	650,664	608,782	41,882
Contingency	234,495	149,495	-	149,495
<b>TOTAL EXPENDITURES</b>	<b>800,159</b>	<b>800,159</b>	<b>608,782</b>	<b>191,377</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(505,738)</b>	<b>(505,738)</b>	<b>(299,719)</b>	<b>206,019</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	259,967	259,967	259,967	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(245,771)</b>	<b>(245,771)</b>	<b>(39,752)</b>	<b>206,019</b>
<b>FUND BALANCE, beginning of year</b>	<b>245,771</b>	<b>245,771</b>	<b>337,454</b>	<b>91,683</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 297,702</b>	<b>\$ 297,702</b>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PARKS AND RECREATION CENTER FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Transient room tax	\$ 2,137,598	\$ 1,992,790	\$ (144,808)
Charges for services	473,020	538,240	65,220
Intergovernmental	361,700	143,282	(218,418)
Interest on investments	87,000	95,652	8,652
Miscellaneous	7,000	18,133	11,133
<b>TOTAL REVENUES</b>	<u>3,066,318</u>	<u>2,788,097</u>	<u>(278,221)</u>
<b>EXPENDITURES:</b>			
Park operations	2,500,615	1,517,340	983,275
Recreation center	1,978,079	1,826,761	151,318
Contingency	1,446,373	-	1,446,373
<b>TOTAL EXPENDITURES</b>	<u>5,925,067</u>	<u>3,344,101</u>	<u>2,580,966</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,858,749)</u>	<u>(556,004)</u>	<u>2,302,745</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of equipment	-	5,395	5,395
Transfers in	231,750	-	(231,750)
Transfers out	(50,470)	(50,470)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>181,280</u>	<u>(45,075)</u>	<u>(226,355)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(2,677,469)</u>	<u>(601,079)</u>	<u>2,076,390</u>
<b>FUND BALANCE, beginning of year</b>	<u>2,677,469</u>	<u>2,449,063</u>	<u>(228,406)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 1,847,984</u>	<u>\$ 1,847,984</u>

**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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Transient room tax	\$ 5,108,188	\$ 5,108,188	\$ 4,782,695	\$ (325,493)
Interest on investments	80,000	80,000	318,476	238,476
Miscellaneous	(5,000)	(5,000)	3,866	8,866
<b>TOTAL REVENUES</b>	<b>5,183,188</b>	<b>5,183,188</b>	<b>5,105,037</b>	<b>(78,151)</b>
<b>EXPENDITURES:</b>				
Explore Lincoln City operations	8,369,922	8,369,106	2,675,602	5,693,504
Debt service	816	1,632	1,632	-
Contingency	2,092,506	2,092,506	-	2,092,506
<b>TOTAL EXPENDITURES</b>	<b>10,463,244</b>	<b>10,463,244</b>	<b>2,677,234</b>	<b>7,786,010</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(5,280,056)</b>	<b>(5,280,056)</b>	<b>2,427,803</b>	<b>7,707,859</b>
<b>OTHER FINANCING USES:</b>				
Transfers out	(87,832)	(87,832)	(87,832)	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>(5,367,888)</b>	<b>(5,367,888)</b>	<b>2,339,971</b>	<b>7,707,859</b>
<b>FUND BALANCE, beginning of year</b>	<b>5,367,888</b>	<b>5,367,888</b>	<b>5,703,319</b>	<b>335,431</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 8,043,290</b>	<b>\$ 8,043,290</b>
Change in fund balance - budgetary basis			\$ 2,339,971	
Reduction in COVID Relief recorded as prepaid, net			(16,594)	
Change in fund balance - GAAP basis			\$ 2,323,377	
Fund balance - budgetary basis			\$ 8,043,290	
Balance of COVID Relief recorded as prepaid, net			352,063	
Fund balance - GAAP basis			\$ 8,395,353	

**CITY OF LINCOLN CITY, OREGON**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2024**

**Budget Policies and Budgetary Control**

Generally, Oregon Local Budget Law requires annual budgets to be adopted for all funds except fiduciary 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 four changes to the fiscal year 2023-24 General Fund adopted budget. These changes recatergorized operating expenditures to reflect actual spending patterns. It also added \$150,000 for cultural center repairs, \$86,000 for Police automobiles, and a \$100,000 transfer to the Property Abatement fund.

**OTHER SUPPLEMENTARY INFORMATION**

**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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 2,659,260	\$ 1,849,260	\$ 1,573,558	\$ (275,702)
Miscellaneous	100,000	-	-	-
Interest on investments	55,000	55,000	179,899	124,899
<b>TOTAL REVENUES</b>	<b>2,814,260</b>	<b>1,904,260</b>	<b>1,753,457</b>	<b>(150,803)</b>
<b>EXPENDITURES:</b>				
Street improvements	8,954,600	8,992,246	3,709,788	5,282,458
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,140,340)</b>	<b>(7,087,986)</b>	<b>(1,956,331)</b>	<b>5,131,655</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	1,300,500	1,300,500	850,500	(450,000)
Transfers out	(5,000)	(20,000)	(11,391)	8,609
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,295,500</b>	<b>1,280,500</b>	<b>839,109</b>	<b>(441,391)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(4,844,840)</b>	<b>(5,807,486)</b>	<b>(1,117,222)</b>	<b>4,690,264</b>
<b>FUND BALANCE</b> , beginning of year	<b>4,844,840</b>	<b>5,807,486</b>	<b>5,807,188</b>	<b>(298)</b>
<b>FUND BALANCE</b> , end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,689,966</b>	<b>\$ 4,689,966</b>
Fund balance, budgetary basis			\$ 4,689,966	
Unavailable grant revenue			(306,696)	
Fund balance, beginning - GAAP basis			<u>\$ 4,383,270</u>	
Change in fund balance - budgetary basis			\$ (1,117,222)	
Change in unearned grant revenue			270,000	
Change in unavailable grant revenue			(306,696)	
Changes in fund balance - GAAP basis			<u>\$ (1,153,918)</u>	

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

**NONMAJOR GOVERNMENTAL FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 2024**

	Special Revenue Funds	Capital Project Funds	Totals
<b>ASSETS:</b>			
Cash and investments	\$ 2,508,836	\$ 4,945,835	\$ 7,454,671
Cash with County Treasurer	3,128	-	3,128
Receivables	1,130,292	700,947	1,831,239
Prepaid items	34,074	-	34,074
Land held for sale	560,822	-	560,822
<b>TOTAL ASSETS</b>	<b><u>\$ 4,237,152</u></b>	<b><u>\$ 5,646,782</u></b>	<b><u>\$ 9,883,934</u></b>
<b>LIABILITIES:</b>			
Accounts payable	\$ 25,603	\$ 323,045	\$ 348,648
Unearned grant revenue	-	851,521	851,521
<b>TOTAL LIABILITIES</b>	<b><u>25,603</u></b>	<b><u>1,174,566</u></b>	<b><u>1,200,169</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue, property taxes	17,301	-	17,301
Unavailable revenue, grants	-	249,160	249,160
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>17,301</u></b>	<b><u>249,160</u></b>	<b><u>266,461</u></b>
<b>FUND BALANCES:</b>			
Nonspendable in form	1,150,539	-	1,150,539
Restricted for:			
Capital projects	-	4,223,056	4,223,056
Road construction/maintenance	1,047,807	-	1,047,807
Urban renewal	1,620,275	-	1,620,275
Committed to:			
Affordable housing	309,866	-	309,866
Art and education	65,761	-	65,761
<b>TOTAL FUND BALANCES</b>	<b><u>4,194,248</u></b>	<b><u>4,223,056</u></b>	<b><u>8,417,304</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 4,237,152</u></b>	<b><u>\$ 5,646,782</u></b>	<b><u>\$ 9,883,934</u></b>

