

BASIC FINANCIAL STATEMENTS

DOUGLAS COUNTY, OREGON
STATEMENT OF NET ASSETS
June 30, 2006

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and investments	\$164,142,279	\$1,278,638	\$165,420,917	
Receivables	8,448,705	41,691	8,490,396	\$1,730,000
Internal balances	115,424	(115,424)		
Inventories	2,221,333	28,208	2,249,541	
Deposits and prepaid items	986,201	943	987,144	
Interfund loan balances	2,361,529	(2,361,529)		
Capital assets (net of accumulated depreciation):				
Land	12,248,938	921,221	13,170,159	
Buildings and improvements	28,601,818	4,762,116	33,363,934	
Furniture and equipment	2,103,464		2,103,464	
Vehicles and heavy equipment	8,142,578	43,251	8,185,829	
Dams	22,012,630		22,012,630	
Infrastructure	110,537,961		110,537,961	
Construction in progress	18,267,114		18,267,114	
Total assets	<u>380,189,974</u>	<u>4,599,115</u>	<u>384,789,089</u>	<u>1,730,000</u>
LIABILITIES				
Accounts payable and other current liabilities	6,903,457	45,689	6,949,146	
Unearned revenues	297,715		297,715	
Noncurrent liabilities:				
Due within one year	1,951,448		1,951,448	30,000
Due in more than one year	21,303,450		21,303,450	1,700,000
Total liabilities	<u>30,456,070</u>	<u>45,689</u>	<u>30,501,759</u>	<u>1,730,000</u>
NET ASSETS				
Investment in capital assets	201,914,503	5,726,588	207,641,091	
Restricted for:				
Highways and streets	92,366,857		92,366,857	
Health and social services	2,631,061		2,631,061	
Other purposes	1,449,663		1,449,663	
Unrestricted (deficit)	51,371,820	(1,173,162)	50,198,658	
Total net assets	<u>\$349,733,904</u>	<u>\$4,553,426</u>	<u>\$354,287,330</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and		Total	Component Unit
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities		
Primary government :							
Governmental activities:							
General government	\$26,668,475	\$4,835,021	\$9,421,052	(\$12,412,402)		(\$12,412,402)	
Public safety	21,355,931	3,649,083	4,979,711	(\$12,727,137)		(12,727,137)	
Highways and streets	25,739,885	354,076	20,811,800	(\$4,574,009)		(4,574,009)	
Sanitation	9,495,022	358,599	31,805	(\$9,104,618)		(9,104,618)	
Health and welfare	22,202,806	1,041,295	18,515,118	(\$2,646,393)		(2,646,393)	
Culture and recreation	6,880,841	2,495,116	426,256	(\$3,959,469)		(3,959,469)	
Conservation	1,197,024	760,356	85,053	(\$351,615)		(351,615)	
Education	5,052,799	977	4,919,733	(\$132,089)		(132,089)	
Interest on long-term debt	91,037			(\$91,037)		(91,037)	
Total governmental activities	<u>118,683,820</u>	<u>13,494,523</u>	<u>59,190,528</u>	<u>(45,998,769)</u>	<u>-</u>	<u>(45,998,769)</u>	
Business-type Activities:							
Sewer	543,981	371,111			(172,870)	(172,870)	
Boat marina/RV park	1,793,854	1,411,292	376,331		(6,231)	(6,231)	
Total business-type activities	<u>2,337,835</u>	<u>1,782,403</u>	<u>376,331</u>	<u>-</u>	<u>(179,101)</u>	<u>(179,101)</u>	
Total primary government	<u>\$121,021,655</u>	<u>\$15,276,926</u>	<u>\$59,566,859</u>	<u>(45,998,769)</u>	<u>(179,101)</u>	<u>(46,177,870)</u>	
Component unit:							
Hospital Facility Authority	<u>\$130,988</u>	<u>\$ -</u>	<u>\$ -</u>				(\$130,988)
General revenues:							
Property taxes				6,541,686		6,541,686	
Grants and contributions not restricted to specific purposes				25,443,814		25,443,814	
Unrestricted investment earnings				5,610,501	35,731	5,646,232	130,988
Transfers				21,000	(21,000)		
Total general revenues and transfers				<u>37,617,001</u>	<u>14,731</u>	<u>37,631,732</u>	<u>130,988</u>
Change in net assets				<u>(8,381,768)</u>	<u>(164,370)</u>	<u>(8,546,138)</u>	<u>-</u>
Net assets - beginning				<u>358,115,672</u>	<u>4,717,796</u>	<u>362,833,468</u>	<u>-</u>
Net assets-ending				<u>\$349,733,904</u>	<u>\$4,553,426</u>	<u>\$354,287,330</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2006

