



**LINN COUNTY, OREGON
REISSUED
ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2022

Prepared by:

General Administration

William E. Palmer, CPA
Accounting Officer

LINN COUNTY, OREGON

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INTRODUCTORY SECTION

- Officers and Members of the Governing Body
- Organization Chart
- Letter of Transmittal
- Certificate of Achievement for Excellence in Financial Reporting

LINN COUNTY, OREGON
OFFICERS AND MEMEBERS OF THE GOVERNING BODY
June 30, 2022

Elected Officials

| <u>Name</u> | <u>Position</u> | <u>Term Expires</u> |
|--|-------------------------------------|---------------------|
| Roger Nyquist | Commissioner, Board Chairperson | December 2024 |
| William Tucker | Commissioner, Vice-Chairperson | December 2022 |
| Sherrie Sprenger | Commissioner | December 2024 |
| 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 |
| Michelle Duncan (appointed to fill term) | Sheriff | December 2022 |
| Tom Casey | Surveyor | December 2024 |
| Michelle Hawkins | Treasurer | December 2024 |

Administrative Officer

Darrin Lane

Registered Address

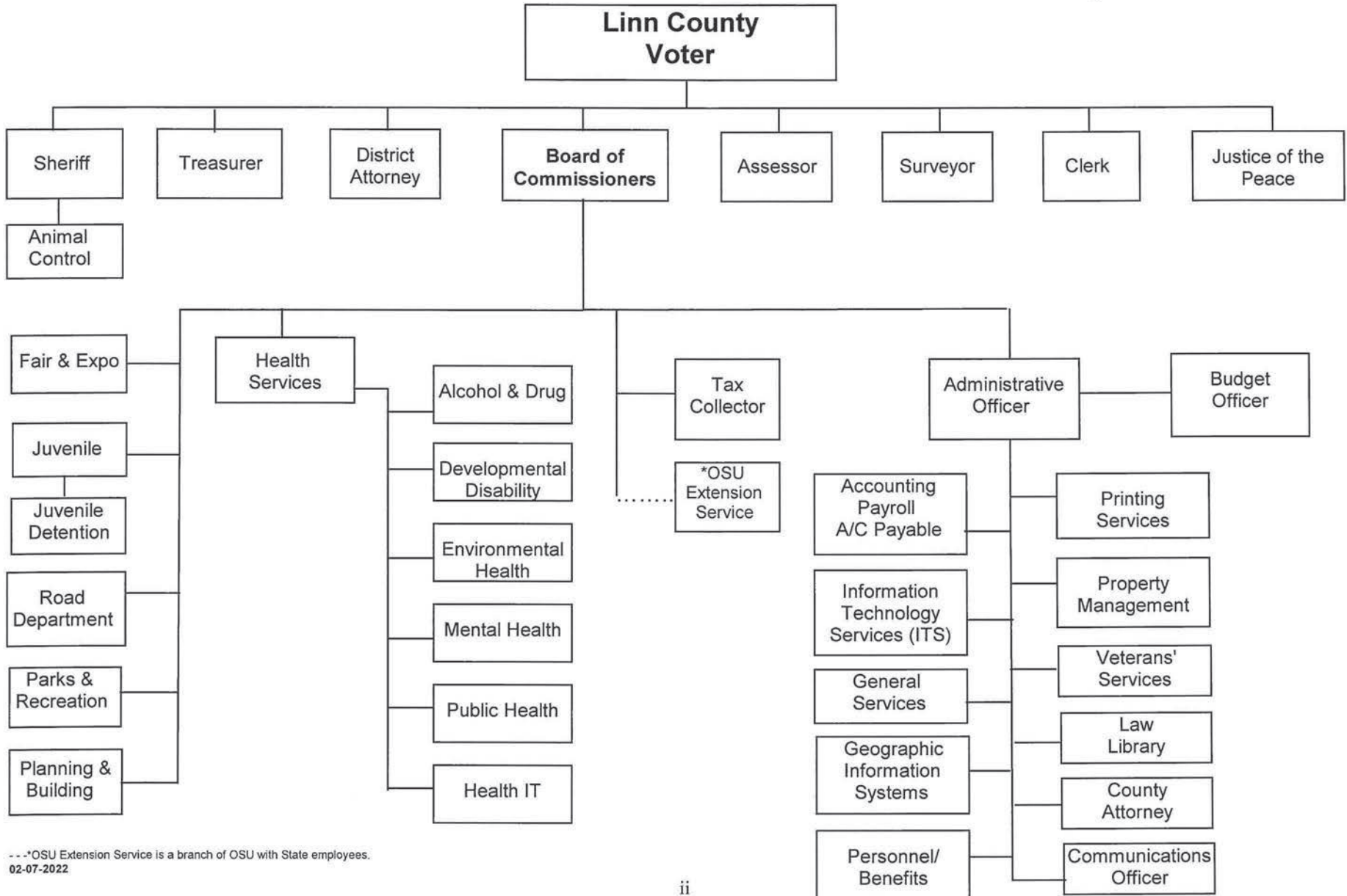
Linn County Courthouse
P.O. Box 100
Albany, Oregon 97321



LINN COUNTY, OREGON

Organization Chart

2-07-2022



--- *OSU Extension Service is a branch of OSU with State employees.
02-07-2022



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 1, 2022

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

To the Members of the Board of Commissioners
and the Citizens of Linn County, Oregon,

In accordance with Oregon Revised Statutes Title 28, Section 297.425, we are pleased to submit this Annual Financial Report of Linn County, Oregon for the fiscal year ending June 30, 2022. This report consists of management's representations concerning the finances of Linn County; consequently, management assumes full responsibility for the accuracy and reliability of the presented data, plus the completeness and fairness of its presentation, including all disclosures. As management, we assert, to the best of our knowledge and belief, that this report is complete and accurate in all material respects and is prepared in a manner designed to present fairly the financial position and results of the operations 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, that the 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.

Pauly, Rogers and Co., P.C., a firm of licensed certified public accountants have audited the County's financial statements, with the audit conducted in accordance with generally accepted auditing standards. The goal of the independent audit is to provide reasonable assurance that the County's financial statements for the fiscal year ending June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, 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 the County's financial statements for the fiscal year ending June 30, 2022 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. In accordance with GAAP, County management has provided a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A is located in the financial section of this report immediately following the independent auditor's report.

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 total area of 2,309 square miles of which 19 square miles is water. The County is home, per the Portland State Population Research Center, to an estimated July 1, 2021 population of 130,440. The County seat is Albany, the eleventh largest city in Oregon. Albany is located at the confluence of the Calapooia and Willamette rivers. The County is named in honor of Lewis F. Linn, a US Senator from Missouri who advocated the American settlement of the Oregon Country. There are 15 incorporated cities in Linn County.

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, serving staggered 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. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

PROFILE OF LINN COUNTY (continued)

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

- Law enforcement and jail operations
- Property assessment, taxation, and collection
- Elections, public records, and document recording
- Criminal prosecution and support enforcement
- Juvenile detention and supervision
- Planning and development; Surveyor
- Roads and bridges maintenance and construction
- Parks operations and maintenance
- Public and behavioral health services
- Veterans services
- Law library
- County fair and conference meeting space
- Dog licensing

The annual budget serves as the foundation for the County's financial planning and control. The County adheres to Oregon Local Budget Law in the preparation, adoption, and execution of the budget. To oversee the process, the Board of Commissioners appoints the Treasurer as the County's Budget Officer. Based on guidelines provided by the Board of Commissioners, all departments of the 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, consisting of the 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 levels at either by fund and category or by fund, department, then category, depending on the fund. Budget categories are personal services, materials & supplies, capital outlay, other requirements, and operating contingency. After adoption, elected officials and department heads may make transfers of appropriations between line items within a fund and category. However, transfers of appropriations between categories or departments require the approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. Linn County’s economic indicators, over the twelve-month period of this audit, reflect a local economy that is recovering from the effects of the past two years of dealing with the Covid-19 pandemic. The County’s unemployment dropped from 6.3% at June 30, 2021 to 4.0% at June 30, 2022. The State’s unemployment rate is 3.6% at June 30, 2022. According to the Oregon Employment Department, by June 2022 Oregon had regained 94% of jobs lost in the spring 2020. The latest Oregon Economic and Revenue Forecast, dated May 18, 2022, indicates that the economy continues to be strong. Jobs, income, spending, and production are all rising quickly. However, pessimism about the expansion is growing. Factors for this include, a negative first quarter GDP, rising gas prices, and global supply chain issues, that have caused increased prices of most household goods. The current rate of inflation is at highs not seen in decades thereby eroding household budgets.

Revenues and Expenditures. Linn County’s FY 21-22 revenues have continued to be very strong. Property tax collections are 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. Linn County received a direct allocation from the American Rescue Plan Act (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 County received the second tranche in June 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 (\$79,973,925; 56.01% of revenue; down 9.59%). State and Federal provided funds increased to \$39,420,496 (49.30% of intergovernmental revenue), and to \$36,068,939 (45.10% of intergovernmental revenue), respectively. A decrease in other intergovernmental sources accounts for the overall decrease in this revenue category.

The impacts on County property taxes (\$44,795,210 - 31.39% of revenue; up 4.21%) from Measure 5 and Measures 47/50 limits continue to constrain this revenue source with those limits continuing to have a negative impact even as growth (4.95%) in the County’s assessed property values remains strong. The County’s permanent tax rate is \$1.2736 per thousand of assessed value. The County’s Law Enforcement Levy (current rate of \$2.83 per thousand) is critical to the County’s revenue structure (\$30,476,174 - 68.04% of total property taxes). The voters of Linn County approved a new 4-year levy that will be effective July 1, 2022. The new rate approved is \$2.98 per thousand of assessed value. The Law Enforcement Levy’s net amount continues to be reduced (“compressed”) due to the Measure 5 limitations (by \$2,284,465 or 7.50% in the current year) but is easing with increasing property values.

The last major sector of County revenues; licenses, permits, fines & fees and charges for services categories (\$14,557,608 - 10.21% of revenue; up 24.36%) was up as the economy continues to improve. The overall outlook for County revenues is positive as total revenues over the next few years are expected to rebound as the economy continue to recover 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 7.18 % over the prior year, mainly due to the increased PERS rates over the prior year. Materials and services costs were up 22.51%, mainly due to dispersing of ARPA funds in the amount of \$10.3M during the year. Capital outlay spending was down 24.30%. Oregon Public Employees Retirement System (PERS) rates increased effective July 1, 2021, with an expected approximate \$1.6M increase to County costs. PERS rates are expected to continue to increase in the next biennium beginning July 1, 2023, with anticipated further rate increases in odd numbered years beyond then. MODA health insurance premiums increased 6.72% using full family PPO as the metric. Future health insurance costs continue to be an uncertainty given potential Federal and State legislative actions.

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 cause revenue changes for the County.

RELEVANT FINANCIAL POLICIES

Fund balances

The County does not have formal fund balance financial policies. For the past three years, the County’s General Fund fund balance as a percentage of General Fund total revenues has been:

| | |
|--------|---------|
| FY2022 | 8.70% |
| FY2021 | -1.97% |
| FY2020 | -38.89% |

The negative percentages are a result of interfund loans. In 2020 the General fund borrowed \$10,000,000 from the Road fund to purchase the Millersburg Intermodal site. Since that time, a large portion of that property was sold and this loan was paid down significantly.

Property taxes

The County participates in the State’s Enterprise Zone program for tax abatements. These zones incentivize new business development by temporarily abating local property taxes for a number of years. This participation promotes employment opportunities, business investment and economic competitiveness in our region.

MAJOR 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.

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 continued 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 operates 28 developed recreation facilities and over 588 camping sites across Linn County. During the year, Cascadia State Park was turned over to Linn County Parks to become Cascadia County Park. The Parks department has added Cascadia’s campsites, group camps, and day use areas to the Park system’s reservation system. With the advent of staffing shortages, more campsites, boat moorages, and other reservations throughout the Park system were moved to the Park’s online reservation system. In the current year some of the Parks improvements included; four new yurts added at Whitcomb creek, restroom vaults installed at Upper Whitcomb and Sunnyside, and Rocky top paved its parking lot and drilled a well for drinking water. Although Park department revenues are down approximately 10% compared to last fiscal year, overall revenues continue to exceed those seen pre-pandemic.

Programmed road and bridge improvements by the Road Department upgraded 66 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 was reversed on appeal in the Oregon Court of Appeals. The matter was concluded when the Oregon Supreme Court refused to hear the case.

AWARDS AND ACKNOWLEDGEMENTS

For the thirty-first 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, 2021. 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 this ACFR will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated services of the Treasurer and staff 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

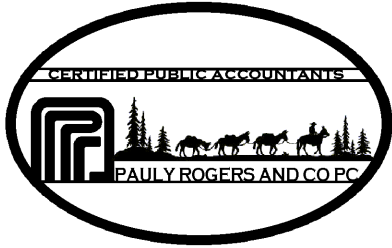
Linn County Government Oregon

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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

December 13, 2023

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Linn County
Albany, Oregon

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, general road fund, law enforcement 4-year levy fund, health services fund, and general grants fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Linn County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of a Matter

It was discovered after the report issuance for the fiscal year ended June 30, 2022 that the schedule of federal expenditures were materially misstated due to under-reporting of a grant. This report reissues the June 30, 2022 financial statements and replaces the report dated December 1, 2022. The report dated December 1, 2022 is withdrawn and should not be relied on. A finding was added to the Schedule of Findings and Questioned Costs to address the misstatement noted as SA2022-01. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as noted in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards, 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with 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 expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the introductory, statistical, and the compliance and other reports sections, as listed in the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2023 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 that report 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 the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering 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, 2023, 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, 2022. 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, 2022 by \$235,813,191 (*net position*). Of this amount, \$236,989,583 is the net investment in capital and leased assets; \$43,120,596 is restricted for specific purposes and (\$44,296,988) is unrestricted.
- The government's total net position increased by \$21,303,528 year over year, primarily due to the County decreasing its spending in the major functions of Public Safety, Health Services, and Roads during the year.
- The County's governmental funds reported combined ending fund balances of \$75,725,458, an increase of \$15,245,522 in comparison with the prior year, with \$73,554,520 of this total amount, or 97.14%, *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 is \$3,107,138. This balance is now positive as additional cash funds have been received, expenses are curtailed, and interfund loan balances continue to be paid down. Loan balances at the end of the year are as follows:

| Date | Original amount borrowed | Principal Remaining | Purpose |
|---------|-----------------------------|------------------------|---|
| 2014-15 | 950,000 | 95,855 | Property and building - Linn County 4-H and Extension service office. |
| | 1,750,000 | 561,841 | Purchase of the Albany police station, and land adjacent to the fair and expo center. |
| 2017-18 | 750,000 | 317,925 | Building improvements. (APD building) |
| 2019-20 | 10,000,000 | 4,000,000 | Millersburg property - Intermodel project |
| | | <u>\$ 4,975,621</u> | Outstanding principal |

The entire outstanding interfund loan principal of \$4,975,621 is all owed by the general fund to the roads fund, with each loan being repaid over a ten year period. Linn County has no general obligation bond debt as of June 30, 2022.

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 through 3 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 13 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 8 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 88.

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 4 through 30 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 various insurance coverage premiums as well as 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 Internal service fund of Linn County.

The proprietary fund financial statements can be found on pages 31 through 33 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 pages 34 and 35 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 36 through 81 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 82 of this report.

Additional RSI schedules are on pages 83-87 of the report, and are:

- Schedule of Changes in Total Other Post Employment Benefit (OPEB) Liability and related Ratios - Healthcare,
- Schedule of the Proportional Share of the Net OPEB Liability (Asset) – Retiree Health Insurance Account (RHIA),
- Schedule of OPEB contributions – 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 88 through 98 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 \$235,813,191 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 \$21,303,528 during the current fiscal year as shown below. This is due to an overall net increase in governmental activities during the year.

Linn County Net Position

| | Governmental Activities | |
|---|-------------------------|-----------------------|
| | 2022 | 2021 |
| Assets | | |
| Current and other assets | \$ 88,024,407 | \$ 73,107,945 |
| Lease receivable | 8,122,613 | - |
| OPEB asset - RHIA | 1,145,544 | 290,217 |
| Lease assets, net | 584,738 | - |
| Capital assets | 236,977,766 | 232,565,188 |
| Total assets | <u>334,855,068</u> | <u>305,963,350</u> |
| Deferred outflows (pension & OPEB) | <u>28,947,189</u> | <u>30,956,659</u> |
| Total assets and deferred outflows | <u>363,802,257</u> | <u>336,920,009</u> |
| Liabilities | | |
| Current and other liabilities | 10,154,243 | 10,384,938 |
| Net pension and OPEB liabilities | 58,077,183 | 100,630,649 |
| Lease payable | 572,921 | - |
| Compensated absences | 5,029,894 | 5,111,295 |
| Total liabilities | <u>73,834,241</u> | <u>116,126,882</u> |
| Deferred inflows (pension and OPEB) | <u>54,154,825</u> | <u>6,283,464</u> |
| Total liabilities and deferred inflows | <u>127,989,066</u> | <u>122,410,346</u> |
| Net Position | | |
| Net investment in capital and leased assets | 236,989,583 | 232,565,188 |
| Restricted | 43,120,596 | 34,868,381 |
| Unrestricted | <u>(44,296,988)</u> | <u>(52,923,906)</u> |
| Total net position | <u>\$ 235,813,191</u> | <u>\$ 214,509,663</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

Governmental activities during the year increased Linn County's net position by \$21,303,528. Key elements of this change are as follows:

Linn County's Changes in Net Position

| | Governmental Activities | |
|--|-------------------------|-----------------------|
| | 2022 | 2021 |
| Revenues | | |
| Program | | |
| Charges for services | \$ 15,230,678 | \$ 11,950,453 |
| Operating grants and contributions | 74,976,830 | 82,738,282 |
| General | | |
| Property taxes | 44,120,810 | 42,842,460 |
| Grants and contributions not restricted to specific programs | 4,925,540 | 5,435,422 |
| Other | 3,331,928 | 11,197,258 |
| Total revenues | <u>142,585,786</u> | <u>154,163,875</u> |
| Expenses | | |
| General government | 23,096,029 | 24,738,218 |
| Local government services | 6,017,295 | 6,270,566 |
| Public safety | 42,240,723 | 47,088,846 |
| Health services | 26,809,817 | 29,406,481 |
| Community development | 9,516,065 | 9,120,976 |
| Highways and streets | 13,602,329 | 12,960,445 |
| Total expenses | <u>121,282,258</u> | <u>129,585,532</u> |
| Increase (decrease) in net position | 21,303,528 | 24,578,343 |
| Net position - beginning of the year | 214,509,663 | 190,273,485 |
| Beginning net position adjustment | - | (342,165) |
| Net position - end of the year | <u>\$ 235,813,191</u> | <u>\$ 214,509,663</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

- Total revenues decreased by (\$11,578,089) over the prior fiscal year. This decrease (7.51%) was primarily due to a large property sale in the prior year (\$10M), plus a decrease in intergovernmental grants in the current year.
- Overall, Countywide expenses decreased by (\$8,303,528) from the previous year. This decrease (6.41%) occurred in all expense functions except Community development and Highways and streets. The largest decrease occurred in function Public safety.

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 \$75,725,458, an increase of \$15,245,522 compared to the prior year. The bulk of the increase is due mostly to under spending budgeted expenditures in materials and services and capital outlay functions. Of this total fund balance amount, \$70,447,382 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 \$3,107,138; turning a deficit balance in the prior year to a positive balance with a \$3,854,928 increase in fund balance from current year activity.

Key factors in this change are as follows:

- Overall revenue in the General fund decreased by (\$2,237,029) from \$37,943,237 in the prior year to \$35,706,208 in the current year with the mix of revenue categories similar to last year. The increase in property taxes, charges for services, and miscellaneous revenues was \$3,405,588 while all other revenue categories decreased. The largest revenue drop was in the category intergovernmental, which dropped (\$4,950,886). This reflects covid related funding winding down from state and federal sources.
- Expenditures in the General fund increased overall by \$934,042. This change is the result of the various functional expense categories going both up and down as compared to 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 owed by the General Fund continue to drop, with \$1,521,923 paid in the current year. The outstanding interfund loan balance is now \$4,975,621 at June 30, 2022.

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 \$24,185,415 at year-end. This balance increased by \$405,922 during the year mainly due to a decrease 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, at a rate of \$2.83 per thousand of assessed value. The voters approved another four-year local option levy in November 2021, which will take effect July 1, 2022. This new levy will be at a rate of \$2.98 per thousand of assessed value. Expenditures are primarily for continuing law enforcement (sheriff, district attorney, and juvenile). The ending fund balance of \$6,382,605 increased by \$1,411,712 over the prior year due to results from current operations. The LE fund property tax revenue increased by \$1,995,946, from \$28,480,228 in the prior year, to \$30,476,174 in the current year. The effect on property tax revenue was significantly reduced (\$2,284,465) due to compression of the overall property tax ceiling imposed by Measure 5. Expenditures increased by \$2,208,454 from \$26,302,688 in the prior year to \$28,511,142 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 \$17,528,197 represents an increase of \$4,912,658 from the prior year. In the current year, overall revenues increased by \$770,913 from \$33,620,478 in the prior year, to \$34,391,391 in the current year. In addition, expenditures increased by \$964,694 from \$26,369,780 in the prior year to \$27,334,474 in the current year. This increase in spending was in personal 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 \$22,516,445 represents an increase of \$4,895,630 from the prior year. Whereas overall revenues decreased, actual expenditures were less than half of what was budgeted, accounting for the increase in fund balance.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Funds Financial Analysis (continued)

Proprietary fund (Internal Service fund): Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Linn County uses its internal service fund to account for its unemployment insurance claims, and all County insurance policies, including general liability, auto, property, and others. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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 \$820,096 more than anticipated and actual expenditures were \$6,775,198 less than appropriations, demonstrating a generally prudent spending policy. Overall, personal service expenditures were \$1,650,969 under budget, material and services were \$3,581,934 under budget, and capital outlay was \$1,542,295 under budget.

Capital Assets, Leased Assets, and Debt Administration

Capital and leased assets: Linn County's investment in capital and leased assets for its governmental type activities as of June 30, 2022 amounted to \$236,989,583 (net of accumulated depreciation and amortization) and includes land, buildings, machinery, equipment, leased assets, 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 \$4,424,395 to its capital and leased assets, net of retirements, adjustments, and current year depreciation.

