



LINN COUNTY, OREGON

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2021

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

Roger Nyquist
Sherrie Sprenger
Will Tucker

DARRIN L. LANE
Administrative Officer

December 13, 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, 2021 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, 2021, 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, 2021 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 2020 - 2021.

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, 2021 population of 130,440. 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 1,117.49 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 1st 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 29. For the non-major funds, the comparisons are presented starting on page 83.

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 continues to recover from the effects of the Covid-19 pandemic. The County's unemployment rate peaked at a high of 15.2% in April 2020, dropped to 10.8% by June 2020, and at June 30, 2021 was at 6.30%. This rate is slightly higher than the State June 30, 2021 rate of 5.60%. Economic forecasts indicate that economic growth is surging due to federal fiscal policy. Oregon's labor market is expected to return to full health with the State unemployment rate dropping to near 4.0% in 2023.

Along with the impacts of the global pandemic, Linn County experienced severe wildland fires in the second quarter of the fiscal year. These fires impacted several communities and thousands of citizens in the Santiam Canyon area. Significant resources and effort was, and continues, to be focused on aiding in the recovery of those impacted citizens. The event was a statewide natural disaster and encompassed multiple counties. Federal, State, and local resources are dedicated to the response.

Revenues and Expenditures. Linn County's FY 20-21 revenues have been very strong in spite of the pandemic. Property tax collections were positively impacted by the continued increase in assessed value. State and federal pass-through dollars have provided unprecedented revenues, albeit targeted to uses generally related to the impacts of the pandemic. The State's fiscal year 2019-2021 budget was out initially 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. By the end of the fiscal year, the State was experiencing significant surpluses due to Federal grants to States as part of the American Recovery Plan Act (ARPA). Linn County received a direct allocation from ARPA in the amount of \$25.2 million divided into two tranches. The first tranche of \$12.6 million was received in May of 2021. The second tranche is anticipated to be received after May of 2022. The County's Health Services Department also received additional funding for public health assistance.

An expected shift in the County's service capabilities, due to future changes in two major revenue sources (State and Federal), have been delayed as a result of federal legislation that has extended the Federal "safety net" payments. Bureau of Land Management and Forest Service payment amounts will continue to exceed the actual sales amounts for another three years. The outlook for payments from the State of Oregon is still mixed, with shifts in public safety and health payments to the County, post pandemic. A third major revenue source, the County's local option Law Enforcement Levy, has a more positive outlook. The Board of Commissioners placed a renewal of the Law Enforcement Levy on the ballot for November 2021 at a slightly higher rate (\$2.98 per thousand). Linn County voters approved this levy for another four years starting July 1, 2022 and ending June 30, 2026. Levy revenue collected is slowly recovering with higher property values and smaller Measure 5 compression losses as detailed below.

The County's major source of revenue remains intergovernmental receipts (\$88,453,564; 60.82% of revenue; up 48.06%) with the increase primarily all due to substantial amounts of grant funding, receipts, and reimbursements received for various Covid-19 and pandemic relief efforts from the Federal government or amounts passed through from the State. State-provided funds have increased to \$35,835,624 (24.64% of revenue; up 11.97%) mostly from an increase in State grant funds which provide the bulk of the remaining intergovernmental revenues.

The impacts on County property taxes (\$42,988,132 - 29.56% of revenue; up 3.37%) 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 (5.28%) in the County's assessed property values remains strong. The County's Law Enforcement Levy (current 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 (\$28,480,228 - 66.26% of total property taxes). The Law Enforcement Levy's net amount continues to be reduced ("compressed") due to the Measure 5 limitations (by \$2,333,633 or 8.20% in the current year) but is easing with increasing property values. The County's second local option levy was for building the Veterans' Home in Lebanon. This levy was approved by voters to repay a 10 year, \$12M loan from the Road Fund used to provide the local match required to fund the project. This levy ended this year and the loan was fully repaid. The last major sector of County revenues; licenses, permits, fines & fees and charges for services categories (\$11,706,502 - 8.05% of revenue; down 18.55%) was down due to continuing COVID-19 impacts. However the overall outlook for County revenues is positive due to Federal and State Covid-19 pandemic funds, plus total revenues over the next few years are expected to rebound as the economy recovers from the impacts of the global pandemic.

On the expense side, the cost of County operations over the long term continues to grow due mainly to increasing costs per employee. Personnel costs were up 4.39 % over the prior year. Materials and services costs were up 21.22%, mainly due to additional costs related to the pandemic. These costs were offset by lower Capital outlay spending, down 34.05%. Oregon Public Employees Retirement System (PERS) rates did not change and health insurance premiums actually decreased slightly due to a transfer from the County's rate stabilization account with MODA. PERS rates increased approximately 3% in the fiscal year beginning July 1, 2021 and will again July 1, 2023, with anticipated further rate increases in odd numbered years beyond then. Future health insurance costs continue to be a uncertain given potential Federal and State legislative actions. A rate increase of 8.1% was included in the fiscal year 2021-22 budget.

In summary, 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 still uncertain over the long run. 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 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. The County is exploring alternatives that include purchasing a building to relocate some services and expanding the current courthouse building by constructing an addition. 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 sold approximately 64 acres of the former mill site to the Linn Economic Development Group during the 2020-2021 fiscal year. The \$9.16M sales price is shown in Other Financing Sources (Uses) on the governmental statement on page 6.

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. In the current year, four new yurts were added, waterway barriers were installed at Edgewater and Lewis Creek, plus playground equipment and a shelter were installed at Waterloo. Park department revenues that were temporarily impacted by the pandemic have rebounded substantially with revenues up 36.09%. Of this revenue increase, the single largest was in online reservations which are up 30.29%.

Programmed road and bridge improvements by the Road Department upgraded 64.94 miles of the County's road system and completed structural repairs on 45 bridges.

The County prevailed in Circuit Court in the class action lawsuit with the State of Oregon involving the County's Forest Trust Lands managed by the State. That decision is pending appeal in the Oregon Court of Appeals. The award on the Forest Trust Lands lawsuits was over one billion and could have significant fiscal impacts, depending on the outcome of appeals.

Cash Management Policies and Practices. Cash temporarily available during the year was invested exclusively in the State Treasurer's Oregon Local Government Investment Pool (LGIP) due to better interest rates. Due to the lower returns, no investments were made into certificates of deposit or

obligations of the U.S. Treasury or agencies (notes, cubes, bills and strips). 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 – 100%; 30 to 90 days – 0%; 90 days to 12 months – 0%; 12 to 24 months – 0%; and 24 to 36 months – 0%. The County recorded interest revenues of \$223,453 on its investments in the LGIP during the year ending June 30, 2021. This represents a decrease of \$335,711, down 60.04% from the prior year. Although rates were better in the LGIP, rates dropped to .50% and bank fees rose dramatically causing the large drop in interest earnings.

Risk Management. For the fiscal year ending June 30, 2021 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 (see pages 30-32 and 92). Additional information is included in the footnotes of this report (Footnote 13 on page 71) with a schedule of all the County's insurance coverages included in the Other Information section of this report (pages 115 and 116). The County has modified its general liability coverage to include a \$50,000 deductible, per incident, beginning July 1, 2021. This has resulted in a premium decrease of approximately 38%. Future claims will be paid from a liability fund created in FY 2021-22 and funded through a payroll charge.

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.

Every other year, an independent actuary engaged by PERS, calculates the County's employer rate required to ensure that the County is 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 changed effective July 1, 2021 as follows: 29.86% (Tier 1 & 2), 23.43% (OPSRP General Service) and 27.79% (OPSRP Police) which, overall, resulted in an estimated increase of \$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 62 - 70).

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 Annual Comprehensive Financial Report (ACFR) 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 ACFR 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 ACFR will be submitted to the GFOA to determine its eligibility for another certificate. Please note that the Award for the County's 2020 ACFR has not yet been received as it is in review with the GFOA.

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
June 30, 2021

Elected Officials

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Roger Nyquist	Commissioner, Board Chairperson	December 2024
Sherrie Sprenger	Commissioner, Vice-Chairperson	December 2024
William Tucker (appointed to fill term)	Commissioner	December 2022
Andy Stevens	Assessor and Tax Collector	December 2024
Steve Druckenmiller	Clerk	December 2022
Douglas Marteeny	District Attorney	December 2024
Honorable Jessica Meyer	Justice of the Peace – Central Linn	December 2026
Jim Yon	Sheriff	December 2022
Tom Casey	Surveyor	December 2024
Michelle Hawkins	Treasurer	December 2024

Administrative Officer

Darrin Lane

Registered Address

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

FINANCIAL SECTION



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(503) 620-2632 (503) 684-7523 FAX
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December 13, 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, 2021, 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, 2021 and the respective changes in financial position and budgetary comparisons for the General Fund, General Road, Law Enforcement 4-Year Levy, Health, and General Grants 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 December 13, 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 December 13, 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.



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, 2021. 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, 2021 by \$214,509,663 (*net position*). Of this amount, \$232,565,188 was the net investment in capital assets; \$34,868,381 was restricted for specific purposes and (\$52,923,906) was unrestricted.
- The government's total net position increased by \$24,578,343 year over year, primarily due to an increase in intergovernmental revenues during the year.
- The County's governmental funds reported combined ending fund balances of \$60,479,936, an increase of \$35,521,316 in comparison with the prior year, with \$58,160,377 of this total amount, or 96.2%, *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 (\$747,790). This negative fund balance is smaller than the prior year primarily due to more cash on hand plus lower interfund loans balances due as of the end of the year as follows:

Date	Original amount borrowed	Principal Remaining	Purpose
2012-13	\$ 660,000	\$ 88,329	Land adjacent to the Linn County jail. (Jackson St.)
	1,500,000	356,807	Building for Linn County Health services.
2013-14	700,000	211,470	Weyerhauser building improvement
2014-15	950,000	382,277	Property and building - Linn County 4-H and Extension service office.
	1,750,000	918,283	Purchase of the Albany police station, and land adjacent to the fair and expo center.
2017-18	750,000	540,378	Building improvements. (APD building)
2019-20	10,000,000	4,000,000	Millersburg property - Intermodel project
		<u>\$ 6,497,544</u>	Outstanding principal

The entire outstanding interfund loan principal of \$6,497,544 is all owed by the general fund to other funds, with each loan being repaid over a ten year period. Linn County has no general obligation bond debt as of June 30, 2021.

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 the General Grants 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 81.

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 governmental fund financial statements can be found on pages 3 through 29 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 proprietary fund financial statements can be found on pages 30 through 32 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 fiduciary fund financial statements can be found on page 33 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 34 through 75 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 76 of this report. Additional RSI schedules are on pages 77-80 of the report, and are:

- Schedule of Changes in Total Other Post Employment Benefit (OPEB) Liability and related Ratios - Healthcare,
- Schedule of Changes in Total OPEB Liability and Contributions – Retiree Health Insurance Account (RHIA),
- Schedule of the Proportionate Share of the Net Pension Liability for PERS, and a
- Schedule of 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 81 through 92 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 \$214,509,663 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 \$24,236,178 during the current fiscal year as shown below. The increase is due to an increase from governmental activities of \$24,578,343 less a net position restatement of (\$342,165) for a beginning balance correction this year.

Linn County Net Position

	Governmental Activities	
	2021	2020
Assets		
Current and other assets	\$ 73,107,945	\$ 37,239,987
OPEB asset - RHIA	290,217	708,582
Capital assets	232,565,188	230,728,498
Total assets	305,963,350	268,677,067
Deferred outflows (pension & OPEB)	30,956,659	25,644,892
Total assets and deferred outflows	336,920,009	294,321,959
Liabilities		
Current and other liabilities	10,384,938	9,236,514
Net pension and OPEB liabilities	100,630,649	82,710,822
Compensated absences	5,111,295	4,849,247
Total liabilities	116,126,882	96,796,583
Deferred inflows (pension and OPEB)	6,283,464	7,251,891
Total liabilities and deferred inflows	122,410,346	104,048,474
Net Position		
Net investment in capital assets	232,565,188	230,728,498
Restricted for:		
Highways and streets	15,319,197	7,257,698
Law enforcement 4-year levy	4,970,893	3,637,926
Health services	12,258,732	4,860,428
Other restricted	2,319,559	1,749,195
Unrestricted	(52,923,906)	(57,960,260)
Total net position	\$ 214,509,663	\$ 190,273,485

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

Governmental activities. Governmental activities increased Linn County's net position by \$24,578,343. Key elements of this change are as follows:

Linn County's Changes in Net Position

	<u>Governmental Activities</u>	
	<u>2021</u>	<u>2020</u>
Revenues		
Program		
Charges for services	\$ 11,950,453	\$ 13,893,836
Operating grants and contributions	82,738,282	56,505,111
Capital grants and contributions	-	700,000
General		
Property taxes	42,842,460	41,571,969
Grants and contributions not restricted to specific programs	5,435,422	3,712,056
Other	11,197,258	1,048,555
Total revenues	<u>154,163,875</u>	<u>117,431,527</u>
Expenses		
General government	24,738,218	11,483,795
Local government services	6,270,566	6,209,747
Public safety	47,088,846	46,116,564
Health services	29,406,481	28,619,077
Community development	9,120,976	8,945,974
Highways and streets	12,960,445	16,204,144
Total expenses	<u>129,585,532</u>	<u>117,579,301</u>
Increase (decrease) in net position	24,578,343	(147,774)
Net position - beginning of the year	190,273,485	189,937,311
Beginning net position adjustment	(342,165)	483,948
Net position - end of the year	<u>\$ 214,509,663</u>	<u>\$ 190,273,485</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

- Total revenues increased by \$36,732,348 over the prior fiscal year. This increase (31.28%) 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 \$12,006,231 from the previous year. This increase (10.22%) primarily occurred in expense function General government.

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 \$60,479,936, an increase of \$35,521,316 compared to the prior year. The bulk of the increase is due to a large increase in Covid-19 pandemic funding in intergovernmental revenues, plus a property sale of approximately \$9.1M this year. Of this total fund balance amount, \$58,908,167 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 (\$747,790); a decrease in the deficit of \$12,465,985 compared with the previous year.

Key factors in this change are as follows:

- Overall revenue in the General fund increased by \$3,962,967 from \$33,980,270 in the prior year to \$37,943,237 in the current year with the mix of revenue categories similar to last year. The increase in property taxes and intergovernmental revenues was \$3,568,650 while all other revenue categories decreased.
- Expenditures in the General fund decreased overall by (\$5,767,510). This is mostly due to a large capital outlay expenditure in general administration that occurred in the prior year.
- The other item that caused a decrease in the deficit balance was a decrease in outstanding interfund loans payable. The loans payable by the General Fund dropped from \$14,801,367 to \$6,497,544 in the current year. This was due to a large \$6M payment made on one loan, plus larger loan payments being made to pay off four other loans during the year.

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 General Grants 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 \$23,779,493 at year end. This balance decreased by \$391,893 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 approved by voters in May 2017; effective July 1, 2018 for 4 years, through June 30, 2022, with a 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 \$4,970,893 increased by \$1,332,967 over the prior year due to results from current operations. The LE fund property tax revenue increased by \$1,424,246, from \$27,055,982 in the prior year, to \$28,480,228 in the current year. The effect on property tax revenue was significantly reduced (\$2,333,633) due to compression of the overall property tax ceiling imposed by Measure 5. Expenditures increased slightly by \$105,491 from \$26,197,197 in the prior year to \$26,302,688 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; mainly 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 \$12,615,539 represents an increase of \$7,225,131 from the prior year. In the current year, overall revenues increased by \$5,304,188 from \$28,316,290 in the prior year, to \$33,620,478 in the current year. In addition, expenditures increased by \$1,266,326 from \$25,103,454 in the prior year to \$26,369,780 in the current year. This increase in spending was mainly in personal services and materials and services.

General Grants – This fund is used to account for revenues from special taxes, grants and other sources for which expenditures are restricted by law. The ending fund balance of \$17,620,815 represents an increase of \$13,710,762 from the prior year. In the current year, overall revenues increased by \$14,611,327 from \$6,427,400 in the prior year, to \$21,038,727 in the current year all from an increase in intergovernmental revenue. In addition, expenditures increased by \$3,784,620 from \$3,505,722 in the prior year to \$7,290,342 in the current year. The increase in spending was in materials and services for payments out to businesses in the community for Cares Small Business pass-through funding.

Veterans Home Loan (formerly a major fund) – This fund accounted for interfund loan payments to the Roads fund that was borrowed for the construction of a Veteran's Home in Lebanon, OR. The construction loan was paid off during fiscal year 2020-21, and the fund has no fund balance at the end of the year. It will be shown as a non-major fund in the current year. By law, property taxes collected in the future are recorded in the General fund. This fund is closed and is not budgeted in the subsequent year 2021-22.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Funds Financial Analysis (continued)

Proprietary fund (Internal Service 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 County's Internal Service fund at the end of the year was \$16,795. This is a decrease in net position over the prior year of \$388,399 primarily due to an increase in unemployment insurance claims paid in the current year.

