



**LINN COUNTY, OREGON**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2019**

*Prepared by:*

General Administration

William E. Palmer, CPA  
Accounting Officer

# LINN COUNTY, OREGON

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## INTRODUCTORY SECTION

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

BOARD OF COMMISSIONERS

*John K. Lindsey  
Roger Nyquist  
Will Tucker*

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

**RALPH E. WYATT**  
*Administrative Officer*

November 21, 2019

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

Members of the Board and the Citizens of Linn County:

In accordance with Oregon Revised Statutes Title 28, Section 297.425, the Annual Financial Report of Linn County, Oregon for the fiscal year ending June 30, 2019 is hereby submitted. This report consists of management's representations concerning the finances of Linn County and specifies that the responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with Linn County. It is believed that the data is accurate in all material aspects and is prepared in a manner designed to present fairly the financial position and results of the operation of Linn County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a clear and comprehensive understanding of Linn County's financial affairs have been included.

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

Linn County's financial statements have been audited by Pauly, Rogers and Co., P.C., a firm of licensed certified public accountants, with the audit conducted in accordance with generally accepted auditing standards. The goal of the independent audit is to provide reasonable assurance that the financial statements of Linn County, for the fiscal year ending June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Linn County's financial statements for the fiscal year ending June 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As with last year's report, this report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. It is our belief that the accompanying financial report continues to meet those program standards and this report will be submitted to the GFOA for review. Specific attention is encouraged toward Management's Discussion and Analysis (MD&A) of the financial statements located in the Financial Section starting on page a. The purpose of the MD&A is to analyze Linn County's overall financial position and the results of its operation in FY 2018 - 2019.

### **PROFILE OF LINN COUNTY**

Linn County, established December 28, 1847, is in the center of Oregon's Willamette Valley with the Willamette River as its western boundary and the crest of the Cascade Mountain Range as its eastern boundary. Linn County has a land area of 2,308 square miles and is home, per the Portland State Population Research Center, to an estimated July 1, 2018 population of 125,575. The County is governed under Oregon law as a "general law county" with a governing body of three full-time commissioners elected at large on a partisan basis and serving four year terms. The Board of Commissioners is responsible for, among other things, adopting policies, passing ordinances, adopting the budget, appointing various committees and advisory groups, conducting hearings and hiring and supervising key department heads including the Administrative Officer. The Board's responsibilities also include monitoring the activities of the County and coordinating those activities and operations with the other elected officials (Assessor, Clerk, District Attorney, Justice of the Peace, Sheriff, Surveyor and Treasurer) and department heads.

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

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

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

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

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

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

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

The annual budget serves as the foundation for Linn County's financial planning and control. Based on guidelines provided by the Board of Commissioners, all offices and departments of Linn County submit their budget requests to the Budget Officer in March/April of each year. The Budget Officer develops a proposed budget based on these requests with the proposed budget presented to the Budget Committee (three Commissioners and three lay members) who review, discuss, balance and approve the budget during public budget hearings in April/May. The approved budget is then adopted by the Board of Commissioners in June prior to the July 1<sup>st</sup> start of the County's fiscal year. The adopted budget sets appropriation amounts by fund (e.g., General or Road) and office or department (e.g., Assessor or Planning & Building) for the following categories: personal services, materials & supplies, capital outlay, other requirements and operating contingency. Elected officials and department heads may make transfers within categories but transfers between categories or offices/departments require the approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and Major Special Revenue Funds, this comparison is presented on pages 8 through 22. For the non-major funds, the comparisons are presented starting on page 69.

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

**Local Economy.** Linn County's economic indicators, over the twelve month period of this audit, continue to reflect a strong local economy that has stabilized as shown by the County's unemployment rate change - a rate of 4.6% for June 2019, up slightly from the 4.4% rate for June 2018. The County's unemployment rate has continued to remain slightly higher than the State June 2019 rate (4.1%) but still historically low. Another indicator of strength is reflected in the increase in employment levels over the past year with the number of nonfarm employed County residents up by 640 jobs (June 2018 to June 2019), a 1.4 percent increase which was lower than the state and the same as the national growth rates. From February 2008, the pre-recession employment peak, to June 2019, the County is up 3,000 jobs, with many companies continuing to have problems finding qualified candidates to fill positions.

Along with the improved jobs data, there are other positive economic developments. As mentioned in the past few Audits, the medical school in Lebanon, the College of Osteopathic Medicine of the Pacific in partnership with Samaritan Health Services, is in operation and graduating students to meet the large demand for doctors. The campus complex continues to be built out with additional school facilities, apartments and businesses with a conference center, hotel and restaurant. Activity continues strong in the Planning and Building Department, Clerk's Office and Surveyor's Office indicating that the housing/construction sector of the economy is doing well but has leveled off. In addition, the County has now been selected for a \$25 million project to site an Intermodal Facility on the property of a former paper mill. To insure that the project goes forward, the County purchased the 190.3 acre property and will sell the +/- 50 acres needed for the Intermodal Facility with the remainder used for further economic development

purposes. In the long term, Linn County's favorable Mid-Willamette Valley location and economic diversification will continue to provide the factor that has allowed the County to work its way out of the recent recession and get jobs back above the 2008 level.

**Revenues and Expenditures.** Linn County's revenues continue to reflect the variety of impacts and changes to the revenue sources - Federal, State and Local. The last year of the State's FY 2017 – 2019 Budget has reflected the improvement in the State's economy and provided more stability in revenues but, of course, the State's revenue dependence on income taxes continues. The State's FY 2017 – 2019 Budget was balanced using the more positive revenue forecasts to offset increases in the State's health and retirement costs. The State's stabilizing General Fund revenues did not result in increases in State funding for County programs.

The County's service capabilities are expected to continue to shift in the future with the on-going changes in two major revenue sources – State and Federal. The Federal "safety net" payments were renewed for two years early in 2018 so the Bureau of Land Management and Forest Service payment amounts were increased above the actual sales amounts. The outlook for payments from another major revenue source, the State of Oregon, is also mixed with shifts in public safety and health payments to the County, with the most significant shift the one being made in health funds to Coordinated Care Organizations (CCO) which may then contract with the County for services. A third major revenue source, the County's local option Law Enforcement Levy, has a more positive outlook. The voters approved a new four year levy starting July 1, 2018, ending June 30, 2022, retaining the same rate of \$2.83 per thousand valuation. The Levy revenue is recovering with higher property values and smaller Measure 5 compression losses as detailed below.

The County's major source of revenue remains intergovernmental receipts (\$52,560,578; 48.38% of revenue; down 3.26%) with the decrease primarily due to less funding from the Federal Forest and medical billing payments. The fiscal impacts on the County from the severe decline in timber sales have continued but have been somewhat offset by continued Federal Forest payments (Federal Forest Service and Bureau of Land Management Title I payments; \$3,787,144; 3.49% of revenue; down 0.14%). State-provided funds also decreased (\$31,925,596; 29.39% of revenue; down 2.87% mostly from the reduction in medical billing receipts) and provided the bulk of the remaining intergovernmental revenues.

The impacts on County property taxes (\$40,417,144; 37.21%; up 3.05%) 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 (3.967%) in the County's assessed property values remains strong. The County's Law Enforcement Levy (rate of \$2.83 per thousand [note that the County's permanent tax rate is \$1.2736 per thousand]) is critical to the County's revenue structure (\$26,126,480; 64.65% of the total property taxes). The Law Enforcement Levy's net amount continues to be reduced ("compressed") by 9.03% (\$2,602,026) due to the Measure 5 limitations but is easing with increasing property values. The County's second local option levy is for the Veterans' Home (\$1,723,886; 4.27% of the total property taxes) and was approved to repay the 10 year, \$12,000,000 loan from the Road Fund used to provide the local match required to fund the project. The last major sector of County revenues, the Licenses, Permits, Fines & Services category (\$12,784,964; 11.77% of revenue; up 0.40%) is up slightly as the economy continues strong. Overall, the outlook is, at best, for the County's total revenues to stabilize over the next few years depending on how State and Federal funding combines with the Law Enforcement Levy revenues.

On the expense side, the cost of County operations over the long term is expected to grow due mainly to increasing costs per employee. These costs have been driven by cost-of-living (COLA) salary increases and retirement cost increases as established by collective bargaining agreements. For FY 2018 –2019, the total personnel cost decreased by 0.16 due to the layoff of 18 employees in the Health Department (revenue reductions) which offset the cost of living salary increases. Oregon Public Employees Retirement System (PERS) rates did not change and health insurance premiums had minimal increases. Future retirement costs are expected to change significantly with large rate increases (3+% increases applied to salaries for 2019, 2021, 2023 and further?). Future health insurance costs continue to be a big unknown given the Federal and State legislation actions.

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

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

As mentioned in prior letters, a key major property purchase will be important to future County operations. The properties – the Albany Police Station and the Nation Guard Armory land – the Police Station abutting the County Jail/Sheriff’s Office and the Armory land abutting the Fair Expo complex will both allow for the future expansion of County activities. The County has completed the remodel of the Station and is leasing it to the State’s local Parole and Probation office. The property adjacent to the Jail is also part of a proposed Justice Center project that is on a State priority list and has been approved for partial State funding in the FY 2019 – 2021 Budget. As mentioned earlier, the County purchased the old IP property for use as an Intermodal Facility and for future economic purposes.

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 CCOs 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, InterCommunity 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. As mentioned earlier, that expansion of services has a growing impact on the Health Department’s State revenue streams, much of which now flows to the CCO and then to the Department. As mentioned earlier, fluctuations in that revenue stream produced the layoffs in May 2018.