Major capital asset events during the fiscal year include:

- \$596,264 of County leased assets were capitalized as a result of implementing GASB 87.
- \$7,102,327 capitalized by the Road department for Bridge infrastructure projects.
- \$632,519 capitalized by the Road department for equipment.
- \$1,031,779 capitalized by the Sheriff's department for vehicles and equipment.
- \$708,764 capitalized by the Parks department for Buildings and park improvements.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Capital Assets, Leased Assets, and Debt Administration (continued)

The County’s capital and leased assets are as follows:

Linn County's Capital and Leased Assets, net

| | Governmental Activities | |
|--|-------------------------|-----------------------|
| | 2022 | 2021 |
| Land | \$ 21,396,463 | \$ 21,396,463 |
| Buildings and improvements, net | 34,566,646 | 34,952,540 |
| Equipment, net | 15,290,998 | 14,803,342 |
| Infrastructure, net | 155,194,479 | 152,136,014 |
| Intangibles | 2,049,968 | 2,491,431 |
| Construction in progress | 8,479,212 | 6,785,398 |
| Lease assets, net (also net of related debt) | 11,817 | - |
| Totals | <u>\$ 236,989,583</u> | <u>\$ 232,565,188</u> |

The latest pavement inspection occurred in 2022 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 2020 inspection.

Arterial roads weighted average PCI in 2022 was 76.6 compared to 83.2 in 2020; collector roads weighted average PCI in 2022 was 78.5 compared to 80.9 in 2020, and residential/local roads weighted average PCI in 2022 was 76.4 compared to 78.5 in 2020.

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 summer 2024.

The current weighted average assessed condition of 77.2 compares favorably 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 55 and 56 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 \$234,880,799. (See page 111 of this report).

Economic Factors

At June 30, 2022, the seasonally adjusted unemployment rate for Linn County was 4.0 percent. This rate has improved markedly from the 6.3 percent rate last year, and dramatically from the 13.5 percent rate two years ago. The 4.0 rate is slightly higher than the State of Oregon as a whole at 3.6 percent, and nationally which was also at a 3.6 percent unemployment rate at June 30th. In Oregon today and across most of the country employment is above the pre-pandemic employment levels of early 2020. Even so, the labor participation rate in Oregon has dropped to historically low levels, which resemble the overall national trend.

The 2022 Oregon State legislative short session concluded March 4, 2022. After weeks of slow progress, Oregon lawmakers ended their month long session at hyper speed and concluded three days early. Over 130 plus bills were passed during this session. The session managed to add nearly \$2.7 billion in spending to the budget passed last year, and numerous bills were passed that put millions of dollars toward housing, homelessness, mental health care, child care, and other pressing issues facing the state.

The latest Oregon Economic and Revenue Forecast, dated May 18, 2022, indicates that the economy continues to be strong. Jobs, income, spending, and production are all rising quickly. However, pessimism about the expansion is growing. Factors for this include, a negative first quarter GDP, rising gas prices, and global supply chain issues, that have caused increased prices of most household goods. The current rate of inflation is at highs not seen in decades thereby eroding household budgets.

Even with this pessimism, the US economy is expected to push through. The factors noted above are seen as temporary issues that will fade. Consumer spending and business investment have accelerated in recent quarters, and jobs and income are expected to continue to grow. Inflation should slow due to the combination of higher interest rates, cooling of the price of goods, and the moderating of household finances.

The 2022 personal income tax filing season in Oregon has been shocking. Tax payments rose sharply, even beyond last year's strong showing even with the payment of a large kicker credit. The surge in tax collections was not unique to Oregon, with all states that depend upon income taxes seeing collections outstrip projections. Across states, high-income tax filers have accounted for much of the growth in personal income tax revenues. Oregon's revenue gains are pronounced with tax season payments coming in more than 70% larger than last year. The typical state has seen around half this rate of growth.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Economic Factors (continued)

In summary, the unexpected revenue growth seen by Oregon this year has left unprecedented balances this biennium that will be followed by a record kicker in 2023-25. Personal and corporate kickers will be paid out in the spring of 2024. Even after the kickers, net resources for the 2023-25 biennium are expected to increase substantially relative to what was forecast.

- See the letter of transmittal for additional economic factors.

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, 2022

| <u>ASSETS</u> | <u>Governmental Activities</u> |
|---|------------------------------------|
| Cash and investments | \$ 80,596,496 |
| Receivables, net | 2,909,428 |
| Due from other governments | 2,231,037 |
| Lease receivable | 8,122,613 |
| Inventories | 2,170,938 |
| Investment in joint venture | 116,508 |
| Net other postemployment benefit asset | 1,145,544 |
| Lease assets, net | 584,738 |
| Capital assets: | |
| Land, infrastructure, and construction in progress, not being depreciated | 147,690,260 |
| Other capital assets, net | <u>89,287,506</u> |
| TOTAL ASSETS | <u>334,855,068</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Pension related items | 28,122,695 |
| Other postemployment benefit related items | <u>824,494</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>28,947,189</u> |

See notes to basic financial statements
Statement continued on next page

STATEMENT OF NET POSITION (Continued)

| | Governmental Activities |
|--|----------------------------|
| <u>LIABILITIES</u> | |
| Accounts payable | \$ 1,617,434 |
| Due to other governments | 94,114 |
| Accrued payroll, payroll taxes and benefits | 8,094,297 |
| Claims liability | 348,398 |
| Long-term obligations: | |
| Due within one year: | |
| Compensated absences | 3,662,640 |
| Lease payable | 192,201 |
| Due in more than one year: | |
| Proportionate share of net pension liability | 55,677,709 |
| Other postemployment benefit liability | 2,399,474 |
| Compensated absences | 1,367,254 |
| Lease payable | 380,720 |
| TOTAL LIABILITIES | <u>73,834,241</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Pension related items | 44,794,131 |
| Other postemployment benefit related items | 1,303,193 |
| Deferred lease resources | <u>8,057,501</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>54,154,825</u> |
| <u>NET POSITION</u> | |
| Net investment in capital and leased assets | 236,989,583 |
| Restricted for: | |
| Highways and streets | 19,209,794 |
| Law enforcement 4-year levy | 6,382,605 |
| Health services | 17,528,197 |
| Unrestricted | <u>(44,296,988)</u> |
| TOTAL NET POSITION | <u>\$ 235,813,191</u> |

LINN COUNTY, OREGON

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022**

| 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 | \$ 23,087,414 | \$ 3,888,043 | \$ 19,129,031 | \$ (70,340) |
| Local government services | 6,017,295 | 1,942,905 | 2,050,201 | (2,024,189) |
| Public safety | 42,240,723 | 2,270,662 | 7,057,097 | (32,912,964) |
| Health services | 26,809,817 | 1,541,977 | 27,675,465 | 2,407,625 |
| Community development | 9,516,065 | 5,336,353 | 1,239,663 | (2,940,049) |
| Highways and streets | 13,602,329 | 250,738 | 17,825,373 | 4,473,782 |
| Interest on long-term debt | 8,615 | - | - | (8,615) |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 121,282,258 | \$ 15,230,678 | \$ 74,976,830 | (31,074,750) |
| General revenues: | | | | |
| Property taxes levied for: | | | | |
| General purposes | | | | 44,120,810 |
| Grants and contributions not restricted to specific programs | | | | 4,925,540 |
| Interest and investment earnings | | | | (255,648) |
| Miscellaneous | | | | 3,587,576 |
| TOTAL GENERAL REVENUES | | | | 52,378,278 |
| CHANGE IN NET POSITION | | | | 21,303,528 |
| NET POSITION - Beginning of year | | | | 214,509,663 |
| NET POSITION - End of year | | | | \$ 235,813,191 |

See notes to basic financial statements

LINN COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2022

| | General | General Road | Law Enforcement 4-Year Levy | Health Services | General Grants | Total Nonmajor Funds | Total Governmental Funds |
|---|----------------------|----------------------|-----------------------------------|----------------------|----------------------|----------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 10,653,282 | \$ 18,275,730 | \$ 8,027,154 | \$ 18,535,964 | \$ 22,200,527 | \$ 1,903,226 | \$ 79,595,883 |
| Receivables, net | 594,039 | 33,462 | 1,142,237 | 1,077,494 | 62,196 | - | 2,909,428 |
| Due from other governments, net | 914,107 | 52,098 | - | 451,345 | 686,886 | 126,601 | 2,231,037 |
| Due from other funds | 41,749 | 1,781 | - | 48,865 | 1,500 | - | 93,895 |
| Leases receivable | 8,122,613 | - | - | - | - | - | 8,122,613 |
| Advances to other funds | - | 4,975,621 | - | - | - | - | 4,975,621 |
| Inventories | - | 2,170,938 | - | - | - | - | 2,170,938 |
| TOTAL ASSETS | \$ 20,325,790 | \$ 25,509,630 | \$ 9,169,391 | \$ 20,113,668 | \$ 22,951,109 | \$ 2,029,827 | \$ 100,099,415 |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 452,752 | \$ 536,514 | \$ 96,019 | \$ 198,825 | \$ 315,523 | \$ 17,801 | \$ 1,617,434 |
| Due to other governments | 44,600 | 36,406 | - | - | 1,232 | 67 | 82,305 |
| Due to other funds | 59,735 | 13,524 | 49,216 | 26,521 | 1,409 | 290 | 150,695 |
| Advances from other funds | 4,975,621 | - | - | - | - | - | 4,975,621 |
| Unearned revenue | 2,561 | 15,815 | 1,878 | 441,956 | 10,770 | - | 472,980 |
| Accrued payroll, payroll taxes and benefits | 3,310,135 | 721,956 | 2,032,296 | 1,918,169 | 105,730 | 6,011 | 8,094,297 |
| TOTAL LIABILITIES | \$ 8,845,404 | \$ 1,324,215 | \$ 2,179,409 | \$ 2,585,471 | 434,664 | \$ 24,169 | \$ 15,393,332 |

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 - property taxes | \$ 315,747 | \$ - | \$ 607,377 | \$ - | \$ - | \$ - | \$ 923,124 |
| Unavailable revenue - leases | 8,057,501 | - | - | - | - | - | 8,057,501 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 8,373,248 | - | 607,377 | - | - | - | 8,980,625 |
| <u>FUND BALANCES</u> | | | | | | | |
| Non spendable: | | | | | | | |
| Inventories | - | 2,170,938 | - | - | - | - | 2,170,938 |
| Restricted for: | | | | | | | |
| Roads | - | 17,038,856 | - | - | - | - | 17,038,856 |
| Law Enforcement Levy | - | - | 6,382,605 | - | - | - | 6,382,605 |
| Health Services | - | - | - | 17,528,197 | - | - | 17,528,197 |
| Grants/ nonmajor funds | - | - | - | - | 22,516,445 | 2,005,658 | 24,522,103 |
| Committed to: | | | | | | | |
| Interfund loan commitments | - | 4,975,621 | - | - | - | - | 4,975,621 |
| Unassigned | 3,107,138 | - | - | - | - | - | 3,107,138 |
| TOTAL FUND BALANCES | 3,107,138 | 24,185,415 | 6,382,605 | 17,528,197 | 22,516,445 | 2,005,658 | 75,725,458 |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE | \$ 20,325,790 | \$ 25,509,630 | \$ 9,169,391 | \$20,113,668 | \$ 22,951,109 | \$ 2,029,827 | \$ 100,099,415 |

LINN COUNTY, OREGON

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

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

| | | |
|--|---------------------|-----------------------|
| Total fund balances - governmental funds | | \$ 75,725,458 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | |
| Capital assets | 294,541,944 | |
| Less: accumulated depreciation | <u>(57,564,178)</u> | 236,977,766 |
| Lease assets and related financing are not financial resources and therefore are not reported in the government funds, as follows: | | |
| Lease assets | 584,738 | |
| Lease payable | <u>(572,921)</u> | 11,817 |
| The investment in joint venture is not a financial resource and, therefore, is not reported in the funds. | | 116,508 |
| 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: | | |
| Other post employment benefit asset | 1,145,544 | |
| Pension deferred outflows of resources | 28,122,695 | |
| Other postemployment benefit deferred outflows of resources | 824,494 | |
| Net pension liability | (55,677,709) | |
| Other postemployment benefit liability | (2,399,474) | |
| Pension deferred inflows of resources | (44,794,131) | |
| Other postemployment benefit deferred inflows of resources | <u>(1,303,193)</u> | (74,081,774) |
| Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds. | | (5,029,894) |
| Certain long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. | | 1,396,104 |
| 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>697,206</u> |
| Net position of governmental activities | | <u>\$ 235,813,191</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, 2022

| | General | General Road | Law Enforcement 4-Year Levy | Health Services | General Grants | Total Nonmajor Funds | Total Governmental Funds |
|---|-------------------|-------------------|-----------------------------|--------------------|-------------------|----------------------|--------------------------|
| REVENUES | | | | | | | |
| Property taxes | \$ 14,319,036 | \$ - | \$ 30,476,174 | \$ - | \$ - | \$ - | \$ 44,795,210 |
| Intergovernmental | 9,867,151 | 18,714,127 | - | 29,795,737 | 19,584,803 | 2,012,107 | 79,973,925 |
| Charges for services | 6,133,538 | 131,103 | - | 791,977 | 1,016,203 | 397,488 | 8,470,309 |
| Licenses, permits, fines and fees | 4,444,144 | 9,613 | - | 1,368,765 | 182,152 | 82,625 | 6,087,299 |
| Interest and investments | (7,716) | (47,833) | (14,206) | (62,393) | (136,181) | (2,753) | (271,082) |
| Interest, interfund loan | - | 107,571 | - | 10,741 | - | - | 118,312 |
| Miscellaneous | 950,055 | 59,545 | - | 2,486,564 | 21,495 | 9,951 | 3,527,610 |
| TOTAL REVENUES | 35,706,208 | 18,974,126 | 30,461,968 | 34,391,391 | 20,668,472 | 2,499,418 | 142,701,583 |
| EXPENDITURES | | | | | | | |
| General administration and support | 10,223,051 | - | - | - | 12,683,567 | - | 22,906,618 |
| Local government services | 4,440,822 | - | - | - | - | - | 4,440,822 |
| Public safety | 13,484,796 | - | 26,946,928 | - | 1,428,741 | 254,529 | 42,114,994 |
| Health services | - | - | - | 26,962,734 | - | - | 26,962,734 |
| Community development | 7,938,402 | - | - | - | 796,165 | 321,184 | 9,055,751 |
| Highways and streets | - | 12,117,939 | - | - | - | - | 12,117,939 |
| Apportionments to school districts | - | - | - | - | - | 1,592,381 | 1,592,381 |
| Debt service | 48,555 | - | 128,419 | 9,653 | - | - | 186,627 |
| Capital outlay-Leases | 244,915 | - | 427,026 | 90,552 | - | - | 762,493 |
| Capital outlay | 460,951 | 5,798,435 | 1,008,769 | 271,535 | 24,653 | 455,472 | 8,019,815 |
| Interfund loan interest expense | 118,312 | - | - | - | - | - | 118,312 |
| TOTAL EXPENDITURES | 36,959,804 | 17,916,374 | 28,511,142 | 27,334,474 | 14,933,126 | 2,623,566 | 128,278,486 |
| Excess (deficiency) of revenues over expenditures | (1,253,596) | 1,057,752 | 1,950,826 | 7,056,917 | 5,735,346 | (124,148) | 14,423,097 |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of capital assets | 15,144 | 39,788 | - | - | 5,000 | - | 59,932 |
| Lease financing | 244,915 | - | 427,026 | 90,552 | - | - | 762,493 |
| Transfers in | 5,721,511 | - | - | 523,335 | 232,122 | 289,711 | 6,766,679 |
| Transfers out | (873,046) | (691,618) | (966,140) | (2,758,146) | (1,076,838) | (400,891) | (6,766,679) |
| TOTAL OTHER FINANCING SOURCES (USES) | 5,108,524 | (651,830) | (539,114) | (2,144,259) | (839,716) | (111,180) | 822,425 |
| Net change in fund balances | 3,854,928 | 405,922 | 1,411,712 | 4,912,658 | 4,895,630 | (235,328) | 15,245,522 |
| Fund balances (deficit) at beginning of year | (747,790) | 23,779,493 | 4,970,893 | 12,615,539 | 17,620,815 | 2,240,986 | 60,479,936 |
| Fund balances (deficit) at end of year | \$ 3,107,138 | \$ 24,185,415 | \$ 6,382,605 | \$ 17,528,197 | \$ 22,516,445 | \$ 2,005,658 | \$ 75,725,458 |

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, 2022

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

| | | |
|---|--------------------|----------------------|
| Net change in fund balances - total governmental funds | | \$ 15,245,522 |
| 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 | 8,488,949 | |
| Less current year depreciation | <u>(4,025,333)</u> | 4,463,616 |
| Governmental funds report lease financing as expenditures, whereas in the Statement of Activities leases are shown as assets along with a lease financing liability. The effect of this difference is: | | |
| Principal applied to leases payable | 189,572 | |
| Amortization of lease assets | (166,229) | |
| Disposal of leased asset on lease termination | <u>(11,526)</u> | 11,817 |
| 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 net book value of capital assets sold. | | (51,038) |
| 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 deferred revenue items. | | (690,367) |
| 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) decrease in compensated absences | | 81,401 |
| (Increase) decrease to changes in Pension and OPEB accounts, net | | 1,585,463 |
| 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. | | 680,411 |
| The change in investment in joint venture is not recorded in the fund statements | | <u>(23,297)</u> |
| Change in net position of governmental activities | | <u>\$ 21,303,528</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, 2022

| | Budget | | Actual | Variance |
|--------------------------------------|-------------------|-------------------|-------------------|----------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property taxes | \$ 13,856,827 | \$ 13,856,827 | \$ 14,135,577 | \$ 278,750 |
| Intergovernmental | 11,442,644 | 11,460,644 | 10,470,495 | (990,149) |
| Charges for services | 4,856,529 | 4,856,529 | 6,133,538 | 1,277,009 |
| Licenses, permits, fines and fees | 4,428,605 | 4,458,605 | 4,485,066 | 26,461 |
| Interest earnings | 38,000 | 38,000 | 42,970 | 4,970 |
| Miscellaneous | 684,961 | 684,961 | 914,830 | 229,869 |
| Interdepartmental transfers in | 463,970 | 463,970 | 457,156 | (6,814) |
| TOTAL REVENUES | <u>35,771,536</u> | <u>35,819,536</u> | <u>36,639,632</u> | <u>820,096</u> |
| EXPENDITURES | | | | |
| Commissioners | | | | |
| Personal services | 565,135 | 565,135 | 529,976 | 35,159 |
| Materials and services | 14,395 | 14,395 | 13,296 | 1,099 |
| Total Commissioners | <u>579,530</u> | <u>579,530</u> | <u>543,272</u> | <u>36,258</u> |
| Assessment and Taxation | | | | |
| Personal services | 2,427,186 | 2,427,186 | 2,377,283 | 49,903 |
| Materials and services | 261,600 | 261,600 | 223,675 | 37,925 |
| Capital outlay | 5 | 5 | - | 5 |
| Total Assessment and Taxation | <u>2,688,791</u> | <u>2,688,791</u> | <u>2,600,958</u> | <u>87,833</u> |
| Clerk | | | | |
| Personal services | 1,320,435 | 1,320,435 | 1,154,177 | 166,258 |
| Materials and services | 399,580 | 399,580 | 333,685 | 65,895 |
| Capital outlay | 60,641 | 60,641 | 24,728 | 35,913 |
| Total Clerk | <u>1,780,656</u> | <u>1,780,656</u> | <u>1,512,590</u> | <u>268,066</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 | \$ 371,601 | \$ 373,101 | \$ 373,095 | \$ 6 |
| Materials and services | 15,670 | 15,670 | 15,670 | - |
| Total Treasurer | 387,271 | 388,771 | 388,765 | 6 |
| Surveyor | | | | |
| Personal services | 848,403 | 848,403 | 641,426 | 206,977 |
| Materials and services | 17,776 | 17,776 | 10,196 | 7,580 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Surveyor | 866,180 | 866,180 | 651,622 | 214,558 |
| Veterans' Services | | | | |
| Personal services | 401,302 | 401,302 | 338,938 | 62,364 |
| Materials and services | 98,691 | 61,464 | 47,951 | 13,513 |
| Capital outlay | - | 50,000 | 49,621 | 379 |
| Total Veterans' Services | 499,993 | 512,766 | 436,510 | 76,256 |
| Planning & Building | | | | |
| Personal services | 1,859,249 | 1,859,249 | 1,763,830 | 95,419 |
| Materials and services | 237,600 | 237,600 | 145,849 | 91,751 |
| Capital outlay | 25,005 | 25,005 | 24,600 | 405 |
| Total Planning & Building | 2,121,854 | 2,121,854 | 1,934,279 | 187,575 |
| Parks and Recreation | | | | |
| Personal services | 1,715,118 | 1,715,118 | 1,658,926 | 56,192 |
| Materials and services | 950,400 | 950,400 | 924,659 | 25,741 |
| Capital outlay | 506,511 | 506,511 | 506,500 | 11 |
| Total Parks and Recreation | 3,172,029 | 3,172,029 | 3,090,085 | 81,944 |

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 | \$ 27,396 | \$ 27,396 | \$ 26,958 | \$ 438 |
| Materials and services | 25,950 | 25,950 | 23,795 | 2,155 |
| Capital outlay | 20,000 | 20,000 | - | 20,000 |
| Total Historical | 73,346 | 73,346 | 50,753 | 22,593 |
| Sheriff - Support Services | | | | |
| Personal services | 1,040,010 | 1,328,524 | 1,324,960 | 3,564 |
| Materials and services | 866,933 | 866,933 | 853,214 | 13,719 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Sheriff - Support Services | 1,906,944 | 2,195,458 | 2,178,174 | 17,284 |
| Sheriff - 911 Emergency Communication | | | | |
| Personal services | 2,425,217 | 2,261,703 | 2,259,419 | 2,284 |
| Materials and services | 287,222 | 231,222 | 189,727 | 41,495 |
| Capital outlay | 2 | 2 | - | 2 |
| Total Sheriff - 911 Emergency Communication | 2,712,441 | 2,492,927 | 2,449,146 | 43,781 |
| Sheriff - Civil | | | | |
| Personal services | 1,449,172 | 1,440,172 | 1,428,078 | 12,094 |
| Materials and services | 75,790 | 105,790 | 67,449 | 38,341 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Sheriff - Civil | 1,524,963 | 1,545,963 | 1,495,527 | 50,436 |
| Sheriff - Criminal | | | | |
| Personal services | 2,158,365 | 2,038,365 | 2,012,371 | 25,994 |
| Materials and services | 47,973 | 47,973 | 12,588 | 35,385 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Sheriff - Criminal | 2,206,339 | 2,086,339 | 2,024,959 | 61,380 |