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 revenue appropriations 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 (\$11,890,975) less than anticipated and actual expenditures were \$6,893,067 less than appropriations, demonstrating a generally prudent spending policy. Overall personal services expenditures were \$1,434,198 under budget, material and services were \$3,381,289 under budget, and capital outlay was \$1,482,382 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, 2021 amounted to \$232,565,188 (net of accumulated depreciation) and includes land, buildings, machinery and equipment, park facilities, infrastructure, roads, and bridges.

In fiscal 2002-03 the County added its 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 \$1,836,690 to its capital assets, net of retirements, adjustments, and current year depreciation.

Major capital asset events during the fiscal year include:

- \$9,160,000 in proceeds received for property and buildings sold at the Millersburg site for an Intermodal facility.
- \$1,083,219 capitalized by the Road department for equipment.
- \$344,240 capitalized by the Sheriff's department for vehicles and equipment.
- \$686,879 capitalized by the Parks department for park improvements and equipment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Capital Asset and Debt Administration (continued)

The County's capital assets are as follows:

Linn County's Capital Assets, net

	Governmental Activities	
	2021	2020
Land	\$ 21,396,463	\$ 22,957,145
Buildings and improvements, net	34,952,540	40,100,968
Equipment, net	14,803,342	13,837,763
Infrastructure, net	152,136,014	145,997,654
Intangibles	2,491,431	2,937,589
Construction in progress	6,785,398	4,897,379
Totals	<u>\$ 232,565,188</u>	<u>\$ 230,728,498</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 50 and 51 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 \$223,817,385. (See page 107 of this report).

Economic Factors

At June 30, 2021, the seasonally adjusted unemployment rate for Linn County was 6.3 percent, which is a substantial decrease from the 13.5 percent from a year ago during the height of the Coronavirus pandemic (Covid-19 outbreak). It is unknown what the effect new Covid-19 variants will have on the County unemployment rate. It is possible that the rate will increase from its present 6.3 percent as Covid-19 case counts begin to rise across the state. Linn County's rate is higher than the State of Oregon's average unemployment rate of 5.6 percent and the national average unemployment rate of 5.9 percent at June 30.

The 2021 Oregon State legislative session concluded at the end of June with a crush of bills. Oregon lawmakers ended their 5-moth session passing major bills on clean energy, wildfire prevention, and police reforms before adjourning until next year. In addition, lawmakers passed a record state budget that was buoyed by unexpectedly strong revenue projections and billions in federal aid. The \$29.4 billion budget (up from the prior year's \$23.6 billion), included sending money to every corner of the state, including increased school spending, water infrastructure, wildfire recovery and prevention, and made historic investments into housing and mental health.

The latest Oregon Economic and Revenue Forecast, dated May 19, 2021, indicates economic growth is surging and due to federal fiscal policy, Oregonians have higher incomes now than when the pandemic hit. This forecast expected Oregon's labor market to return to full health during the upcoming 2021-23 biennium. Along with the strong near-term outlook for consumer spending, job growth is expected to be front-loaded such that the largest employment gains will occur during the summer and fall of 2021. Total employment in Oregon is expected to surpass pre-pandemic levels in late 2022 with the unemployment rate returning to near 4 percent in 2023.

However, since the above forecast was written, the Covid-19 Delta variant has hit the Country hard, and Oregon was not spared. Oregon new Covid-19 cases in June 2021 were under 500 per day and now the first week of August 2021 is averaging over 1,000 cases per day. With this surge of Covid-19, it is unknown how the economy will be affected; but it is likely to not be as rosy as the May forecast discussed above. It is likely that job gains will not appear until early to mid-2022, with a lower unemployment rate not returning until 2024, and full recovery of the economy not to occur until sometime in 2025.

- 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 4th Ave, SW, PO Box 100, Albany, OR 97321.

BASIC FINANCIAL STATEMENTS

LINN COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2021

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and investments	\$ 64,574,176
Receivables, net	2,391,151
Due from other governments	3,683,254
Inventories	2,319,559
Investment in joint venture	139,805
Net other postemployment benefit - OPEB asset RHIA	290,217
Capital assets:	
Land, infrastructure, and construction in progress, not being depreciated	145,996,446
Other capital assets, net	<u>86,568,742</u>
TOTAL ASSETS	<u>305,963,350</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	29,804,617
OPEB related items-RHIA	272,147
OPEB related items-Health insurance	<u>879,895</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>30,956,659</u>
LIABILITIES	
Accounts payable	2,181,613
Due to other governments	112,594
Accrued payroll, payroll taxes and benefits	7,673,027
Claims liability	417,704
Long-term obligations:	
Due within one year:	
Accumulated compensated absences	3,405,679
Due in more than one year:	
Accumulated compensated absences	1,705,616
Proportionate share of net pension liability	98,117,728
OPEB liability-Health insurance	<u>2,512,921</u>
TOTAL LIABILITIES	<u>116,126,882</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	5,599,411
OPEB related items-RHIA	45,102
OPEB related items-Health insurance	<u>638,951</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>6,283,464</u>
NET POSITION	
Net invested in capital assets	232,565,188
Restricted for:	
Highways and streets	17,638,756
Law enforcement 4-year levy	4,970,893
Health services	12,258,732
Unrestricted	<u>(52,923,906)</u>
TOTAL NET POSITION	<u>\$ 214,509,663</u>

See notes to basic financial statements

LINN COUNTY, OREGON

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2021**

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
Governmental activities				
General administration and support	\$ 24,738,218	\$ 692,983	\$ 24,147,665	\$ 102,430
Local government services	6,270,566	2,196,988	1,974,433	(2,099,145)
Public safety	47,088,846	2,449,784	6,236,849	(38,402,213)
Health services	29,406,481	1,609,531	29,743,749	1,946,799
Community development	9,120,976	4,757,371	1,777,125	(2,586,480)
Highways and streets	12,960,445	243,796	18,858,461	6,141,812
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 129,585,532</u>	<u>\$ 11,950,453</u>	<u>\$ 82,738,282</u>	<u>(34,896,797)</u>
 General revenues:				
Property taxes levied for:				
General purposes				42,842,460
Grants and contributions not restricted to specific programs				5,435,422
Interest and investment earnings				226,135
Miscellaneous				8,022,085
Gain on sale of capital assets				<u>2,949,038</u>
TOTAL GENERAL REVENUES				<u>59,475,140</u>
 CHANGE IN NET POSITION				 <u>24,578,343</u>
NET POSITION - Beginning of year				190,273,485
Beginning balance adjustment				<u>(342,165)</u>
NET POSITION - Beginning of year, as restated				<u>189,931,320</u>
 NET POSITION - END OF YEAR				 <u>\$ 214,509,663</u>

See notes to basic financial statements

LINN COUNTY, OREGON

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2021

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>							
Cash and investments	\$ 7,646,705	\$ 16,588,032	\$ 6,896,805	\$ 13,514,434	\$ 17,524,301	\$ 1,963,379	\$ 64,133,656
Receivables, net	682,101	158,269	1,176,897	341,587	32,297	-	2,391,151
Due from other governments, net	1,532,430	567,459	-	575,186	710,558	297,621	3,683,254
Due from other funds	43,989	2,409	-	60,615	-	-	107,013
Advances to other funds	-	6,140,737	-	356,807	-	-	6,497,544
Inventories	-	2,319,559	-	-	-	-	2,319,559
TOTAL ASSETS	\$ 9,905,225	\$ 25,776,465	\$ 8,073,702	\$ 14,848,629	\$ 18,267,156	\$ 2,261,000	\$ 79,132,177
<u>LIABILITIES</u>							
Accounts payable	\$ 331,898	\$ 1,183,496	\$ 122,445	\$ 125,717	\$ 403,878	\$ 14,179	\$ 2,181,613
Due to other governments	5,866	22,277	23,111	-	640	-	51,894
Due to other funds	64,380	24,047	62,385	9,632	1,042	206	161,692
Advances from other funds	6,497,544	-	-	-	-	-	6,497,544
Unearned revenue	23,524	25,985	-	274,727	150,052	-	474,288
Accrued payroll, payroll taxes and benefits	3,177,411	726,508	1,849,736	1,823,014	90,729	5,629	7,673,027
TOTAL LIABILITIES	\$ 10,100,623	\$ 1,982,313	\$ 2,057,677	\$ 2,233,090	646,341	\$ 20,014	\$ 17,040,058

*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	General Grants	Total Nonmajor Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue - assessments	\$ -	\$ 14,659	\$ -	\$ -	\$ -	\$ -	\$ 14,659
Unavailable revenue - property taxes	552,392	-	1,045,132	-	-	-	1,597,524
TOTAL DEFERRED INFLOWS OF RESOURCES	552,392	14,659	1,045,132	-	-	-	1,612,183
<u>FUND BALANCES</u>							
Non spendable	-	2,319,559	-	-	-	-	2,319,559
Restricted	-	15,319,197	4,970,893	12,258,732	17,620,815	2,240,986	52,410,623
Committed	-	6,140,737	-	356,807	-	-	6,497,544
Unassigned	(747,790)	-	-	-	-	-	(747,790)
TOTAL FUND BALANCES	(747,790)	23,779,493	4,970,893	12,615,539	17,620,815	2,240,986	60,479,936
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 9,905,225	\$ 25,776,465	\$ 8,073,702	\$ 14,848,629	\$ 18,267,156	\$ 2,261,000	\$ 79,132,177

LINN COUNTY, OREGON

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

June 30, 2021

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

Total fund balances - governmental funds (page 4)		\$	60,479,936
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:			
Capital assets	286,523,217		
Less: accumulated depreciation	<u>(53,958,029)</u>		232,565,188
The investment in joint venture is not a financial resource and, therefore, is not reported in the funds.			139,805
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	(98,117,728)		
PERS deferred pension outflows of resources	29,804,617		
PERS deferred pension inflows of resources	(5,599,411)		
Other post employment benefits (OPEB) asset - RHIA	290,217		
OPEB deferred outflows of resources - RHIA	272,147		
OPEB deferred inflows of resources - RHIA	(45,102)		
OPEB liability - Healthcare	(2,512,921)		
OPEB deferred outflows of resources - Healthcare	879,895		
OPEB deferred inflows of resources - Healthcare	<u>(638,951)</u>		(75,667,237)
Accumulated compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.			(5,111,295)
Certain long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.			2,086,471
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.			<u>16,795</u>
Net position of governmental activities		\$	<u>214,509,663</u>

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, 2021

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 13,597,405	\$ -	\$ 28,480,228	\$ -	\$ -	\$ 910,499	\$ 42,988,132
Intergovernmental	14,818,037	20,333,085	-	30,791,125	20,327,395	2,183,922	88,453,564
Charges for services	3,943,233	126,570	-	915,965	396,363	45,818	5,427,949
Licenses, permits, fines and fees	5,089,689	214,913	-	804,594	136,857	32,500	6,278,553
Interest earnings	38,470	63,804	41,756	50,779	16,944	11,700	223,453
Interest, interfund loan	-	269,327	-	5,344	-	-	274,671
Miscellaneous	456,403	19,111	-	1,052,671	161,168	108,000	1,797,353
TOTAL REVENUES	37,943,237	21,026,810	28,521,984	33,620,478	21,038,727	3,292,439	145,443,675
EXPENDITURES							
General administration and support	11,190,494	-	-	-	5,274,196	-	16,464,690
Local government services	4,254,342	-	-	-	-	-	4,254,342
Public safety	12,940,118	-	25,992,278	-	1,348,508	118,115	40,399,019
Health services	-	-	-	26,066,580	-	-	26,066,580
Community development	6,597,069	-	-	-	667,638	435,478	7,700,185
Highways and streets	-	9,598,339	-	-	-	-	9,598,339
Apportionments to school districts	-	-	-	-	-	1,403,270	1,403,270
Capital outlay	785,635	11,065,447	310,410	303,200	-	-	12,464,692
Interfund loan interest expense	258,104	-	-	-	-	16,567	274,671
TOTAL EXPENDITURES	36,025,762	20,663,786	26,302,688	26,369,780	7,290,342	1,973,430	118,625,788
Excess (deficiency) of revenues over expenditures	1,917,475	363,024	2,219,296	7,250,698	13,748,385	1,319,009	26,817,887
OTHER FINANCING SOURCES (USES)							
Transfers in	3,744,091	-	-	1,682,478	202,538	276,444	5,905,551
Transfers out	(2,018,922)	(635,005)	(886,329)	(1,708,045)	(240,161)	(417,089)	(5,905,551)
Sale of capital assets	9,165,506	8,265	-	-	-	-	9,173,771
TOTAL OTHER FINANCING SOURCES (USES)	10,890,675	(626,740)	(886,329)	(25,567)	(37,623)	(140,645)	9,173,771
Net change in fund balances	12,808,150	(263,716)	1,332,967	7,225,131	13,710,762	1,178,364	35,991,658
Fund balances (deficit) at beginning of year	(13,213,775)	24,171,386	3,637,926	5,390,408	3,910,053	1,062,622	24,958,620
Beginning balance adjustments	(342,165)	(128,177)	-	-	-	-	(470,342)
Fund balances (deficit) at beginning of year-as restated	(13,555,940)	24,043,209	3,637,926	5,390,408	3,910,053	1,062,622	24,488,278
Fund balances (deficit) at end of year	\$ (747,790)	\$ 23,779,493	\$ 4,970,893	\$ 12,615,539	\$ 17,620,815	\$ 2,240,986	\$ 60,479,936

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, 2021**

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)		\$ 35,991,658
Begin fund balance adjustment		-
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:		
Current expenditures for capital assets	12,030,084	
Less current year depreciation	<u>(3,968,661)</u>	8,061,423
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.		(6,224,733)
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.		(522,049)
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:		
(Increase) in accumulated compensated absences		(262,048)
(Increase) to changes in Pension and OPEB accounts, net		(12,057,998)
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.		(388,399)
The change in investment in joint venture is not recorded in the fund statements		11,628
Accrued interest on interfund loans is removed from the statement of net position		<u>(31,139)</u>
Change in net position of governmental activities		<u>\$ 24,578,343</u>