**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, 2024**

	<u>Special Revenue Funds</u>	<u>Capital Project Funds</u>	<u>Totals</u>
<b>REVENUES:</b>			
Property taxes	\$ 487,027	\$ -	\$ 487,027
Transient room tax	1,992,790	1,663,691	3,656,481
Rents	21,712	-	21,712
Lease revenue	4,600	-	4,600
Charges for services	33,498	143,163	176,661
Intergovernmental	-	349,193	349,193
Interest on investments	152,503	197,481	349,984
Miscellaneous	6,096	22,547	28,643
<b>TOTAL REVENUES</b>	<u>2,698,226</u>	<u>2,376,075</u>	<u>5,074,301</u>
<b>EXPENDITURES:</b>			
Current:			
General government	135,329	-	135,329
Highways and streets	1,389,524	26,862	1,416,386
Capital outlay	90,623	1,298,492	1,389,115
Debt service	840	615,775	616,615
<b>TOTAL EXPENDITURES</b>	<u>1,616,316</u>	<u>1,941,129</u>	<u>3,557,445</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,081,910</u>	<u>434,946</u>	<u>1,516,856</u>
<b>OTHER FINANCING SOURCES (USES):</b>	-		
Proceeds from sale of equipment	8,655	-	8,655
Transfers in	81,391	500,000	581,391
Transfers out	(667,022)	-	(667,022)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(576,976)</u>	<u>500,000</u>	<u>(76,976)</u>
<b>NET CHANGE IN FUND BALANCE</b>	504,934	934,946	1,439,880
<b>FUND BALANCE, beginning of year</b>	<u>3,589,316</u>	<u>3,288,110</u>	<u>6,877,426</u>
Restatement for prepaid item	99,998	-	99,998
<b>FUND BALANCE, beginning of year (Restated)</b>	<u>3,689,314</u>	<u>3,288,110</u>	<u>6,977,424</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 4,194,248</u>	<u>\$ 4,223,056</u>	<u>\$ 8,417,304</u>

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

**NONMAJOR SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 2024**

	<u>Workforce Housing</u>	<u>Street Operations</u>	<u>Urban Renewal Property Rehabilitation Program</u>	<u>Urban Renewal Tax Increment Roads End</u>
<b>ASSETS:</b>				
Cash and investments	\$ 310,093	\$ 552,581	\$ 529,234	\$ 918,173
Cash with County Treasurer	-	-	-	3,128
Receivables	84,891	515,477	512,623	17,301
Prepaid items	-	-	-	34,074
Land held for sale	560,822	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 955,806</u></b>	<b><u>\$ 1,068,058</u></b>	<b><u>\$ 1,041,857</u></b>	<b><u>\$ 972,676</u></b>
<b>LIABILITIES:</b>				
Accounts payable	\$ 227	\$ 20,251	\$ 1,890	\$ -
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue, property taxes	-	-	-	17,301
<b>FUND BALANCES:</b>				
Nonspendable in form	645,713	-	504,826	-
Restricted for:				
Road construction/maintenance	-	1,047,807	-	-
Urban Renewal	-	-	535,141	955,375
Committed to:				
Affordable housing	309,866	-	-	-
Art and education	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>955,579</u></b>	<b><u>1,047,807</u></b>	<b><u>1,039,967</u></b>	<b><u>955,375</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 955,806</u></b>	<b><u>\$ 1,068,058</u></b>	<b><u>\$ 1,041,857</u></b>	<b><u>\$ 972,676</u></b>

Urban Renewal	Percent for Art	Totals
\$ 132,994	\$ 65,761	\$ 2,508,836
-	-	3,128
-	-	1,130,292
-	-	34,074
-	-	560,822
<u>\$ 132,994</u>	<u>\$ 65,761</u>	<u>\$ 4,237,152</u>
<u>\$ 3,235</u>	<u>\$ -</u>	<u>\$ 25,603</u>
-	-	17,301
-	-	1,150,539
-	-	1,047,807
129,759	-	1,620,275
-	-	309,866
-	65,761	65,761
<u>129,759</u>	<u>65,761</u>	<u>4,194,248</u>
<u>\$ 132,994</u>	<u>\$ 65,761</u>	<u>\$ 4,237,152</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, 2024**

	Workforce Housing	Street Operations	Urban Renewal Property Rehabilitation Program	Urban Renewal Tax Increment Roads End
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 487,027
Transient room tax	-	1,992,790	-	-
Rents	21,712	-	-	-
Lease revenue	-	-	-	-
Charges for services	-	33,498	-	-
Interest on investments	15,249	73,853	20,049	36,034
Miscellaneous	5,671	425	-	-
<b>TOTAL REVENUES</b>	<u>42,632</u>	<u>2,100,566</u>	<u>20,049</u>	<u>523,061</u>
<b>EXPENDITURES:</b>				
Current				
General government	48,093	-	7,105	70,824
Highways and streets	-	1,389,524	-	-
Debt service	-	840	-	-
Capital outlay	-	86,960	-	-
<b>TOTAL EXPENDITURES</b>	<u>48,093</u>	<u>1,477,324</u>	<u>7,105</u>	<u>70,824</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,461)</u>	<u>623,242</u>	<u>12,944</u>	<u>452,237</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	8,655	-	-
Transfers in	-	70,000	-	-
Transfers out	-	(667,022)	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(588,367)</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(5,461)</u>	<u>34,875</u>	<u>12,944</u>	<u>452,237</u>
<b>FUND BALANCE, beginning of year</b>	<u>961,040</u>	<u>1,012,932</u>	<u>1,027,023</u>	<u>403,140</u>
Restatement for prepaid item	-	-	-	99,998
<b>FUND BALANCE, beginning of year (Restated)</b>	<u>961,040</u>	<u>1,012,932</u>	<u>1,027,023</u>	<u>503,138</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 955,579</u>	<u>\$ 1,047,807</u>	<u>\$ 1,039,967</u>	<u>\$ 955,375</u>

Urban Renewal	Percent for Art	Totals
\$ -	\$ -	\$ 487,027
-	-	1,992,790
-	-	21,712
4,600	-	4,600
-	-	33,498
4,311	3,007	152,503
-	-	6,096
8,911	3,007	2,698,226
9,307	-	135,329
-	-	1,389,524
-	-	840
3,663	-	90,623
12,970	-	1,616,316
(4,059)	3,007	1,081,910
-	-	8,655
-	11,391	81,391
-	-	(667,022)
-	11,391	(576,976)
(4,059)	14,398	504,934
133,818	51,363	3,589,316
-	-	99,998
133,818	51,363	3,689,314
\$ 129,759	\$ 65,761	\$ 4,194,248

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

**WORKFORCE HOUSING FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Original/Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
Rents	\$ 35,000	\$ 21,712	\$ (13,288)
Interest on investments	5,000	15,249	10,249
Loan repayments	-	5,671	5,671
<b>TOTAL REVENUES</b>	<u>40,000</u>	<u>42,632</u>	<u>2,632</u>
<b>EXPENDITURES:</b>			
Workforce housing	208,797	48,093	160,704
Special payments	100,000	-	100,000
<b>TOTAL EXPENDITURES</b>	<u>308,797</u>	<u>48,093</u>	<u>260,704</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(268,797)	(5,461)	263,336
<b>FUND BALANCE</b> , beginning of year	<u>268,797</u>	<u>315,327</u>	<u>46,530</u>
<b>FUND BALANCE</b> , end of year	<u><u>\$ -</u></u>	<u><u>\$ 309,866</u></u>	<u><u>\$ 309,866</u></u>
Fund balance - budgetary basis		\$ 309,866	
Balance of loans receivable		84,891	
Assets held for sale		<u>560,822</u>	
Fund balance - GAAP basis		<u><u>\$ 955,579</u></u>	