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 | \$ 581,430 | \$ 581,430 | \$ 486,037 | \$ 95,393 |
| Materials and services | 440,050 | 440,050 | 404,187 | 35,863 |
| Capital outlay | 5 | 5 | - | 5 |
| | <u>1,021,485</u> | <u>1,021,485</u> | <u>890,224</u> | <u>131,261</u> |
| Total Justice Court - Central Linn | | | | |
| District Attorney | | | | |
| Personal services | 1,226,882 | 1,226,882 | 1,028,560 | 198,322 |
| Materials and services | 480 | 480 | 480 | - |
| | <u>1,227,362</u> | <u>1,227,362</u> | <u>1,029,040</u> | <u>198,322</u> |
| Total District Attorney | | | | |
| Medical Examiner | | | | |
| Personal services | 159,175 | 189,175 | 137,104 | 52,071 |
| Materials and services | 17,200 | 17,200 | 11,194 | 6,006 |
| | <u>176,375</u> | <u>206,375</u> | <u>148,298</u> | <u>58,077</u> |
| Total Medical Examiner | | | | |
| Juvenile | | | | |
| Personal services | 767,365 | 767,365 | 718,841 | 48,524 |
| Materials and services | 69,458 | 69,458 | 51,811 | 17,647 |
| | <u>836,823</u> | <u>836,823</u> | <u>770,652</u> | <u>66,171</u> |
| Total Juvenile | | | | |
| Sheriff - Corrections | | | | |
| Personal services | 1,578,105 | 1,658,105 | 1,645,172 | 12,933 |
| Materials and services | 218,097 | 218,097 | 190,495 | 27,602 |
| | <u>1,796,202</u> | <u>1,876,202</u> | <u>1,835,667</u> | <u>40,535</u> |
| Total Sheriff - Corrections | | | | |
| Sheriff - Animal control | | | | |
| Personal services | 627,763 | 607,763 | 577,803 | 29,960 |
| Materials and services | 82,580 | 82,580 | 68,741 | 13,839 |
| Capital outlay | 2 | 2 | - | 2 |
| | <u>710,345</u> | <u>690,345</u> | <u>646,544</u> | <u>43,801</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 | \$ 1,233,360 | \$ 1,233,360 | \$ 1,191,966 | \$ 41,394 |
| Materials and services | 197,616 | 197,616 | 130,700 | 66,916 |
| Capital outlay | 3 | 3 | - | 3 |
| Total General Administration | <u>1,430,979</u> | <u>1,430,979</u> | <u>1,322,666</u> | <u>108,313</u> |
| Information Technology | | | | |
| Personal services | 1,973,058 | 1,973,058 | 1,923,567 | 49,491 |
| Materials and services | 261,650 | 261,650 | 218,541 | 43,109 |
| Capital outlay | 226,000 | 226,000 | 210,445 | 15,555 |
| Total Information Technology | <u>2,460,708</u> | <u>2,460,708</u> | <u>2,352,553</u> | <u>108,155</u> |
| General Services | | | | |
| Personal services | 1,371,081 | 1,420,958 | 1,343,209 | 77,749 |
| Materials and services | 927,299 | 935,299 | 912,868 | 22,431 |
| Capital outlay | 366,255 | 366,255 | 117,404 | 248,851 |
| Total General Services | <u>2,664,635</u> | <u>2,722,512</u> | <u>2,373,481</u> | <u>349,031</u> |
| Printing | | | | |
| Personal services | 300,390 | 300,390 | 249,564 | 50,826 |
| Materials and services | 126,660 | 126,660 | 112,698 | 13,962 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Printing | <u>427,051</u> | <u>427,051</u> | <u>362,262</u> | <u>64,789</u> |
| County Attorney | | | | |
| Personal services | 640,781 | 640,781 | 625,323 | 15,458 |
| Materials and services | 28,884 | 28,884 | 19,088 | 9,796 |
| Total County Attorney | <u>669,665</u> | <u>669,665</u> | <u>644,411</u> | <u>25,254</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 | \$ 431,140 | \$ 431,140 | \$ 428,398 | \$ 2,742 |
| Materials and services | 88,121 | 88,121 | 55,542 | 32,579 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Geographic System (GIS) | 519,262 | 519,262 | 483,940 | 35,322 |
| Expo | | | | |
| Personal services | 961,671 | 961,671 | 776,221 | 185,450 |
| Materials and services | 581,850 | 581,850 | 483,977 | 97,873 |
| Capital outlay | 484,747 | 484,747 | 309,341 | 175,406 |
| Total Expo | 2,028,268 | 2,028,268 | 1,569,539 | 458,729 |
| Non-departmental | | | | |
| Personal services | 215,015 | 215,015 | 141,011 | 74,004 |
| Materials and services | 5,229,477 | 5,229,477 | 2,409,765 | 2,819,712 |
| Capital outlay | 1,150,000 | 1,150,000 | 104,248 | 1,045,752 |
| Total Non-departmental | 6,594,492 | 6,594,492 | 2,655,024 | 3,939,468 |
| All Departments-Total | | | | |
| Personal services | 28,675,805 | 28,813,182 | 27,162,213 | 1,650,969 |
| Materials and services | 11,569,002 | 11,513,775 | 7,931,841 | 3,581,934 |
| Capital outlay | 2,839,182 | 2,889,182 | 1,346,887 | 1,542,295 |
| Total All Departments | 43,083,989 | 43,216,139 | 36,440,941 | 6,775,198 |
| Contingency | 830,988 | 741,611 | - | 741,611 |
| Interdepartmental transfers out | 463,970 | (1) 463,970 | 457,156 | 6,814 |
| TOTAL EXPENDITURES | 44,378,947 | 44,421,720 | 36,898,097 | 7,523,623 |
| Excess (deficiency) of revenues over expenditures | (8,607,411) | (8,602,184) | (258,465) | 8,343,719 |

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 | \$ 5,940,458 | \$ 5,940,458 | \$ 5,721,511 | \$ (218,947) |
| Transfers out | (1,040,677) (1) | (1,040,677) | (873,046) | 167,631 |
| Sale of capital assets | 3,000,000 | 3,000,000 | 15,144 | (2,984,856) |
| Loan repayments to other funds | (5,640,238) (1) | (5,640,238) | (1,640,235) | 4,000,003 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>2,259,543</u> | <u>2,259,543</u> | <u>3,223,374</u> | <u>963,831</u> |
| Net change in fund balance | (6,347,868) | (6,342,641) | 2,964,909 | 9,307,550 |
| Fund balance at beginning of year | <u>6,347,868</u> | <u>6,342,641</u> | <u>6,756,432</u> | <u>413,791</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 9,721,341</u> | <u>\$ 9,721,341</u> |

(1) Appropriation level total is \$7,144,885

Reconciliation to GAAP basis:

| | |
|---|---------------------|
| Fund balance (budgetary basis) at end of year | \$ 9,721,341 |
| Year-end cash adjustment | 19,824 |
| Fair market value adjustment on investments | (75,933) |
| Accounts receivable and available | 21,103 |
| Property taxes receivable and available | 252,883 |
| Due from other governments and available | 914,107 |
| Due from other funds | 41,749 |
| Net current year lease activity | 65,112 |
| Accounts payable | (452,752) |
| Due to other governments | (44,600) |
| Due to other funds | (59,735) |
| Accrued payroll, payroll taxes and benefits | (2,320,340) |
| Loan advances due to other funds | (4,975,621) |
| Fund balance (GAAP basis) at end of year | <u>\$ 3,107,138</u> |

See notes to basic financial statements

LINN COUNTY, OREGON

MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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, 2022

| | Budget | | Actual | Variance |
|-----------------------------------|-------------------|-------------------|-------------------|--------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 24,344,331 | \$ 24,344,331 | \$ 19,229,488 | \$ (5,114,843) |
| Charges for services | 107,400 | 107,400 | 131,103 | 23,703 |
| Licenses, permits, fines and fees | 100,000 | 100,000 | 110,219 | 10,219 |
| Interest earnings | 150,100 | 150,100 | 78,933 | (71,167) |
| Miscellaneous | 60,500 | 60,500 | 59,545 | (955) |
| TOTAL REVENUES | <u>24,762,331</u> | <u>24,762,331</u> | <u>19,609,288</u> | <u>(5,153,043)</u> |
| EXPENDITURES | | | | |
| Albany District | | | | |
| Personal services | 926,640 | 950,840 | 916,565 | 34,275 |
| Materials and services | 114,040 | 114,040 | 72,278 | 41,762 |
| Total Albany District | <u>1,040,680</u> | <u>1,064,880</u> | <u>988,843</u> | <u>76,037</u> |
| Halsey District | | | | |
| Personal services | 884,188 | 894,188 | 887,223 | 6,965 |
| Materials and services | 124,740 | 124,740 | 106,453 | 18,287 |
| Capital outlay | 10,000 | 10,000 | - | 10,000 |
| Total Halsey District | <u>1,018,928</u> | <u>1,028,928</u> | <u>993,676</u> | <u>35,252</u> |
| Scio District | | | | |
| Personal services | 903,659 | 903,659 | 875,843 | 27,816 |
| Materials and services | 124,240 | 124,240 | 106,849 | 17,391 |
| Capital outlay | 10,000 | 10,000 | 10,000 | - |
| Total Scio District | <u>1,037,899</u> | <u>1,037,899</u> | <u>992,692</u> | <u>45,207</u> |

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 | \$ 455,084 | \$ 455,084 | \$ 410,393 | \$ 44,691 |
| Materials and services | 220,380 | 220,380 | 192,433 | 27,947 |
| Capital outlay | 10,000 | 10,000 | 2,635 | 7,365 |
| Total Lebanon District | 685,464 | 685,464 | 605,461 | 80,003 |
| Sweet Home District | | | | |
| Personal services | 962,953 | 997,953 | 990,534 | 7,419 |
| Materials and services | 130,220 | 138,720 | 131,475 | 7,245 |
| Capital outlay | 10,000 | 10,000 | 381 | 9,619 |
| Total Sweet Home District | 1,103,173 | 1,146,673 | 1,122,390 | 24,283 |
| Bridge | | | | |
| Personal services | 783,131 | 783,131 | 638,973 | 144,158 |
| Materials and services | 186,540 | 186,540 | 138,941 | 47,599 |
| Capital outlay | 10,000 | 10,000 | 10,000 | - |
| Total Bridge | 979,671 | 979,671 | 787,914 | 191,757 |
| Fleet Maintenance | | | | |
| Personal services | 888,862 | 888,862 | 865,869 | 22,993 |
| Materials and services | 466,850 | 476,850 | 460,922 | 15,928 |
| Total Fleet Maintenance | 1,355,712 | 1,365,712 | 1,326,791 | 38,921 |
| Traffic Control | | | | |
| Personal services | 499,358 | 504,358 | 497,259 | 7,099 |
| Materials and services | 495,940 | 495,940 | 421,061 | 74,879 |
| Capital outlay | 20,000 | 20,000 | 20,000 | - |
| Total Traffic Control | 1,015,298 | 1,020,298 | 938,320 | 81,978 |

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) | | | | |
| Special Operations | | | | |
| Personal services | \$ 326,484 | \$ 326,484 | \$ 176,096 | \$ 150,388 |
| Materials and services | 11,390 | 11,390 | 10,171 | 1,219 |
| Total Special Operations | 337,874 | 337,874 | 186,267 | 151,607 |
| Engineering | | | | |
| Personal services | 1,158,541 | 1,158,541 | 953,996 | 204,545 |
| Materials and services | 35,740 | 37,740 | 34,604 | 3,136 |
| Total Engineering | 1,194,281 | 1,196,281 | 988,600 | 207,681 |
| Roadmaster | | | | |
| Personal services | 1,214,765 | 1,334,765 | 1,323,683 | 11,082 |
| Materials and services | 4,287,250 | 4,287,250 | 2,886,102 | 1,401,148 |
| Capital outlay | 12,127,300 | 12,127,300 | 5,274,942 | 6,852,358 |
| Total Roadmaster | 17,629,315 | 17,749,315 | 9,484,727 | 8,264,588 |
| All Departments-Total | | | | |
| Personal services | 9,003,665 | 9,197,865 | 8,536,434 | 661,431 |
| Materials and services | 6,197,330 | 6,217,830 | 4,561,289 | 1,656,541 |
| Capital outlay | 12,197,300 | 12,197,300 | 5,317,958 | 6,879,342 |
| Total All Departments | 27,398,295 | 27,612,995 | 18,415,681 | 9,197,314 |
| Contingency | 8,861,169 | 8,646,469 | - | 8,646,469 |
| TOTAL EXPENDITURES | 36,259,464 | 36,259,464 | 18,415,681 | 17,843,783 |
| Excess (deficiency) of revenues over expenditures | (11,497,133) | (11,497,133) | 1,193,607 | 12,690,740 |

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) | | | | |
| Sale of capital assets | - | - | 39,788 | 39,788 |
| Loan repayment receipts from other funds | 5,272,690 | 5,272,690 | 1,272,687 | (4,000,003) |
| Transfers out | (906,781) | (906,781) | (691,618) | 215,163 |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>4,365,909</u> | <u>4,365,909</u> | <u>620,857</u> | <u>(3,745,052)</u> |
| Net change in fund balance | (7,131,224) | (7,131,224) | 1,814,464 | 8,945,688 |
| Fund balance at beginning of year | <u>15,081,135</u> | <u>15,081,135</u> | <u>16,588,032</u> | <u>1,506,897</u> |
| Fund balance at end of year | <u>\$ 7,949,911</u> | <u>\$ 7,949,911</u> | <u>\$ 18,402,496</u> | <u>\$ 10,452,585</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 18,402,496 | |
| Fair market value adjustment on investments | | | (126,766) | |
| Accounts receivable and available | | | 17,647 | |
| Due from other governments and available | | | 52,098 | |
| Due from other funds | | | 1,781 | |
| Inventories | | | 2,170,938 | |
| Loan advances due from other funds | | | 4,975,621 | |
| Accounts payable | | | (536,514) | |
| Due to other governments | | | (36,406) | |
| Due to other funds | | | (13,524) | |
| Accrued payroll, payroll taxes and benefits | | | (721,956) | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 24,185,415</u> | |

See notes to basic financial statements

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, 2022

| | Budget | | Actual | Variance |
|-------------------------|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Property taxes | \$ 29,623,094 | \$ 29,623,094 | \$ 30,074,957 | \$ 451,863 |
| Interest earnings | 35,000 | 35,000 | 41,473 | 6,473 |
| TOTAL REVENUES | <u>29,658,094</u> | <u>29,658,094</u> | <u>30,116,430</u> | <u>458,336</u> |
| EXPENDITURES | | | | |
| Sheriff Support | | | | |
| Personal services | 2,478,414 | 2,478,414 | 2,092,920 | 385,494 |
| Materials and services | 2,866,442 | 2,866,442 | 2,061,529 | 804,913 |
| Capital outlay | 651,001 | 651,001 | 505,718 | 145,283 |
| Total Sheriff Support | <u>5,995,857</u> | <u>5,995,857</u> | <u>4,660,167</u> | <u>1,335,690</u> |
| Sheriff Criminal | | | | |
| Personal services | 7,790,182 | 7,790,182 | 7,182,289 | 607,893 |
| Materials and services | 352,567 | 352,567 | 241,267 | 111,300 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Sheriff Criminal | <u>8,142,750</u> | <u>8,142,750</u> | <u>7,423,556</u> | <u>719,194</u> |
| District Attorney | | | | |
| Personal services | 2,903,472 | 2,903,472 | 2,519,175 | 384,297 |
| Materials and services | 356,891 | 356,891 | 285,987 | 70,904 |
| Total District Attorney | <u>3,260,363</u> | <u>3,260,363</u> | <u>2,805,162</u> | <u>455,201</u> |
| Juvenile | | | | |
| Personal services | 1,903,637 | 1,903,637 | 1,736,678 | 166,959 |
| Materials and services | 82,900 | 82,900 | 35,337 | 47,563 |
| Capital outlay | 3 | 3 | - | 3 |
| Total Juvenile | <u>1,986,540</u> | <u>1,986,540</u> | <u>1,772,015</u> | <u>214,525</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 | \$ 8,319,428 | \$ 8,319,428 | \$ 7,884,843 | \$ 434,585 |
| Materials and services | 1,569,767 | 1,569,767 | 1,490,040 | 79,727 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Sheriff Corrections | 9,889,196 | 9,889,196 | 9,374,883 | 514,313 |
| Juvenile Detention | | | | |
| Personal services | 1,766,452 | 1,786,452 | 1,786,452 | - |
| Materials and services | 166,201 | 146,201 | 142,027 | 4,174 |
| Total Juvenile Detention | 1,932,653 | 1,932,653 | 1,928,479 | 4,174 |
| Non-Departmental | | | | |
| Materials and services | 10,000 | 10,000 | - | 10,000 |
| Capital outlay | 631,000 | 631,000 | - | 631,000 |
| Total Non-Departmental | 641,000 | 641,000 | - | 641,000 |
| All Departments-Total | | | | |
| Personal services | 25,161,585 | 25,181,585 | 23,202,357 | 1,979,228 |
| Materials and services | 5,404,768 | 5,384,768 | 4,256,187 | 1,128,581 |
| Capital outlay | 1,282,006 | 1,282,006 | 505,718 | 776,288 |
| Total All Departments | 31,848,359 | 31,848,359 | 27,964,262 | 3,884,097 |
| Contingency | 3,364,430 | 3,364,430 | - | 3,364,430 |
| TOTAL EXPENDITURES | 35,212,789 | 35,212,789 | 27,964,262 | 7,248,527 |
| Excess (deficiency) of revenues over expenditures | (5,554,695) | (5,554,695) | 2,152,168 | 7,706,863 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (966,140) | (966,140) | (966,140) | - |

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 | | |
| Net change in fund balance | \$ (6,520,835) | \$ (6,520,835) | \$ 1,186,028 | \$ 7,706,863 |
| Fund balance at beginning of year | <u>6,520,835</u> | <u>6,520,835</u> | <u>6,896,805</u> | <u>375,970</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,082,833</u> | <u>\$ 8,082,833</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 8,082,833 | |
| Fair market value adjustment on investments | | | (55,679) | |
| Property taxes receivable and available | | | 532,982 | |
| Accounts payable | | | (96,019) | |
| Due to other funds | | | (49,216) | |
| Accrued payroll, payroll taxes and benefits | | | <u>(2,032,296)</u> | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 6,382,605</u> | |

See notes to basic financial statements

LINN COUNTY, OREGON
HEALTH SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2022

| | Budget | | Actual | Variance |
|-----------------------------------|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 26,401,395 | \$ 27,171,315 | \$ 30,039,319 | \$ 2,868,004 |
| Charges for services | 999,510 | 999,510 | 791,977 | (207,533) |
| Licenses, permits, fines and fees | 582,984 | 582,984 | 692,096 | 109,112 |
| Interest earnings | 24,300 | 24,300 | 66,179 | 41,879 |
| Miscellaneous | 202,798 | 202,798 | 2,486,564 | 2,283,766 |
| Interdepartmental transfers in | <u>1,586,615</u> | <u>1,586,615</u> | <u>1,387,864</u> | <u>(198,751)</u> |
| TOTAL REVENUES | <u>29,797,602</u> | <u>30,567,522</u> | <u>35,463,999</u> | <u>4,896,477</u> |
| EXPENDITURES | | | | |
| Administration | | | | |
| Personal services | 1,489,103 | 1,489,103 | 1,392,112 | 96,991 |
| Materials and services | <u>107,410</u> | <u>107,410</u> | <u>98,343</u> | <u>9,067</u> |
| Total Administration | <u>1,596,513</u> | <u>1,596,513</u> | <u>1,490,455</u> | <u>106,058</u> |
| Mental Health | | | | |
| Personal services | 13,100,041 | 13,100,041 | 10,429,640 | 2,670,401 |
| Materials and services | 2,155,433 | 2,155,433 | 1,389,323 | 766,110 |
| Capital outlay | <u>1</u> | <u>1</u> | <u>-</u> | <u>1</u> |
| Total Mental Health | <u>15,255,475</u> | <u>15,255,475</u> | <u>11,818,963</u> | <u>3,436,512</u> |
| Developmental Disabilities | | | | |
| Personal services | 3,468,443 | 3,868,443 | 3,617,395 | 251,048 |
| Materials and services | 428,807 | 428,807 | 262,815 | 165,992 |
| Capital outlay | <u>600,000</u> | <u>200,000</u> | <u>27,075</u> | <u>172,925</u> |
| Total Developmental Disabilities | <u>4,497,250</u> | <u>4,497,250</u> | <u>3,907,285</u> | <u>589,965</u> |

See notes to basic financial statements
Statement continued on next page

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

| | Budget | | Actual | Variance |
|---------------------------------|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| Alcohol & Drug | | | | |
| Personal services | \$ 2,976,435 | \$ 2,973,711 | \$ 2,812,673 | \$ 161,038 |
| Materials and services | 568,404 | 1,341,048 | 1,311,368 | 29,680 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Alcohol & Drug | <u>3,544,840</u> | <u>4,314,760</u> | <u>4,124,041</u> | <u>190,719</u> |
| Public Health | | | | |
| Personal services | 3,647,132 | 3,647,132 | 3,614,606 | 32,526 |
| Materials and services | 2,077,234 | 1,741,234 | 932,206 | 809,028 |
| Capital outlay | 1 | 336,001 | 246,932 | 89,069 |
| Total Public Health | <u>5,724,367</u> | <u>5,724,367</u> | <u>4,793,744</u> | <u>930,623</u> |
| Environmental Health | | | | |
| Personal services | 920,850 | 820,850 | 766,665 | 54,185 |
| Materials and services | 110,646 | 210,646 | 133,036 | 77,610 |
| Capital outlay | 36,000 | 36,000 | 24,581 | 11,419 |
| Total Environmental Health | <u>1,067,496</u> | <u>1,067,496</u> | <u>924,282</u> | <u>143,214</u> |
| All Departments-Total | | | | |
| Personal services | 25,602,004 | 25,899,280 | 22,633,091 | 3,266,189 |
| Materials and services | 5,447,934 | 5,984,578 | 4,127,091 | 1,857,487 |
| Capital outlay | 636,003 | 572,003 | 298,588 | 273,415 |
| Total All Departments | <u>31,685,941</u> | <u>32,455,861</u> | <u>27,058,770</u> | <u>5,397,091</u> |