The Parks Department is using its lease agreement with the US Army Corps of Engineers and the Bureau of Land Management in the Green Peter/Quartzville areas and is now managing the dispersed camping areas in the upper Quartzville Corridor. The first phase of the expansion of the

Whitcomb Creek Campground from 39 sites to 92 sites is now complete and open for use. A new well has been drilled and water system improvements are in progress at Waterloo Park and the power generation system has been replaced at Clear Lake Park.

The programmed road and bridge improvements by the Road Department upgraded 69.36 miles of road miles of the County's road system and completed structural bridge repairs on seven bridges (three major and four small projects).

Regarding labor contracts, the County had three labor agreements ending June 30, 2019 and settled with all three unions with three year terms for each.

The County continues to be involved in two major lawsuits with the State of Oregon, one a contractual issue involving the County's Forest Trust Lands managed by the State and the other involving a January 1, 2016 new State law mandating paid sick leave and the State's Constitutional restriction on unfunded mandates. Both lawsuits could have significant fiscal impacts, depending on the legal outcome, and continue to work their way through the court system. The County is also part of one other class action lawsuit against the Federal government for underfunding the Payment in Lieu of Taxes (PILT) which has been settled with payment due the County.

**Cash Management Policies and Practices.** Cash temporarily available during the year was invested in certificates of deposit; obligations of the U.S. Treasury or agencies (notes, cubes, bills and strips); or the State Treasurer's Oregon Local Government Investment Pool. Deposits were either insured by Federal Depository Insurance Corporation or fully collateralized. The average distribution of investment maturities for the year was as follows: 30 days or less – 83.13%; 30 to 90 days – 2.07%; 90 days to 12 months – 3.81%, 12 to 24 months – 10.88% and 24 to 36 months – 0.11%. The average yield on investments for the year was 1.294% compared to an average of 1.723% for the State's Local Government Investment Pool. The County recorded interest revenues of \$660,381 on all County investments in the year ending June 30, 2019. This represents an increase of \$251,084, up 61.4% from the prior year due to better earnings on investments during the year.

**Risk Management.** For the fiscal year ending June 30, 2019 insurance coverages were not changed from the prior year with liability and property continuing with City County Insurance Services and workers' compensation continuing with SAIF Corporation. Excess crime coverage, including faithful performance of duty, continues in the property policy replacing the blanket and two individual bonds and providing broader coverage. The County continues to cover actual and potential unemployment compensation costs with a self-financed internal service fund (Unemployment Insurance Fund, pages 23, 24, 25 and 79). Additional information is included in the Financial Section of this report (page 59) with a schedule of all the County's insurance coverages included in the Other Information Section of this report (pages 104 and 105).

**Pension and Other Post Employment Benefits.** Linn County participates in Oregon PERS, which includes PERS Tier 1 and 2, and the Oregon Public Service Retirement Plan (OPSRP), which combined, is a statewide multiple-employer pension plan that provides retirement, disability and death benefits to plan members and beneficiaries. The Tier 1 and 2 portion of PERS is a hybrid defined benefit/defined contribution retirement plan which is now "closed" to new employees who instead enter OPSRP, a defined benefit retirement plan. PERS is administered under Oregon Revised Statutes

Chapter 238 and 238A by the PERS Board of Trustees. In addition, effective January 1, 2004, both PERS Tier 1 and 2 and OPSRP member employees are required to contribute six percent (6%) of their salary to an Individual Account Program (IAP), a defined contribution plan, unless the employer has agreed, as Linn County has, to “pick up” the contribution on behalf of the employee. The IAP is also administered by the PERS Board of Trustees. The cost of the PERS system continues to be an issue with the legislature and various changes have been made over the past twenty plus years. The legislative changes have been challenged by retiree groups directly to the Oregon Supreme Court and many of the changes were disapproved and most of the savings to the system eliminated. The 2019 Legislative Session again made changes (HB 1049) and again, some the changes are being appealed to the Supreme Court.

Every other year, an independent actuary engaged by PERS, calculates the County’s employer rate required to ensure that the County will be able to fully meet its obligation to retired employees on a timely basis. The PERS Tier 1 & 2 and OPSRP employer rates applied to salary effective July 1, 2017 are as follows: 23.15% (Tier 1 & 2), 14.10% (OPSRP General Service) and 18.87% (OPSRP Police). The rates will change effective July 1, 2019 as follows: 27.17% (Tier 1 & 2), 18.55% (OPSRP General Service) and 23.18% (OPSRP Police) which, overall, will result in an increase of an estimated \$1.67 M in annual cost. The PERS rate increases would have been larger but rate changes are restricted by a process that “collars” changes. In addition to the rate amounts, the County pays the ^% employee contribution for the IAP. As mentioned earlier and like 2019, large increases in the County’s PERS rates are expected in 2021, 2023 and perhaps further in the future. Additional information on Linn County’s PERS participation is included in the Financial Section of this report (pages 50 - 59).

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

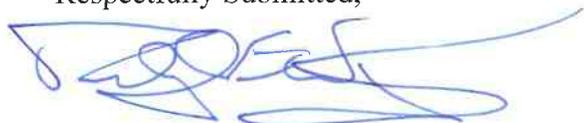
### **AWARDS AND ACKNOWLEDGEMENTS**

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

The preparation of this report was made possible by the dedicated services of the Treasurer (who is also the Budget Officer) and the staffs 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,



Ralph E. Wyatt  
Administrative Officer



William E. Palmer  
Accounting Office



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Linn County  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

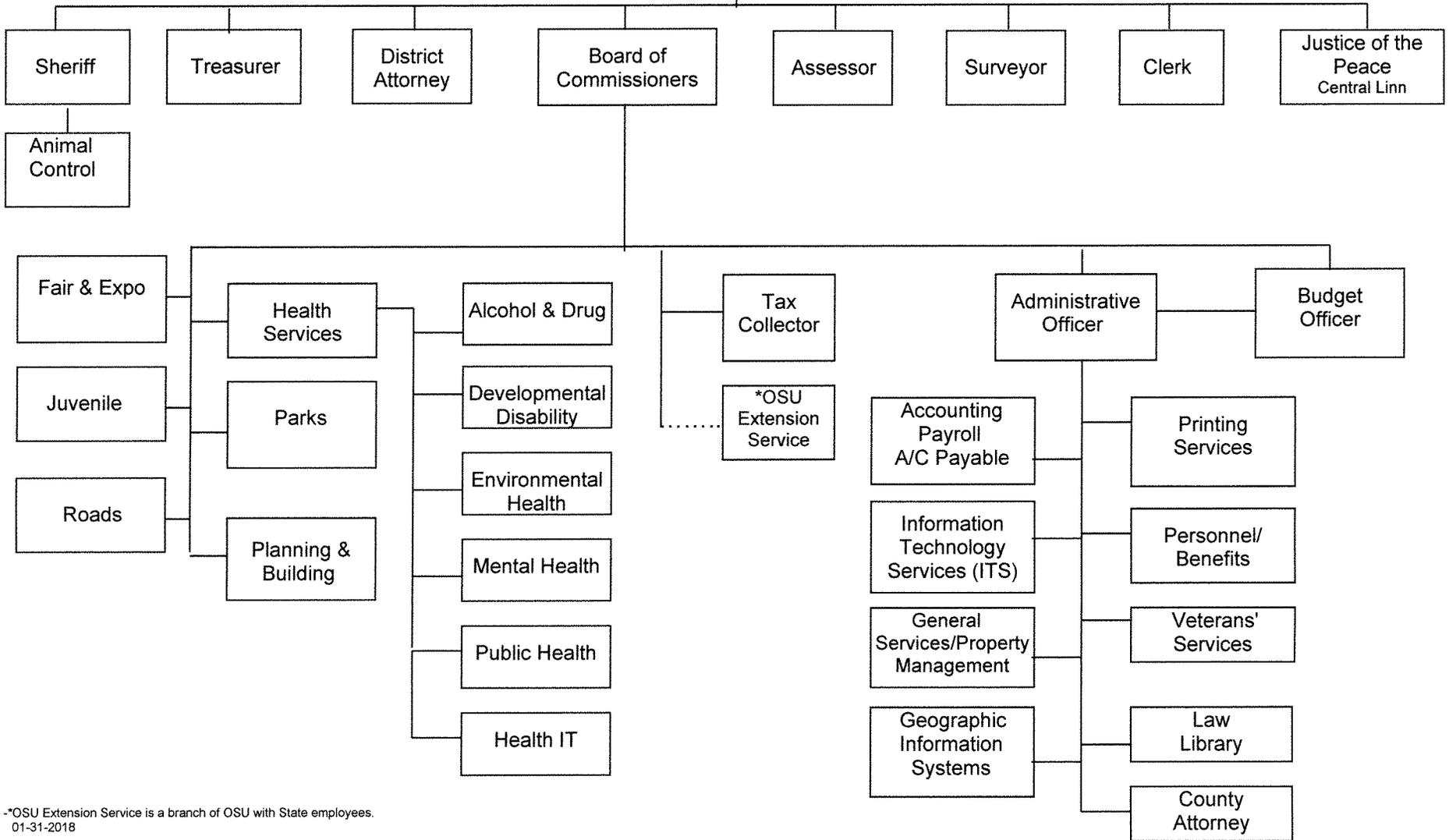


# LINN COUNTY, OREGON

## Organization Chart

01-31-2018

**Linn County  
Voter**



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

## LINN COUNTY, OREGON

### *Elected Officials*

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

### *Administrative Officer*

Ralph E. Wyatt

### *Registered Address*

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

## FINANCIAL SECTION



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12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
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www.paulyrogersandcocpas.com

**November 21, 2019**

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

### INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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

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

#### **Auditors' Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Oregon as of June 30, 2019 and the respective changes in financial position and budgetary comparisons for the General Fund, General Road, Law Enforcement 4-Year Levy, Health, and Veterans Home Loan Funds, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

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

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

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

### Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our reports dated November 21, 2019 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of these reports is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 21, 2019, 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, 2019. 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-viii of this report.

