

BASIC FINANCIAL STATEMENTS

DOUGLAS COUNTY, OREGON
STATEMENT OF NET ASSETS
June 30, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and investments	\$166,617,750	\$1,205,198	\$167,822,948	
Receivables	7,122,442	40,608	7,163,050	\$1,760,000
Internal balances	146,182	(146,182)		
Inventories	2,070,939	12,273	2,083,212	
Deposits and prepaid items	1,592,986	2,558	1,595,544	
Interfund loan balances	2,361,529	(2,361,529)		
Capital assets (net of accumulated depreciation):				
Land	12,097,215	921,221	13,018,436	
Buildings and improvements	25,056,933	5,069,054	30,125,987	
Furniture and equipment	1,108,477		1,108,477	
Vehicles and heavy equipment	8,196,760	22,056	8,218,816	
Dams	22,388,915		22,388,915	
Infrastructure	115,332,534		115,332,534	
Construction in progress	17,236,051		17,236,051	
Total assets	<u>381,328,713</u>	<u>4,765,257</u>	<u>386,093,970</u>	<u>1,760,000</u>
LIABILITIES				
Accounts payable and other current liabilities	6,085,776	47,461	6,133,237	
Accrued claims liability	2,402,000		2,402,000	
Unearned revenues	247,358		247,358	
Noncurrent liabilities:				
Due within one year	827,932		827,932	30,000
Due in more than one year	13,649,975		13,649,975	1,730,000
Total liabilities	<u>23,213,041</u>	<u>47,461</u>	<u>23,260,502</u>	<u>1,760,000</u>
NET ASSETS				
Investment in capital assets	201,416,885	6,012,331	207,429,216	
Restricted for:				
Highways and streets	96,119,952		96,119,952	
Health and social services	3,822,295		3,822,295	
Other purposes	1,385,040		1,385,040	
Unrestricted (deficit)	55,371,500	(1,294,535)	54,076,965	
Total net assets	<u>\$358,115,672</u>	<u>\$4,717,796</u>	<u>\$362,833,468</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, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and		Total	Component Unit
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Changes in Net Assets			
					Governmental Activities	Business-type Activities		
Primary government :								
Governmental activities:								
General government	\$26,999,463	\$3,919,614	\$9,084,960		(\$13,994,889)		(\$13,994,889)	
Public safety	19,895,326	2,957,182	6,577,535		(10,360,609)		(10,360,609)	
Highways and streets	23,575,513	369,910	40,593,434	635,443	18,023,274		18,023,274	
Sanitation	5,662,893	266,995	600		(5,395,298)		(5,395,298)	
Health and welfare	20,367,441	1,147,052	17,446,758		(1,773,631)		(1,773,631)	
Culture and recreation	6,270,108	2,255,379	670,732		(3,343,997)		(3,343,997)	
Conservation	1,104,040	566,634	56,850		(480,556)		(480,556)	
Education	4,913,530	405	4,756,491		(156,634)		(156,634)	
Interest on long-term debt	95,191				(95,191)		(95,191)	
Total governmental activities	<u>108,883,505</u>	<u>11,483,171</u>	<u>79,187,360</u>	<u>635,443</u>	<u>(17,577,531)</u>	<u>-</u>	<u>(17,577,531)</u>	
Business-type Activities:								
Sewer	505,431	348,318				(157,113)	(157,113)	
Boat marina/RV park	1,692,677	1,380,164	423,963			111,450	111,450	
Total business-type activities	<u>2,198,108</u>	<u>1,728,482</u>	<u>423,963</u>	<u>-</u>	<u>-</u>	<u>(45,663)</u>	<u>(45,663)</u>	
Total primary government	<u>\$111,081,613</u>	<u>\$13,211,653</u>	<u>\$79,611,323</u>	<u>\$635,443</u>	<u>(17,577,531)</u>	<u>(45,663)</u>	<u>(17,623,194)</u>	
Component unit:								
Hospital Facility Authority	<u>\$561,531</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(\$561,531)</u>
General revenues:								
Property taxes					6,194,146		6,194,146	
Grants and contributions not restricted to specific purposes					24,963,801		24,963,801	
Unrestricted investment earnings					4,481,310	36,755	4,518,065	561,531
Gain on sale of assets					240,500		240,500	
Transfers					18,000	(18,000)		
Total general revenues and transfers					<u>35,897,757</u>	<u>18,755</u>	<u>35,916,512</u>	<u>561,531</u>
Change in net assets					<u>18,320,226</u>	<u>(26,908)</u>	<u>18,293,318</u>	<u>-</u>
Net assets - beginning					<u>339,795,446</u>	<u>4,744,704</u>	<u>344,540,150</u>	<u>-</u>
Net assets-ending					<u>\$358,115,672</u>	<u>\$4,717,796</u>	<u>\$362,833,468</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2005

