



**LINN COUNTY, OREGON**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2020**

*Prepared by:*

General Administration

William E. Palmer, CPA  
Accounting Officer

# LINN COUNTY, OREGON

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## INTRODUCTORY SECTION

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## LINN COUNTY GENERAL ADMINISTRATION

300 Fourth Avenue, SW (Room 201), PO Box 100, Albany OR 97321-0031  
Phone (541) 967-3825 Fax (541) 926-8228

*Accounting/Payroll, Personnel Services, IT, GIS, County Attorney  
General Services/Facilities/Property, Printing/Supplies, Veterans' Services*

### BOARD OF COMMISSIONERS

*John K. Lindsey  
Roger Nyquist  
Will Tucker*

**DARRIN L. LANE**  
*Administrative Officer*

March 22, 2021

Honorable Members  
Board of Commissioners  
County of Linn, Oregon  
P.O. Box 100  
Albany, Oregon 97321

Members of the Board and the Citizens of Linn County:

In accordance with Oregon Revised Statutes Title 28, Section 297.425, the Annual Financial Report of Linn County, Oregon for the fiscal year ending June 30, 2020 is hereby submitted. This report consists of management's representations concerning the finances of Linn County and specifies that the responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with Linn County. It is believed that the data is accurate in all material aspects and is prepared in a manner designed to present fairly the financial position and results of the operation of Linn County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a clear and comprehensive understanding of Linn County's financial affairs have been included.

In providing a reasonable basis for making these representations, the adequacy of Linn County's accounting system and the internal accounting controls are key factors. Linn County has established and routinely reviews internal accounting controls and the framework of procedures that are designed and monitored to both protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Linn County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The controls and procedures are intended and designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, Linn County's internal controls and procedures adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded and monitored on a continuing and ongoing basis.

Linn County's financial statements have been audited by Pauly, Rogers and Co., P.C., a firm of licensed certified public accountants, with the audit conducted in accordance with generally accepted auditing standards. The goal of the independent audit is to provide reasonable assurance that the financial statements of Linn County, for the fiscal year ending June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Linn County's financial statements for the fiscal year ending June 30, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As with last year's report, this report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. It is our belief that the accompanying financial report continues to meet those program standards and this report will be submitted to the GFOA for review. Specific attention is encouraged toward Management's Discussion and Analysis (MD&A) of the financial statements located in the Financial Section starting on page a. The purpose of the MD&A is to analyze Linn County's overall financial position and the results of its operation during the fiscal year 2019 - 2020.

### **PROFILE OF LINN COUNTY**

Linn County, established December 28, 1847, is in the center of Oregon's Willamette Valley with the Willamette River as its western boundary and the crest of the Cascade Mountain Range as its eastern boundary. Linn County has a land area of 2,308 square miles and is home, per the Portland State Population Research Center, to an estimated July 1, 2019 population of 126,550. The County is governed under Oregon law as a "general law county" with a governing body of three full-time commissioners elected at large on a partisan basis and serving four year terms. The Board of Commissioners is responsible for, among other things, adopting policies, passing ordinances, adopting the budget, appointing various committees and advisory groups, conducting hearings and hiring and supervising key department heads including the Administrative Officer. The Board's responsibilities also include monitoring the activities of the County and coordinating those activities and operations with the other elected officials (Assessor, Clerk, District Attorney, Justice of the Peace, Sheriff, Surveyor and Treasurer) and department heads.

Linn County provides its citizens a wide range of services that include:

**PUBLIC SAFETY** including the Sheriff's Office (Detective, Patrol, Corrections, Programs, Civil, Support Services Divisions and Animal Control), District Attorney's Office, Juvenile Department including the Detention Center, Justice Court and the Law Library.

**HEALTH SERVICES** including Public Health, Environmental Health, Mental Health, Alcohol & Drug, and Developmental Disabilities.

**COMMUNITY DEVELOPMENT** including Planning & Building, Surveyor's Office, Parks & Recreation, Fair & Expo Center, Oregon State University Extension, Geographic Information Systems, Veterans' Services and Property Management.

**LOCAL GOVERNMENT SERVICES** including the Assessor's Office & Tax Collector, Treasurer's Office and Clerk's Office.

**ROAD DEPARTMENT** which maintains 1,117.24 miles of road and 335 bridges including six covered bridges with a structured program to rebuild, resurface and improve the road system on a continuing basis.

**ADMINISTRATION and SUPPORT** including the Board of Commissioners, County Attorney, Information Technology Services, General Administration, Printing & Supplies and General Services.



The annual budget serves as the foundation for Linn County's financial planning and control. Based on guidelines provided by the Board of Commissioners, all offices and departments of Linn County submit their budget requests to the Budget Officer in March/April of each year. The Budget Officer develops a proposed budget based on these requests with the proposed budget presented to the Budget Committee (three Commissioners and three lay members) who review, discuss, balance and approve the budget during public budget hearings in April/May. The approved budget is then adopted by the Board of Commissioners in June prior to the July 1<sup>st</sup> start of the County's fiscal year. The adopted budget sets appropriation amounts by fund (e.g., General or Road) and by department (e.g., Assessor or Planning & Building) for the following categories: personal services, materials & supplies, capital outlay, other requirements, and operating contingency. Elected officials and department heads may make transfers within categories but transfers between categories or departments require the approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Major Special Revenue Funds, this comparison is presented on pages 8 through 20. For the non-major funds, the comparisons are presented starting on page 74.

### **FACTORS AFFECTING LINN COUNTY'S FINANCIAL CONDITION**

**Local Economy.** Linn County's economic indicators, over the twelve-month period of this audit, reflect a local economy that started out strong in July 2019 and reached a peak in December 2019 as shown by the County's unemployment rate for June 2019 at 4.6% which declined to a 3.6% rate by December 2019. Linn County's economy took a considerable downturn with the outbreak of the COVID-19 pandemic, as did the entire state of Oregon. The County's unemployment rate peaked at a high of 15.2% in April 2020 and has continued to decline since spring. The June 2020 unemployment rate dropped to 10.8%, slightly lower than the State June 2020 rate of 11.6%. Linn County experienced a decrease in employment levels over the past year with the number of nonfarm employed County residents down by 3,030 jobs (July 2019 to June 2020), a 6.5 percent decrease which was lower than the state (8.5%). Linn County's economic outlook has continued to improve since the end the fiscal year and should demonstrate a healthy rebound as the conditions created by the global pandemic begin to diminish.

Along with the impacts of the global pandemic, Linn County experienced severe wildland fires after the close of the fiscal year. These fires impacted several communities and thousands of citizens. Further discussion is beyond the scope of this document and it will be discussed in greater detail in next year's analysis.

**Revenues and Expenditures.** Linn County's revenues continue to reflect a variety of impacts and changes to revenue sources - federal, state and local. The first year of the State's fiscal year 2019 - 2021 budget had reflected an improvement in the State's economy and provided for an increase in revenues but the rise of the pandemic resulted in an unprecedented shut down of the economy, nationally and within Oregon. Oregon was one of the states that partially reopened its economy once the spread and severity of COVID-19 was better understood. However, the State's fiscal year 2019-2021 budget was out of balance due to the significant slowdown in the economy. The Oregon legislature convened for two special sessions in order to cut approximately 17% from the approved 2019-2021 budget. Impacts to Linn County revenues, from the economic slowdown, are still being evaluated. The County's road fund is experiencing an approximate 10% reduction in state highway fund distributions, plus we expect reductions in other program revenues including parks, fair expo, transient lodging tax, lottery pass through revenue, and planning and building fees.

Near the end of the fiscal year, the federal government passed the CARES Act which was designed to provide funding to states to offset losses and address expenses of dealing with the global pandemic. Linn County was allocated \$4,300,000 in CARES Act funds by the State of Oregon to be provided on a reimbursement basis. Additional funding was also provided to the County's Health Services fund for public health assistance. The majority of these funds have been received and expended in the subsequent fiscal year, 2020-2021.

The County's service capabilities are expected to continue to shift in the future with the on-going changes in two major revenue sources – State and Federal. The Federal "safety net" payments were renewed for two years early in 2018 so the Bureau of Land Management and Forest Service payment amounts were increased above the actual sales amounts. The outlook for payments from another major revenue source, the State of Oregon, is also mixed with shifts in public safety and health payments to the County, with the most significant shift the one being made in health funds to Coordinated Care Organizations (CCOs) which may then contract with the County for services. A third major revenue source, the County's local option Law Enforcement Levy, has a more positive outlook. The voters approved a new four year levy starting July 1, 2018, ending June 30, 2022, retaining the same rate of \$2.83 per thousand valuation. This levy revenue is recovering with higher property values and smaller Measure 5 compression losses as detailed below. The Board of Commissioners elected to place a renewal of the Law Enforcement Levy on the ballot for November 2020 at a slightly higher rate (\$3.08 per thousand). Linn County voters did not approve this levy, however, there are additional opportunities to place a renewal levy on the ballot prior to expiration of the current levy.

The County's major source of revenue remains intergovernmental receipts (\$59,744,122; 51.08% of revenue; up 2.70%) with the increase primarily due to increased grant funding and receipts from the State transportation improvement fund. The fiscal impacts on the County from the severe decline in timber sales have continued but have been somewhat offset by continued Federal Forest payments (Federal Forest Service and Bureau of Land Management Title I payments; \$2,863,961; 2.45% of revenue; down 1.04%). State-provided funds have increased (\$39,096,349; 33.43% of revenue; up 22.46%) mostly from an increase in State grant funds which provide the bulk of the remaining intergovernmental revenues.

The impacts on County property taxes (\$41,588,286; 34.70%; down 7.49%) from Measure 5 and Measures 47/50 limits continue to constrain this revenue source with those limits continuing to have a negative impact even as growth (4.33%) in the County's assessed property values remains strong. The County's Law Enforcement Levy (rate of \$2.83 per thousand [note that the County's permanent tax rate is \$1.2736 per thousand]) is critical to the County's revenue structure (\$27,055,982; 65.06% of total property taxes). The Law Enforcement Levy's net amount continues to be reduced ("compressed") by 7.71% (\$2,316,958) due to the Measure 5 limitations but is easing with increasing property values. The County's second local option levy is for the Veterans' Home (\$1,764,508; 4.25% of total property taxes). This levy was approved by voters to repay a 10 year, \$12,000,000 loan from the Road Fund used to provide the local match required to fund the project. The last major sector of County revenues; licenses, permits, fines & fees and charges for services categories (\$14,373,068; 12.29% of revenue; up 0.52%) was up slightly in spite of the COVID-19 impacts. Overall, the outlook is, at best, for County total revenues to stabilize over the next few years depending on how State and Federal funding combines with Law Enforcement Levy revenues.

On the expense side, the cost of County operations over the long term continues to grow due mainly to increasing costs per employee. These costs have been driven by cost-of-living (COLA) salary increases and retirement cost increases as established by collective bargaining agreements. For fiscal year 2019 –2020, total personnel cost increased by 4.31% due to a 3.02% COLA at the beginning of the year, plus an increase in full-time equivalent

employees over the prior year. Oregon Public Employees Retirement System (PERS) rates did not change and health insurance premiums had minimal increases. Future retirement costs are expected to change significantly with large rate increases (3% +/-) applied to salaries beginning in fiscal years 2021-23, with the potential for further rate increases in years beyond then. Future health insurance costs continue to be a big unknown given potential Federal and State legislative actions.

In sum, given Oregon's tax structure and current statutory and constitutional restrictions, Linn County's General Fund budget will continue to be difficult to balance with the same holding true for the County's total budget. This difficulty has been moderated in the past to a degree by Federal Forest payments but that revenue stream's future is very uncertain. However, the potential for a strong economic rebound and the local option Law Enforcement Levy provide a positive outlook. Oregon's tax structure and initiative/referendum processes always inject an added element of uncertainty into the State's current biennium budget and have the potential to produce revenue change for the County.

**Initiatives, Projects and Significant Activities.** Linn County continues its commitment to planning and implementing carefully measured programs and actions focused on effective service delivery, preserving and improving the infrastructure and minimizing costs through modernization and intergovernmental cooperation. The past year has continued to be active in several areas driven by both internal and external factors.

Linn County continues to look for opportunities to purchase property needed for expansion of services where appropriate. Given that the proposed Justice Center project has been removed from the State's list of funded projects, the County is exploring alternatives that include purchasing a building to relocate the Clerk's Office or expanding the current courthouse building by constructing an addition on the east side. As discussed in prior years, the County purchased the old IP property for use as an Intermodal Facility and for future economic purposes. The County expects to transfer approximately 64 acres of the former mill site to the Linn Economic Development Group during the 2020-2021 fiscal year. The 2020-2021 adopted budget reflects that potential transaction.

The County also continues to participate in a major State health care initiative ("Health Care Transformation") involving the creation of Coordinated Care Organizations (CCOs). The CCO's are providing physical, mental and dental health care for people who receive coverage under the Oregon Health Plan (Medicaid). The Health Department is providing services via contracts with the local CCO, Inter-Community Health Network (IHN) CCO. The IHN-CCO provides services in Lincoln, Benton and Linn Counties and those services continue to expand as a part of Oregon's Health Transformation. The expansion of services has a growing impact on the Health Department's State revenue streams, much of which now flows to the CCO and then to the Department.

The Parks Department is now operating 28 developed recreation facilities and over 588 camping sites across Linn County. They continue to add revenue generation improvements such as yurts and cabins. Five new vault restrooms were added at Whitcomb Creek County Park. The pandemic impacted their revenues temporarily but they rebounded prior to the end of the fiscal year.

Programmed road and bridge improvements by the Road Department upgraded 70.46 miles of the County's road system and completed structural bridge repairs on forty bridges.

The County prevailed in Circuit Court in the lawsuit with the State of Oregon involving the County's Forest Trust Lands managed by the State. That decision is pending appeal. The paid sick leave, unfunded mandate, lawsuit prevailed in circuit court but was reversed on appeal. The Oregon Supreme Court refused to hear the case. The award on the Forest Trust Lands lawsuits was over one billion and could have significant fiscal impacts, depending on the outcome of pending appeals.

**Cash Management Policies and Practices.** Cash temporarily available during the year was invested in certificates of deposit; obligations of the U.S. Treasury or agencies (notes, cubes, bills and strips); or the State Treasurer's Oregon Local Government Investment Pool. Deposits were either insured by Federal Depository Insurance Corporation or fully collateralized. The average distribution of investment maturities for the year was as follows: 30 days or less – 93.58%; 30 to 90 days – 1.03%; 90 days to 12 months – 4.97%; 12 to 24 months – .43%; and 24 to 36 months – 0%. The average yield on investments for the year was 1.898% compared to an average of 2.65% for the State's Local Government Investment Pool. The County recorded interest revenues of \$559,164 on all County investments during the year ending June 30, 2020. This represents a decrease of \$101,217, down 15.33% from the prior year due to fewer funds being invested as the County spent \$10M in August 2019 to purchase the Intermodal facility property.

**Risk Management.** For the fiscal year ending June 30, 2020 insurance coverages were not changed from the prior year with liability and property continuing with City County Insurance Services and workers' compensation continuing with SAIF Corporation. Excess crime coverage, including faithful performance of duty, continues in the property policy replacing the blanket and two individual bonds and providing broader coverage. The County continues to cover actual and potential unemployment compensation costs with a self-financed internal service fund (Unemployment Insurance Fund, pages 21, 22, 23 and 84). Additional information is included in the footnotes of this report (Footnote 13 on page 63) with a schedule of all the County's insurance coverages included in the Other Information section of this report (pages 109 and 110).

**Pension and Other Post-Employment Benefits.** Linn County participates in Oregon PERS, which includes PERS Tier 1 and 2, and the Oregon Public Service Retirement Plan (OPSRP), which combined, is a statewide multiple-employer pension plan that provides retirement, disability and death benefits to plan members and beneficiaries. The Tier 1 and 2 portion of PERS is a hybrid defined benefit/defined contribution retirement plan which is now "closed" to new employees who instead enter OPSRP, a defined benefit retirement plan. PERS is administered under Oregon Revised Statutes Chapter 238 and 238A by the PERS Board of Trustees. In addition, effective January 1, 2004, both PERS Tier 1 and 2 and OPSRP member employees are required to contribute six percent (6%) of their salary to an Individual Account Program (IAP), a defined contribution plan, unless the employer has agreed, as Linn County has, to "pick up" the contribution on behalf of the employee. The IAP is also administered by the PERS Board of Trustees. The cost of the PERS system continues to be an issue with the legislature and various changes have been made over the past twenty plus years. The legislative changes have been challenged by retiree groups directly to the Oregon Supreme Court and many of the changes were disapproved and most of the savings to the system eliminated. The 2019 Legislative Session again made changes (HB 1049) and again, some the changes were unsuccessfully appealed to the Oregon Supreme Court. The impacts of HB 1049 are expected to reduce the 2021 PERS rate increases.

Every other year, an independent actuary engaged by PERS, calculates the County's employer rate required to ensure that the County will be able to fully meet its obligation to retired employees on a timely basis. The PERS Tier 1 & 2 and OPSRP employer rates applied to salary effective July 1, 2019 as follows: 27.17% (Tier 1 & 2), 18.55% (OPSRP General Service) and 23.18% (OPSRP Police).

The rates will change effective July 1, 2021 as follows: 29.86% (Tier 1 & 2), 23.43% (OPSRP General Service) and 27.79% (OPSRP Police) which, overall, will result in an increase of an estimated \$1.68M in annual cost. The PERS rate increases would have been larger but rate changes are restricted by a process that “collars” changes. In addition to the rate amounts, the County pays the 6% employee contribution for the IAP. As mentioned earlier and like 2021, large increases in the County’s PERS rates are expected in 2023, 2025 and perhaps further in the future. Additional information on Linn County’s PERS participation is included in the footnotes of this report (Footnote 12 on pages 54 - 62).

Linn County has no other County directly funded retirement benefits since the option to continue health insurance benefits, as required by State statute, is fully paid by the retiree (at the same premium rate as active employees). However, the required inclusion of retirees in the County’s insurance plans does negatively impact the claims experience for the plans and thus the premiums charged.

### **AWARDS AND ACKNOWLEDGEMENTS**

For the twenty ninth consecutive year, the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Linn County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and Local government financial reports and satisfaction of both GAAP and legal requirements. In addition to being awarded the Certificate, Linn County’s CAFR was judged to be easily readable and efficiently organized. The Certificate is valid for a period of one year only and, as mentioned earlier, this CAFR will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated services of the Treasurer (who is also the Budget Officer) and the staff’s in Accounting, Information Technology Services, Health Department, Road Department, Assessor’s Office and certain specific others including the aforementioned independent auditors. Each person contributing to the report has our sincere appreciation for the assistance given in its preparation. Credit must also be given to the Board of Commissioners for their consistent support in maintaining the highest standards of professionalism in the management of Linn County’s finances. Overall, the efforts to manage the County’s resources and activities wisely and efficiently to best meet the needs of Linn County’s citizens have continued, building on past accomplishments while committed to producing future improvements.

Respectfully Submitted,



Darrin L. Lane  
Administrative Officer



William E. Palmer  
Accounting Officer



Government Finance Officers Association

Certificate of Achievement for Excellence  
in Financial Reporting

Presented to

**Linn County Government  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

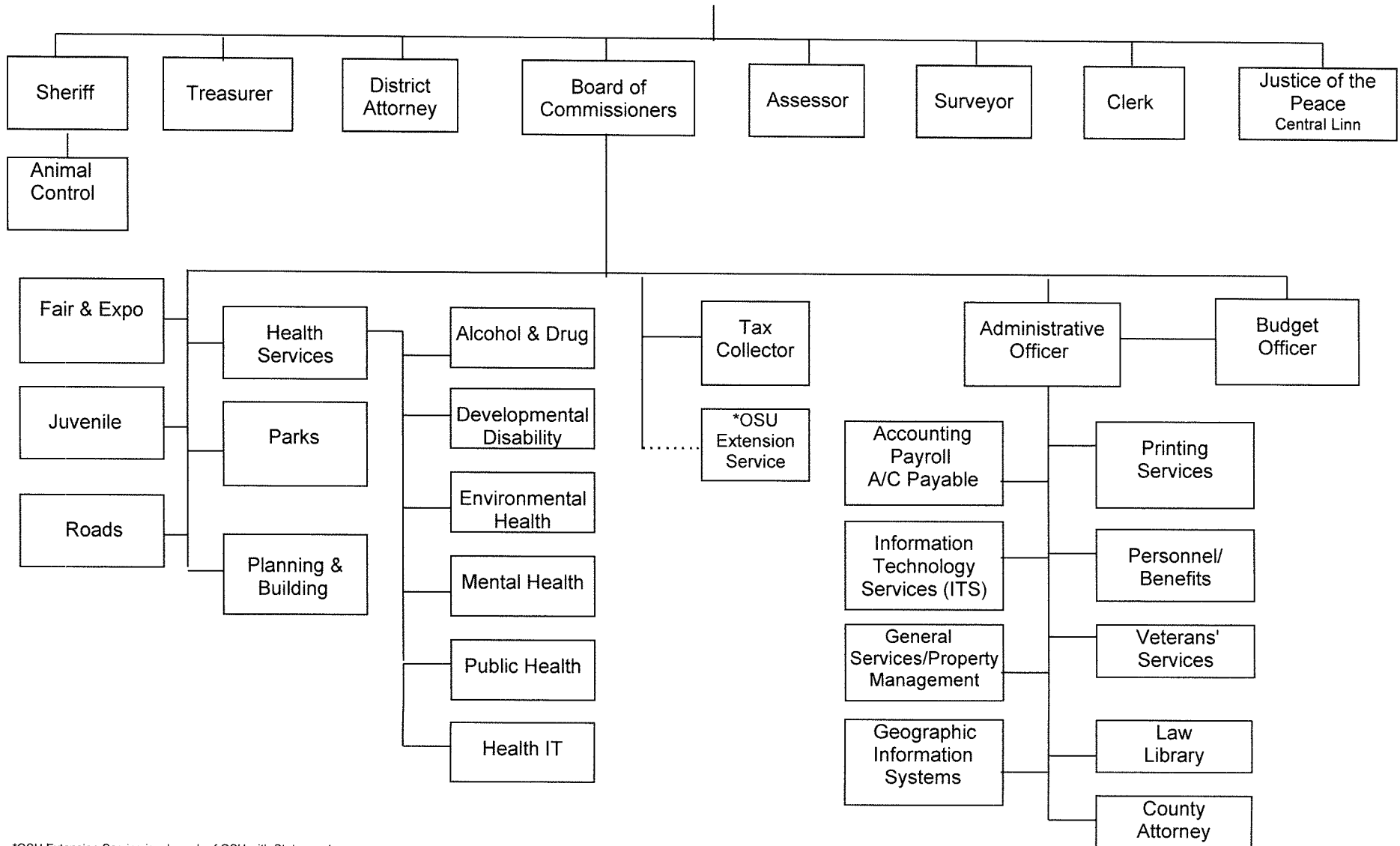


# LINN COUNTY, OREGON

## Organization Chart

01-31-2018

**Linn County Voter**



-- \*OSU Extension Service is a branch of OSU with State employees.  
01-31-2018

## LINN COUNTY, OREGON

### *Elected Officials*

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Roger Nyquist	Commissioner, Board Chairman	December 2020
John Lindsey	Commissioner	December 2022
William Tucker	Commissioner	December 2020
Andy Stevens	Assessor and Tax Collector	December 2020
Steve Druckenmiller	Clerk	December 2022
Douglas Marteeny	District Attorney	December 2020
Honorable Jessica Meyer	Justice of the Peace – Central Linn	December 2020
Jim Yon	Sheriff	December 2022
Tom Casey (appointed to fill term)	Surveyor	December 2020
Michelle Hawkins	Treasurer	December 2020

### *Administrative Officer*

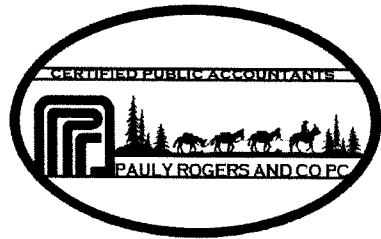
Darrin Lane

### *Registered Address*

Linn County Courthouse  
P.O. Box 100  
Albany, Oregon 97321



## FINANCIAL SECTION



**PAULY, ROGERS, AND CO., P.C.**  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
(503) 620-2632 (503) 684-7523 FAX  
www.paulyrogersandcocpas.com

**March 22, 2021**

To the Board of County Commissioners  
Linn County, Oregon  
Albany, Oregon

### INDEPENDENT AUDITORS' REPORT

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Oregon as of June 30, 2020 and the respective changes in financial position and budgetary comparisons for the General Fund, General Road, Law Enforcement 4-Year Levy, Health, and Veterans Home Loan Funds, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents and the schedule of expenditures of federal expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents and the schedule of federal expenditures, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory, statistical, and other reports sections and the other information, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated March 22, 2021 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports is 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 internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated March 22, 2021, on our consideration of 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.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive style.

Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

## LINN COUNTY, OREGON

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Linn County, we offer readers of Linn County's financial statements this narrative overview and analysis of the financial activities of Linn County for the fiscal year ending June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report.

#### Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$190,273,485 (*net position*). Of this amount, \$230,728,498 was the net investment in capital assets; \$17,505,247 was restricted for specific purposes and (\$57,960,260) was unrestricted.
- The government's total net position decreased by (\$147,774) year over year, primarily due to an increase in expenditures during the year.
- The County's governmental funds reported combined ending fund balances of \$24,958,620, an increase of \$935,192 in comparison with the prior year, with \$23,209,425 of this total amount, or 93.0%, *available for spending* to meet the County's commitments and obligations (*restricted, committed, assigned, and unassigned fund balances*).

At the end of the fiscal year, the fund balance for the general fund was (\$13,213,775). The negative fund balance is primarily due to interfund loans due as of the end of the year as follows:

Date	Original amount borrowed	Purpose
2012-13	660,000	Land adjacent to the Linn County jail. (Jackson St.)
	1,500,000	Building for Linn County Health services.
2013-14	700,000	Weyerhauser building improvement
	900,000	Purchase of a marina on Foster Lake.
2014-15	950,000	Property and building - Linn County 4-H and Extension service office.
2015-16	200,000	Upgrade election software.
	1,750,000	Purchase of the Albany police station, and land adjacent to the fair and expo center.
	2,000,000	Sheriff communication system software.
2016-17	400,000	Upgrade planning and building software.
2017-18	750,000	Building improvements. (APD building)
2019-20	10,000,000	Millersburg property - Intermodel project

The current general fund interfund loan balance is \$14,801,367, with each loan being repaid over a ten year period. The combined outstanding balance of all interfund loans is \$15,694,473. Linn County has no general obligation bond debt as of June 30, 2020.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Linn County's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary and other information in addition to the basic financial statements.

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of Linn County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of Linn County's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Linn County is improving or deteriorating.

The *statement of activities* presents information that shows how the government's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Linn County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Linn County has no funds considered as business type activities. The governmental activities of Linn County include general administration and support, local government services, public safety, health services, community development, and highways and streets.

The government-wide financial statements can be found on pages 1 and 2 of this report.

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### ***Governmental funds: (continued)***

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Linn County maintains 14 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, General Roads, Law Enforcement 4-Year Levy, Health Services and Veteran's Home Loan Funds, all of which are considered to be major funds. Data from the other 9 governmental funds are combined into a single, aggregated presentation under non-major funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* located in the supplementary section of this report starting on page 72.

Linn County adopts an annual budget and appropriates expenditures for all of its funds. A budgetary comparison statement has been provided for all funds to demonstrate compliance with this budget.

The government-wide financial statements can be found on pages 1 and 2 of this report while the governmental fund financial statements can be found on pages 3 through 20 of this report.

***Proprietary funds:*** Linn County maintains one type of proprietary fund, an *internal service fund*. This type of fund is used to accumulate and allocate costs internally among Linn County's various functions. Linn County uses its internal service fund to account for its unemployment related transactions. Since these transactions predominantly benefit governmental rather than business-type functions, the activities of this fund have been included with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Unemployment fund of Linn County.

The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

***Fiduciary funds:*** Fiduciary funds are used to account for resources held in trust for the benefit of parties outside the government. Fiduciary funds are not presented in the government-wide financial statements because the resources of those are not available to support Linn County's own programs.

The basic fiduciary fund financial statements can be found on page 24 of this report.



## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 66 of this report.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information (RSI)* concerning Linn County's selection to use the "modified approach" to account for the majority of the infrastructure assets. As a result there is a 5-year planned versus actual road maintenance cost schedule on page 67 of this report.

Additional RSI schedules are on pages 68-71 of the report, and are; Changes in Total Other Post Employment Benefit (OPEB) Liability and related Ratios - Healthcare, Changes in Total OPEB Liability and related Ratios - RHIA, Proportionate Share of the Net Pension Liability, and PERS pension contributions.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 72 through 84 of this report.

The Agency fund report is presented on pages 85 and 86 of this report.

### Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of a government's financial position. In the case of Linn County, assets and deferred outflows exceeded liabilities and deferred inflows by \$190,273,485 the close of the fiscal year.

By far, the largest portion of Linn County's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Linn County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Linn County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The County currently has no long-term debt.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Government-wide Financial Analysis (continued):

The balance of *restricted* and *unrestricted net position* may be used to meet the County's ongoing obligations to citizens and creditors. The County's net position increased by \$336,174 during the current fiscal year as shown below. The increase is due to a decrease from governmental activities of (\$147,774) plus a net position restatement of \$483,948 from the presentation of OPEB-RHIA this year.

#### Linn County's Net Position Governmental Activities

	2020	2019
<b>Assets</b>		
Current and other assets	\$ 37,239,987	\$ 35,755,180
OPEB asset - RHIA	708,582	-
Capital assets	230,728,498	218,626,308
Total assets	268,677,067	254,381,488
<b>Deferred outflows (pension &amp; OPEB)</b>	25,644,892	24,652,218
Total assets and deferred outflows	294,321,959	279,033,706
<b>Liabilities</b>		
Current and other liabilities	9,236,514	8,520,620
Net pension and OPEB liabilities	82,710,822	67,341,238
Compensated absences	4,849,247	4,178,502
Total liabilities	96,796,583	80,040,360
<b>Deferred inflows (pension and OPEB)</b>	7,251,891	9,056,035
Total liabilities and deferred inflows	104,048,474	89,096,395
<b>Net Position</b>		
Net investment in capital assets	230,728,498	218,626,308
Restricted for:		
Highways and streets	7,257,698	16,146,459
Law enforcement 4-year levy	3,637,926	3,351,148
Health services	4,860,428	2,049,893
Other restricted	1,749,195	1,770,263
Unrestricted	(57,960,260)	(52,006,760)
Total net position	\$ 190,273,485	\$ 189,937,311

**MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

**Government-wide Financial Analysis (continued):**

**Governmental activities.** Governmental activities decreased Linn County's net position by (\$147,774). Key elements of this decrease are as follows:

<b>Linn County's Changes in Net Position</b>		
<b>Governmental Activities</b>		
	2020	2019
<b>Revenues</b>		
Program		
Charges for services	\$ 13,893,836	\$ 11,671,761
Operating grants and contributions	56,505,111	41,764,310
Capital grants and contributions	700,000	-
General		
Property taxes	41,571,969	39,101,501
Grants and contributions not restricted to specific programs	3,712,056	11,264,450
Other	1,048,555	686,076
Total revenues	117,431,527	104,488,098
<b>Expenses</b>		
General government	11,483,795	9,262,453
Local government services	6,209,747	5,560,419
Public safety	46,116,564	42,131,745
Health services	28,619,077	25,798,223
Community development	8,945,974	8,232,140
Highways and streets	16,204,144	15,397,040
Total expenses	117,579,301	106,382,020
Increase (decrease) in net position	(147,774)	(1,893,922)
Net position - beginning of the year	189,937,311	191,831,233
Restatement-OPEB RHIA	483,948	-
Net position - end of the year	\$ 190,273,485	\$ 189,937,311

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Government-wide Financial Analysis (continued):

- Total revenues increased by \$12,943,429 over the prior fiscal year. This increase (12.39%) was primarily due to an increase in operating grants and contributions. Additional increases come from charges for services and property tax revenues.
- Overall, County-wide expenses increased by \$11,197,281 from the previous year. This increase (10.53%) primarily occurred in expense functions Public safety and Health services.

### Governmental Funds Financial Analysis

As noted earlier, Linn County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of Linn County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Linn County's financing requirements. In particular, the restricted, committed, and assigned fund balance may serve as a useful measure of government's net resources available for spending at the end of the fiscal year.

As of the end of the current year, Linn County's governmental funds reported combined ending fund balances of \$24,958,620, an increase of \$935,192 in comparison with the prior year. The bulk of the increase is due to an increase in intergovernmental revenues, with total revenues outpacing the increase in total expenditures. Of this total fund balance amount, \$37,377,151 constitutes the restricted, committed, and assigned, fund balances which are not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period, to pay debt service or for a variety of other restricted purposes.

The General fund is the chief operating fund of Linn County. At the end of the current fiscal year, the unassigned fund balance was (\$13,213,775); an increase in the deficit of (\$5,725,576) compared with the previous year.

Key factors in this change are as follows:

- Overall revenue in the General fund decreased by (\$433,240) from \$34,413,510 in the prior year to \$33,980,270 in the current year with the mix of revenue categories similar to last year. Most significantly, property taxes and intergovernmental revenues increased \$1,775,821 while all other revenue categories decreased.
- Expenditures in the General fund increased overall by \$8,496,241, mostly due to a large capital outlay expenditure in general administration used to purchase property in Millersburg for the Intermodal facility.
- As mentioned earlier, the General fund negative fund balance is primarily a result of \$14,801,367 in outstanding interfund loans payable, (Roads fund, \$14,271,387 for various projects, and Health services fund, \$529,980 for a building). During the year the General fund borrowed \$10,000,000 from the Road fund in order to purchase the property discussed in bullet two above.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Governmental Funds Financial Analysis (continued)

Linn County considers four additional funds to be classified as major funds, the General Road fund, Law Enforcement 4-Year Levy fund, Health Services fund and the Veterans Home fund. Each major fund is presented in a separate column on the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balance of the governmental funds statements.

General Road – Operations of the County road department are shown in this fund. The major source of revenue is the state apportionment of motor vehicle fees. Expenditures are primarily for road construction and maintenance. The ending fund balance was \$24,171,386 at year end. This balance decreased by \$1,731,520 during the year mainly due to increases in highway and street maintenance expenditures.

Law Enforcement 4-Year Levy – The current four-year local option property tax measure was re-approved by voters in May 2017; effective July 1, 2018 for 4 more years, through June 30, 2022, with no change to the rate of \$2.83 per thousand of assessed value. Expenditures are primarily for continuing law enforcement (sheriff, district attorney, and juvenile). The ending fund balance of \$3,637,926 increased by \$286,778 over the prior year due to results from current operations. The LE fund property tax revenue increased by \$929,502, from \$26,126,480 in the prior year, to \$27,055,982 in the current year. The effect on property tax revenue was significantly reduced (\$2,316,958) due to compression of the overall property tax ceiling imposed by Measure 5. Expenditures increased by \$1,428,505 from \$24,768,692 in the prior year to \$26,197,197 in the current year as a result of increased personal service expenditures.

Health Services – County health related activities are recorded in the Health services fund. The majority of resources for this fund come from intergovernmental agencies including state and federal sources. County provided health care services rise and fall as a function of federal and state government funding levels. The ending fund balance of \$5,390,408 represents an increase of \$2,640,757 from the prior year. In the current year, overall revenues increased by \$4,460,453 from \$23,855,837 in the prior year, to \$28,316,290 in the current year. In addition, expenditures decreased by \$406,695 from \$25,510,149 in the prior year to \$25,103,454 in the current year. This decrease in spending was mainly in materials and services; a \$666,475 reduction compared to the prior year.

Veterans Home Loan – This fund accounts for an interfund loan payment to the Roads fund that was borrowed for the construction of a Veteran's Home in Lebanon, OR. The property tax revenues levied for the construction loan repayment are recorded in this fund. This fund carries a deficit fund balance due to the loan. The deficit fund balance was reduced by \$1,725,509 during the year.

***Proprietary fund:*** Linn County's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Unemployment fund at the end of the year was \$405,194. This is an increase in net position over the prior year of \$59,055 primarily due to a decrease in insurance claims paid in the current year.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### General Fund Budgetary Highlights

Differences between the adopted budget and the final budget are the result of budget transfers or receipt of unanticipated revenues. Budget transfers and appropriations of unanticipated revenue are made as circumstances arise and the need to move appropriations or appropriate revenue is necessary. All budget transfer or revenue appropriation are approved by the Board through resolution.

Actual receipts in the General Fund were (\$990,184) less than anticipated and actual expenditures were \$5,637,560 less than appropriations, demonstrating a generally prudent spending policy. Overall personal services expenditures were \$1,427,828 under budget, material and services were \$1,972,233 under budget, and capital outlay was \$1,821,078 under budget.

### Capital Asset and Debt Administration

**Capital assets:** Linn County's investment in capital assets for its governmental type activities as of June 30, 2020 amounted to \$230,728,498 (net of accumulated depreciation) and includes land, buildings, machinery and equipment, park facilities, infrastructure, roads, and bridges.

In fiscal 2002-03 the County added infrastructure assets to its capital assets as per GASB 34. It was also this year that Linn County adopted the modified approach for its valuation and accounting presentation of infrastructure assets.

In the current fiscal year the County added \$12,102,190 to its capital assets, net of retirements, adjustments, and current year depreciation. Of this amount, \$700,000 was from a capital contribution as a part of the Millersburg property purchase.

Major capital asset events during the fiscal year include:

- \$10,000,000 capitalized for property and buildings purchased at the Millersburg site for an Intermodal facility. (capitalized amount includes \$700,00 capital contribution)
- \$1,119,787 capitalized by the Road department for equipment.
- \$1,361,089 capitalized by the Sheriff's department for vehicles and equipment.
- \$957,926 capitalized by the Parks department for park improvements and equipment.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Capital Asset and Debt Administration (continued)

#### Linn County, Oregon Capital Assets, net

#### Governmental Activities

	2020	2019
Land	\$ 22,957,145	\$ 17,851,463
Buildings and improvements, net	40,100,968	36,981,300
Equipment, net	13,837,763	12,313,508
Infrastructure, net	145,997,654	144,276,245
Intangibles	2,937,589	3,485,297
Construction in progress	4,897,379	3,718,495
Totals	<u>\$ 230,728,498</u>	<u>\$ 218,626,308</u>

The latest pavement inspection occurred in 2020 and was performed by Metropolitan Transportation Commission. Their inspection indicated the County's PCI (pavement condition index) remained very similar to overall pavement conditions compared to its 2018 inspection.

Arterial roads weighted average PCI in 2020 was 83.2 compared to 82.0 in 2018; collector roads weighted average PCI in 2020 was 80.9 compared to 81.2 in 2018, and residential/local roads weighted average PCI in 2020 was 78.5 compared to 78.0 in 2018.

The fluctuations in the PCI are expected as the roads depreciate over time coupled with the County's annual road maintenance. The Road Department makes road improvements every year, and current levels remain well above the County's goal of a 65 PCI or better. The next scheduled pavement inspection cycle is 2022.

The current weighted average assessed condition of 80.9 compares very favorable when compared to the Linn County policy of maintaining its road condition level at good to better (PCI of 65 or above) on a weighted average basis.

Additional information on capital assets can be found in the letter of transmittal, and in the footnotes on pages 42 and 43 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

**Long-term debt:** At the end of the current fiscal year, Linn County has no-long term debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total assessed valuation which would make the current debt limitation for Linn County \$212,589,041. (See page 99 of this report).

### **Economic Factors**

At June 30, 2020, the seasonally adjusted unemployment rate for Linn County was 13.5 percent, which, due to the Coronavirus pandemic (Covid-19 outbreak), is a huge increase from the rate of 4.6 percent from a year ago. However, note that the current rate has come down somewhat from the April 2020 peak of the Covid-19 outbreak where the rate of unemployment was a seasonally adjusted 15.5 percent. Linn County's rate is higher than the State of Oregon's average unemployment rate of 11.2 percent and the national average unemployment rate of 11.1 percent at June 30.

The 2020 Oregon State legislative session had a hefty policy agenda as the session began. After days of negotiating on cap and trade legislation, Republican resistance to the legislation forced them to stage a walk out and deny the session a quorum. The impasse caused legislative leaders to adjourn the session three days before the constitutional deadline. This move caused over 100 bills to perish with little accomplished.

The June 2020 Oregon Economic and Revenue Forecast put out by the State indicates that the Covid-19 outbreak and pandemic have put a lot of uncertainty into the outlook. The State is in a severe recession, the deepest on record with data going back to 1939, but it is expected to be short in duration. The short duration is expected as suppressed economic activity was due to the virus and the federal policy response, not underlying macroeconomic issues.

A large portion of county revenue is dependent on resources from state and federal governments, so a large concern is the trickle-down effect of Covid-19 on county funding. As changes to state and federal funding occurs in the upcoming year, the county will adjust staffing and services accordingly.

While some revenues will fare better than others, all major revenue sources will face considerable downward pressure given the severity of the recession. It is expected that Oregon will have strong growth in the second half of the year (2020) as employees are hired back and there is lifting of social distancing restrictions. Although this initial growth is expected, it will be far from complete and most likely only slowly grow as virus health concerns linger. It is expected the Oregon economy will return to health sometime mid-decade.

- See the letter of transmittal for additional economic factors.



## **MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

### **Requests for Information**

This financial report is designed to provide a general overview of Linn County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bill Palmer, Accounting Officer, Linn County, 300 4<sup>th</sup> Ave, SW, PO Box 100, Albany, OR 97321.

## BASIC FINANCIAL STATEMENTS

**LINN COUNTY, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

<b><u>ASSETS</u></b>	<u>Governmental Activities</u>
Cash and investments	\$ 30,189,501
Receivables, net	2,304,662
Due from other governments	2,868,452
Inventories	1,749,195
Investment in joint venture	128,177
Net other postemployment benefit - OPEB asset RHIA	708,582
Capital assets:	
Land, infrastructure, and construction in progress, not being depreciated	142,940,249
Other capital assets, net	<u>87,788,249</u>
<b>TOTAL ASSETS</b>	<b><u>268,677,067</u></b>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension related items	25,325,172
OPEB related items-RHIA	14,532
OPEB related items-Health insurance	<u>305,188</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>25,644,892</u></b>
<b><u>LIABILITIES</u></b>	
Accounts payable	2,820,907
Due to other governments	58,484
Accrued payroll, payroll taxes and benefits	6,261,672
Claims liability	95,451
Long-term obligations:	
Due within one year:	
Accumulated compensated absences	3,150,481
Due in more than one year:	
Accumulated compensated absences	1,698,766
Proportionate share of net pension liability	80,928,024
OPEB liability-Health insurance	<u>1,782,798</u>
<b>TOTAL LIABILITIES</b>	<b><u>96,796,583</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension related items	6,346,896
OPEB related items-RHIA	138,253
OPEB related items-Health insurance	<u>766,742</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>7,251,891</u></b>
<b><u>NET POSITION</u></b>	
Net invested in capital assets	230,728,498
Restricted for:	
Highways and streets	7,257,698
Law enforcement 4-year levy	3,637,926
Health services	4,860,428
Inventories	1,749,195
Unrestricted	<u>(57,960,260)</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 190,273,485</u></b>

*See notes to basic financial statements*

**LINN COUNTY, OREGON**

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2020**

Functions/Programs:	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities</b>					
General administration and support	\$ 11,483,795	\$ 939,484	\$ 4,903,884	\$ 700,000	\$ (4,940,427)
Local government services	6,209,747	1,754,221	2,262,375	-	(2,193,151)
Public safety	46,116,564	2,619,721	6,624,791	-	(36,872,052)
Health services	28,619,077	2,595,674	24,940,536	-	(1,082,867)
Community development	8,945,974	5,544,045	2,578,274	-	(823,655)
Highways and streets	16,204,144	440,691	15,195,251	-	(568,202)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 117,579,301</b>	<b>\$ 13,893,836</b>	<b>\$ 56,505,111</b>	<b>\$ 700,000</b>	<b>(46,480,354)</b>
 <b>General revenues:</b>					
Property taxes levied for:					
General purposes					41,571,969
Grants and contributions not restricted to specific programs					3,712,056
Interest and investment earnings					485,520
Miscellaneous					563,035
<b>TOTAL GENERAL REVENUES</b>					<b>46,332,580</b>
<b>CHANGE IN NET POSITION</b>					(147,774)
<b>NET POSITION - BEGINNING OF YEAR</b>					189,937,311
Net position restatement for - OPEB RHIA beginning balance					483,948
<b>NET POSITION - END OF YEAR</b>					<b>\$ 190,273,485</b>

*See notes to basic financial statements*

LINN COUNTY, OREGON

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020

	General	General Road	Law Enforcement 4-Year Levy	Health Services	Veterans Home Loan	Total Nonmajor Funds	Total Governmental Funds
<b><u>ASSETS</u></b>							
Cash and investments	\$ 4,127,738	\$ 8,727,931	\$ 5,164,163	\$ 5,620,368	\$ -	\$ 6,028,292	\$ 29,668,492
Receivables, net	698,030	32,400	1,259,799	195,148	82,800	36,485	2,304,662
Due from other governments, net	1,527,752	7,882	-	1,043,878	-	288,940	2,868,452
Due from other funds	25,554	9,387	-	19,370	-	77	54,388
Advances to other funds	-	15,164,493	-	529,980	-	-	15,694,473
Inventories	-	1,749,195	-	-	-	-	1,749,195
Investment in joint venture	-	128,177	-	-	-	-	128,177
<b>TOTAL ASSETS</b>	<b>\$ 6,379,074</b>	<b>\$ 25,819,465</b>	<b>\$ 6,423,962</b>	<b>\$ 7,408,744</b>	<b>\$ 82,800</b>	<b>\$ 6,353,794</b>	<b>\$ 52,467,839</b>
<b><u>LIABILITIES</u></b>							
Accounts payable	\$ 794,464	\$ 1,027,207	\$ 157,739	\$ 464,588	\$ -	\$ 376,909	\$ 2,820,907
Due to other governments	2,454	7,007	14,827	-	-	696	24,984
Due to other funds	17,623	17,288	24,742	6,768	-	1,103	67,524
Accrued interest	28,019	-	-	-	3,120	-	31,139
Advances from other funds	14,801,367	-	-	-	893,106	-	15,694,473
Unearned revenue	658,585	10,552	-	148,058	-	32,471	849,666
Accrued payroll, payroll taxes and benefits	2,747,101	570,367	1,462,785	1,398,922	-	82,497	6,261,672
<b>TOTAL LIABILITIES</b>	<b>\$ 19,049,613</b>	<b>\$ 1,632,421</b>	<b>\$ 1,660,093</b>	<b>\$ 2,018,336</b>	<b>\$ 896,226</b>	<b>\$ 493,676</b>	<b>\$ 25,750,365</b>

See notes to basic financial statements  
Statement continued on next page

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS (Continued)**

	General	General Road	Law Enforcement 4-Year Levy	Health Services	Veterans Home Loan	Total Nonmajor Funds	Total Governmental Funds
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Unavailable revenue - assessments	\$ -	\$ 15,658	\$ -	\$ -	\$ -	\$ -	\$ 15,658
Unavailable revenue - property taxes	543,236	-	1,125,943	-	74,017	-	1,743,196
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>543,236</b>	<b>15,658</b>	<b>1,125,943</b>	<b>-</b>	<b>74,017</b>	<b>-</b>	<b>1,758,854</b>
<b><u>FUND BALANCES</u></b>							
Non spendable:							
Inventories	-	1,749,195	-	-	-	-	1,749,195
Restricted for:							
Roads	-	7,257,698	-	-	-	-	7,257,698
Law Enforcement Levy			3,637,926				3,637,926
Health Services	-	-	-	4,860,428	-	-	4,860,428
Grants/ minor funds	-	-	-	-	5,663	5,920,963	5,926,626
Committed to:							
Interfund loan commitments	-	15,164,493	-	529,980	-	-	15,694,473
Unassigned	(13,213,775)	-	-	-	(893,106)	(60,845)	(14,167,726)
<b>TOTAL FUND BALANCES</b>	<b>(13,213,775)</b>	<b>24,171,386</b>	<b>3,637,926</b>	<b>5,390,408</b>	<b>(887,443)</b>	<b>5,860,118</b>	<b>24,958,620</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 6,379,074</b>	<b>\$ 25,819,465</b>	<b>\$ 6,423,962</b>	<b>\$ 7,408,744</b>	<b>\$ 82,800</b>	<b>\$ 6,353,794</b>	<b>\$ 52,467,839</b>

**LINN COUNTY, OREGON**

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

**June 30, 2020**

*Amounts reported for governmental activities in the statement of net position (page 1) are different because:*

Total fund balances - governmental funds (page 4)		\$ 24,958,620
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	281,214,585	
Less: accumulated depreciation	(50,486,087)	230,728,498
Long term pension/OPEB liabilities are not payable in the current year are not reported as governmental fund liabilities. Also actuarial changes create deferred outflows and inflows of resources. These differences consist of:		
PERS net pension liability	(80,928,024)	
PERS deferred pension outflows of resources	25,325,172	
PERS deferred pension inflows of resources	(6,346,896)	
Other post employment benefits (OPEB) asset - RHIA	708,582	
OPEB deferred outflows of resources - RHIA	14,532	
OPEB deferred inflows of resources - RHIA	(138,253)	
OPEB liability - Healthcare	(1,782,798)	
OPEB deferred outflows of resources - Healthcare	305,188	
OPEB deferred inflows of resources - Healthcare	(766,742)	(63,609,239)
Accumulated compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(4,849,247)
Certain long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		2,608,520
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		405,194
Accrued interest on interfund loans is removed from the Statement of Net Position		31,139
Net position of governmental activities		\$ 190,273,485