See notes to basic financial statements

LINN COUNTY, OREGON

GENERAL FUND

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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 13,246,378	\$ 13,246,378	\$ 13,599,094	\$ 352,716
Intergovernmental	13,839,017	16,342,839	14,178,298	(2,164,541)
Charges for services	13,218,453	13,590,439	3,943,233	(9,647,206)
Licenses, permits, fines and fees	4,914,830	5,300,277	5,101,686	(198,591)
Interest earnings	47,050	47,050	42,540	(4,510)
Miscellaneous	684,961	684,961	456,403	(228,558)
Interdepartmental transfers in	398,482	577,602	577,317	(285)
TOTAL REVENUES	<u>46,349,171</u>	<u>49,789,546</u>	<u>37,898,571</u>	<u>(11,890,975)</u>
EXPENDITURES				
Commissioners				
Personal services	587,365	587,365	561,861	25,504
Materials and services	14,395	14,395	8,385	6,010
Total Commissioners	<u>601,760</u>	<u>601,760</u>	<u>570,246</u>	<u>31,514</u>
Assessment and Taxation				
Personal services	2,287,018	2,287,018	2,209,470	77,548
Materials and services	256,550	256,550	248,316	8,234
Capital outlay	5	5	-	5
Total Assessment and Taxation	<u>2,543,573</u>	<u>2,543,573</u>	<u>2,457,786</u>	<u>85,787</u>
Clerk				
Personal services	1,265,006	1,265,006	1,146,532	118,474
Materials and services	370,100	370,100	301,504	68,596
Capital outlay	-	131,382	129,693	1,689
Total Clerk	<u>1,635,106</u>	<u>1,766,488</u>	<u>1,577,729</u>	<u>188,759</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	\$ 360,095	\$ 360,095	\$ 344,653	\$ 15,442
Materials and services	15,240	15,240	14,592	648
Total Treasurer	<u>375,335</u>	<u>375,335</u>	<u>359,245</u>	<u>16,090</u>
Surveyor				
Personal services	810,614	810,614	602,894	207,720
Materials and services	17,428	17,428	8,584	8,844
Capital outlay	1	1	-	1
Total Surveyor	<u>828,043</u>	<u>828,043</u>	<u>611,478</u>	<u>216,565</u>
Veterans' Services				
Personal services	327,501	327,501	299,964	27,537
Materials and services	22,761	112,492	15,256	97,236
Total Veterans' Services	<u>350,262</u>	<u>439,993</u>	<u>315,220</u>	<u>124,773</u>
Planning & Building				
Personal services	1,840,894	1,840,894	1,674,468	166,426
Materials and services	284,600	283,957	210,661	73,296
Capital outlay	25,005	25,648	25,648	-
Total Planning & Building	<u>2,150,499</u>	<u>2,150,499</u>	<u>1,910,777</u>	<u>239,722</u>
Parks and Recreation				
Personal services	1,543,654	1,503,654	1,501,607	2,047
Materials and services	801,200	841,200	840,181	1,019
Capital outlay	370,000	370,000	328,699	41,301
Total Parks and Recreation	<u>2,714,854</u>	<u>2,714,854</u>	<u>2,670,487</u>	<u>44,367</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		
Historical				
Personal services	\$ 26,950	\$ 26,950	\$ 1,536	\$ 25,414
Materials and services	25,550	25,550	16,111	9,439
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Historical	<u>72,500</u>	<u>72,500</u>	<u>17,647</u>	<u>54,853</u>
Sheriff - Support Services				
Personal services	1,060,656	1,200,788	1,200,016	772
Materials and services	893,995	1,012,995	1,005,756	7,239
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Sheriff - Support Services	<u>1,954,652</u>	<u>2,213,784</u>	<u>2,205,772</u>	<u>8,012</u>
Sheriff - 911 Emergency Communication				
Personal services	2,282,680	2,087,680	2,086,192	1,488
Materials and services	228,646	228,646	199,924	28,722
Capital outlay	<u>2</u>	<u>2</u>	<u>-</u>	<u>2</u>
Total Sheriff - 911 Emergency Communication	<u>2,511,328</u>	<u>2,316,328</u>	<u>2,286,116</u>	<u>30,212</u>
Sheriff - Civil				
Personal services	1,340,945	1,285,945	1,284,735	1,210
Materials and services	76,270	76,270	58,628	17,642
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Sheriff - Civil	<u>1,417,216</u>	<u>1,362,216</u>	<u>1,343,363</u>	<u>18,853</u>
Sheriff - Criminal				
Personal services	2,181,153	2,111,153	2,109,032	2,121
Materials and services	48,184	48,184	20,001	28,183
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Sheriff - Criminal	<u>2,229,338</u>	<u>2,159,338</u>	<u>2,129,033</u>	<u>30,305</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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Justice Court - Central Linn				
Personal services	\$ 559,099	\$ 559,099	\$ 523,699	\$ 35,400
Materials and services	442,050	442,050	393,173	48,877
Capital outlay	5	5	-	5
	<u>1,001,154</u>	<u>1,001,154</u>	<u>916,872</u>	<u>84,282</u>
Total Justice Court - Central Linn				
District Attorney				
Personal services	967,958	967,958	911,740	56,218
Materials and services	480	480	479	1
	<u>968,438</u>	<u>968,438</u>	<u>912,219</u>	<u>56,219</u>
Total District Attorney				
Medical Examiner				
Personal services	155,937	155,937	127,912	28,025
Materials and services	16,980	16,980	7,775	9,205
	<u>172,917</u>	<u>172,917</u>	<u>135,687</u>	<u>37,230</u>
Total Medical Examiner				
Juvenile				
Personal services	774,149	774,149	700,979	73,170
Materials and services	73,619	73,619	42,744	30,875
	<u>847,768</u>	<u>847,768</u>	<u>743,723</u>	<u>104,045</u>
Total Juvenile				
Sheriff - Corrections				
Personal services	1,510,295	1,513,295	1,512,512	783
Materials and services	216,972	216,972	189,166	27,806
	<u>1,727,267</u>	<u>1,730,267</u>	<u>1,701,678</u>	<u>28,589</u>
Total Sheriff - Corrections				
Sheriff - Animal control				
Personal services	600,637	600,637	591,397	9,240
Materials and services	82,330	82,330	65,268	17,062
Capital outlay	2	2	-	2
	<u>682,969</u>	<u>682,969</u>	<u>656,665</u>	<u>26,304</u>
Total Sheriff - Animal control				

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		
EXPENDITURES (Continued)				
General Administration				
Personal services	\$ 973,140	\$ 1,083,140	\$ 1,013,312	\$ 69,828
Materials and services	893,917	958,917	938,913	20,004
Capital outlay	3	3	-	3
Total General Administration	<u>1,867,060</u>	<u>2,042,060</u>	<u>1,952,225</u>	<u>89,835</u>
Information Technology				
Personal services	1,094,457	1,094,457	1,042,629	51,828
Materials and services	131,923	131,923	112,544	19,379
Capital outlay	43,944	43,944	37,106	6,838
Total Information Technology	<u>1,270,324</u>	<u>1,270,324</u>	<u>1,192,279</u>	<u>78,045</u>
General Services				
Personal services	1,291,427	1,291,427	1,253,259	38,168
Materials and services	914,757	914,757	823,787	90,970
Capital outlay	904,189	904,189	811,420	92,769
Total General Services	<u>3,110,373</u>	<u>3,110,373</u>	<u>2,888,466</u>	<u>221,907</u>
Printing				
Personal services	280,830	280,830	241,769	39,061
Materials and services	126,660	126,660	103,714	22,946
Capital outlay	1	1	-	1
Total Printing	<u>407,491</u>	<u>407,491</u>	<u>345,483</u>	<u>62,008</u>
County Attorney				
Personal services	592,137	601,137	600,132	1,005
Materials and services	28,318	28,318	16,369	11,949
Total County Attorney	<u>620,455</u>	<u>629,455</u>	<u>616,501</u>	<u>12,954</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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Geographic System (GIS)				
Personal services	\$ 403,066	\$ 403,066	\$ 397,339	\$ 5,727
Materials and services	58,377	98,377	57,684	40,693
Capital outlay	1	1	-	1
Total Geographic System (GIS)	461,444	501,444	455,023	46,421
Expo				
Personal services	951,617	951,617	636,310	315,307
Materials and services	599,050	599,050	445,957	153,093
Capital outlay	350,001	350,001	171,511	178,490
Total Expo	1,900,668	1,900,668	1,253,778	646,890
Non-departmental				
Personal services	160,416	160,416	121,681	38,735
Materials and services	4,569,965	6,082,713	3,549,392	2,533,321
Capital outlay	1,170,000	1,170,000	28,728	1,141,272
Total Non-departmental	5,900,381	7,413,129	3,699,801	3,713,328
All Departments-Total				
Personal services	26,229,696	26,131,828	24,697,630	1,434,198
Materials and services	11,210,317	13,076,153	9,694,864	3,381,289
Capital outlay	2,883,162	3,015,187	1,532,805	1,482,382
Total All Departments	40,323,175	42,223,168	35,925,299	6,297,869
Contingency	722,124	594,913	-	594,913
Interdepartmental transfers out	398,482	(1) 577,602	577,317	285
TOTAL EXPENDITURES	41,443,781	43,395,683	36,502,616	6,893,067
Excess (deficiency) of revenues over expenditures	4,905,390	6,393,863	10,561,461	4,167,598

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		
OTHER FINANCING SOURCES (USES)				
Transfers in	\$ 4,552,711	\$ 4,560,111	\$ 3,737,555	\$ (822,556)
Transfers out	(3,880,375) (1)	(4,162,627)	(2,018,922)	2,143,705
Sale of capital assets	-	-	9,165,506	9,165,506
Loan repayments to other funds	(7,377,143) (1)	(8,590,764)	(8,589,946)	818
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,704,807)</u>	<u>(8,193,280)</u>	<u>2,294,193</u>	<u>10,487,473</u>
Net change in fund balance	<u>(1,799,417)</u>	<u>(1,799,417)</u>	<u>3,690,148</u>	<u>5,489,565</u>
Fund balance at beginning of year	1,799,417	1,799,417	3,408,449	1,609,032
Beginning balance adjustment	-	-	(342,165)	(342,165)
Fund balance at beginning of year - as restated	<u>1,799,417</u>	<u>1,799,417</u>	<u>3,066,284</u>	<u>1,266,867</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,756,432</u>	<u>\$ 6,756,432</u>

(1) Appropriation level total is \$11,656,000

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 6,756,432
Year-end cash adjustment	33,009
Accounts receivable and available	59,785
Property taxes receivable and available	62,888
Transfer property taxes receivable and available from Vet Home fund	6,536
Due from other governments and available	1,508,906
Due from other funds	43,989
Accounts payable	(331,898)
Due to other governments	(5,866)
Due to other funds	(64,380)
Accrued payroll, payroll taxes and benefits	(2,319,647)
Loan advances due to other funds	(6,497,544)
Fund balance (GAAP basis) at end of year	<u>\$ (747,790)</u>

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.

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

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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 23,780,432	\$ 23,780,432	\$ 19,773,508	\$ (4,006,924)
Charges for services	107,400	107,400	126,570	19,170
Licenses, permits, fines and fees	100,000	100,000	110,456	10,456
Interest earnings	150,500	150,500	51,010	(99,490)
Miscellaneous	60,500	60,500	19,111	(41,389)
TOTAL REVENUES	24,198,832	24,198,832	20,080,655	(4,118,177)
EXPENDITURES				
Albany District				
Personal services	904,581	904,581	877,363	27,218
Materials and services	114,040	114,040	50,114	63,926
Total Albany District	1,018,621	1,018,621	927,477	91,144
Halsey District				
Personal services	948,872	948,872	784,350	164,522
Materials and services	124,740	124,740	64,586	60,154
Capital outlay	10,000	10,000	4,900	5,100
Total Halsey District	1,083,612	1,083,612	853,836	229,776
Scio District				
Personal services	879,053	879,053	845,863	33,190
Materials and services	124,240	124,240	76,054	48,186
Capital outlay	10,000	10,000	9,473	527
Total Scio District	1,013,293	1,013,293	931,390	81,903

*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		
EXPENDITURES (Continued)				
Lebanon District				
Personal services	\$ 460,044	\$ 460,044	\$ 365,208	\$ 94,836
Materials and services	220,380	220,380	169,559	50,821
Capital outlay	10,000	10,000	5,159	4,841
Total Lebanon District	690,424	690,424	539,926	150,498
Sweet Home District				
Personal services	953,794	953,794	914,225	39,569
Materials and services	130,220	130,220	89,428	40,792
Capital outlay	10,000	10,000	3,980	6,020
Total Sweet Home District	1,094,014	1,094,014	1,007,633	86,381
Bridge				
Personal services	827,061	827,061	603,755	223,306
Materials and services	186,540	186,540	46,300	140,240
Capital outlay	10,000	10,000	10,000	-
Total Bridge	1,023,601	1,023,601	660,055	363,546
Fleet Maintenance				
Personal services	868,020	868,020	828,074	39,946
Materials and services	466,850	466,850	449,316	17,534
Total Fleet Maintenance	1,334,870	1,334,870	1,277,390	57,480
Traffic Control				
Personal services	486,840	486,840	473,791	13,049
Materials and services	495,940	495,940	440,567	55,373
Capital outlay	20,000	20,000	-	20,000
Total Traffic Control	1,002,780	1,002,780	914,358	88,422

See notes to basic financial statements
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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		
EXPENDITURES (Continued)				
Special Operations				
Personal services	\$ 326,198	\$ 326,198	\$ 216,683	\$ 109,515
Materials and services	11,390	11,390	6,415	4,975
Total Special Operations	337,588	337,588	223,098	114,490
Engineering				
Personal services	1,019,307	1,044,307	1,036,987	7,320
Materials and services	35,740	35,740	26,174	9,566
Total Engineering	1,055,047	1,080,047	1,063,161	16,886
Roadmaster				
Personal services	1,180,260	1,180,260	1,140,688	39,572
Materials and services	4,237,250	4,237,250	3,124,514	1,112,736
Capital outlay	14,315,000	14,315,000	8,236,165	6,078,835
Total Roadmaster	19,732,510	19,732,510	12,501,367	7,231,143
All Departments-Total				
Personal services	8,854,030	8,879,030	8,086,987	792,043
Materials and services	6,147,330	6,147,330	4,543,027	1,604,303
Capital outlay	14,385,000	14,385,000	8,269,677	6,115,323
Total All Departments	29,386,360	29,411,360	20,899,691	8,511,669
Contingency	2,125,780	3,314,401	-	3,314,401
TOTAL EXPENDITURES	31,512,140	32,725,761	20,899,691	3,314,401
Excess (deficiency) of revenues over expenditures	(7,313,308)	(8,526,929)	(810,771)	7,716,158

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		
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (891,039)	\$ (891,039)	\$ (635,005)	\$ 256,034
Sale of capital assets	-	-	8,265	8,265
Loan repayment receipts from other funds	8,173,369	9,386,990	9,318,966	(68,024)
TOTAL OTHER FINANCING SOURCES (USES)	<u>7,282,330</u>	<u>8,495,951</u>	<u>8,692,226</u>	<u>196,275</u>
Net change in fund balance	(30,978)	(30,978)	7,873,190	7,904,168
Fund balance at beginning of year	<u>6,741,595</u>	<u>6,741,595</u>	<u>8,714,842</u>	<u>1,973,247</u>
Fund balance at end of year	<u>\$ 6,710,617</u>	<u>\$ 6,710,617</u>	<u>\$ 16,588,032</u>	<u>\$ 9,877,415</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 16,588,032	
Accounts receivable and available			117,625	
Due from other governments and available			567,459	
Due from other funds			2,409	
Inventories			2,319,559	
Loan advances due from other funds			6,140,737	
Accounts payable			(1,183,496)	
Due to other governments			(22,277)	
Due to other funds			(24,047)	
Accrued payroll, payroll taxes and benefits			(726,508)	
Fund balance (GAAP basis) at end of year			<u>\$ 23,779,493</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 28,200,000	\$ 28,200,000	\$ 28,482,319	\$ 282,319
Interest earnings	65,000	65,000	49,315	(15,685)
TOTAL REVENUES	<u>28,265,000</u>	<u>28,265,000</u>	<u>28,531,634</u>	<u>266,634</u>
EXPENDITURES				
Sheriff Support				
Personal services	2,186,484	2,186,484	2,000,959	185,525
Materials and services	2,498,677	2,498,677	1,872,057	626,620
Capital outlay	1,027,000	1,027,000	343,081	683,919
Total Sheriff Support	<u>5,712,161</u>	<u>5,712,161</u>	<u>4,216,097</u>	<u>1,496,064</u>
Sheriff Criminal				
Personal services	7,382,810	7,382,810	6,843,065	539,745
Materials and services	324,816	324,816	201,362	123,454
Capital outlay	1	1	-	1
Total Sheriff Criminal	<u>7,707,627</u>	<u>7,707,627</u>	<u>7,044,427</u>	<u>663,200</u>
District Attorney				
Personal services	2,756,133	2,756,133	2,378,004	378,129
Materials and services	356,891	356,891	255,650	101,241
Total District Attorney	<u>3,113,024</u>	<u>3,113,024</u>	<u>2,633,654</u>	<u>479,370</u>
Juvenile				
Personal services	1,808,234	1,808,234	1,511,860	296,374
Materials and services	82,808	82,808	44,597	38,211
Capital outlay	20,002	20,002	19,620	382
Total Juvenile	<u>1,911,044</u>	<u>1,911,044</u>	<u>1,576,077</u>	<u>334,967</u>

See notes to basic financial statements
 Statement continued on next page

LAW ENFORCEMENT 4-YEAR LEVY FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Sheriff Corrections				
Personal services	\$ 7,831,512	\$ 7,831,512	\$ 7,222,380	\$ 609,132
Materials and services	1,576,523	1,576,523	1,420,711	155,812
Capital outlay	1	1	-	1
Total Sheriff Corrections	9,408,036	9,408,036	8,643,091	764,945
Juvenile Detention				
Personal services	1,702,024	1,702,024	1,629,787	72,237
Materials and services	188,281	188,281	153,673	34,608
Total Juvenile Detention	1,890,305	1,890,305	1,783,460	106,845
Non-Departmental				
Materials and services	10,000	10,000	8,298	1,702
Total Non-Departmental	10,000	10,000	8,298	1,702
All Departments-Total				
Personal services	23,667,197	23,667,197	21,586,055	2,081,142
Materials and services	5,037,996	5,037,996	3,956,348	1,081,648
Capital outlay	1,047,004	1,047,004	362,701	684,303
Total All Departments	29,752,197	29,752,197	25,905,104	3,847,093
Contingency	2,601,952	2,601,952	-	2,601,952
TOTAL EXPENDITURES	32,354,149	32,354,149	25,905,104	6,449,045
Excess (deficiency) of revenues over expenditures	(4,089,149)	(4,089,149)	2,626,530	6,715,679
OTHER FINANCING SOURCES (USES)				
Transfers out	(886,329)	(886,329)	(886,329)	-

See notes to basic financial statements
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LAW ENFORCEMENT 4-YEAR LEVY 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	\$ (4,975,478)	\$ (4,975,478)	\$ 1,740,201	\$ 6,715,679
Fund balance at beginning of year	<u>4,975,478</u>	<u>4,975,478</u>	<u>5,156,604</u>	<u>181,126</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,896,805</u>	<u>\$ 6,896,805</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 6,896,805	
Property taxes receivable and available			131,765	
Accounts payable			(122,445)	
Due to other governments			(23,111)	
Due to other funds			(62,385)	
Accrued payroll, payroll taxes and benefits			<u>(1,849,736)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 4,970,893</u>	