	General Fund	Public Works Fund	Public Safety Fund	Health and Social Service Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$43,910,288	\$95,690,475	\$701,015	\$4,953,308	\$16,963,825	\$162,218,911
Receivables	1,765,082	593,839	1,886,080	847,473	1,993,141	7,085,615
Due from other funds	2,180,169	22,085	23,027	71,948	735,174	3,032,403
Inventories	12,897	1,805,988				1,818,885
Deposits and prepaid items	785,753	3,731	5,490	39,711	59,587	894,272
Interfund loan receivable					2,361,529	2,361,529
Total assets	<u>\$48,654,189</u>	<u>\$98,116,118</u>	<u>\$2,615,612</u>	<u>\$5,912,440</u>	<u>\$22,113,256</u>	<u>\$177,411,615</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$2,741,759	\$150,646	\$2,487	\$1,043,346	\$361,232	\$4,299,470
Accrued payroll, withholdings and benefits	578,143	244,647	448,709	314,680	60,433	1,646,612
Due to other funds	1,030,865	1,187,044	266,589	329,182	544,742	3,358,422
Due to other government units	52,095	47,207				99,302
Deferred revenues	242,975	102,368	498,351	9,528	489,500	1,342,722
Total liabilities	<u>4,645,837</u>	<u>1,731,912</u>	<u>1,216,136</u>	<u>1,696,736</u>	<u>1,455,907</u>	<u>10,746,528</u>
Fund balances:						
Reserved for:						
Interfund loans receivable					2,361,529	2,361,529
Inventories		1,805,988				1,805,988
Notes receivable					1,285,530	1,285,530
O & C deposit	759,461					759,461
Deposits and prepaid items	26,292	3,731	5,490	39,711	59,587	134,811
Unreserved, reported in:						
General Fund	43,222,599					43,222,599
Special Revenue Funds		94,574,487	1,393,986	4,175,993	11,848,664	111,993,130
Capital Projects Fund					5,102,039	5,102,039
Total fund balances	<u>44,008,352</u>	<u>96,384,206</u>	<u>1,399,476</u>	<u>4,215,704</u>	<u>20,657,349</u>	<u>166,665,087</u>
Total liabilities and fund balances	<u>\$48,654,189</u>	<u>\$98,116,118</u>	<u>\$2,615,612</u>	<u>\$5,912,440</u>	<u>\$22,113,256</u>	<u>\$177,411,615</u>

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, 2005

Fund Balances - Governmental Funds	\$166,665,087
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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	200,609,938
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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	(1,742,210)	
Accrued compensated absences	(2,144,176)	
Landfill closure and postclosure care cost	<u>(10,532,000)</u>	(14,418,386)

Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds	1,095,364
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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	4,163,669
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Net Assets of Governmental Activities	<u><u>\$358,115,672</u></u>