See notes to basic financial statements
Statement continued on next page

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

| | Budget | | Actual | Variance |
|---|--------------------|--------------------|--------------------|------------------|
| | Original | Final | | |
| EXPENDITURES (Continued) | | | | |
| Contingency | 4,179,706 | 4,179,706 | - | 4,179,706 |
| Interdepartmental transfers out | 1,586,615 (1) | 1,586,615 | 1,387,864 | 198,751 |
| TOTAL EXPENDITURES | 37,452,262 | 38,222,182 | 28,446,634 | 9,775,548 |
| Excess (deficiency) of revenues over expenditures | (7,654,660) | (7,654,660) | 7,017,365 | 14,672,025 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Loan repayment receipts from other funds | 367,548 | 367,548 | 367,548 | - |
| Transfers in | 697,780 | 697,780 | 523,335 | (174,445) |
| Transfers out | (2,769,494) (1) | (2,769,494) | (2,758,146) | 11,348 |
| TOTAL OTHER FINANCING SOURCES (USES) | (1,704,166) | (1,704,166) | (1,867,263) | (163,097) |
| Net change in fund balance | \$ (9,358,826) | \$ (9,358,826) | \$ 5,150,102 | \$ 14,508,928 |
| Fund balance at beginning of year | 9,358,826 | 9,358,826 | 13,514,434 | 4,155,608 |
| Fund balance at end of year | \$ - | \$ - | \$ 18,664,536 | \$ 18,664,536 |

(1) Appropriation level total is \$4,356,109

Reconciliation to GAAP basis:

| | |
|---|----------------------|
| Fund balance (budgetary basis) at end of year | \$ 18,664,536 |
| Fair market value adjustment on investments | (128,572) |
| Accounts receivable, net and available | 977,303 |
| Due from other governments, net and available | 109,580 |
| Due from other funds | 48,865 |
| Accounts payable | (198,825) |
| Due to other funds | (26,521) |
| Accrued payroll, payroll taxes and benefits | (1,918,169) |
| Fund balance (GAAP basis) at end of year | <u>\$ 17,528,197</u> |

LINN COUNTY, OREGON

GENERAL GRANTS FUND

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

For the Year Ended June 30, 2022

| REVENUES | Budget | | Actual | Variance |
|----------------------------|-------------------|-------------------|-------------------|------------------|
| | Original | Final | | |
| By Department: | | | | |
| Commissioners | \$ 3,016,476 | \$ 3,016,476 | \$ 3,500,057 | \$ 483,581 |
| Veteran's services | - | 4,000 | 4,000 | - |
| Planning & Building | - | 130,840 | 128,000 | (2,840) |
| Parks | 1,069,250 | 1,069,250 | 578,862 | (490,388) |
| Fair | 33,000 | 33,000 | 25,733 | (7,267) |
| Sheriff | 417,991 | 2,447,050 | 2,001,409 | (445,641) |
| District attorney | 287,758 | 342,758 | 353,106 | 10,348 |
| Juvenile | 772,449 | 772,449 | 582,504 | (189,945) |
| Sheriff/Animal control | 2,000 | 2,000 | 19,977 | 17,977 |
| General administration | 82,820 | 188,499 | 86,379 | (102,120) |
| General services | 7,586 | 7,586 | 14,987 | 7,401 |
| Non-departmental | 12,582,010 | 13,343,529 | 13,362,630 | 19,101 |
| Total departmental revenue | 18,271,340 | 21,357,437 | 20,657,644 | (699,793) |
| Interest earnings | 24,220 | 24,220 | 17,808 | (6,412) |
| TOTAL REVENUES | 18,295,560 | 21,381,657 | 20,675,452 | (706,205) |
| EXPENDITURES | | | | |
| Commissioners | | | | |
| Personal services | 2 | 74,002 | 57,844 | 16,158 |
| Materials and services | 4,723,498 | 4,649,498 | 1,951,675 | 2,697,823 |
| Total Commissioners | 4,723,500 | 4,723,500 | 2,009,519 | 2,713,981 |
| Veterans' Services | | | | |
| Materials and services | 9,207 | 13,207 | 9,940 | 3,267 |
| Total Veterans' Services | 9,207 | 13,207 | 9,940 | 3,267 |

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) | | | | |
| Planning & Building | | | | |
| Materials and services | - | 130,840 | 104,600 | 26,240 |
| Total Planning & Building | - | 130,840 | 104,600 | 26,240 |
| Parks and Recreation | | | | |
| Personal services | \$ 545,558 | \$ 545,558 | \$ 456,733 | \$ 88,825 |
| Materials and services | 219,734 | 219,734 | 190,086 | 29,648 |
| Capital outlay | 560,000 | 560,000 | 11,981 | 548,019 |
| Total Parks and Recreation | 1,325,292 | 1,325,292 | 658,800 | 666,492 |
| Fair | | | | |
| Materials and services | 86,865 | 86,865 | 51,457 | 35,408 |
| Total Fair | 86,865 | 86,865 | 51,457 | 35,408 |
| Sheriff - Support Services | | | | |
| Personal services | 80,352 | 80,352 | 44,411 | 35,941 |
| Materials and services | 297,360 | 297,360 | 173,089 | 124,271 |
| Capital outlay | 2 | 1,779,061 | 212,500 | 1,566,561 |
| Total Sheriff - Support Services | 377,714 | 2,156,773 | 430,000 | 1,726,773 |
| Sheriff - Criminal | | | | |
| Personal services | 289,586 | 289,586 | 128,875 | 160,711 |
| Materials and services | 256,613 | 256,613 | 14,898 | 241,715 |
| Capital outlay | 4 | 4 | - | 4 |
| Total Sheriff - Criminal | 546,203 | 546,203 | 143,773 | 402,430 |
| District Attorney | | | | |
| Personal services | 294,663 | 349,663 | 341,808 | 7,855 |
| Total District Attorney | 294,663 | 349,663 | 341,808 | 7,855 |

*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 | \$ 219,502 | \$ 259,502 | \$ 221,312 | \$ 38,190 |
| Materials and services | 431,221 | 391,221 | 229,633 | 161,588 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Juvenile | 650,724 | 650,724 | 450,945 | 199,779 |
| Sheriff - Corrections | | | | |
| Materials and services | 395,701 | 395,701 | 52,178 | 343,523 |
| Capital outlay | 2 | 2 | - | 2 |
| Total Sheriff - Corrections | 395,703 | 395,703 | 52,178 | 343,525 |
| Sheriff - Animal control | | | | |
| Materials and services | 44,499 | 44,499 | 16,962 | 27,537 |
| Capital outlay | 1 | 1 | - | 1 |
| Total Sheriff - Animal control | 44,500 | 44,500 | 16,962 | 27,538 |
| General Administration | | | | |
| Personal services | 26,310 | 26,310 | 13,819 | 12,491 |
| Materials and services | 77,600 | 173,671 | 71,267 | 102,404 |
| Total General Administration | 103,910 | 199,981 | 85,086 | 114,895 |
| General Services | | | | |
| Materials and services | 68,143 | 68,143 | - | 68,143 |
| Capital outlay | 28,338 | 28,338 | 16,453 | 11,885 |
| Total General Services | 96,481 | 96,481 | 16,453 | 80,028 |

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 |
| Non-departmental | | | | |
| Materials and services | 10,000,000 | 11,761,519 | 10,335,000 | 1,426,519 |
| Capital outlay | 10,000,000 | 10,000,000 | 299,000 | 9,701,000 |
| Total Non-departmental | 20,000,000 | 21,761,519 | 10,634,000 | 11,127,519 |
| All Departments-Total | | | | |
| Personal services | 1,455,973 | 1,624,973 | 1,264,802 | 360,171 |
| Materials and services | 16,611,461 | 18,489,891 | 13,200,785 | 5,289,106 |
| Capital outlay | 10,588,348 | 12,367,407 | 539,934 | 11,827,473 |
| Total All Departments | 28,655,782 | 32,482,271 | 15,005,521 | 17,476,750 |
| Contingency | 6,401,296 | 5,401,296 | - | 5,401,296 |
| TOTAL EXPENDITURES | 35,057,078 | 37,883,567 | 15,005,521 | 22,878,046 |
| Excess (deficiency) of revenues over expenditures | (16,761,518) | (16,501,910) | 5,669,931 | (22,171,841) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 232,122 | 232,122 | 232,122 | - |
| Transfers out | (1,517,127) | (1,776,735) | (1,076,838) | 699,897 |
| Sale of capital assets | 1,000 | 1,000 | 5,000 | 4,000 |
| Total other financing sources (uses) | (1,284,005) | (1,543,613) | (839,716) | 703,897 |

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 | | |
| Net change in fund balance | (18,045,523) | (18,045,523) | 4,830,215 | 22,875,738 |
| Fund balance at beginning of year | <u>18,178,633</u> | <u>18,178,633</u> | <u>17,524,301</u> | <u>(654,332)</u> |
| Fund balance at end of year | <u>\$ 133,110</u> | <u>\$ 133,110</u> | <u>\$ 22,354,516</u> | <u>\$ 22,221,406</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 22,354,516 | |
| Fair market value adjustment on investments | | | (153,989) | |
| Accounts receivable and available | | | 51,426 | |
| Due from other governments and available | | | 686,886 | |
| Due from othter funds | | | 1,500 | |
| Accounts payable | | | (315,523) | |
| Due to other governments | | | (1,232) | |
| Due to other funds | | | (1,409) | |
| Accrued payroll, payroll taxes and benefits | | | <u>(105,730)</u> | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 22,516,445</u> | |

See notes to basic financial statements

LINN COUNTY, OREGON
PROPRIETARY FUND
INTERNAL SERVICE FUND

Insurance – This department began in fiscal year 2021-22. This department is self-financed by monthly contributions from all County departments that have employees. This department pays all County insurance premiums including commercial general liability, auto comprehensive liability, property, equipment, and various other insurance coverages.

Unemployment Insurance – This department 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 department is self-financed by monthly contributions from all County departments that have employees. Expenditures from this department pay all current year County unemployment claims.

LINN COUNTY, OREGON

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2022

| | <u>Governmental Activities</u> |
|--------------------------------|--------------------------------|
| | <u>Internal Service Fund</u> |
| <u>ASSETS</u> | |
| Current assets | |
| Cash and investments | \$ 1,000,613 |
| Due from other funds | <u>56,800</u> |
| TOTAL ASSETS | <u>1,057,413</u> |
| <u>LIABILITIES</u> | |
| Current liabilities | |
| Due to other governments | 11,809 |
| Claims liability | <u>348,398</u> |
| TOTAL LIABILITIES | <u>360,207</u> |
| <u>NET POSITION</u> | |
| Unrestricted | <u>\$ 697,206</u> |

LINN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUND

For the Year Ended June 30, 2022

| | <u>Governmental Activities</u> |
|---|--------------------------------|
| | <u>Internal Service Fund</u> |
| OPERATING REVENUES | |
| Reimbursements | \$ <u>659,022</u> |
| OPERATING EXPENSES | |
| Materials and services | <u>(24,198)</u> |
| Operating income/(loss) | 683,220 |
| NONOPERATING REVENUES (EXPENSES) | |
| Investment earnings | <u>(2,809)</u> |
| Change in net position | 680,411 |
| Net position - beginning of year | <u>16,795</u> |
| Net position - end of year | <u>\$ <u>697,206</u></u> |

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the Year Ended June 30, 2022

| | <u>Governmental Activities</u> |
|---|--------------------------------|
| | <u>Internal Service Fund</u> |
| CASH FLOW FROM OPERATING ACTIVITIES | |
| Cash received from reimbursements | \$ 656,901 |
| Cash paid for insurance claims | <u>(93,999)</u> |
| Net cash (used in) operating activities | 562,902 |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest earnings | <u>(2,809)</u> |
| Net (decrease) in cash and investments | 560,093 |
| Cash and investments - beginning of year | <u>440,520</u> |
| Cash and investments - end of year | <u>\$ 1,000,613</u> |
| Reconciliation of operating income to net cash provided by (used in) operating activities: | |
| Operating income | \$ 683,220 |
| (Increase) decrease in due from other funds | (2,121) |
| Increase (decrease) in due to other government | (48,891) |
| Increase (decrease) in claims liability | <u>(69,306)</u> |
| Net cash (used in) operating activities | <u>\$ 562,902</u> |

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 applicable legislative enactment for each particular fund; there are no trust agreements as it relates to the various accounts maintained by the Treasurer's office. In Linn County these include a regional fueling facility, justice courts and various other receipts held by the County Treasurer's office.

LINN COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2022

| | Custodial Funds |
|---|---------------------|
| <u>ASSETS</u> | |
| Cash and investments | \$ 8,118,600 |
| Property taxes receivable for other governments | 5,710,556 |
| Accounts receivable for other governments | 3,525,368 |
| TOTAL ASSETS | 17,354,524 |
| <u>LIABILITIES</u> | |
| Accounts payable | 3,403 |
| Due to other governments | 9,235,924 |
| TOTAL LIABILITIES | 9,239,327 |
| <u>NET POSITION</u> | |
| Restricted for other governments | \$ 8,115,197 |

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2022

| | <u>Custodial Funds</u> |
|--|----------------------------|
| <u>ADDITIONS</u> | |
| Interest earnings | \$ 328,933 |
| Property tax collections for other governments | 196,338,282 |
| Fees and other revenues collected for other governments | 34,078,436 |
| Sales made to other governments | <u>1,182,003</u> |
| TOTAL ADDITIONS | <u>231,927,654</u> |
| <u>DEDUCTIONS</u> | |
| Interest paid out to other governments | 310,932 |
| Payments of property taxes to other governments | 196,338,282 |
| Payments of fees and other revenues to other governments | 32,272,179 |
| Fuel purchases and other expenses on behalf of other governments | <u>1,253,081</u> |
| TOTAL DEDUCTIONS | <u>230,174,474</u> |
| Change in net position | 1,753,180 |
| Net position - beginning of year | <u>6,362,017</u> |
| Net position - end of year | <u><u>\$ 8,115,197</u></u> |

See notes to basic financial statements

NOTES TO BASIC
FINANCIAL STATEMENTS

LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2022

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LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2022

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 non-fiduciary 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.

H. Lease receivables

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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.

J. 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.

K. 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.

L. 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)

L. 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.

M. Lease assets

Lease assets are assets which the County leases for a term of more than one year. The value of leases are determined by the net present value of the leases using the interest rate implicit in the lease, or if not determinable, the County's incremental borrowing rate at the time of the lease agreement, amortized over the term of the lease.

N. 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 20.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. 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.

P. 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.

Q. Leases payable

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

R. Net position and fund balance

Net position

In the government-wide financial statements, net position is reported in three categories: invested in capital and leased assets, restricted net position; and unrestricted net position. Net position invested in capital and leased assets represent capital and leased assets, net of accumulated depreciation or amortization, 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Net position and fund balance (continued)

Fund balance

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 – Amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – Amounts that can be used only for specific purposes determined by a formal action of the Board of Commissioners. The Board of Commissioners is the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of Commissioners.

Assigned – Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board of Commissioners has authority to assign fund balance amounts.

Unassigned – The residual classification for the County’s general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

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.

S. 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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Property tax calendar (continued)

taxing jurisdictions within its boundaries. Uncollected taxes, including delinquent amounts, are considered substantially collectible or recoverable through liens.

T. 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, represent a consumption of net assets that applies to future periods 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 an acquisition of net assets that apply to future periods 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 County is a lessor for certain leases. In accounting for GASB 87 in the financial statements, a receivable and deferred inflows of resources will be recognized for these lessor leases. As payments are received by the County each year, the lessor receivable will be reduced and deferred inflow of resources will be recognized as revenue.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. 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.

V. Implementation of new accounting standard

During the fiscal year ended June 30, 2022, the County implemented GASB Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The statement effects both the presentation of the financial statements on the current financial resource measurement focus and the economic resources measurement focus.

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." 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, 2022, are as follows:

| | |
|---------------------------------------|----------------------|
| Cash on hand | \$ 51,938 |
| Deposits with financial institutions: | |
| Checking and saving accounts | 25,943,505 |
| Investments | <u>62,719,653</u> |
| Total cash and investments | <u>\$ 88,715,096</u> |

Cash and investments by fund:

| | |
|--|----------------------|
| <u>Governmental activities</u> | |
| Governmental funds: | |
| General | \$ 10,653,282 |
| General Road | 18,275,730 |
| Law Enforcement 4-Year Levy | 8,027,154 |
| Health Services | 18,535,964 |
| General Grants | 22,200,527 |
| Nonmajor governmental funds | <u>1,903,226</u> |
| Total governmental funds | 79,595,883 |
| Proprietary fund: | |
| Internal Service | <u>1,000,613</u> |
| Total governmental activities | 80,596,496 |
| Fiduciary fund: | |
| Custodial funds | <u>8,118,600</u> |
| Total cash and investments - all funds | <u>\$ 88,715,096</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

Investments, including amounts held in pooled cash and investments are stated at fair value. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year, at the time of purchase are stated at fair value. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value. The Oregon State Treasury administers the LGIP.

Investments in the LGIP are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2022.

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 have measured these investments at 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, 2022, the fair value of the position in the LGIP is 98.98% of 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, 2022 the County had the following investments:

| <u>Investment</u> | <u>Rating</u> | <u>Maturities</u> | <u>Fair Value Activity Level</u> | <u>Fair Value</u> |
|---|---------------|-------------------|----------------------------------|---------------------|
| State Treasurer's Investment Pool | No rating | N/A | Quoted market price, Level 1 | <u>\$53,782,868</u> |
| <u>Investments held with Keybank National Association</u> | | | | |
| US Treasury bill .04 | AA+ | 7/14/2022 | Quoted market price, Level 1 | 2,000,006 |
| US Treasury bill .04 | AA+ | 8/11/2022 | Quoted market price, Level 1 | 1,997,705 |
| US Treasury bill .04 | AA+ | 9/8/2022 | Quoted market price, Level 1 | 1,994,825 |
| US Agency-FHLMC 2.05 | AA+ | 3/24/2025 | Quoted market price, Level 1 | 974,884 |
| US Agency-FHLB 2.00 | AA+ | 3/28/2025 | Quoted market price, Level 1 | 978,345 |
| US Agency-FHLB 3.00 | AA+ | 5/12/2025 | Quoted market price, Level 1 | <u>991,020</u> |
| Total Keybank Investments | | | | <u>8,936,785</u> |
| Total Investments | | | | <u>\$62,719,653</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. 85.75% 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.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

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 \$8,936,785 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, 2022, the County’s bank balances were \$26,482,167, and none of these funds were exposed to credit risk.

3. RECEIVABLES

The County’s receivables at June 30, 2022 are as follows:

| | General | General Roads | Law Enforcement 4-Year Levy | Health Services | General Grants | Totals |
|---|-------------------|------------------|-----------------------------------|---------------------|-------------------|---------------------|
| Property taxes | \$ 568,630 | \$ - | \$ 1,140,359 | \$ - | \$ - | \$ 1,708,989 |
| Accounts | 22,848 | 29,187 | - | 1,292,143 | 57,003 | 1,401,181 |
| Interest | 2,561 | 4,275 | 1,878 | 4,336 | 5,193 | 18,243 |
| Subtotal | 594,039 | 33,462 | 1,142,237 | 1,296,479 | 62,196 | 3,128,413 |
| Less: allowance for uncollectible accounts | - | - | - | (218,985) | - | (218,985) |
| Receivables, net | <u>\$ 594,039</u> | <u>\$ 33,462</u> | <u>\$ 1,142,237</u> | <u>\$ 1,077,494</u> | <u>\$ 62,196</u> | <u>\$ 2,909,428</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. LEASE RECEIVABLE

| Governmental Activities: | <u>Original Amount</u> | <u>Outstanding July 1, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Outstanding June 30, 2022</u> |
|---|----------------------------|-------------------------------------|---------------------|------------------|--------------------------------------|
| <i>Land lease:</i> | | | | | |
| <u>Approximately 33 acres located in the Mid-Willamette Valley Industrial Park Millersburg, Oregon</u> | | | | | |
| May 9, 2022 to May 31, 2038, excluding three successive options to extend. Exercising these options is unknown at commencement. Base monthly rent is \$37,216.67 starting September 30, 2022. The rent increases annually by CPI as described, but in no case lower than a floor of 2.5%, and in no case higher than a ceiling of 3.5%. Payments are amortized at 2.75%. No payment was received in the current year. | | | | | |
| | \$6,763,242 | \$ - | \$ 6,763,242 | \$ - | \$ 6,763,242 |
| <i>Facility lease:</i> | | | | | |
| <u>Intergovernmental office space</u> | | | | | |
| 1117 SE Jackson St., Albany, Oregon | | | | | |
| October 1, 2018 to September 30, 2033, including one 5-year extension. Base monthly rent started at \$10,000 and increases annually by 2.0% at each anniversary date. Payments are amortized at 2.99%. Current payment is \$10,612.08 per month. | | | | | |
| | <u>1,447,660</u> | <u>-</u> | <u>1,447,660</u> | <u>88,289</u> | <u>1,359,371</u> |
| Total governmental activities | <u>\$8,210,902</u> | <u>\$ -</u> | <u>\$ 8,210,902</u> | <u>\$ 88,289</u> | <u>\$ 8,122,613</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. LEASE RECEIVABLE (continued)

Future maturities are as follows:

| Fiscal year | Governmental Activities | |
|-------------|-------------------------|---------------------|
| | Principal | Interest |
| 2023 | \$ 240,443 | \$ 224,693 |
| 2024 | 375,547 | 215,012 |
| 2025 | 400,526 | 204,137 |
| 2026 | 426,559 | 192,549 |
| 2027 | 453,683 | 180,217 |
| 2028-32 | 2,716,316 | 687,831 |
| 2033-37 | 2,924,701 | 283,674 |
| 2038-42 | 584,838 | 8,072 |
| Total | <u>\$ 8,122,613</u> | <u>\$ 1,996,185</u> |

Deferred inflow of resources are recognized annually on the straight line basis. \$118,176 was recognized as revenue in the current year.

5. INTERFUND RECEIVABLES AND PAYABLES

| Fund | Due from other funds | Due to other funds |
|------------------------------|----------------------|--------------------|
| General | \$ 41,749 | \$ 59,735 |
| General Road | 1,781 | 13,524 |
| Law Enforcement 4-Year Levy | - | 49,216 |
| Health Services | 48,865 | 26,521 |
| General Grants | 1,500 | 1,409 |
| Non-major governmental funds | - | 290 |
| Internal service | 56,800 | - |
| | <u>\$ 150,695</u> | <u>\$ 150,695</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. 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.