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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 24,317,918	\$ 25,423,712	\$ 31,354,526	\$ 5,930,814
Charges for services	835,138	857,638	915,965	58,327
Licenses, permits, fines and fees	539,800	539,800	648,870	109,070
Interest earnings	35,000	35,000	53,749	18,749
Miscellaneous	197,251	197,251	1,052,671	855,420
Interdepartmental transfers in	2,929,423	2,929,423	2,184,914	(744,509)
TOTAL REVENUES	<u>28,854,530</u>	<u>29,982,824</u>	<u>36,210,695</u>	<u>6,227,871</u>
EXPENDITURES				
Administration				
Personal services	1,343,978	1,343,978	1,140,195	203,783
Materials and services	105,746	185,688	74,519	111,169
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Administration	<u>1,449,725</u>	<u>1,529,667</u>	<u>1,214,714</u>	<u>314,953</u>
Mental Health				
Personal services	12,138,293	12,138,293	9,533,938	2,604,355
Materials and services	1,811,010	1,871,051	1,279,473	591,578
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Mental Health	<u>13,949,304</u>	<u>14,009,345</u>	<u>10,813,411</u>	<u>3,195,934</u>
Developmental Disabilities				
Personal services	3,336,550	3,336,550	3,086,489	250,061
Materials and services	527,390	540,927	230,359	310,568
Capital outlay	<u>1</u>	<u>400,001</u>	<u>63,316</u>	<u>336,685</u>
Total Developmental Disabilities	<u>3,863,941</u>	<u>4,277,478</u>	<u>3,380,164</u>	<u>897,314</u>

See notes to basic financial statements
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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		
EXPENDITURES (Continued)				
Alcohol & Drug				
Personal services	\$ 2,730,377	\$ 2,730,377	\$ 2,473,905	\$ 256,472
Materials and services	427,060	1,341,676	1,225,423	116,253
Capital outlay	1	22,501	22,320	181
Total Alcohol & Drug	3,157,438	4,094,554	3,721,648	372,906
Public Health				
Personal services	2,632,439	4,032,439	3,833,678	198,761
Materials and services	2,847,771	1,367,471	904,837	462,634
Capital outlay	1	278,330	263,502	14,828
Total Public Health	5,480,211	5,678,240	5,002,017	676,223
Health Information Technology				
Personal services	903,761	903,761	705,496	198,265
Materials and services	544,738	566,452	504,210	62,242
Capital outlay	17,786	17,786	15,098	2,688
Total Health Information Technology	1,466,285	1,487,999	1,224,804	263,195
Environmental Health				
Personal services	983,552	983,552	741,794	241,758
Materials and services	123,880	129,047	105,496	23,551
Capital outlay	30,000	80,000	77,647	2,353
Total Environmental Health	1,137,432	1,192,599	924,937	267,662
All Departments-Total				
Personal services	24,068,950	25,468,950	21,515,495	3,953,455
Materials and services	6,387,595	6,002,312	4,324,317	1,677,995
Capital outlay	47,791	798,620	441,883	356,737
Total All Departments	30,504,336	32,269,882	26,281,695	5,988,187

See notes to basic financial statements
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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		
EXPENDITURES (Continued)				
Contingency	1,303,690	853,690	-	853,690
Interdepartmental transfers out	2,929,423 (1)	2,929,423	2,184,914	744,509
TOTAL EXPENDITURES	34,737,449	36,052,995	28,466,609	7,586,386
Excess (deficiency) of revenues over expenditures	(5,882,919)	(6,070,171)	7,744,086	13,814,257
OTHER FINANCING SOURCES (USES)				
Transfers in	3,632,565	3,819,817	1,682,478	(2,137,339)
Transfers out	(1,708,045) (1)	(1,708,045)	(1,708,045)	-
Loan repayment receipts from other funds	183,774	183,774	183,773	(1)
TOTAL OTHER FINANCING SOURCES (USES)	2,108,294	2,295,546	158,206	(2,137,340)
Net change in fund balance	\$ (3,774,625)	\$ (3,774,625)	\$ 7,902,292	\$ 11,676,917
Fund balance at beginning of year	3,774,625	3,774,625	5,612,142	1,837,517
Fund balance at end of year	\$ -	\$ -	\$ 13,514,434	\$ 13,514,434

(1) Appropriation level total is \$4,637,468

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 13,514,434
Accounts receivable, net and available	288,884
Due from other governments, net and available	353,162
Due from other funds	60,615
Loan advances due from other funds	356,807
Accounts payable	(125,717)
Due to other funds	(9,632)
Accrued payroll, payroll taxes and benefits	(1,823,014)
Fund balance (GAAP basis) at end of year	<u>\$ 12,615,539</u>

See notes to basic financial statements

LINN COUNTY, OREGON

GENERAL GRANTS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

For the Year Ended June 30, 2021

REVENUES	Budget		Actual	Variance
	Original	Final		
<u>By Department:</u>				
Commissioners	\$ 3,275,456	\$ 6,075,456	\$ 5,955,835	\$ (119,621)
Parks	846,250	846,250	677,845	(168,405)
Fair	33,000	33,000	8,198	(24,802)
Sheriff	432,991	432,991	504,208	71,217
District attorney	312,756	362,756	298,683	(64,073)
Juvenile	796,280	792,150	547,016	(245,134)
Sheriff/Animal control	2,000	2,000	14,995	12,995
General administration	82,820	82,820	82,818	(2)
General services	20,821	20,821	31,225	10,404
Non-departmental	-	-	12,601,111	12,601,111
Total departmental revenue	<u>5,802,374</u>	<u>8,648,244</u>	<u>20,721,934</u>	<u>12,073,690</u>
Interest earnings	<u>24,420</u>	<u>24,420</u>	<u>22,725</u>	<u>(1,695)</u>
TOTAL REVENUES	<u>5,826,794</u>	<u>8,672,664</u>	<u>20,744,659</u>	<u>12,071,995</u>
EXPENDITURES				
Commissioners				
Personal services	2	2	-	2
Materials and services	<u>4,057,094</u>	<u>6,857,094</u>	<u>5,071,816</u>	<u>1,785,278</u>
Total Commissioners	<u>4,057,096</u>	<u>6,857,096</u>	<u>5,071,816</u>	<u>1,785,280</u>
Veterans' Services				
Materials and services	<u>9,207</u>	<u>9,207</u>	<u>-</u>	<u>9,207</u>
Total Veterans' Services	<u>9,207</u>	<u>9,207</u>	<u>-</u>	<u>9,207</u>

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Parks and Recreation				
Personal services	\$ 456,543	\$ 456,543	\$ 401,251	\$ 55,292
Materials and services	235,428	235,428	208,344	27,084
Capital outlay	321,689	321,689	33,131	288,558
Total Parks and Recreation	1,013,660	1,013,660	642,726	370,934
Fair				
Materials and services	85,500	85,500	9,836	75,664
Total Fair	85,500	85,500	9,836	75,664
Sheriff - Support Services				
Personal services	66,676	66,676	54,239	12,437
Materials and services	252,731	252,731	56,849	195,882
Capital outlay	2	2	-	2
Total Sheriff - Support Services	319,409	319,409	111,088	208,321
Sheriff - Criminal				
Personal services	282,637	399,124	283,720	115,404
Materials and services	207,807	207,807	52,624	155,183
Capital outlay	4	4	-	4
Total Sheriff - Criminal	490,448	606,935	336,344	270,591
District Attorney				
Personal services	304,820	354,820	309,874	44,946
Materials and services	10,000	10,000	-	10,000
Total District Attorney	314,820	364,820	309,874	54,946

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Juvenile				
Personal services	\$ 267,775	\$ 334,640	\$ 302,700	\$ 31,940
Materials and services	531,549	470,923	221,264	249,659
Capital outlay	1	1	-	1
Total Juvenile	<u>799,325</u>	<u>805,564</u>	<u>523,964</u>	<u>281,600</u>
Sheriff - Corrections				
Materials and services	378,489	378,489	33,411	345,078
Capital outlay	1	1	-	1
Total Sheriff - Corrections	<u>378,490</u>	<u>378,490</u>	<u>33,411</u>	<u>345,079</u>
Sheriff - Animal control				
Materials and services	27,441	27,441	3,378	24,063
Capital outlay	1	1	-	1
Total Sheriff - Animal control	<u>27,442</u>	<u>27,442</u>	<u>3,378</u>	<u>24,064</u>
General Administration				
Personal services	25,126	25,126	18,852	6,274
Materials and services	77,600	77,600	57,982	19,618
Total General Administration	<u>102,726</u>	<u>102,726</u>	<u>76,834</u>	<u>25,892</u>
General Services				
Materials and services	64,826	64,826	-	64,826
Capital outlay	33,380	33,380	6,483	26,897
Total General Services	<u>98,206</u>	<u>98,206</u>	<u>6,483</u>	<u>91,723</u>

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Expo				
Materials and services	\$ 1,020	\$ 1,020	\$ -	\$ 1,020
All Departments-Total				
Personal services	1,403,579	1,636,931	1,370,636	266,295
Materials and services	5,938,692	8,678,066	5,715,504	2,962,562
Capital outlay	355,078	355,078	39,614	315,464
Total All Departments	7,697,349	10,670,075	7,125,754	3,544,321
Contingency	447,123	447,123	-	447,123
TOTAL EXPENDITURES	8,144,472	11,117,198	7,125,754	3,991,444
Excess (deficiency) of revenues over expenditures	(2,317,678)	(2,444,534)	13,618,905	16,063,439
OTHER FINANCING SOURCES (USES):				
Transfers in	228,810	228,810	202,538	(26,272)
Transfers out	(617,100)	(624,500)	(240,161)	371,483
Total other financing sources (uses)	(388,290)	(395,690)	(37,623)	345,211
Net change in fund balance	(2,705,968)	(2,840,224)	13,581,282	16,421,506
Fund balance at beginning of year	3,298,262	3,432,518	3,943,019	510,501
Fund balance at end of year	\$ 592,294	\$ 592,294	\$ 17,524,301	\$ 16,932,007

See notes to basic financial statements

Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 17,524,301	
Accounts receivable and available			32,297	
Due from other governments and available			560,506	
Accounts payable			(403,878)	
Due to other governments			(640)	
Due to other funds			(1,042)	
Accrued payroll, payroll taxes and benefits			(90,729)	
Fund balance (GAAP basis) at end of year			<u>\$ 17,620,815</u>	

See notes to basic financial statements

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, 2021

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<u>ASSETS</u>	
Current assets	
Cash and investments	\$ 440,520
Due from other funds	<u>54,679</u>
TOTAL ASSETS	<u>495,199</u>
<u>LIABILITIES</u>	
Current liabilities	
Due to other governments	60,700
Claims liability	<u>417,704</u>
TOTAL LIABILITIES	<u>478,404</u>
<u>NET POSITION</u>	
Unrestricted	<u>\$ 16,795</u>

LINN COUNTY, OREGON

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

For the Year Ended June 30, 2021

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
OPERATING REVENUES	
Reimbursements	\$ <u>200,662</u>
OPERATING EXPENSES	
Unemployment insurance claims	<u>591,743</u>
Operating (loss)	(391,081)
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	<u>2,682</u>
Change in net position	(388,399)
Net position - beginning of year	<u>405,194</u>
Net position - end of year	<u>\$ <u>16,795</u></u>

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the Year Ended June 30, 2021

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Cash received from reimbursements	\$ 159,119
Cash paid for insurance claims	<u>(242,290)</u>
Net cash (used in) operating activities	(83,171)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	<u>2,682</u>
Net (decrease) in cash and investments	(80,489)
Cash and investments - beginning of year	<u>521,009</u>
Cash and investments - end of year	<u><u>\$ 440,520</u></u>
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ (391,081)
(Increase) decrease in due from other funds	(41,543)
Increase (decrease) in due to other government	27,200
Increase (decrease) in claims liability	<u>322,253</u>
Net cash (used in) operating activities	<u><u>\$ (83,171)</u></u>

See notes to basic financial statements

LINN COUNTY, OREGON

FIDUCIARY FUND

Custodial Funds – 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

FIDUCIARY FUNDS

June 30, 2021

STATEMENT OF FIDUCIARY NET POSITION

	Custodial Funds
<u>ASSETS</u>	
Cash and investments	\$ 6,387,141
Property taxes receivable for other governments	5,971,109
Accounts receivable for other governments	2,411,075
TOTAL ASSETS	14,769,325
<u>LIABILITIES</u>	
Accounts payable	25,124
Due to other governments	8,382,184
TOTAL LIABILITIES	8,407,308
<u>NET POSITION</u>	
Restricted for other governments	\$ 6,362,017

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

<u>ADDITIONS</u>	
Interest earnings	\$ 309,424
Property tax collections for other governments	189,236,384
Fees and other revenues collected for other governments	28,962,617
Sales made to other governments	600,014
TOTAL ADDITIONS	219,108,439
<u>DEDUCTIONS</u>	
Interest paid out to other governments	291,424
Payments of property taxes to other governments	189,236,384
Payments of fees and other revenues to other governments	27,195,422
Fuel purchases and other expenses on behalf of other governments	617,103
TOTAL DEDUCTIONS	217,340,333
Net increase (decrease) in fiduciary net position	1,768,106
NET POSITION-BEGINNING	4,593,911
NET POSITION-ENDING	\$ 6,362,017

See notes to basic financial statements

NOTES TO BASIC
FINANCIAL STATEMENTS

LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2021

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LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS Year Ended June 30, 2021

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. 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 *non-operating* 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 non-operating 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.

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

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 fiduciary 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budget (continued)

Expenditure appropriations may not be legally over-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, transfers, contingency, and all other requirements levels for all funds except the General fund, Road fund, General Grants fund, Law Enforcement 4-year Levy fund, and the Health Services fund. Budgetary controls for these funds are established within each department at the personal services, materials and services, capital outlay, transfers, contingency, 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 budgetary 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 combined statement of cash flows, the 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 60 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 fiduciary fund are for other governments and are offset by the liability Due to other governments. Property taxes received and disbursed are shown as additions and deductions on the fiduciary statement of changes in net position.

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 fund 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 “Loan advances from/Loan repayments to other funds” for the outstanding balances of the interfund loans. All other outstanding balances between funds are reported as due to/from other funds. Interfund loan 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.

Buildings, equipment, vehicles, and infrastructure of the County are depreciated after reducing the capitalized cost by an 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 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. The County's funds that have accrued payroll periodically liquidate the compensated absences liability when accrued vacation is used.

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.

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, represent amounts that apply 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, 2021, are as follows:

Cash on hand	\$ 46,548
Deposits with financial institutions:	
Checking and saving accounts	7,728,193
Investments	<u>63,186,576</u>
Total cash and investments	<u>\$ 70,961,317</u>

Cash and investments by fund:

Governmental activities

Governmental funds:

General	\$ 7,646,705
General Road	16,588,032
Law Enforcement 4-Year Levy	6,896,805
Health Services	13,514,434
General Grants	17,524,301
Nonmajor governmental funds	<u>1,963,379</u>
Total governmental funds	64,133,656

Proprietary fund:

Internal Service	<u>440,520</u>
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Total governmental activities 64,574,176

Fiduciary fund:

Custodial funds	<u>6,387,141</u>
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Total cash and investments - all funds \$ 70,961,317

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, 2021.

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, 2021, 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, 2021 the County had the following investments:

<u>Investment</u>	<u>Rating</u>	<u>Maturities</u>	<u>Fair Value</u>	<u>Activity Level</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	No rating	N/A	Quoted	market price, Level 1	<u>\$ 63,186,576</u>

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. 100% 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 \$0 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, 2021, the County's bank balances were \$8,508,965, and none of these funds were exposed to credit risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES

As of June 30, 2021, the County had the following receivables:

	General	General Roads	Law Enforcement 4-Year Levy	Health Services	General Grants	Totals
Property taxes	\$ 621,816	\$ -	\$ 1,176,897	\$ -	\$ -	\$ 1,798,713
Accounts	60,285	143,610	-	480,993	32,297	717,185
Interest	-	-	-	-	-	-
Assessment	-	14,659	-	-	-	14,659
Subtotal	682,101	158,269	1,176,897	480,993	32,297	2,530,557
Less: allowance for uncollectible accounts	-	-	-	(139,406)	-	(139,406)
Receivables, net	<u>\$ 682,101</u>	<u>\$ 158,269</u>	<u>\$ 1,176,897</u>	<u>\$ 341,587</u>	<u>\$ 32,297</u>	<u>\$ 2,391,151</u>

4. INTERFUND RECEIVABLES AND PAYABLES

Fund	Due from other funds	Due to other funds
General	\$ 43,989	\$ 64,380
General Road	2,409	24,047
Law Enforcement 4-Year Levy	-	62,385
Health Services	60,615	9,632
General Grants	-	1,042
Non-major governmental funds	-	206
Internal service	54,679	-
	<u>\$ 161,692</u>	<u>\$ 161,692</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. INTERFUND RECEIVABLES AND PAYABLES (continued)

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.