*See notes to basic financial statements*

LINN COUNTY, OREGON

STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2020

	General	General Road	Law Enforcement 4-Year Levy	Health Services	Veterans Home Loan	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 12,767,796	\$ -	\$ 27,055,982	\$ -	\$ 1,764,508	\$ -	\$ 41,588,286
Intergovernmental	12,078,996	14,421,677	-	26,075,540	-	7,167,909	59,744,122
Charges for services	5,944,335	324,746	-	1,512,109	-	1,836,117	9,617,307
Licenses, permits, fines and fees	2,653,223	111,312	-	613,374	-	1,377,852	4,755,761
Interest earnings	113,423	139,163	126,614	82,748	9,626	87,590	559,164
Interest, interfund loan	-	128,734	-	13,995	-	-	142,729
Miscellaneous	422,497	54,158	10,683	18,524	-	57,173	563,035
<b>TOTAL REVENUES</b>	<b>33,980,270</b>	<b>15,179,790</b>	<b>27,193,279</b>	<b>28,316,290</b>	<b>1,774,134</b>	<b>10,526,641</b>	<b>116,970,404</b>
<b>EXPENDITURES</b>							
General administration and support	8,722,996	-	-	-	-	1,382,801	10,105,797
Local government services	3,956,387	-	-	-	-	-	3,956,387
Public safety	12,626,101	-	24,920,011	-	-	1,360,685	38,906,797
Health services	-	-	-	25,028,813	-	-	25,028,813
Community development	6,228,467	-	-	-	-	1,444,639	7,673,106
Highways and streets	-	13,069,622	-	-	-	272,589	13,342,211
Apportionments to school districts	-	-	-	-	-	1,643,314	1,643,314
Capital outlay	10,134,078	3,315,511	1,277,186	74,641	-	403,503	15,204,919
Interfund loan interest expense	125,243	-	-	-	48,625	-	173,868
<b>TOTAL EXPENDITURES</b>	<b>41,793,272</b>	<b>16,385,133</b>	<b>26,197,197</b>	<b>25,103,454</b>	<b>48,625</b>	<b>6,507,531</b>	<b>116,035,212</b>
Excess (deficiency) of revenues over expenditures	(7,813,002)	(1,205,343)	996,082	3,212,836	1,725,509	4,019,110	935,192
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	3,438,392	-	-	1,032,565	-	430,656	4,901,613
Transfers out	(1,350,966)	(526,177)	(709,304)	(1,604,644)	-	(710,522)	(4,901,613)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>2,087,426</b>	<b>(526,177)</b>	<b>(709,304)</b>	<b>(572,079)</b>	<b>-</b>	<b>(279,866)</b>	<b>-</b>
Net change in fund balances	(5,725,576)	(1,731,520)	286,778	2,640,757	1,725,509	3,739,244	935,192
Fund balances (deficit) at beginning of year	(7,488,199)	25,902,906	3,351,148	2,749,651	(2,612,952)	2,120,874	24,023,428
Fund balances (deficit) at end of year	\$ (13,213,775)	\$ 24,171,386	\$ 3,637,926	\$ 5,390,408	\$ (887,443)	\$ 5,860,118	\$ 24,958,620

See notes to basic financial statements



**LINN COUNTY, 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, 2020**

*Amounts reported for governmental activities in the statement of activities (page 2) are different because:*

Net change in fund balances - total governmental funds (page 6)		\$ 935,192
<p>Governmental funds report capital outlays as expenditures while on the statement of activities the cost of these assets is allocated over the estimated life of the assets and reported as depreciation expense. The difference between these two amounts is:</p>		
Current expenditures for capital assets	15,146,543	
Capital contribution	700,000	
Less current year depreciation	<u>(3,664,665)</u>	12,181,878
<p>In the statement of activities, only the gain on the sale of capital assets is reported, whereas 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, less accumulated depreciation, of the capital assets sold.</p>		
		(79,688)
<p>In the statement of activities, revenue is recognized when earned. However, in the governmental funds, revenues are reported when they are measurable and available. This results in differences in amounts reported for property taxes and assessments.</p>		
		(256,473)
<p>Some pension and other liability changes reported in the statement of activities, including pension changes to deferred outflows and inflows either do not provide current financial resources or do not require the use of current financial resources and therefore are not reported as revenue or (expenditure) in the governmental funds:</p>		
(Increase) in accumulated compensated absences		(670,745)
(Increase) to changes in Pension and OPEB accounts		(12,348,132)
<p>Accrued interest on interfund loans is removed on the Statement of Activities</p>		
		31,139
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income/(loss) of the internal service funds is reported with governmental activities.</p>		
		<u>59,055</u>
Change in net position of governmental activities		<u>\$ (147,774)</u>

*See notes to basic financial statements*

**LINN COUNTY, OREGON**

**GENERAL FUND**

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The General fund is used to account for the financial resources of the County that are not accounted for in any other fund.

Principal sources of revenues are from state, federal, and other intergovernmental sources; property taxes; charges for services; and licenses, permits, fines and fees.

Primary expenditures are for general administration, local government services, public safety and community development. Significant operating transfers are made to other funds.

LINN COUNTY, OREGON

GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 12,571,616	\$ 12,571,616	\$ 12,755,923	\$ 184,307
Intergovernmental	11,446,837	12,055,917	11,259,157	(796,760)
Charges for services	6,243,512	6,435,512	5,944,335	(491,177)
Licenses, permits, fines and fees	2,338,244	2,338,244	2,631,722	293,478
Interest earnings	50,000	50,000	107,234	57,234
Miscellaneous	656,411	656,411	422,497	(233,914)
Interdepartmental transfers in	513,480	575,480	572,128	(3,352)
<b>TOTAL REVENUES</b>	<u>33,820,100</u>	<u>34,683,180</u>	<u>33,692,996</u>	<u>(990,184)</u>
<b>EXPENDITURES</b>				
Commissioners				
Personal services	545,991	590,991	578,729	12,262
Materials and services	11,395	16,395	13,236	3,159
<b>Total Commissioners</b>	<u>557,386</u>	<u>607,386</u>	<u>591,965</u>	<u>15,421</u>
Assessment and Taxation				
Personal services	2,147,983	2,147,983	2,096,020	51,963
Materials and services	242,000	244,000	197,783	46,217
Capital outlay	5	5	-	5
<b>Total Assessment and Taxation</b>	<u>2,389,988</u>	<u>2,391,988</u>	<u>2,293,803</u>	<u>98,185</u>
Clerk				
Personal services	1,182,519	1,182,519	1,053,325	129,194
Materials and services	348,912	348,912	252,828	96,084
<b>Total Clerk</b>	<u>1,531,431</u>	<u>1,531,431</u>	<u>1,306,153</u>	<u>225,278</u>

See notes to basic financial statements  
 Statement continued on next page

**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
Treasurer				
Personal services	\$ 318,224	\$ 318,224	\$ 303,014	\$ 15,210
Materials and services	14,925	14,925	14,566	359
Total Treasurer	333,149	333,149	317,580	15,569
Surveyor				
Personal services	791,825	791,825	593,093	198,732
Materials and services	17,086	17,086	11,079	6,007
Capital outlay	1	1	-	1
Total Surveyor	808,912	808,912	604,172	204,740
Veterans' Services				
Personal services	342,646	342,646	303,666	38,980
Materials and services	63,100	63,100	12,349	50,751
Total Veterans' Services	405,746	405,746	316,015	89,731
Planning & Building				
Personal services	1,682,099	1,632,099	1,482,201	149,898
Materials and services	284,600	334,600	280,295	54,305
Capital outlay	25,005	25,005	23,555	1,450
Total Planning & Building	1,991,704	1,991,704	1,786,051	205,653
Parks and Recreation				
Personal services	1,423,709	1,423,709	1,336,078	87,631
Materials and services	806,000	806,000	785,958	20,042
Capital outlay	250,000	400,000	237,156	162,844
Total Parks and Recreation	2,479,709	2,629,709	2,359,192	270,517

*See notes to basic financial statements*  
*Statement continued on next page*

**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
Historical				
Personal services	\$ 25,070	\$ 25,070	\$ 19,090	\$ 5,980
Materials and services	25,550	25,550	24,224	1,326
Capital outlay	20,000	20,000	-	20,000
Total Historical	70,620	70,620	43,314	27,306
Sheriff - Support Services				
Personal services	981,099	1,066,099	1,060,224	5,875
Materials and services	790,369	740,369	643,736	96,633
Capital outlay	1	1	-	1
Total Sheriff - Support Services	1,771,469	1,806,469	1,703,960	102,509
Sheriff - 911 Emergency Communication				
Personal services	2,184,001	2,106,001	2,085,797	20,204
Materials and services	227,408	227,408	190,619	36,789
Capital outlay	2	2	-	2
Total Sheriff - 911 Emergency Communication	2,411,411	2,333,411	2,276,416	56,995
Sheriff - Civil				
Personal services	1,246,351	1,279,351	1,272,987	6,364
Materials and services	72,530	72,530	61,757	10,773
Capital outlay	1	1	-	1
Total Sheriff - Civil	1,318,882	1,351,882	1,334,744	17,138
Sheriff - Criminal				
Personal services	2,225,748	2,172,748	2,023,849	148,899
Materials and services	114,000	229,000	68,954	160,046
Capital outlay	1	1	-	1
Total Sheriff - Criminal	2,339,749	2,401,749	2,092,803	308,946

*See notes to basic financial statements*  
*Statement continued on next page*

**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
Justice Court - Central Linn				
Personal services	\$ 536,057	\$ 536,057	\$ 490,963	\$ 45,094
Materials and services	443,900	443,900	387,905	55,995
Capital outlay	5	5	-	5
Total Justice Court - Central Linn	<u>979,962</u>	<u>979,962</u>	<u>878,868</u>	<u>101,094</u>
District Attorney				
Personal services	948,760	948,760	927,070	21,690
Materials and services	480	480	211	269
Total District Attorney	<u>949,240</u>	<u>949,240</u>	<u>927,281</u>	<u>21,959</u>
Medical Examiner				
Personal services	152,327	152,327	126,844	25,483
Materials and services	17,200	17,200	8,237	8,963
Total Medical Examiner	<u>169,527</u>	<u>169,527</u>	<u>135,081</u>	<u>34,446</u>
Juvenile				
Personal services	758,701	758,701	706,518	52,183
Materials and services	75,376	75,376	55,040	20,336
Total Juvenile	<u>834,077</u>	<u>834,077</u>	<u>761,558</u>	<u>72,519</u>
Sheriff - Corrections				
Personal services	1,480,630	1,565,630	1,562,237	3,393
Materials and services	231,403	281,403	168,606	112,797
Total Sheriff - Corrections	<u>1,712,033</u>	<u>1,847,033</u>	<u>1,730,843</u>	<u>116,190</u>
Sheriff - Animal control				
Personal services	556,048	569,048	568,236	812
Materials and services	88,050	88,050	66,951	21,099
Capital outlay	2	2	-	2
Total Sheriff - Animal control	<u>644,100</u>	<u>657,100</u>	<u>635,187</u>	<u>21,913</u>

*See notes to basic financial statements*  
*Statement continued on next page*

**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
General Administration				
Personal services	\$ 867,698	\$ 869,198	\$ 868,991	\$ 207
Materials and services	878,961	878,961	805,871	73,090
Capital outlay	3	3	-	3
Total General Administration	<u>1,746,662</u>	<u>1,748,162</u>	<u>1,674,862</u>	<u>73,300</u>
Information Technology				
Personal services	1,035,774	1,035,774	993,317	42,457
Materials and services	131,923	131,923	131,007	916
Capital outlay	38,944	38,944	36,983	1,961
Total Information Technology	<u>1,206,641</u>	<u>1,206,641</u>	<u>1,161,307</u>	<u>45,334</u>
General Services				
Personal services	1,221,454	1,221,454	1,204,446	17,008
Materials and services	945,266	945,266	916,184	29,082
Capital outlay	859,724	859,724	333,380	526,344
Total General Services	<u>3,026,444</u>	<u>3,026,444</u>	<u>2,454,010</u>	<u>572,434</u>
Printing				
Personal services	277,229	277,229	242,209	35,020
Materials and services	124,460	124,460	103,224	21,236
Capital outlay	1	1	-	1
Total Printing	<u>401,690</u>	<u>401,690</u>	<u>345,433</u>	<u>56,257</u>
County Attorney				
Personal services	545,769	565,769	562,638	3,131
Materials and services	27,762	27,762	24,905	2,857
Total County Attorney	<u>573,531</u>	<u>593,531</u>	<u>587,543</u>	<u>5,988</u>

*See notes to basic financial statements*  
*Statement continued on next page*

**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
Geographic System (GIS)				
Personal services	\$ 386,438	\$ 386,438	\$ 357,387	\$ 29,051
Materials and services	59,623	119,623	37,675	81,948
Capital outlay	1	1	-	1
Total Geographic System (GIS)	446,062	506,062	395,062	111,000
Expo				
Personal services	935,700	935,700	679,542	256,158
Materials and services	581,100	581,100	550,706	30,394
Capital outlay	422,401	522,401	63,518	458,883
Total Expo	1,939,201	2,039,201	1,293,766	745,435
Non-departmental				
Personal services	140,365	140,366	115,417	24,949
Materials and services	1,728,636	2,387,714	1,456,954	930,760
Capital outlay	2,570,000	10,070,001	9,420,428	649,573
Total Non-departmental	4,439,001	12,598,081	10,992,799	1,605,282
All Departments-Total				
Personal services	24,940,215	25,041,716	23,613,888	1,427,828
Materials and services	8,352,015	9,243,093	7,270,860	1,972,233
Capital outlay	4,186,097	11,936,098	10,115,020	1,821,078
Total All Departments	37,478,327	46,220,907	40,999,768	5,221,139
Contingency	435,169	413,069	-	413,069
Interdepartmental transfers out	513,480 (1)	575,480	572,128	3,352
TOTAL EXPENDITURES	38,426,976	47,209,456	41,571,896	5,637,560
Excess (deficiency) of revenues over expenditures	(4,606,876)	(12,526,276)	(7,878,900)	4,647,376

*See notes to basic financial statements*  
*Statement continued on next page*



**GENERAL FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	\$ 3,567,264	\$ 4,017,264	\$ 3,438,392	\$ (578,872)
Transfers out	(1,317,175) (1)	(1,347,775)	(1,350,966)	(3,191)
Loan advance from other funds	2,500,000	10,000,000	10,000,000	-
Loan repayments to other funds	(1,245,277) (1)	(1,245,277)	(1,245,272)	5
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,504,812</b>	<b>11,424,212</b>	<b>10,842,154</b>	<b>(582,058)</b>
Net change in fund balance	(1,102,064)	(1,102,064)	2,963,254	4,065,318
Fund balance at beginning of year	1,102,064	1,102,064	445,195	(656,869)
Fund balance at end of year	\$ -	\$ -	\$ 3,408,449	\$ 3,408,449

<u>Original budget appropriations:</u>	
Assessment and Taxation	
Loan repay	68,134
Clerk	
Transfers	592,856
Planning & Building	
Loan repay	84,864
Parks & Recreation	
Loan repay	101,003
Sheriff Support	
Loan repay	250,000
District Attorney	
Transfers	10,700
Non-departmental	
Transfers	1,249,365
Loan repay	719,010
	<u>3,075,932</u> (1)

<b>Reconciliation to GAAP basis:</b>	
Fund balance (budgetary basis) at end of year	\$ 3,408,449
Year-end cash adjustment	30,152
Fair market value adjustment on investments	6,927
Accounts receivable and available	90,217
Property taxes receivable and available	64,577
Due from other governments and available	869,167
Due from other funds	25,554
Accounts payable	(794,464)
Due to other governments	(2,454)
Due to other funds	(17,623)
Accrued interest	(28,019)
Accrued payroll, payroll taxes and benefits	(2,064,891)
Loan advances due to other funds	(14,801,367)
Fund balance (GAAP basis) at end of year	\$ <u>(13,213,775)</u>

See notes to basic financial statements

## LINN COUNTY, OREGON

### MAJOR SPECIAL REVENUE FUNDS

---

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

The following special revenue funds are reported as major funds by the County:

General Road – Operations of the County Road Department are primarily shown in this fund. Major sources of revenue include state motor vehicle fees and other intergovernmental sources. Expenditures are primarily for road construction and maintenance.

Law Enforcement 4-Year Levy – This fund is supported by a four-year local option property tax levy that is assessed to Linn County residents at a tax rate of \$2.83 per \$1,000 of taxable property value. The purpose of this fund, and its expenditures, are for law enforcement, jail operations, and other public safety operations.

Health – County health related activities are recorded in the Health Fund. Resources of this fund are primarily from state, federal, and other intergovernmental sources. There are also operating transfers from the General Fund. Expenditures are for health care activities.

Veterans Home Loan – Established in fiscal year 2010-11; this fund collects property taxes to repay an interfund loan that was used for the construction of a veteran's home. Once the loan is repaid, this fund will close.

LINN COUNTY, OREGON

GENERAL ROAD FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 17,968,497	\$ 17,968,497	\$ 14,502,168	\$ (3,466,329)
Charges for services	394,000	394,000	324,746	(69,254)
Licenses, permits, fines and fees	90,000	90,000	119,329	29,329
Interest earnings	150,500	150,500	154,058	3,558
Miscellaneous	60,500	60,500	54,158	(6,342)
<b>TOTAL REVENUES</b>	<u>18,663,497</u>	<u>18,663,497</u>	<u>15,154,459</u>	<u>(3,509,038)</u>
<b>EXPENDITURES</b>				
Personal services	8,644,897	8,644,897	7,848,336	796,561
Materials and services	6,274,932	6,315,932	4,871,344	1,444,588
Capital outlay	11,910,000	11,910,000	4,191,822	7,718,178
Contingency	1,513,597	1,372,597	-	1,372,597
<b>TOTAL EXPENDITURES</b>	<u>28,343,426</u>	<u>28,243,426</u>	<u>16,911,502</u>	<u>11,331,924</u>
Excess (deficiency) of revenues over expenditures	(9,679,929)	(9,579,929)	(1,757,043)	7,822,886
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(829,074) (1)	(829,074)	(526,177)	302,897
Loan repayment receipts from other funds	3,009,003	3,009,003	2,950,425	(58,578)
Loan advance to other funds	(600,000) (1)	(600,000)	-	600,000
Loan advance to other funds	<u>(2,500,000)</u>	<u>(10,000,000)</u>	<u>(10,000,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(920,071)</u>	<u>(8,420,071)</u>	<u>(7,575,752)</u>	<u>844,319</u>

(1) Appropriation level total is \$1,429,074

See notes to basic financial statements  
 Statement continued on next page

**GENERAL ROAD FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
Net change in fund balance	\$ (10,600,000)	\$ (18,000,000)	\$ (9,332,795)	\$ 8,667,205
Fund balance at beginning of year	16,600,000	18,000,000	18,047,637	47,637
Fund balance at end of year	<u>\$ 6,000,000</u>	<u>\$ -</u>	<u>\$ 8,714,842</u>	<u>\$ 8,714,842</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			\$ 8,714,842	
Year-end cash adjustment			315	
Fair market value adjustment on investments			12,774	
Accounts receivable and available			6,190	
Due from other governments and available			7,882	
Due from other funds			9,387	
Inventories			1,749,195	
Investment in fuel facility			128,177	
Loan advances due from other funds			15,164,493	
Accounts payable			(576,928)	
Contracts payable			(450,279)	
Due to other governments			(7,007)	
Due to other funds			(17,288)	
Accrued payroll, payroll taxes and benefits			(570,367)	
Fund balance (GAAP basis) at end of year			<u>\$ 24,171,386</u>	

LINN COUNTY, OREGON

LAW ENFORCEMENT 4-YEAR LEVY FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 26,348,188	\$ 26,348,188	\$ 27,028,314	\$ 680,126
Interest earnings	65,000	65,000	126,439	61,439
Miscellaneous	-	-	10,683	10,683
<b>TOTAL REVENUES</b>	<u>26,413,188</u>	<u>26,413,188</u>	<u>27,165,436</u>	<u>752,248</u>
<b>EXPENDITURES</b>				
Sheriff's				
Personal services	16,374,244	16,274,244	15,689,820	584,424
Materials and services	4,112,853	4,212,853	3,675,573	537,280
Capital outlay	1,146,003	1,146,003	1,140,434	5,569
District Attorney				
Personal services	2,498,912	2,498,912	2,016,266	482,646
Materials and services	334,112	334,112	275,058	59,054
Capital outlay	280,000	280,000	-	280,000
Juvenile's				
Personal services	3,396,637	3,396,637	3,039,503	357,134
Materials and services	268,832	268,832	179,047	89,785
Capital outlay	73,000	73,000	35,829	37,171
Non-departmental				
Materials and services	10,000	10,000	10,000	-
Contingency	699,982	699,982	-	699,982
<b>TOTAL EXPENDITURES</b>	<u>29,194,575</u>	<u>29,194,575</u>	<u>26,061,530</u>	<u>3,133,045</u>
Excess (deficiency) of revenues over expenditures	<u>(2,781,387)</u>	<u>(2,781,387)</u>	<u>1,103,906</u>	<u>3,885,293</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(709,304)</u>	<u>(709,304)</u>	<u>(709,304)</u>	<u>-</u>
Net change in fund balance	(3,490,691)	(3,490,691)	394,602	3,885,293
Fund balance at beginning of year	<u>3,490,691</u>	<u>3,490,691</u>	<u>4,762,002</u>	<u>1,271,311</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,156,604</u>	<u>\$ 5,156,604</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			5,156,604	
Fair market value adjustment on investments			7,559	
Property taxes receivable and available			133,856	
Accounts payable			(157,739)	
Due to other governments			(14,827)	
Due to other funds			(24,742)	
Accrued payroll, payroll taxes and benefits			(1,462,785)	
Fund balance (GAAP basis) at end of year			<u>\$ 3,637,926</u>	

See notes to basic financial statements

**LINN COUNTY, OREGON**  
**HEALTH SERVICES FUND**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**  
**For the Year Ended June 30, 2020**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 22,628,863	\$ 23,376,628	\$ 25,294,943	\$ 1,918,315
Charges for services	1,489,073	1,489,073	1,512,109	23,036
Licenses, permits, fines and fees	490,810	490,810	552,271	61,461
Interest earnings	22,969	22,969	79,763	56,794
Miscellaneous	500	500	18,524	18,024
Interdepartmental transfers in	<u>2,721,109</u>	<u>2,851,109</u>	<u>2,851,109</u>	<u>-</u>
<b>TOTAL REVENUES</b>	<u>27,353,324</u>	<u>28,231,089</u>	<u>30,308,719</u>	<u>2,077,630</u>
<b>EXPENDITURES</b>				
Personal services	21,973,559	21,815,474	20,676,267	1,139,207
Materials and services	3,889,478	4,642,083	4,054,952	587,131
Capital outlay	30,007	108,252	106,425	1,827
Contingency	1,064,650	1,044,650	-	1,044,650
Interdepartmental transfers out	<u>2,721,109</u> (1)	<u>2,851,109</u>	<u>2,851,109</u>	<u>-</u>
<b>TOTAL EXPENDITURES (A)</b>	<u>29,678,803</u>	<u>30,461,568</u>	<u>27,688,753</u>	<u>2,772,815</u>
Excess (deficiency) of revenues over expenditures	<u>(2,325,479)</u>	<u>(2,230,479)</u>	<u>2,619,966</u>	<u>4,850,445</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,032,565	1,032,565	1,032,565	-
Transfers out	(1,604,644) (1)	(1,604,644)	(1,604,644)	-
Loan repayment receipts from other funds	<u>183,774</u>	<u>183,774</u>	<u>183,773</u>	<u>(1)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(388,305)</u>	<u>(388,305)</u>	<u>(388,306)</u>	<u>(1)</u>

(1) Appropriation level total is \$4,325,753

*See notes to basic financial statements*  
*Statement continued on next page*

**HEALTH SERVICES FUND (Continued)**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

	Budget		Actual	Variance
	Original	Final		
Net change in fund balance	\$ (2,713,784)	\$ (2,618,784)	\$ 2,231,660	\$ 4,850,444
Fund balance at beginning of year	<u>2,713,784</u>	<u>2,618,784</u>	<u>3,380,482</u>	<u>761,698</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,612,142</u>	<u>\$ 5,612,142</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			\$ 5,612,142	
Fair market value adjustment on investments			8,226	
Accounts receivable, net and available			174,405	
Due from other governments, net and available			916,563	
Due from other funds			19,370	
Loan advances due from other funds			529,980	
Accounts payable			(464,588)	
Due to other funds			(6,768)	
Accrued payroll, payroll taxes and benefits			<u>(1,398,922)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 5,390,408</u>	
<b>(A) Summary of Expenditures by Program</b>				
Health administration	\$ 1,412,692	\$ 1,362,692	\$ 1,347,621	\$ 15,071
Mental health	14,907,968	14,907,968	13,324,850	1,583,118
Developmental disabilities	4,005,991	4,005,991	3,513,900	492,091
Alcohol and drug	3,464,620	4,172,385	3,906,221	266,164
Public health	3,078,804	3,078,804	2,890,684	188,120
Health information technology	1,560,339	1,685,339	1,670,543	14,796
Environmental health	<u>1,248,389</u>	<u>1,248,389</u>	<u>1,034,934</u>	<u>213,455</u>
TOTAL EXPENDITURES BY PROGRAM	<u>\$ 29,678,803</u>	<u>\$ 30,461,568</u>	<u>\$ 27,688,753</u>	<u>\$ 2,772,815</u>

LINN COUNTY, OREGON

VETERANS HOME LOAN FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,840,000	\$ 1,840,000	\$ 1,762,700	\$ (77,300)
Interest earnings	<u>7,500</u>	<u>7,500</u>	<u>9,626</u>	<u>2,126</u>
<b>TOTAL REVENUES</b>	<u>1,847,500</u>	<u>1,847,500</u>	<u>1,772,326</u>	<u>(75,174)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan repayments to other funds	<u>(1,947,500)</u>	<u>(1,947,500)</u>	<u>(1,888,926)</u>	<u>58,574</u>
Net change in fund balance	(100,000)	(100,000)	(116,600)	(16,600)
Fund balance at beginning of year	<u>100,000</u>	<u>100,000</u>	<u>116,600</u>	<u>16,600</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			\$ -	
Property taxes receivable and available			8,783	
Accrued interest			(3,120)	
Loan advances due to other funds			<u>(893,106)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ (887,443)</u>	



**LINN COUNTY, OREGON**

**PROPRIETARY FUND  
INTERNAL SERVICE FUND**

---

Unemployment Insurance – This fund began in fiscal year 1990-91 with initial funding obtained through action by the County Commissioners who requested monies that had accumulated in the State Employment Division Local Government Benefit Trust Fund. Currently this fund is self-financed by monthly contributions from all County departments that have employees. Expenditures from the Unemployment Insurance Fund pertain to current year unemployment claims.