#### Financial Highlights

- The assets of Linn County exceeded its liabilities at the close of the most recent fiscal year by \$189,937,311 (*net position*). Of this amount, (\$52,006,760) (*unrestricted net position*) which is a negative number due to GASB 68 pension reporting requirements, is not available to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position decreased by (\$1,893,922) year over year, primarily due to a decrease in grants and contributions general revenues at the end of the year.
- As of the close of the fiscal year, Linn County's governmental funds reported combined ending fund balances of \$24,023,428, an increase of \$1,506,646 in comparison with the prior year, with \$22,253,165 of this total amount, or 92.64%, *available for spending* to meet the County's commitments and obligations (*restricted, committed, assigned, and unassigned fund balances*).

At the end of the fiscal year, the fund balance for the general fund was (\$7,488,199). The negative fund balance is primarily due to interfund debt as follows:

Date	Original amount borrowed	Purpose
2009-10	420,000	Assessment & taxation ORCATS software
2012-13	660,000	Land adjacent to the Linn County jail. (Jackson St.)
	1,500,000	Building for Linn County Health services.
2013-14	700,000	Weyerhauser building improvement
	900,000	Purchase of a marina on Foster Lake.
2014-15	950,000	Property and building - Linn County 4-H and Extension service office.
2015-16	200,000	Upgrade election software.
	1,750,000	Purchase of the Albany police station, and land adjacent to the fair and expo center.
	2,000,000	Sheriff communication system software.
2016-17	400,000	Upgrade planning and building software.
2017-18	750,000	Building improvements. (APD building)

The current general fund interfund loan balance is \$5,949,414, with each loan being repaid over a ten year period. The combined outstanding balance of all interfund loans is \$8,685,942. Linn County has no general obligation bond debt as of June 30, 2019.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Overview of the Financial Statements

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

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

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

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

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

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

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

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

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

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

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

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

The government-wide financial statements can be found on pages 1 and 2 of this report while the governmental fund financial statements can be found on pages 3 through 22 of this report.

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

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

The basic proprietary fund financial statements can be found on pages 23 through 25 of this report.

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

The basic fiduciary fund financial statements can be found on page 26 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 27 through 62 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 62 of this report. Additional RSI schedules are on pages 63-65 of the report, and are: Changes in Total Other Post Employment Benefit (OPEB) Liability and related Ratios, Proportionate Share of the Net Pension Liability, and PERS pension contributions.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 67 through 79 of this report.

The Agency fund report is presented on pages 80 and 81 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 \$189,937,311 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 decreased by (\$1,893,922) during the current fiscal year as shown below:

**Linn County’s Net Position  
Governmental Activities**

	2019	2018
<b>Assets</b>		
Current and other assets	\$ 35,755,180	\$ 36,386,249
Capital assets	218,626,308	215,418,509
Total assets	254,381,488	251,804,758
<b>Deferred outflows (pension)</b>	24,652,218	21,471,496
Total assets and deferred outflows	279,033,706	273,276,254
<b>Liabilities</b>		
Long-term liabilities outstanding	2,778,191	3,448,659
Net pension liability	65,855,687	61,406,151
Other liabilities	11,406,482	11,639,124
Total liabilities	80,040,360	76,493,934
<b>Deferred inflows (pension and OPEB)</b>	9,056,035	4,951,087
Total liabilities and deferred inflows	89,096,395	81,445,021
<b>Net Position</b>		
Net investment in capital assets	218,626,308	215,418,509
Restricted for:		
Highways and streets	16,146,459	14,722,730
Law enforcement 4-year levy	3,351,148	1,840,951
Health services	2,049,893	4,506,815
Other restricted	1,770,263	1,829,489
Unrestricted	(52,006,760)	(46,487,261)
Total net position	\$ 189,937,311	\$ 191,831,233

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

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

**Governmental activities.** Governmental activities decreased Linn County’s net position by (\$1,893,922). Key elements of this decrease are as follows:

<b>Linn County’s Changes in Net Position Governmental Activities</b>	2019	2018
<b>Revenues</b>		
Program		
Charges for services	\$ 11,671,761	\$ 12,821,493
Operating grants and contributions	41,764,310	40,730,622
General		
Property taxes	39,101,501	36,808,054
Grants and contributions not restricted to specific programs	11,264,450	15,320,359
Other	686,076	395,384
Total revenues	104,488,098	106,075,912
<b>Expenses</b>		
General government	9,262,453	8,374,964
Local government services	3,949,996	4,013,308
Public safety	42,131,745	38,696,285
Health services	25,798,223	29,165,793
Community development	8,232,140	9,560,645
Highways/streets	15,397,040	13,759,331
Apportionment to school districts	1,610,423	1,747,165
Total expenses	106,382,020	105,317,491
Increase (decrease) in net position	(1,893,922)	758,421
Net position - beginning of the year	191,831,233	191,072,812
Net position - end of the year	\$ 189,937,311	\$ 191,831,233

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

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

- Total revenues decreased by \$1,587,814 over the prior fiscal year, primarily due to a decrease in grants and contributions not restricted to a specific program that were offset by increases in property tax revenue as a result of rising assessed property values.
- Overall, County-wide expenses increased by \$1,064,529 from the previous year. This increase (1.10%) occurred in expense functions Public Safety, Highways and Streets, and General Government; with all other expense functions decreasing from the prior year.

### Governmental Funds Financial Analysis

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

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

As of the end of the current year, Linn County's governmental funds reported combined ending fund balances of \$24,023,428, an increase of \$1,506,646 in comparison with the prior year. The bulk of the increase is due to an increase in property tax revenues, with total expenditures held in check, increasing only slightly over the prior year. Of this total fund balance amount, \$32,477,892 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 (\$7,488,199); a decrease in the deficit of \$322,058 compared with the previous year.

Key factors in this change are as follows:

- Overall revenue in the General fund decreased by (\$326,925) from \$34,740,435 in the prior year to \$34,413,510 in the current year with the mix of revenue categories similar to last year. Most significantly, property tax revenue increased \$799,886 while all other revenue categories decreased.
- Expenditures in the General fund increased overall by \$497,043, mostly due to increases in public safety and highways and streets.
- As mentioned earlier, the General fund negative fund balance is primarily a result of \$5,949,414 in outstanding interfund loans payable, (Roads fund, \$5,249,656 for various projects, and Health services fund, \$699,758 for a building). Each interfund loan is being repaid over a ten- year period.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

### Governmental Funds Financial Analysis (continued)

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

General Road – Operations of the County road department are shown in this fund. Major sources of revenue include federal forest revenues and motor vehicle fees. Expenditures are primarily for road construction and maintenance. The ending fund balance was \$25,902,906 at year end. This balance decreased by \$1,612,874 during the year mainly due to an increase in highway and street maintenance expenditures (increased \$2,054,499).

Law Enforcement 4-Year Levy – The current four-year local option property tax measure was re-approved by voters in May 2017; effective July 1, 2018 for 4 more years, through June 30, 2022, with no change to the rate of \$2.83 per thousand of assessed value. Expenditures are primarily for continuing law enforcement (sheriff, district attorney, and juvenile). The ending fund balance of \$3,351,148 increased by \$1,510,197 over the prior year due to results from current operations. The LE fund property tax revenue increased by \$2,578,721, from \$23,547,759 in the prior year, to \$26,126,480 in the current year. The effect on property tax revenue was significantly reduced (\$2,602,026) due to compression of the overall property tax ceiling imposed by Measure 5. Expenditures increased by \$2,682,910 from \$22,085,782 in the prior year to \$24,768,692 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. Resources of this fund are from various State of Oregon grants, Title XIX, managed care and transfers from the General fund. County provided health care services rise and fall as a function of federal and state government funding levels. The ending fund balance of \$2,749,651 represents a decrease of \$242,142 from the prior year. In the current year, overall revenues decreased by (\$3,097,941) from \$26,953,778 in the prior year, to \$23,855,837 in the current year. In addition, expenditures decreased by (\$3,236,033) from \$28,746,182 in the prior year to \$25,510,149 in the current year. This decrease was due primarily to a decrease in personal services of (\$2,422,674) and a decrease in capital spending of (\$548,962) from the prior year.

Veterans Home Loan – This fund accounts for the interfund loan payment to the Roads fund that was borrowed for the construction of a Veteran's Home in Lebanon, OR. The property tax revenues levied for the construction loan repayment are recorded in this fund. This fund carries a deficit fund balance due to the loan. The deficit fund balance was reduced by \$1,666,079 during the year.

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

Unrestricted net position of the Unemployment fund at the end of the year amounted to \$346,139. This is an increase in net position over last year of \$169,002 primarily because a budgeted transfer to the General fund was not made.

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

### **General Fund Budgetary Highlights**

Differences between the adopted budget and the final budget are the result of budget transfers or receipt of unanticipated revenues. Budget transfers and 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 (\$956,131) less than anticipated and actual expenditures were \$4,521,350 less than appropriations, demonstrating a generally prudent spending policy. Overall personal services expenditures were \$2,204,515 under budget, material and services were \$1,024,031 under budget, and capital outlay was \$1,023,542 under budget.

### **Capital Asset and Debt Administration**

**Capital assets:** Linn County's investment in capital assets for its governmental type activities as of June 30, 2019 amounts to \$218,626,308 (net of accumulated depreciation) and includes land, buildings, machinery and equipment, park facilities, roads, and highways 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 \$3,207,799 to its capital assets, net of retirements, adjustments, and current year depreciation.