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, 2021 are as follows:

Date of Loan	Lending Fund	Borrowing Fund	Purpose	Original Amount	Principal Balance at June 30
6/1/2012	Roads	General	Property purchase-Jackson St	660,000	88,329
12/6/2012	Health Services	General	Building purchase	1,500,000	356,807
3/5/2014	Roads	General	Weyerhauser building improvement	700,000	211,470
10/30/2014	Roads	General	Property purchase-Tangent	950,000	382,277
12/1/2015	Roads	General	Property purchase-Albany police department	1,750,000	918,283
7/1/2017	Roads	General	Building improvements (APD building)	750,000	540,378
3/3/2020	Roads	General	Property purchase-Millersburg	10,000,000	4,000,000
TOTAL OUTSTANDING LOAN BALANCES					<u>\$ 6,497,544</u>
<u>SUMMARY</u>				Interest paid during year	Principal Balance
General fund loans due to Roads				\$ 252,760	\$ 6,140,737
General fund loan due to Health Services				5,344	356,807
Veterans Home loan due to Roads				<u>16,567</u>	<u>-</u>
				<u>\$ 274,671</u>	<u>\$ 6,497,544</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	\$ 3,744,091	\$ 2,018,922
General Road	-	635,005
Law Enforcement 4-Year Levy	-	886,329
Health	1,682,478	1,708,045
General Grants	202,538	240,161
Nonmajor governmental funds	<u>276,444</u>	<u>417,089</u>
TOTAL	<u>\$ 5,905,551</u>	<u>\$ 5,905,551</u>

7. CAPITAL ASSETS

Changes in capital assets during the year were as follows:

	Begin balance June 30, 2020	Additions	Deletions	End balance June 30, 2021
Capital assets not being depreciated				
Land	\$ 22,957,145	\$ -	\$ 1,560,682	\$ 21,396,463
Infrastructure	115,085,725	2,728,860	-	117,814,585
Construction in progress	<u>4,897,379</u>	<u>10,086,743</u>	<u>8,198,724</u>	<u>6,785,398</u>
Total capital assets not being depreciated	<u>142,940,249</u>	<u>12,815,603</u>	<u>9,759,406</u>	<u>145,996,446</u>
Capital assets being depreciated				
Buildings and improvements	57,666,713	60,168	4,441,773	53,285,108
Intangibles	5,298,142	-	-	5,298,142
Equipment	31,771,203	2,541,083	164,394	34,147,892
Infrastructure	<u>43,538,278</u>	<u>4,811,954</u>	<u>554,603</u>	<u>47,795,629</u>
Total capital assets being depreciated	<u>\$ 138,274,336</u>	<u>\$ 7,413,205</u>	<u>\$ 5,160,770</u>	<u>\$ 140,526,771</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. CAPITAL ASSETS (continued)

Less accumulated depreciation for:

Buildings and improvements	\$ 17,565,745	\$ 1,038,265	\$ 271,442	\$ 18,332,568
Intangibles	2,360,553	446,158	-	2,806,711
Equipment	17,933,440	1,568,602	157,492	19,344,550
Infrastructure	<u>12,626,349</u>	<u>915,636</u>	<u>67,785</u>	<u>13,474,200</u>
Total accumulated depreciation	<u>50,486,087</u>	<u>3,968,661</u>	<u>496,719</u>	<u>53,958,029</u>
Total capital assets, being depreciated, net	<u>87,788,249</u>	<u>3,444,544</u>	<u>4,664,051</u>	<u>86,568,742</u>
Governmental activities capital assets, net	<u>\$ 230,728,498</u>	<u>\$ 16,260,147</u>	<u>\$ 14,423,457</u>	<u>\$ 232,565,188</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General administration and support	\$ 495,244
Local government services	41,527
Public safety	1,021,221
Health services	265,163
Community development	549,625
Highways and streets	<u>1,595,881</u>
Total depreciation expense – governmental activities	<u>\$ 3,968,661</u>

8. DUE TO OTHER GOVERNMENTS

At June 30, 2021 Linn County’s General, Roads, Law Enforcement, and Grants funds owed the Linn Regional Fueling Facility \$51,894 for fuel used in June 2021.

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, 2021 is as follows:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Balances due within one year
Accumulated compensated absences	\$ 4,849,247	\$ 5,111,295	\$ 4,849,247	\$ 5,111,295	\$ 3,405,679
Totals	<u>\$ 4,849,247</u>	<u>\$ 5,111,295</u>	<u>\$ 4,849,247</u>	<u>\$ 5,111,295</u>	<u>\$ 3,405,679</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, 2021, were \$142,313. Future minimum lease payments for the County's non-cancelable leases are as follows:

	Year ending June 30,
2022	\$ 113,850
2023	85,388
2024	56,925
2025	28,463
2026	14,231
	<u>\$ 298,857</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE

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 prepared June 14th 2021. The County's OPEB liability was measured as of June 30, 2021 with the liability determined with an actuarial valuation date of July 1, 2020.

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 County engaged an actuary to perform an evaluation as of July 1, 2020 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 2.0 %, payroll growth per year 3.0%, annual medical premium increase of 6.5% in 2020-2021, decreasing 0.1% per year, until reaching 4.5% in 2040. Mortality rates were based on the PUB 2010 Employee Mortality Tables for General service active, General service retiree, Police & Fire active, and Police & Fire retiree employees as appropriate. 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 of benefits under Oregon PERS and vary by employee age. Retirement rates were based on the percentages as developed for the valuation of benefits under Oregon PERS and vary by employee age. The retirement rates also vary between General Service employees and Safety employees.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Plan membership

As of July 1, 2020, there were 610 active employees and 14 eligible retirees receiving benefits, for a total of 624 plan participants.

Deferred inflows and outflows resulting from Cobra retiree OPEB

The County's Cobra retiree OPEB actuarial report shows a \$579,304 increase in deferred outflows, and a (\$127,791) decrease in deferred inflows for the year ended June 30, 2021.

Changes in Medical benefit Cobra retiree OPEB liability

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB liability at beginning of year	\$ 1,782,798	\$ 1,485,551	\$ 2,402,503
Changes for the year:			
Service cost	93,555	90,391	128,184
Interest	41,204	61,142	74,461
Differences between expected and actual experience	94,658	-	(155,462)
Changes in assumptions or other input	590,876	240,481	(866,862)
Benefit payments	<u>(90,170)</u>	<u>(94,767)</u>	<u>(97,273)</u>
Net changes for the year	<u>730,123</u>	<u>297,247</u>	<u>(916,952)</u>
Total OPEB liability at end of year	<u>\$ 2,512,921</u>	<u>\$ 1,782,798</u>	<u>\$ 1,485,551</u>
Estimated covered payroll	\$ 40,084,100	\$ 37,846,731	\$ 36,566,890
Total OPEB liability as a percentage of covered payroll	6.27%	4.71%	4.06%

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, 2021	1% Decrease 1.25%	Current Discount Rate 2.25%	1% Increase 3.25%
Total OPEB Liability	\$ 2,736,152	\$ 2,512,921	\$ 2,307,015

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 6.5 percent graded down to 4.5 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.5 percent graded down to 3.5 percent) or 1-percentage-point higher (7.5 percent graded down to 5.5 percent) than the current rate:

June 30, 2021	1% Decrease 5.50% Graded Down to 3.50%	Current Trend Rate 6.50% Graded Down to 4.50%	1% Increase 7.50% Graded Down to 5.50%
Total Cobra retiree OPEB Liability	\$ 2,205,410	\$ 2,512,921	\$ 2,879,544

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	\$ 84,140	\$ 97,163
Changes of assumptions or other input	795,755	541,788
	<u>\$ 879,895</u>	<u>\$ 638,951</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>	
2022	\$ (21,560)
2023	(21,560)
2024	(21,560)
2025	(21,560)
2026	<u>(21,556)</u>
Thereafter	258,570

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 0.0203% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2021. 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, 2021 and 2020 were \$8,926 and \$10,171, respectively, which equaled the required contributions each year.

At June 30, 2021, the County reported a net OPEB liability/(asset) of (\$290,217) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2020, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2018. 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, 2020 and 2019, the County's proportion was .142 percent and .367 percent, respectively. OPEB expense for the year ended June 30, 2021 was \$67,599.

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)	\$ (46,679)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	122,090
- 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>\$ 75,411</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	\$ -	\$ 29,669
Changes in assumptions	-	15,426
Net difference between projected and actual earnings on investments	32,274	-
Changes in proportionate share	230,947	7
Differences between County contributions and proportionate share of contributions	-	-
	<hr/>	<hr/>
Subtotal - Amortized Deferrals (below)	263,221	45,102
County contributions subsequent to the measurement date	8,926	-
	<hr/>	<hr/>
Deferred outflow (inflow) of resources	<u>\$ 272,147</u>	<u>\$ (45,102)</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, 2022.

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>	
2022	\$ 93,479
2023	102,528
2024	11,931
2025	10,181
2026	-
Thereafter	-
Total	<u>\$ 218,119</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, 2020. That independently audited report was dated March 5, 2021 and can be found at: https://www.oregon.gov/pers/EMP/Documents/GASB/2020/GASB_75_FYE_6.30.2020.pdf

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2018
Experience Study Report	2018, Published July 24, 2019
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: 32%; Disabled retirees: 20%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category and set backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2018 Experience Study which is reviewed for the four-year period ending December 31, 2018.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2020 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 May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2020 PERS ACFR; 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)	\$ (234,302)	\$ (290,217)	\$ (338,027)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2020 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 Annual Comprehensive Financial Report which can be found at:

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2020-CAFR.pdf>

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

Actuarial charts below are taken from the June 30, 2020 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 1 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 2 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, 2021 were \$5,413,027 excluding amounts to fund employer specific liabilities. In addition \$2,604,469 in employee contributions were paid or picked up by the County in fiscal 2021.

At June 30, 2021, the County reported a net pension liability of \$98,117,728 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2018. 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, 2020 and 2019, the County's proportion was .4496 percent and .4679 percent, respectively. Pension expense for the year ended June 30, 2021 was \$11,962,774.

The rates in effect for the year ended June 30, 2021 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, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience.	\$ 4,318,367	\$ -
Changes in assumptions.	5,265,668	184,498
Net difference between projected and actual earnings on investements.	11,537,370	-
Changes in proportionate share.	2,402,344	3,888,669
Differences between employer contributions and employer's proportionate share of system contributions.	<u>867,841</u>	<u>1,526,244</u>
Total (prior to post-MD contributions)	24,391,590	5,599,411
Contributions subsequent to the measurement date (MD)	<u>5,413,027</u>	-
Net deferred outflow/(inflow) of resources	<u>\$ 29,804,617</u>	<u>\$ 5,599,411</u>

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

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>	
2022	\$ 4,006,824
2023	5,845,092
2024	5,626,426
2025	3,445,519
2026	(131,682)
Thereafter	<u>-</u>
Total	<u>\$ 18,792,179</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 5, 2021.

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, 2018
Experience Study Report	2018, Published July 24, 2019
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent
Discount rate	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 <i>Moro</i> decision, blend based on
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2018 Experience Study which is reviewed for the four-year period ending on December 31, 2018.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.00%	25.00%	20.00%
Public Equity	27.50%	37.50%	32.50%
Real Estate	9.50%	15.50%	12.50%
Private Equity	14.00%	21.00%	17.50%
Alternative Investments	7.50%	17.50%	15.00%
Opportunity Portfolio	0.00%	3.00%	0.00%
Risk Parity	0.00%	2.50%	2.50%
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 May 2019 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. RETIREMENT PLAN (continued)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Market Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.01%
Private Equity	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-driven	38.00%	5.59%
Timber	1.13%	5.61%
Farmland	1.13%	6.12%
Infrastructure	2.25%	6.67%
Commodities	1.13%	3.79%
<i>Assumed Inflation - Mean</i>		<i>2.50%</i>

(Source: June 30, 2020 PERS CAFR; p. 74)

Discount Rate

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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)	\$ 145,696,723	\$ 98,117,728	\$ 58,220,536

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, 2020 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. RETIREMENT PLAN (continued)

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 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, 2021.

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 \$417,704 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>
2020-21	\$ 95,451	\$ 270,865	\$ 242,290	\$ 417,704
2019-20	99,458	114,633	80,276	95,451
2018-19	275,023	200,438	174,043	99,458

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, 2021.

	<u>Spent to date</u>	<u>Remaining commitment</u>
Bridge/Road improvements	\$ 6,742,043	\$ 35,106,769
Park improvements-Park department	<u>43,355</u>	<u>100,000</u>
Totals	<u>\$ 6,785,398</u>	<u>\$ 35,206,769</u>

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

16. FUND DEFICITS

At June 30, 2021, the General fund had a deficit fund balance of (\$747,790). 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 \$6,497,544 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.

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 41.96 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, 2021, 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, 2021, Linn County had abated property taxes totaling \$732,619 under these programs.

Program	ORS	Code Area	Exempt/ Abated Value	Linn County Tax Rate	Linn County Local Option I Tax Rate	Linn County Local Option II Tax Rate	Consolidated Linn County Tax Rate	Tax Abatement
Nonprofit low income rental housing								
Linn County	307.541	Code 801	4,794,150	0.0011773	0.0028300	0.0001017	0.0041090	\$ 19,699
			4,794,150					
Enterprise zone								
Linn County	285C.175	Code 801	36,653,471	0.0011773	0.0028300	0.0001017	0.0041090	150,609
Linn County		Code 807	18,696,960	0.0012736	0.0028300	0.0001100	0.0042136	78,782
Linn County		Code 808	47,599,190	0.0012736	0.0028300	0.0001100	0.0042136	200,564
Linn County		Code 846	9,078,535	0.0011773	0.0028300	0.0001017	0.0041090	37,304
Linn County		Code 5501	764,730	0.0012736	0.0028300	0.0001100	0.0042136	3,222
Linn County		Code 12704	32,627,120	0.0012736	0.0028300	0.0001100	0.0042136	137,478
			145,420,006					
Construction in process in enterprise zone								
Linn County	285C.170	Code 801	19,880,000	0.0011773	0.0028300	0.0001017	0.0041090	81,687
Linn County		Code 807	4,499,830	0.0012736	0.0028300	0.0001100	0.0042136	18,960
Linn County		Code 846	1,050,000	0.0011773	0.0028300	0.0001017	0.0041090	4,314
			25,429,830					
Total Linn County Tax Abatement								\$ 732,619

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

19. BEGINNING BALANCE ADJUSTMENT

The County restated the beginning fund balance of the General fund in the amount of (\$342,165). This adjustment is to remove payroll liability balances posted incorrectly in prior years.