	General Fund	Public Works Fund	Public Safety Fund	Health and Social Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$45,275,689	\$91,396,277	\$1,394,311	\$3,312,765	\$16,718,249	\$158,097,291
Receivables	2,093,038	1,018,920	1,395,579	1,516,180	2,369,339	8,393,056
Due from other funds	2,906,643	121,270	30,549	22,217	176,097	3,256,776
Inventories	8,856	1,859,257				1,868,113
Deposits and prepaid items	775,242	19,997	21,033	150,300	10,941	977,513
Interfund loan receivable					2,361,529	2,361,529
Total assets	\$51,059,468	\$94,415,721	\$2,841,472	\$5,001,462	\$21,636,155	\$174,954,278
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$3,741,160	\$137,700	\$3,537	\$430,954	\$276,840	\$4,590,191
Accrued payroll, withholdings and benefits	705,060	281,272	479,598	338,729	65,940	1,870,599
Due to other funds	402,543	1,215,551	224,834	1,169,060	364,146	3,376,134
Due to other government units	78,610	9,802				88,412
Deferred revenues	194,923	91,460	580,215	35,575	478,529	1,380,702
Total liabilities	5,122,296	1,735,785	1,288,184	1,974,318	1,185,455	11,306,038
Fund balances:						
Reserved for:						
Interfund loans receivable					2,361,529	2,361,529
Inventories		1,859,255				1,859,255
Notes receivable					1,723,849	1,723,849
O & C deposit	759,461					759,461
Deposits and prepaid items	15,781	19,997	21,033	150,300	10,941	218,052
Unreserved, reported in:						
General Fund	45,161,930					45,161,930
Special Revenue Funds		90,800,684	1,532,255	2,876,844	11,369,307	106,579,090
Capital Projects Fund					4,985,074	4,985,074
Total fund balances	45,937,172	92,679,936	1,553,288	3,027,144	20,450,700	163,648,240
Total liabilities and fund balances	\$51,059,468	\$94,415,721	\$2,841,472	\$5,001,462	\$21,636,155	\$174,954,278

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
June 30, 2006

Fund Balances - Governmental Funds	\$163,648,240
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds

Governmental capital assets net of accumulated depreciation	200,927,626
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds

Notes payable	(\$1,655,595)	
Accrued compensated absences	(2,352,520)	
Landfill closure and postclosure care cost	<u>(16,788,000)</u>	(20,796,115)

Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds	1,082,987
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Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds that are reported with governmental activities	4,871,166
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	<hr style="border: 0.5px solid black;"/> <u>\$349,733,904</u>
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The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2006

	General Fund	Public Works Fund	Public Safety Fund	Health and Social Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Charges for services	\$3,749,888	\$99,629	\$1,738,673	\$678,872	\$2,022,713	\$8,289,775
Permits, licenses and fines	824,627	90,991	309,025	187,607	248,624	1,660,874
Intergovernmental	28,306,856	20,811,800	3,693,732	18,125,019	13,696,935	84,634,342
Property taxes			6,528,842			6,528,842
Assessments	2,312	46,784				49,096
Interest	1,783,112	2,930,639	56,025	117,545	560,084	5,447,405
Other	329,601	129,893	167,320	171,345	1,849,725	2,647,884
Total revenues	34,996,396	24,109,736	12,493,617	19,280,388	18,378,081	109,258,218
Expenditures:						
Current:						
General Government	15,368,433				8,588,380	23,956,813
Public Safety	3,767,811		17,071,370			20,839,181
Highways and Streets		15,678,959				15,678,959
Sanitation	2,731,040					2,731,040
Health and Welfare	288,869			21,386,414	294,493	21,969,776
Culture and Recreation	4,456,142				2,011,889	6,468,031
Conservation					791,608	791,608
Education					5,052,799	5,052,799
Capital outlay	1,002,445	9,443,582	166,367	65,679	3,951,402	14,629,475
Debt service:						
Principal					86,615	86,615
Interest					91,037	91,037
Total expenditures	27,614,740	25,122,541	17,237,737	21,452,093	20,868,223	112,295,334
Excess (deficiency) of revenues over (under) expenditures	7,381,656	(1,012,805)	(4,744,120)	(2,171,705)	(2,490,142)	(3,037,116)
Other financing sources (uses):						
Transfers in	2,836,944		4,897,932	1,640,636	3,465,792	12,841,304
Transfers out	(8,289,780)	(2,744,734)		(657,491)	(1,182,299)	(12,874,304)
Total other financing sources (uses)	(5,452,836)	(2,744,734)	4,897,932	983,145	2,283,493	(33,000)
Net change in fund balances	1,928,820	(3,757,539)	153,812	(1,188,560)	(206,649)	(3,070,116)
Fund balances, beginning	44,008,352	96,384,206	1,399,476	4,215,704	20,657,349	166,665,087
Change in reserve for inventories		53,269				53,269
Fund balances, ending	\$45,937,172	\$92,679,936	\$1,553,288	\$3,027,144	\$20,450,700	\$163,648,240