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, 2005

	General Fund	Public Works Fund	Public Safety Fund	Health and Social Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Charges for services	\$3,041,272	\$142,912	\$1,577,514	\$705,863	\$1,638,055	\$7,105,616
Permits, licenses and fines	736,886	96,373	188,130	185,194	332,338	1,538,921
Intergovernmental	28,191,003	40,593,434	4,051,316	17,141,449	14,173,959	104,151,161
Property taxes			6,204,100			6,204,100
Assessments	2,923	52,666				55,589
Interest	1,303,378	2,432,823	39,960	111,438	480,779	4,368,378
Other	362,841	130,625	166,019	177,512	1,831,630	2,668,627
Total revenues	33,638,303	43,448,833	12,227,039	18,321,456	18,456,761	126,092,392
Expenditures:						
Current:						
General Government	14,097,663				9,246,031	23,343,694
Public Safety	3,223,310		15,722,970			18,946,280
Highways and Streets		14,591,256				14,591,256
Sanitation	2,362,647					2,362,647
Health and Welfare	229,417			19,531,581	331,525	20,092,523
Culture and Recreation	4,204,647				1,778,522	5,983,169
Conservation					708,265	708,265
Education					4,913,530	4,913,530
Capital outlay	766,299	6,020,316	665,163	68,889	6,400,878	13,921,545
Debt service:						
Principal					81,429	81,429
Interest					95,191	95,191
Total expenditures	24,883,983	20,611,572	16,388,133	19,600,470	23,555,371	105,039,529
Excess (deficiency) of revenues over (under) expenditures	8,754,320	22,837,261	(4,161,094)	(1,279,014)	(5,098,610)	21,052,863
Other financing sources (uses):						
Transfers in	2,276,147		3,819,973	1,740,636	6,402,428	14,239,184
Transfers out	(10,409,828)	(2,831,907)		(383,173)	(896,276)	(14,521,184)
Total other financing sources (uses)	(8,133,681)	(2,831,907)	3,819,973	1,357,463	5,506,152	(282,000)
Net change in fund balances	620,639	20,005,354	(341,121)	78,449	407,542	20,770,863
Fund balances, beginning	43,387,713	76,451,120	1,740,597	4,137,255	20,249,807	145,966,492
Change in reserve for inventories		(72,268)				(72,268)
Fund balances, ending	\$44,008,352	\$96,384,206	\$1,399,476	\$4,215,704	\$20,657,349	\$166,665,087

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, 2005

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

Net change in fund balances - Governmental Funds		\$20,770,863
<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	\$11,935,474	
Less current year depreciation	<u>(9,424,216)</u>	2,511,258
<p>Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.</p>		
		635,443
<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>		
		(2,452,653)
<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>		
		(72,268)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
		174,956
<p>The reduction 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>		
		(2,731,700)
<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>		
		(748,234)
<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>232,561</u>
Change in net assets - governmental activities		<u><u>\$18,320,226</u></u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2005