The County restated the beginning fund balance of the Road fund in the amount of (\$128,177). This adjustment is to remove investment in joint venture balances from prior year's that was posted to the governmental fund financial statement in error. This investment is shown on the government-wide financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

**Linn County, Oregon
Road Department
Planned versus Actual Road Maintenance
Five Years - 2017-2021**

Fiscal Year (Ending June 30)					
	2020-21	2019-20	2018-19	2017-18	2016-17
Arterials:					
Planned	\$ 703,882	\$ 742,908	\$ 664,983	\$ 619,180	\$ 608,875
Actual	\$ 705,556	\$ 740,028	\$ 655,354	\$ 608,129	\$ 592,565
Collectors:					
Planned	\$ 5,830,038	\$ 6,067,082	\$ 5,430,692	\$ 5,056,637	\$ 4,972,479
Actual	\$ 5,762,039	\$ 6,043,563	\$ 5,352,063	\$ 4,966,386	\$ 4,839,279
Local:					
Planned	\$ 5,354,116	\$ 5,571,810	\$ 4,987,370	\$ 4,643,851	\$ 4,566,562
Actual	\$ 5,291,669	\$ 5,550,211	\$ 4,915,160	\$ 4,560,967	\$ 4,444,235
Total all roads:					
Planned	\$ 11,888,036	\$ 12,381,800	\$ 11,083,045	\$ 10,319,668	\$ 10,147,916
Actual	\$ 11,759,264	\$ 12,333,802	\$ 10,922,577	\$ 10,135,482	\$ 9,876,079
Difference	\$ 128,772	\$ 47,998	\$ 160,468	\$ 184,186	\$ 271,837

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	82.0	88.6
Collector	80.9	81.2	77.1
Residential / Local	78.5	78	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,				
	2021	2020	2019	2018	2017
Service cost	\$ 93,555	\$ 90,391	\$ 128,184	\$ 124,450	\$ 124,450
Interest on total OPEB liability	41,204	61,142	74,461	69,852	67,498
Changes of benefit terms		-	-	-	-
Differences between expected and actual experience	94,658	-	(155,462)	-	-
Changes of assumptions or other input	590,876	240,481	(866,862)	-	-
Benefit payments	(90,170)	(94,767)	(97,273)	(115,947)	(111,048)
Net change in total OPEB liability	730,123	297,247	(916,952)	78,355	80,900
Total OPEB liability - beginning of year	1,782,798	1,485,551	2,402,503	2,324,148	2,243,248
Total OPEB liability - end of year	<u>\$ 2,512,921</u>	<u>\$ 1,782,798</u>	<u>\$ 1,485,551</u>	<u>\$ 2,402,503</u>	<u>\$ 2,324,148</u>
Covered payroll	\$41,365,737	\$39,267,851	39,671,124	37,957,371	35,166,218
Total OPEB liability as a percentage of covered payroll	6.07%	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
2021	0.14243077	\$ (290,217)	\$ 41,365,737	-0.702%	150.1%
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
2021	\$ 8,926	\$ 8,926	\$ -	\$ 44,071,475	0.0203%
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
2021	0.4496	\$ 98,117,728	\$ 41,365,737	237.2%	75.8%
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
2021	\$ 5,413,027	\$ 5,413,027	-	\$ 44,071,475	12.28%
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, 2021

	County Fair	Law Library	Bike Trails	Corner Preser- vation	Veterans Home Loan	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
ASSETS										
Cash and investments	\$ 30,202	\$ 162,917	\$ 45,536	\$ 391,817	\$ -	\$ 1,950	\$ 1,219,471	\$ -	\$ 111,486	\$ 1,963,379
Receivables, net	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	297,621	-	297,621
Due from other funds	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	\$ 30,202	\$ 162,917	\$ 45,536	\$ 391,817	\$ -	\$ 1,950	\$ 1,219,471	\$ 297,621	\$ 111,486	\$ 2,261,000
LIABILITIES										
Accounts payable	\$ 7,295	\$ 1,123	\$ -	\$ -	\$ -	\$ -	\$ 5,761	\$ -	\$ -	\$ 14,179
Due to other governments	-	-	-	-	-	-	-	-	-	-
Due to other funds	193	13	-	-	-	-	-	-	-	206
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Accrued payroll, payroll taxes and benefits	-	5,629	-	-	-	-	-	-	-	5,629
TOTAL LIABILITIES	7,488	6,765	-	-	-	-	5,761	-	-	20,014
FUND BALANCES										
Restricted for:										
Grants/ minor funds	22,714	156,152	45,536	391,817	-	1,950	1,213,710	297,621	111,486	2,240,986
TOTAL FUND BALANCES	22,714	156,152	45,536	391,817	-	1,950	1,213,710	297,621	111,486	2,240,986
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,202	\$ 162,917	\$ 45,536	\$ 391,817	\$ -	\$ 1,950	\$ 1,219,471	\$ 297,621	\$ 111,486	\$ 2,261,000

LINN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2021

	County Fair	Law Library	Bike Trails	Corner Preser- vation	Veterans Home Loan	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
REVENUES										
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 910,499	\$ -	\$ -	\$ -	\$ -	\$ 910,499
Intergovernmental	53,167	82,233	106,237	-	-	-	-	1,700,031	242,254	2,183,922
Charges for services	11,974	258	-	-	-	-	33,586	-	-	45,818
Licenses, permits, fines and fees	32,500	-	-	-	-	-	-	-	-	32,500
Interest earnings	478	1,375	144	2,184	47	12	6,600	860	-	11,700
Miscellaneous	-	-	-	-	-	-	108,000	-	-	108,000
TOTAL REVENUES	98,119	83,866	106,381	2,184	910,546	12	148,186	1,700,891	242,254	3,292,439
EXPENDITURES										
General administration and support	-	-	-	-	-	-	-	-	-	-
Public safety	-	118,115	-	-	-	-	-	-	-	118,115
Health services	-	-	-	-	-	-	-	-	-	-
Community development	112,109	-	-	3,389	-	-	319,980	-	-	435,478
Highways and streets	-	-	-	-	-	-	-	-	-	-
Apportionments to school districts	-	-	-	-	-	-	-	1,403,270	-	1,403,270
Interfund loan interest expense	-	-	-	-	16,567	-	-	-	-	16,567
TOTAL EXPENDITURES	112,109	118,115	-	3,389	16,567	-	319,980	1,403,270	-	1,973,430
Excess (deficiency) of revenues over expenditures	(13,990)	(34,249)	106,381	(1,205)	893,979	12	(171,794)	297,621	242,254	1,319,009
OTHER FINANCING SOURCES (USES)										
Transfers in	-	5,000	-	271,444	-	-	-	-	-	276,444
Transfers out	-	(20,563)	-	(189,990)	(6,536)	-	-	-	(200,000)	(417,089)
TOTAL OTHER FINANCING SOURCES (USES)	-	(15,563)	-	81,454	(6,536)	-	-	-	(200,000)	(140,645)
Net change in fund balances	(13,990)	(49,812)	106,381	80,249	887,443	12	(171,794)	297,621	42,254	1,178,364
Fund balances at beginning of year	36,704	205,964	(60,845)	311,568	(887,443)	1,938	1,385,504	-	69,232	1,062,622
Fund balances (deficit) at end of year	\$ 22,714	\$ 156,152	\$ 45,536	\$ 391,817	\$ -	\$ 1,950	\$ 1,213,710	\$ 297,621	\$ 111,486	\$ 2,240,986

LINN COUNTY, OREGON

NON-MAJOR SPECIAL REVENUE FUNDS

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.

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).

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. The loan was repaid in the current fiscal year and this fund has been closed.

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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 53,200	\$ 53,200	\$ 53,167	\$ (33)
Charges for services	-	-	11,974	11,974
Licenses, permits, fines and fees	-	70,000	32,500	(37,500)
Interest earnings	-	-	478	478
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>53,200</u>	<u>123,200</u>	<u>98,119</u>	<u>(25,081)</u>
EXPENDITURES				
Materials and services	<u>53,200</u>	<u>123,200</u>	<u>104,621</u>	<u>18,579</u>
Net change in fund balance	-	-	(6,502)	(6,502)
Fund balance at beginning of year	-	-	36,704	36,704
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,202</u>	<u>\$ 30,202</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 30,202	
Accounts payable			(7,295)	
Due to other funds			(193)	
Fund balance (GAAP basis) at end of year			<u>\$ 22,714</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 109,729	\$ 109,729	\$ 82,233	\$ (27,496)
Charges for services	85	85	258	173
Interest earnings	6,000	6,000	1,375	(4,625)
Miscellaneous	10	10	-	(10)
TOTAL REVENUES	<u>115,824</u>	<u>115,824</u>	<u>83,866</u>	<u>(31,958)</u>
EXPENDITURES				
Personal services	67,983	67,983	63,123	4,860
Materials and services	62,809	62,809	54,485	8,324
Capital outlay	4,000	4,000	1,221	2,779
Contingency	188,469	188,469	-	188,469
TOTAL EXPENDITURES	<u>323,261</u>	<u>323,261</u>	<u>118,829</u>	<u>204,432</u>
Excess (deficiency) of revenues over expenditures	<u>(207,437)</u>	<u>(207,437)</u>	<u>(34,963)</u>	<u>172,474</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Transfers out	<u>(20,563)</u>	<u>(20,563)</u>	<u>(20,563)</u>	<u>-</u>
Total other financing sources (uses)	<u>(15,563)</u>	<u>(15,563)</u>	<u>(15,563)</u>	<u>-</u>
Net change in fund balance	(223,000)	(223,000)	(50,526)	172,474
Fund balance at beginning of year	<u>223,000</u>	<u>223,000</u>	<u>213,443</u>	<u>(9,557)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,917</u>	<u>\$ 162,917</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 162,917	
Accounts payable			(1,123)	
Due to other funds			(13)	
Accrued payroll, payroll taxes and benefits			<u>(5,629)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 156,152</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 115,611	\$ 115,611	\$ 106,237	\$ (9,374)
Interest earnings	1,200	1,200	144	(1,056)
TOTAL REVENUES	<u>116,811</u>	<u>116,811</u>	<u>106,381</u>	<u>(10,430)</u>
EXPENDITURES				
Capital outlay	<u>116,811</u>	<u>116,811</u>	<u>116,811</u>	<u>-</u>
Net change in fund balance	-	-	(10,430)	(10,430)
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>55,966</u>	<u>55,966</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,536</u>	<u>\$ 45,536</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 4,000	\$ 4,000	\$ 2,184	\$ (1,816)
EXPENDITURES				
Materials and services	15,202	15,202	2,379	12,823
Capital outlay	92,501	92,501	1,010	91,491
Contingency	99,983	194,983	-	194,983
TOTAL EXPENDITURES	<u>207,686</u>	<u>302,686</u>	<u>3,389</u>	<u>299,297</u>
Excess (deficiency) of revenues over expenditures	<u>(203,686)</u>	<u>(298,686)</u>	<u>(1,205)</u>	<u>297,481</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	182,810	277,810	271,444	(6,366)
Transfers out	<u>(198,444)</u>	<u>(198,444)</u>	<u>(189,990)</u>	<u>8,454</u>
Total other financing sources (uses)	<u>(15,634)</u>	<u>79,366</u>	<u>81,454</u>	<u>2,088</u>
Net change in fund balance	(219,320)	(219,320)	80,249	299,569
Fund balance at beginning of year	<u>281,993</u>	<u>281,993</u>	<u>311,568</u>	<u>29,575</u>
Fund balance at end of year	<u>\$ 62,673</u>	<u>\$ 62,673</u>	<u>\$ 391,817</u>	<u>\$ 329,144</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 979,500	\$ 979,500	\$ 912,746	\$ (66,754)
Interest earnings	500	500	47	(453)
Miscellaneous	1	1	-	(1)
TOTAL REVENUES	<u>980,001</u>	<u>980,001</u>	<u>912,793</u>	<u>(67,208)</u>
EXPENDITURES				
Materials and services	1	1	-	1
TOTAL EXPENDITURES	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	<u>980,000</u>	<u>980,000</u>	<u>912,793</u>	<u>(67,207)</u>
OTHER FINANCING SOURCES (USES)				
Loan repayments to other funds	<u>(980,000)</u>	<u>(980,000)</u>	<u>(912,793)</u>	<u>67,207</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 100	\$ 100	\$ 12	\$ (88)
Miscellaneous	<u>35,500</u>	<u>35,500</u>	<u>-</u>	<u>(35,500)</u>
TOTAL REVENUES	<u>35,600</u>	<u>35,600</u>	<u>12</u>	<u>(35,588)</u>
EXPENDITURES				
Materials and services	2,800	2,800	-	2,800
Capital outlay	<u>34,800</u>	<u>34,800</u>	<u>-</u>	<u>34,800</u>
TOTAL EXPENDITURES	<u>37,600</u>	<u>37,600</u>	<u>-</u>	<u>37,600</u>
Net change in fund balance	(2,000)	(2,000)	12	2,012
Fund balance at beginning of year	<u>2,000</u>	<u>2,000</u>	<u>1,938</u>	<u>(62)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,950</u>	<u>\$ 1,950</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, 2021**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 33,663	\$ 8,663
Interest earnings	15,000	15,000	8,636	(6,364)
Miscellaneous	500	500	108,000	107,500
TOTAL REVENUES	40,500	40,500	150,299	109,799
EXPENDITURES				
Materials and services	85,000	85,000	72,913	12,087
Capital outlay	1,380,500	1,380,500	246,520	1,133,980
TOTAL EXPENDITURES	1,465,500	1,465,500	319,433	1,146,067
Net change in fund balance	(1,425,000)	(1,425,000)	(169,134)	1,255,866
Fund balance at beginning of year	1,425,000	1,425,000	1,388,605	(36,395)
Fund balance at end of year	\$ -	\$ -	\$ 1,219,471	\$ 1,219,471
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 1,219,471	
Accounts payable			(5,761)	
Fund balance (GAAP basis) at end of year			\$ 1,213,710	

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, 2021**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,940,000	\$ 1,940,000	\$ 1,402,410	\$ (537,590)
Interest earnings	800	800	860	60
Miscellaneous	300	300	-	(300)
TOTAL REVENUES	<u>1,941,100</u>	<u>1,941,100</u>	<u>1,403,270</u>	<u>(537,830)</u>
EXPENDITURES				
Materials and services	<u>2,541,100</u>	<u>2,541,100</u>	<u>1,403,270</u>	<u>1,137,830</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>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ -	
Due from other governments and available			297,621	
Fund balance (GAAP basis) at end of year			<u>\$ 297,621</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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 270,000	\$ 270,000	\$ 242,254	\$ (27,746)
EXPENDITURES				
Materials and services	140,000	140,000	-	140,000
Excess (deficiency) of revenues over expenditures	130,000	130,000	242,254	112,254
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Net change in fund balance	(70,000)	(70,000)	42,254	112,254
Fund balance at beginning of year	70,000	70,000	69,232	(768)
Fund balance at end of year	\$ -	\$ -	\$ 111,486	\$ 111,486

LINN COUNTY, OREGON

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

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, 2021

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 150,001	\$ 150,001	\$ 159,119	\$ 9,118
Interest earnings	7,000	7,000	3,445	(3,555)
TOTAL REVENUES	<u>157,001</u>	<u>157,001</u>	<u>162,564</u>	<u>5,563</u>
EXPENDITURES				
Materials and services	243,000	243,000	242,290	710
Contingency	<u>204,000</u>	<u>204,000</u>	-	<u>204,000</u>
TOTAL EXPENDITURES	<u>447,000</u>	<u>447,000</u>	<u>242,290</u>	<u>204,710</u>
Excess (deficiency) of revenues over expenditures	(289,999)	(289,999)	(79,726)	(199,147)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(200,001)</u>	<u>(200,001)</u>	-	<u>200,001</u>
Net change in fund balance	(490,000)	(490,000)	(79,726)	410,274
Fund balance at beginning of year	<u>490,000</u>	<u>490,000</u>	<u>520,246</u>	<u>30,246</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 440,520</u>	<u>\$ 440,520</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 440,520	
Due from other funds and available			54,679	
Due to other governments			(60,700)	
Claims liability			<u>(417,704)</u>	
Net position (GAAP basis) at end of year			<u>\$ 16,795</u>	

LINN COUNTY, OREGON

OTHER SCHEDULES

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, 2021**

	Assessor/ Tax Collector	Clerk	Commis- sioners	District Attorney	Central Linn/ Justice Courts	Sheriff	Surveyor	Treasurer	Totals
On hand - June 30, 2020	\$ 1,020	\$ 250	\$ -	\$ 2,000	\$ 300	\$ 130	\$ 50	\$ 33,961,338	\$ 33,965,088
Receipts	755,833	2,058,364	5,975,238	525,548	1,002,821	6,505,648	152,224	249,319,018	266,294,694
Turnovers and disbursements:									
To County Treasurer	(755,733)	(2,058,364)	(5,975,238)	(525,548)	(1,002,821)		(152,224)		(10,469,928)
To Others	-	-	-	-	-	(6,505,648)	-	(212,322,889)	(218,828,537)
On hand - June 30, 2021 (1)	<u>\$ 1,120</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 70,957,467</u>	<u>\$ 70,961,317</u>
(1) Consists of:									
Deposits with County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,769,323	7,769,323
Deposits with Local Government									
Investment Pool	-	-	-	-	-	-	-	63,186,576	63,186,576
Due to County Treasurer	-	-	-	-	-	-	-	-	-
Due to State of Oregon	-	-	-	-	-	-	-	-	-
Change and revolving funds	1,120	250	-	2,000	300	130	50	1,568	5,418
Totals	<u>\$ 1,120</u>	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 70,957,467</u>	<u>\$ 70,961,317</u>

LINN COUNTY, OREGON

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2021**

Tax Year	Receivable June 30, 2020	Current Levy	Discounts Allowed	Interest on Delinquent Taxes	Cash Collections	Corrections and Adjustments	Receivable June 30, 2021
2020-21		\$ 191,730,685	\$ 5,147,801	\$ 111,072	\$ 182,392,325	\$ (344,769)	\$ 3,956,862
2019-20	4,524,435	-	72	199,867	2,500,359	(274,684)	1,949,187
2018-19	2,031,120	-	(58)	187,201	907,369	(244,781)	1,066,229
2017-18	1,113,658	-	44	197,585	604,992	(249,502)	456,705
2016-17	398,738	-	-	95,190	277,023	(99,871)	117,034
2015-16	97,361	-	-	23,292	44,465	(26,627)	49,561
2014-15	50,446	-	-	10,952	17,783	(15,262)	28,353
prior	185,382	-	-	28,132	23,425	(44,198)	145,891
<hr/>							
Totals	\$ 8,401,140	\$ 191,730,685	\$ 5,147,859	\$ 853,291	\$ 186,767,741	\$ (1,299,694)	\$ 7,769,822

Fund	Receivable June 30, 2021
General	\$ 621,816
Law Enforcement 4-Year Levy	1,176,897
Governmental funds subtotal	1,798,713
Fiduciary fund	5,971,109
Grand total all funds	<u>\$ 7,769,822</u>