LINN COUNTY, OREGON

STATEMENT OF NET POSITION  
PROPRIETARY FUND

June 30, 2020

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b><u>ASSETS</u></b>	
Current assets	
Cash and investments	\$ 521,009
Due from other funds	<u>13,136</u>
TOTAL ASSETS	<u>534,145</u>
<b><u>LIABILITIES</u></b>	
Current liabilities	
Due to other governments	33,500
Claims liability	<u>95,451</u>
TOTAL LIABILITIES	<u>128,951</u>
<b><u>NET POSITION</u></b>	
Unrestricted	<u><u>\$ 405,194</u></u>

LINN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUND

For the Year Ended June 30, 2020

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b>OPERATING REVENUES</b>	
Reimbursements	\$ <u>150,677</u>
<b>OPERATING EXPENSES</b>	
Insurance claims	<u>101,270</u>
Operating income	49,407
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest earnings	<u>9,648</u>
Income before transfers	<u>59,055</u>
Change in net position	59,055
Net position - beginning of year	<u>346,139</u>
Net position - end of year	<u>\$ <u>405,194</u></u>

*See notes to basic financial statements*

LINN COUNTY, OREGON

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 For the Year Ended June 30, 2020

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Cash received from reimbursements	\$ 149,785
Cash paid for insurance claims	<u>(80,276)</u>
Net cash provided by operating activities	69,509
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings	<u>9,648</u>
Net increase in cash and investments	79,157
Cash and investments - beginning of year	<u>441,852</u>
Cash and investments - end of year	<u><u>\$ 521,009</u></u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>	
Operating income	\$ 49,407
(Increase) decrease in due from other funds	(892)
Increase (decrease) in due to other government	25,001
Increase (decrease) in claims liability	<u>(4,007)</u>
Net cash provided by operating activities	<u><u>\$ 69,509</u></u>

*See notes to basic financial statements*

## LINN COUNTY, OREGON

### FIDUCIARY FUND

---

Agency – This fund accounts for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. In Linn County these include a regional fueling facility, justice courts and various other receipts held by the County Treasurer's office.

**LINN COUNTY, OREGON**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2020**

		Agency
<b><u>ASSETS</u></b>		
Cash and investments	\$	3,775,587
Receivables		8,687,620
Due from other governments		46,121
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>12,509,328</b>
 <b><u>LIABILITIES</u></b>		
Accounts payable	\$	22,962
Due to other governments		7,892,455
Amounts held in trust		4,593,911
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>12,509,328</b>

*See notes to basic financial statements*

NOTES TO BASIC  
FINANCIAL STATEMENTS

**LINN COUNTY, OREGON**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**Year Ended June 30, 2020**

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# LINN COUNTY, OREGON

## NOTES TO BASIC FINANCIAL STATEMENTS Year Ended June 30, 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of **LINN COUNTY, OREGON** have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the County are described below.

#### A. Organization

**LINN COUNTY, OREGON** was formed under the predecessor chapter to ORS 202 in 1847. Its boundaries are established by ORS 201.220. The County's budgeting and accountability for fiscal matters is directed by a Board of County Commissioners consisting of three independently elected members. Seven other elected officials manage various other public service areas.

#### B. Reporting entity

The accompanying basic financial statements present all activities funds and component units for which the County 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. Based upon the evaluation of this criterion, the County is a primary government with no includable component units.

#### C. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the County (the primary government). The effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### C. Government-wide and fund financial statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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*.

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. Major governmental funds and major proprietary funds are reported in separate columns in the respective fund financial statements.

#### D. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for the agency fund which has no measurement focus under accrual accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the County, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Measurement focus, basis of accounting and financial statement presentation (continued)

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues 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.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the County. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The County reports the following major governmental funds:

General: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Its principal revenue sources are property taxes, intergovernmental receipts, charges for services, and licenses, permits, fines and fees.

General Road: Accounts for the operations of the County road department including expenditures for road maintenance and construction. Its principal revenue source is intergovernmental receipts from state motor vehicle apportionments.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### D. Measurement focus, basis of accounting and financial statement presentation (continued)

Major governmental funds (continued):

Law Enforcement 4-Year Levy: Operations are for law enforcement and jail operations. Its revenue source is property taxes.

Health Services: Accounts for the operations of County health departments which provide health care services to residents of Linn County. Its principal revenue sources are intergovernmental receipts, charges for services, and licenses, permits, fines and fees.

Veterans Home Loan: Accounts for the repayment of an interfund loan used to build the Veteran's home in Lebanon, Oregon. Its revenue source is property taxes.

Additionally, the County reports the following fund types:

*Special revenue funds* - are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

*Proprietary fund* - accounts for the operations of predominantly self-supporting activities. The internal service fund accounts for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. Linn County has a self-insured unemployment fund classified and reported as an internal service fund.

*Fiduciary funds* - account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund, which in Linn County include a regional fueling facility, justice courts and various other receipts held by the County Treasurer's office.

#### E. Budget

Generally, Oregon local budget law requires annual budgets be adopted for all funds except agency funds. The cash basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The County 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 March or April and the hearing is held in April. The Board of Commissioners adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### E. Budget (continued)

expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The County has established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirements levels for all funds except the General fund and the General Grants fund. Budgetary controls are established at the department level for the Grants fund, and within each department of the General fund, budgetary controls are at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirements levels.

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The Board of Commissioners must authorize all appropriation transfers and supplementary budget appropriations. Expenditures for all funds were within appropriation amounts.

#### F. Investments

Investments included in cash and investments are reported at fair value. The County invests in the State of Oregon local government investment pool (LGIP), certificates of deposit, US government securities held under repurchase agreements, and other government investments authorized by Oregon revised statutes. The LGIP is not registered with the Securities and Exchange Commission as an investment organization. Interest earned from pooled investments is allocated based on a fund's portion of the total investment balance. The County maintains depository insurance under federal depository insurance funds and state and financial institution collateral pools for its deposits with financial institutions.

For purposes of the statement of cash flows, the County's internal service fund considers its cash and investments as cash and cash equivalents. This is in conformity with Statement No. 9 of the governmental accounting standards board which states that deposits in cash management pools that have the general characteristics of demand deposit accounts are appropriately classified as cash.

#### Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### F. Investments (continued)

Level 1 – inputs are quoted prices in active markets for identical assets.

Level 2 – inputs are other significant observable inputs.

Level 3 – inputs are significant unobservable inputs.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

#### G. Receivables

Uncollected property taxes are reported on the balance sheet as receivables; the portion which has been collected within 45 days of year end, are considered measurable and available, and are recognized as revenues in the funds. The remaining balance is recorded as a deferred inflow item called unavailable revenue, and has not been recorded as revenue. Property taxes receivable in the agency fund are offset by amounts held in trust and, accordingly, have not been recorded as revenue.

Accounts receivable in governmental funds are recorded as revenue as they become measurable and available. An allowance for doubtful accounts pertaining to estimated uncollectible health and mental health fees has been recorded.

Receivables for federal and state grants, and state shared revenues are entered in the governmental funds as “Due from other governments.” These receivables are recorded as revenue in all fund types as they become measurable and available.

Assessments receivable pertain to improvements benefiting specific property owners. These receivables are offset by an unavailable revenue account and are recognized as revenue as they become measurable and available.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### H. Inter-fund loans

Lending and borrowing arrangements between funds, which are outstanding at the end of the year, are presented as “advances to/from other funds” for the outstanding balances of the interfund loans. All other outstanding balances between funds are reported as due to/from other funds. Advances to/from other funds are offset by a reservation of fund equity to indicate that they are not available financial resources.

#### I. Inventories

Inventories consist of materials and supplies used for road repairs by the General Road fund. Inventories are valued at average cost. The County uses the consumption method of accounting for these inventories, whereby inventories are charged as expenditures when used.

#### J. Foreclosed properties held for sale

These properties are valued at the amount of property taxes owed upon acquisition by the County. The properties are continually offered for sale, and upon sale, revenues are recognized. The inventory of foreclosed properties held for sale is offset by unearned revenue.

#### K. Capital assets

Capital assets, which include property, equipment, infrastructure assets (e.g., roads and bridges), and their improvements, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The County has elected to use the modified approach to present infrastructure relating to paved roads. Under the modified approach, assets are capitalized but not depreciated. In lieu of calculating depreciation, a condition assessment of the eligible assets must be presented listing planned versus actual maintenance and details of the basis of assessment and the level of condition at which the County intends to preserve the eligible assets. All other infrastructure assets are being depreciated.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### K. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized when projects under construction are completed.

Property, plant, and equipment of the County are depreciated after reducing the capitalized cost by the estimated salvage value, if any, using the straight-line method over the following estimated useful lives:

• Motor vehicles	3 - 10 years
• Equipment	5 - 30 years
• Intangibles	5 - 15 years
• Buildings	39 - 50 years
• Buildings improvements	50 years
• Public domain infrastructure	25 - 50 years

Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in the statement of activities.

#### L. Investment in joint venture

The County reports its vested pro-rata share of the June 30 net position of the Linn Regional Fueling Facility (a jointly governed organization) as investment in joint venture. See also note 17.

#### M. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the 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 type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt.

The County has no such debt at year end.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### N. Leases

Leases which meet certain criteria established by the financial accounting standards board are classified as capital leases and are recorded in the statement of net position. Leases which do not meet criteria of a capital lease are classified as operating leases.

#### O. Compensated absences

Accumulated vacation is accrued when incurred in the government-wide statements. Sick leave, which does not vest, is recorded when leave is taken. All of the County's funds that have accrued payroll have periodically liquidated the compensated absences liability.

#### P. Net position and fund equity

##### **Net position**

In the government-wide financial statements, net position is reported in three categories: invested in capital assets, restricted net position; and unrestricted net position. Net position invested in capital assets represent capital assets, net of accumulated depreciation reduced by outstanding principal of any related debt. Restricted net position represents net position restricted by parties outside of the County (such as creditors, grantors, contributors, or laws, and regulations of other governments). All other net position is considered unrestricted. In the government-wide and proprietary fund financial statements, when the County has restricted and unrestricted resources available, it is the County's policy to expend restricted resources first and then unrestricted resources as needed.

##### **Fund equity**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

**Non-Spendable** – Includes items not immediately converted to cash, such as prepaid items and inventory.

**Restricted** – Includes items that are restricted by external creditors, grantors or contributors, or restricted by legal constitutional provisions.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### P. Net position and fund equity (continued)

**Committed** – Includes items formally set aside by the Board of Commissioners for a particular purpose. The Board of Commissioners may commit funds balances by resolution. Commitments of fund balance must be made prior to the end of the fiscal year.

**Assigned** – Includes items assigned for specific uses, authorized by the County Assignments of fund balance can be done at any time, including after the fiscal year end date.

**Unassigned** – This is the residual classification for the County’s general fund and includes all spendable amounts not contained in the other classifications. The General fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded spendable amounts, it may be necessary to report a negative unassigned fund balance in that fund.

In the governmental fund financial statements, when the County has restricted and unrestricted (committed, assigned or unassigned) resources available, it is the County’s policy to expend restricted resources first. Unrestricted resources are then expended in the order of committed, assigned, and unassigned as needed, unless otherwise provided for in actions to commit or assign resources, in determining the amounts to be reported in each of the fund balance categories.

#### Q. Property Tax Calendar

Under state law, county governments are responsible for extending authorized property tax levies, computing tax rates, billing and collecting all property taxes, and making periodic remittances of collections to entities levying taxes. Real and personal property taxes are levied upon all taxable property and become a lien against the property as of July 1 of each year. Property taxes are payable in three installments which are due on November 15, February 15 and May 15 following the lien date. The County levies, collects and distributes property taxes for the taxing jurisdictions within its boundaries. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### R. Deferred outflows/inflows of resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. These include pension, and OPEB related items.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an amount that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Pension, and OPEB related items are amortized over specified periods and are reported as deferred inflows of resources.

The balance sheet of governmental funds report as deferred inflows unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

#### S. Pension

For the purposes of measuring the net pension liability, deferred outflow/inflows of resources related to pensions, pension expense, information about fiduciary net position of the Oregon Public employees Retirement System (PERS) and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

### 2. CASH AND INVESTMENTS

The County maintains a pool of cash and investments pool 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.

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

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

The County's cash and investments at June 30, 2020, are as follows:

Cash on hand	\$ 44,116
Deposits with financial institutions:	
Checking and saving accounts	4,653,614
Investments	<u>29,267,358</u>
Total cash and investments	<u>\$ 33,965,088</u>

Cash and investments by fund:

<u>Governmental activities</u>	
Governmental funds:	
General	\$ 4,127,738
General Road	8,727,931
Law Enforcement 4-Year Levy	5,164,163
Health Services	5,620,368
Nonmajor governmental funds	<u>6,028,292</u>
Total governmental funds	29,668,492
Proprietary fund:	
Internal Service	<u>521,009</u>
Total governmental activities	30,189,501
Fiduciary fund:	
Agency	<u>3,775,587</u>
Total cash and investments - all funds	<u>\$ 33,965,088</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. CASH AND INVESTMENTS (continued)

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, 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.

Investments in the LGIP are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2020.

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2020, the fair value of the position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

*Credit risk:* Oregon statutes authorize the County 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. The Pool is not registered with the SEC as an investment company and is unrated.

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

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

As of June 30, 2020 the County had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturities</u>	<u>Fair Value Activity Level</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	No rating	N/A	Quoted market price, Level 1	\$ <u>28,480,756</u>
<u>Investments held with Keybank National Association</u>				
RFCSP Strips	AA+	7/15/2020	Quoted market price, Level 1	261,798
Municipal Port of Morrow	AA	9/1/2020	Quoted market price, Level 1	<u>524,804</u>
Total Keybank Investments				<u>786,602</u>
Total Investments				<u>\$ 29,267,358</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. CASH AND INVESTMENTS (continued)

*Interest Rate Risk:* The County does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates. The county's policy to manage its exposure to fair-value losses arising from increases in interest rates is in compliance with Oregon Revised Statutes.

*Concentration of Credit Risk:* The County does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 97.32% of the County's investments are in the State Treasurer's Investment Pool. The County's policy does not allow for an investment with any one issuer that is in excess of 25% of the County's total investments.

*Custodial Credit Risk-Investments:* This is the risk that, in the event of the failure of counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. Investments of \$786,602 are exposed to custodial credit risk because the related securities are uninsured, unregistered and held by the County's brokerage firm, which is the counterparty to those securities. Investments in the LGIP are not exposed to custodial credit risk. The County's investment policy does not limit the amount of investments that can be held by counterparties.

*Custodial Credit Risk-Deposits:* This is the risk that in the event of a bank failure, the County's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the County's deposits with financial institutions up to \$250,000 for the combined total of all non-interest savings deposits. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2020, the County's bank balances were \$5,475,043, and none of these funds were exposed to credit risk.

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

**3. RECEIVABLES**

As of June 30, 2020, the County had the following receivables:

	<u>General</u>	<u>General Roads</u>	<u>Law Enforcement 4-Year Levy</u>	<u>Health Services</u>	<u>Veterans Home Loan</u>	<u>Non Major Governmental Funds</u>	<u>Totals</u>
Property taxes	\$ 607,813	\$ -	\$ 1,259,799	\$ -	\$ 82,800	\$ -	\$ 1,950,412
Accounts	90,217	16,742	-	310,119	-	36,485	453,563
Interest	-	-	-	-	-	-	-
Assessment	-	15,658	-	-	-	-	15,658
Subtotal	698,030	32,400	1,259,799	310,119	82,800	36,485	2,419,633
Less: allowance for uncollectible accounts	-	-	-	(114,971)	-	-	(114,971)
Receivables, net	<u>\$ 698,030</u>	<u>\$ 32,400</u>	<u>\$ 1,259,799</u>	<u>\$ 195,148</u>	<u>\$ 82,800</u>	<u>\$ 36,485</u>	<u>\$ 2,304,662</u>

**4. INTERFUND RECEIVABLES AND PAYABLES**

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General	\$ 25,554	\$ 17,623
General Road	9,387	17,288
Law Enforcement 4-Year Levy	-	24,742
Health Services	19,370	6,768
Non-major governmental funds	77	1,103
Internal service	13,136	-
	<u>\$ 67,524</u>	<u>\$ 67,524</u>

The interfund balances between the General Fund and the other County funds are primarily a result of the centralized purchasing, printing and mailing departments within the General Fund which bills the other funds for materials and services supplied on their behalf. In addition, information technology is centralized in the General Fund and bills all other funds for services provided.



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

**5. INTERFUND LOANS**

The County has multiple interfund loans as permitted by ORS 294.468. The term of each loan does not exceed ten years, and the governing body has determined that a 2% interest rate is appropriate for these types of loans. Interfund loan balances at June 30, 2020 are as follows:

Date of Loan	Lending Fund	Borrowing Fund	Purpose	Original Amount	Principal Balance at June 30
12/1/2011	Roads	Veterans Home Loan	Building purchase	12,000,000	893,106
6/1/2012	Roads	General	Property purchase-Jackson St	660,000	174,928
12/6/2012	Health Services	General	Building purchase	1,500,000	529,980
3/5/2014	Roads	General	Weyerhauser building improvement	700,000	281,679
6/1/2014	Roads	General	Property purchase-Edgewater	900,000	401,999
10/30/2014	Roads	General	Property purchase-Tangent	950,000	477,372
9/30/2015	Roads	General-Clerk	Election software	200,000	115,181
12/1/2015	Roads	General	Property purchase-Albany police department	1,750,000	1,091,279
12/1/2015	Roads	General-Sheriff	Communication software	2,000,000	1,034,110
9/13/2016	Roads	General-Planning	Planning software	400,000	83,199
7/1/2017	Roads	General	Building improvements (APD building)	750,000	611,640
3/3/2020	Roads	General	Property purchase-Millersburg	10,000,000	10,000,000
TOTAL OUTSTANDING LOAN BALANCES					<u>\$ 15,694,473</u>
<u>SUMMARY</u>				Interest paid during year	Principal Balance
General fund loans due to Roads				\$ 83,229	\$ 14,271,387
General fund loan due to Health Services				13,995	529,980
Veterans Home loan due to Roads				45,505	893,106
				<u>\$ 142,729</u>	<u>\$ 15,694,473</u>

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

**6. INTERFUND TRANSFERS**

As part of the budget process, the County plans to make interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues. Transfers were as follows:

Fund	Transfers in	Transfers out
General	\$ 3,438,392	\$ 1,350,966
General Road	-	526,177
Law Enforcement 4-Year Levy	-	709,304
Health	1,032,565	1,604,644
Nonmajor governmental funds	<u>430,656</u>	<u>710,522</u>
TOTAL	<u>\$ 4,901,613</u>	<u>\$ 4,901,613</u>

**7. CAPITAL ASSETS**

Changes in capital assets during the year were as follows:

	Begin balance June 30, 2019	Additions	Deletions	Adjustment	End balance June 30, 2020
Capital assets not being depreciated					
Land	\$ 17,851,463	\$ 4,743,832	\$ -	\$ 361,850	\$ 22,957,145
Infrastructure	115,085,725	-	-	-	115,085,725
Construction in progress	<u>3,718,495</u>	<u>3,774,496</u>	<u>2,595,612</u>	<u>-</u>	<u>4,897,379</u>
Total capital assets not being depreciated	<u>136,655,683</u>	<u>8,518,328</u>	<u>2,595,612</u>	<u>361,850</u>	<u>142,940,249</u>
Capital assets being depreciated					
Buildings and improvements	53,728,891	5,090,410	23,075	(1,129,513)	57,666,713
Intangibles	5,475,717	-	60,138	(117,437)	5,298,142
Equipment	29,699,251	2,927,069	510,045	(345,072)	31,771,203
Infrastructure	<u>40,401,758</u>	<u>1,906,348</u>	<u>-</u>	<u>1,230,172</u>	<u>43,538,278</u>
Total capital assets being depreciated	<u>\$ 129,305,617</u>	<u>\$ 9,923,827</u>	<u>\$ 593,258</u>	<u>\$ (361,850)</u>	<u>\$ 138,274,336</u>

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

**7. CAPITAL ASSETS (continued)**

Less accumulated depreciation for:

Buildings and improvements	\$ 16,747,591	\$ 1,000,942	\$ 5,961	\$ (176,827)	\$ 17,565,745
Intangibles	1,990,420	446,558	54,138	(22,287)	2,360,553
Equipment	17,385,743	1,374,309	453,471	(373,141)	17,933,440
Infrastructure	11,211,238	842,856	-	572,255	12,626,349
	<u>47,334,992</u>	<u>3,664,665</u>	<u>513,570</u>	<u>-</u>	<u>50,486,087</u>
Total accumulated depreciation					
Total capital assets, being depreciated, net	<u>81,970,625</u>	<u>6,259,162</u>	<u>79,688</u>	<u>(361,850)</u>	<u>87,788,249</u>
Governmental activities capital assets, net	<u>\$ 218,626,308</u>	<u>\$ 14,777,490</u>	<u>\$ 2,675,300</u>	<u>\$ -</u>	<u>\$ 230,728,498</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General administration and support	\$ 456,906
Local government services	32,642
Public safety	953,165
Health services	241,537
Community development	508,277
Highways and streets	<u>1,472,138</u>

Total depreciation expense – governmental activities \$ 3,664,665

The adjustments column above shows the reclassification of infrastructure and land asset cost and accumulated depreciation for various assets previously recorded in other category types.

**8. DUE TO OTHER GOVERNMENTS**

At June 30, 2020 Linn County's General, Roads, Law Enforcement, and Grants funds owed the Linn Regional Fueling Facility \$24,984 for gasoline used in June 2020.

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

**9. LONG-TERM OBLIGATIONS**

A. Compensated absences

The County's outstanding obligation for accumulated compensated absences at June 30, 2020 is as follows:

	Balance <u>June 30, 2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2020</u>	<u>Balances due within one year</u>
Accumulated compensated absences	\$ 4,178,502	\$ 4,849,247	\$ 4,178,502	\$ 4,849,247	\$ 3,150,481
Totals	<u>\$ 4,178,502</u>	<u>\$ 4,849,247</u>	<u>\$ 4,178,502</u>	<u>\$ 4,849,247</u>	<u>\$ 3,150,481</u>

All major funds and the general grants fund have budgeted personnel services which will liquidate the liability for compensated absences when used.

B. Operating leases

The County is also committed under various operating leases, primarily pertaining to equipment and office space. Lease payments for the year ended June 30, 2020, were \$113,526. Future minimum lease payments for the County's non-cancelable leases are as follows:

	Year ending <u>June 30,</u>
2021	\$ 90,821
2022	68,116
2023	45,410
2024	22,705
2025	<u>11,353</u>
	<u>\$ 238,405</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE (GASB 75)

The County complies with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, by accounting for its Cobra retiree other post-employment benefits (OPEB) liability. To determine its Cobra retiree OPEB liability, the County obtains an actuarial valuation every two years.

The County's latest actuarial valuation was revised August 13, 2020. In this revision the County's OPEB liability was measured as of June 30, 2020 with the liability determined by an actuarial valuation as of July 1, 2018. The significant change to the revised valuation was the reduction of the discount rate from 4% to 2.25%.

Benefit Description - Until they become eligible for Medicare, the County allows retirees to continue health insurance coverage for themselves and their qualified dependents at the same rates as active employees, as required by ORS 243.303. Retirees must pay the entire premium in order to maintain coverage; the County does not directly contribute to the cost of premiums for retirees. However, premiums paid by retirees do not represent the full cost of providing health insurance to retirees because the County's rates are determined based on claims experience for both active employees and retirees. Since retirees typically have higher medical claims than active employees, medical coverage would be more expensive for retirees in a separately rated health plan. Conversely, active employees would be expected to generate lower medical claims resulting in lower premiums. The additional cost of allowing retirees to purchase health insurance at a blended rate is called an implicit rate subsidy and is required to be valued under GASB 75. The County treats this implicit rate subsidy as a single-employer, defined benefit OPEB plan administered by the County only to satisfy the accounting and financial reporting requirements of GASB 75, and a separate financial report is not issued. In addition to the requirements imposed by ORS 243.303, benefits provided to employees and retirees are established and may be amended by the County's board of commissioners in conjunction with various collective bargaining agreements.