6. 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, 2022 are as follows:

| Date of Loan | Lending Fund | Borrowing Fund | Purpose | Original Amount | Principal Balance at June 30 |
|---|--------------|----------------|--|----------------------------------|------------------------------|
| 10/30/2014 | Roads | General | Property purchase-Tangent | 950,000 | 95,855 |
| 12/1/2015 | Roads | General | Property purchase-Albany police department | 1,750,000 | 561,841 |
| 7/1/2017 | Roads | General | Building improvements (APD building) | 750,000 | 317,925 |
| 3/3/2020 | Roads | General | Property purchase-Millersburg | 10,000,000 | <u>4,000,000</u> |
| TOTAL | | | | | <u>\$ 4,975,621</u> |
| <u>SUMMARY</u> | | | | | |
| | | | | <u>Interest paid during year</u> | <u>Principal Balance</u> |
| General fund loans due to Road fund | | | | \$ 107,571 | \$ 4,975,621 |
| General fund loan due to Health Services fund | | | | <u>10,741</u> | <u>-</u> |
| | | | | <u>\$ 118,312</u> | <u>\$ 4,975,621</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. INTERFUND TRANSFERS

Transfers between funds were made to facilitate operations of County services, to reimburse the General fund for indirect costs, and to provide sufficient operating resources to the Health services and nonmajor funds. Transfers were as follows:

| Fund | Transfers in | Transfers out |
|-----------------------------|---------------------|---------------------|
| General | \$ 5,721,511 | \$ 873,046 |
| General Road | - | 691,618 |
| Law Enforcement 4-Year Levy | - | 966,140 |
| Health | 523,335 | 2,758,146 |
| General Grants | 232,122 | 1,076,838 |
| Nonmajor governmental funds | 289,711 | 400,891 |
| TOTAL | <u>\$ 6,766,679</u> | <u>\$ 6,766,679</u> |

8. CAPITAL ASSETS

Changes in capital assets during the year were as follows:

| Governmental activities: | Balance June 30, 2021 | Additions | Deletions | Balance June 30, 2022 |
|--|--------------------------|---------------------|-------------------|--------------------------|
| Capital assets not being depreciated | | | | |
| Land | \$ 21,396,463 | \$ - | \$ - | \$ 21,396,463 |
| Infrastructure | 117,814,585 | - | - | 117,814,585 |
| Construction in progress | <u>6,785,398</u> | <u>5,782,450</u> | <u>4,088,636</u> | <u>8,479,212</u> |
| Total capital assets not being depreciated | <u>145,996,446</u> | <u>5,782,450</u> | <u>4,088,636</u> | <u>147,690,260</u> |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 53,285,108 | 511,630 | 15,696 | 53,781,042 |
| Intangibles | 5,298,142 | - | 8,011 | 5,290,131 |
| Equipment | 34,147,892 | 2,257,254 | 430,477 | 35,974,669 |
| Infrastructure | <u>47,795,629</u> | <u>4,026,251</u> | <u>16,038</u> | <u>51,805,842</u> |
| Total capital assets being depreciated | <u>\$ 140,526,771</u> | <u>\$ 6,795,135</u> | <u>\$ 470,222</u> | <u>\$ 146,851,684</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. CAPITAL ASSETS (continued)

Less accumulated depreciation for:

| | | | | |
|---|-----------------------|---------------------|---------------------|-----------------------|
| Buildings and improvements | \$ 18,332,568 | \$ 891,140 | \$ 9,312 | \$ 19,214,396 |
| Intangibles | 2,806,711 | 440,542 | 7,090 | 3,240,163 |
| Equipment | 19,344,550 | 1,725,865 | 386,744 | 20,683,671 |
| Infrastructure | <u>13,474,200</u> | <u>967,786</u> | <u>16,038</u> | <u>14,425,948</u> |
| Total accumulated depreciation | <u>53,958,029</u> | <u>4,025,333</u> | <u>419,184</u> | <u>57,564,178</u> |
| Total capital assets being depreciated, net | <u>86,568,742</u> | <u>2,769,802</u> | <u>51,038</u> | <u>89,287,506</u> |
| Total capital assets, net | <u>\$ 232,565,188</u> | <u>\$ 8,552,252</u> | <u>\$ 4,139,674</u> | <u>\$ 236,977,766</u> |

Depreciation expense was charged to functions as follows:

Governmental activities:

| | |
|------------------------------------|---------------------|
| General administration and support | \$ 314,285 |
| Local government services | 54,523 |
| Public safety | 1,085,930 |
| Health services | 288,936 |
| Community development | 585,251 |
| Highways and streets | <u>1,696,408</u> |
| Total | <u>\$ 4,025,333</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. LEASE ASSETS

Changes in lease assets during the year were as follows:

| <u>Governmental activities:</u> | Balance June 30, 2021 | Additions | Disposals | Balance June 30, 2022 |
|--|--------------------------|-------------------|------------------|--------------------------|
| Leased assets: | | | | |
| Leased machinery & equipment | \$ - | \$ 370,327 | \$ 12,967 | \$ 357,360 |
| Leased vehicles | - | 311,159 | - | 311,159 |
| Leased parking lots | - | 81,007 | - | 81,007 |
| | <u>-</u> | <u>762,493</u> | <u>12,967</u> | <u>749,526</u> |
| Total leased assets | | | | |
| Less accumulated amortization: | | | | |
| Leased machinery & equipment | - | 63,751 | 1,441 | 62,310 |
| Leased vehicles | - | 92,619 | - | 92,619 |
| Leased parking lots | - | 9,859 | - | 9,859 |
| | <u>-</u> | <u>166,229</u> | <u>1,441</u> | <u>164,788</u> |
| Total accumulated amortization | | | | |
| Total leased assets being amortized, net | <u>\$ -</u> | <u>\$ 596,264</u> | <u>\$ 11,526</u> | <u>\$ 584,738</u> |

Amortization expense was charged to functions as follows:

Governmental activities:

| | |
|------------------------------------|-------------------|
| General administration and support | \$ 18,999 |
| Local government services | 6,101 |
| Public safety | 121,196 |
| Health services | 10,360 |
| Community development | 9,573 |
| | <u>166,229</u> |
| Total | <u>\$ 166,229</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. DUE TO OTHER GOVERNMENTS

At June 30, 2022 Linn County's General, General Roads, General Grants, and Fair funds owed the Linn Regional Fueling Facility \$82,305 for fuel used in June 2022.

11. COMPENSATED ABSENCES

The County's outstanding obligation for accumulated compensated absences at June 30, 2022 is as follows:

| | <u>Balance</u> <u>June 30, 2021</u> | <u>Net</u> <u>Change</u> | <u>Balance</u> <u>June 30, 2022</u> | <u>Balances due</u> <u>within one year</u> |
|----------------------------------|--|-----------------------------|--|---|
| Accumulated compensated absences | \$ 5,111,295 | \$ (81,401) | \$ 5,029,894 | \$ 3,662,640 |
| Totals | <u>\$ 5,111,295</u> | <u>\$ (81,401)</u> | <u>\$ 5,029,894</u> | <u>\$ 3,662,640</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. LEASE PAYABLE

| <u>Governmental Activities:</u> | <u>Original Amount</u> | <u>Outstanding July 1, 2021</u> | <u>Additions</u> | <u>Deletions</u> | <u>Outstanding June 30, 2022</u> |
|--|----------------------------|-------------------------------------|-------------------|-------------------|--------------------------------------|
| Office equipment, terms vary from 39 to 63 months, interest ranges from 1.75% to 2.50%, monthly principal and interest payments range from \$124 to \$488, due dates vary for each asset with the latest lease due August 2027 | \$ 296,033 | \$ - | \$ 296,033 | \$ 62,357 | \$ 233,676 |
| Mail screening machine, interest 8.14%, annual principal and interest payments of \$26,725, due January 2025 | 74,294 | - | 74,294 | 26,725 | 47,569 |
| Vehicle leases, terms vary from 48 to 60 months, interest ranges from 1.20% to 4.68%, monthly principal and interest payments range from \$400 to \$853, due dates vary, latest leases due April 2025 | 311,159 | - | 311,159 | 90,668 | 220,491 |
| Two parking lots, each has a ten year term, interest rates at 2.33% and 2.15% respectively, the first lot has annual payments that escalate by 2% each year, current annual payment was \$7,141, due June 2030. The second lot has monthly payments of \$250, due September 2027 | <u>81,007</u> | <u>-</u> | <u>81,007</u> | <u>9,822</u> | <u>71,185</u> |
| | <u>\$ 762,493</u> | <u>\$ -</u> | <u>\$ 762,493</u> | <u>\$ 189,572</u> | <u>\$ 572,921</u> |
| Current portion | | | | | <u>192,201</u> |
| Long-term portion | | | | | <u>\$ 380,720</u> |

Future maturities are as follows:

| <u>Fiscal year</u> | <u>Governmental Activities</u> | |
|--------------------|--------------------------------|------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2023 | \$ 192,201 | \$ 12,427 |
| 2024 | 186,210 | 7,463 |
| 2025 | 114,906 | 2,828 |
| 2026 | 37,542 | 1,375 |
| 2027 | 17,381 | 839 |
| 2028-32 | <u>24,681</u> | <u>1,116</u> |
| | <u>\$ 572,921</u> | <u>\$ 26,048</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. 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 revised July 11, 2022. In this revision the County's OPEB liability was measured as of June 30, 2022 with the liability determined by an actuarial valuation as of July 1, 2020. The significant change to the revised valuation was an increase in the discount rate from 2.25% to 3.50%.

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 (revised as discussed in first paragraph above) using entry age normal actuarial funding 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 3.50%, general inflation rate 2.0%, payroll growth per year 3.0%, annual medical premium increase of 6.4% in 2021-2022, 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)

13. 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 (\$106,231) decrease in deferred outflows, and a \$108,679 increase in deferred inflows for the year ended June 30, 2022, as compared to the prior year.

Changes in Medical benefit Cobra retiree OPEB liability

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

| | 2022 | 2021 | 2020 |
|---|---------------------|---------------------|---------------------|
| Total OPEB liability at beginning of year | \$ 2,512,921 | \$ 1,782,798 | \$ 1,485,551 |
| Changes for the year: | | | |
| Service cost | 169,333 | 93,555 | 90,391 |
| Interest | 59,493 | 41,204 | 61,142 |
| Differences between expected and actual experience | - | 94,658 | - |
| Changes in assumptions or other input | (266,029) | 590,876 | 240,481 |
| Benefit payments | (76,244) | (90,170) | (94,767) |
| Net changes for the year | (113,447) | 730,123 | 297,247 |
| Total OPEB liability at end of year | <u>\$ 2,399,474</u> | <u>\$ 2,512,921</u> | <u>\$ 1,782,798</u> |
| Estimated covered payroll | \$ 41,286,623 | \$ 40,084,100 | \$ 37,846,731 |
| Total OPEB liability as a percentage of covered payroll | 5.81% | 6.27% | 4.71% |

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 3.50 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

| June 30, 2022 | 1% Decrease 2.50% | Current Discount Rate 3.50% | 1% Increase 4.50% |
|----------------------|-------------------------|-----------------------------------|-------------------------|
| Total OPEB Liability | <u>\$ 2,610,066</u> | <u>\$ 2,399,474</u> | <u>\$ 2,206,419</u> |

The General fund has been used to liquidate OPEB Cobra healthcare liabilities in previous years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. 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, 2022 | 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 | \$ 2,101,914 | \$ 2,399,474 | \$ 2,754,328 |

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 | \$ 73,622 | \$ 77,730 |
| Changes of assumptions or other input | 609,872 | 669,900 |
| | <u>\$ 683,494</u> | <u>\$ 747,630</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> | |
|-------------------------------------|--------------------|
| 2023 | \$ (51,119) |
| 2024 | (51,119) |
| 2025 | (51,119) |
| 2026 | (51,115) |
| 2027 | 76,673 |
| Thereafter | <u>63,663</u> |
| Total | <u>\$ (64,136)</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)

Plan Description - As a member of Oregon Public Employees Retirement System (OPERS) the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

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

Participating counties are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the County currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. 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, 2022 and 2021 were \$9,937 and \$8,926, respectively, which equaled the required contributions each year.

At June 30, 2022, the County reported a net OPEB liability/(asset) of (\$1,145,544) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2021, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2019. 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, 2021 and 2020, the County's proportion was .334% and .142%, respectively. OPEB (revenue) recognized for the year ended June 30, 2022 was (\$213,719).

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Components of OPEB Expense/(Income):

| | |
|---|----------------------------|
| Employer's proportionate share of collective system OPEB Expense/(Income) | \$ (187,351) |
| Net amortization of employer-specific deferred amounts from: | |
| - Changes in proportionate share (per paragraph 64 of GASB 75) | (15,470) |
| - Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75) | (10,898) |
| | <hr/> |
| Employer's Total OPEB Expense/(Income) | <u><u>\$ (213,719)</u></u> |

Components of Deferred Outflows/Inflows of Resources:

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ - | \$ 31,871 |
| Changes of assumptions | 22,540 | 17,041 |
| Net difference between projected and actual earnings on investments | - | 272,242 |
| Changes in proportionate share | 108,523 | 234,409 |
| Differences between County contributions and proportionate share of contributions | - | - |
| Subtotal | <hr/> 131,063 | <hr/> 555,563 |
| County contributions subsequent to the measurement date | 9,937 | - |
| Total | <u><u>\$ 141,000</u></u> | <u><u>\$ 555,563</u></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, 2023.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. 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> | |
|-------------------------------------|---------------------|
| 2023 | \$ (124,914) |
| 2024 | (151,436) |
| 2025 | (62,153) |
| 2026 | (85,997) |
| 2027 | - |
| Thereafter | - |
| Total | <u>\$ (424,500)</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, 2021. That independently audited report was dated February 25, 2022 and is found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/Oregon%20PERS%20-%20GASB%2075%20RHIA%20Employer%20Schedules%20-%20FYE%2006-30-2021.pdf>

Actuarial Methods and Assumptions:

| | |
|----------------------------------|---|
| Valuation Date | December 31, 2019 |
| Experience Study Report | 2018, Published July 24, 2019 |
| Actuarial cost method | Entry Age Normal |
| Inflation rate | 2.40 percent (reduced from 2.50 percent) |
| Investment rate of return | 6.90 percent (reduced from 7.20 percent) |
| Discount rate | 6.90 percent (reduced from 7.20 percent) |
| Projected salary increase | 3.40 percent (reduced from 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)

14. 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, 2019.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2021 was 6.90 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 June 2021 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)

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

| Asset Class | Target Allocation | Compound Annual (Geometric) Return |
|-------------------------------------|-------------------|---------------------------------------|
| Global Equity | 30.62% | 5.85% |
| Private Equity | 25.50% | 7.71% |
| Core Fixed Income | 23.75% | 2.73% |
| Real Estate | 12.25% | 5.66% |
| Master Limited Partnerships | 0.75% | 5.71% |
| Infrastructure | 1.50% | 6.26% |
| Commodities | 0.63% | 3.10% |
| Hedge Fund of Funds - Multistrategy | 1.25% | 5.11% |
| Hedge Fund Equity - Hedge | 0.63% | 5.31% |
| Hedge Fund - Macro | 5.62% | 5.06% |
| US Cash | -2.50% | 1.76% |
| <i>Assumed Inflation - Mean</i> | | 2.40% |

(Source: June 30, 2021 PERS ACFR; p. 74)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. 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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

| | 1% Decrease (5.90%) | Current Discount Rate (6.90%) | 1% Increase (7.90%) |
|--|---------------------------|-------------------------------------|---------------------------|
| County's proportionate share of the net OPEB liability (asset) | \$ (1,013,066) | \$ (1,145,544) | \$ (1,258,713) |

The General fund has been used to liquidate OPEB RHIA liabilities in previous years.

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2021 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Balances of the County’s two OPEB plans are aggregated and displayed in the financial statements as follows:

| | Other Postemployment Benefit Plan (Healthcare) | PERS Retirement Health Insurance Account (RHIA) | Total |
|--------------------------------|---|--|--------------|
| Net OPEB Asset | \$ - | \$ 1,145,544 | \$ 1,145,544 |
| Deferred outflows of resources | 683,494 | 141,000 | 824,494 |
| Total OPEB Liability | 2,399,474 | - | 2,399,474 |
| Deferred inflows of resources | 747,630 | 555,563 | 1,303,193 |
| OPEB expense (revenue) | 191,633 | (213,719) | (22,086) |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. 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/2021-ACFR.pdf>

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

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

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)

15. 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)

15. 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, 2019 actuarial valuation, which became effective July 1, 2021. 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, 2022 were \$4,786,775 excluding amounts to fund employer specific liabilities. In addition \$2,607,109 in employee contributions were paid or picked up by the County in fiscal 2022.

At June 30, 2022, the County reported a net pension liability of \$55,677,709 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2019. 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, 2021 and 2020, the County's proportion was .4653 percent and .4496 percent, respectively. Pension (revenue) for the year ended June 30, 2022 was (\$1,563,377).

The rates in effect for the year ended June 30, 2022 were:

- Tier one/Tier two, 29.86%
- OPSRP general services, 23.43%
- Police and Fire, 27.79%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. RETIREMENT PLAN (continued)

At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred outflow of resources</u> | <u>Deferred inflow of resources</u> |
|--|--|---|
| Differences between expected and actual experience | \$ 5,211,798 | \$ - |
| Changes in assumptions | 13,937,807 | 146,531 |
| Net difference between projected and actual earnings on pension plan investments | - | 41,217,777 |
| Changes in proportionate share | 3,845,247 | 2,284,434 |
| Differences between employer contributions and employer's proportionate share of system contributions | <u>341,068</u> | <u>1,145,389</u> |
| Subtotal | 23,335,920 | 44,794,131 |
| Contributions subsequent to the measurement date (MD) | <u>4,786,775</u> | <u>-</u> |
| Total | <u>\$ 28,122,695</u> | <u>\$ 44,794,131</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, 2023.

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

| <u>Year ending June 30,</u> | <u>Amount</u> |
|-----------------------------|------------------------|
| 2023 | \$ (3,502,720) |
| 2024 | (3,736,731) |
| 2025 | (5,978,310) |
| 2026 | (9,694,204) |
| 2027 | 1,453,754 |
| Thereafter | <u>-</u> |
| Total | <u>\$ (21,458,211)</u> |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. 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 February 25, 2022. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Actuarial Valuations

The employer contribution rates effective July 1, 2021, through June 30, 2023, 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, 2019 |
| 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 | 2.40 percent (down from 2.50 percent) |
| Investment rate of return | 6.90 percent (down from 7.20 percent) |
| Discount rate | 6.90 percent (down from 7.20 percent) |
| Projected salary increase | 3.40 (down from 3.50 percent) |
| Cost of living adjustment | Blend of 2% COLA and graded COLA (1.25% / .15%) in accordance with <i>Moro</i> decision, blend based on service. |
| 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)

15. 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, 2019.

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% |
| Alternatives Portfolio | 7.50% | 17.50% | 15.00% |
| Opportunity Portfolio | 0.00% | 5.00% | 0.00% |
| Risk Parity | 0.00% | 2.50% | 2.50% |
| Total | | | 100.00% |

(Source: June 30, 2021 PERS ACFR; p. 104)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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)

15. RETIREMENT PLAN (continued)

| Asset Class | Target Allocation | Compound Annual (Geometric) Return |
|-------------------------------------|-------------------|------------------------------------|
| Global Equity | 30.62% | 5.85% |
| Private Equity | 25.50% | 7.71% |
| Core Fixed Income | 23.75% | 2.73% |
| Real Estate | 12.25% | 5.66% |
| Master Limited Partnerships | 0.75% | 5.71% |
| Infrastructure | 1.50% | 6.26% |
| Commodities | 0.63% | 3.10% |
| Hedge Fund of Funds - Multistrategy | 1.25% | 5.11% |
| Hedge Fund Equity - Hedge | 0.63% | 5.31% |
| Hedge Fund - Macro | 5.62% | 5.06% |
| US Cash | -2.50% | 1.76% |
| <i>Assumed Inflation - Mean</i> | | 2.40% |

(Source: June 30, 2021 PERS ACFR; p. 74)

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. 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)

15. 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 6.90 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate:

| | <u>1% Decrease (5.90%)</u> | <u>Discount rate (6.90%)</u> | <u>1% Increase (7.90%)</u> |
|--|----------------------------|------------------------------|----------------------------|
| Linn County's proportionate share of the net pension liability | \$ 109,337,702 | \$ 55,677,709 | \$ 10,783,771 |

The General fund has been used to liquidate pension liabilities in previous years.

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, 2021 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)

15. 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. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$2,535 per month on January 1, 2021) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

15. RETIREMENT PLAN (continued)

The County did not make any optional contributions to member IAP accounts for the year ended June 30, 2022.

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. <http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

16. 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 \$348,398 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> |
|--------------------|----------------------------|-----------------------------|-----------------|-------------------------|
| 2021-22 | \$ 417,704 | \$ 24,693 | \$ 93,999 | \$ 348,398 |
| 2020-21 | 95,451 | 564,543 | 242,290 | 417,704 |
| 2019-20 | 99,458 | 76,269 | 80,276 | 95,451 |

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

17. 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.