Other major capital asset events during the fiscal year included the following:

- \$699,817 capitalized for improvements to the Justice Center.
- \$364,107 capitalized for the courthouse telephone system upgrade.
- \$303,623 capitalized for a Bearcat armored vehicle for the Sheriff's department.

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

**Capital Asset and Debt Administration (continued)**

**Linn County, Oregon  
Capital Assets, net**

**Governmental Activities**

	<u>2019</u>	<u>2018</u>
Land	\$ 17,851,463	\$ 19,418,161
Buildings and improvements, net	36,981,300	35,519,695
Equipment, net	12,313,508	10,748,044
Infrastructure, net	144,276,245	139,777,096
Intangibles	3,485,297	3,939,603
Construction in progress	3,718,495	6,015,910
Totals	<u>\$ 218,626,308</u>	<u>\$ 215,418,509</u>

The latest pavement inspection occurred in 2018 and was performed by Metropolitan Transportation Commission. Their inspection indicated the County's PCI (pavement condition index) had a slight drop in overall pavement conditions compared to its 2016 inspection. The arterial roads weighted average PCI in 2016 was 88.6 and 80.8 in 2018, a slight drop. Collector roads decreased by .30 (2016 =77.1, 2018=76.8) Residential/local roads decreased by 3.1 (2016=79.8, 2018=76.7). These drops in the PCI over this two year period are expected as roads depreciate over time. 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 2020.

The current weighted average assessed condition of 78.1 compares very favorable when compared to the Linn County policy of maintaining its road condition level at good to better (PCI of 65 or above) on a weighted average basis.

Additional information on capital assets can be found in the letter of transmittal under "initiatives and projects" on page v, and in the footnotes on pages 44 and 45 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 \$203,778,154.

### Economic Factors

- The unemployment rate for Linn County is currently 4.6 percent which is an increase from a rate of 4.5 percent a year ago. This compares unfavorably to Oregon's statewide average unemployment rate of 4.1 percent and the national average rate of 3.7 percent. (See the letter of transmittal for additional detail).
- Linn County's economy continues to improve at a slow pace with employment growing at 1.4% over the prior year. The County's largest growing segment was the private sector; growing 4%. The fastest growing private-sector industries over the past year included: leisure and hospitality (9%), construction (8.7%), and transportation, warehousing, and utilities (6.1%).  
On the other side, the segment of the County shrinking in growth was the government sector with total sector growth loss of (-11.3%).  
The real market value of property continues to improve which has a positive effect on property tax revenue. Oregon law requires taxes to be assessed on a property's assessed value not to exceed a 3% increase per year. In most cases the property assessed value will still be lower than the real market value although the margin is getting much closer. During the current year, the combined Linn County property tax rate ceiling was reached and caused a reduction ("compression") in property tax revenue collected. The largest decrease was in the Law Enforcement Levy fund with a compression amount of \$2,602,026.
- With 48.38% of revenue dependent on resources from state and federal governments, the state's fiscal condition is a critical issue for county government. As the state has increased and/or cut back the resources it provides to the county programs, the County has made adjustments in staff and services.
- 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 4<sup>th</sup> Ave, SW, PO Box 100, Albany, OR 97321.

## BASIC FINANCIAL STATEMENTS

**LINN COUNTY, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

	<u>Governmental Activities</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 30,099,078
Receivables, net	2,473,191
Due from other governments	1,310,035
Inventories	1,770,263
Investment in joint venture	102,613
Capital assets:	
Land, infrastructure, and construction in progress, not being depreciated	136,655,683
Other capital assets, net	<u>81,970,625</u>
TOTAL ASSETS	<u>254,381,488</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>	
Pension related items	<u>24,652,218</u>
<b><u>LIABILITIES</u></b>	
Accounts payable	2,470,705
Due to other governments	48,649
Payroll, payroll taxes, and benefits payable	5,901,808
Claims liability	99,458
Long-term obligations:	
Due within one year:	
Accumulated compensated absences	2,885,862
Due in more than one year:	
Accumulated compensated absences	1,292,640
Other post employment benefit (OPEB) liability	1,485,551
Proportionate share of net pension liability	<u>65,855,687</u>
TOTAL LIABILITIES	<u>80,040,360</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>	
Pension related items	8,161,502
OPEB related items	<u>894,533</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,056,035</u>
<b><u>NET POSITION</u></b>	
Net invested in capital assets	218,626,308
Restricted for:	
Highways and streets	16,146,459
Law enforcement 4-year levy	3,351,148
Health services	2,049,893
Inventories	1,770,263
Unrestricted	<u>(52,006,760)</u>
TOTAL NET POSITION	<u>\$ 189,937,311</u>

*See notes to basic financial statements*

LINN COUNTY, OREGON

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2019

Functions/Programs:	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions	
<b>Governmental activities</b>				
General administration and support	\$ 9,262,453	\$ 749,751	\$ 303,881	\$ (8,208,821)
Local government services	3,949,996	794,689	543,695	(2,611,612)
Public safety	42,131,745	2,760,128	2,181,440	(37,190,177)
Health services	25,798,223	1,396,036	23,488,193	(913,994)
Community development	8,232,140	4,050,006	17,867	(4,164,267)
Highways and streets	15,397,040	1,921,151	13,016,846	(459,043)
Apportionments to school districts	1,610,423	-	2,212,388	601,965
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>\$ 106,382,020</u>	<u>\$ 11,671,761</u>	<u>\$ 41,764,310</u>	<u>(52,945,949)</u>
<b>General revenues:</b>				
Property taxes levied for:				
				39,101,501
				11,264,450
				648,628
				<u>37,448</u>
				<u>51,052,027</u>
				(1,893,922)
				<u>191,831,233</u>
				<u>\$ 189,937,311</u>

See notes to basic financial statements

LINN COUNTY, OREGON

BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019

	General	General Road	Law Enforcement 4-Year Levy	Health Services	Veterans Home Loan	Total Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and investments	\$ 1,107,507	\$ 18,075,621	\$ 4,769,386	\$ 3,385,723	\$ 116,600	\$ 2,202,389	\$ 29,657,226
Receivables, net	703,010	110,546	1,244,715	329,261	82,327	3,332	2,473,191
Due from other governments	116,190	88,373	-	661,596	-	443,876	1,310,035
Due from other funds	25,180	11,304	-	24,237	-	-	60,721
Advances to other funds	-	7,986,184	-	699,758	-	-	8,685,942
Inventories	-	1,770,263	-	-	-	-	1,770,263
Investment in joint venture	-	102,613	-	-	-	-	102,613
<b>TOTAL ASSETS</b>	<b>\$ 1,951,887</b>	<b>\$ 28,144,904</b>	<b>\$ 6,014,101</b>	<b>\$ 5,100,575</b>	<b>\$ 198,927</b>	<b>\$ 2,649,597</b>	<b>\$ 44,059,991</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 207,817	\$ 1,575,324	\$ 115,431	\$ 261,345	\$ -	\$ 310,788	\$ 2,470,705
Due to other governments	5,236	10,439	23,416	-	-	1,059	40,150
Due to other funds	12,723	15,836	36,106	7,765	-	535	72,965
Advances from other funds	5,949,414	-	-	-	2,736,528	-	8,685,942
Unearned revenue	88,869	79,201	13,571	746,456	-	158,328	1,086,425
Payroll, payroll taxes, and benefits payable	2,616,818	542,143	1,349,476	1,335,358	-	58,013	5,901,808
<b>TOTAL LIABILITIES</b>	<b>\$ 8,880,877</b>	<b>\$ 2,222,943</b>	<b>\$ 1,538,000</b>	<b>\$ 2,350,924</b>	<b>\$ 2,736,528</b>	<b>\$ 528,723</b>	<b>\$ 18,257,995</b>

**BALANCE SHEET  
GOVERNMENTAL FUNDS (Continued)**

	General	General Road	Law Enforcement 4-Year Levy	Health Services	Veterans Home Loan	Total Nonmajor Funds	Total Governmental Funds
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>							
Unavailable revenue - assessments	\$ -	\$ 19,055	\$ -	\$ -	\$ -	\$ -	\$ 19,055
Unavailable revenue - property taxes	559,209	-	1,124,953	-	75,351	-	1,759,513
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>559,209</b>	<b>19,055</b>	<b>1,124,953</b>	<b>-</b>	<b>75,351</b>	<b>-</b>	<b>1,778,568</b>
<b><u>FUND BALANCES</u></b>							
Non spendable:							
Inventories	-	1,770,263	-	-	-	-	1,770,263
Restricted for:							
Roads	-	16,146,459	-	-	-	-	16,146,459
Law Enforcement Levy	-	-	3,351,148	-	-	-	3,351,148
Health Services	-	-	-	2,049,893	-	-	2,049,893
Grants/ minor funds	-	-	-	-	123,576	2,120,874	2,244,450
Committed to:							
Interfund loan commitments	-	7,986,184	-	699,758	-	-	8,685,942
Unassigned	(7,488,199)	-	-	-	(2,736,528)	-	(10,224,727)
<b>TOTAL FUND BALANCES</b>	<b>(7,488,199)</b>	<b>25,902,906</b>	<b>3,351,148</b>	<b>2,749,651</b>	<b>(2,612,952)</b>	<b>2,120,874</b>	<b>24,023,428</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b>\$ 1,951,887</b>	<b>\$ 28,144,904</b>	<b>\$ 6,014,101</b>	<b>\$ 5,100,575</b>	<b>\$ 198,927</b>	<b>\$ 2,649,597</b>	<b>\$ 44,059,991</b>