Funding Policy - Retirees pay the entire cost of the premium at blended rates. The County's only contribution is the implicit rate subsidy which continues to be financed on a pay-as-you-go basis. Contribution requirements are established and may be amended by the County's board of commissioners in conjunction with various collective bargaining agreements. All County funds contribute to the pay-as you go-basis. The County has not set aside any assets to pre-fund OPEB resulting from the implicit rate subsidy.

Actuarial Methods and Assumptions - The District engaged an actuary to perform an evaluation as of July 1, 2018 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer OPEB Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement: Discount rate per year 2.25%, general inflation rate 2.5 %, payroll growth per year 3.5%, annual medical premium increase of 7.0% in 2019-2020, decreasing 0.1% per year, until reaching 5% in 2038. Mortality rates were based on the RP 2014 Basic Mortality Table for males and females, as appropriate. Male adjustments are a blended 50% blue collar/50% white collar, set back 12 months. Female adjustments are also blended 50% blue collar/50% white collar, but with no set back. Turnover rates were based on percentages as developed for the valuation of benefits under Oregon PERS and vary by years of service. Disability rates were based on the percentages as developed for the valuation benefits under Oregon PERS and vary by employee age. Retirement rates follow those developed for the Oregon PERS calculation with the following exception. General Service employees are assumed to retire by the time both employee and dependent have reached aged 65.

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

**10. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE (continued)**

Plan membership

As of July 1, 2018, there were 608 active employees and 13 eligible retirees receiving benefits, for a total of 621 plan participants.

Deferred inflows and outflows resulting from Cobra retiree OPEB

The County's revised Cobra retiree OPEB actuarial report shows a \$210,421 increase in deferred outflows, and a (\$127,791) decrease in deferred inflows for the year ended June 30, 2020.

Changes in Medical benefit Cobra retiree OPEB liability

The calculation of changes in this OPEB liability are as follows:

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability at beginning of year	\$ 1,485,551	\$ 2,402,503	\$ 2,324,148
Changes for the year:			
Service cost	90,391	128,184	124,450
Interest	61,142	74,461	69,852
Differences between expected and actual experience	-	(155,462)	-
Changes in assumptions or other input	240,481	(866,862)	-
Benefit payments	<u>(94,767)</u>	<u>(97,273)</u>	<u>(115,947)</u>
Net changes for the year	<u>297,247</u>	<u>(916,952)</u>	<u>78,355</u>
Total OPEB liability at end of year	<u>\$ 1,782,798</u>	<u>\$ 1,485,551</u>	<u>\$ 2,402,503</u>
Estimated covered payroll	\$ 37,846,731	\$ 36,566,890	\$ 33,693,744
Total OPEB liability as a percentage of covered payroll	4.71%	4.06%	7.13%

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net other post-employment benefit liability (NOL), calculated using the revised discount rate of 2.25 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

June 30, 2020	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	<u>\$ 1,934,746</u>	<u>\$ 1,782,798</u>	<u>\$ 1,641,372</u>

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

**10. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE (continued)**

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 7.0 percent graded down to 5.0 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (6.0 percent graded down to 4.0 percent) or 1-percentage-point higher (8.0 percent graded down to 6.0 percent) than the current rate:

June 30, 2020	1% Decrease 6% Graded Down to 4%	Current Trend Rate 7% Graded Down to 5%	1% Increase 8% Graded Down to 6%
Total Cobra retiree OPEB Liability	\$ 1,547,779	\$ 1,782,798	\$ 2,065,038

Cobra retiree OPEB medical benefit schedule of deferred inflows and outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 116,596
Changes of assumptions or other input	305,188	650,146
	<u>\$ 305,188</u>	<u>\$ 766,742</u>

Amounts reported as deferred outflows or inflows of resources related to Cobra retiree OPEB will be recognized in OPEB expense as follows:

<u>Fiscal years ending June 30,</u>	
2021	\$ (97,731)
2022	(97,731)
2023	(97,731)
2024	(97,731)
2025	(97,731)
Thereafter	(67,666)

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)

**Plan Description** - As a member of Oregon Public Employees Retirement System (OPERS) the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other 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 97281-3700.

**Funding Policy** - Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating counties are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the County currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2020. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The County's contributions to RHIA for the years ended June 30, 2019 and 2020 were \$181,740 and \$10,171, respectively, which equaled the required contributions each year.

At June 30, 2020, the County reported a net OPEB liability/(asset) of (\$708,582) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2019, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2017. Consistent with GASB Statement No. 75, paragraph 59(a), the County's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2019 and 2018, the County's proportion was .367 percent and .375 percent, respectively. OPEB expense for the year ended June 30, 2020 was \$100,913.



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

**11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)**

**Components of OPEB Expense/(Income):**

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (92,153)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	1,607
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
	<hr/>
Employer's Total OPEB Expense/(Income)	<u>\$ (90,546)</u>

**Components of Deferred Outflows/Inflows of Resources:**

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 93,441
Changes in assumptions	-	734
Net difference between projected and actual earnings on investments	-	43,737
Changes in proportionate share	4,361	341
Differences between County contributions and proportionate share of contributions	-	-
	<hr/>	<hr/>
Subtotal - Amortized Deferrals (below)	4,361	138,253
County contributions subsequent to the measurement date	10,171	-
	<hr/>	<hr/>
Deferred outflow (inflow) of resources	<u>\$ 14,532</u>	<u>\$ (138,253)</u>

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, 2021.

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

**11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)**

Amounts reported as deferred outflows or inflow of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal years ending June 30,</u>	
2021	\$ (69,148)
2022	(61,365)
2023	(7,884)
2024	4,505
2025	-
Thereafter	-
Total	<u>\$ (133,892)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2019. That independently audited report was dated February 24, 2020 and can be found at: <https://www.oregon.gov/pers/EMP/Documents/GASB/2019/PERS%20GASB%2075%20RHIA%20Report%20FY%206.30.19.pdf>

**Actuarial Methods and Assumptions:**

Valuation Date	December 31, 2017
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	7.20 percent
Projected salary increase	3.50 percent
Retiree healthcare participation	Healthy retirees: 35%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)

#### **Actuarial Methods and Assumptions (continued):**

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

#### **Discount Rate:**

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2019 and 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

#### **Long-Term Expected Rate of Return:**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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.

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

**11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)**

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Compound Annual (Geometric) Return</b>
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

*(Source: June 30, 2019 PERS CAFR; p. 74)*

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

**11. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (continued)**

Sensitivity of the County’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the County’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 7.20 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Current Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net OPEB liability (asset)	\$ (549,334)	\$ (708,582)	\$ (844,273)

**Changes Subsequent to the Measurement Date**

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. RETIREMENT PLAN

*Plan description.* The County is a participating employer in the Oregon Public Employee Retirement System (PERS)—a single cost-sharing multiple employer defined benefit pension plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

Actuarial charts below are taken from the June 30, 2019 Oregon PERS CAFR report.

#### **PERS Pension-Chapter 238 (Tier One/Tier Two) Retirement Benefit.**

The ORS Chapter 38 Defined Benefit plan is closed to new members hired on or after August 29, 2003.

#### **Pension Benefits**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under a formula plus annuity (for members who were contributing before August 21, 1981), or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General Service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

#### **Death Benefits**

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- member was employed by a PERS employer at the time of death,
- member died within 120 days after termination of PERS-covered employment,
- member died as a result of injury sustained while employed in a PERS-covered job, or
- member was on an official leave of absence from a PERS-covered job at the time of death.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. RETIREMENT PLAN (continued)

#### **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.

#### **Benefit Changes After Retirement**

Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

#### **OPSRP Pension Program-Chapter 238A (OPSRP DB)**

The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

#### **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:

*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.

*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.

A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

#### **Death Benefits**

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. RETIREMENT PLAN (continued)

#### **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.

#### **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. The funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation, which became effective July 1, 2019. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2020 were \$5,207,008 excluding amounts to fund employer specific liabilities. In addition \$2,500,238 in employee contributions were paid or picked up by the County in fiscal 2020.

At June 30, 2020, the County reported a net pension liability of \$80,928,024 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2017. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2019 and 2018, the County's proportion was .4679 percent and .4347 percent, respectively. Pension expense for the year ended June 30, 2020 was \$12,584,777.

The rates in effect for the year ended June 30, 2020 were:

- Tier one/Tier two, 27.17%
- OPSRP general services, 18.55%
- Police and Fire, 23.18%



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

**12. RETIREMENT PLAN (continued)**

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred outflow of resources</u>	<u>Deferred inflow of resources</u>
Differences between expected and actual experience.	\$ 4,462,942	\$ -
Changes in assumptions.	10,978,810	-
Net difference between projected and actual earnings on investments.	-	2,294,227
Changes in proportionate share.	3,153,214	3,334,533
Differences between employer contributions and employer's proportionate share of system contributions.	<u>1,523,198</u>	<u>718,136</u>
Total (prior to post-MD contributions)	20,118,164	6,346,896
Contributions subsequent to the measurement date (MD)	<u>5,207,008</u>	<u>-</u>
Net deferred outflow/(inflow) of resources	<u>\$ 25,325,172</u>	<u>\$ 6,346,896</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2021.

Amounts reported as deferred outflows or inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal years ending June 30,</u>	
2021	\$ 7,385,649
2022	852,599
2023	2,752,543
2024	2,516,011
2025	264,466
Thereafter	<u>-</u>
Total	<u>\$ 13,771,268</u>

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

**12. RETIREMENT PLAN (continued)**

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2020.

**Actuarial Valuations**

The employer contribution rates effective July 1, 2019, through June 30, 2021, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**Actuarial Methods and Assumptions:**

Valuation date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Projected salary increase	3.50 percent overall payroll growth
Cost of living adjustment	Blend of 2% COLA and graded COLA (1.25% / .15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 sex distinct, generational with Unisex, Social Security Data Scale.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. RETIREMENT PLAN (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts 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 method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending on December 31, 2016.

#### Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.00%	3.00%	0.00%
Debt Securities	15.00%	25.00%	20.00%
Public Equity	32.50%	42.50%	37.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	13.50%	21.50%	17.50%
Alternative Investments	0.00%	12.50%	12.50%
Opportunity Portfolio	0.00%	3.00%	0.00%
Total			100.00%

#### Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2017 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. RETIREMENT PLAN (continued)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2019 PERS CAFR; p. 74)

#### Discount Rate

The discount rate used to measure the total pension liability as of the measurement date of June 30, 2019 and 2018 was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

**12. RETIREMENT PLAN (continued)**

**Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.**

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Linn County's proportionate share of the net pension liability (asset)	\$ 129,599,049	\$ 80,928,024	\$ 40,197,080

**Changes Subsequent to the Measurement Date**

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2019 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

**Deferred Compensation Plan**

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the County for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the County.

**OPSRP Individual Account Program (OPSRP IAP)**

*Plan Description:*

Employees of the County are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 12. RETIREMENT PLAN (continued)

#### **OPSRP Individual Account Program (OPSRP IAP) continued:**

*Plan Description (continued):*

Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

*Pension Benefits:*

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

*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.

*Contributions:*

Employees of the County pay six (6) percent of their covered payroll. The County did not make any optional contributions to member IAP accounts for the year ended June 30, 2020.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 13. RISK MANAGEMENT

The County 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 County carries commercial insurance for risks of loss including general liability, automobile liability, automobile physical damage, property coverage, workers' compensation, boiler and machinery, public official bond and employee dishonesty coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The County has an Unemployment Insurance Fund (an internal service fund) to account for self-financed unemployment insurance. Funds of the County participate in the program and payments are made to the fund based on estimates of amounts needed to pay claims. The claims liability of \$95,451 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount during the past three years were as follows:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Changes in Estimates</u>	<u>Payments</u>	<u>Ending Liability</u>
2019-20	\$ 99,458	\$ 114,633	\$ 80,276	\$ 95,451
2018-19	275,023	200,438	174,043	99,458
2017-18	171,255	416,946	29,332	275,023

### 14. CONTINGENCIES

The County is contingently liable in respect to lawsuits and other claims incidental to the ordinary course of its operations. The likely outcome of these suits is not determinable at this time and the County does not believe that the ultimate resolution of these lawsuits will have a material effect on the County's General Fund.

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

**15. COMMITMENTS**

Linn County has the following active construction commitment projects as of June 30, 2020.

	<u>Spent to date</u>	<u>Remaining commitment</u>
Bridge/Road improvements	\$ 4,300,629	\$ 25,913,260
Park improvements-Park department	112,206	22,794
Equipment-Parks department	79,924	5,076
Equipment-Road department	<u>404,620</u>	<u>7,735</u>
Totals	<u>\$ 4,897,379</u>	<u>\$ 25,948,865</u>

Road and bridge improvements are funded primarily by state and federal grants.

**16. FUND DEFICITS**

At June 30, 2020, the General fund had a deficit fund balance of (\$13,213,775). The primary cause of the fund deficit are interfund loans the General fund has with the Roads and Health service funds. General fund interfund loan principal balances due and outstanding totaled \$14,801,367 at year end. The loans will be paid back with general fund revenue over a term not to exceed ten years for each individual loan.

At June 30, 2020, the Veterans' Home Loan fund had a deficit fund balance of (\$887,443) primarily due to an interfund loan with the Roads fund. The Veteran's Home interfund loan principal balance due and outstanding totaled \$893,106 at year end.

**17. JOINTLY GOVERNED ORGANIZATIONS**

The County is a participant in two jointly governed organizations and manages the daily operations of each of them:

- Linn County Emergency Telephone Agency - the County does not have an equity interest in this organization.
- Linn Regional Fueling Facility - the County has a 37.2 percent interest in the equity of this organization.

Financial statements are available for these organizations as follows: Linn County Emergency Telephone Agency, 1115 Jackson Street SE, Albany, Oregon 97321; Linn Regional Fueling Facility, 3130 Ferry Street SW, Albany, Oregon 97321.

Both agencies have stable funding sources and any future liability to Linn County arising from normal operations is remote.



## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 18. PROPERTY TAX ABATEMENTS

As of June 30, 2020, Linn County had tax abatements through three programs: Nonprofit Low Income Rental Housing, Enterprise Zone, and Construction in Process in Enterprise Zone that impacted their levied taxes.

#### **Nonprofit Corporation Low Income Rental Housing (ORS 307.541):**

- This State of Oregon program allows property tax exemptions if the property is owned or being purchased by a corporation subject to section 501(c)(3) or (4) of the Internal Revenue Code that is exempt from income taxation under section 501(a). In addition the property must be occupied by low income persons; or be held for the purpose of developing low income housing. For further discussion, please refer to ORS 307.541.

#### **Enterprise Zone (ORS 285C.175):**

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor.
- The Enterprise Zone program allows industrial firms that will be making a substantial new capital investment a waiver of 100% of the amount of real property taxes attributable to the new investment for a 5-year period after completion. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

#### **Construction in Process in Enterprise Zone (ORS 285C.170):**

- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions. A Construction-in-Process exemption is available for qualifying properties currently under construction in an Enterprise Zone. To qualify, the property must be owned or leased by an authorized business that is contractually obligated to own or lease the property until placed in service, it may not be previously subject to exemption as a commercial facility (ORS 307.330), and may not be operated, in all or part, as a hotel, motel, or destination resort.

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

**18. PROPERTY TAX ABATEMENTS (continued)**

For the fiscal year ended June 30, 2020, Linn County had abated property taxes totaling \$835,356 under these programs.

<u>Program</u>	<u>ORS</u>	<u>Code Area</u>	<u>Exempt/ Abated Value</u>	<u>Linn County Tax Rate</u>	<u>Linn County Local Option I Tax Rate</u>	<u>Linn County Local Option II Tax Rate</u>	<u>Consolidated Linn County Tax Rate</u>	<u>Tax Abatement</u>
<b>Nonprofit low income rental housing</b>								
Linn County	307.541	Code 801	4,665,860	0.0011858	0.0028300	0.0001765	0.0041923	\$ 19,561
			<b>4,665,860</b>					
<b>Enterprise zone</b>								
Linn County	285C.175	Code 801	49,031,802	0.0011858	0.0028300	0.0001765	0.0041923	205,556
Linn County		Code 808	55,354,330	0.0012736	0.0028300	0.0001900	0.0042936	237,669
Linn County		Code 846	10,967,393	0.0011858	0.0028300	0.0001765	0.0041923	45,979
Linn County		Code 925	26,369,450	0.0010864	0.0028300	0.0001862	0.0041026	108,183
Linn County		Code 5501	1,218,295	0.0012736	0.0028300	0.0001900	0.0042936	5,231
Linn County		Code 5502	391,808	0.0012736	0.0028300	0.0001900	0.0042936	1,682
Linn County		Code 12704	33,977,000	0.0012736	0.0028300	0.0001900	0.0042936	145,884
			<b>177,310,078</b>					
<b>Construction in process in enterprise zone</b>								
Linn County	285C.170	Code 807	15,022,960	0.0012736	0.0028300	0.0001900	0.0042936	64,503
Linn County		Code 12704	258,000	0.0012736	0.0028300	0.0001900	0.0042936	1,108
			<b>15,280,960</b>					
<b>Total Linn County Tax Abatement</b>								<u>\$ 835,356</u>

**19. RESTATEMENT – RHIA**

The County restated the beginning net position of the Statement of Activities in the amount of \$483,948 due to the implementation of GASB 75 for the total OPEB asset and related accounts for RHIA.

REQUIRED SUPPLEMENTARY INFORMATION

**Linn County, Oregon  
Road Department  
Planned versus Actual Road Maintenance**

Five Years - 2016-2020

Fiscal Year (Ending June 30)					
	2019-20	2018-19	2017-18	2016-17	2015-16
<b>Arterials:</b>					
Planned	\$ 742,908	\$ 664,983	\$ 619,180	\$ 608,875	\$ 481,587
Actual	\$ 740,028	\$ 655,354	\$ 608,129	\$ 592,565	\$ 495,095
<b>Collectors:</b>					
Planned	\$ 6,067,082	\$ 5,430,692	\$ 5,056,637	\$ 4,972,479	\$ 3,678,405
Actual	\$ 6,043,563	\$ 5,352,063	\$ 4,966,386	\$ 4,839,279	\$ 3,781,581
<b>Local:</b>					
Planned	\$ 5,571,810	\$ 4,987,370	\$ 4,643,851	\$ 4,566,562	\$ 5,013,088
Actual	\$ 5,550,211	\$ 4,915,160	\$ 4,560,967	\$ 4,444,235	\$ 5,153,701
<b>Total all roads:</b>					
Planned	\$ 12,381,800	\$ 11,083,045	\$ 10,319,668	\$ 10,147,916	\$ 9,173,079
Actual	\$ 12,333,802	\$ 10,922,577	\$ 10,135,482	\$ 9,876,079	\$ 9,430,378
Difference	\$ 47,998	\$ 160,468	\$ 184,186	\$ 271,837	\$ (257,299)

**Notes:**

Linn County's Gravel roads are not included above amounts as they are on a depreciation schedule.

The above amounts are derived from reports produced through the IRIS cost accounting system for actual and the Road Department budget documents for planned.

Functional Class	Pavement Condition Index (weighted average)		
	2020	2018	2016
Arterial	83.2	80.8	88.6
Collector	80.9	76.8	77.1
Residential / Local	78.5	76.7	79.8

The pavement condition index (PCI) for each road segment is calculated using the Street Saver Pavement Management System from the Metropolitan Transportation Commission. The PCI is based on a scale of 0 to 100 where 100 is considered a new pavement and 0 is considered completely failed. The PCI value is obtained by subtracting points based on several distress factors noted during the visual inspection of the pavement. The PCI is used to classify pavements as very good (100-85), good (84-60), poor (59-35), and very poor (34-0). Linn County has adopted a policy of maintaining its road network at a condition level of good or better (PCI of 65 or above) on a weighted average basis.

Moderate fluctuations in PCI are normal and are the result of the statistical sampling process as well as maintenance performed between the inspection cycles. The 2020 pavement inspection data is the most recent and is reflected in the table above. Maintenance treatments performed in the summer of 2020 have been included. The prior year report did not include treatments from the 2020 season. The next scheduled pavement inspection cycle is summer/fall of 2022.

**LINN COUNTY, OREGON**

**SCHEDULE OF CHANGES IN TOTAL OTHER POST EMPLOYMENT  
BENEFIT (OPEB) LIABILITY AND RELATED RATIOS  
HEALTHCARE  
LAST TEN FISCAL YEARS\***

	June 30,			
	2020	2019	2018	2017
Service cost	\$ 90,391	\$ 128,184	\$ 124,450	\$ 124,450
Interest on total OPEB liability	61,142	74,461	69,852	67,498
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(155,462)	-	-
Changes of assumptions or other input	240,481	(866,862)	-	-
Benefit payments	(94,767)	(97,273)	(115,947)	(111,048)
Net change in total OPEB liability	297,247	(916,952)	78,355	80,900
Total OPEB liability - beginning of year	1,485,551	2,402,503	2,324,148	2,243,248
Total OPEB liability - end of year	<u>\$ 1,782,798</u>	<u>\$ 1,485,551</u>	<u>\$ 2,402,503</u>	<u>\$ 2,324,148</u>
Covered payroll	\$39,267,851	39,671,124	37,957,371	35,166,218
Total OPEB liability as a percentage of covered payroll	4.54%	3.74%	6.33%	6.61%

\*Information will be accumulated until ten years are presented.

**LINN COUNTY, OREGON**

**SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN  
RETIREE HEALTH INSURANCE ACCOUNT (RHIA)  
Last ten fiscal years\***

*1. Schedule of the Proportionate Share of the Net OPEB Liability for RHIA*

Years ended June 30,	County's Proportion of the collective net OPEB liability (asset)	County's Proportionate share of the collective net pension liability (asset)	County's Covered payroll	Proportionate share of the collective net OPEB liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2020	0.36669232	\$ (708,592)	\$ 39,267,851	-1.805%	144.4%
2019	0.37465065	(418,212)	39,671,124	-1.054%	124.0%

*2. Schedule of Contributions for RHIA*

Years ended June 30,	County's Contractually required contributions	Contractually required contributions recognized by the plan	Difference	County's Covered payroll	Contractually required contributions as a percentage of covered payroll
2020	\$ 10,171	\$ 10,171	\$ -	\$ 41,365,737	0.0246%
2019	181,740	181,740	-	39,267,851	0.4628%

\*Information will be accumulated until ten years are presented.

**LINN COUNTY, OREGON**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last ten fiscal years\***

Years ended June 30,	Proportion of the collective net pension liability (asset)	Proportionate share of the collective net pension liability (asset)	Covered payroll	Proportionate share of the collective net pension liability (asset) as a percentage of covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2020	0.4679	\$ 80,928,024	\$ 39,267,851	206.1%	80.2%
2019	0.4347	65,855,687	39,671,124	166.0%	82.1%
2018	0.4555	61,406,151	37,957,371	161.8%	83.1%
2017	0.4865	73,028,662	35,166,218	207.7%	80.5%
2016	0.5420	31,119,510	32,712,922	95.1%	91.9%
2015	0.5419	(12,283,908)	30,765,157	-39.9%	103.6%
2014	0.5419	27,655,258	30,446,370	90.8%	92.0%

\*Information will be accumulated until ten years are presented.

**LINN COUNTY, OREGON**

**SCHEDULE OF PENSION CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM  
Last ten fiscal years\***

Years ended June 30,	Contractually required contributions	Contractually required contributions recognized by the plan	Difference	Covered payroll	Contractually required contributions as a percentage of covered payroll
2020	\$ 5,207,008	\$ 5,207,008	-	\$ 41,365,737	12.59%
2019	4,921,646	4,921,646	-	39,267,851	12.53%
2018	4,994,324	4,994,324	-	39,671,124	12.59%
2017	4,389,239	4,389,239	-	37,957,371	11.56%
2016	4,262,510	4,262,510	-	35,166,218	12.12%
2015	2,572,876	2,572,876	-	32,712,922	7.87%
2014	2,480,357	2,480,357	-	30,765,157	8.06%

\*Information will be accumulated until ten years are presented.