18. COMMITMENTS

Linn County has the following active construction commitment projects as of June 30, 2022:

| | <u>Spent to date</u> | <u>Remaining commitment</u> |
|---|----------------------|---------------------------------|
| Bridge/Road improvements | \$ 7,966,723 | \$ 36,040,297 |
| Additional road upgrades | 38,544 | 171,395 |
| Park improvements-Park department | 89,940 | 240,000 |
| General administration projects | 51,711 | 306,606 |
| Sheriff improvements-Sheriff department | <u>332,294</u> | <u>1,822,195</u> |
| Totals | <u>\$ 8,479,212</u> | <u>\$ 38,580,493</u> |

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

19. 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 33.30 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)

20. PROPERTY TAX ABATEMENTS

As of June 30, 2022, 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)

20. PROPERTY TAX ABATEMENTS (continued)

For the fiscal year ended June 30, 2022, Linn County had abated property taxes totaling \$588,968 under these programs.

| <u>Program</u> | <u>ORS</u> | <u>Code Area</u> | <u>Exempt/ Abated Value</u> | <u>Linn County Tax Rate</u> | <u>Linn County Local Option I Tax Rate</u> | <u>Consolidated Linn County Tax Rate</u> | <u>Tax Abatement</u> |
|---|------------|------------------|---------------------------------|---------------------------------|--|--|--------------------------|
| Nonprofit low income rental housing | | | | | | | |
| Linn County | 307.541 | Code 801 | 4,781,420 | 0.0011735 | 0.0028300 | 0.0040035 | \$ 19,142 |
| | | | 4,781,420 | | | | |
| Enterprise zone | | | | | | | |
| Linn County | 285C.175 | Code 801 | 52,383,305 | 0.0011735 | 0.0028300 | 0.0040035 | 209,717 |
| Linn County | | Code 807 | 19,961,420 | 0.0012736 | 0.0028300 | 0.0041036 | 81,914 |
| Linn County | | Code 808 | 34,392,660 | 0.0012736 | 0.0028300 | 0.0041036 | 141,134 |
| Linn County | | Code 846 | 10,098,960 | 0.0011735 | 0.0028300 | 0.0040035 | 40,431 |
| Linn County | | Code 5501 | 25,280 | 0.0012736 | 0.0028300 | 0.0041036 | 104 |
| Linn County | | Code 12704 | 2,194,350 | 0.0012736 | 0.0028300 | 0.0041036 | 9,005 |
| | | | 119,055,975 | | | | |
| Construction in process in enterprise zone | | | | | | | |
| Linn County | 285C.170 | Code 801 | 880,142 | 0.0011735 | 0.0028300 | 0.0040035 | 3,524 |
| Linn County | | Code 805 | 5,328,650 | 0.0012736 | 0.0028300 | 0.0041036 | 21,867 |
| Linn County | | Code 807 | 4,989,920 | 0.0012736 | 0.0028300 | 0.0041036 | 20,477 |
| Linn County | | Code 808 | 8,457,430 | 0.0012736 | 0.0028300 | 0.0041036 | 34,706 |
| Linn County | | Code 12702 | 1,692,790 | 0.0012736 | 0.0028300 | 0.0041036 | 6,947 |
| | | | 21,348,932 | | | | |
| Total Linn County Tax Abatement | | | | | | | \$ 588,968 |

REQUIRED SUPPLEMENTARY INFORMATION

Linn County, Oregon
Road Department
Planned versus Actual Road Maintenance
Five Years - 2018-2022

| | Fiscal Year (Ending June 30) | | | | |
|-------------------------|------------------------------|---------------|---------------|---------------|---------------|
| | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
| Arterials: | | | | | |
| Planned | \$ 710,120 | \$ 703,882 | \$ 742,908 | \$ 664,983 | \$ 619,180 |
| Actual | \$ 704,929 | \$ 705,556 | \$ 740,028 | \$ 655,354 | \$ 608,129 |
| Collectors: | | | | | |
| Planned | \$ 5,799,316 | \$ 5,830,038 | \$ 6,067,082 | \$ 5,430,692 | \$ 5,056,637 |
| Actual | \$ 5,756,920 | \$ 5,762,039 | \$ 6,043,563 | \$ 5,352,063 | \$ 4,966,386 |
| Local: | | | | | |
| Planned | \$ 5,325,903 | \$ 5,354,116 | \$ 5,571,810 | \$ 4,987,370 | \$ 4,643,851 |
| Actual | \$ 5,286,967 | \$ 5,291,669 | \$ 5,550,211 | \$ 4,915,160 | \$ 4,560,967 |
| Total all roads: | | | | | |
| Planned | \$ 11,835,339 | \$ 11,888,036 | \$ 12,381,800 | \$ 11,083,045 | \$ 10,319,668 |
| Actual | \$ 11,748,816 | \$ 11,759,264 | \$ 12,333,802 | \$ 10,922,577 | \$ 10,135,482 |
| Difference | \$ 86,523 | \$ 128,772 | \$ 47,998 | \$ 160,468 | \$ 184,186 |

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.

| Pavement Condition Index (weighted average) | | | |
|---|------|------|------|
| Functional Class | 2022 | 2020 | 2018 |
| Arterial | 76.6 | 83.2 | 82.0 |
| Collector | 78.5 | 80.9 | 81.2 |
| Residential / Local | 76.4 | 78.5 | 78 |

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 2022 pavement inspection data is the most recent and is reflected in the table above. Maintenance treatments performed in the summer of 2022 have not been included. The next scheduled pavement inspection cycle is summer 2024.

LINN COUNTY, OREGON

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

| | June 30, | | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| Service cost | \$ 169,333 | \$ 93,555 | \$ 90,391 | \$ 128,184 | \$ 124,450 | \$ 124,450 |
| Interest on total OPEB liability | 59,493 | 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 | (266,029) | 590,876 | 240,481 | (866,862) | - | - |
| Benefit payments | (76,244) | (90,170) | (94,767) | (97,273) | (115,947) | (111,048) |
| Net change in total OPEB liability | (113,447) | 730,123 | 297,247 | (916,952) | 78,355 | 80,900 |
| Total OPEB liability - beginning of year | 2,512,921 | 1,782,798 | 1,485,551 | 2,402,503 | 2,324,148 | 2,243,248 |
| Total OPEB liability - end of year | <u>\$ 2,399,474</u> | <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 employee payroll | \$44,071,475 | \$41,365,737 | \$39,267,851 | 39,671,124 | 37,957,371 | 35,166,218 |
| Total OPEB liability as a percentage of covered employee payroll | 5.44% | 6.07% | 4.54% | 3.74% | 6.33% | 6.61% |

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OTHER
POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY (ASSET)
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
RETIREE HEALTH INSURANCE ACCOUNT (RHIA)
Last ten fiscal years***

1. Schedule of the Proportionate Share of the Net OPEB Liability (Asset) for RHIA

| Years ended June 30, | Proportion of the collective net OPEB liability (asset) | Proportionate share of the collective net pension liability (asset) | 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 |
|----------------------------|---|--|--------------------|--|---|
| 2022 | 0.33358832 | \$ (1,145,544) | \$ 44,071,475 | -2.599% | 183.9% |
| 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% |

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

**SCHEDULE OF OTHER POST-EMPLOYMENT BENEFITS (OPEB) CONTRIBUTIONS
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
RETIREE HEALTH INSURANCE ACCOUNT (RHIA)
Last ten fiscal years***

2. Schedule of OPEB Contributions for RHIA

| 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 |
|-------------------------|--|--|------------|--------------------|--|
| 2022 | \$ 9,937 | \$ 9,937 | \$ - | \$ 44,499,591 | 0.0223% |
| 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 |
|----------------------|--|---|-----------------|--|--|
| 2022 | 0.4653 | \$ 55,677,709 | \$ 44,071,475 | 126.3% | 87.6% |
| 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 |
|-------------------------|--|--|------------|--------------------|--|
| 2022 | \$ 4,786,775 | \$ 4,786,775 | - | \$ 44,499,591 | 10.76% |
| 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, 2022

| | County Fair | Law Library | Bike Trails | Corner Preser- vation | Historical Restoration | County Forest/ Park | County School | Federal Forest | Totals |
|--|-------------------|-------------------|-------------------|-----------------------------|---------------------------|---------------------------|-------------------|-------------------|---------------------|
| <u>ASSETS</u> | | | | | | | | | |
| Cash and investments | \$ 190,274 | \$ 158,635 | \$ 163,443 | \$ 428,787 | \$ 1,959 | \$ 893,672 | \$ - | \$ 66,456 | \$ 1,903,226 |
| Due from other governments | - | - | - | - | - | - | 126,601 | - | 126,601 |
| TOTAL ASSETS | \$ 190,274 | \$ 158,635 | \$ 163,443 | \$ 428,787 | \$ 1,959 | \$ 893,672 | \$ 126,601 | \$ 66,456 | \$ 2,029,827 |
| <u>LIABILITIES</u> | | | | | | | | | |
| Accounts payable | \$ 7,149 | \$ 968 | \$ - | \$ - | \$ - | \$ 9,684 | \$ - | \$ - | \$ 17,801 |
| Due to other governments | 67 | - | - | - | - | - | - | - | 67 |
| Due to other funds | 96 | 21 | - | - | - | 173 | - | - | 290 |
| Accrued payroll, payroll taxes and benefits | - | 6,011 | - | - | - | - | - | - | 6,011 |
| TOTAL LIABILITIES | 7,312 | 7,000 | - | - | - | 9,857 | - | - | 24,169 |
| <u>FUND BALANCES</u> | | | | | | | | | |
| Restricted for: | | | | | | | | | |
| Grants/ minor funds | 182,962 | 151,635 | 163,443 | 428,787 | 1,959 | 883,815 | 126,601 | 66,456 | 2,005,658 |
| TOTAL FUND BALANCES | 182,962 | 151,635 | 163,443 | 428,787 | 1,959 | 883,815 | 126,601 | 66,456 | 2,005,658 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 190,274 | \$ 158,635 | \$ 163,443 | \$ 428,787 | \$ 1,959 | \$ 893,672 | \$ 126,601 | \$ 66,456 | \$ 2,029,827 |

LINN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For the Year Ended June 30, 2022

| | County Fair | Law Library | Bike Trails | Corner Preser- vation | Historical Restoration | County Forest/ Park | County School | Federal Forest | Totals |
|---|----------------|-----------------|----------------|-----------------------------|---------------------------|---------------------------|------------------|-------------------|------------------|
| REVENUES | | | | | | | | | |
| Intergovernmental | \$ 53,167 | \$ 124,101 | \$ 118,410 | \$ - | \$ - | \$ - | \$ 1,421,045 | \$ 295,384 | \$ 2,012,107 |
| Charges for services | 360,838 | 100 | - | - | - | 36,550 | - | - | 397,488 |
| Licenses, permits, fines and fees | 82,625 | - | - | - | - | - | - | - | 82,625 |
| Investment earnings | (709) | (151) | (503) | (875) | 9 | (426) | 316 | (414) | (2,753) |
| Miscellaneous | 6,951 | - | - | - | - | 3,000 | - | - | 9,951 |
| TOTAL REVENUES | 502,872 | 124,050 | 117,907 | (875) | 9 | 39,124 | 1,421,361 | 294,970 | 2,499,418 |
| EXPENDITURES | | | | | | | | | |
| Public safety | - | 114,529 | - | - | - | - | - | 140,000 | 254,529 |
| Community development | 402,624 | - | - | 5,013 | - | 369,019 | - | - | 776,656 |
| Apportionments to school districts | - | - | - | - | - | - | 1,592,381 | - | 1,592,381 |
| TOTAL EXPENDITURES | 402,624 | 114,529 | - | 5,013 | - | 369,019 | 1,592,381 | 140,000 | 2,623,566 |
| Excess (deficiency) of revenues over expenditures | 100,248 | 9,521 | 117,907 | (5,888) | 9 | (329,895) | (171,020) | 154,970 | (124,148) |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Transfers in | 60,000 | 8,000 | - | 221,711 | - | - | - | - | 289,711 |
| Transfers out | - | (22,038) | - | (178,853) | - | - | - | (200,000) | (400,891) |
| TOTAL OTHER FINANCING SOURCES (USES) | 60,000 | (14,038) | - | 42,858 | - | - | - | (200,000) | (111,180) |
| Net change in fund balances | 160,248 | (4,517) | 117,907 | 36,970 | 9 | (329,895) | (171,020) | (45,030) | (235,328) |
| Fund balances at beginning of year | 22,714 | 156,152 | 45,536 | 391,817 | 1,950 | 1,213,710 | 297,621 | 111,486 | 2,240,986 |
| Fund balances (deficit) at end of year | \$ 182,962 | \$ 151,635 | \$ 163,443 | \$ 428,787 | \$ 1,959 | \$ 883,815 | \$ 126,601 | \$ 66,456 | \$ 2,005,658 |

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).

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, 2022

| | Budget | | Actual | Variance |
|---|-----------------|-----------------|-------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 53,200 | \$ 53,200 | \$ 53,167 | \$ (33) |
| Charges for services | 198,000 | 198,000 | 360,838 | 162,838 |
| Licenses, permits, fines and fees | 91,500 | 91,500 | 82,625 | (8,875) |
| Interest earnings | 100 | 100 | 475 | 375 |
| Miscellaneous | - | - | 6,951 | 6,951 |
| TOTAL REVENUES | <u>342,800</u> | <u>342,800</u> | <u>504,056</u> | <u>161,256</u> |
| EXPENDITURES | | | | |
| Materials and services | <u>402,800</u> | <u>402,800</u> | <u>402,800</u> | <u>-</u> |
| Excess (deficiency) of revenues over expenditures | <u>(60,000)</u> | <u>(60,000)</u> | <u>101,256</u> | <u>161,256</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>60,000</u> | <u>60,000</u> | <u>60,000</u> | <u>-</u> |
| Net change in fund balance | - | - | 161,256 | 161,256 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>30,202</u> | <u>30,202</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 191,458</u> | <u>\$ 191,458</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 191,458 | |
| Fair market value adjustment on investments | | | (1,184) | |
| Accounts payable | | | (7,149) | |
| Due to other governments | | | (67) | |
| Due to other funds | | | (96) | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 182,962</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, 2022

| | Budget | | Actual | Variance |
|---|------------------|------------------|-------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 85,000 | \$ 155,448 | \$ 124,101 | \$ (31,347) |
| Charges for services | 85 | 85 | 100 | 15 |
| Interest earnings | 2,000 | 2,000 | 836 | (1,164) |
| Miscellaneous | 10 | 10 | - | (10) |
| TOTAL REVENUES | <u>87,095</u> | <u>157,543</u> | <u>125,037</u> | <u>(32,506)</u> |
| EXPENDITURES | | | | |
| Personal services | 68,409 | 68,409 | 68,409 | - |
| Materials and services | 46,648 | 87,648 | 45,885 | 41,763 |
| Capital outlay | 2,000 | 2,000 | - | 2,000 |
| Contingency | 113,000 | 142,448 | - | 142,448 |
| TOTAL EXPENDITURES | <u>230,057</u> | <u>300,505</u> | <u>114,294</u> | <u>186,211</u> |
| Excess (deficiency) of revenues over expenditures | <u>(142,962)</u> | <u>(142,962)</u> | <u>10,743</u> | <u>153,705</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 8,000 | 8,000 | 8,000 | - |
| Transfers out | (22,038) | (22,038) | (22,038) | - |
| Total other financing sources (uses) | <u>(14,038)</u> | <u>(14,038)</u> | <u>(14,038)</u> | <u>-</u> |
| Net change in fund balance | (157,000) | (157,000) | (3,295) | 153,705 |
| Fund balance at beginning of year | <u>157,000</u> | <u>157,000</u> | <u>162,917</u> | <u>5,917</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 159,622</u> | <u>\$ 159,622</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 159,622 | |
| Fair market value adjustment on investments | | | (987) | |
| Accounts payable | | | (968) | |
| Due to other funds | | | (21) | |
| Accrued payroll, payroll taxes and benefits | | | (6,011) | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 151,635</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, 2022

| | Budget | | Actual | Variance |
|---|----------------|----------------|-------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 113,168 | \$ 113,168 | \$ 118,410 | \$ 5,242 |
| Interest earnings | 1,200 | 1,200 | 514 | (686) |
| TOTAL REVENUES | <u>114,368</u> | <u>114,368</u> | <u>118,924</u> | <u>4,556</u> |
| EXPENDITURES | | | | |
| Capital outlay | <u>114,368</u> | <u>114,368</u> | - | 114,368 |
| Net change in fund balance | - | - | 118,924 | 118,924 |
| Fund balance at beginning of year | <u>-</u> | <u>-</u> | <u>45,536</u> | <u>45,536</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 164,460</u> | <u>\$ 164,460</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 164,460 | |
| Fair market value adjustment on investments | | | <u>(1,017)</u> | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 163,443</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, 2022

| | Budget | | Actual | Variance |
|---|-------------------|-------------------|-------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Interest earnings | \$ 3,000 | \$ 3,000 | \$ 1,794 | \$ (1,206) |
| EXPENDITURES | | | | |
| Materials and services | 15,202 | 15,202 | 3,621 | 11,581 |
| Capital outlay | 113,501 | 113,501 | 1,392 | 112,109 |
| Contingency | 99,983 | 99,983 | - | 99,983 |
| TOTAL EXPENDITURES | <u>228,686</u> | <u>228,686</u> | <u>5,013</u> | <u>223,673</u> |
| Excess (deficiency) of revenues over expenditures | <u>(225,686)</u> | <u>(225,686)</u> | <u>(3,219)</u> | <u>222,467</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 214,897 | 214,897 | 221,711 | 6,814 |
| Transfers out | <u>(228,999)</u> | <u>(228,999)</u> | <u>(178,853)</u> | <u>39,009</u> |
| Total other financing sources (uses) | <u>(14,102)</u> | <u>(14,102)</u> | <u>42,858</u> | <u>45,823</u> |
| Net change in fund balance | (239,788) | (239,788) | 39,639 | 268,290 |
| Fund balance at beginning of year | <u>347,379</u> | <u>347,379</u> | <u>391,817</u> | <u>44,438</u> |
| Fund balance at end of year | <u>\$ 107,591</u> | <u>\$ 107,591</u> | <u>\$ 431,456</u> | <u>\$ 312,728</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 431,456 | |
| Fair market value adjustment on investments | | | <u>(2,669)</u> | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 428,787</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, 2022

| | Budget | | Actual | Variance |
|-----------------------------------|---------------|---------------|-----------------|-----------------|
| | Original | Final | | |
| REVENUES | | | | |
| Interest earnings | \$ 50 | \$ 50 | \$ 9 | \$ (41) |
| Miscellaneous | 35,500 | 35,500 | - | (35,500) |
| TOTAL REVENUES | <u>35,550</u> | <u>35,550</u> | <u>9</u> | <u>(35,541)</u> |
| EXPENDITURES | | | | |
| Materials and services | 2,000 | 2,000 | - | 2,000 |
| Capital outlay | 35,500 | 35,500 | - | 35,500 |
| TOTAL EXPENDITURES | <u>37,500</u> | <u>37,500</u> | <u>-</u> | <u>37,500</u> |
| Net change in fund balance | (1,950) | (1,950) | 9 | 1,959 |
| Fund balance at beginning of year | <u>1,950</u> | <u>1,950</u> | <u>1,950</u> | <u>-</u> |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,959</u> | <u>\$ 1,959</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, 2022

| | Budget | | Actual | Variance |
|---|------------------|------------------|-------------------|-------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 25,000 | \$ 25,000 | \$ 36,550 | \$ 11,550 |
| Interest earnings | 8,000 | 8,000 | 5,136 | (2,864) |
| Miscellaneous | 500 | 500 | 3,000 | 2,500 |
| TOTAL REVENUES | <u>33,500</u> | <u>33,500</u> | <u>44,686</u> | <u>11,186</u> |
| EXPENDITURES | | | | |
| Materials and services | 60,000 | 60,000 | 39,097 | 20,903 |
| Capital outlay | 1,194,615 | 1,194,615 | 325,826 | 868,789 |
| TOTAL EXPENDITURES | <u>1,254,615</u> | <u>1,254,615</u> | <u>364,923</u> | <u>889,692</u> |
| Net change in fund balance | (1,221,115) | (1,221,115) | (320,237) | 900,878 |
| Fund balance at beginning of year | 1,221,115 | 1,221,115 | 1,219,471 | (1,644) |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 899,234</u> | <u>\$ 899,234</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 899,234 | |
| Fair market value adjustment on investments | | | (5,562) | |
| Accounts payable | | | (9,684) | |
| Due to other funds | | | (173) | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 883,815</u> | |

LINN COUNTY, OREGON

COUNTY SCHOOL - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2022

| | Budget | | Actual | Variance |
|---|------------------|------------------|-------------------|------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 1,965,000 | \$ 1,965,000 | \$ 1,592,065 | \$ (372,935) |
| Interest earnings | 800 | 800 | 316 | (484) |
| Miscellaneous | 300 | 300 | - | (300) |
| TOTAL REVENUES | <u>1,966,100</u> | <u>1,966,100</u> | <u>1,592,381</u> | <u>(373,719)</u> |
| EXPENDITURES | | | | |
| Materials and services | <u>1,966,100</u> | <u>1,966,100</u> | <u>1,592,381</u> | <u>373,719</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> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ - | |
| Due from other governments and available | | | <u>126,601</u> | |
| Fund balance (GAAP basis) at end of year | | | <u>\$ 126,601</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, 2022

| | Budget | | Actual | Variance |
|---|------------|------------|------------|-----------|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 270,000 | \$ 270,000 | \$ 295,384 | \$ 25,384 |
| EXPENDITURES | | | | |
| Materials and services | 140,000 | 140,000 | 140,000 | - |
| Excess (deficiency) of revenues over expenditures | 130,000 | 130,000 | 155,384 | 25,384 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (200,000) | (200,000) | (200,000) | - |
| Net change in fund balance | (70,000) | (70,000) | (44,616) | 25,384 |
| Fund balance at beginning of year | 70,000 | 70,000 | 111,486 | 41,486 |
| Fund balance at end of year | \$ - | \$ - | \$ 66,870 | \$ 66,870 |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (GAAP basis) at end of year | | | \$ 66,870 | |
| Fair market value adjustment on investments | | | (414) | |
| Net position (GAAP basis) at end of year | | | \$ 66,456 | |

LINN COUNTY, OREGON

INTERNAL SERVICE FUND

Insurance – This department began in fiscal year 2021-22. This department is self-financed by monthly contributions from all County departments that have employees. This department pays all County insurance premiums including commercial general liability, auto comprehensive liability, property, equipment, and various other insurance coverages.