**LINN COUNTY, OREGON**

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

**June 30, 2019**

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

Total fund balances - governmental funds (page 4)		\$ 24,023,428
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets	265,961,300	
Less: accumulated depreciation	(47,334,992)	218,626,308
Long term pension/OPEB liabilities are not payable in the current year are not reported as governmental fund liabilities. Also actuarial changes create deferred outflows and inflows of resources. These differences consist of:		
PERS net pension liability	(65,855,687)	
PERS deferred pension outflows of resources	24,652,218	
PERS deferred pension inflows of resources	(8,161,502)	
Other post employment healthcare benefits (OPEB) liability	(1,485,551)	
OPEB deferred inflows of resources	(894,533)	(51,745,055)
Accumulated compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		
		(4,178,502)
Certain long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		
		2,864,993
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.		
		346,139
Net position of governmental activities		\$ 189,937,311

*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, 2019

	General	General Road	Law Enforcement 4-Year Levy	Health Services	Veterans Home Loan	Total Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>							
Property taxes	\$ 12,566,778	\$ -	\$ 26,126,480	\$ -	\$ 1,723,886	\$ -	\$ 40,417,144
Intergovernmental	10,504,193	15,543,495	-	22,696,032	-	3,816,858	52,560,578
Licenses, permits, fines and services	9,298,361	594,945	-	1,091,125	-	1,800,533	12,784,964
Interest earnings	55,441	348,880	163,447	46,784	13,007	32,822	660,381
Interest, interfund loan	-	175,339	-	17,324	-	-	192,663
Miscellaneous	1,988,737	-	11,962	4,572	-	20,914	2,026,185
<b>TOTAL REVENUES</b>	<b>34,413,510</b>	<b>16,662,659</b>	<b>26,301,889</b>	<b>23,855,837</b>	<b>1,736,893</b>	<b>5,671,127</b>	<b>108,641,915</b>
<b>EXPENDITURES</b>							
General administration and support	7,242,280	-	-	-	-	1,008,652	8,250,932
Local government services	3,701,191	-	-	-	-	-	3,701,191
Public safety	13,928,929	-	24,190,848	-	-	1,678,658	39,798,435
Health services	-	-	-	25,491,351	-	-	25,491,351
Community development	6,258,089	-	-	-	-	1,224,186	7,482,275
Highways and streets	-	14,035,239	-	-	-	-	14,035,239
Apportionments to school districts	-	-	-	-	-	1,610,423	1,610,423
Capital outlay	2,044,693	3,770,920	577,844	18,798	-	160,505	6,572,760
Interfund loan interest expense	121,849	-	-	-	70,814	-	192,663
<b>TOTAL EXPENDITURES</b>	<b>33,297,031</b>	<b>17,806,159</b>	<b>24,768,692</b>	<b>25,510,149</b>	<b>70,814</b>	<b>5,682,424</b>	<b>107,135,269</b>
Excess (deficiency) of revenues over expenditures	1,116,479	(1,143,500)	1,533,197	(1,654,312)	1,666,079	(11,297)	1,506,646
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	888,889	-	-	1,412,170	-	442,032	2,743,091
Transfers out	(1,683,310)	(469,374)	(23,000)	-	-	(567,407)	(2,743,091)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(794,421)</b>	<b>(469,374)</b>	<b>(23,000)</b>	<b>1,412,170</b>	<b>-</b>	<b>(125,375)</b>	<b>-</b>
Net change in fund balances	322,058	(1,612,874)	1,510,197	(242,142)	1,666,079	(136,672)	1,506,646
Fund balances (deficit) at beginning of year	(7,810,257)	27,515,780	1,840,951	2,991,793	(4,279,031)	2,257,546	22,516,782
Fund balances (deficit) at end of year	\$ (7,488,199)	\$ 25,902,906	\$ 3,351,148	\$ 2,749,651	\$ (2,612,952)	\$ 2,120,874	\$ 24,023,428

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, 2019**

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

Net change in fund balances - total governmental funds (page 6)		\$ 1,506,646
<p>Governmental funds report capital outlays as expenditures while on the statement of activities the cost of these assets is allocated over the estimated life of the assets and reported as depreciation expense. The difference between these two amounts is:</p>		
Current expenditures for capital assets	6,669,831	
Less current year depreciation	<u>(3,318,352)</u>	3,351,479
<p>In the statement of activities, only the gain on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost, less accumulated depreciation, of the capital assets sold.</p>		
		(143,680)
<p>In the statement of activities, revenue is recognized when earned. However, in the governmental funds, revenues are reported when they are measurable and available. This results in differences in amounts reported for property taxes and assessments.</p>		
		(2,125,831)
<p>Some pension and other liability changes reported in the statement of activities, including pension changes to deferred outflows and inflows either do not provide current financial resources or do not require the use of current financial resources and therefore are not reported as revenue or (expenditure) in the governmental funds:</p>		
(Increase)/decrease in accumulated compensated absences	(194,728)	
Decrease in Net OPEB liability	916,952	
(Increase) in OPEB deferred inflows	(894,533)	
(Increase) in Net pension liability	(4,449,536)	
Increase in pension deferred outflows	3,180,722	
(Increase) in pension deferred inflows	<u>(3,210,415)</u>	(4,651,538)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net income/(loss) of the internal service funds is reported with governmental activities.</p>		
		<u>169,002</u>
Change in net position of governmental activities		<u>\$ (1,893,922)</u>

*See notes to basic financial statements*

**LINN COUNTY, OREGON**

**GENERAL FUND**

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

Principal sources of revenues are Oregon and California land grant proceeds; state and federal revenues; property taxes; local government sources; licenses, permits, fines and services.

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, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes includng CATFA, and Severance	\$ 12,329,680	\$ 12,413,175.0	\$ 12,565,028	\$ 151,853
Intergovernmental				
O & C land grant	900,000	900,000	561,558	(338,442)
Payments in lieu of taxes	190,000	190,000	1,007,652	817,652
State forest land sales	1,900,000	1,900,000	1,854,354	(45,646)
Amusement tax	28,500	28,500	27,699	(801)
Cigarette tax	237,000	237,000	98,666	(138,334)
Electric co-op tax	193,000	193,000	197,606	4,606
Liquor tax	625,000	625,000	168,266	(456,734)
HB3400-Local option tax dist	75,000	75,000	-	(75,000)
Video lottery reimbursement	560,000	560,000	555,712	(4,288)
Private car tax	2,700	2,700	-	(2,700)
State patrol and probation rent	80,000	80,000	90,000	10,000
SAIF dividend	100,000	100,000	89,679	(10,321)
Assessment and taxation grant	610,000	610,000	543,593	(66,407)
Veterans' officer reimbursement	143,360	145,146	149,400	4,254
State prison revenue-corrections	1,573,895	1,573,895	1,605,357	31,462
State prisoner allocation-contract - criminal	1,151,491	1,151,491	1,061,817	(89,674)
Planning contract with cities	350,000	350,000	470,213	120,213
Cities and districts contract with Sheriff Support	480,390	480,390	481,073	683
Emergency 911 contract with Sheriff	700,000	700,000	700,000	-
Public Safety Solution- City of Albany	377,441	481,119	495,879	14,760
Cities contract with Justice court	150	150	-	(150)
Juvenile work crew/ Fed forest title II	38,000	38,000	23,620	(14,380)
Juvenile contract with cities	116,000	116,000	106,000	(10,000)
Juvenile detention contracts	346,904	346,904	260,178	(86,726)
Information technology service contracts	29,580	29,580	29,692	112
Expo grant	100,000	100,000	-	(100,000)
Total intergovernmental	10,908,411	11,013,875	10,578,014	(435,861)

See notes to basic financial statements  
 Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES (Continued)</b>				
Licenses, permits, fines and services				
Commissioners	\$ 100	\$ 100	\$ 10	\$ (90)
Assessment and taxation	106,000	106,000	135,997	29,997
Clerk	1,384,616	1,384,616	1,189,932	(194,684)
Treasurer	2,400	2,400	1,971	(429)
Surveyor	160,000	160,000	195,158	35,158
Planning	1,714,000	1,714,000	1,514,809	(199,191)
Parks and recreation	2,232,300	2,232,300	2,202,951	(29,349)
Historical	40,000	40,000	14,529	(25,471)
Sheriff				
Support	88,500	162,742	98,263	(64,479)
Emergency communication	25,000	25,000	-	(25,000)
Civil	429,588	429,588	424,246	(5,342)
Criminal	100,000	100,000	78,126	(21,874)
Corrections	415,000	415,000	473,052	58,052
Animal control	155,100	155,100	156,809	1,709
Justice court - Central Linn	684,335	684,335	591,242	(93,093)
District attorney	200,015	200,015	209,665	9,650
Medical examiner	47,600	47,600	47,600	-
Juvenile	23,500	23,500	41,455	17,955
Juvenile detention	-	-	86,726	86,726
General administration	34,578	34,578	15,465	(19,113)
Information technology	6,121	6,121	930	(5,191)
General services	1,680	1,680	13,516	11,836
Printing	286,824	286,824	207,180	(79,644)
County attorney	-	-	-	-
Geographic information system	5,002	5,002	2,121	(2,881)
Expo	1,044,000	1,044,000	1,188,086	144,086
Non departmental	310,000	731,208	481,789	(249,419)
Total licenses, permits, fines and services	<u>9,496,259</u>	<u>9,991,709</u>	<u>9,371,628</u>	<u>(620,081)</u>
Indirect cost reimbursements	<u>2,435,719</u>	<u>2,435,719</u>	<u>2,382,771</u>	<u>(52,948)</u>
Interest earnings	<u>50,000</u>	<u>50,000</u>	<u>50,906</u>	<u>906</u>
<b>TOTAL REVENUES</b>	<u>35,220,069</u>	<u>35,904,478</u>	<u>34,948,347</u>	<u>(956,131)</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		
<b>EXPENDITURES</b>				
Commissioners				
Personal services	\$ 529,971	\$ 529,971	\$ 526,625	\$ 3,346
Materials and services	11,395	11,395	9,542	1,853
Total Commissioners	541,366	541,366	536,167	5,199
Assessment and Taxation				
Personal services	2,196,467	2,196,467	1,937,695	258,772
Materials and services	236,700	236,700	198,299	38,401
Capital outlay	5	5	-	5
Total Assessment and Taxation	2,433,172	2,433,172	2,135,994	297,178
Clerk				
Personal services	1,169,970	1,169,970	998,854	171,116
Materials and services	336,059	336,059	298,849	37,210
Total Clerk	1,506,029	1,506,029	1,297,703	208,326
Treasurer				
Personal services	317,787	321,287	319,976	1,311
Materials and services	14,925	14,925	14,855	70
Total Treasurer	332,712	336,212	334,831	1,381
Surveyor				
Personal services	776,592	776,592	598,118	178,474
Materials and services	17,086	17,086	11,182	5,904
Capital outlay	1	1	-	1
Total Surveyor	793,679	793,679	609,300	184,379
Veterans' Services				
Personal services	314,970	325,036	292,965	32,071
Materials and services	45,496	45,496	15,138	30,358
Total Veterans' Services	360,466	370,532	308,103	62,429