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

95-100

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

101-104

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

Debt Capacity

105-108

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

109-111

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

Operating Information

112-114

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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 232,565	\$ 230,728	\$ 218,626	\$ 215,418	\$ 210,236	\$ 199,587	\$ 192,271	\$ 187,332	\$ 179,484	\$ 176,725
Restricted	34,869	17,505	23,318	21,059	18,697	16,355	31,758	29,338	-	-
Unrestricted	(52,924)	(57,960)	(52,007)	(44,646)	(37,860)	(23,029)	(10,081)	(3,933)	22,745	23,634
Total net position	\$ 214,510	\$ 190,273	\$ 189,937	\$ 191,831	\$ 191,073	\$ 192,913	\$ 213,948	\$ 212,737	\$ 202,229	\$ 200,359

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental Activities										
General administration and support	\$ 24,738	\$ 11,484	\$ 9,263	\$ 8,375	\$ 8,338	\$ 8,236	\$ 5,480	\$ 5,767	\$ 7,066	\$ 6,160
Local government services	6,271	6,209	5,560	5,760	4,761	5,950	4,409	5,217	4,627	4,685
Public safety	47,089	46,117	42,132	38,696	36,889	46,278	22,864	30,427	29,599	31,413
Health services	29,407	28,619	25,798	29,166	28,925	32,142	20,536	20,725	20,066	20,247
Community development	9,121	8,946	8,232	9,561	8,946	9,677	6,171	6,846	5,552	6,477
Highways and streets	12,960	16,204	15,397	13,759	12,713	13,380	9,590	9,606	10,789	12,404
Interest on long term debt	-	-	-	-	-	-	-	279	267	-
Total expenses	\$ 129,586	\$ 117,579	\$ 106,382	\$ 105,317	\$ 100,572	\$ 115,663	\$ 69,050	\$ 78,867	\$ 77,966	\$ 81,386
Program Revenues										
Governmental Activities										
Fees, Fines, and Charges for service										
General government	\$ 2,890	\$ 2,693	\$ 1,545	\$ 1,608	\$ 1,419	\$ 1,529	\$ 1,519	\$ 1,093	\$ 1,826	\$ 1,491
Public Safety	2,450	2,620	2,760	3,133	2,360	3,257	2,559	2,466	3,119	2,902
Health services	1,610	2,596	1,396	1,164	907	1,072	1,021	952	2,820	1,185
Roads	244	441	1,921	2,744	4,330	2,942	2,615	2,735	1,540	1,760
Community Development	4,757	5,544	4,050	4,172	3,002	3,125	3,084	2,558	3,223	2,958
Operating Grants and Contributions	82,738	56,505	41,764	40,731	40,852	37,357	39,490	35,718	32,996	36,972
Capital Grants and Contributions	-	700	-	-	-	-	-	-	-	-
Total program revenues	\$ 94,689	\$ 71,099	\$ 53,436	\$ 53,552	\$ 52,870	\$ 49,282	\$ 50,288	\$ 45,522	\$ 45,524	\$ 47,268
Total net (expense) / revenue	\$ (34,897)	\$ (46,480)	\$ (52,946)	\$ (51,765)	\$ (47,702)	\$ (66,381)	\$ (18,762)	\$ (33,345)	\$ (32,442)	\$ (34,118)
General Revenues										
Governmental activities:										
Property taxes	\$ 42,842	\$ 41,572	\$ 39,102	\$ 36,808	\$ 34,023	\$ 31,765	\$ 30,077	\$ 27,561	\$ 26,464	\$ 26,373
Unrestricted grants and contributions	5,436	3,712	11,264	15,320	11,680	13,267	12,569	15,876	9,952	7,283
Interest and investment earnings	226	485	649	395	159	314	80	416	117	107
Miscellaneous revenue	8,022	563	37	-	-	-	-	-	-	-
Gain on sale of capital assets	2,949	-	-	-	-	-	-	-	-	-
Total general revenues	\$ 59,475	\$ 46,332	\$ 51,052	\$ 52,523	\$ 45,862	\$ 45,346	\$ 42,726	\$ 43,853	\$ 36,533	\$ 33,763
Total change in net position- governmental activities	\$ 24,578	\$ (148)	\$ (1,894)	\$ 758	\$ (1,840)	\$ (21,035)	\$ 23,964	\$ 10,508	\$ 4,091	\$ (355)

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

Fiscal year ended June 30,	Property Taxes	Intergovernmental	Charges for Services	Licenses, Permits, Fines and Fees	Interest and Miscellaneous	Total
2021	\$ 42,988	\$ 88,454	\$ 5,428	\$ 6,278	\$ 2,296	\$ 145,444
2020	41,588	59,744	9,617	4,756	1,265	116,970
2019	40,417	52,561	7,671	5,114	2,879	108,642
2018	36,867	55,725	7,358	4,905	3,073	107,928
2017	33,841	50,247	7,774	5,183	2,858	99,903
2016	31,577	50,393	7,155	4,770	2,579	96,474
2015	29,853	51,292	6,479	4,321	2,287	94,232
2014	27,100	50,827	5,940	3,959	2,383	90,209
2013	26,595	42,546	6,025	4,016	2,402	81,584
2012	26,341	44,015	6,177	4,118	505	81,156

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General fund										
Non spendable										
Committed to										
Interfund loan										
Assigned to										
Unassigned	\$ (748)	\$ (13,214)	\$ (7,488)	\$ (7,810)	\$ (9,041)	\$ (7,197)	\$ (6,284)	\$ (5,514)	\$ (6,062)	\$ (4,511)
Total general fund	(748)	(13,214)	(7,488)	(7,810)	(9,041)	(7,197)	(6,284)	(5,514)	(6,062)	(4,511)
All other governmental funds										
Non spendable:										
Inventories	2,319	1,749	1,770	1,829	1,950	1,327	1,076	1,299	1,051	1,164
Committed:										
Interfund loans	6,498	15,694	8,686	11,830	13,653	15,610	13,747	14,613	14,582	2,629
Capital projects	-	-	-	-	-	-	-	-	2,229	3,070
Restricted:										
Highways and streets	15,319	7,258	16,146	14,723	15,669	16,432	20,840	20,318	18,033	16,355
Public safety	4,971	3,638	3,351	1,841	334				57	
Health services	12,259	4,861	2,050	2,126	2,838	7,590	8,012	6,059	5,079	6,629
Grants/non-major funds	19,862	5,927	2,244	2,381	1,842	1,575	1,831	1,662	1,344	1,467
Unassigned	-	(954)	(2,736)	(4,403)	(5,812)	(7,434)	(9,156)	(10,868)	(11,068)	(850)
Total all other governmental funds	\$ 61,228	\$ 38,173	\$ 31,511	\$ 30,327	\$ 30,474	\$ 35,100	\$ 36,350	\$ 33,083	\$ 31,307	\$ 30,464

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Property taxes	\$ 42,988	\$ 41,588	\$ 40,417	\$ 36,867	\$ 33,841	\$ 31,577	\$ 29,853	\$ 27,100	\$ 26,595	\$ 26,341
Intergovernmental	88,454	59,744	52,561	55,725	50,247	50,393	51,292	50,827	42,546	44,015
Charges for services	5,428	9,617	7,671	7,358	7,774	7,155	6,479	5,940	6,025	6,177
Licenses, permits, fines and fees	6,278	4,756	5,114	4,905	5,183	4,770	4,321	3,959	4,016	4,118
Investment earnings	498	702	853	627	413	521	325	422	480	121
Miscellaneous	1,798	563	2,026	2,446	2,445	2,058	1,962	1,961	1,922	384
Total revenues	145,444	116,970	108,642	107,928	99,903	96,474	94,232	90,209	81,584	81,156
Expenditures										
General administration and support	16,465	10,106	8,251	7,672	7,224	6,313	5,994	5,094	5,521	5,658
Local government services	4,254	3,956	3,701	3,731	3,638	3,308	3,425	3,169	3,192	3,335
Public Safety	40,399	38,907	39,799	35,721	33,169	35,910	30,079	30,425	29,667	30,991
Health Services	26,067	25,029	25,491	28,745	28,248	25,741	25,824	21,588	20,991	20,175
Community development	7,700	7,673	7,482	8,365	8,476	7,554	6,796	6,430	6,492	6,224
Highways and streets	9,598	13,342	14,035	11,980	16,580	11,882	10,933	8,658	10,014	13,959
Apportionments to school districts	1,403	1,643	1,610	1,747	778	1,539	1,733	2,000	1,406	1,314
Capital outlay	12,465	15,205	6,573	8,848	8,175	6,178	6,704	10,242	4,741	-
Debt Service - Interfund loan interest	275	174	193	218	260	211	247	279	267	-
Total expenditures	118,626	116,035	107,135	107,027	106,548	98,636	91,735	87,885	82,291	81,656
Excess of revenues over (under) expenditures	26,818	935	1,507	901	(6,645)	(2,162)	2,497	2,324	(707)	(500)
Other financing sources (uses)										
Transfers in	5,906	4,902	2,743	1,857	1,832	1,915	1,982	1,958	2,201	4,046
Transfers out	(5,906)	(4,902)	(2,743)	(1,674)	(1,657)	(1,915)	(1,982)	(1,958)	(2,201)	(4,046)
Sale of capital assets	9,174	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	9,174	-	-	183	175	-	-	-	-	-
Net change in fund balances	\$ 35,992	\$ 935	\$ 1,507	\$ 1,084	\$ (6,470)	\$ (2,162)	\$ 2,497	\$ 2,324	\$ (707)	\$ (500)
Debt service as a percentage of noncapital expenditures	0.23%	0.15%	0.18%	0.20%	0.24%	0.21%	0.27%	0.32%	0.32%	0.00%

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

Fiscal Year	Federal	State	Cities and Other	Totals	Per Capita
2020-2021	\$ 34,833,970	\$ 36,861,844	\$ 16,757,750	\$ 88,453,564	695
2019-2020	7,599,586	39,096,349	13,048,187	59,744,122	472
2018-2019	7,660,757	31,925,596	12,974,225	52,560,578	419
2017-2018	8,563,882	34,925,596	12,235,364	55,724,842	449
2016-2017	4,738,912	33,984,225	11,523,740	50,246,877	411
2015-2016	9,418,795	33,264,502	7,709,275	50,392,572	417
2014-2015	10,191,186	35,049,234	6,051,326	51,291,746	428
2013-2014	12,168,849	33,017,481	5,640,990	50,827,320	428
2012-2013	9,828,607	29,974,876	2,742,715	42,546,198	360
2011-2012	10,658,575	29,581,523	3,774,442	44,014,540	375

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)

Fiscal Year										
Ended		Manufactured	Personal	Public	Less	Total Taxable	Total	Estimated	Total Taxable	
June 30,	Real Property	Structures	Property	Utilities	Tax Exempt	Assessed	Direct	Real Market	Assessed Value	as a Percentage
					Real Property	Value	Tax Rate	Value	of Estimated	RMV
							Per \$1,000			
2021	\$ 10,171,566	\$ 156,758	\$ 344,598	\$ 558,842	\$ 40,895	\$ 11,190,869	4.2136	\$ 18,853,415	59.36%	
2020	9,698,077	149,167	330,928	490,552	39,272	10,629,452	4.2936	17,541,514	60.60%	
2019	9,271,794	134,010	311,426	507,412	35,735	10,188,907	4.2936	16,130,441	63.17%	
2018	8,915,128	128,910	304,072	485,257	33,193	9,800,174	4.2936	14,532,083	67.44%	
2017	8,543,774	121,034	296,402	460,848	32,034	9,390,024	4.2936	13,241,005	70.92%	
2016	8,214,875	112,203	275,483	446,542	31,384	9,017,719	4.2936	12,118,178	74.41%	
2015	7,932,202	108,688	254,054	425,703	30,625	8,690,022	4.2900	11,395,676	76.26%	
2014	7,639,006	107,561	240,404	396,669	27,141	8,356,499	4.0436	10,815,138	77.27%	
2013	7,416,487	108,088	228,878	393,791	28,110	8,119,134	4.0436	10,572,478	76.79%	
2012	7,361,380	113,366	231,304	328,812	27,519	8,007,343	4.0436	10,879,896	73.60%	

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	
2021	4.21	7.83	6.57	10.44	2.15	2.55	6.80	6.71	6.85	4.62	0.67
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

(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	2021			2012		
		2020-21 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2011-12 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacificorp PP&L	Utility	\$ 165,953	1	1.48%	\$ 90,187	2	1.11%
Fort James Operating Co.	Timber & Forest Products	144,035	2	1.29%	102,493	1	1.26%
Weyerhaeuser Co./ Willamette Industries	Timber & Forest Products	108,374	3	0.97%	58,442	8	0.72%
Teledyne Wah Chang Albany	Rare Metals	106,658	5	0.95%	83,869	4	1.03%
Lumen Technologies Inc (formerly Centurylink)	Technology & Communications	100,159	4	0.90%	82,054	5	1.01%
Lowes HIW Inc	Retail distribution	88,923	6	0.79%	86,840	3	1.07%
Freres Lumber Co Inc	Timber & Forest Products	84,843	7	0.76%			
Northwest Natural Gas	Utility	83,024	8	0.74%	48,118	10	0.59%
Target Corporation	Retail distribution	77,694	9	0.69%	76,005	6	0.93%
Entek International LLC	Plastic & rubber manufacturing	68,720	10	0.61%			
Oregon Metallurgical Corp	Rare Metals				66,046	7	0.81%
Cascade Pacific Pulp LLC	Wood pulp for paper manufacture				48,638	9	0.60%
Total Principal Taxpayers		1,028,383		9.19%	742,692		9.12%
Total County Taxable Assessed Value		\$11,190,869		100%	\$ 8,147,244		100%

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
2021	\$ 44,118	\$ 43,205	97.93%	\$ -	43,205	97.93%
2020	42,530	41,475	97.52%	604	42,079	98.94%
2019	40,367	39,338	97.45%	783	40,121	99.39%
2018	37,746	36,783	97.45%	857	37,640	99.72%
2017	34,504	33,329	96.60%	1,148	34,477	99.92%
2016	32,523	31,320	96.30%	1,191	32,511	99.96%
2015	30,476	29,318	96.20%	1,152	30,470	99.98%
2014	30,476	29,196	95.80%	1,279	30,475	100.00%
2013	27,650	26,713	96.61%	936	27,649	100.00%
2012	27,337	25,486	93.23%	1,819	27,305	99.88%

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>2021</u>	<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>
Debt limit	\$223,817	\$212,589	\$203,778	\$196,003	\$187,800	\$180,982	\$173,800	\$16,269	\$160,147	\$154,021
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$223,817</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	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 2021:

Estimated Actual Taxable Value	\$ 11,190,869
Debt limit (2% of total assessed value)**	223,817
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>\$ 223,817</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			
2021	127,320	The County's governmental activities have been debt free since June 30, 2010						
2020	126,550	The County's governmental activities have been debt free since June 30, 2010						
2019	125,575	The County's governmental activities have been debt free since June 30, 2010						
2018	124,010	The County's governmental activities have been debt free since June 30, 2010						
2017	122,315	The County's governmental activities have been debt free since June 30, 2010						
2016	120,860	The County's governmental activities have been debt free since June 30, 2010						
2015	119,705	The County's governmental activities have been debt free since June 30, 2010						
2014	118,665	The County's governmental activities have been debt free since June 30, 2010						
2013	118,035	The County's governmental activities have been debt free since June 30, 2010						
2012	117,340	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
2021	\$ -	\$ -	\$ -	\$ 11,190,869	0.00%	-
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%	-

(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, 2021

<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>
Direct: Linn County	\$ -	100.00%	\$ -
Overlapping:			
Cities:			
Albany	15,260	73.81%	11,263
Brownsville	5,650	100.00%	5,650
Harrisburg	8,095	100.00%	8,095
Lebanon	9,050	100.00%	9,050
Community Colleges:			
Chemeketa	47,345	1.03%	488
Lane	144,205	1.14%	1,644
Linn-Benton	26,035	49.33%	12,843
School Districts:			
Corvallis	194,859	2.16%	4,209
Eugene	357,410	0.07%	250
Lane , Marcola	6,865	0.04%	3
Greater Albany	135,975	76.29%	103,735
Harrisburg	8,097	91.19%	7,384
Jefferson	13,811	6.63%	916
Lebanon Community	32,395	100.00%	32,395
North Santiam	17,805	21.20%	3,775
Santiam Canyon	17,615	49.53%	8,725
Sweet Home	11,985	100.00%	11,985
Rural Fire Districts:			
Brownsville	280	100.00%	280
Lebanon	14,355	100.00%	14,355
Harrisburg	6,080	99.99%	6,079
Mohawk Valley	400	0.03%	-
Scio	2,345	100.00%	2,345
Total Overlapping	<u>1,075,917</u>		<u>245,469</u>
Total Direct and Overlapping	<u>\$ 1,075,917</u>		<u>\$ 245,469</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
2021	127,320	<i>n/a</i>	<i>n/a</i>	24,325	6.3%	680	661
2020	126,550	<i>n/a</i>	<i>n/a</i>	22,834	13.5%	689	666
2019	125,575	\$ 5,816,653	\$ 46,320	22,836	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