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 For the Year Ended June 30, 2006

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

Net change in fund balances - Governmental Funds		(\$3,070,116)
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation during the year:</p>		
Acquisition of capital assets	\$10,106,423	
Less current year depreciation	<u>(9,726,779)</u>	379,644
<p>In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.</p>		
		(61,956)
<p>Governmental funds reported the increase in the Public Works inventory as a change in fund balance; however, in the statement of activities the change is included in expenses.</p>		
		53,269
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		(12,377)
<p>The increase in the estimated landfill closure and postclosure care costs does not require the use of current financial resources and is not reported in the governmental funds.</p>		
		(6,256,000)
<p>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.</p>		
		(121,729)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income of the internal service funds, along with any change in contributed capital, is reported with governmental activities.</p>		
		<u>707,497</u>
Change in net assets - governmental activities		<u><u>(\$8,381,768)</u></u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2006

	Business-type Activities - Enterprise Funds					Governmental
	Salmon Harbor		Glide-Idleyld Sewer		Total	Activities
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$798,850	\$741,539	\$479,788	\$463,659	\$1,278,638	\$6,044,988
Receivables	41,691	40,608			41,691	55,649
Due from other funds	703	470	440	9,302	1,143	434,656
Inventories	28,208	12,273			28,208	353,220
Deposits and prepaids	943	1,250		1,308	943	8,688
Total current assets	870,395	796,140	480,228	474,269	1,350,623	6,897,201
Capital assets:						
Land	921,221	921,221			921,221	
Buildings and improvements	7,584,943	7,524,781	5,269,220	5,269,220	12,854,163	
Furniture and equipment						108,442
Vehicles and heavy equipment	122,474	93,244	13,388	13,388	135,862	4,098,513
Less accumulated depreciation	(3,711,747)	(3,512,252)	(4,472,911)	(4,297,271)	(8,184,658)	(3,220,078)
Total capital assets (net of accumulated depreciation)	4,916,891	5,026,994	809,697	985,337	5,726,588	986,877
Total assets	5,787,286	5,823,134	1,289,925	1,459,606	7,077,211	7,884,078
LIABILITIES						
Current liabilities:						
Accounts payable						6,068
Accrued payroll, withholdings and benefits	22,824	20,896			22,824	348,187
Accrued compensated absences	22,865	26,565			22,865	56,783
Accrued claims liability						2,402,000
Due to other funds	81,979	135,471	35,174	24,952	117,153	199,288
Interfund loan payable	2,361,529	2,361,529			2,361,529	
Total current liabilities	2,489,197	2,544,461	35,174	24,952	2,524,371	3,012,326
NET ASSETS						
Invested in capital assets	4,916,891	5,026,994	809,697	985,337	5,726,588	986,877
Unrestricted (deficit)	(1,618,802)	(1,748,321)	445,054	449,317	(1,173,748)	3,884,875
Total net assets	\$3,298,089	\$3,278,673	\$1,254,751	\$1,434,654	4,552,840	\$4,871,752
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					586	
Net assets of business-type activities					\$4,553,426	

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
for the year ended June 30, 2006

	Business-type Activities - Enterprise Funds					Governmental
	Salmon Harbor		Glide-Idleld Sewer		Total	Activities
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Internal Service Funds
Operating revenues:						
Charges for services	\$1,110,988	\$1,109,109	\$371,111	\$348,318	\$1,482,099	\$14,221,349
Other	300,304	271,055			300,304	872,115
Total operating revenues	<u>1,411,292</u>	<u>1,380,164</u>	<u>371,111</u>	<u>348,318</u>	<u>1,782,403</u>	<u>15,093,464</u>
Operating expenses:						
Salaries and wages	404,846	392,380			404,846	688,336
Payroll taxes and benefits	207,795	179,693			207,795	384,750
Operating supplies and expenses	604,987	554,650	368,341	329,791	973,328	10,783,684
Utilities	238,941	238,036			238,941	55,071
Administrative expenses	133,907	127,392			133,907	2,338,940
Depreciation	199,495	197,156	175,640	175,640	375,135	363,946
Total operating expenses	<u>1,789,971</u>	<u>1,689,307</u>	<u>543,981</u>	<u>505,431</u>	<u>2,333,952</u>	<u>14,614,727</u>
Operating income (loss)	<u>(378,679)</u>	<u>(309,143)</u>	<u>(172,870)</u>	<u>(157,113)</u>	<u>(551,549)</u>	<u>478,737</u>
Nonoperating revenues and expenses:						
Intergovernmental	376,331	423,963			376,331	
Interest income	21,764	24,778	13,967	11,977	35,731	163,096
Gain (loss) on sale of capital assets						7,781
Total nonoperating revenues	<u>398,095</u>	<u>448,741</u>	<u>13,967</u>	<u>11,977</u>	<u>412,062</u>	<u>170,877</u>
Income (loss) before transfers	19,416	139,598	(158,903)	(145,136)	(139,487)	649,614
Transfers in						54,000
Transfers out			(21,000)	(18,000)	(21,000)	
Change in net assets	19,416	139,598	(179,903)	(163,136)	(160,487)	703,614
Total net assets-beginning	<u>3,278,673</u>	<u>3,139,075</u>	<u>1,434,654</u>	<u>1,597,790</u>		<u>4,168,138</u>
Total net assets-ending	<u>\$3,298,089</u>	<u>\$3,278,673</u>	<u>\$1,254,751</u>	<u>\$1,434,654</u>		<u>\$4,871,752</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(3,883)</u>	
Change in net assets of business-type activities						<u>(\$164,370)</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
for the year ended June 30, 2006