	Business-type Activities - Enterprise Funds					Governmental Activities
	Salmon Harbor		Glide-Idleyld Sewer		Total	Internal
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Service Funds
ASSETS						
Current assets:						
Cash and investments	\$741,539	\$928,300	\$463,659	\$458,372	\$1,205,198	\$4,398,839
Receivables	40,608	26,452		226	40,608	36,827
Due from other funds	470	2,576	9,302		9,772	600,317
Inventories	12,273	18,405			12,273	252,054
Deposits and prepaids	1,250	1,597	1,308	1,368	2,558	698,714
Total current assets	<u>796,140</u>	<u>977,330</u>	<u>474,269</u>	<u>459,966</u>	<u>1,270,409</u>	<u>5,986,751</u>
Capital assets:						
Land	921,221	921,221			921,221	
Buildings and improvements	7,524,781	6,990,756	5,269,220	5,269,220	12,794,001	
Furniture and equipment						108,442
Vehicles and heavy equipment	93,244	86,854	13,388	13,388	106,632	3,760,536
Less accumulated depreciation	<u>(3,512,252)</u>	<u>(3,315,096)</u>	<u>(4,297,271)</u>	<u>(4,121,631)</u>	<u>(7,809,523)</u>	<u>(3,062,031)</u>
Total capital assets (net of accumulated depreciation)	<u>5,026,994</u>	<u>4,683,735</u>	<u>985,337</u>	<u>1,160,977</u>	<u>6,012,331</u>	<u>806,947</u>
Total assets	<u>5,823,134</u>	<u>5,661,065</u>	<u>1,459,606</u>	<u>1,620,943</u>	<u>7,282,740</u>	<u>6,793,698</u>
LIABILITIES						
Current liabilities:						
Accounts payable		2,885				7,935
Accrued payroll, withholdings and benefits	20,896	17,428			20,896	32,457
Accrued compensated absences	26,565	20,897			26,565	59,521
Accrued claims liability						2,402,000
Due to other funds	135,471	119,251	24,952	23,153	160,423	123,647
Interfund loan payable	<u>2,361,529</u>	<u>2,361,529</u>			<u>2,361,529</u>	
Total current liabilities	<u>2,544,461</u>	<u>2,521,990</u>	<u>24,952</u>	<u>23,153</u>	<u>2,569,413</u>	<u>2,625,560</u>
NET ASSETS						
Invested in capital assets	5,026,994	4,683,735	985,337	1,160,977	6,012,331	806,947
Unrestricted (deficit)	<u>(1,748,321)</u>	<u>(1,544,660)</u>	<u>449,317</u>	<u>436,813</u>	<u>(1,299,004)</u>	<u>3,361,191</u>
Total net assets	<u>\$3,278,673</u>	<u>\$3,139,075</u>	<u>\$1,434,654</u>	<u>\$1,597,790</u>	<u>4,713,327</u>	<u>\$4,168,138</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>4,469</u>	
Net assets of business-type activities					<u>\$4,717,796</u>	

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, 2005

	Business-type Activities - Enterprise Funds					Governmental
	Salmon Harbor		Glide-Idleld Sewer		Total	Internal
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Service Funds
Operating revenues:						
Charges for services	\$1,109,109	\$1,063,346	\$348,318	\$360,118	\$1,457,427	\$11,489,298
Other	271,055	215,002			271,055	1,270,352
Total operating revenues	<u>1,380,164</u>	<u>1,278,348</u>	<u>348,318</u>	<u>360,118</u>	<u>1,728,482</u>	<u>12,759,650</u>
Operating expenses:						
Salaries and wages	392,380	375,371			392,380	684,288
Payroll taxes and benefits	179,693	160,285			179,693	320,674
Operating supplies and expenses	554,650	484,620	329,791	281,129	884,441	9,437,284
Utilities	238,036	216,524			238,036	48,460
Administrative expenses	127,392	154,566			127,392	2,075,620
Depreciation	197,156	203,527	175,640	175,641	372,796	373,606
Total operating expenses	<u>1,689,307</u>	<u>1,594,893</u>	<u>505,431</u>	<u>456,770</u>	<u>2,194,738</u>	<u>12,939,932</u>
Operating income (loss)	<u>(309,143)</u>	<u>(316,545)</u>	<u>(157,113)</u>	<u>(96,652)</u>	<u>(466,256)</u>	<u>(180,282)</u>
Nonoperating revenues and expenses:						
Intergovernmental	423,963	281,233			423,963	
Interest income	24,778	21,471	11,977	10,640	36,755	112,932
Gain (loss) on sale of capital assets						(3,459)
Total nonoperating revenues	<u>448,741</u>	<u>302,704</u>	<u>11,977</u>	<u>10,640</u>	<u>460,718</u>	<u>109,473</u>
Income (loss) before transfers	139,598	(13,841)	(145,136)	(86,012)	(5,538)	(70,809)
Transfers in						300,000
Transfers out			(18,000)	(23,000)	(18,000)	
Change in net assets	139,598	(13,841)	(163,136)	(109,012)	(23,538)	229,191
Total net assets-beginning	<u>3,139,075</u>	<u>3,152,916</u>	<u>1,597,790</u>	<u>1,706,802</u>		<u>3,938,947</u>
Total net assets-ending	<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>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(3,370)</u>	
Change in net assets of business-type activities					<u>(\$26,908)</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, 2005