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

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

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Planning & Building				
Personal services	\$ 1,679,528	\$ 1,679,528	\$ 1,332,529	\$ 346,999
Materials and services	397,100	397,100	268,187	128,913
Capital outlay	50,005	50,005	47,712	2,293
Total Planning & Building	<u>2,126,633</u>	<u>2,126,633</u>	<u>1,648,428</u>	<u>478,205</u>
Parks and Recreation				
Personal services	1,241,129	1,311,129	1,305,156	5,973
Materials and services	740,168	740,168	736,558	3,610
Capital outlay	250,000	200,000	67,338	132,662
Total Parks and Recreation	<u>2,231,297</u>	<u>2,251,297</u>	<u>2,109,052</u>	<u>142,245</u>
Historical				
Personal services	19,620	21,620	21,620	-
Materials and services	29,081	29,081	21,221	7,860
Capital outlay	20,000	20,000	3,975	16,025
Total Historical	<u>68,701</u>	<u>70,701</u>	<u>46,816</u>	<u>23,885</u>
Sheriff - Support Services				
Personal services	942,042	859,042	852,132	6,910
Materials and services	842,768	742,768	653,640	89,128
Capital outlay	1,000,000	1,257,242	1,247,675	9,567
Total Sheriff - Support Services	<u>2,784,810</u>	<u>2,859,052</u>	<u>2,753,447</u>	<u>105,605</u>
Sheriff - 911 Emergency Communication				
Personal services	2,137,368	2,137,368	1,804,351	333,017
Materials and services	226,227	226,227	224,466	1,761
Capital outlay	2	2	-	2
Total Sheriff - 911 Emergency Communication	<u>2,363,597</u>	<u>2,363,597</u>	<u>2,028,817</u>	<u>334,780</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		
<b>EXPENDITURES (Continued)</b>				
Sheriff - Civil				
Personal services	\$ 1,231,279	\$ 1,231,279	\$ 1,173,849	\$ 57,430
Materials and services	70,180	70,180	70,094	86
Capital outlay	1	1	-	1
Total Sheriff - Civil	<u>1,301,460</u>	<u>1,301,460</u>	<u>1,243,943</u>	<u>57,517</u>
Sheriff - Criminal				
Personal services	2,473,080	2,473,080	2,400,424	72,656
Materials and services	249,000	249,000	198,326	50,674
Capital outlay	1	1	-	1
Total Sheriff - Criminal	<u>2,722,081</u>	<u>2,722,081</u>	<u>2,598,750</u>	<u>123,331</u>
Justice Court - Central Linn				
Personal services	591,158	591,158	487,848	103,310
Materials and services	92,050	92,050	90,345	1,705
Capital outlay	5	5	-	5
Total Justice Court - Central Linn	<u>683,213</u>	<u>683,213</u>	<u>578,193</u>	<u>105,020</u>
District Attorney				
Personal services	959,082	959,082	853,008	106,074
Materials and services	50,480	50,480	49,969	511
Total District Attorney	<u>1,009,562</u>	<u>1,009,562</u>	<u>902,977</u>	<u>106,585</u>
Medical Examiner				
Personal services	150,727	150,727	101,328	49,399
Materials and services	15,500	15,500	9,552	5,948
Total Medical Examiner	<u>166,227</u>	<u>166,227</u>	<u>110,880</u>	<u>55,347</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		
<b>EXPENDITURES (Continued)</b>				
Juvenile				
Personal services	\$ 976,074	\$ 976,074	\$ 780,427	\$ 195,647
Materials and services	77,950	77,950	61,018	16,932
Total Juvenile	1,054,024	1,054,024	841,445	212,579
Sheriff - Corrections				
Personal services	2,556,013	2,556,013	2,526,262	29,751
Materials and services	401,550	401,550	388,287	13,263
Total Sheriff - Corrections	2,957,563	2,957,563	2,914,549	43,014
Sheriff - Animal control				
Personal services	532,198	562,198	558,389	3,809
Materials and services	81,850	71,850	61,285	10,565
Capital outlay	2	2	-	2
Total Sheriff - Animal control	614,050	634,050	619,674	14,376
General Administration				
Personal services	853,474	853,474	808,096	45,378
Materials and services	772,337	772,337	705,916	66,421
Capital outlay	235,003	235,003	231,042	3,961
Total General Administration	1,860,814	1,860,814	1,745,054	115,760
Information Technology				
Personal services	1,010,959	1,010,959	951,297	59,662
Materials and services	131,923	131,923	124,078	7,845
Capital outlay	38,944	38,944	37,388	1,556
Total Information Technology	1,181,826	1,181,826	1,112,763	69,063
General Services				
Personal services	1,219,754	1,219,754	1,167,602	52,152
Materials and services	889,247	941,247	928,923	12,324
Capital outlay	576,862	609,958	38,417	571,541
Total General Services	2,685,863	2,770,959	2,134,942	636,017

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

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

	Budget		Actual	Variance
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Printing				
Personal services	\$ 279,277	\$ 279,277	\$ 220,335	\$ 58,942
Materials and services	154,460	154,460	107,677	46,783
Capital outlay	1	1	-	1
Total Printing	433,738	433,738	328,012	105,726
County Attorney				
Personal services	499,502	500,502	500,204	298
Materials and services	27,762	26,762	15,774	10,988
Total County Attorney	527,264	527,264	515,978	11,286
Geographic System (GIS)				
Personal services	370,384	370,384	361,938	8,446
Materials and services	89,467	89,467	58,117	31,350
Capital outlay	1	1	-	1
Total Geographic System (GIS)	459,852	459,852	420,055	39,797
Expo				
Personal services	953,299	853,299	830,150	23,149
Materials and services	525,400	625,400	588,161	37,239
Capital outlay	422,401	422,401	269,101	153,300
Total Expo	1,901,100	1,901,100	1,687,412	213,688
Non-departmental				
Personal services	137,420	139,420	138,997	423
Materials and services	1,548,806	2,042,806	1,676,479	366,327
Capital outlay	430,000	435,000	302,381	132,619
Total Non-departmental	2,116,226	2,617,226	2,117,857	499,369
Contingency	725,068	269,263	-	269,263
Indirect cost allocation	442,437 (1)	442,437	394,034	48,403

*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		
TOTAL EXPENDITURES	\$ 38,384,830	\$ 38,644,929	\$ 34,075,176	\$ 4,569,753
Excess (deficiency) of revenues over expenditures	(3,164,761)	(2,740,451)	873,171	3,613,622
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers from other funds</b>				
General road	495,000	495,000	298,482	(196,518)
General grants	402,500	402,500	202,096	(200,404)
Corner preservation	162,450	162,450	91,978	(70,472)
Federal forest	375,337	375,337	273,333	(102,004)
Law enforcement 4-year levy	23,000	23,000	23,000	-
Unemployment	235,000	235,000	-	(235,000)
Total transfers from other funds	1,693,287	1,693,287	888,889	(804,398)
<b>Transfers to other funds</b>				
County fair	(60,000)	(60,000)	(60,000)	-
Law library	(4,000)	(4,000)	(4,000)	-
General grants	(35,000)	(35,000)	(35,000)	-
Corner preservation	(188,460)	(188,460)	(172,140)	16,320
Health services	(816,791)	(1,412,170)	(1,412,170)	-
Total transfers to other funds	(1,104,251) (1)	(1,699,630)	(1,683,310)	16,320
<b>Interdepartmental transfers</b>				
Transfers in from general fund departments	747,864	747,864	518,284	(229,580)
Transfers out to general fund departments	(747,864) (1)	(571,864)	(518,284)	53,580
Total interdepartmental transfers	-	176,000	-	(176,000)
<b>Interfund loan advance transfers</b>				
Loan advance from general roads	2,300,000	2,300,000	-	(2,300,000)
<b>Interfund loan repayment transfers</b>				
Loan repayments to general road fund	(1,103,217)	(1,415,599)	(1,415,717)	(118)
Loan repayment to health services fund	(183,774)	(183,774)	(183,773)	1
Total interfund loan repayments	(1,286,991) (1)	(1,599,373)	(1,599,490)	(117)

(1) Appropriation level total is \$3,581,543

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		
TOTAL OTHER FINANCING SOURCES (USES)	1,602,045	870,284	(2,393,911)	(3,264,195)
Net change in fund balance	\$ (1,562,716)	\$ (1,870,167)	\$ (1,520,740)	\$ 349,427
Fund balance at beginning of year	1,562,716	1,870,167	1,965,935	95,768
Fund balance at end of year	\$ -	\$ -	445,195	\$ 445,195
<b>Reconciliation to GAAP basis</b>				
Year-end cash adjustment			27,423	
Fair market value adjustment			2,898	
Accounts receivable and available			69,090	
Property taxes receivable and available			52,704	
Due from other governments and available			49,328	
Due from other funds			25,180	
Accounts payable			(207,817)	
Due to other governments			(5,236)	
Due to other funds			(12,723)	
Payroll, payroll taxes and benefits payable			(1,984,827)	
Loan advances from Roads fund, Health services fund			(5,949,414)	
Fund balance (GAAP basis) - at end of year			\$ (7,488,199)	

*See notes to basic financial statements*

## LINN COUNTY, OREGON

### MAJOR SPECIAL REVENUE FUNDS

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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 forestland sales and motor vehicle fees. Expenditures are primarily for road construction and maintenance.