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**STREET OPERATIONS FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Transient room tax	\$ 2,137,598	\$ 2,137,598	\$ 1,992,790	\$ (144,808)
Charges for services	25,000	25,000	33,498	8,498
Interest on investments	50,000	50,000	73,853	23,853
Miscellaneous	-	-	425	425
<b>TOTAL REVENUES</b>	<u>2,212,598</u>	<u>2,212,598</u>	<u>2,100,566</u>	<u>(112,032)</u>
<b>EXPENDITURES:</b>				
Street maintenance	1,674,451	1,694,951	1,476,484	218,467
Debt service	840	840	840	-
Contingency	561,086	540,586	-	540,586
<b>TOTAL EXPENDITURES</b>	<u>2,236,377</u>	<u>2,236,377</u>	<u>1,477,324</u>	<u>759,053</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(23,779)</u>	<u>(23,779)</u>	<u>623,242</u>	<u>647,021</u>
<b>OTHER FINANCING USES:</b>				
Proceeds from sale of equipment	-	-	8,655	8,655
Transfers in	70,000	70,000	70,000	-
Transfers out	(1,117,022)	(1,117,022)	(667,022)	450,000
<b>TOTAL OTHER FINANCING USES</b>	<u>(1,047,022)</u>	<u>(1,047,022)</u>	<u>(588,367)</u>	<u>458,655</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,070,801)</u>	<u>(1,070,801)</u>	<u>34,875</u>	<u>1,105,676</u>
<b>FUND BALANCE, beginning of year</b>	<u>1,070,801</u>	<u>1,070,801</u>	<u>1,012,932</u>	<u>(57,869)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,047,807</u>	<u>\$ 1,047,807</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Loan repayments	\$ 60,000	\$ 112,341	\$ 52,341
Interest on investments	390	20,049	19,659
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	60,390	132,390	72,000
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
Property rehab program	447,055	7,105	439,950
	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES         OVER (UNDER) EXPENDITURES AND         CHANGE IN FUND BALANCE</b>	(386,665)	125,285	511,950
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE</b> , beginning of year	386,665	409,856	23,191
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 535,141</u>	<u>\$ 535,141</u>
		<hr/>	
Fund balance - budgetary basis		\$ 535,141	
Balance of loans receivable		504,826	
		<hr/>	
Fund balance - GAAP basis		<u>\$ 1,039,967</u>	
		<hr/>	
Change in fund balance - budgetary basis		\$ 125,285	
Loan repayments reported as reduction in receivable		(112,341)	
		<hr/>	
Changes in fund balance - GAAP basis		<u>\$ 12,944</u>	
		<hr/>	

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

**URBAN RENEWAL TAX INCREMENT - ROADS END FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes	\$ 401,415	\$ 487,027	\$ 85,612
Interest on investments	6,250	36,034	29,784
<b>TOTAL REVENUES</b>	<u>407,665</u>	<u>523,061</u>	<u>115,396</u>
<b>EXPENDITURES:</b>			
Roads End / Villages Improvements	<u>783,514</u>	<u>70,824</u>	<u>712,690</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(375,849)	452,237	828,086
<b>FUND BALANCE, beginning of year</b>	<u>375,849</u>	<u>403,140</u>	<u>27,291</u>
Restatement for prepaid item	<u>-</u>	<u>99,998</u>	<u>(99,998)</u>
<b>FUND BALANCE, beginning of year (Restated)</b>	<u>375,849</u>	<u>503,138</u>	<u>(72,707)</u>
<b>FUND BALANCE, end of year</b>	<u><u>\$ -</u></u>	<u><u>\$ 955,375</u></u>	<u><u>\$ 855,377</u></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, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Lease revenue	\$ -	\$ -	\$ 4,600	\$ 4,600
Charges for services	50,000	50,000	-	(50,000)
Interest on investments	150	150	4,311	4,161
<b>TOTAL REVENUES</b>	<b>50,150</b>	<b>50,150</b>	<b>8,911</b>	<b>(41,239)</b>
<b>EXPENDITURES:</b>				
Materials and services	6,950	16,950	9,307	7,643
Capital outlay	165,709	155,709	3,663	152,046
<b>TOTAL EXPENDITURES</b>	<b>172,659</b>	<b>172,659</b>	<b>12,970</b>	<b>159,689</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<b>(122,509)</b>	<b>(122,509)</b>	<b>(4,059)</b>	<b>118,450</b>
<b>FUND BALANCE</b> , beginning of year	<b>122,509</b>	<b>122,509</b>	<b>133,818</b>	<b>11,309</b>
<b>FUND BALANCE</b> , end of year	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 129,759</b>	<b>\$ 129,759</b>

**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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest on investments	<u>\$ -</u>	<u>\$ 3,007</u>	<u>\$ 3,007</u>
<b>EXPENDITURES:</b>			
Public Art	<u>59,270</u>	<u>-</u>	<u>59,270</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(59,270)</u>	<u>3,007</u>	<u>62,277</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>20,000</u>	<u>11,391</u>	<u>(8,609)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(39,270)</u>	<u>14,398</u>	<u>53,668</u>
<b>FUND BALANCE, beginning of year</b>	<u>39,270</u>	<u>51,363</u>	<u>12,093</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 65,761</u>	<u>\$ 65,761</u>

**CAPITAL PROJECTS FUNDS**

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

**NONMAJOR CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 2024**

	<u>Transportation Development</u>	<u>N Hwy 101 Improvement Program</u>	<u>Intersection Improvement</u>	<u>Storm Drainage Development</u>	<u>Park System Development Charge Improvement</u>
<b>ASSETS:</b>					
Cash and investments	\$ 498,784	\$ 201,740	\$ 154,706	\$ 84,803	\$ 810,768
Receivables	-	-	-	-	744
<b>TOTAL ASSETS</b>	<u>\$ 498,784</u>	<u>\$ 201,740</u>	<u>\$ 154,706</u>	<u>\$ 84,803</u>	<u>\$ 811,512</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 5,371	\$ 69,157	\$ -	\$ -	\$ 2,632
Unearned grant revenue	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>5,371</u>	<u>69,157</u>	<u>-</u>	<u>-</u>	<u>2,632</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue, grants	-	-	-	-	-
<b>FUND BALANCES:</b>					
Restricted for:					
Capital projects	<u>493,413</u>	<u>132,583</u>	<u>154,706</u>	<u>84,803</u>	<u>808,880</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 498,784</u>	<u>\$ 201,740</u>	<u>\$ 154,706</u>	<u>\$ 84,803</u>	<u>\$ 811,512</u>

<u>Parks Capital</u>	<u>Facilities Capital</u>	<u>Total</u>
\$ 2,338,164	\$ 856,870	\$ 4,945,835
<u>442,464</u>	<u>257,739</u>	<u>700,947</u>
<u>\$ 2,780,628</u>	<u>\$ 1,114,609</u>	<u>\$ 5,646,782</u>
\$ 235,801	\$ 10,084	\$ 323,045
<u>851,521</u>	<u>-</u>	<u>851,521</u>
<u>1,087,322</u>	<u>10,084</u>	<u>1,174,566</u>
<u>249,160</u>	<u>-</u>	<u>249,160</u>
<u>1,444,146</u>	<u>1,104,525</u>	<u>4,223,056</u>
<u>\$ 2,780,628</u>	<u>\$ 1,114,609</u>	<u>\$ 5,646,782</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, 2024**

	<u>Transportation Development</u>	<u>N Hwy 101 Improvement Program</u>	<u>Intersection Improvement</u>	<u>Storm Drainage Development</u>	<u>Parks System Development Charge Improvement</u>
<b>REVENUES:</b>					
Transient room tax	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	30,965	16,821	-	3,285	92,092
Intergovernmental	-	117,667	-	-	8,047
Interest on investments	22,706	5,354	7,245	3,895	35,998
Miscellaneous	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>53,671</u>	<u>139,842</u>	<u>7,245</u>	<u>7,180</u>	<u>136,137</u>
<b>EXPENDITURES:</b>					
Materials and services	-	-	-	-	-
Capital outlay	4,456	198,053	-	-	50,782
Debt service	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>4,456</u>	<u>198,053</u>	<u>-</u>	<u>-</u>	<u>50,782</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	49,215	(58,211)	7,245	7,180	85,355
<b>OTHER FINANCING SOURCES</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	49,215	(58,211)	7,245	7,180	85,355
<b>FUND BALANCE, beginning of year</b>	<u>444,198</u>	<u>190,794</u>	<u>147,461</u>	<u>77,623</u>	<u>723,525</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 493,413</u>	<u>\$ 132,583</u>	<u>\$ 154,706</u>	<u>\$ 84,803</u>	<u>\$ 808,880</u>