	Business-type Activities - Enterprise Funds					Governmental
	Salmon Harbor		Glide-Idlelyd Sewer		Total	Activities
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Internal Service Funds
Cash flow from operating activities:						
Receipts from customers	\$1,410,209	\$1,366,008	\$371,111	\$348,544	\$1,781,320	
Receipts from interfund services provided						\$15,090,483
Payments to suppliers and contractors	(1,047,188)	(898,158)	(347,949)	(337,234)	(1,395,137)	(12,515,061)
Payments to employees	(614,413)	(562,937)			(614,413)	(760,094)
Other operating receipts						149,820
Net cash provided by (used in) operating activities	<u>(251,392)</u>	<u>(95,087)</u>	<u>23,162</u>	<u>11,310</u>	<u>(228,230)</u>	<u>1,965,148</u>
Cash flows from noncapital financing activities:						
Transfers from other funds						54,000
Transfers to other funds			(21,000)	(18,000)	(21,000)	
Operating grants from other governmental entities	376,331	423,963			376,331	
Net cash provided by (used in) noncapital and related financing activities	<u>376,331</u>	<u>423,963</u>	<u>(21,000)</u>	<u>(18,000)</u>	<u>355,331</u>	<u>54,000</u>
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets						14,280
Acquisition of capital assets	(89,392)	(540,415)			(89,392)	(550,375)
Net cash provided by (used in) capital and related financing activities	<u>(89,392)</u>	<u>(540,415)</u>	<u>-</u>	<u>-</u>	<u>(89,392)</u>	<u>(536,095)</u>
Cash flows from investing activities:						
Interest received	21,764	24,778	13,967	11,977	35,731	163,096
Net increase (decrease) in cash and cash equivalents	57,311	(186,761)	16,129	5,287	73,440	1,646,149
Cash and cash equivalents, beginning	741,539	928,300	463,659	458,372	1,205,198	4,398,839
Cash and cash equivalents, ending	<u>\$798,850</u>	<u>\$741,539</u>	<u>\$479,788</u>	<u>\$463,659</u>	<u>\$1,278,638</u>	<u>\$6,044,988</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	(\$378,679)	(\$309,143)	(\$172,870)	(\$157,113)	(\$551,549)	\$478,737
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	199,495	197,156	175,640	175,640	375,135	363,946
(Increase) decrease in:						
Accounts receivable	(1,083)	(14,156)		226	(1,083)	(18,822)
Prepaid expenses and deposits	307	347	1,308	60	1,615	690,026
Inventories	(15,935)	6,132			(15,935)	(101,166)
Interfund receivables	(233)	2,106	8,862	(9,302)	8,629	165,661
Increase (decrease) in:						
Accounts payable		(2,885)				(1,867)
Accrued payroll, withholdings and benefits	1,928	3,468			1,928	315,730
Accrued compensated absences	(3,700)	5,668			(3,700)	(2,738)
Interfund payables	(53,492)	16,220	10,222	1,799	(43,270)	75,641
Total adjustments	<u>127,287</u>	<u>214,056</u>	<u>196,032</u>	<u>168,423</u>	<u>323,319</u>	<u>1,486,411</u>
Net cash provided by (used in) operating activities	<u>(\$251,392)</u>	<u>(\$95,087)</u>	<u>\$23,162</u>	<u>\$11,310</u>	<u>(\$228,230)</u>	<u>\$1,965,148</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
June 30, 2006

ASSETS

Cash and investments:	
Equity in pooled cash and investments	\$1,532,215
Property taxes receivable	5,384,755
Accrued interest receivable	<u>101,636</u>
 Total assets	 <u><u>\$7,018,606</u></u>

LIABILITIES

Due to other governmental units	<u>\$7,018,606</u>
 Total liabilities	 <u><u>\$7,018,606</u></u>

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