SUPPLEMENTARY INFORMATION

Combining Financial Statements and Individual Fund Schedules

LINN COUNTY, OREGON

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2020

	County Fair	Law Library	General Grants	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
<b>ASSETS</b>										
Cash and investments	\$ 36,704	\$ 213,443	\$ 3,948,800	\$ 55,966	\$ 311,568	\$ 1,938	\$ 1,390,641	\$ -	\$ 69,232	\$ 6,028,292
Receivables, net	-	-	36,485	-	-	-	-	-	-	36,485
Due from other governments	-	-	288,940	-	-	-	-	-	-	288,940
Due from other funds	-	-	-	-	-	-	77	-	-	77
<b>TOTAL ASSETS</b>	<u>\$ 36,704</u>	<u>\$ 213,443</u>	<u>\$ 4,274,225</u>	<u>\$ 55,966</u>	<u>\$ 311,568</u>	<u>\$ 1,938</u>	<u>\$ 1,390,718</u>	<u>\$ -</u>	<u>\$ 69,232</u>	<u>\$ 6,353,794</u>
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ 2,853	\$ 252,831	\$ 116,811	\$ -	\$ -	\$ 4,414	\$ -	\$ -	\$ 376,909
Due to other governments	-	-	696	-	-	-	-	-	-	696
Due to other funds	-	14	289	-	-	-	800	-	-	1,103
Unearned revenue	-	-	32,471	-	-	-	-	-	-	32,471
Accrued payroll, payroll taxes and benefits	-	4,612	77,885	-	-	-	-	-	-	82,497
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>7,479</u>	<u>364,172</u>	<u>116,811</u>	<u>-</u>	<u>-</u>	<u>5,214</u>	<u>-</u>	<u>-</u>	<u>493,676</u>
<b>FUND BALANCES</b>										
Restricted for:										
Grants/ minor funds	36,704	205,964	3,910,053	-	311,568	1,938	1,385,504	-	69,232	5,920,963
Unassigned	-	-	-	(60,845)	-	-	-	-	-	(60,845)
<b>TOTAL FUND BALANCES</b>	<u>36,704</u>	<u>205,964</u>	<u>3,910,053</u>	<u>(60,845)</u>	<u>311,568</u>	<u>1,938</u>	<u>1,385,504</u>	<u>-</u>	<u>69,232</u>	<u>5,860,118</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 36,704</u>	<u>\$ 213,443</u>	<u>\$ 4,274,225</u>	<u>\$ 55,966</u>	<u>\$ 311,568</u>	<u>\$ 1,938</u>	<u>\$ 1,390,718</u>	<u>\$ -</u>	<u>\$ 69,232</u>	<u>\$ 6,353,794</u>

LINN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2020

	County Fair	Law Library	General Grants	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
<b>REVENUES</b>										
Intergovernmental	\$ 53,167	\$ 109,730	\$ 5,002,566	\$ 94,187	\$ -	\$ -	\$ -	\$ 1,639,027	\$ 269,232	\$ 7,167,909
Charges for services	244,245	96	39,852	-	-	-	1,551,924	-	-	1,836,117
Licenses, permits, fines and fees	43,250	-	1,334,602	-	-	-	-	-	-	1,377,852
Interest earnings	473	5,087	38,708	3,319	5,708	36	29,972	4,287	-	87,590
Miscellaneous	250	-	11,672	-	-	251	45,000	-	-	57,173
<b>TOTAL REVENUES</b>	<b>341,385</b>	<b>114,913</b>	<b>6,427,400</b>	<b>97,506</b>	<b>5,708</b>	<b>287</b>	<b>1,626,896</b>	<b>1,643,314</b>	<b>269,232</b>	<b>10,526,641</b>
<b>EXPENDITURES</b>										
General administration and support	-	-	1,382,801	-	-	-	-	-	-	1,382,801
Public safety	-	111,384	1,279,205	-	-	-	-	-	-	1,390,589
Community development	506,849	-	843,716	-	14,741	-	452,932	-	-	1,818,238
Highways and streets	-	-	-	272,589	-	-	-	-	-	272,589
Apportionments to school districts	-	-	-	-	-	-	-	1,643,314	-	1,643,314
<b>TOTAL EXPENDITURES</b>	<b>506,849</b>	<b>111,384</b>	<b>3,505,722</b>	<b>272,589</b>	<b>14,741</b>	<b>-</b>	<b>452,932</b>	<b>1,643,314</b>	<b>-</b>	<b>6,507,531</b>
Excess (deficiency) of revenues over expenditures	(165,464)	3,529	2,921,678	(175,083)	(9,033)	287	1,173,964	-	269,232	4,019,110
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	60,000	7,238	147,255	-	216,163	-	-	-	-	430,656
Transfers out	-	(20,437)	(319,098)	-	(170,987)	-	-	-	(200,000)	(710,522)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>60,000</b>	<b>(13,199)</b>	<b>(171,843)</b>	<b>-</b>	<b>45,176</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(200,000)</b>	<b>(279,866)</b>
Net change in fund balances	(105,464)	(9,670)	2,749,835	(175,083)	36,143	287	1,173,964	-	69,232	3,739,244
Fund balances at beginning of year	142,168	215,634	1,160,218	114,238	275,425	1,651	211,540	-	-	2,120,874
Fund balances (deficit) at end of year	\$ 36,704	\$ 205,964	\$ 3,910,053	\$ (60,845)	\$ 311,568	\$ 1,938	\$ 1,385,504	\$ -	\$ 69,232	\$ 5,860,118

## LINN COUNTY, OREGON

### NON-MAJOR SPECIAL REVENUE FUNDS

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Special Revenue funds account for specific revenues that are legally restricted for particular expenditure purposes.

The following special revenue funds are reported as non-major funds by the County:

County Fair – Financial activities of the fair are accounted for in this fund. Primary sources of revenue include state apportionments, operation of the annual fair and transfers from the County General Fund. Expenditures are primarily for administration, operation of the fair and maintenance of fair buildings and grounds.

Law Library – This fund is used to account for moneys collected which are restricted for the purpose of providing the County with a law library. Revenue is derived from court fees, a portion of which is specified for the Law Library Fund. Expenditures are for the operation and maintenance of the law library.

General Grants – This fund is used to account for revenues from special taxes, grants and other sources for which expenditures are restricted by law.

Bike Trails – Designated Oregon highway tax apportionments for the construction of bike trails are accounted for in this fund.

Corner Preservation – This fund was established to account for expenses incurred or authorized by the County Surveyor in the restoration of government corners. Fund revenues are generated by fee charges for filing and recording instruments under ORS 205.130(2).

Historical Restoration – The fund was created for the purpose of restoring and preserving the Moyer House. The Moyer House is a museum located in the community of Brownsville.

County Forest/Park – The fund was created to accept all proceeds from the sale of timber products or mineral resources from land included in the Forest/Park System. The fund is used to pay the expense of administering, operating and acquiring property for the Forest/Park System, or for development of and operating the County Park System.

County School – Revenues of this fund consists primarily of property taxes and federal and state forestland sales. Proceeds are distributed to the school districts in Linn County.

Federal Forest – Revenues of this fund consist of sales proceeds from federal forestland sales. These proceeds are restricted to the juvenile department and sheriff's office to cover maintenance and patrol costs incurred on federal lands.

LINN COUNTY, OREGON

COUNTY FAIR - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 53,200	\$ 53,200	\$ 53,167	\$ (33)
Charges for services	269,500	269,500	244,245	(25,255)
Licenses, permits, fines and fees	120,000	160,000	43,250	(116,750)
Interest earnings	300	300	473	173
Miscellaneous	500	500	250	(250)
<b>TOTAL REVENUES</b>	<u>443,500</u>	<u>483,500</u>	<u>341,385</u>	<u>(142,115)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>503,500</u>	<u>543,500</u>	<u>512,294</u>	<u>31,206</u>
Excess (deficiency) of revenues over expenditures	<u>(60,000)</u>	<u>(60,000)</u>	<u>(170,909)</u>	<u>(110,909)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Net change in fund balance	-	-	(110,909)	(110,909)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>147,613</u>	<u>147,613</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,704</u>	<u>\$ 36,704</u>

LINN COUNTY, OREGON

LAW LIBRARY - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 109,730	\$ 9,730
Charges for services	85	85	96	11
Interest earnings	6,000	6,000	5,087	(913)
Miscellaneous	10	10	-	(10)
<b>TOTAL REVENUES</b>	<u>106,095</u>	<u>106,095</u>	<u>114,913</u>	<u>8,818</u>
<b>EXPENDITURES</b>				
Personal services	71,399	71,399	60,112	11,287
Materials and services	59,314	59,314	51,390	7,924
Capital outlay	2,050	2,050	998	1,052
Contingency	188,232	188,832	-	188,832
<b>TOTAL EXPENDITURES</b>	<u>320,995</u>	<u>321,595</u>	<u>112,500</u>	<u>209,095</u>
Excess (deficiency) of revenues over expenditures	<u>(214,900)</u>	<u>(215,500)</u>	<u>2,413</u>	<u>217,913</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,800	7,400	7,238	(162)
Transfers out	<u>(22,300)</u>	<u>(22,300)</u>	<u>(20,437)</u>	<u>1,863</u>
Total other financing sources (uses)	<u>(15,500)</u>	<u>(14,900)</u>	<u>(13,199)</u>	<u>1,701</u>
Net change in fund balance	(230,400)	(230,400)	(10,786)	219,614
Fund balance at beginning of year	<u>230,400</u>	<u>230,400</u>	<u>224,229</u>	<u>(6,171)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,443</u>	<u>\$ 213,443</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			\$ 213,443	
Accounts payable			(2,853)	
Due to other funds			(14)	
Accrued payroll, payroll taxes and benefits			<u>(4,612)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 205,964</u>	

LINN COUNTY, OREGON

GENERAL GRANTS - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

REVENUES	Budget		Actual	Variance
	Original	Final		
<u>By Department:</u>				
Commissioners	\$ 3,915,000	\$ 4,165,000	\$ 3,747,068	\$ (417,932)
Parks	976,597	976,597	816,346	(160,251)
Fair	55,000	55,000	34,705	(20,295)
Sheriff	436,400	503,400	905,076	401,676
District attorney	254,872	266,872	284,359	17,487
Juvenile	656,447	668,447	482,281	(186,166)
Sheriff/Animal control	2,000	2,000	14,195	12,195
General administration	82,267	82,267	73,582	(8,685)
General services	5,801	5,801	27,006	21,205
Total departmental revenue	<u>6,384,384</u>	<u>6,725,384</u>	<u>6,384,618</u>	<u>(340,766)</u>
Interest earnings	<u>9,438</u>	<u>9,438</u>	<u>34,740</u>	<u>25,302</u>
TOTAL REVENUES	<u>6,393,822</u>	<u>6,734,822</u>	<u>6,419,358</u>	<u>(315,464)</u>
<b>EXPENDITURES</b>				
Commissioners	3,857,500	3,857,500	1,278,175	2,579,325
Veterans	9,207	9,207	-	9,207
Parks	1,034,700	1,034,700	802,157	232,543
Fair	95,630	95,630	34,854	60,776
Sheriff	1,662,986	1,729,986	588,616	1,141,370
District attorney	259,164	271,164	259,967	11,197
Juvenile	551,764	563,764	370,368	193,396
Sheriff/Animal control	56,512	56,512	45,567	10,945

Statement continued on next page

**GENERAL GRANTS - SPECIAL REVENUE FUND (Continued)**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL**

EXPENDITURES (continued)	Budget		Actual	Variance
	Original	Final		
General administration	\$ 236,467	236,467	\$ 68,207	\$ 168,260
General services	91,342	91,342	25,882	65,460
Expo	1,020	1,020	-	1,020
Contingency	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>7,856,292</u>	<u>7,947,292</u>	<u>3,473,793</u>	<u>4,473,499</u>
Excess (deficiency) of revenues over expenditures	<u>(1,462,470)</u>	<u>(1,212,470)</u>	<u>2,945,565</u>	<u>4,158,035</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	193,929	193,929	147,255	(46,674)
Transfers out	<u>(415,086) (1)</u>	<u>(665,086)</u>	<u>(319,098)</u>	<u>248,038</u>
Total other financing sources (uses)	<u>(221,157)</u>	<u>(471,157)</u>	<u>(171,843)</u>	<u>201,364</u>
Net change in fund balance	(1,683,627)	(1,683,627)	2,773,722	4,457,349
Fund balance at beginning of year	<u>1,683,627</u>	<u>1,683,627</u>	<u>1,169,297</u>	<u>(514,330)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,943,019</u>	<u>\$ 3,943,019</u>

<b>Transfers appropriated as a part of the departments</b>	
<b>above that are shown on the transfers out line:</b>	
Commissioners	
Transfers out	395,000
Fair	
Transfers out	2,500
Juvenile	
Transfers out	17,586
	<u>415,086</u> (1)

**Reconciliation to GAAP basis:**

Fund balance (budgetary basis) at end of year	\$ 3,943,019
Fair market value adjustment on investments	5,781
Accounts receivable and available	33,380
Due from other governments and available	259,574
Accounts payable	(252,831)
Due to other governments	(696)
Due to other funds	(289)
Accrued payroll, payroll taxes and benefits	<u>(77,885)</u>
Fund balance (GAAP basis) at end of year	<u>\$ 3,910,053</u>



LINN COUNTY, OREGON

BIKE TRAILS - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 106,593	\$ 106,593	\$ 94,187	\$ (12,406)
Interest earnings	500	500	3,319	2,819
<b>TOTAL REVENUES</b>	<u>107,093</u>	<u>107,093</u>	<u>97,506</u>	<u>(9,587)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>217,093</u>	<u>217,093</u>	<u>155,778</u>	<u>61,315</u>
Net change in fund balance	(110,000)	(110,000)	(58,272)	51,728
Fund balance at beginning of year	<u>110,000</u>	<u>110,000</u>	<u>114,238</u>	<u>4,238</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,966</u>	<u>\$ 55,966</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			\$ 55,966	
Accounts payable			<u>(116,811)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ (60,845)</u>	

LINN COUNTY, OREGON

CORNER PRESERVATION - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON GAAP-BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 2,995	\$ 2,995	\$ 5,708	\$ 2,713
<b>EXPENDITURES</b>				
Materials and services	13,202	13,202	5,379	7,823
Capital outlay	32,503	32,503	9,362	23,141
Contingency	50,000	80,000	-	80,000
<b>TOTAL EXPENDITURES</b>	<u>95,705</u>	<u>125,705</u>	<u>14,741</u>	<u>110,964</u>
Excess (deficiency) of revenues over expenditures	<u>(92,710)</u>	<u>(122,710)</u>	<u>(9,033)</u>	<u>113,677</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	182,810	212,810	216,163	3,353
Transfers out	<u>(262,321)</u>	<u>(262,321)</u>	<u>(170,987)</u>	<u>91,334</u>
Total other financing sources (uses)	<u>(79,511)</u>	<u>(49,511)</u>	<u>45,176</u>	<u>94,687</u>
Net change in fund balance	(172,221)	(172,221)	36,143	208,364
Fund balance at beginning of year	<u>172,221</u>	<u>172,221</u>	<u>275,425</u>	<u>103,204</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,568</u>	<u>\$ 311,568</u>

LINN COUNTY, OREGON

HISTORICAL RESTORATION - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Interest earnings	\$ 100	\$ 100	\$ 36	\$ (64)
Miscellaneous	35,500	35,500	251	(35,249)
<b>TOTAL REVENUES</b>	<u>35,600</u>	<u>35,600</u>	<u>287</u>	<u>(35,313)</u>
<b>EXPENDITURES</b>				
Materials and services	2,552	2,552	-	2,552
Capital outlay	34,700	34,700	-	34,700
<b>TOTAL EXPENDITURES</b>	<u>37,252</u>	<u>37,252</u>	<u>-</u>	<u>37,252</u>
Net change in fund balance	(1,652)	(1,652)	287	1,939
Fund balance at beginning of year	1,652	1,652	1,651	(1)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,938</u>	<u>\$ 1,938</u>

LINN COUNTY, OREGON

COUNTY FOREST/PARK - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP GUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 1,325,000	\$ 1,325,000	\$ 1,551,847	\$ 226,847
Interest earnings	20,000	20,000	27,936	7,936
Miscellaneous	-	-	45,000	45,000
<b>TOTAL REVENUES</b>	<u>1,345,000</u>	<u>1,345,000</u>	<u>1,624,783</u>	<u>279,783</u>
<b>EXPENDITURES</b>				
Materials and services	88,000	88,000	40,712	47,288
Capital outlay	1,407,000	1,407,000	463,589	943,411
<b>TOTAL EXPENDITURES</b>	<u>1,495,000</u>	<u>1,495,000</u>	<u>504,301</u>	<u>990,699</u>
Net change in fund balance	(150,000)	(150,000)	1,120,482	1,270,482
Fund balance at beginning of year	150,000	150,000	268,123	118,123
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,388,605</u>	<u>\$ 1,388,605</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			\$ 1,388,605	
Fair market value adjustment			2,036	
Due from other funds			77	
Accounts payable			(4,414)	
Due to other funds			(800)	
Fund balance (GAAP basis) at end of year			<u>\$ 1,385,504</u>	

**LINN COUNTY, OREGON**

**COUNTY SCHOOL - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,940,000	\$ 1,940,000	\$ 1,639,027	\$ (300,973)
Interest earnings	800	800	4,287	3,487
Miscellaneous	300	300	-	(300)
	<u>1,941,100</u>	<u>1,941,100</u>	<u>1,643,314</u>	<u>(297,786)</u>
<b>TOTAL REVENUES</b>				
	<u>1,941,100</u>	<u>1,941,100</u>	<u>1,643,314</u>	<u>(297,786)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>2,541,100</u>	<u>2,541,100</u>	<u>1,643,314</u>	<u>897,786</u>
Net change in fund balance	(600,000)	(600,000)	-	600,000
Fund balance at beginning of year	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>(600,000)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**LINN COUNTY, OREGON**

**FEDERAL FOREST - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2020**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 270,000	\$ 269,232	\$ (768)
<b>EXPENDITURES</b>				
Materials and services	1	70,001	-	70,001
Excess (deficiency) of revenues over expenditures	(1)	199,999	269,232	69,233
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1)	(200,001)	(200,000)	1
Net change in fund balance	(2)	(2)	69,232	69,234
Fund balance at beginning of year	2	2	-	(2)
Fund balance at end of year	\$ -	\$ -	\$ 69,232	\$ 69,232

**LINN COUNTY, OREGON**

**INTERNAL SERVICE FUND**

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Unemployment Insurance – This fund began in fiscal year 1990-91 with initial funding obtained through action by the County Commissioners who requested monies that had accumulated in the State Employment Division Local Government Benefit Trust Fund. Currently this fund is self-financed by monthly contributions from all County departments that have employees. Expenditures from the Unemployment Insurance Fund pertain to current year unemployment claims.

LINN COUNTY, OREGON

UNEMPLOYMENT INSURANCE - INTERNAL SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2020

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Licenses, permits, fines and fees	\$ 140,001	\$ 140,001	\$ 149,785	\$ 9,784
Interest earnings	7,000	7,000	9,569	2,569
<b>TOTAL REVENUES</b>	<u>147,001</u>	<u>147,001</u>	<u>159,354</u>	<u>12,353</u>
<b>EXPENDITURES</b>				
Materials and services	243,000	243,000	80,276	162,724
Contingency	274,000	274,000	-	274,000
<b>TOTAL EXPENDITURES</b>	<u>517,000</u>	<u>517,000</u>	<u>80,276</u>	<u>436,724</u>
Excess (deficiency) of revenues over expenditures	(369,999)	(369,999)	79,078	(424,371)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1)	(1)	-	1
Net change in fund balance	(370,000)	(370,000)	79,078	449,078
Fund balance at beginning of year	<u>370,000</u>	<u>370,000</u>	<u>441,168</u>	<u>71,168</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 520,246</u>	<u>\$ 520,246</u>
<b>Reconciliation to GAAP basis:</b>				
Fund balance (budgetary basis) at end of year			\$ 520,246	
Fair market value adjustment on investments			763	
Due from other funds and available			13,136	
Due to other governments			(33,500)	
Claims liability			<u>(95,451)</u>	
Net position (GAAP basis) at end of year			<u>\$ 405,194</u>	



## LINN COUNTY, OREGON

### AGENCY FUNDS

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Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds.

Taxing Districts – These funds are used to record transactions pertaining to individual taxing districts within the County.

Treasurer's Departmental – These funds consist of undistributed taxes and other receipts held by the Treasurer for various County departments and other governments.

Property Taxes – This fund accounts for uncollected but collectible property taxes.

Regional Fuel Facility – This fund handles cash transactions involving the buying of diesel and unleaded fuel, and the selling of such to certain local governments including the County.

LINN COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS

For the Year Ended June 30, 2020

	Balances June 30, 2019	Additions	Deductions	Balances June 30, 2020
<b>Taxing Districts</b>				
<u>Assets</u>				
Cash and investments	\$ 350,423	\$ 177,307,715	\$ 177,218,663	\$ 439,475
<u>Liabilities</u>				
Amounts held in trust	\$ 350,423	\$ 177,307,715	\$ 177,218,663	\$ 439,475
<b>Treasurer's Departmental</b>				
<u>Assets</u>				
Cash and investments	\$ 1,251,781	\$ 16,356,429	\$ 16,113,045	\$ 1,495,165
Accounts receivable	1,254,863	2,236,892	1,254,863	2,236,892
Total assets	\$ 2,506,644	\$ 18,593,321	\$ 17,367,908	\$ 3,732,057
<u>Liabilities</u>				
Due to other governments	1,254,863	1,441,727	1,254,863	1,441,727
Amounts held in trust	1,251,781	17,151,594	16,113,045	2,290,330
Total liabilities	\$ 2,506,644	\$ 18,593,321	\$ 17,367,908	\$ 3,732,057
<b>Property Taxes</b>				
<u>Assets</u>				
Cash and investments	\$ 575,703	\$ 177,307,715	\$ 176,182,466	\$ 1,700,952
Property taxes receivable	6,449,908	6,450,728	6,449,908	6,450,728
Total assets	\$ 7,025,611	\$ 183,758,443	\$ 182,632,374	\$ 8,151,680
<u>Liabilities</u>				
Due to other governments	\$ 6,449,908	\$ 6,450,728	\$ 6,449,908	\$ 6,450,728
Amounts held in trust	575,703	177,307,715	176,182,466	1,700,952
Total liabilities	\$ 7,025,611	\$ 183,758,443	\$ 182,632,374	\$ 8,151,680

Statement continued on next page

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS (Continued)**

	Balances June 30, 2019	Additions	Deductions	Balances June 30, 2020
<b>Regional Fuel Facility</b>				
<u>Assets</u>				
Cash and investments	\$ 97,363	\$ 857,354	\$ 814,722	\$ 139,995
Due from other governments	<u>100,522</u>	<u>46,121</u>	<u>100,522</u>	<u>46,121</u>
Total assets	<u>\$ 197,885</u>	<u>\$ 903,475</u>	<u>\$ 915,244</u>	<u>\$ 186,116</u>
<u>Liabilities</u>				
Accounts payable	\$ 67,497	\$ 22,962	\$ 67,497	\$ 22,962
Amounts held in trust	<u>130,388</u>	<u>880,513</u>	<u>847,747</u>	<u>163,154</u>
Total liabilities	<u>\$ 197,885</u>	<u>\$ 903,475</u>	<u>\$ 915,244</u>	<u>\$ 186,116</u>
<b>Totals - All Agency Funds</b>				
<u>Assets</u>				
Cash and investments	\$ 2,275,270	\$ 371,829,213	\$ 370,328,896	\$ 3,775,587
Property taxes receivable	6,449,908	6,450,728	6,449,908	6,450,728
Accounts receivable	1,254,863	2,236,892	1,254,863	2,236,892
Due from other governments	<u>100,522</u>	<u>46,121</u>	<u>100,522</u>	<u>46,121</u>
Total assets	<u>\$ 10,080,563</u>	<u>\$ 380,562,954</u>	<u>\$ 378,134,189</u>	<u>\$ 12,509,328</u>
<u>Liabilities</u>				
Accounts payable	\$ 67,497	\$ 22,962	\$ 67,497	\$ 22,962
Due to other governments	7,704,771	7,892,455	7,704,771	7,892,455
Amounts held in trust	<u>2,308,295</u>	<u>372,647,537</u>	<u>370,361,921</u>	<u>4,593,911</u>
Total liabilities	<u>\$ 10,080,563</u>	<u>\$ 380,562,954</u>	<u>\$ 378,134,189</u>	<u>\$ 12,509,328</u>

**LINN COUNTY, OREGON**

**OTHER SCHEDULES**

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Financial schedules in this subsection display accountability for elected officials and property tax transactions.