<u>Parks Development</u>	<u>Facilities Capital</u>	<u>Police Building Construction</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 667,296	\$ 996,395	\$ -	\$ -	\$ 1,663,691
-	-	-	-	143,163
223,479	-	-	-	349,193
74,897	42,506	4,880	-	197,481
22,524	-	23	-	22,547
<u>988,196</u>	<u>1,038,901</u>	<u>4,903</u>	<u>-</u>	<u>2,376,075</u>
-	26,862	-	-	26,862
651,625	224,643	168,933	-	1,298,492
-	615,775	-	-	615,775
<u>651,625</u>	<u>867,280</u>	<u>168,933</u>	<u>-</u>	<u>1,941,129</u>
336,571	171,621	(164,030)	-	434,946
500,000	51,476	-	(51,476)	500,000
-	-	(51,476)	51,476	-
<u>500,000</u>	<u>51,476</u>	<u>(51,476)</u>	<u>-</u>	<u>500,000</u>
836,571	223,097	(215,506)	-	934,946
607,575	881,428	215,506	-	3,288,110
<u>\$ 1,444,146</u>	<u>\$ 1,104,525</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,223,056</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 80,000	\$ 30,965	\$ (49,035)
Interest on investments	11,000	22,706	11,706
<b>TOTAL REVENUES</b>	<u>91,000</u>	<u>53,671</u>	<u>(37,329)</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>535,313</u>	<u>4,456</u>	<u>530,857</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(444,313)	49,215	493,528
<b>FUND BALANCE, beginning of year</b>	<u>444,313</u>	<u>444,198</u>	<u>(115)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 493,413</u>	<u>\$ 493,413</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 32,000	\$ 16,821	\$ (15,179)
Intergovernmental	2,466,236	117,667	(2,348,569)
Interest on investments	2,000	5,354	3,354
<b>TOTAL REVENUES</b>	<u>2,500,236</u>	<u>139,842</u>	<u>(2,360,394)</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>2,680,515</u>	<u>198,053</u>	<u>2,482,462</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(180,279)	(58,211)	122,068
<b>FUND BALANCE, beginning of year</b>	<u>180,279</u>	<u>190,794</u>	<u>10,515</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 132,583</u>	<u>\$ 132,583</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest on investments	<u>\$ 2,300</u>	<u>\$ 7,245</u>	<u>\$ 4,945</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>147,910</u>	<u>-</u>	<u>147,910</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(145,610)</u>	<u>7,245</u>	<u>152,855</u>
<b>FUND BALANCE</b> , beginning of year	<u>145,610</u>	<u>147,461</u>	<u>1,851</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ 154,706</u>	<u>\$ 154,706</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 4,000	\$ 3,285	\$ (715)
Interest on investments	1,000	3,895	2,895
<b>TOTAL REVENUES</b>	<u>5,000</u>	<u>7,180</u>	<u>2,180</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>81,793</u>	<u>-</u>	<u>81,793</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(76,793)	7,180	83,973
<b>FUND BALANCE, beginning of year</b>	<u>76,793</u>	<u>77,623</u>	<u>830</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 84,803</u>	<u>\$ 84,803</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Improvement fee	\$ 150,000	\$ 92,092	\$ (57,908)
Intergovernmental	3,500	8,047	4,547
Interest on investments	15,000	35,998	20,998
<b>TOTAL REVENUES</b>	<u>168,500</u>	<u>136,137</u>	<u>(32,363)</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>733,202</u>	<u>50,782</u>	<u>682,420</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(564,702)	85,355	650,057
<b>FUND BALANCE, beginning of year</b>	<u>564,702</u>	<u>723,525</u>	<u>158,823</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 808,880</u>	<u>\$ 808,880</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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Transient room tax	\$ -	\$ -	\$ 667,296	\$ 667,296
Intergovernmental	750,000	850,000	75,000	(775,000)
Interest on investments	30,000	30,000	74,897	44,897
Miscellaneous - donation	-	-	22,524	22,524
<b>TOTAL REVENUES</b>	<u>780,000</u>	<u>880,000</u>	<u>839,717</u>	<u>(40,283)</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>2,371,326</u>	<u>2,471,326</u>	<u>651,625</u>	<u>1,819,701</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,591,326)</u>	<u>(1,591,326)</u>	<u>188,092</u>	<u>1,779,418</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(1,591,326)</u>	<u>(1,591,326)</u>	<u>688,092</u>	<u>2,279,418</u>
<b>FUND BALANCE, beginning of year</b>	<u>1,591,326</u>	<u>1,591,326</u>	<u>1,607,575</u>	<u>16,249</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,295,667</u>	<u>\$ 2,295,667</u>
Change in fund balance - budgetary basis			\$ 688,092	
Unearned grant revenue			<u>148,479</u>	
Change in fund balance - GAAP basis			<u>\$ 836,571</u>	
Fund balance - budgetary basis			\$ 2,295,667	
Unearned grant revenue			<u>(851,521)</u>	
Fund balance - GAAP basis			<u>\$ 1,444,146</u>	

**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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Transient room tax	\$ 1,068,799	\$ 1,068,799	\$ 996,395	\$ (72,404)
Interest on investments	19,000	19,000	42,506	23,506
<b>TOTAL REVENUES</b>	<u>1,087,799</u>	<u>1,087,799</u>	<u>1,038,901</u>	<u>(48,898)</u>
<b>EXPENDITURES:</b>				
Building improvements	1,105,000	1,261,000	251,505	1,009,495
Debt service	615,775	615,775	615,775	-
Contingency	213,522	57,522	-	57,522
<b>TOTAL EXPENDITURES</b>	<u>1,934,297</u>	<u>1,934,297</u>	<u>867,280</u>	<u>1,067,017</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(846,498)</u>	<u>(846,498)</u>	<u>171,621</u>	<u>1,018,119</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	51,476	51,476
Transfers out	(5,000)	(5,000)	-	5,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(5,000)</u>	<u>(5,000)</u>	<u>51,476</u>	<u>56,476</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(851,498)</u>	<u>(851,498)</u>	<u>223,097</u>	<u>1,074,595</u>
<b>FUND BALANCE, beginning of year</b>	<u>851,498</u>	<u>851,498</u>	<u>881,428</u>	<u>29,930</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,104,525</u>	<u>\$ 1,104,525</u>

**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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Interest on investments	\$ 3,000	\$ 3,000	\$ 4,880	\$ 1,880
Miscellaneous	-	-	23	23
<b>TOTAL REVENUES</b>	<u>3,000</u>	<u>3,000</u>	<u>4,903</u>	<u>1,903</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>473,579</u>	<u>422,006</u>	<u>168,933</u>	<u>253,073</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(470,579)</u>	<u>(419,006)</u>	<u>(164,030)</u>	<u>254,976</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>-</u>	<u>(51,573)</u>	<u>(51,476)</u>	<u>97</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(470,579)</u>	<u>(470,579)</u>	<u>(215,506)</u>	<u>255,073</u>
<b>FUND BALANCE, beginning of year</b>	<u>470,579</u>	<u>470,579</u>	<u>215,506</u>	<u>(255,073)</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 4,688,110	\$ 4,688,110	\$ 4,586,438	\$ (101,672)
Intergovernmental	-	-	31,000	31,000
Interest on investments	15,000	15,000	53,923	38,923
Miscellaneous	2,000	2,000	3,535	1,535
<b>TOTAL REVENUES</b>	<b>4,705,110</b>	<b>4,705,110</b>	<b>4,674,896</b>	<b>(30,214)</b>
<b>EXPENDITURES:</b>				
Water utility maintenance	3,255,083	3,255,083	2,967,428	287,655
Debt service	51,513	51,513	51,512	1
Contingency	231,303	231,303	-	231,303
<b>TOTAL EXPENDITURES</b>	<b>3,537,899</b>	<b>3,537,899</b>	<b>3,018,940</b>	<b>518,959</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,167,211</b>	<b>1,167,211</b>	<b>1,655,956</b>	<b>488,745</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,842,860)	(1,842,860)	(1,842,928)	(68)
Proceeds from sale of equipment	-	-	25	25
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,842,860)</b>	<b>(1,842,860)</b>	<b>(1,842,903)</b>	<b>(43)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(675,649)</b>	<b>(675,649)</b>	<b>(186,947)</b>	<b>488,702</b>
<b>FUND BALANCE, beginning of year</b>	<b>675,649</b>	<b>675,649</b>	<b>680,262</b>	<b>4,613</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 493,315</b>	<b>\$ 493,315</b>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**WATER SYSTEM CAPITAL FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Interest on investments	\$ 55,000	\$ 55,000	\$ 61,227	\$ 6,227
<b>EXPENDITURES:</b>				
Capital outlay	2,595,717	2,730,717	1,056,383	1,674,334
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(2,540,717)</u>	<u>(2,675,717)</u>	<u>(995,156)</u>	<u>1,680,561</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,100,000	1,100,000	1,100,000	-
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,095,000</u>	<u>1,095,000</u>	<u>1,100,000</u>	<u>5,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(1,445,717)	(1,580,717)	104,844	1,685,561
<b>FUND BALANCE, beginning of year</b>	<u>1,445,717</u>	<u>1,580,717</u>	<u>1,858,940</u>	<u>278,223</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,963,784</u>	<u>\$ 1,963,784</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
System development charges	\$ 124,481	\$ 101,394	\$ (23,087)
Interest on investments	12,000	39,996	27,996
<b>TOTAL REVENUES</b>	<u>136,481</u>	<u>141,390</u>	<u>4,909</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>889,406</u>	<u>-</u>	<u>889,406</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(752,925)	141,390	894,315
<b>FUND BALANCE, beginning of year</b>	<u>752,925</u>	<u>765,306</u>	<u>12,381</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 906,696</u>	<u>\$ 906,696</u>