Law Enforcement 4-Year Levy – This fund was supported by the first year of a four-year local option property tax levy in annual amount of \$2.83 per \$1,000 taxable value. Expenditures are primarily for continuing law enforcement and jail operations.

Health – County health related activities are recorded in the Health Fund. Resources of this fund are primarily from various grants, Title XIX, managed care and operating transfers from the General Fund. Expenditures are for health care activities.

Veterans Home Loan – Established in fiscal 2010-11, this fund records the cost of repayment of a loan for the Construction of a Veterans Home, and the related property tax revenues collected for this purpose.

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, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Motor vehicle apportionments	\$ 10,158,734	\$ 10,158,734	\$ 10,296,611	\$ 137,877
Federal forest	2,368,682	2,368,682	2,290,237	(78,445)
Intergovernmental	4,097,548	4,097,548	2,964,005	(1,133,543)
Interest earnings	150,000	150,000	323,736	173,736
Miscellaneous	543,000	543,000	609,572	66,572
<b>TOTAL REVENUES</b>	<u>17,317,964</u>	<u>17,317,964</u>	<u>16,484,161</u>	<u>(833,803)</u>
<b>EXPENDITURES</b>				
Personal services	8,219,897	8,249,897	7,699,190	550,707
Materials and services	6,200,328	6,285,328	4,308,192	1,977,136
Capital outlay	9,839,686	9,839,686	4,602,718	5,236,968
Contingency	2,727,443	2,924,825	-	2,924,825
Indirect cost allocation	179,701 (1)	179,701	179,701	-
<b>TOTAL EXPENDITURES</b>	<u>27,167,055</u>	<u>27,479,437</u>	<u>16,789,801</u>	<u>10,689,636</u>
Excess (deficiency) of revenues over expenditures	(9,849,091)	(10,161,473)	(305,640)	9,855,833
<b>OTHER FINANCING SOURCES (USES)</b>				
<b>Transfers to other funds</b>				
General fund	(670,525) (1)	(670,525)	(469,374)	201,151
<b>Interfund loan receipts received from other funds</b>				
General fund	1,103,217	1,415,599	1,415,717	118
Veterans home loan fund	1,737,000	1,737,000	1,737,000	-
Total interfund loan receipts received	<u>2,840,217</u>	<u>3,152,599</u>	<u>3,152,717</u>	<u>118</u>
<b>Loan advances made to other funds</b>				
General fund	(2,300,000)	(2,300,000)	-	2,300,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(130,308)</u>	<u>182,074</u>	<u>2,683,343</u>	<u>2,501,269</u>

(1) Appropriation level total is \$850,226

See notes to basic financial statements  
 Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
Net change in fund balance	\$ (9,979,399)	\$ (9,979,399)	\$ 2,377,703	\$ 12,357,102
Fund balance at beginning of year	<u>15,216,686</u>	<u>15,216,686</u>	<u>15,669,934</u>	<u>453,248</u>
 Fund balance at end of year	 <u>\$ 5,237,287</u>	 <u>\$ 5,237,287</u>	 18,047,637	 <u>\$ 12,810,350</u>
 <b>Reconciliation to GAAP basis:</b>				
Current reconciling items:				
Fair market value adjustment			27,984	
Accounts receivable and available			12,290	
Due from other governments and available			88,373	
Due from other funds			11,304	
Inventories			1,770,263	
Investment in fuel facility			102,613	
Accounts payable			(419,673)	
Contracts payable			(1,155,651)	
Due to other governments			(10,439)	
Due to other funds			(15,836)	
Payroll, payroll taxes and benefits payable			<u>(542,143)</u>	
 Total current reconciling items			(130,915)	
Long-term portion of interfund loan receivable			<u>7,986,184</u>	
 Total all reconciling items			<u>7,855,269</u>	
 Fund balance (GAAP basis) at end of year			<u>\$ 25,902,906</u>	

LINN COUNTY, OREGON

LAW ENFORCEMENT 4-YEAR LEVY FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 25,112,687	\$ 25,112,687	\$ 26,117,569	\$ 1,004,882
Interest earnings	65,000	65,000	156,621	91,621
Miscellaneous	-	-	11,962	11,962
<b>TOTAL REVENUES</b>	<u>25,177,687</u>	<u>25,177,687</u>	<u>26,286,152</u>	<u>1,108,465</u>
<b>EXPENDITURES</b>				
Personal services	19,565,013	19,407,345	18,421,802	985,543
Materials and services	4,219,998	4,377,666	4,006,165	371,501
Capital outlay	3,098,087	3,098,087	1,899,428	1,198,659
Contingency	736,589	736,589	-	736,589
Indirect cost allocation	686,024 (1)	686,024	686,024	-
<b>TOTAL EXPENDITURES</b>	<u>28,305,711</u>	<u>28,305,711</u>	<u>25,013,419</u>	<u>3,292,292</u>
Excess (deficiency) of revenues over expenditures	<u>(3,128,024)</u>	<u>(3,128,024)</u>	<u>1,272,733</u>	<u>4,400,757</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to General fund	<u>(23,000) (1)</u>	<u>(23,000)</u>	<u>(23,000)</u>	<u>-</u>
Net change in fund balance	(3,151,024)	(3,151,024)	1,249,733	4,400,757
Fund balance at beginning of year	<u>3,151,024</u>	<u>3,151,024</u>	<u>3,512,269</u>	<u>361,245</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>4,762,002</u>	<u>\$ 4,762,002</u>

**Reconciliation to GAAP basis:**

(1) Appropriation level total is \$709,024

Fair market value adjustment	7,384
Property taxes receivable and available	106,191
Accounts payable	(115,431)
Due to other governments	(23,416)
Due to other funds	(36,106)
Payroll, payroll taxes and benefits payable	<u>(1,349,476)</u>
Fund balance (GAAP basis) at end of year	<u>\$ 3,351,148</u>

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

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Health administration:				
Grants	\$ 275,568	\$ 275,568	\$ 275,566	\$ (2)
Miscellaneous	-	-	20	20
Mental health services:				
Grants	4,345,117	4,345,117	4,391,663	46,546
Title XIX	452,097	452,097	292,631	(159,466)
Contracts	129,498	129,498	206,150	76,652
Managed care capitation	8,359,546	8,359,546	9,258,151	898,605
Managed care - OHP	-	-	86,137	86,137
Reimbursements	646,759	646,759	687,674	40,915
Miscellaneous	8,193	8,193	31,807	23,614
Developmental disabilities:				
Grants	3,121,886	3,121,886	3,456,806	334,920
Miscellaneous	-	-	700	700
Alcohol and drug:				
Grants	2,023,259	2,023,259	1,904,367	(118,892)
Beer and wine tax	112,455	112,455	112,100	(355)
Title XIX	367,500	367,500	86,189	(281,311)
Liquor tax	-	-	585,391	585,391
Local option tax	85,411	85,411	105,675	20,264
Managed care - OHP	2,453,953	1,953,953	1,066,509	(887,444)
Reimbursements	130,323	130,323	91,755	(38,568)
Miscellaneous	18,871	18,871	88,906	70,035
Public health:				
Grants	1,241,993	1,241,993	1,305,204	63,211
Medicaid administration	135,000	135,000	52,499	(82,501)
Title XIX	582,875	582,875	53,825	(529,050)
RHEA	154,408	154,408	107,100	(47,308)
Managed care - OHP	-	-	63,151	63,151
Reimbursements	42,000	42,000	47,375	5,375
Miscellaneous	134,960	134,960	243,822	108,862
Information Technology				
Miscellaneous	-	-	10	10
Environmental health:				
Grants	111,837	126,837	131,147	4,310
Licenses and permits	455,000	455,000	511,085	56,085
Miscellaneous fees	330,000	330,000	423,707	93,707
Total departmental revenue	<u>25,718,509</u>	<u>25,233,509</u>	<u>25,667,122</u>	<u>433,613</u>
Indirect cost reimbursement	<u>442,437</u>	<u>442,437</u>	<u>394,034</u>	<u>(48,403)</u>
Interest earnings	<u>22,340</u>	<u>22,340</u>	<u>41,840</u>	<u>19,500</u>
<b>TOTAL REVENUES</b>	<u><b>26,183,286</b></u>	<u><b>25,698,286</b></u>	<u><b>26,102,996</b></u>	<u><b>404,710</b></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		
<b>EXPENDITURES</b>				
Personal services	\$ 21,625,501	\$ 21,315,501	\$ 19,977,481	\$ 1,338,020
Materials and services	5,231,646	5,542,025	4,721,427	820,598
Capital outlay	35,005	45,005	20,915	24,090
Contingency	881,247	881,247	-	881,247
Indirect cost allocation	1,524,070 (1)	1,624,070	1,571,122	52,948
<b>TOTAL EXPENDITURES (1)</b>	<b>29,297,469</b>	<b>29,407,848</b>	<b>26,290,945</b>	<b>3,116,903</b>
Excess (deficiency) of revenues over expenditures	(3,114,183)	(3,709,562)	(187,949)	3,521,613
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in / General fund	816,791	1,412,170	1,412,170	-
Loan repayment from General fund	183,774	183,774	183,774	-
Interdepartmental transfers in	1,328,574	1,328,574	1,428,574	100,000
Interdepartmental transfers out	(1,328,574) (1)	(1,328,574)	(1,328,574)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>1,000,565</b>	<b>1,595,944</b>	<b>1,695,944</b>	<b>100,000</b>
Net change in fund balance	(2,113,618)	(2,113,618)	1,507,995	3,621,613
Fund balance at beginning of year	2,113,618	2,113,618	1,872,487	(241,131)
Fund balance at end of year	\$ -	\$ -	3,380,482	\$ 3,380,482