LINN COUNTY, OREGON

SCHEDULE OF ACCOUNTABILITY FOR ELECTED OFFICIALS  
For the Year Ended June 30, 2020

	Assessor/ Tax Collector	Clerk	Commis- sioners	District Attorney	Central Linn/ Justice Courts	Sheriff	Surveyor	Treasurer	Totals
<b>On hand - June 30, 2019</b>	\$ 1,570	\$ 200	\$ 50	\$ 2,000	\$ 300	\$ 130	\$ 50	\$ 32,370,748	\$ 32,375,048
Receipts	729,741	1,676,930	3,776,671	564,064	902,797	6,486,015	153,719	207,248,434	221,538,371
Turnovers and disbursements:									
To County Treasurer	(730,291)	(1,676,880)	(3,776,721)	(564,064)	(902,797)		(153,719)		(7,804,472)
To Others	-	-	-	-	-	(6,486,015)	-	(205,657,844)	(212,143,859)
<b>On hand - June 30, 2020 (1)</b>	<u>\$ 1,020</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 33,961,338</u>	<u>\$ 33,965,088</u>
(1) Consists of:									
Deposits with County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,479,014	5,479,014
Deposits with Local Government									
Investment Pool	-	-	-	-	-	-	-	28,480,756	28,480,756
Due to County Treasurer	-	-	-	-	-	-	-	-	-
Due to State of Oregon	-	-	-	-	-	-	-	-	-
Change and revolving funds	<u>1,020</u>	<u>250</u>	<u>-</u>	<u>2,000</u>	<u>300</u>	<u>130</u>	<u>50</u>	<u>1,568</u>	<u>5,318</u>
Totals	<u>\$ 1,020</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 33,961,338</u>	<u>\$ 33,965,088</u>

LINN COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS  
For the Year Ended June 30, 2020

Tax Year	Receivable June 30, 2019	Current Levy	Discounts Allowed	Interest on Delinquent Taxes	Cash Collections	Corrections and Adjustments	Receivable June 30, 2020
2019-20		\$ 183,101,277	\$ 4,872,648	\$ 80,005	\$ 173,069,846	\$ (714,353)	\$ 4,524,435
2018-19	4,430,175	-	10,938	180,546	2,344,545	(224,118)	2,031,120
2017-18	2,065,079	-	23	174,637	915,819	(210,216)	1,113,658
2016-17	1,085,006	-	(107)	192,217	634,245	(244,347)	398,738
2015-16	422,210	-	(103)	106,732	292,967	(138,717)	97,361
2014-15	123,459	-	-	18,944	28,604	(63,353)	50,446
2013-14	79,968	-	-	12,270	14,845	(52,598)	24,795
prior	169,395	-	-	7,432	6,844	(9,396)	160,587
<b>Totals</b>	<b>\$ 8,375,292</b>	<b>\$ 183,101,277</b>	<b>\$ 4,883,399</b>	<b>\$ 772,783</b>	<b>\$ 177,307,715</b>	<b>\$ (1,657,098)</b>	<b>\$ 8,401,140</b>

Fund	Receivable June 30, 2020
General	\$ 607,813
Law Enforcement 4-Year Levy	1,259,799
Veterans Home Loan	82,800
Governmental funds subtotal	1,950,412
Agency	6,450,728
Grand total all funds	<u>\$ 8,401,140</u>

## STATISTICAL SECTION

## STATISTICAL SECTION

This part of the County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

### **CONTENTS:**

### **Page**

#### **Financial Trends**

89-94

*These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.*

#### **Revenue Capacity**

95-98

*These schedules contain information to help the reader assess the County's most significant local revenue source, property taxes.*

#### **Debt Capacity**

99-102

*These schedules present information to help the reader assess the affordability of the county's current level of outstanding debt and the County's ability to issue debt in the future.*

#### **Demographic and Economic Information**

103-105

*These schedules present information to help the reader understand the environment within which the county's financial activities take place.*

#### **Operating Information**

106-108

*These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.*



**LINN COUNTY, OREGON**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 230,728	\$ 218,626	\$ 215,418	\$ 210,236	\$ 199,587	\$ 192,271	\$ 187,332	\$ 179,484	\$ 176,725	\$ 175,712
Restricted	17,505	23,318	21,059	18,697	16,355	31,758	29,338	-	-	-
Unrestricted	(57,960)	(52,007)	(44,646)	(37,860)	(23,029)	(10,081)	(3,933)	22,745	23,634	25,003
<b>Total net position</b>	<b>\$ 190,273</b>	<b>\$ 189,937</b>	<b>\$ 191,831</b>	<b>\$ 191,073</b>	<b>\$ 192,913</b>	<b>\$ 213,948</b>	<b>\$ 212,737</b>	<b>\$ 202,229</b>	<b>\$ 200,359</b>	<b>\$ 200,715</b>

**LINN COUNTY, OREGON**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Expenses</b>										
<b>Governmental Activities</b>										
General administration and support	\$ 11,484	\$ 9,263	\$ 8,375	\$ 8,338	\$ 8,236	\$ 5,480	\$ 5,767	\$ 7,066	\$ 6,160	\$ 6,288
Local government services	6,209	5,560	5,760	4,761	5,950	4,409	5,217	4,627	4,685	5,520
Public safety	46,117	42,132	38,696	36,889	46,278	22,864	30,427	29,599	31,413	31,306
Health services	28,619	25,798	29,166	28,925	32,142	20,536	20,725	20,066	20,247	18,799
Community development	8,946	8,232	9,561	8,946	9,677	6,171	6,846	5,552	6,477	19,636
Highways and streets	16,204	15,397	13,759	12,713	13,380	9,590	9,606	10,789	12,404	13,019
Interest on long term debt	-	-	-	-	-	-	279	267	-	-
<b>Total expenses</b>	<b>\$ 117,579</b>	<b>\$ 106,382</b>	<b>\$ 105,317</b>	<b>\$ 100,572</b>	<b>\$ 115,663</b>	<b>\$ 69,050</b>	<b>\$ 78,867</b>	<b>\$ 77,966</b>	<b>\$ 81,386</b>	<b>\$ 94,568</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Fees, Fines, and Charges for service</b>										
General government	\$ 2,693	\$ 1,545	\$ 1,608	\$ 1,419	\$ 1,529	\$ 1,519	\$ 1,093	\$ 1,826	\$ 1,491	\$ 1,617
Public Safety	2,620	2,760	3,133	2,360	3,257	2,559	2,466	3,119	2,902	3,194
Health services	2,596	1,396	1,164	907	1,072	1,021	952	2,820	1,185	1,191
Roads	441	1,921	2,744	4,330	2,942	2,615	2,735	1,540	1,760	1,141
Community Development	5,544	4,050	4,172	3,002	3,125	3,084	2,558	3,223	2,958	2,204
Operating Grants and Contributions	56,505	41,764	40,731	40,852	37,357	39,490	35,718	32,996	36,972	37,367
Capital Grants and Contributions	700	-	-	-	-	-	-	-	-	-
<b>Total program revenues</b>	<b>\$ 71,099</b>	<b>\$ 53,436</b>	<b>\$ 53,552</b>	<b>\$ 52,870</b>	<b>\$ 49,282</b>	<b>\$ 50,288</b>	<b>\$ 45,522</b>	<b>\$ 45,524</b>	<b>\$ 47,268</b>	<b>\$ 46,714</b>
<b>Total net (expense) / revenue</b>	<b>\$ (46,480)</b>	<b>\$ (52,946)</b>	<b>\$ (51,765)</b>	<b>\$ (47,702)</b>	<b>\$ (66,381)</b>	<b>\$ (18,762)</b>	<b>\$ (33,345)</b>	<b>\$ (32,442)</b>	<b>\$ (34,118)</b>	<b>\$ (47,854)</b>
<b>General Revenues</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes	\$ 41,572	\$ 39,102	\$ 36,808	\$ 34,023	\$ 31,765	\$ 30,077	\$ 27,561	\$ 26,464	\$ 26,373	\$ 25,137
Interest and investment earnings	485	649	395	159	314	80	416	117	107	338
Unrestricted grants and contributions	4,275	11,301	15,320	11,680	13,267	12,569	15,876	9,952	7,283	10,292
<b>Total general revenues</b>	<b>\$ 46,332</b>	<b>\$ 51,052</b>	<b>\$ 52,523</b>	<b>\$ 45,862</b>	<b>\$ 45,346</b>	<b>\$ 42,726</b>	<b>\$ 43,853</b>	<b>\$ 36,533</b>	<b>\$ 33,763</b>	<b>\$ 35,767</b>
<b>Total change in net position- governmental activities</b>	<b>\$ (148)</b>	<b>\$ (1,894)</b>	<b>\$ 758</b>	<b>\$ (1,840)</b>	<b>\$ (21,035)</b>	<b>\$ 23,964</b>	<b>\$ 10,508</b>	<b>\$ 4,091</b>	<b>\$ (355)</b>	<b>\$ (12,087)</b>

**LINN COUNTY, OREGON**  
**Governmental Activities Revenues By Source**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

<b>Fiscal year ended June 30,</b>	<b>Property Taxes</b>	<b>Intergovernmental</b>	<b>Charges for Services</b>	<b>Licenses, Permits, Fines and Fees</b>	<b>Interest and Miscellaneous</b>	<b>Total</b>
<b>2020</b>	\$ 41,588	\$ 59,744	9,617	4,756	\$ 1,265	\$ 116,970
<b>2019</b>	40,417	52,561	7,671	5,114	2,879	108,642
<b>2018</b>	36,867	55,725	7,358	4,905	3,073	107,928
<b>2017</b>	33,841	50,246	7,774	5,183	2,859	99,903
<b>2016</b>	31,577	50,392	7,155	4,770	2,580	96,474
<b>2015</b>	29,852	51,291	6,479	4,320	2,290	94,232
<b>2014</b>	27,561	50,827	6,343	4,228	1,249	90,208
<b>2013</b>	26,464	42,546	7,517	5,011	518	82,056
<b>2012</b>	26,341	44,014	6,178	4,118	505	81,156
<b>2011</b>	25,137	46,771	5,708	3,842	1,022	82,480

**LINN COUNTY, OREGON**  
**Fund Balances of Governmental Funds**  
**Last Ten fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>General fund</b>										
Non spendable										
Committed to										
Interfund loan										
Assigned to										
Unassigned	\$ (13,214)	\$ (7,488)	\$ (7,810)	\$ (9,041)	\$ (7,197)	\$ (6,284)	\$ (5,514)	\$ (6,062)	\$ (4,511)	\$ (2,199)
<b>Total general fund</b>	<b>(13,214)</b>	<b>(7,488)</b>	<b>(7,810)</b>	<b>(9,041)</b>	<b>(7,197)</b>	<b>(6,284)</b>	<b>(5,514)</b>	<b>(6,062)</b>	<b>(4,511)</b>	<b>(2,199)</b>
<b>All other governmental funds</b>										
Non spendable:										
Inventories	1,749	1,770	1,829	1,950	1,327	1,076	1,299	1,051	1,164	1,452
Committed:										
Interfund loans	15,694	8,686	11,830	13,653	15,610	13,747	14,613	14,582	2,629	2,258
Capital projects	-	-	-	-	-	-	-	2,229	3,070	5,419
Restricted:										
Highways and streets	7,258	16,146	14,723	15,669	16,432	20,840	20,318	18,033	16,355	14,010
Public safety	3,638	3,351	1,841	334				57		
Health services	4,861	2,050	2,126	2,838	7,590	8,012	6,059	5,079	6,629	5,112
Grants/minor funds	5,927	2,244	2,381	1,842	1,575	1,831	1,662	1,344	1,467	1,160
Unassigned	(954)	(2,736)	(4,403)	(5,812)	(7,434)	(9,156)	(10,868)	(11,068)	(850)	(758)
<b>Total all other governmental funds</b>	<b>\$ 38,173</b>	<b>\$ 31,511</b>	<b>\$ 30,327</b>	<b>\$ 30,474</b>	<b>\$ 35,100</b>	<b>\$ 36,350</b>	<b>\$ 33,083</b>	<b>\$ 31,307</b>	<b>\$ 30,464</b>	<b>\$ 28,653</b>

**LINN COUNTY, OREGON**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(amounts expressed in thousands)**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
<b>Revenues</b>										
Property taxes	\$ 41,588	\$ 40,417	\$ 36,867	\$ 33,841	\$ 31,577	\$ 29,853	\$ 27,100	\$ 26,595	\$ 26,341	\$ 24,941
Intergovernmental	59,744	52,561	55,725	50,247	50,393	51,292	50,827	42,546	44,015	46,771
Charges for services	9,617	7,671	7,358	7,774	7,155	6,479	5,940	6,025	6,177	5,608
Licenses, permits, fines and fees	4,756	5,114	4,905	5,183	4,770	4,321	3,959	4,016	4,118	3,739
Investment earnings	702	853	627	413	521	325	422	480	121	422
Miscellaneous	563	2,026	2,446	2,445	2,058	1,962	1,961	1,922	384	600
<b>Total revenues</b>	<b>116,970</b>	<b>108,642</b>	<b>107,928</b>	<b>99,903</b>	<b>96,474</b>	<b>94,232</b>	<b>90,209</b>	<b>81,584</b>	<b>81,156</b>	<b>82,081</b>
<b>Expenditures</b>										
General administration and support	10,106	8,251	7,672	7,224	6,313	5,994	5,094	5,521	5,658	5,698
Local government services	3,956	3,701	3,731	3,638	3,308	3,425	3,169	3,192	3,335	3,341
Public Safety	38,907	39,799	35,721	33,169	35,910	30,079	30,425	29,667	30,991	30,965
Health Services	25,029	25,491	28,745	28,248	25,741	25,824	21,588	20,991	20,175	18,822
Community development	7,673	7,482	8,365	8,476	7,554	6,796	6,430	6,492	6,224	19,663
Highways and streets	13,342	14,035	11,980	16,580	11,882	10,933	8,658	10,014	13,959	15,374
Apportionments to school districts	1,643	1,610	1,747	778	1,539	1,733	2,000	1,406	1,314	2,321
Capital outlay	15,205	6,573	8,848	8,175	6,178	6,704	10,242	4,741	-	-
Debt Service - Interfund loan interest	174	193	218	260	211	247	279	267	-	-
<b>Total expenditures</b>	<b>116,035</b>	<b>107,135</b>	<b>107,027</b>	<b>106,548</b>	<b>98,636</b>	<b>91,735</b>	<b>87,885</b>	<b>82,291</b>	<b>81,656</b>	<b>96,184</b>
<b>Excess of revenues over (under) expenditures</b>	<b>935</b>	<b>1,507</b>	<b>901</b>	<b>(6,645)</b>	<b>(2,162)</b>	<b>2,497</b>	<b>2,324</b>	<b>(707)</b>	<b>(500)</b>	<b>(14,103)</b>
<b>Other financing sources (uses)</b>										
Transfers in	4,902	2,743	1,857	1,832	1,915	1,982	1,958	2,201	4,046	3,643
Transfers out	(4,902)	(2,743)	(1,674)	(1,657)	(1,915)	(1,982)	(1,958)	(2,201)	(4,046)	(3,643)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>183</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 935</b>	<b>\$ 1,507</b>	<b>\$ 1,084</b>	<b>\$ (6,470)</b>	<b>\$ (2,162)</b>	<b>\$ 2,497</b>	<b>\$ 2,324</b>	<b>\$ (707)</b>	<b>\$ (500)</b>	<b>\$ (14,103)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.15%</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.24%</b>	<b>0.21%</b>	<b>0.27%</b>	<b>0.32%</b>	<b>0.32%</b>	<b>0.00%</b>	<b>0.00%</b>

**LINN COUNTY, OREGON**  
**Intergovernmental Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Federal</b>	<b>State</b>	<b>Cities and Other</b>	<b>Totals</b>	<b>Per Capita</b>
<b>2019-2020</b>	\$ 7,599,586	\$ 39,096,349	\$ 13,048,187	\$ 59,744,122	472
<b>2018-2019</b>	7,660,757	31,925,596	12,974,225	52,560,578	419
<b>2017-2018</b>	8,563,882	34,925,596	12,235,364	55,724,842	449
<b>2016-2017</b>	4,738,912	33,984,225	11,523,740	50,246,877	411
<b>2015-2016</b>	9,418,795	33,264,502	7,708,775	50,392,072	417
<b>2014-2015</b>	10,191,186	35,049,234	6,051,326	51,291,746	428
<b>2013-2014</b>	12,168,849	33,017,481	5,640,990	50,827,320	428
<b>2012-2013</b>	9,828,607	29,974,876	2,742,715	42,546,198	360
<b>2011-2012</b>	10,658,575	29,581,523	3,774,442	44,014,540	375
<b>2010-2011</b>	13,256,530	29,390,032	4,125,077	46,771,639	401

*Population used to calculate per capita comes from Demographics schedule in this section.*

**LINN COUNTY, OREGON**  
**Assessed Value and Estimated Actual Value of Taxable property**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>	<b>Manufactured Structures</b>	<b>Personal Property</b>	<b>Public Utilities</b>	<b>Less Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate Per \$1,000</b>	<b>Estimated Real Market Value</b>	<b>Total Taxable Assessed Value as a Percentage of Estimated RMV</b>
<b>2020</b>	\$ 9,698,077	\$ 149,167	\$ 330,928	\$ 490,552	\$ 39,272	\$ 10,629,452	4.2936	\$ 17,541,514	60.60%
<b>2019</b>	9,271,794	134,010	311,426	507,412	35,735	10,188,907	4.2936	16,130,441	63.17%
<b>2018</b>	8,915,128	128,910	304,072	485,257	33,193	9,800,174	4.2936	14,532,083	67.44%
<b>2017</b>	8,543,774	121,034	296,402	460,848	32,034	9,390,024	4.2936	13,241,005	70.92%
<b>2016</b>	8,214,875	112,203	275,483	446,542	31,384	9,017,719	4.2936	12,118,178	74.41%
<b>2015</b>	7,932,202	108,688	254,054	425,703	30,625	8,690,022	4.2900	11,395,676	76.26%
<b>2014</b>	7,639,006	107,561	240,404	396,669	27,141	8,356,499	4.0436	10,815,138	77.27%
<b>2013</b>	7,416,487	108,088	228,878	393,791	28,110	8,119,134	4.0436	10,572,478	76.79%
<b>2012</b>	7,361,380	113,366	231,304	328,812	27,519	8,007,343	4.0436	10,879,896	73.60%
<b>2011</b>	7,110,783	114,486	254,022	306,826	25,380	7,760,737	3.6100	12,381,258	62.68%

Source: Summary of Assessment and Tax Roll - Linn County Assessor and Tax Collector.

**LINN COUNTY, OREGON**  
**Average Property Tax Rates**  
**Direct and Major Overlapping Governments**  
**Per \$1000 of Assessed value**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Cities			Rural Fire Districts		Schools Districts				Linn-Benton Community College	
	Linn County	Albany	Lebanon	Sweet Home	Albany	Lebanon	Albany	(1) Lebanon	Sweet Home		Central Linn
2020	4.29	7.47	5.70	10.44	2.15	2.45	6.83	6.79	6.88	4.62	0.67
2019	4.29	7.47	5.70	10.44	2.15	2.45	6.83	6.79	6.88	4.62	0.67
2018	4.29	7.47	5.70	10.44	2.15	2.46	6.90	6.84	6.91	4.62	0.67
2017	4.29	7.48	5.68	10.44	2.15	2.46	6.89	6.94	6.92	4.62	0.67
2016	4.29	7.51	5.30	10.43	2.15	2.46	6.08	7.02	6.94	4.62	0.68
2015	4.29	7.48	5.47	8.64	2.15	2.47	6.29	6.94	6.96	5.03	0.68
2014	4.29	7.59	5.64	8.64	2.15	2.47	6.32	7.08	6.99	4.62	0.68
2013	4.04	7.66	5.67	8.64	2.15	2.48	6.31	7.02	7.01	4.62	0.69
2012	4.04	7.50	6.18	8.64	2.15	2.48	6.20	7.01	7.00	6.27	0.67
2011	4.04	7.51	5.86	8.63	2.15	2.47	6.19	7.25	6.69	4.62	0.68

(1) Includes Union High School District

All of the listed districts are component parts to the total direct rate, which is the sum of the component parts.

Source: Summary of Assessment and Tax Roll - Linn County Assessor and Tax Collector.



**LINN COUNTY, OREGON**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
**(amounts expressed in thousands)**

Principal Taxpayers	Type of Business	2020			2011		
		2019-20 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2010-11 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacificorp PP&L	Utility	\$ 158,815	1	1.49%	\$ 88,197	2	1.12%
Fort James Operating Co.	Timber & Forest Products	109,708	2	1.03%	103,329	1	1.31%
Weyerhaeuser Co./ Willamette Industries	Timber & Forest Products	108,172	3	1.02%	45,529	9	0.58%
Centurylink	Technology & Communications	107,305	4	1.01%			
Teledyne Wah Chang Albany	Rare Metals	97,930	5	0.92%	73,585	5	0.94%
Lowes HIW Inc	Retail distribution	91,052	6	0.86%	87,780	3	1.12%
Target Corporation	Retail distribution	85,006	7	0.80%	76,459	4	0.97%
Northwest Natural Gas	Utility	75,457	8	0.71%	50,322	8	0.64%
Entek International LLC	Plastic & rubber manufacturing	69,709	9	0.66%			
Cascade Pacific Pulp LLC	Wood pulp for paper manufacture	61,758	10	0.58%			
Oregon Metallurgical Corp	Rare Metals				56,838	6	0.72%
International Paper (IP Eat Three)	Timber & Forest Products				56,601	7	0.72%
Comcast Corporation	Telecommunications				44,050	10	0.56%
<b>Total Principal Taxpayers</b>		<b>964,912</b>		<b>9.08%</b>	<b>682,690</b>		<b>8.68%</b>
<b>Total County Taxable Assessed Value</b>		<b>\$10,629,452</b>		<b>100%</b>	<b>\$ 7,869,306</b>		<b>100%</b>

Source: Summary of Assessment and Tax Roll - Linn County Assessor and Tax Collector.

**LINN COUNTY, OREGON**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2020	\$ 42,530	\$ 41,475	97.52%	\$ -	41,475	97.52%
2019	40,367	39,338	97.45%	553	39,891	98.82%
2018	37,746	36,783	97.45%	702	37,485	99.31%
2017	34,504	33,329	96.60%	1,081	34,410	99.73%
2016	32,523	31,320	96.30%	1,180	32,500	99.93%
2015	30,476	29,318	96.20%	1,146	30,464	99.96%
2014	30,476	29,196	95.80%	1,274	30,470	99.98%
2013	27,650	26,713	96.61%	936	27,649	100.00%
2012	27,337	25,486	93.23%	1,831	27,317	99.93%
2011	26,995	25,726	95.30%	1,252	26,978	99.94%

**Note: Above data relates only to Linn County funds and does not include the other governments in the County.**

**Source: Summary of Assessment and Tax Roll - Linn County Assessor and Tax Collector.**

**LINN COUNTY, OREGON**  
**Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Debt limit</b>	\$ 212,589	\$ 203,778	\$ 196,003	\$ 187,800	\$ 180,982	\$ 173,800	\$ 16,269	\$ 160,147	\$ 154,021	\$ 155,722
<b>Total net debt applicable to limit</b>	-	-	-	-	-	-	-	-	-	-
<b>Legal debt margin</b>	<u>\$ 212,589</u>	<u>\$ 203,778</u>	<u>\$ 196,003</u>	<u>\$ 187,800</u>	<u>\$ 180,982</u>	<u>\$ 173,800</u>	<u>\$ 16,269</u>	<u>\$ 160,147</u>	<u>\$ 154,021</u>	<u>\$ 155,722</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Debt Limit Calculation for Fiscal Year 2020:**

Estimated Actual Taxable Value	\$10,629,452
Debt limit (2% of total assessed value)**	212,589
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
	<hr/>
Total net application to limit	<hr/> -
Legal Debt Margin	<u>\$ 212,589</u>

\*\* Under Oregon law, the County's outstanding general obligation debt may not exceed 2% of the estimated actual taxable value.

**LINN COUNTY, OREGON**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal year ended June 30,	Population*	Governmental Activities				Personal Income	Percentage of Personal Income	Per Capita
		General Obligation Bonds	Loans and Notes Payable	Capital Leases	Totals			
<b>2020</b>	126,550	The County's governmental activities have been debt free since June 30, 2010						
<b>2019</b>	125,575	The County's governmental activities have been debt free since June 30, 2010						
<b>2018</b>	124,010	The County's governmental activities have been debt free since June 30, 2010						
<b>2017</b>	122,315	The County's governmental activities have been debt free since June 30, 2010						
<b>2016</b>	120,860	The County's governmental activities have been debt free since June 30, 2010						
<b>2015</b>	119,705	The County's governmental activities have been debt free since June 30, 2010						
<b>2014</b>	118,665	The County's governmental activities have been debt free since June 30, 2010						
<b>2013</b>	118,035	The County's governmental activities have been debt free since June 30, 2010						
<b>2012</b>	117,340	The County's governmental activities have been debt free since June 30, 2010						
<b>2011</b>	116,672	The County's governmental activities have been debt free since June 30, 2010						

\* *Certified estimate per Portland State Population Research Center*

**LINN COUNTY, OREGON**  
**Ratio of Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Fiscal year ended June 30,	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Totals	Estimated Actual Taxable Value (2)	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2020	\$ -	\$ -	\$ -	\$ 10,629,452	0.00%	-
2019	-	-	-	10,188,908	0.00%	-
2018	-	-	-	9,800,174	0.00%	-
2017	-	-	-	9,390,023	0.00%	-
2016	-	-	-	9,017,720	0.00%	-
2015	-	-	-	8,690,022	0.00%	-
2014	-	-	-	8,354,695	0.00%	-
2013	-	-	-	8,147,245	0.00%	-
2012	-	-	-	8,007,344	0.00%	-
2011	-	-	-	7,869,306	0.00%	-

(1) The County has no General Obligation debt.

(2) Source: Summary of Assessment and Tax Roll - Linn County Assessor and Tax Collector.