**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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
System development charges	\$ 47,447	\$ 38,654	\$ (8,793)
Interest on investments	5,000	18,207	13,207
<b>TOTAL REVENUES</b>	<u>52,447</u>	<u>56,861</u>	<u>4,414</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>398,875</u>	<u>-</u>	<u>398,875</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(346,428)	56,861	403,289
<b>FUND BALANCE, beginning of year</b>	<u>346,428</u>	<u>351,598</u>	<u>5,170</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 408,459</u>	<u>\$ 408,459</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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>EXPENDITURES:</b>				
Debt service	447,427	\$ 447,495	\$ 447,494	\$ 1
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(447,427)	(447,495)	(447,494)	1
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	441,535	441,603	441,603	-
<b>NET CHANGE IN FUND BALANCE</b>	(5,892)	(5,892)	(5,891)	1
<b>FUND BALANCE, beginning of year</b>	5,892	5,892	5,891	(1)
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 5,216,224	\$ 5,216,224	\$ 5,188,292	\$ (27,932)
Interest on investments	40,000	40,000	151,446	111,446
Miscellaneous	135,000	135,000	150,438	15,438
<b>TOTAL REVENUES</b>	<b>5,391,224</b>	<b>5,391,224</b>	<b>5,490,176</b>	<b>98,952</b>
<b>EXPENDITURES:</b>				
Sewer utility maintenance	3,932,868	4,032,868	3,814,912	217,956
Debt service	125,840	125,840	125,840	-
Contingency	1,839,993	1,739,993	-	1,739,993
<b>TOTAL EXPENDITURES</b>	<b>5,898,701</b>	<b>5,898,701</b>	<b>3,940,752</b>	<b>1,957,949</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(507,477)</b>	<b>(507,477)</b>	<b>1,549,424</b>	<b>2,056,901</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,931,091)	(1,931,091)	(1,931,091)	-
Proceeds from sale of equipment	-	-	38,549	38,549
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,931,091)</b>	<b>(1,931,091)</b>	<b>(1,892,542)</b>	<b>38,549</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(2,438,568)</b>	<b>(2,438,568)</b>	<b>(343,118)</b>	<b>2,095,450</b>
<b>FUND BALANCE, beginning of year</b>	<b>2,438,568</b>	<b>2,438,568</b>	<b>2,743,328</b>	<b>304,760</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,400,210</b>	<b>\$ 2,400,210</b>

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

**SEWER SYSTEM CAPITAL FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Interest on investments	\$ 80,000	\$ 80,000	\$ 214,995	\$ 134,995
<b>EXPENDITURES:</b>				
Capital outlay	6,017,891	6,745,711	1,945,497	4,800,214
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(5,937,891)</u>	<u>(6,665,711)</u>	<u>(1,730,502)</u>	<u>4,935,209</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,700,000	1,700,000	1,700,000	-
Transfers out	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>	<u>5,000</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,695,000</u>	<u>1,695,000</u>	<u>1,700,000</u>	<u>5,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	(4,242,891)	(4,970,711)	(30,502)	4,940,209
<b>FUND BALANCE</b> , beginning of year, as previously reported	<u>4,242,891</u>	<u>4,970,711</u>	<u>4,970,711</u>	<u>-</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,940,209</u>	<u>\$ 4,940,209</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, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
System development charges	\$ 215,000	\$ 215,000	\$ 161,000	\$ (54,000)
Interest on investments	10,000	10,000	25,640	15,640
<b>TOTAL REVENUES</b>	<u>225,000</u>	<u>225,000</u>	<u>186,640</u>	<u>(38,360)</u>
<b>EXPENDITURES:</b>				
Capital outlay	<u>389,482</u>	<u>847,710</u>	<u>610,968</u>	<u>236,742</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(164,482)	(622,710)	(424,328)	198,382
<b>FUND BALANCE</b> , beginning of year	<u>164,482</u>	<u>622,710</u>	<u>622,710</u>	<u>-</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,382</u>	<u>\$ 198,382</u>
Fund balance - budgetary basis			\$ 198,382	
Balance of Local Improvement District receivable			<u>39,451</u>	
Fund balance - GAAP basis			<u>\$ 237,833</u>	
Change in fund balance - budgetary basis			\$ (424,328)	
SDC fees assessed but not recognized as revenue on budgetary basis			<u>39,451</u>	
Changes in fund balance - GAAP basis			<u>\$ (384,877)</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, 2024**

	Original/Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>			
System development charges	\$ 101,250	\$ 84,361	\$ (16,889)
Interest on investments	5,000	14,576	9,576
<b>TOTAL REVENUES</b>	<u>106,250</u>	<u>98,937</u>	<u>(7,313)</u>
<b>EXPENDITURES:</b>			
Capital outlay	334,625	-	334,625
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(228,375)</u>	<u>98,937</u>	<u>327,312</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	(52,569)	(52,568)	1
<b>NET CHANGE IN FUND BALANCE</b>	(280,944)	46,369	327,313
<b>FUND BALANCE, beginning of year</b>	<u>280,944</u>	<u>289,820</u>	<u>8,876</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 336,189</u>	<u>\$ 336,189</u>
Fund balance - budgetary basis		\$ 336,189	
Balance of Local Improvement District receivable		<u>20,667</u>	
Fund balance - GAAP basis		<u>\$ 356,856</u>	
Change in fund balance - budgetary basis		\$ 46,369	
SDC fees assessed but not recognized as revenue on budgetary basis		<u>20,667</u>	
Changes in fund balance - GAAP basis		<u>\$ 67,036</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Property taxes	\$ 1,650,000	\$ 1,717,622	\$ 67,622
Interest on investments	18,500	40,119	21,619
<b>TOTAL REVENUES</b>	<u>1,668,500</u>	<u>1,757,741</u>	<u>89,241</u>
<b>EXPENDITURES:</b>			
Debt service	<u>1,900,116</u>	<u>1,642,116</u>	<u>258,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	(231,616)	115,625	347,241
<b>FUND BALANCE, beginning of year</b>	<u>231,616</u>	<u>240,002</u>	<u>8,386</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 355,627</u>	<u>\$ 355,627</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, 2024**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over (Under) Expenditures</u>
<b>BUDGETARY BASIS REVENUES AND EXPENDITURES:</b>			
Water Fund	\$ 4,674,896	\$ 3,018,940	\$ 1,655,956
Water System Capital Fund	61,227	1,056,383	(995,156)
Water SDC Reimbursement Fund	141,390	-	141,390
Water SDC Improvement Fund	56,861	-	56,861
Water Bond Fund	-	447,494	(447,494)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL</b>	<u>\$ 4,934,374</u>	<u>\$ 4,522,817</u>	411,557
<b>ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTERPRISE FUND REPORTING BASIS:</b>			
Depreciation			(1,425,763)
Capital asset additions			1,255,991
Capital contributions			607,271
Loss on sale of assets			(46,391)
Change in accrued interest payable			4,715
Change in accrued compensated absences			24,059
Net OPEB benefit			2,869
Pension expense			(49,259)
Principal payments			482,466
Transfers out			(301,325)
			<u>                    </u>
<b>CHANGES IN FUND NET POSITION - GAAP</b>			<u>\$ 966,190</u>