	Business-type Activities - Enterprise Funds					Governmental Activities
	Salmon Harbor		Glide-Idlelyd Sewer		Total	Internal
	Current Year	Prior Year	Current Year	Prior Year	Current Year	Service Funds
Cash flow from operating activities:						
Receipts from customers	\$1,366,008	\$1,278,830	\$348,544	\$360,178	\$1,714,552	
Receipts from interfund services provided						\$12,602,155
Payments to suppliers and contractors	(898,158)	(827,255)	(337,234)	(278,146)	(1,235,392)	(11,994,431)
Payments to employees	(562,937)	(535,291)			(562,937)	(997,852)
Other operating receipts						155,248
Net cash provided by (used in) operating activities	<u>(95,087)</u>	<u>(83,716)</u>	<u>11,310</u>	<u>82,032</u>	<u>(83,777)</u>	<u>(234,880)</u>
Cash flows from noncapital financing activities:						
Transfers from other funds						300,000
Transfers to other funds			(18,000)	(23,000)	(18,000)	
Operating grants from other governmental entities	423,963	281,233			423,963	
Net cash provided by (used in) noncapital and related financing activities	<u>423,963</u>	<u>281,233</u>	<u>(18,000)</u>	<u>(23,000)</u>	<u>405,963</u>	<u>300,000</u>
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets						32,427
Acquisition of capital assets	(540,415)	(44,865)			(540,415)	(274,937)
Net cash provided by (used in) capital and related financing activities	<u>(540,415)</u>	<u>(44,865)</u>	<u>-</u>	<u>-</u>	<u>(540,415)</u>	<u>(242,510)</u>
Cash flows from investing activities:						
Interest received	24,778	21,470	11,977	10,641	36,755	112,932
Net increase (decrease) in cash and cash equivalents	(186,761)	174,122	5,287	69,673	(181,474)	(64,458)
Cash and cash equivalents, beginning	928,300	754,178	458,372	388,699	1,386,672	4,463,297
Cash and cash equivalents, ending	<u>\$741,539</u>	<u>\$928,300</u>	<u>\$463,659</u>	<u>\$458,372</u>	<u>\$1,205,198</u>	<u>\$4,398,839</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	(\$309,143)	(\$316,545)	(\$157,113)	(\$96,652)	(\$466,256)	(\$180,282)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	197,156	203,527	175,640	175,641	372,796	373,606
(Increase) decrease in:						
Accounts receivable	(14,156)	482	226	60	(13,930)	(1,213)
Prepaid expenses and deposits	347	(1,597)	60	(60)	407	(694,546)
Inventories	6,132	(4,169)			6,132	2,015
Interfund receivables	2,106	1,697,424	(9,302)		(7,196)	(1,034)
Increase (decrease) in:						
Accounts payable	(2,885)	(214)			(2,885)	7,935
Accrued payroll, withholdings and benefits	3,468	2,818			3,468	3,221
Accrued compensated absences	5,668	(2,453)			5,668	3,889
Accrued claims liability						330,727
Interfund payables	16,220	(1,662,989)	1,799	3,043	18,019	(79,198)
Total adjustments	<u>214,056</u>	<u>232,829</u>	<u>168,423</u>	<u>178,684</u>	<u>382,479</u>	<u>(54,598)</u>
Net cash provided by (used in) operating activities	<u>(\$95,087)</u>	<u>(\$83,716)</u>	<u>\$11,310</u>	<u>\$82,032</u>	<u>(\$83,777)</u>	<u>(\$234,880)</u>

The accompanying notes are an integral part of this statement.

DOUGLAS COUNTY, OREGON
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
June 30, 2005

ASSETS

Cash and investments:

Equity in pooled cash and investments

\$1,958,180

Property taxes receivable

5,352,239

Total assets

\$7,310,419

LIABILITIES

Due to other governmental units

\$7,310,419

Total liabilities

\$7,310,419

The accompanying notes are an integral part of this statement.