Unemployment Insurance – This department 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 department is self-financed by monthly contributions from all County departments that have employees. Expenditures from this department pay all current year County 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, 2022

| | Budget | | Actual | Variance |
|---|------------------|------------------|---------------------|---------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Charges for services | \$ 556,000 | \$ 556,000 | \$ 656,901 | \$ 100,901 |
| Interest earnings | 4,000 | 4,000 | 3,419 | (581) |
| TOTAL REVENUES | <u>560,000</u> | <u>560,000</u> | <u>660,320</u> | <u>100,320</u> |
| EXPENDITURES | | | | |
| INSURANCE | | | | |
| Materials and services | 400,000 | 400,000 | - | 400,000 |
| UNEMPLOYMENT | | | | |
| Materials and services | 243,000 | 243,000 | 93,999 | 149,001 |
| Contingency | 483,704 | 483,704 | - | 483,704 |
| TOTAL EXPENDITURES | <u>1,126,704</u> | <u>1,126,704</u> | <u>93,999</u> | <u>1,032,705</u> |
| Excess (deficiency) of revenues over expenditures | <u>(566,704)</u> | <u>(566,704)</u> | <u>566,321</u> | <u>1,133,025</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (1) | (1) | - | 1 |
| Net change in fund balance | (566,705) | (566,705) | 566,321 | 1,133,026 |
| Fund balance at beginning of year | 566,705 | 566,705 | 440,520 | (126,185) |
| Fund balance at end of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,006,841</u> | <u>\$ 1,006,841</u> |
| Reconciliation to GAAP basis: | | | | |
| Fund balance (budgetary basis) at end of year | | | \$ 1,006,841 | |
| Fair market value adjustment on investments | | | (6,228) | |
| Due from other funds and available | | | 56,800 | |
| Due to other governments | | | (11,809) | |
| Claims liability | | | (348,398) | |
| Net position (GAAP basis) at end of year | | | <u>\$ 697,206</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, 2022

| | Assessor/ Tax Collector | Clerk | Commis- sioners | District Attorney | Central Linn/ Justice Courts | Sheriff | Surveyor | Treasurer | Totals |
|---|----------------------------|------------------|--------------------|----------------------|------------------------------------|---------------|--------------|----------------------|----------------------|
| On hand - June 30, 2021 | \$ 1,020 | \$ 250 | \$ - | \$ 2,000 | \$ 300 | \$ 130 | \$ 50 | \$ 70,957,467 | \$ 70,961,217 |
| Receipts | 757,352 | 1,744,787 | 3,515,775 | 573,111 | 924,940 | 7,355,565 | 198,024 | 256,661,274 | 271,730,828 |
| Turnovers and disbursements: | | | | | | | | | |
| To County Treasurer | (757,352) | (1,724,963) | (3,515,775) | (573,111) | (924,940) | - | (198,024) | - | (7,694,165) |
| To Others | - | - | - | - | - | (7,355,565) | - | (238,927,219) | (246,282,784) |
| On hand - June 30, 2022 (1) | <u>\$ 1,020</u> | <u>\$ 20,074</u> | <u>\$ -</u> | <u>\$ 2,000</u> | <u>\$ 300</u> | <u>\$ 130</u> | <u>\$ 50</u> | <u>\$ 88,691,522</u> | <u>\$ 88,715,096</u> |
| (1) Consists of: | | | | | | | | | |
| Deposits with County Treasurer | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 25,943,505 | \$ 25,943,505 |
| Deposits with Local Government Investment Pool | - | - | - | - | - | - | - | 53,782,868 | 53,782,868 |
| Investments with Key Bank | - | - | - | - | - | - | - | 8,936,785 | 8,936,785 |
| Change and revolving funds | <u>1,020</u> | <u>20,074</u> | <u>-</u> | <u>2,000</u> | <u>300</u> | <u>130</u> | <u>50</u> | <u>28,364</u> | <u>51,938</u> |
| Totals | <u>\$ 1,020</u> | <u>\$ 20,074</u> | <u>\$ -</u> | <u>\$ 2,000</u> | <u>\$ 300</u> | <u>\$ 130</u> | <u>\$ 50</u> | <u>\$ 88,691,522</u> | <u>\$ 88,715,096</u> |

LINN COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2022

| Tax Year | Receivable June 30, 2021 | Current Levy | Discounts Allowed | Interest on Delinquent Taxes | Cash Collections | Corrections and Adjustments | Receivable June 30, 2022 |
|---------------|--------------------------|-----------------------|---------------------|------------------------------|-----------------------|-----------------------------|--------------------------|
| 2021-22 | | \$ 198,541,465 | \$ 5,363,513 | \$ 78,245 | \$ 188,701,872 | \$ (807,032) | \$ 3,747,293 |
| 2020-21 | 3,956,862 | - | (8,276) | 155,757 | 1,857,088 | (476,168) | 1,787,639 |
| 2019-20 | 1,949,187 | - | (118) | 161,244 | 885,562 | (168,539) | 1,056,448 |
| 2018-19 | 1,066,229 | - | (53) | 175,308 | 617,417 | (179,728) | 444,445 |
| 2017-18 | 456,705 | - | (37) | 114,624 | 322,856 | (118,121) | 130,389 |
| 2016-17 | 117,034 | - | - | 21,135 | 41,877 | (23,347) | 72,945 |
| 2015-16 | 49,561 | - | - | 14,184 | 22,652 | (16,294) | 24,799 |
| prior | 174,244 | - | - | 19,290 | 17,832 | (20,115) | 155,587 |
| Totals | \$ 7,769,822 | \$ 198,541,465 | \$ 5,355,029 | \$ 739,787 | \$ 192,467,156 | \$ (1,809,344) | \$ 7,419,545 |

| Fund | Receivable June 30, 2022 |
|-----------------------------|--------------------------|
| General | \$ 568,630 |
| Law Enforcement 4-Year Levy | 1,140,359 |
| Governmental funds subtotal | 1,708,989 |
| Fiduciary fund | 5,710,556 |
| Grand total all funds | <u>\$ 7,419,545</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.

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Financial Trends

101-106

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

107-110

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

Debt Capacity

111-114

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

115-117

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

Operating Information

118-120

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)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 236,989 | \$ 232,565 | \$ 230,728 | \$ 218,626 | \$ 215,418 | \$ 210,236 | \$ 199,587 | \$ 192,271 | \$ 187,332 | \$ 179,484 |
| Restricted | 43,121 | 34,869 | 17,505 | 23,318 | 21,059 | 18,697 | 16,355 | 31,758 | 29,338 | - |
| Unrestricted | (44,297) | (52,924) | (57,960) | (52,007) | (44,646) | (37,860) | (23,029) | (10,081) | (3,933) | 22,745 |
| Total net position | \$ 235,813 | \$ 214,510 | \$ 190,273 | \$ 189,937 | \$ 191,831 | \$ 191,073 | \$ 192,913 | \$ 213,948 | \$ 212,737 | \$ 202,229 |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General administration and support | \$ 23,087 | \$ 24,738 | \$ 11,484 | \$ 9,263 | \$ 8,375 | \$ 8,338 | \$ 8,236 | \$ 5,480 | \$ 5,767 | \$ 7,066 |
| Local government services | 6,017 | 6,271 | 6,209 | 5,560 | 5,760 | 4,761 | 5,950 | 4,409 | 5,217 | 4,627 |
| Public safety | 42,241 | 47,089 | 46,117 | 42,132 | 38,696 | 36,889 | 46,278 | 22,864 | 30,427 | 29,599 |
| Health services | 26,810 | 29,407 | 28,619 | 25,798 | 29,166 | 28,925 | 32,142 | 20,536 | 20,725 | 20,066 |
| Community development | 9,516 | 9,121 | 8,946 | 8,232 | 9,561 | 8,946 | 9,677 | 6,171 | 6,846 | 5,552 |
| Highways and streets | 13,602 | 12,960 | 16,204 | 15,397 | 13,759 | 12,713 | 13,380 | 9,590 | 9,606 | 10,789 |
| Interest on long term debt | 9 | - | - | - | - | - | - | - | 279 | 267 |
| Total expenses | \$ 121,282 | \$ 129,586 | \$ 117,579 | \$ 106,382 | \$ 105,317 | \$ 100,572 | \$ 115,663 | \$ 69,050 | \$ 78,867 | \$ 77,966 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Fees, Fines, and Charges for service | | | | | | | | | | |
| General government | \$ 5,831 | \$ 2,890 | \$ 2,693 | \$ 1,545 | \$ 1,608 | \$ 1,419 | \$ 1,529 | \$ 1,519 | \$ 1,093 | \$ 1,826 |
| Public Safety | 2,271 | 2,450 | 2,620 | 2,760 | 3,133 | 2,360 | 3,257 | 2,559 | 2,466 | 3,119 |
| Health services | 1,542 | 1,610 | 2,596 | 1,396 | 1,164 | 907 | 1,072 | 1,021 | 952 | 2,820 |
| Roads | 251 | 244 | 441 | 1,921 | 2,744 | 4,330 | 2,942 | 2,615 | 2,735 | 1,540 |
| Community Development | 5,336 | 4,757 | 5,544 | 4,050 | 4,172 | 3,002 | 3,125 | 3,084 | 2,558 | 3,223 |
| Operating Grants and Contributions | 74,977 | 82,738 | 56,505 | 41,764 | 40,731 | 40,852 | 37,357 | 39,490 | 35,718 | 32,996 |
| Capital Grants and Contributions | - | - | 700 | - | - | - | - | - | - | - |
| Total program revenues | \$ 90,208 | \$ 94,689 | \$ 71,099 | \$ 53,436 | \$ 53,552 | \$ 52,870 | \$ 49,282 | \$ 50,288 | \$ 45,522 | \$ 45,524 |
| Total net (expense) / revenue | \$ (31,074) | \$ (34,897) | \$ (46,480) | \$ (52,946) | \$ (51,765) | \$ (47,702) | \$ (66,381) | \$ (18,762) | \$ (33,345) | \$ (32,442) |
| General Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 44,121 | \$ 42,842 | \$ 41,572 | \$ 39,102 | \$ 36,808 | \$ 34,023 | \$ 31,765 | \$ 30,077 | \$ 27,561 | \$ 26,464 |
| Unrestricted grants and contributions | 4,926 | 5,436 | 3,712 | 11,264 | 15,320 | 11,680 | 13,267 | 12,569 | 15,876 | 9,952 |
| Interest and investment earnings | (256) | 226 | 485 | 649 | 395 | 159 | 314 | 80 | 416 | 117 |
| Miscellaneous revenue | 3,578 | 8,022 | 563 | 37 | - | - | - | - | - | - |
| Gain on sale of capital assets | 9 | 2,949 | - | - | - | - | - | - | - | - |
| Total general revenues | \$ 52,378 | \$ 59,475 | \$ 46,332 | \$ 51,052 | \$ 52,523 | \$ 45,862 | \$ 45,346 | \$ 42,726 | \$ 43,853 | \$ 36,533 |
| Total change in net position- governmental activities | \$ 21,304 | \$ 24,578 | \$ (148) | \$ (1,894) | \$ 758 | \$ (1,840) | \$ (21,035) | \$ 23,964 | \$ 10,508 | \$ 4,091 |

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

| <u>Fiscal year ended June 30,</u> | <u>Property Taxes</u> | <u>Intergovernmental</u> | <u>Charges for Services</u> | <u>Licenses, Permits, Fines and Fees</u> | <u>Interest and Miscellaneous</u> | <u>Total</u> |
|---|---------------------------|--------------------------|-------------------------------------|--|---|--------------|
| 2022 | \$ 44,795 | \$ 79,974 | \$ 8,470 | \$ 6,087 | \$ 3,376 | \$ 142,702 |
| 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 |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General fund | | | | | | | | | | |
| Non spendable | | | | | | | | | | |
| Committed to | | | | | | | | | | |
| Interfund loan | | | | | | | | | | |
| Assigned to | | | | | | | | | | |
| Unassigned | \$ 3,107 | \$ (748) | \$ (13,214) | \$ (7,488) | \$ (7,810) | \$ (9,041) | \$ (7,197) | \$ (6,284) | \$ (5,514) | \$ (6,062) |
| Total general fund | 3,107 | (748) | (13,214) | (7,488) | (7,810) | (9,041) | (7,197) | (6,284) | (5,514) | (6,062) |
| All other governmental funds | | | | | | | | | | |
| Non spendable: | | | | | | | | | | |
| Inventories | 2,171 | 2,319 | 1,749 | 1,770 | 1,829 | 1,950 | 1,327 | 1,076 | 1,299 | 1,051 |
| Committed: | | | | | | | | | | |
| Interfund loans | 4,976 | 6,498 | 15,694 | 8,686 | 11,830 | 13,653 | 15,610 | 13,747 | 14,613 | 14,582 |
| Capital projects | - | - | - | - | - | - | - | - | - | 2,229 |
| Restricted: | | | | | | | | | | |
| Highways and streets | 17,039 | 15,319 | 7,258 | 16,146 | 14,723 | 15,669 | 16,432 | 20,840 | 20,318 | 18,033 |
| Public safety | 6,383 | 4,971 | 3,638 | 3,351 | 1,841 | 334 | | | | 57 |
| Health services | 17,528 | 12,259 | 4,861 | 2,050 | 2,126 | 2,838 | 7,590 | 8,012 | 6,059 | 5,079 |
| Grants/non-major funds | 24,521 | 19,862 | 5,927 | 2,244 | 2,381 | 1,842 | 1,575 | 1,831 | 1,662 | 1,344 |
| Unassigned | - | - | (954) | (2,736) | (4,403) | (5,812) | (7,434) | (9,156) | (10,868) | (11,068) |
| Total all other governmental funds | \$ 72,618 | \$ 61,228 | \$ 38,173 | \$ 31,511 | \$ 30,327 | \$ 30,474 | \$ 35,100 | \$ 36,350 | \$ 33,083 | \$ 31,307 |

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|------------------|------------------|----------------|-----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-----------------|
| Revenues | | | | | | | | | | |
| Property taxes | \$ 44,795 | \$ 42,988 | \$ 41,588 | \$ 40,417 | \$ 36,867 | \$ 33,841 | \$ 31,577 | \$ 29,853 | \$ 27,100 | \$ 26,595 |
| Intergovernmental | 79,974 | 88,454 | 59,744 | 52,561 | 55,725 | 50,247 | 50,393 | 51,292 | 50,827 | 42,546 |
| Charges for services | 8,470 | 5,428 | 9,617 | 7,671 | 7,358 | 7,774 | 7,155 | 6,479 | 5,940 | 6,025 |
| Licenses, permits, fines and fees | 6,087 | 6,278 | 4,756 | 5,114 | 4,905 | 5,183 | 4,770 | 4,321 | 3,959 | 4,016 |
| Investment earnings | (153) | 498 | 702 | 853 | 627 | 413 | 521 | 325 | 422 | 480 |
| Miscellaneous | 3,529 | 1,798 | 563 | 2,026 | 2,446 | 2,445 | 2,058 | 1,962 | 1,961 | 1,922 |
| Total revenues | 142,702 | 145,444 | 116,970 | 108,642 | 107,928 | 99,903 | 96,474 | 94,232 | 90,209 | 81,584 |
| Expenditures | | | | | | | | | | |
| General administration and support | 22,907 | 16,465 | 10,106 | 8,251 | 7,672 | 7,224 | 6,313 | 5,994 | 5,094 | 5,521 |
| Local government services | 4,441 | 4,254 | 3,956 | 3,701 | 3,731 | 3,638 | 3,308 | 3,425 | 3,169 | 3,192 |
| Public safety | 42,115 | 40,399 | 38,907 | 39,799 | 35,721 | 33,169 | 35,910 | 30,079 | 30,425 | 29,667 |
| Health services | 26,963 | 26,067 | 25,029 | 25,491 | 28,745 | 28,248 | 25,741 | 25,824 | 21,588 | 20,991 |
| Community development | 9,056 | 7,700 | 7,673 | 7,482 | 8,365 | 8,476 | 7,554 | 6,796 | 6,430 | 6,492 |
| Highways and streets | 12,118 | 9,598 | 13,342 | 14,035 | 11,980 | 16,580 | 11,882 | 10,933 | 8,658 | 10,014 |
| Apportionments to school districts | 1,592 | 1,403 | 1,643 | 1,610 | 1,747 | 778 | 1,539 | 1,733 | 2,000 | 1,406 |
| Capital outlay | 8,781 | 12,465 | 15,205 | 6,573 | 8,848 | 8,175 | 6,178 | 6,704 | 10,242 | 4,741 |
| Debt service | 305 | 275 | 174 | 193 | 218 | 260 | 211 | 247 | 279 | 267 |
| Total expenditures | 128,278 | 118,626 | 116,035 | 107,135 | 107,027 | 106,548 | 98,636 | 91,735 | 87,885 | 82,291 |
| Excess of revenues over (under) expenditures | 14,424 | 26,818 | 935 | 1,507 | 901 | (6,645) | (2,162) | 2,497 | 2,324 | (707) |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 6,767 | 5,906 | 4,902 | 2,743 | 1,857 | 1,832 | 1,915 | 1,982 | 1,958 | 2,201 |
| Transfers out | (6,767) | (5,906) | (4,902) | (2,743) | (1,674) | (1,657) | (1,915) | (1,982) | (1,958) | (2,201) |
| Lease financing | 762 | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | 60 | 9,174 | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | 822 | 9,174 | - | - | 183 | 175 | - | - | - | - |
| Net change in fund balances | \$ 15,246 | \$ 35,992 | \$ 935 | \$ 1,507 | \$ 1,084 | \$ (6,470) | \$ (2,162) | \$ 2,497 | \$ 2,324 | \$ (707) |
| Debt service as a percentage of noncapital expenditures | 0.255% | 0.259% | 0.173% | 0.192% | 0.222% | 0.264% | 0.228% | 0.290% | 0.359% | 0.344% |

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

| Fiscal Year | Federal | State | Cities and Other | Totals | Per Capita |
|----------------|---------------|---------------|---------------------|---------------|---------------|
| 2021-2022 | \$ 36,068,939 | \$ 39,420,496 | \$ 4,484,490 | \$ 79,973,925 | 613 |
| 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 |

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 June 30, | Real Property | Manufactured Structures | Personal Property | Public Utilities | Less Tax Exempt Real Property | Total Taxable Assessed Value | Total Direct Tax Rate Per \$1,000 | Estimated Real Market Value | Total Taxable Assessed Value as a Percentage of Estimated RMV |
|---|----------------------|------------------------------------|------------------------------|-----------------------------|--|---|--|--|--|
| 2022 | \$ 10,699,739 | \$ 162,079 | \$ 358,821 | \$ 567,119 | \$ 43,718 | \$ 11,744,040 | 4.1036 | \$ 21,193,423 | 55.41% |
| 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% |

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 | |
| 2022 | 4.10 | 7.81 | 6.34 | 10.44 | 2.15 | 2.55 | 6.62 | 6.70 | 6.84 | 4.62 | 0.67 |
| 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 |

(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 | 2022 | | | 2013 | | |
|---|---------------------------------|------------------------|------|--|------------------------|------|--|
| | | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Pacificorp PP&L | Utility | \$ 195,689 | 1 | 1.67% | \$ 91,094 | 2 | 1.09% |
| Fort James Operating Co. | Timber & Forest Products | 183,819 | 2 | 1.57% | 103,069 | 1 | 1.23% |
| Weyerhaeuser Co./ Willamette Industries | Timber & Forest Products | 117,979 | 3 | 1.00% | 60,710 | 7 | 0.73% |
| Lowes HIW Inc | Retail distribution | 95,627 | 4 | 0.81% | 89,395 | 3 | 1.07% |
| Freres Lumber Co Inc/ Engineered Wood | Timber & Forest Products | 92,560 | 5 | 0.79% | | | |
| Northwest Natural Gas | Utility | 92,090 | 6 | 0.78% | | | |
| Teledyne Wah Chang Albany | Rare Metals | 88,768 | 7 | 0.76% | 79,524 | 4 | 0.95% |
| Lumen Technologies Inc (formerly Centurylink) | Technology & Communications | 86,564 | 8 | 0.74% | 72,782 | 6 | 0.87% |
| Target Corporation | Retail distribution | 80,502 | 9 | 0.69% | 74,485 | 5 | 0.89% |
| Cascade Pacific Pulp LLC | Wood pulp for paper manufacture | 75,098 | 10 | 0.64% | 50,875 | 9 | 0.61% |
| Oregon Metallurgical Corp | Rare Metals | | | | 53,071 | 8 | 0.64% |
| Comcast Corporation | Communications | | | | 49,796 | 10 | 0.60% |
| Total Principal Taxpayers | | 1,108,696 | | 9.44% | 724,801 | | 8.68% |
| Total County Taxable Assessed Value | | \$11,744,040 | | 100% | \$ 8,354,695 | | 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 |
| 2022 | \$ 45,286 | \$ 44,430 | 98.11% | \$ - | \$ 44,430 | 98.11% |
| 2021 | 44,118 | 43,205 | 97.93% | 500 | 43,705 | 99.06% |
| 2020 | 42,530 | 41,475 | 97.52% | 807 | 42,282 | 99.42% |
| 2019 | 40,367 | 39,338 | 97.45% | 925 | 40,263 | 99.74% |
| 2018 | 37,746 | 36,783 | 97.45% | 933 | 37,716 | 99.92% |
| 2017 | 34,504 | 33,329 | 96.60% | 1,158 | 34,487 | 99.95% |
| 2016 | 32,523 | 31,320 | 96.30% | 1,197 | 32,517 | 99.98% |
| 2015 | 30,476 | 29,318 | 96.20% | 1,153 | 30,471 | 99.98% |
| 2014 | 30,476 | 29,196 | 95.80% | 1,277 | 30,473 | 99.99% |
| 2013 | 27,650 | 26,713 | 96.61% | 934 | 27,647 | 99.99% |

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>2022</u> | <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> |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Debt limit | \$ 234,881 | \$ 223,817 | \$ 212,589 | \$ 203,778 | \$ 196,003 | \$ 187,800 | \$ 180,982 | \$ 173,800 | \$ 16,269 | \$ 160,147 |
| Total net debt applicable to limit | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 234,881</u> | <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> |
| 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 2022:

| | |
|--|-------------------|
| Estimated Actual Taxable Value | \$ 11,744,040 |
| Debt limit (2% of total assessed value)** | 234,881 |
| 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>\$ 234,881</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, | Governmental Activities | | | | | (1) Percentage of Personal Income | (1) Debt Per Capita |
|----------------------------------|--------------------------------|------------------|--------------------|-------------------|------------|--|---------------------------|
| | General Obligation Bonds | Bond Premiums | Loans and Notes | Leases Payable | Totals | | |
| 2022 | \$ - | \$ - | \$ - | \$ 572,921 | \$ 572,921 | 0.01% | \$ 4.39 |
| 2021 | - | - | - | - | - | - | - |
| 2020 | - | - | - | - | - | - | - |
| 2019 | - | - | - | - | - | - | - |
| 2018 | - | - | - | - | - | - | - |
| 2017 | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - |
| 2015 | - | - | - | - | - | - | - |
| 2014 | - | - | - | - | - | - | - |
| 2013 | - | - | - | - | - | - | - |

(1) Percentage of personal income and per capita information is derived from demographic information presented on page 115.

Note: Leases payable is a new category this year as a result of implementing GASB 87.

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

| Fiscal year ended June 30, | (1) General Obligation Bonds | Less: Amounts Available in Debt Service Fund | | | Totals | (2) Estimated Actual Taxable Value | Percentage of Estimated Actual Taxable Value of Property | Per Capita |
|----------------------------------|---------------------------------------|---|---|---|--------|---|---|------------|
| 2022 | \$ - | \$ - | - | - | \$ - | \$ 11,744,040 | 0.00% | - |
| 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% | - |

(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, 2022

| <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 | 14,635 | 73.81% | 10,802 |
| Brownsville | 5,520 | 100.00% | 5,520 |
| Harrisburg | 8,015 | 100.00% | 8,015 |
| Lebanon | 7,815 | 100.00% | 7,815 |
| Community Colleges: | | | |
| Chemeketa | 38,460 | 1.03% | 396 |
| Lane | 136,225 | 1.14% | 1,553 |
| Linn-Benton | 23,930 | 49.33% | 11,805 |
| School Districts: | | | |
| Corvallis | 194,710 | 2.16% | 4,206 |
| Eugene | 461,885 | 0.07% | 323 |
| Lane , Marcola | 6,725 | 0.04% | 3 |
| Greater Albany | 128,335 | 76.29% | 97,907 |
| Harrisburg | 7,657 | 91.19% | 6,982 |
| Jefferson | 13,631 | 6.63% | 904 |
| Lebanon Community | 29,645 | 100.00% | 29,645 |
| North Santiam | 16,850 | 21.20% | 3,572 |
| Santiam Canyon | 17,485 | 49.53% | 8,660 |
| Sweet Home | 10,695 | 100.00% | 10,695 |
| Rural Fire Districts: | | | |
| Lebanon | 14,250 | 100.00% | 14,250 |
| Harrisburg | 5,995 | 99.99% | 5,994 |
| Mohawk Valley | 275 | 0.03% | - |
| Scio | 2,167 | 100.00% | 2,167 |
| Total Overlapping | <u>1,144,905</u> | | <u>231,214</u> |
| Total Direct and Overlapping | <u>\$ 1,144,905</u> | | <u>\$ 231,214</u> |

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

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

Source: Oregon State Treasury, Debt Management Division.