**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, 2024**

	<u>Revenues</u>	<u>Expenditures</u>	<u>Revenues Over (Under) Expenditures</u>
<b>BUDGETARY BASIS REVENUES AND EXPENDITURES:</b>			
Sewer Fund	\$ 5,490,176	\$ 3,940,752	\$ 1,549,424
Sewer System Capital Fund	214,995	1,945,497	(1,730,502)
Sewer SDC Reimbursement Fund	186,640	610,968	(424,328)
Sewer SDC Improvement Fund	98,937	-	98,937
Sewer Bond Fund	<u>1,757,741</u>	<u>1,642,116</u>	<u>115,625</u>
<b>TOTAL</b>	<u><u>\$ 7,748,489</u></u>	<u><u>\$ 8,139,333</u></u>	<u>(390,844)</u>
<b>ADD (DEDUCT) ITEMS TO RECONCILE TO AN ENTERPRISE FUND REPORTING BASIS:</b>			
Depreciation and amortization			(1,713,437)
Capital asset additions			2,715,623
Capital contributions			2,453,079
Gain on sale of assets			38,549
Adjustment of SDC fees levied but not recognized as revenue on budgetary basis			(737)
Change in unearned grant revenues			1,029,345
Change in accrued interest payable			8,054
Change in accrued compensated absences			(6,646)
Net OPEB benefit			(1,233)
Pension expense			(61,061)
Principal payments			1,538,815
Transfers out			<u>(231,842)</u>
<b>CHANGES IN FUND NET POSITION - GAAP</b>			<u><u>\$ 5,377,665</u></u>

**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, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Franchise fees	\$ 23,000	\$ 23,000	\$ 19,259	\$ (3,741)
Charges for services	1,316,365	1,316,365	1,449,301	132,936
<b>TOTAL REVENUES</b>	<b>1,339,365</b>	<b>1,339,365</b>	<b>1,468,560</b>	<b>129,195</b>
<b>EXPENDITURES:</b>				
Vehicle maintenance	571,065	571,065	533,981	37,084
Information technology	890,885	890,885	826,534	64,351
Geographical information systems	139,415	170,942	147,841	23,101
Debt service	-	11,625	11,625	-
Contingency	46,277	34,652	-	34,652
<b>TOTAL EXPENDITURES</b>	<b>1,647,642</b>	<b>1,679,169</b>	<b>1,519,981</b>	<b>159,188</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(308,277)</b>	<b>(339,804)</b>	<b>(51,421)</b>	<b>288,383</b>
<b>OTHER FINANCING SOURCES:</b>				
Proceeds from sale of equipment	-	-	311	311
New subscriptions	-	31,527	31,527	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>31,527</b>	<b>31,838</b>	<b>(311)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(308,277)</b>	<b>(308,277)</b>	<b>(19,583)</b>	<b>288,694</b>
<b>FUND BALANCE, beginning of year</b>	<b>308,277</b>	<b>308,277</b>	<b>256,150</b>	<b>(52,127)</b>
<b>FUND BALANCE, end of year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 236,567</b>	<b>\$ 236,567</b>
Change in fund balance - budgetary basis			\$ (19,583)	
Depreciation and amortization			(55,377)	
Pension expense			(54,029)	
Net OPEB benefit			(618)	
Principal payments			10,373	
Vacation paid/accrued			9,802	
Capital asset additions			69,496	
Change in fund net position - GAAP basis			<u>\$ (39,936)</u>	

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**COMBINING BALANCE SHEET**

**GENERAL FUND**

**JUNE 30, 2024**

	<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	\$ 12,009,848	\$ 489,780	\$ 821,240	\$ 509,404	\$ 232,576	\$ 14,062,848
Cash with County Treasurer	62,529	-	-	-	-	62,529
Receivables	1,295,876	-	321,001	-	23,769	1,640,646
Prepaid items	274	-	-	-	-	274
Contracts receivable	963,667	-	-	-	-	963,667
Lease receivable	1,112,897	-	-	-	-	1,112,897
Assets held for sale	1,393,665	-	-	-	-	1,393,665
<b>TOTAL ASSETS</b>	<b>\$ 16,838,756</b>	<b>\$ 489,780</b>	<b>\$ 1,142,241</b>	<b>\$ 509,404</b>	<b>\$ 256,345</b>	<b>\$ 19,236,526</b>
<b>LIABILITIES:</b>						
Accounts payable	\$ 358,309	\$ 9,550	\$ 60	\$ 110	\$ -	\$ 368,029
Other accrued liabilities	883,395	-	-	-	-	883,395
<b>TOTAL LIABILITIES</b>	<b>1,241,704</b>	<b>9,550</b>	<b>60</b>	<b>110</b>	<b>-</b>	<b>1,251,424</b>
<b>DEFERRED INFLOW OF RESOURCES:</b>						
Unavailable revenue, property taxes	375,845	-	-	-	-	375,845
Unavailable revenue, LID assessments	-	-	321,001	-	23,769	344,770
Unavailable revenue, municipal court fees	55,318	-	-	-	-	55,318
Deferred inflow - leases	1,067,589	-	-	-	-	1,067,589
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<b>1,498,752</b>	<b>-</b>	<b>321,001</b>	<b>-</b>	<b>23,769</b>	<b>1,843,522</b>
<b>FUND BALANCES:</b>						
Nonspendable in form	2,357,606	-	-	-	-	2,357,606
Restricted for:						
Post-closure landfill costs	-	480,230	-	-	-	480,230
Committed to:						
Capital projects	-	-	821,180	-	-	821,180
Assigned	5,018,166	-	-	328,256	232,211	5,578,633
Unassigned	6,722,528	-	-	181,038	365	6,903,931
<b>TOTAL FUND BALANCES</b>	<b>14,098,300</b>	<b>480,230</b>	<b>821,180</b>	<b>509,294</b>	<b>232,576</b>	<b>16,141,580</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 16,838,756</b>	<b>\$ 489,780</b>	<b>\$ 1,142,241</b>	<b>\$ 509,404</b>	<b>\$ 256,345</b>	<b>\$ 19,236,526</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, 2024**

	<u>General</u>	<u>Agate Beach Closure</u>	<u>Unbonded Assessments</u>	<u>The Villages of Cascade Head</u>
<b>REVENUES:</b>				
Property taxes	\$ 8,564,038	\$ -	\$ -	\$ -
Franchise fees	1,311,086	-	-	-
Transient room tax	2,202,732	-	-	-
Fees, licenses and permits	748,089	-	-	-
Fines and forfeitures	162,358	-	-	-
Charges for services	58,493	-	-	-
Intergovernmental	790,232	-	-	-
Lease revenue	105,992	-	-	-
Interest on investments	706,193	-	44,344	7,517
Miscellaneous	420,816	-	22,893	-
<b>TOTAL REVENUES</b>	<u>15,070,029</u>	<u>-</u>	<u>67,237</u>	<u>7,517</u>
<b>EXPENDITURES:</b>				
Current				
General government	4,774,339	33,217	-	-
Public safety	7,212,037	-	-	-
Culture and recreation	1,293,271	-	-	12,874
Debt service	66,684	-	-	-
Capital outlay	496,245	-	9,280	-
<b>TOTAL EXPENDITURES</b>	<u>13,842,576</u>	<u>33,217</u>	<u>9,280</u>	<u>12,874</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,227,453</u>	<u>(33,217)</u>	<u>57,957</u>	<u>(5,357)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	12,723	-	-	-
New subscriptions	148,330	-	-	-
Transfers in	632,942	-	-	350,000
Transfers out	(1,524,918)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(730,923)</u>	<u>-</u>	<u>-</u>	<u>350,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	496,530	(33,217)	57,957	344,643
<b>FUND BALANCE, beginning of year</b>	<u>13,601,770</u>	<u>513,447</u>	<u>763,223</u>	<u>164,651</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 14,098,300</u>	<u>\$ 480,230</u>	<u>\$ 821,180</u>	<u>\$ 509,294</u>