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>2021</u>			<u>2012</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>
ATI - (Wah Chang)	1,650	1	3.66%	293	10	0.77%
Greater Albany Public Schools	1,525	2	3.39%	1,021	2	2.67%
Linn Benton Community College	1,500	3	3.33%	978	3	2.56%
Target Distribution Center	1,300	4	2.89%	669	5	1.75%
Samaritan Health Services	1,060 (A)	5	2.35%	1,600	1	4.19%
Selmet - a CPP company	782	6	1.74%			
Linn County	667	7	1.48%	662	6	1.73%
National Frozen Foods	500	8	1.11%	350	9	0.92%
Oregon Freeze Dry	450	9	1.00%	398	7	1.04%
City of Albany	428	10	0.95%	381	8	1.00%
Allvac Oremet - (Wah Chang)			0.00%	949	4	2.48%
Totals			<u>21.90%</u>			<u>19.11%</u>
Number of individuals employed in Linn County			45,030			38,210

Source: Albany, Oregon Chamber of Commerce, 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

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General administration and support	47	39	41	45	41	42	39	42	42	36
Local government services	36	36	36	35	34	38	36	31	31	30
Public safety	253	314	249	244	234	242	245	232	233	231
Health services	189	195	193	209	221	208	190	176	178	184
Community development	62	52	56	61	50	53	53	66	65	67
Highways and streets	72	78	67	67	63	62	67	75	73	76
Total	659	714	642	661	643	645	630	622	622	624

Source: Linn County payroll department

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

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Sheriff										
Jail bookings (calendar year basis)	n/a	3,216	6,531	7,214	6,808	6,672	6,767	6,671	6,115	6,157
Highways and streets										
Road surface improvements (miles)	65	70	69	63	74	59	49	32	51	46
Parks										
Picnic shelter rentals	127	125	189	189	264	200	223	212	169	260
Clerk's Office										
Documents recorded	32,778	26,862	22,628	25,243	25,321	23,683	20,442	20,878	26,758	24,178
Marriage licenses issued	680	689	792	857	816	816	836	749	792	873
Registered voters	94,353	90,650	88,608	84,875	80,474	69,202	64,264	62,509	63,622	60,738
Planning										
Building permits	1,418	1,816	1,807	1,944	1,680	1,494	1,333	1,353	1,226	1,123
Contract cities	746	1,038	1,095	1,070	956	701	596	497	426	374
Electrical permits	2,022	1,859	1,937	2,010	1,972	1,631	1,505	1,335	1,312	1,335
Planning applications	929	887	888	934	794	757	642	670	613	519
Health										
Mental health clients	4,540	4,015	4,062	4,859	4,673	5,647	5,036	4,273	4,662	3,857
Developmentally disabled clients	1,261	1,362	1,168	1,113	972	909	776	842	747	736
Alcohol and drug clients	632	808	856	1,059	808	904	903	763	790	830
Public health clients	8,543	3,966	4,363	8,557	11,071	14,583	15,867	13,756	12,672	13,251
Women, Infants, and children clients	5,980	4,505	4,762	5,123	5,490	5,721	5,810	6,021	6,052	6,521
Environmental health service contacts	2,054	2,591	2,655	2,816	2,552	1,649	1,942	2,642	2,460	2,742
Fairgrounds										
Willamette building (hours of use)	1,133	5,051	9,363	7,892	8,259	6,642	6,176	5,550	5,604	5,200
Calapooia arena (hours of use)	48	1,071	1,683	1,684	1,952	1,926	1,845	2,042	1,918	1,995
Santiam center (hours of use)	178	953	1,852	1,823	1,540	1,503	1,373	1,146	1,203	1,315
Cascade livestock building (hours of use)	136	1,995	3,514	3,952	4,305	4,124	4,107	3,793	3,900	3,836

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

Function	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Public Safety										
Police:										
Stations	9	9	9	9	8	8	7	7	7	7
Patrol Units	53	53	53	53	55	55	55	55	55	55
Police service dogs	2	3	3	2	1	1	1	1	1	1
Culture and recreation										
Parks acreage	1,256	1,246	1,246	1,369	1,369	1,364	1,364	1,364	1,360	1,360
Parks	26	25	25	24	24	24	24	24	23	23
Picnic shelters	13	13	13	13	13	13	13	13	13	13
General Services										
Motor pool vehicles	81	79	78	80	80	79	76	78	78	82
Roads										
All Public road miles	1,167	1,170	1,170	1,170	1,155	1,155	1,153	1,153	1,153	1,153
Bridges	335	335	335	335	335	336	336	336	329	329

Source: Linn County elected officials and department managers.

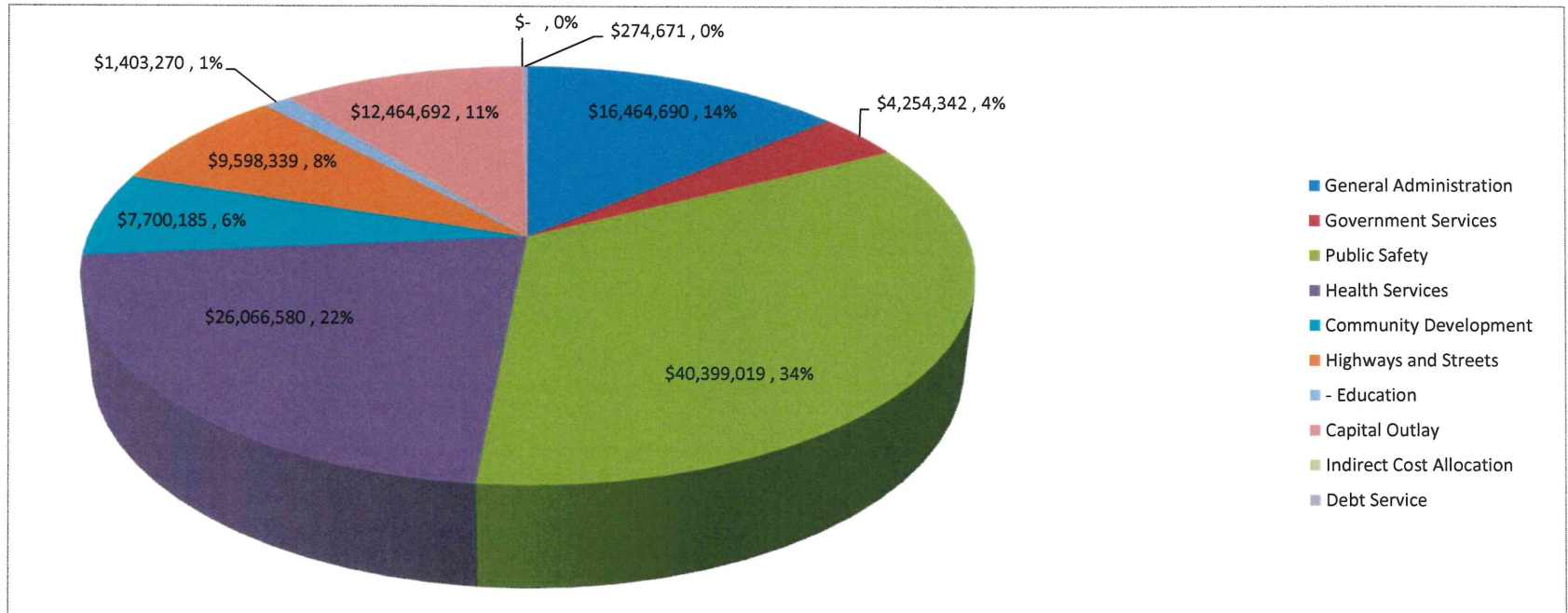
LINN COUNTY, OREGON
General Government Expenditures by Function
Last Ten Fiscal Years

Fiscal year ended June 30,	Local Government Services										(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
2021	\$ 16,464,690	\$ 4,254,342	\$40,399,019	\$26,066,580	\$ 7,700,185	\$ 9,598,339	\$ 1,403,270	\$ 12,464,692	(A)	\$ 274,671	\$ 118,625,788	288.3	931.71
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

(A) The indirect cost allocation is included in transfers in/out on the governmental statement, starting in 2019.

(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, 2021

<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 State of Oregon	Standard workers' compensation and employers' liability policy - policy limit		500,000	7/1/2020	7/1/2021
		Bodily injury by accident - each accident		500,000		
		Bodily injury by disease - each employee		500,000		
20LLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.) (Is subject to policy conditions and contingent on sufficient monies being available in Self-Insured Loss Fund)	General Aggregate Commercial general liability Auto liability	Policy limit Each occurrence Each occurrence	15,000,000 5,000,000 5,000,000	7/1/2020	7/1/2021
20APDLINC	City/County Insurance Services	Comprehensive general liability Automobile physical damage (APD)	Comp/Collision and ADP deductibles vary based on value and deductible per vehicle		7/1/2020 7/1/2020	7/1/2021 7/1/2021
20BLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Equipment Breakdown Coverage (\$1,000 Deductible)	Policy limit	100,000,000	7/1/2020	7/1/2021
20PLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Property Coverage (\$10,000 Deductible)	Policy limit Blanket buildings/business personal property 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.	182,729,407 As per property schedule 5,000,000 5,000,000 1,000,000 1,000,000 1,000,000 150,000 100,000	7/1/2020	7/1/2021

LINN COUNTY, OREGON
SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES
Year Ending June 30, 2021

<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>
20PLINC 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	7/1/2020	7/1/2021
20IMLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Inland Marine Coverage (\$2,500 Deductible)	Refer to Inland Marine schedule for list of covered equipment Actual cash or replacement cost value as per schedule		7/1/2020	7/1/2021
20ECLINC	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 250,000	7/1/2020	7/1/2021

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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12700 SW 72nd Ave. Tigard, OR 97223
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www.paulyrogersandcocpas.com

December 13, 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, 2021, and have issued our report thereon dated December 13, 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, except as follows:

1. During our review of the 2021-22 budget process, we noted that the Road, County Forest, and Internal Service Funds expenditures were increased by more than 10% between budget committee approval and adoption.

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.

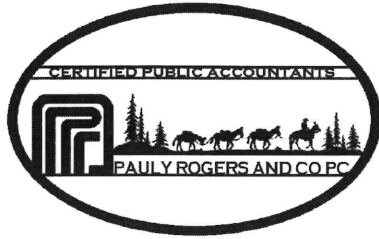
We noted a matter involving the non-compliance that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants and Uniform Guidance, which is noted in the Schedule of Findings and Questioned Costs dated December 13, 2021.

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 REVIEW



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(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 13, 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, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 13, 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.

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 an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item SA2021-01.

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.



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December 13, 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, 2021. 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, 2021.

Other Matters

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, 2021.

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item SA2021-01. Our opinion on each major federal program is not modified with respect to this matter.

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

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.



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LINN COUNTY, OREGON
ALBANY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2021

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

<u>AL NUMBER</u>	<u>NAME OF FEDERAL PROGRAM CLUSTER</u>
21.019	Coronavirus Relief Fund
20.933	National Infrastructure Investments
97.036	Disaster Grants – Public Assistance

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

Auditee qualified as low-risk auditee?

\$750,000
 yes no

SECTION II – FINANCIAL STATEMENT FINDINGS

None Noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA2021 - 01 – SIGNIFICANT DEFICIENCY

FEDERAL PROGRAM: Coronavirus Relief Fund

SPECIFIC REQUIREMENT: Expenditures being reimbursed through major program were made in accordance within grant compliance

CONDITION: During our testing of reimbursement forms, we noted that there was limited internal controls in practice for reviewing individual departments’ reimbursement forms that were turned over to the Treasurer’s Office. Furthermore there was no internal control in place at the Treasurer’s Office to ensure expenditures claimed for reimbursement by individual departments were accurate. Veteran’s Department did not maintain claim documents.

QUESTIONED COST: None noted

CONTEXT: This finding is limited to this major program and the context noted in the condition. The minimum noted in questioned cost, is the amount where no documentation was maintained and maximum is the amount reimbursed under this program related to the condition noted

EFFECT: Without adequate controls or procedures in place to review reimbursement claims for accuracy, the possibility exists that expenditures may be improperly charged to a federal grant program.

CAUSE: The County did not have adequate review processes in place to ensure accuracy of claim forms.

RECOMMENDATION: We recommend the County implement review policies and procedures for federal awards to ensure proper usage and ensure compliance with federal award provisions.

VIEWS OF RESPONSIBLE OFFICIALS: Management agrees with the finding and has implemented a process in departments regarding documentation for Federal Grant Awards. The process will be that documentation will be reviewed by 2 people prior to submission for reimbursement. All documentation will be maintained and held for audit.

SECTION IV – PRIOR 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.

CURRENT STATUS: The deficiency has been corrected by management in the current year under audit.

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, 2021

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	Oregon Department of Education	2212004	\$ 8,018	\$ -
National School Lunch Program	10.555	Oregon Department of Education	2212004	15,022	-
National School Lunch Program (non-cash assistance)	10.555	Oregon Department of Education	2212004	1,333	-
				<u>24,373</u>	<u>-</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Oregon Health Authority	PE40-various	<u>655,408</u>	<u>-</u>
Total Department of Agriculture				<u>679,781</u>	<u>-</u>
<u>DEPARTMENT OF THE INTERIOR</u>					
U.S. Fish and Wildlife Service					
Clean Vessel Act Program	15.616	Oregon State Marine Board	F20AP11947	<u>14,125</u>	<u>-</u>
Total Department of the Interior				<u>14,125</u>	<u>-</u>
<u>DEPARTMENT OF JUSTICE</u>					
Crime Victim Assistance	16.575	Oregon Department of Justice	VOCA-NC-FR-2019	<u>245,307</u>	<u>-</u>
Total Department of Justice				<u>245,307</u>	<u>-</u>
<u>DEPARTMENT OF TRANSPORTATION</u>					
Highway Planning and Construction Cluster:					
Highway Planning and Construction	20.205	Oregon Department of Transportation	33025	623,806	-
Federal Lands Access Program	20.224	Direct	6905672040006	24,005	-
				<u>647,811</u>	<u>-</u>
Formula Grants for Rural Areas Cluster:					
Formula Grants for Rural Areas	20.509	Oregon Department of Transportation	33427	170,711	170,711
Formula Grants for Rural Areas	20.509	Oregon Department of Transportation	34204	144,210	144,210
Formula Grants for Rural Areas	20.509	Oregon Department of Transportation	34417	105,498	105,498
				<u>420,419</u>	<u>420,419</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>DEPARTMENT OF TRANSPORTATION (continued)</u>					
Transit services programs					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Oregon Department of Transportation	33584	\$ 223,687	\$ 223,687
National Infrastructure Investments - Tiger IX Award	20.933	Direct	693JJ31940009	4,286,518	-
Total Department of Transportation				5,578,435	644,106
<u>DEPARTMENT OF THE TREASURY</u>					
Coronavirus Relief Fund	21.019	Oregon Department of Administrative Services	62000	5,842,535	3,759,933
Coronavirus Relief Fund	21.019	Oregon Health Authority	PE01-04, PE01-05	1,196,639	-
Coronavirus Relief Fund	21.019	Oregon Secretary of State	not available	38,976	-
Total Department of the Treasury				7,078,150	3,759,933
<u>GENERAL SERVICES ADMINISTRATION</u>					
Donation of Federal Surplus Personal Property	39.003	Oregon Department of Administrative Services	various	24,274	-
Total General Services Administration				24,274	-
<u>ELECTION ASSISTANCE COMMISSION</u>					
HAVA Election Security Funds	90.404	Oregon Secretary of State	not available	30,000	-
Total Election Assistance Commission				30,000	-

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Public Health Emergency Preparedness	93.069	Oregon Health Authority	PE12	\$ 100,069	\$ -
Immunization Cooperative Agreements	93.268	Oregon Health Authority	PE01-10,PE43-01,PE43-06	277,254	-
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	Oregon Health Authority	PE17, PE01-07,PE01-09	134,491	-
Block Grants for Community Mental Health Services	93.958	Oregon Health Authority	not available	91,255	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Oregon Health Authority	not available	230,592	-
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health Authority	PE42-11,PE42-12	55,323	-
Total Department of Health and Human Services				<u>888,984</u>	<u>-</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
Disaster Grants - Public Assistance	97.036	Oregon Military Department	36132	829,187	-
Emergency Management Performance Grant	97.042	Oregon Military Department	35094, 35104	197,369	-
Total Department of Homeland Security				<u>1,026,556</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 15,565,612</u>	<u>\$ 4,404,039</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, 2021

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, 2021.

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.