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 |
|----------------------------------|-------------------|---|---|------------------------------------|---------------------------------------|-----------------------------|---------------------------------|
| 2022 | 130,440 | \$ 7,008,865 | \$ 53,732 | 21,795 | 4.0% | 780 | 676 |
| 2021 | 127,320 | 6,836,583 | 53,696 | 24,325 | 6.3% | 680 | 661 |
| 2020 | 126,550 | 6,295,776 | 49,749 | 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 |

Source:

- (1) Certified estimate per Portland State Population Research Center
- (2) Bureau of Economic Analysis - (the two most current years are estimated, and are updated to actual in subsequent years)
- (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>2013</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 | 3.47% | 293 | 10 | 0.77% |
| Greater Albany Public Schools | 1,525 | 2 | 3.21% | 1,080 | 3 | 2.83% |
| Linn Benton Community College | 1,500 | 3 | 3.15% | 1,100 | 2 | 2.88% |
| Target Distribution Center | 1,300 | 4 | 2.73% | 631 | 5 | 1.65% |
| Samaritan Health Services | 1,060 (1) | 5 | 2.23% | 1,600 | 1 | 4.19% |
| Selmet - a CPP company | 782 | 6 | 1.64% | | | |
| Linn County | 667 | 7 | 1.40% | 622 | 6 | 1.63% |
| National Frozen Foods | 500 | 8 | 1.05% | 350 | 9 | 0.92% |
| Oregon Freeze Dry | 450 | 9 | 0.95% | 398 | 7 | 1.04% |
| City of Albany | 428 | 10 | 0.90% | 390 | 8 | 1.02% |
| Allvac Oremet - (Wah Chang) | | | 0.00% | 949 | 4 | 2.48% |
| Totals | | | <u>20.74%</u> | | | <u>19.40%</u> |
| Number of individuals employed in Linn County | | | 47,550 | | | 38,210 |

(1) 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 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General administration and support | 49 | 47 | 39 | 41 | 45 | 41 | 42 | 39 | 42 | 42 |
| Local government services | 36 | 36 | 36 | 36 | 35 | 34 | 38 | 36 | 31 | 31 |
| Public safety | 251 | 253 | 314 | 249 | 244 | 234 | 242 | 245 | 232 | 233 |
| Health services | 194 | 189 | 195 | 193 | 209 | 221 | 208 | 190 | 176 | 178 |
| Community development | 59 | 62 | 52 | 56 | 61 | 50 | 53 | 53 | 66 | 65 |
| Highways and streets | 65 | 72 | 78 | 67 | 67 | 63 | 62 | 67 | 75 | 73 |
| Total | 654 | 659 | 714 | 642 | 661 | 643 | 645 | 630 | 622 | 622 |

Source: Linn County payroll department

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

| Function | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sheriff | | | | | | | | | | |
| Jail bookings (calendar year basis) | <i>n/a</i> | 2,698 | 3,216 | 6,531 | 7,214 | 6,808 | 6,672 | 6,767 | 6,671 | 6,115 |
| Highways and streets | | | | | | | | | | |
| Road surface improvements (miles) | 66 | 65 | 70 | 69 | 63 | 74 | 59 | 49 | 32 | 51 |
| Parks | | | | | | | | | | |
| Picnic shelter rentals | 219 | 127 | 125 | 189 | 189 | 264 | 200 | 223 | 212 | 169 |
| Clerk's Office | | | | | | | | | | |
| Documents recorded | 27,210 | 32,778 | 26,862 | 22,628 | 25,243 | 25,321 | 23,683 | 20,442 | 20,878 | 26,758 |
| Marriage licenses issued | 780 | 680 | 689 | 792 | 857 | 816 | 816 | 836 | 749 | 792 |
| Registered voters | 95,450 | 94,353 | 90,650 | 88,608 | 84,875 | 80,474 | 69,202 | 64,264 | 62,509 | 63,622 |
| Planning | | | | | | | | | | |
| Building permits | 1,091 | 1,418 | 1,816 | 1,807 | 1,944 | 1,680 | 1,494 | 1,333 | 1,353 | 1,226 |
| Contract cities | 531 | 746 | 1,038 | 1,095 | 1,070 | 956 | 701 | 596 | 497 | 426 |
| Electrical permits | 1,879 | 2,022 | 1,859 | 1,937 | 2,010 | 1,972 | 1,631 | 1,505 | 1,335 | 1,312 |
| Planning applications | 867 | 929 | 887 | 888 | 934 | 794 | 757 | 642 | 670 | 613 |
| Health | | | | | | | | | | |
| Mental health clients | 4,203 | 4,540 | 4,015 | 4,062 | 4,859 | 4,673 | 5,647 | 5,036 | 4,273 | 4,662 |
| Developmentally disabled clients | 1,481 | 1,261 | 1,362 | 1,168 | 1,113 | 972 | 909 | 776 | 842 | 747 |
| Alcohol and drug clients | 611 | 632 | 808 | 856 | 1,059 | 808 | 904 | 903 | 763 | 790 |
| Public health clients | 26,720 | 8,543 | 3,966 | 4,363 | 8,557 | 11,071 | 14,583 | 15,867 | 13,756 | 12,672 |
| Women, Infants, and children clients | 4,416 | 5,980 | 4,505 | 4,762 | 5,123 | 5,490 | 5,721 | 5,810 | 6,021 | 6,052 |
| Environmental health service contacts | 2,688 | 2,054 | 2,591 | 2,655 | 2,816 | 2,552 | 1,649 | 1,942 | 2,642 | 2,460 |
| Fairgrounds | | | | | | | | | | |
| Willamette building (hours of use) | 5,230 | 1,133 | 5,051 | 9,363 | 7,892 | 8,259 | 6,642 | 6,176 | 5,550 | 5,604 |
| Calapooia arena (hours of use) | 1,387 | 48 | 1,071 | 1,683 | 1,684 | 1,952 | 1,926 | 1,845 | 2,042 | 1,918 |
| Santiam center (hours of use) | 842 | 178 | 953 | 1,852 | 1,823 | 1,540 | 1,503 | 1,373 | 1,146 | 1,203 |
| Cascade livestock building (hours of use) | 2,150 | 136 | 1,995 | 3,514 | 3,952 | 4,305 | 4,124 | 4,107 | 3,793 | 3,900 |

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 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | | | | | | |
| Police stations | 10 | 9 | 9 | 9 | 9 | 8 | 8 | 7 | 7 | 7 |
| Patrol units | 53 | 53 | 53 | 53 | 53 | 55 | 55 | 55 | 55 | 55 |
| Police service dogs | 2 | 2 | 3 | 3 | 2 | 1 | 1 | 1 | 1 | 1 |
| Culture and recreation | | | | | | | | | | |
| Parks acreage | 1,508 | 1,256 | 1,246 | 1,246 | 1,369 | 1,369 | 1,364 | 1,364 | 1,364 | 1,360 |
| Parks | 27 | 26 | 25 | 25 | 24 | 24 | 24 | 24 | 24 | 23 |
| Picnic shelters | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| General Services | | | | | | | | | | |
| Motor pool vehicles | 78 | 81 | 79 | 78 | 80 | 80 | 79 | 76 | 78 | 78 |
| Roads | | | | | | | | | | |
| All public road miles | 1,167 | 1,167 | 1,170 | 1,170 | 1,170 | 1,155 | 1,155 | 1,153 | 1,153 | 1,153 |
| Bridges | 335 | 335 | 335 | 335 | 335 | 335 | 336 | 336 | 336 | 329 |

Source: Linn County elected officials and department managers.

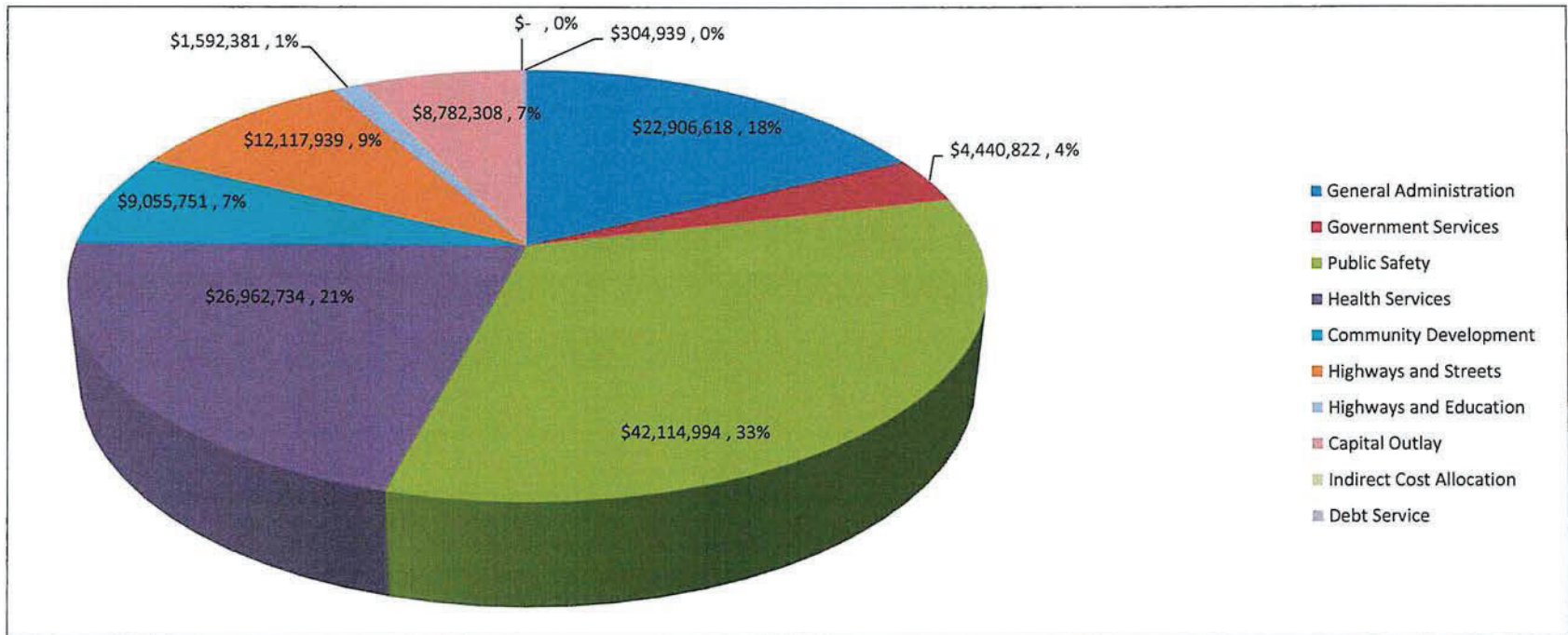
LINN COUNTY, OREGON
General Government Expenditures by Function
Last Ten Fiscal Years

| Fiscal year ended June 30, | General Administration | Local Government Services | Public Safety | Health Services | Community Development | Highways and Streets | Education | Capital Outlay | Indirect Cost Allocation | Debt Service | Totals | (b) CPI | Per Capita |
|----------------------------|------------------------|---------------------------|---------------|-----------------|-----------------------|----------------------|--------------|----------------|--------------------------|--------------|----------------|---------|------------|
| 2022 | \$ 22,906,618 | \$ 4,440,822 | \$42,114,994 | \$26,962,734 | \$ 9,055,751 | \$12,117,939 | \$ 1,592,381 | \$ 8,782,308 | (a) | \$ 304,939 | \$ 128,278,486 | 322.6 | 983.43 |
| 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 | 296.1 | 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 |

(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

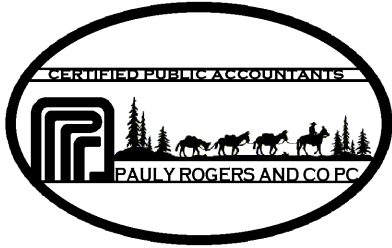
LINN COUNTY, OREGON
SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES
Year Ending June 30, 2022

| <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 | 7/1/2021 | 7/1/2022 |
| | | Bodily injury by accident - each accident | | 500,000 | | |
| | | Bodily injury by disease - each employee | | 500,000 | | |
| 21LLINC | City/County Insurance Services (Rhodes-Warden Ins, Inc.) | General Aggregate Commercial general liability Auto liability | Policy limit Each occurrence Each occurrence | 15,000,000 5,000,000 5,000,000 | 7/1/2021 | 7/1/2022 |
| | (Is subject to policy conditions and contingent on sufficient monies being available in Self-Insured Loss Fund) | | | | | |
| 21APDLINC | City/County Insurance Services | Comprehensive general liability Automobile physical damage (APD) | Comp/Collision and APD deductibles vary based on value and deductible per vehicle | | 7/1/2021 7/1/2021 | 7/1/2022 7/1/2022 |
| LINC2021 | City/County Insurance Services (Rhodes-Warden Ins, Inc.) | Equipment Breakdown Coverage (\$1,000 Deductible) | Policy limit | 100,000,000 | 7/1/2021 | 7/1/2022 |
| LINC2021 | 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. | 187,132,849 As per property schedule 5,000,000 5,000,000 1,000,000 1,000,000 1,000,000 150,000 100,000 | 7/1/2021 | 7/1/2022 |

LINN COUNTY, OREGON
SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES
Year Ending June 30, 2022

| <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> |
| LINC2021 Continued | City/County Insurance Services (Rhodes-Warden Ins, Inc.) | Property Coverage (\$10,000 Deductible) | Electronic Data Restoration/ Reproduction Pollution Clean-up Crime Coverage 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 50,000 100,000 50,000 15,000 15,000 100,000 50,000 | 7/1/2021 | 7/1/2022 |
| 211MLINC | 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 | | 7/1/2021 | 7/1/2022 |
| 21ECLINC | 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 | 7/1/2021 | 7/1/2022 |

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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December 13, 2023

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, 2022, and have issued our report thereon dated December 13, 2023. 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 2022-23 budget process, we noted that the Budget Committee Meeting was not published in accordance with ORS 294.426(5b).
2. During our review of the 2021-22 budget appropriations, we noted that OR# 2021-273 increased fund 24 by more than 10%. After discussing with the client, it was determined that the county did not publish an affidavit of budget hearing. We recommend all supplemental budgets that increase expenditures by over 10% be announced by a public notice of budget hearing pursuant to ORS 294.473.

OAR 162-10-0230 Internal Control

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

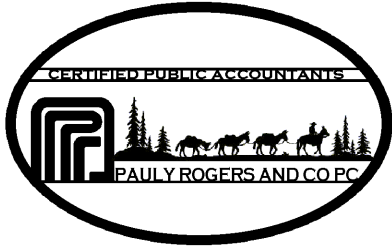
We noted a matter involving the internal control structure and its operation that we consider to be a material weakness under standards established by the American Institute of Certified Public Accountants, which we noted in the Schedule of Findings and Questioned Costs.

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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December 13, 2023

To the Board of County Commissioners
Linn County
Albany, Oregon

**INDEPENDENT AUDITORS' 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 as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 13, 2023.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

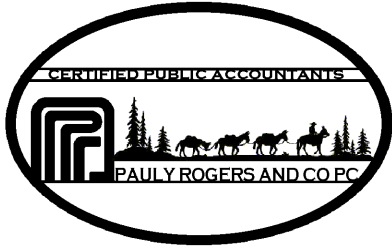
As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Tara M. Kamp, CPA
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December 13, 2023

To the Board of County Commissioners
Linn County
Albany, Oregon

INDEPENDENT AUDITORS' 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

Opinion on Each Major Federal Program

We have audited Linn County's compliance with the types of compliance requirements identified as subject to audit 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, 2022. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Linn County 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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Linn County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to its federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

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 SA2022-01. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The 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

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item SA2022-01 to be a material weakness.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and therefore, material weaknesses or significant deficiency may exist that were not identified. However, as discussed above, we did identify a deficiency in internal control we consider to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the entity's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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



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

LINN COUNTY, OREGON
ALBANY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2022

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 material 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

AL NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

| | |
|--------|--|
| 10.557 | SSNP FOR WOMEN, INFANT, AND CHILDREN (WIC) |
| 21.027 | CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS |
| 93.323 | EPIDEMIOLOGY AND LABORATORY CAPACITY FOR INFECTIOUS DISEASES |

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

\$750,000

yes

no

Auditee qualified as low-risk auditee?

SECTION II – FINANCIAL STATEMENT FINDINGS

None Noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

SA2022 - 001 – MATERIAL WEAKNESS

FEDERAL PROGRAM: 93.323 – Epidemiology and Laboratory Capacity for Infectious Diseases

SPECIFIC REOUREMENT: All federal expenditures related to the program should be reported in the fiscal year they are expended.

CONDITION: Adequate controls were not in place to ensure the schedule of expenditures of federal awards was accurate at year end.

QUESTIONED COST: None noted

CONTEXT: This finding is limited to this major program and the context noted in the condition.

EFFECT: Without adequate controls or procedures in place to ensure accuracy of the schedule of expenditures of federal awards there exists the risk of material misstatement.

CAUSE: The County did not have adequate procedures and policies in place for individual departments reporting their federal award expenditures for compilation and reporting.

RECOMMENDATION: We recommend the County implement policies and procedures to ensure accuracy of the schedule of expenditures of federal awards.

VIEWS OF RESPONSIBLE OFFICIALS: Management agrees with the finding and has implemented procedures to ensure that all federal expenditures are included on the schedule of federal expenditures of federal awards. Departments receiving federal awards now report all of these grants to the accounting department.

SECTION IV – PRIOR FINANCIAL STATEMENT FINDINGS

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.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LINN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2022

| <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 | \$ 6,646 | \$ - |
| National School Lunch Program | 10.555 | Oregon Department of Education | 2212004 | 18,557 | - |
| National School Lunch Program (non-cash assistance) | 10.555 | Oregon Department of Education | 2212004 | 1,879 | - |
| | | | | <u>27,082</u> | <u>-</u> |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | Oregon Health Authority | PE40-various | 854,416 | - |
| US Forest Service-Direct programs: | | | | | |
| Secure Rural Schools - Resource Advisory Committee Title II | 10.665 | Direct - BLM | L21AC1029800003 | 13,500 | - |
| Total Department of Agriculture | | | | <u>894,998</u> | <u>-</u> |
| <u>DEPARTMENT OF JUSTICE</u> | | | | | |
| Crime Victim Assistance | 16.575 | Oregon Department of Justice | VOCA-NC-FR-2019 | 248,408 | - |
| Total Department of Justice | | | | <u>248,408</u> | <u>-</u> |
| <u>DEPARTMENT OF TRANSPORTATION</u> | | | | | |
| Highway Planning and Construction Cluster: | | | | | |
| Federal Lands Access Program | 20.224 | Federal Highway Administration (FHWA) - Oregon division | 6905672040006 | 105,243 | - |
| | | | | <u>105,243</u> | <u>-</u> |
| Formula Grants for Rural Areas Cluster: | | | | | |
| Formula Grants for Rural Areas | 20.509 | Oregon Department of Transportation | 34417/35007 | 176,273 | 176,273 |
| Formula Grants for Rural Areas-Covid 19 | 20.509 | Oregon Department of Transportation | 34417/35007 | 137,403 | 137,403 |
| | | | | <u>313,676</u> | <u>313,676</u> |

Statement continued on next page

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 | 34988 | \$ 50,839 | \$ 50,839 |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | Oregon Department of Transportation | 35209 | 86,385 | 86,385 |
| | | | | <u>137,224</u> | <u>137,224</u> |
| National Infrastructure Investments - Tiger IX Award | 20.933 | Federal Highway Administration (FHWA) - Oregon division | 693JJ31940009 | 2,963,637 | - |
| Total Department of Transportation | | | | <u>3,519,780</u> | <u>450,900</u> |
| <u>DEPARTMENT OF THE TREASURY</u> | | | | | |
| Coronavirus state and local fiscal recovery funds-Covid 19 | 21.027 | Direct | TD022SLFRP8364C | 10,334,000 | 10,035,000 |
| Coronavirus state and local fiscal recovery funds-Covid 19 | 21.027 | Oregon Department of Transportation | COVID20210701C | 300,000 | 300,000 |
| Coronavirus state and local fiscal recovery funds-Covid 19 | 21.027 | Oregon Department of Administrative Services | | 167,878 | - |
| Total Department of the Treasury | | | | <u>10,801,878</u> | <u>10,335,000</u> |
| <u>GENERAL SERVICES ADMINISTRATION</u> | | | | | |
| Donation of Federal Surplus Personal Property | 39.003 | Oregon Department of Administrative Services | various | 23,681 | - |
| Total General Services Administration | | | | <u>23,681</u> | <u>-</u> |

Statement continued on next page

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> |
|--|----------------------------------|----------------------------------|--|-----------------------------|--|
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | | |
| Public Health Emergency Preparedness | 93.069 | Oregon Health Authority | PE12 | \$ 91,920 | \$ - |
| Immunization Cooperative Agreements | 93.268 | Oregon Health Authority | PE01-10, PE43-01 | 245,293 | - |
| Epidemiology and Laboratory Capacity for Infectious Diseases | 93.323 | Oregon Health Authority | PE01-07, PE01-09 | 930,783 | - |
| Public Health Emergency Response - Covid 19 | 93.354 | Oregon Health Authority | not available | 61,856 | - |
| National Bioterrorism Hospital Preparedness Program | 93.889 | Oregon Health Authority | 280609 | 67,633 | - |
| Block Grants for Community Mental Health Services | 93.958 | Oregon Health Authority | not available | 83,965 | - |
| Block Grants for Prevention and Treatment of Substance Abuse | 93.959 | Oregon Health Authority | not available | 260,207 | - |
| Maternal and Child Health Services Block Grant to the States | 93.994 | Oregon Health Authority | PE42-11, PE42-12 | 54,090 | - |
| Total Department of Health and Human Services | | | | <u>1,795,747</u> | <u>-</u> |
| DEPARTMENT OF HOMELAND SECURITY | | | | | |
| Disaster Grants - Public Assistance | 97.036 | Oregon Military Department | 36146 | 52,739 | - |
| Emergency Management Performance Grant | 97.042 | Oregon Military Department | 35,110 | 116,985 | - |
| Homeland Security Grant Program | 97.067 | Oregon Military Department | 37500 | 122,500 | - |
| Total Department of Homeland Security | | | | <u>292,224</u> | <u>-</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | <u>\$ 17,576,716</u> | <u>\$ 10,785,900</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, 2022

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, 2022.

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.