Property Abatement	Eliminations	Totals
\$ -	\$ -	\$ 8,564,038
-	-	1,311,086
-	-	2,202,732
-	-	748,089
-	-	162,358
-	-	58,493
-	-	790,232
-	-	105,992
2,369	-	760,423
-	-	443,709
<u>2,369</u>	<u>-</u>	<u>15,147,152</u>
-	-	4,807,556
-	-	7,212,037
-	-	1,306,145
-	-	66,684
-	-	505,525
<u>-</u>	<u>-</u>	<u>13,897,947</u>
<u>2,369</u>	<u>-</u>	<u>1,249,205</u>
-	-	12,723
-	-	148,330
200,000	(550,000)	632,942
-	550,000	(974,918)
<u>200,000</u>	<u>-</u>	<u>(180,923)</u>
202,369	-	1,068,282
<u>30,207</u>	<u>-</u>	<u>15,073,298</u>
<u>\$ 232,576</u>	<u>\$ -</u>	<u>\$ 16,141,580</u>

**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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	Variance with Final Budget <u>Positive (Negative)</u>
<b>EXPENDITURES:</b>			
Materials and services	<u>\$ 40,000</u>	<u>\$ 33,217</u>	<u>\$ 6,783</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(40,000)</u>	<u>(33,217)</u>	<u>6,783</u>
<b>FUND BALANCE, beginning of year</b>	<u>513,476</u>	<u>513,447</u>	<u>(29)</u>
<b>FUND BALANCE, end of year</b>	<u><u>\$ 473,476</u></u>	<u><u>\$ 480,230</u></u>	<u><u>\$ 6,754</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, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest	\$ 21,500	\$ 44,344	\$ 22,844
LID repayments	25,000	22,893	(2,107)
Miscellaneous	<u>1,500</u>	<u>-</u>	<u>(1,500)</u>
<b>TOTAL REVENUES</b>	<u>48,000</u>	<u>67,237</u>	<u>19,237</u>
<b>EXPENDITURES:</b>			
Capital outlay	<u>802,741</u>	<u>9,280</u>	<u>793,461</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>(754,741)</u>	<u>57,957</u>	<u>812,698</u>
<b>NET CHANGE IN FUND BALANCE</b>	(754,741)	57,957	812,698
<b>FUND BALANCE, beginning of year</b>	<u>754,741</u>	<u>763,223</u>	<u>8,482</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 821,180</u>	<u>\$ 821,180</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**THE VILLAGES OF CASCADE HEAD FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Original/Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES:</b>			
Interest	<u>\$ -</u>	<u>\$ 7,517</u>	<u>\$ 7,517</u>
<b>EXPENDITURES:</b>			
Materials and services	<u>272,800</u>	<u>12,874</u>	<u>259,926</u>
Contingency	<u>724,745</u>	<u>-</u>	<u>724,745</u>
<b>TOTAL EXPENDITURES</b>	<u>997,545</u>	<u>12,874</u>	<u>984,671</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(997,545)</u>	<u>(5,357)</u>	<u>992,188</u>
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	<u>850,000</u>	<u>350,000</u>	<u>500,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(147,545)</u>	<u>344,643</u>	<u>492,188</u>
<b>FUND BALANCE, beginning of year</b>	<u>147,545</u>	<u>164,651</u>	<u>17,106</u>
<b>FUND BALANCE, end of year</b>	<u>\$ -</u>	<u>\$ 509,294</u>	<u>\$ 509,294</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PROPERTY ABATEMENT FUND**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>REVENUES:</b>				
Interest on investments	\$ 1,000	\$ 1,000	\$ 2,369	\$ 1,369
Miscellaneous	766	766	-	(766)
<b>TOTAL REVENUES</b>	<u>1,766</u>	<u>1,766</u>	<u>2,369</u>	<u>603</u>
<b>EXPENDITURES:</b>				
Materials and services	<u>131,977</u>	<u>231,977</u>	<u>-</u>	<u>231,977</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(130,211)</u>	<u>(230,211)</u>	<u>2,369</u>	<u>232,580</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	<u>100,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>(30,211)</u>	<u>(30,211)</u>	<u>202,369</u>	<u>232,580</u>
<b>FUND BALANCE</b> , beginning of year	<u>30,211</u>	<u>30,211</u>	<u>30,207</u>	<u>(4)</u>
<b>FUND BALANCE</b> , end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,576</u>	<u>\$ 232,576</u>

## **FIDUCIARY 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

**CUSTODIAL FUNDS**

**COMBINING STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2024**

	<u>Recreation Scholarship</u>	<u>Miscellaneous Trust</u>	<u>Total</u>
<b>ASSETS:</b>			
Cash and investments	<u>\$ 35,251</u>	<u>\$ 41,819</u>	<u>\$ 77,070</u>
<b>LIABILITIES:</b>			
Accounts payable	<u>-</u>	<u>13,771</u>	<u>13,771</u>
<b>NET POSITION:</b>			
Restricted for:			
Individuals and Organizations	<u>\$ 35,251</u>	<u>\$ 28,048</u>	<u>\$ 63,299</u>

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

**CUSTODIAL FUNDS**

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Recreation Scholarship</u>	<u>Miscellaneous Trust</u>	<u>Total</u>
<b>ADDITIONS:</b>			
Grants and donations	\$ 15,203	\$ 315	\$ 15,518
Deposits held for other	-	8,334	8,334
Interest on investments	<u>1,687</u>	<u>-</u>	<u>1,687</u>
<b>TOTAL ADDITIONS</b>	<u>16,890</u>	<u>8,649</u>	<u>25,539</u>
<b>DEDUCTIONS:</b>			
Benefits paid	<u>750</u>	<u>-</u>	<u>750</u>
<b>CHANGE IN NET POSITION</b>	16,140	8,649	24,789
<b>NET POSITION, June 20, 2023</b>	<u>19,111</u>	<u>19,399</u>	<u>38,510</u>
<b>NET POSITION, June 20, 2024</b>	<u><u>\$ 35,251</u></u>	<u><u>\$ 28,048</u></u>	<u><u>\$ 63,299</u></u>

**ADDITIONAL SCHEDULES**

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

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

**FOR THE YEAR ENDED JUNE 30, 2024**

	Tax Year	Uncollected June 30, 2023	Levy as Extended by Assessor	Adjustments Discounts and Interest	Collections	Uncollected June 30, 2024
Current	2023-2024	\$ -	\$ 11,093,448	\$ (294,177)	\$ (10,517,873)	\$ 281,398
Prior	2022-2023	226,438	-	2,254	(124,476)	104,216
	2021-2022	71,871	-	30,988	(47,935)	54,924
	2020-2021	52,503	-	12,348	(47,653)	17,198
	2019-2020	10,736	-	5,630	(13,304)	3,062
	and prior	<u>8,438</u>	<u>-</u>	<u>1,313</u>	<u>(2,530)</u>	<u>7,221</u>
Total prior		<u>369,986</u>	<u>-</u>	<u>52,533</u>	<u>(235,898)</u>	<u>186,621</u>
Totals		<u>\$ 369,986</u>	<u>\$ 11,093,448</u>	<u>\$ (241,644)</u>	<u>\$ (10,753,771)</u>	<u>\$ 468,019</u>

Heavy Equipment Tax	(825)
Change in AR	<u>(98,033)</u>
Full Accrual Property Tax Revenue	<u>\$ (10,852,629)</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 2023-24 were performed by Talbot, Korvola & Warwick, LLP, Portland, Oregon. The auditors did not review the additional schedules and offer no opinion regarding the additional schedules.

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**PROPERTY TAX INFORMATION**

**FOR THE YEAR ENDED JUNE 30, 2024**

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

<u>Fiscal Year</u>		<u>Real Market Value (RMV)</u>	<u>Percent Change</u>	<u>Taxable Assessed Value (TAV)</u>	<u>Percent Increase</u>	<u>TAV as a Percent of RMV</u>
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%
2021-22		2,889,424,742	16.32%	2,010,997,070	3.90%	69.60%
2022-23		3,656,395,275	26.54%	2,104,578,530	4.65%	57.56%
2023-24		4,267,103,657	16.70%	2,190,782,020	4.10%	51.34%

(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.

Source: City of Lincoln City

**Table 2 -- Tax Collection Record**

<u>Fiscal Year</u>		<u>Taxable Assessed Value (2)</u>	<u>Percent Change</u>	<u>Total Levy</u>	<u>Tax Rate Per \$1,000</u>	<u>Percent Collected Year of Levy</u>
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%
2021-22		1,998,247,990	6.43%	8,192,191	4.0996%	95.45%
2022-23		2,079,028,471	4.04%	8,524,557	4.0996%	95.24%
2023-24		2,153,748,473	3.59%	8,829,517	4.0996%	94.81%

(2) Excludes Urban Renewal and other Offsets.