**LINN COUNTY, OREGON**  
**Computation of Direct and Overlapping Bonded Debt**  
**General Obligation Bonds**  
**June 30, 2020**

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding (In Thousands)</u>	<u>Percentage Applicable to County</u>	<u>Amount Applicable to County (In Thousands)</u>
<b>Direct:</b> Linn County	\$ -	100.00%	\$ -
<b>Overlapping:</b>			
<b>Cities:</b>			
Albany	15,835	73.75%	11,678
Brownsville	5,780	100.00%	5,780
Harrisburg	8,165	100.00%	8,165
Lebanon	10,210	100.00%	10,210
<b>Community Colleges:</b>			
Chemeketa	55,550	0.99%	550
Lane	30,545	1.11%	339
Linn-Benton	27,955	49.68%	13,888
<b>School Districts:</b>			
Corvallis	159,539	2.23%	3,558
Eugene	368,950	0.07%	258
Lane , Marcola	6,990	0.04%	3
Greater Albany	142,730	76.95%	109,831
Harrisburg	8,526	90.85%	7,746
Jefferson	13,971	6.25%	873
Lebanon Community	34,940	100.00%	34,940
North Santiam	18,690	20.44%	3,820
Santiam Canyon	17,705	47.91%	8,482
Sweet Home	13,170	100.00%	13,170
<b>Rural Fire Districts:</b>			
Brownsville	540	100.00%	540
Lebanon	14,835	100.00%	14,835
Harrisburg	6,150	99.99%	6,149
Mohawk Valley	520	0.03%	-
Scio	2,375	100.00%	2,375
<b>Total Overlapping</b>	<u>963,671</u>		<u>257,190</u>
<b>Total Direct and Overlapping</b>	<u>\$ 963,671</u>		<u>\$ 257,190</u>

Not included in overlapping: Any jurisdiction with either no debt or no overlapping percentage

Source: Oregon State Treasury, Debt Management Division.

Note: General obligation bonded debt outstanding does not include Bancroft and other self-supporting general obligation or limited tax bonded debt

**LINN COUNTY, OREGON**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

Fiscal year ended June 30,	(1) Population	(2) Personal Income (amounts expressed as thousands)	(calculated) Per Capita Personal Income	(3) Public School Enrollment	(4) County Unemployment Rate	(5) Marriage Licenses	(6) Linn County Employees
2020	126,550	n/a	n/a	n/a	13.5%	689	666
2019	125,575	n/a	n/a	n/a	4.5%	792	671
2018	124,010	\$ 5,461,463	\$ 44,041	18,446	4.4%	857	694
2017	122,315	5,049,370	41,282	18,383	4.4%	816	676
2016	120,860	4,713,141	38,997	18,746	6.2%	836	636
2015	119,705	4,520,435	37,763	17,484	7.0%	836	635
2014	118,665	4,223,823	35,595	17,376	8.4%	812	605
2013	118,035	3,991,947	33,820	18,325	9.9%	792	603
2012	117,340	3,921,881	33,423	18,068	10.8%	873	662
2011	116,672	3,794,021	32,519	n/a	11.4%	744	651

*n/a information not available at this time*

**Source:**

- (1) Certified estimate per Portland State Population Research Center
- (2) Bureau of Economic Analysis
- (3) Oregon Department of Education since 2014; Linn-Benton-Lincoln ESD prior to 2014
- (4) Bureau of Labor Statistics
- (5) County Clerk Detail Records
- (6) Linn County Adopted Budget

**LINN COUNTY, OREGON**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Samaritan Health Services	1,600 (A)	1	3.67%	1,600	1	4.12%
Linn Benton Community College	1,100	2	2.52%	1,100	2	2.83%
Greater Albany Public Schools	1,080	3	2.47%	1,080	3	2.78%
Wah Chang (ATI)	949	4	2.17%	949	4	2.44%
Target Distribution Center	631	5	1.45%	631	5	1.63%
Linn County	627	6	1.44%	627	6	1.62%
Assurant Solutions	500	7	1.15%			
Georgia-Pacific/GP	470	8	1.08%			
Oregon Freeze Dry	398	9	0.91%	398	7	1.03%
City of Albany	390	10	0.89%	390	8	1.00%
National Frozen Foods				350	9	0.90%
ATI Albany				293	10	0.75%
<b>Totals</b>			<u>17.75%</u>			<u>19.11%</u>
<b>Number of individuals employed in Linn County</b>			<b>43,640</b>			<b>38,820</b>

Source: City of Albany Economic Development Department, and State of Oregon Employment Department

(A) Linn County employees only; Samaritan has 5,100 total employees working in and serving residents in five counties.



**LINN COUNTY, OREGON**  
**Full-time Equivalent Employees by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
General administration and support	39	41	45	41	42	39	42	42	36	42
Local government services	36	36	35	34	38	36	31	31	30	33
Public safety	314	249	244	234	242	245	232	233	231	258
Health services	195	193	209	221	208	190	176	178	184	187
Community development	52	56	61	50	53	53	66	65	67	71
Highways and streets	78	67	67	63	62	67	75	73	76	85
<b>Total</b>	<b>714</b>	<b>642</b>	<b>661</b>	<b>643</b>	<b>645</b>	<b>630</b>	<b>622</b>	<b>622</b>	<b>624</b>	<b>676</b>

**Source: Linn County payroll department**

**LINN COUNTY, OREGON**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Sheriff</b>										
Jail bookings (calendar year basis)	n/a	6,531	7,214	6,808	6,672	6,767	6,671	6,115	6,157	5,902
<b>Highways and streets</b>										
Road surface improvements (miles)	70	69	63	74	59	49	32	51	46	62
<b>Parks</b>										
Picnic shelter rentals	125	189	189	264	200	223	212	169	260	190
<b>Clerk's Office</b>										
Documents recorded	26,862	22,628	25,243	25,321	23,683	20,442	20,878	26,758	24,178	24,964
Marriage licenses issued	689	792	857	816	816	836	749	792	873	744
Registered voters	90,650	88,608	84,875	80,474	69,202	64,264	62,509	63,622	60,738	59,785
<b>Planning</b>										
Building permits	1,816	1,807	1,944	1,680	1,494	1,333	1,353	1,226	1,123	1,198
Contract cities	1,038	1,095	1,070	956	701	596	497	426	374	364
Electrical permits	1,859	1,937	2,010	1,972	1,631	1,505	1,335	1,312	1,335	1,199
Planning applications	887	888	934	794	757	642	670	613	519	509
<b>Health</b>										
Alcohol and drug clients	808	856	1,059	808	904	903	763	790	830	857
Developmentally disabled clients	1,362	1,168	1,113	972	909	776	842	747	736	724
Environmental health service contacts	2,591	2,655	2,816	2,552	1,649	1,942	2,642	2,460	2,742	2,622
Mental health clients	4,015	4,062	4,859	4,673	5,647	5,036	4,273	4,662	3,857	3,773
Public health clients	3,966	4,363	8,557	11,071	14,583	15,867	13,756	12,672	13,251	13,085
Women, Infants, and children clients	4,505	4,762	5,123	5,490	5,721	5,810	6,021	6,052	6,521	6,418
<b>Fairgrounds</b>										
Willamette building (hours of use)	5,051	9,363	7,892	8,259	6,642	6,176	5,550	5,604	5,200	6,196
Calapooia arena (hours of use)	1,071	1,683	1,684	1,952	1,926	1,845	2,042	1,918	1,995	1,749
Santiam center (hours of use)	953	1,852	1,823	1,540	1,503	1,373	1,146	1,203	1,315	1,594
Cascade livestock building (hours of use)	1,995	3,514	3,952	4,305	4,124	4,107	3,793	3,900	3,836	3,500

n/a: Sheriff's office compiles its statistics on a calendar year basis. The current year is not yet available.

Source: Linn County elected officials and department managers.

**LINN COUNTY, OREGON**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

<b>Function</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
<b>Public Safety</b>										
<b>Police:</b>										
Stations	9	9	9	8	8	7	7	7	7	7
Patrol Units	53	53	53	55	55	55	55	55	55	53
Police service dogs	3	3	2	1	1	1	1	1	1	1
<b>Culture and recreation</b>										
Parks acreage	1,246	1,246	1,369	1,369	1,364	1,364	1,364	1,360	1,360	1,360
Parks	25	25	24	24	24	24	24	23	23	22
Picnic shelters	13	13	13	13	13	13	13	13	13	13
<b>General Services</b>										
Motor pool vehicles	79	78	80	80	79	76	78	78	82	80
<b>Roads</b>										
All Public road miles	1,170	1,170	1,170	1,155	1,155	1,153	1,153	1,153	1,153	1,153
Bridges	335	335	335	335	336	336	336	329	329	329

**Source: Linn County elected officials and department managers.**

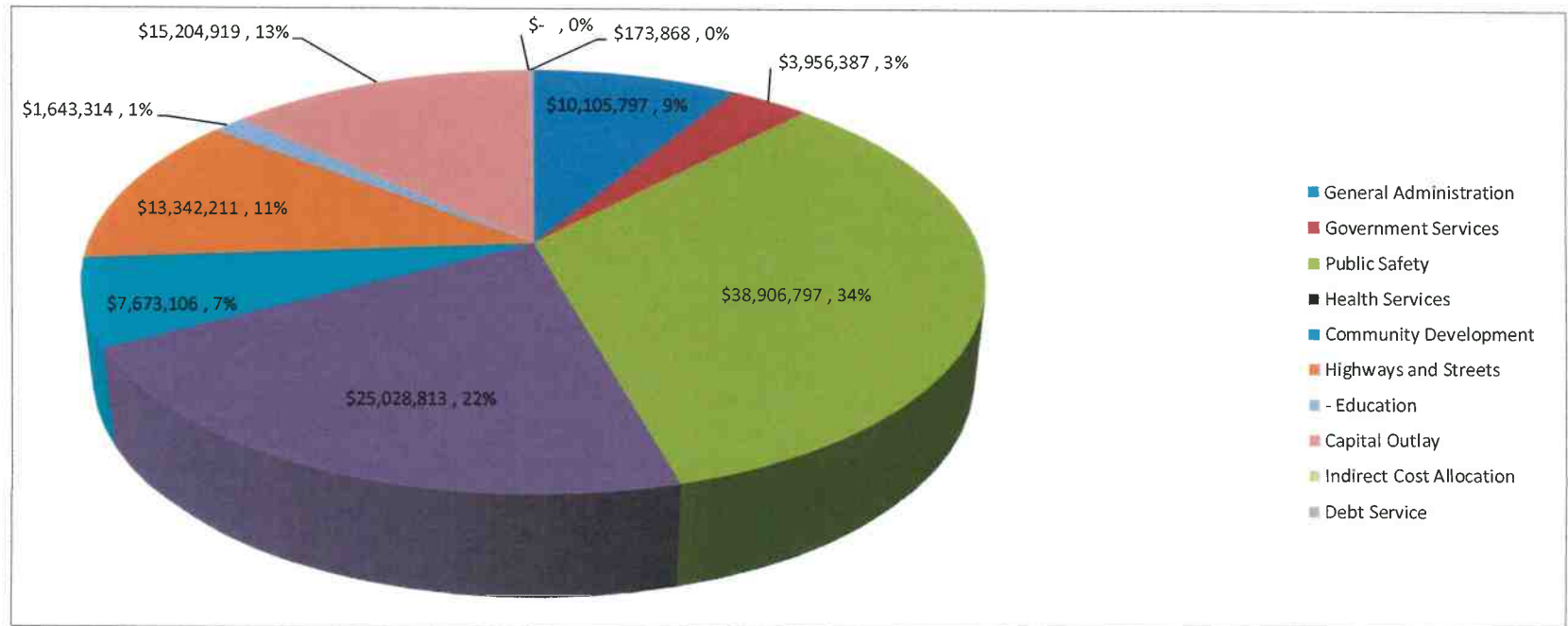
**LINN COUNTY, OREGON**  
**General Government Expenditures by Function**  
**Last Ten Fiscal Years**

Fiscal year ended June 30,	Local										(B)		
	General Administration	Government Services	Public Safety	Health Services	Community Development	Highways and Streets	- Education	Capital Outlay	Indirect Cost Allocation	Debt Service	Totals	CPI	Per Capita
2020	\$ 10,105,797	\$ 3,956,387	\$38,906,797	\$25,028,813	\$ 7,673,106	\$ 13,342,211	\$ 1,643,314	\$15,204,919	(A)	\$ 173,868	\$ 116,035,212	283.6	916.91
2019	8,250,932	3,701,191	39,798,435	25,491,351	7,482,275	14,035,239	1,610,423	6,572,760	(A)	192,663	107,135,269	279.4	853.16
2018	7,672,035	3,731,080	35,057,002	27,328,255	8,352,713	11,801,039	1,747,165	8,847,857	\$ 2,272,026	218,013	107,027,185	271.7	863.05
2017	7,223,740	3,638,210	32,540,288	26,883,838	8,461,930	16,385,036	778,499	8,174,975	2,202,327	259,985	106,548,828	258.0	871.10
2016	6,312,665	3,308,064	35,345,739	24,643,028	7,540,995	11,691,535	1,538,719	6,177,945	1,866,919	210,770	98,636,379	247.5	816.12
2015	5,976,827	3,424,956	29,546,251	24,856,327	6,764,848	10,743,588	1,733,163	6,703,094	1,739,461	246,921	91,735,436	242.7	766.35
2014	5,081,149	3,169,212	29,889,155	20,626,039	6,395,095	8,467,424	1,999,835	10,241,664	1,736,315	279,447	87,885,335	233.6	740.62
2013	5,511,126	3,191,808	29,155,216	20,043,224	6,457,929	9,808,537	1,405,596	4,741,212	1,710,610	266,709	82,291,967	231.8	697.18
2012	5,657,757	3,335,274	30,991,422	20,174,727	6,224,219	13,958,809	1,314,484	-	-	-	81,656,692	226.0	695.90
2011	5,697,524	3,341,122	30,965,440	18,822,560	19,663,245	15,373,606	2,320,828	-	-	-	96,184,325	219.1	824.40

(A) The indirect cost allocation is included in transfers in/out on the governmental statement.

(B) After and including 2018, CPI based on 'CPI West-Size class A'; before 2018 based on CPI-Portland Metro Area, from Bureau of Labor Statistics.

Population used to calculate per capita comes from Demographics schedule in this report.



## OTHER INFORMATION

**LINN COUNTY, OREGON**  
**SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES**  
Year Ending June 30, 2020

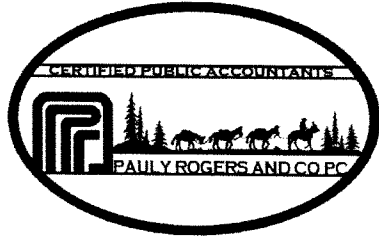
<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>COVERAGE LIMITS</u>	<u>POLICY PERIOD</u>	
					<u>FROM</u>	<u>TO</u>
28337	SAIF Corporation	Standard workers' compensation and employers' liability policy - policy limit		500,000	7/1/2019	7/1/2020
		Bodily injury by accident - each accident		500,000		
		Bodily injury by disease - each employee		500,000		
19LLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	General Aggregate Commercial general liability Auto liability	Policy limit Each occurrence Each occurrence	15,000,000 5,000,000 5,000,000	7/1/2019	7/1/2020
	(Is subject to policy conditions and contingent on sufficient monies being available in Self-Insured Loss Fund)					
19APDLINC	City/County Insurance Services	Comprehensive general liability Automobile physical damage (APD)	Comp/Collision and ADP deductibles vary based on value and deductible per vehicle		7/1/2019 7/1/2019	7/1/2020 7/1/2020
19BLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Equipment Breakdown Coverage (\$10,000 Deductible)	Policy limit	100,000,000	7/1/2019	7/1/2020
19PLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Property Coverage (\$10,000 Deductible)	Policy limit Blanket buildings/business personal property Inland Marine Earthquake Flood Revenue and Rental Value Extra Expense and Rental value Property in Transit Hired, Rented, or Borrowed Equipment Restoration/Reproduction of books, records, etc.	166,688,579 <small>As per property schedule</small> <small>As per property schedule</small> 5,000,000 5,000,000 1,000,000 1,000,000 1,000,000 150,000 100,000	7/1/2019	7/1/2020

**LINN COUNTY, OREGON**  
**SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES**  
Year Ending June 30, 2020

<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>COVERAGE LIMITS</u>	<u>POLICY PERIOD</u>	
					<u>FROM</u>	<u>TO</u>
19PLINC Continued	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Property Coverage (\$10,000 Deductible)	Electronic Data Restoration/ Reproduction Pollution Clean-up Crime Coverage Police Dogs Off Premises Service Interruption Miscellaneous Coverage Personal Property at Unscheduled Locations Personal Property of Employees or Volunteers Unscheduled Fine Arts Temporary Emergency Shelter Restoration	250,000 25,000 50,000 15,000 100,000 50,000 15,000 15,000 100,000 50,000	7/1/2019	7/1/2020
19ECLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Excess Crime Coverage (\$10,000 Deductible)  Coverages listed are in excess of the \$50,000 crime coverage provided under the property coverage agreement.	Employee Theft - per loss Forgery or Altercation Inside Premises-Theft of Money & Securities Inside Premises-Robbery, Safe Burglary, Other Outside the Premises Computer Fraud Money Orders & Counterfeit Paper Currency Funds Transfer Fraud Faithful Performance of Duty Impersonation fraud coverage	500,000 Included Included Included Included Included Included Included Included 250,000	7/1/2019	7/1/2020

**INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS**





**PAULY, ROGERS, AND Co., P.C.**  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
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March 22, 2021

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Linn County, Oregon, as of and for the year ended June 30, 2020, and have issued our report thereon dated March 22, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

#### **Compliance**

As part of obtaining reasonable assurance about whether the Linn County, Oregon's financial statements are free of material misstatement, we performed tests of 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 162-10-320 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 statements 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).**
- **Schedule of Accountability of Elected Officials**

In connection with our testing nothing came to our attention that caused us to believe the Linn County, Oregon 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 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

**OAR 162-10-0230 Internal Control**

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

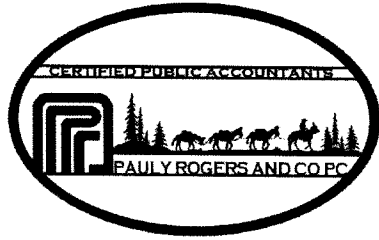
We noted a matter involving the internal control structure and its operations that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in the Schedule of Findings and Questioned Costs dated March 22, 2021.

This report is intended solely for the information and use of the Board of Commissioners and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.

## GRANT COMPLIANCE – SINGLE AUDIT



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March 22, 2021

**To the Board of County Commissioners  
Linn County, Oregon  
Albany, Oregon**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Oregon as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated March 22, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) 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 internal control. Accordingly, we do not express an opinion on the effectiveness of 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. We did identify a significant deficiency described in the accompanying schedule of findings and questioned costs as item FS-2020-001 that we consider a significant deficiency.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

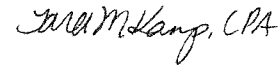
As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Response to Finding**

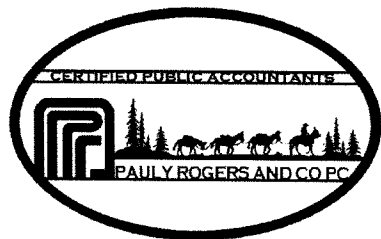
Linn County's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The response was not subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C.



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(503) 620-2632 (503) 684-7523 FAX  
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March 22, 2021

To the Board of County Commissioners  
Linn County, Oregon  
Albany, Oregon

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

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

We have audited Linn County, Oregon's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2020. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of compliance.

**Opinion on Each Major Federal Program**

In our opinion, Linn County, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

## Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Tara M. Kamp, CPA  
PAULY, ROGERS AND CO., P.C

LINN COUNTY, OREGON  
ALBANY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2020

---

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors’ report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes

no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes

none reported

Noncompliance to financial statements noted?

yes

no

Any GAGAS audit findings disclosed that are required to be reported in accordance with section 515(d)(2) of the Uniform Guidance?

yes

no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

yes

no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes

none reported

Type of auditors’ report issued on compliance for major programs:

Unmodified



Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance?

yes  no

**IDENTIFICATION OF MAJOR PROGRAMS**

**CFDA NUMBER**                      **NAME OF FEDERAL PROGRAM CLUSTER**

21.019                                      Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs:

\$750,000  
 yes  no

Auditee qualified as low-risk auditee?

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**FS-2020-001 – SIGNIFICANT DEFICIENCY**

**CONDITION:** Adequate controls were not in place to ensure all cash collections in the Planning and Building Department were turned over to the Treasurer’s office. The employee handling cash had complete control over the deposits as well as the reconciling and reporting of receipts resulting in cash skimming to occur. Compensating controls of review of deposits and monthly reports and reconciliations were inadequately performed by the Department Head to catch the issue.

**CRITERIA:** Proper controls should be in place and monitored to ensure that all cash received is properly recorded.

**EFFECT:** Without adequate controls or procedures in place to properly record cash receipts, the likelihood of an intentional error or irregularity existing and not being detected over time could result in a material misstatement in the financial statements.

**CAUSE:** The Planning and Building Department did not have adequate segregation of duties, inadequate compensating controls and a lack of monitoring of employees.

**RECOMMENDATION:** We recommend the Department implement segregation of duties between employees around cash handling in addition to not allowing one person to control the cash receipting process. In addition, we recommend that adequate compensating controls be implemented and followed to ensure errors and omissions are caught and followed up on.

VIEWS OF RESPONSIBLE OFFICIALS: Management agrees with the finding and has implemented segregation of duties, has provided training and education to the department and is monitoring the cash receipting process.

### **SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

### **NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

#### **BASIS OF PRESENTATION**

##### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes federal grant activity under programs of the federal government. The information in this schedule is presented in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations, it is not intended to and does not present the net position, changes in net position, or cash flows of the entity.

##### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LINN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2020

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Agriculture</b>				
Food and Nutrition Service				
<i>Passed through Oregon State Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	NA	\$ 8,158	\$ -
National Lunch Program	10.555	NA	15,109	-
State administrative expense for child nutrition	10.560	NA	16	-
Total Child Nutrition Cluster			23,283	-
US Forest Service				
<i>Passed through Oregon State Health Authority:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	F37009	734,217	-
<b>Total U.S. Department of Agriculture</b>			757,500	-
<b>U.S. Department of the Interior</b>				
Fish and Wildlife Service				
<i>Passed through Oregon State Marine Board:</i>				
Clean Vessel Act Program	15.616	F17AP00482	14,125	-
<b>Total U.S. Department of the Interior</b>			14,125	-
<b>U.S. Department of Justice</b>				
Office of Victims of Crime				
<i>Passed through Oregon State Department of Justice:</i>				
Crime Victims Assistance	16.575	NA	172,546	-
<b>Total U.S. Department of Justice</b>			\$ 172,546	\$ -

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

<b>Federal Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass Through Entity Number</b>	<b>Expenditures</b>	<b>Passed Through to Subrecipients</b>
<b>U.S. Department of Transportation</b>				
Federal Highway Administration				
<i>Passed through Oregon State Department of Transportation:</i>				
Highway Planning and Construction	20.205	NA	\$ 220,401	\$ -
Formula Grants for Rural Areas	20.509	NA	137,802	137,802
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NA	183,087	183,087
National Infrastructure Investments - Tiger IX Award	20.933		550,683	-
<b>Total U.S. Department of Transportation</b>			<u>1,091,973</u>	<u>320,889</u>
<b>U.S. Department of the Treasury</b>				
<i>Passed through Oregon State Department of Administrative Services:</i>				
Coronavirus Relief Fund	21.019		1,369,378	-
<b>Total U.S. Department of the Treasury</b>			<u>1,369,378</u>	<u>-</u>
<b>General Services Administration</b>				
<i>Passed through Oregon State Department of Administrative Services:</i>				
Donation of Federal Surplus Personal Property	39.003	NA	7,819	-
<b>Total General Services Administration</b>			<u>\$ 7,819</u>	<u>\$ -</u>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Health and Human Services</b>				
Office of Population Affairs				
<i>Passed through Oregon State Health Authority:</i>				
Family Planning - Services	93.217	NA	\$ 6,812	\$ -
Centers for Disease Control and Prevention				
<i>Passed through Oregon State Health Authority:</i>				
Public Health Emergency Preparedness	93.069	NA	111,828	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323		7,333	-
Heath Resources and Services Administration				
<i>Passed through Oregon State Health Authority:</i>				
Hospital Preparedness Program - Ebola Preparedness and Response	93.817		816	-
Maternal and Child Health Services Block Grant to the States	93.994	NA	78,333	-
Substance Abuse and Mental Health Services Administration				
<i>Passed through Oregon State Health Authority:</i>				
Block Grants for Community Mental Health Services	93.958	NA	164,723	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NA	313,432	-
<b>Total U.S. Department of Health and Human Services</b>			<u>683,277</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>				
Federal Emergency Management Agency				
<i>Passed through Oregon State Military Department:</i>				
Emergency Management Performance Grant	97.042	NA	56,229	
Homeland Security Grant Program	97.067	NA	284,513	-
<b>Total U.S. Department of Homeland Security</b>			<u>340,742</u>	<u>-</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 4,437,360</u>	<u>\$ 320,889</u>

*The accompanying notes are an integral part of this schedule.*

**LINN COUNTY, OREGON**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2020**

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**Note 1. Reporting entity and basis of presentation**

Reporting Entity: The reporting entity is fully described in Note 1 to the County's basic financial statements. The schedule includes all federal financial assistance programs administered by the County for the year ended June 30, 2020.

Basis of Presentation: The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Linn County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Linn County.

**Note 2. Summary of significant accounting policies**

Federal Financial Assistance: Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and, therefore, is reported on the Schedule, if applicable. Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the state and federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

Expenditure recognition: expenditures of federal awards are accounted for on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance., wherein certain types of expenditures are not allowable or are limited as to reimbursement.

The County has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. Indirect costs are charged to programs based on the County's indirect cost allocation methodology.