Source: City of Lincoln City

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**CONSOLIDATED TAX RATES**

**FOR THE YEAR ENDED JUNE 30, 2024**

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

**Table 3 - 2023-24 Representative Consolidated Tax Rates for Tax Code Area 402**

<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	\$ 4.8263	\$ 0.6556	\$ 5.4819
Linn-Benton-Lincoln ESD	0.2998	-	0.2998
Oregon Coast Community College	0.1728	0.2108	0.3836
<b>Total Education</b>	<u>5.2989</u>	<u>0.8664</u>	<u>6.1653</u>
<b>Local Government</b>			
Lincoln County	2.7726	-	2.7726
Lincoln County Animal SVC	0.1082	-	0.1082
Lincoln County Extension	0.0444	-	0.0444
Lincoln County Transportation	0.0958	-	0.0958
City of Lincoln City	4.0303	0.8012	4.8315
Lincoln City Urban Renewal Agency	0.2321	-	0.2321
North Lincoln Fire & Rescue	1.8870	0.3013	2.1883
Devil Lake Water Improvement District	0.1278	-	0.1278
North Lincoln Hospital District	0.5097	-	0.5097
<b>Total Local Government</b>	<u>9.8079</u>	<u>1.1025</u>	<u>10.9104</u>
<b>Total Consolidated Tax Rate</b>	<u>\$ 15.1068</u>	<u>\$ 1.9689</u>	<u>\$ 17.0757</u>

(1) The 2023-24 Assessed Value to compute the tax rate of code area 402 is \$1,410,907,470 which is 64.40% 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. The City did not have any compression for FY2023-24.

Source: City of Lincoln City

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**OUTSTANDING OBLIGATIONS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<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 6/30/24</u>
<b>General Obligation Bonds</b>				
Series 2011 Sewer (3)	3/17/2011	3/1/2026	\$ 7,000,000	\$ 1,051,875
Series 2013 Sewer Refunding (2)	2/26/2013	6/1/2030	9,885,000	5,655,000
<b>Total General Obligation Bonds</b>			<u>16,885,000</u>	<u>6,706,875</u>
<b>Full Faith and Credit Borrowings</b>				
Series 2018 Police Building (4)	11/7/2018	4/1/2048	10,950,000	9,465,000
Series 2018 Police Building Bond Premium (4)	11/7/2018	4/1/2048	302,721	69,990
<b>Total Full Faith and Credit-Backed</b>			<u>15,252,721</u>	<u>9,534,990</u>
<b>Contracts Payable</b>				
2019 Water Hydro Excavator (5)	7/26/2019	7/26/2024	286,152	57,876
Police Copier			7,685	1,333
<b>Total Contracts Payable</b>			<u>649,797</u>	<u>59,209</u>
<b>Right to Use Leases Payable (6)</b>				
Public Works Copier			7,124	2,287
Explore Lincoln City postage machine			6,952	3,767
City Hall postage machine			16,063	14,155
<b>Total Right to Use Leases Payable</b>			<u>30,139</u>	<u>20,209</u>
<b>Total Borrowings</b>			<u>\$ 32,167,860</u>	<u>\$ 16,321,283</u>

(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 transient room tax revenues.

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

(6) Leases payable were added as long-term debt per GASB 87.

Source: City of Lincoln City

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**SDC FUNDS IN ACCORDANCE WITH ORS 223.311**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Transportation Development Fund</u>	<u>Storm Drainage Development Fund</u>	<u>Parks SDC Improvement Fund</u>
<b>REVENUES:</b>			
System development charge - improvement	\$ 30,965	\$ 3,285	\$ 92,092
Motorcycle vehicle gas tax	-	-	8,047
Interest	<u>22,706</u>	<u>3,895</u>	<u>35,998</u>
<b>TOTAL REVENUES</b>	<u>53,671</u>	<u>7,180</u>	<u>136,137</u>
<b>EXPENDITURES:</b>			
Sidewalk Improvements	4,456	-	-
Taft Park	<u>-</u>	<u>-</u>	<u>50,782</u>
<b>TOTAL EXPENDITURES</b>	<u>4,456</u>	<u>-</u>	<u>50,782</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES AND CHANGE IN FUND BALANCE</b>	<u>49,215</u>	<u>7,180</u>	<u>85,355</u>
<b>BEGINNING FUND BALANCE</b>	<u>444,198</u>	<u>77,623</u>	<u>723,525</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 493,413</u>	<u>\$ 84,803</u>	<u>\$ 808,880</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**SDC FUNDS IN ACCORDANCE WITH ORS 223.311**

**WATER CAPITAL AND SDC FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Water System Capital Fund</u>	<u>Water SDC Reimbursement Fund</u>	<u>Water SDC Improvement Fund</u>	<u>Total</u>
<b>REVENUES:</b>				
System development charge	\$ -	\$ 101,394	\$ 38,654	\$ 140,048
Interest	61,227	39,996	18,207	119,430
<b>TOTAL REVENUE</b>	<u>61,227</u>	<u>141,390</u>	<u>56,861</u>	<u>259,478</u>
<b>EXPENDITURES:</b>				
Water system construction	<u>1,056,383</u>	<u>-</u>	<u>-</u>	<u>1,056,383</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(995,156)</u>	<u>141,390</u>	<u>56,861</u>	<u>(796,905)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	<u>1,100,000</u>	<u>-</u>	<u>-</u>	<u>1,100,000</u>
<b>NET CHANGE IN FUND BALANCE</b>	104,844	141,390	56,861	303,095
<b>BEGINNING FUND BALANCE</b>	<u>1,858,940</u>	<u>765,306</u>	<u>351,598</u>	<u>2,975,844</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 1,963,784</u>	<u>\$ 906,696</u>	<u>\$ 408,459</u>	<u>\$ 3,278,939</u>

**CITY OF LINCOLN CITY**

Lincoln City, Oregon

**SDC FUNDS IN ACCORDANCE WITH ORS 223.311**

**SEWER CAPITAL AND SDC FUNDS**

**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Sewer System Capital Fund</u>	<u>Sewer SDC Reimbursement Fund</u>	<u>Sewer SDC Improvement Fund</u>	<u>Total</u>
<b>REVENUES:</b>				
System Development Charge	\$ -	\$ 161,000	\$ 84,361	\$ 245,361
Interest	214,995	25,640	14,576	255,211
<b>TOTAL REVENUE</b>	<u>214,995</u>	<u>186,640</u>	<u>98,937</u>	<u>500,572</u>
<b>EXPENDITURES:</b>				
Sewer System Construction	1,035,946	-	-	1,035,946
Pump Station Upgrades	383,881	610,968	-	994,849
Other Capital	525,670	-	-	525,670
<b>TOTAL EXPENDITURES</b>	<u>1,945,497</u>	<u>610,968</u>	<u>-</u>	<u>2,556,465</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,730,502)</u>	<u>(424,328)</u>	<u>98,937</u>	<u>(2,055,893)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	1,700,000	-	-	1,700,000
Transfers Out	-	-	(52,568)	(52,568)
<b>TOTAL OTHER FINANCING SOURCES (USES):</b>	<u>1,700,000</u>	<u>-</u>	<u>(52,568)</u>	<u>1,647,432</u>
<b>NET CHANGE IN FUND BALANCE</b>	(30,502)	(424,328)	46,369	(408,461)
<b>BEGINNING FUND BALANCE</b>	<u>4,970,711</u>	<u>622,710</u>	<u>289,820</u>	<u>5,883,241</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 4,940,209</u>	<u>\$ 198,382</u>	<u>\$ 336,189</u>	<u>\$ 5,474,780</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**



Your peace of mind is our passion.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON 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, 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, 2024, and the related notes to the financial statements which collectively comprise the City's basic financial statements, and have issued our report thereon dated January 29, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the 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*.

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

**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 of this section 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 identified certain deficiencies in internal control, described in the City's Federal Grant Programs reporting of the *Schedule of Findings and Questioned Costs* as items 2024-002 and 2024-003 that we consider to be material weaknesses.

**Other Disclosures**

The City reported the following deficit net position balance:

- The Internal Service Fund has a deficit net position of \$91,602.

**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.

*Talbot, Kowala & Warwick LLP*

Portland, Oregon  
January 29, 2025