**Reconciliation to GAAP basis:**

(1) Appropriation level total is \$2,852,644

Fair market value adjustment			5,241	
Accounts receivable, net and available			108,435	
Due from other governments, net and available			135,966	
Due from other funds			24,237	
Advances to other funds			699,758	
Accounts payable			(261,345)	
Due to other funds			(7,765)	
Payroll, payroll taxes and benefits payable			(1,335,358)	
Fund balance (GAAP basis) at end of year			\$ 2,749,651	

**(1) Summary of Expenditures by Program**

Health administration	\$ 376,845	\$ 376,845	\$ 325,044	\$ 51,801
Mental health - emotional disturbances	13,617,801	13,517,801	12,722,128	795,673
Developmental disabilities	2,985,233	2,985,233	2,831,370	153,863
Alcohol and drug	4,639,553	4,734,932	4,170,121	564,811
Public health	2,665,829	2,665,829	2,199,622	466,207
Health information technology	1,636,433	1,636,433	1,565,320	71,113
Environmental health	970,458	985,458	906,218	79,240
Contingency	881,247	881,247	-	881,247
Indirect cost allocation	1,524,070	1,624,070	1,571,122	52,948
<b>TOTAL EXPENDITURES BY PROGRAM</b>	<b>\$ 29,297,469</b>	<b>\$ 29,407,848</b>	<b>\$ 26,290,945</b>	<b>\$ 3,116,903</b>

LINN COUNTY, OREGON

VETERANS HOME LOAN FUND  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 1,630,000	\$ 1,630,000	\$ 1,723,323	\$ 93,323
Interest earnings	7,000	7,000	13,007	6,007
<b>TOTAL REVENUES</b>	<u>1,637,000</u>	<u>1,637,000</u>	<u>1,736,330</u>	<u>99,330</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out - Loan repayment	<u>(1,737,000)</u>	<u>(1,737,000)</u>	<u>(1,737,000)</u>	<u>-</u>
Net change in fund balance	(100,000)	(100,000)	(670)	99,330
Fund balance at beginning of year	<u>100,000</u>	<u>100,000</u>	<u>117,270</u>	<u>17,270</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	116,600	<u>\$ 116,600</u>
<b>Reconciliation to GAAP basis:</b>				
Property tax receivable and available			6,976	
Advances from other funds			<u>(2,736,528)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ (2,612,952)</u>	

**LINN COUNTY, OREGON**

**PROPRIETARY FUND  
INTERNAL SERVICE FUND**

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Unemployment Insurance – This fund began in 1990-91 with funding obtained through action by the County Commissioners in requesting monies that had accumulated in the State Employment Division Local Government Benefit Trust Fund. Currently, this fund is self-financed by obtaining monies from other County funds. Expenditures from the Unemployment Insurance Fund pertain to current year unemployment claims.

LINN COUNTY, OREGON

STATEMENT OF NET POSITION  
PROPRIETARY FUND

June 30, 2019

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b><u>ASSETS</u></b>	
Current assets	
Cash and investments	\$ 441,852
Due from other funds	<u>12,244</u>
TOTAL ASSETS	<u>454,096</u>
<b><u>LIABILITIES</u></b>	
Current liabilities	
Due to other governments	8,499
Claims liability	<u>99,458</u>
TOTAL LIABILITIES	<u>107,957</u>
<b><u>NET POSITION</u></b>	
Unrestricted	<u>\$ 346,139</u>

LINN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUND

For the Year Ended June 30, 2019

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b>OPERATING REVENUES</b>	
Reimbursements	\$ <u>144,106</u>
<b>OPERATING EXPENSES</b>	
Insurance claims	<u>(15,588)</u>
Operating income	159,694
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest earnings	<u>9,308</u>
Income before transfers	<u>169,002</u>
Change in net position	169,002
Net position - beginning of year	<u>177,137</u>
Net position - end of year	<u>\$ <u>346,139</u></u>

*See notes to basic financial statements*

LINN COUNTY, OREGON

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND  
 For the Year Ended June 30, 2019

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Cash received from reimbursements	\$ 144,112
Cash paid for insurance claims	<u>(174,044)</u>
Net cash (used in) operating activities	(29,932)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings	<u>9,308</u>
Net (decrease) in cash and investments	(20,624)
Cash and investments - beginning of year	<u>462,476</u>
Cash and investments - end of year	<u><u>\$ 441,852</u></u>
<b>Reconciliation of operating income to net cash provided by (used in) operating activities:</b>	
Operating income	\$ 159,694
(Increase) decrease in due from other funds	6
Increase (decrease) in due to other government	(14,067)
Increase (decrease) in claims liability	<u>(175,565)</u>
Net cash (used in) operating activities	<u><u>\$ (29,932)</u></u>

## LINN COUNTY, OREGON

### FIDUCIARY FUND

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

**LINN COUNTY, OREGON**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**June 30, 2019**

		Agency
<b><u>ASSETS</u></b>		
Cash and investments	\$	2,275,270
Receivables		7,704,771
Due from other governments		100,522
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>10,080,563</b>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$	67,497
Due to other governments		7,704,771
Amounts held in trust		2,308,295
<b>TOTAL LIABILITIES</b>	<b>\$</b>	<b>10,080,563</b>

*See notes to basic financial statements*

NOTES TO BASIC  
FINANCIAL STATEMENTS

LINN COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2019

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# LINN COUNTY

## NOTES TO BASIC FINANCIAL STATEMENTS Year Ended June 30, 2019

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### B. Reporting entity

The accompanying basic financial statements present all activities funds and component units for which the County is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criterion, the County is a primary government with no includable component units.

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major governmental funds and major proprietary funds are reported in separate columns in the respective fund financial statements.

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

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

The County reports the following major governmental funds:

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

General Road: Accounts for the operations of the County road department including expenditures for road maintenance and construction. Its principal revenue sources are intergovernmental receipts including 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, and licenses, permits and fees.

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

Additionally, the County reports the following fund types:

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

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

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

#### E. Budget

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

The County begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in March or April and the hearing is held in April. The Board of Commissioners adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### E. Budget (continued)

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

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

Budget amounts shown in the basic financial statements have been revised since the original budget amounts were adopted. The Board of Commissioners must authorize all appropriation transfers and supplementary 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/exchanges for identical assets or liabilities.

Level 2 – inputs are other significant observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 – inputs are significant unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

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 agency fund are offset by amounts held in trust and, accordingly, have not been recorded as revenue.

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

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### H. Inter-fund loans

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

#### I. Inventories

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

#### J. Foreclosed properties held for sale

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

#### K. Capital assets

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### K. Capital Assets (continued)

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

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

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

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

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

#### L. Investment in joint venture

The County reports its vested pro-rata share of the June 30 net position of the Linn Regional Fueling Facility (a jointly governed organization) as investment in joint venture. See also note 16.

#### M. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The excess of bond amounts issued to refund previously issued debt over the refunded debt are reported as deferred charges and amortized over the term of the related debt. There is no debt in the current year.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

#### M. Long-term obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### N. Leases

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

#### O. Compensated absences

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

#### P. Net position and fund equity

##### **Net position**

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

##### **Fund equity**

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

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

**Unassigned** – This is the residual classification used for those balances not assigned to another category.

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

#### Q. Property Tax Calendar

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

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

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

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

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

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

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

#### **S. Pension**

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

### **2. CASH AND INVESTMENTS**

The County maintains a pool of cash and investments pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "Cash and investments." Additionally, several funds hold separate cash and investment accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

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

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

The County's cash and investments at June 30, 2019, are as follows:

Cash on hand	\$ 41,696
Deposits with financial institutions:	
Checking and saving accounts	5,428,703
Investments	<u>26,903,949</u>
Total cash and investments	<u>\$ 32,374,348</u>

Cash and investments by fund:

Governmental activities

Governmental funds:

General	\$ 1,107,507
General Road	18,075,621
Law Enforcement 4-Year Levy	4,769,386
Health Services	3,385,723
Veterans Home Loan	116,600
Nonmajor governmental funds	<u>2,202,389</u>
Total governmental funds	29,657,226

Proprietary fund:

Internal Service	<u>441,852</u>
------------------	----------------

        Total governmental activities 30,099,078

Fiduciary fund:

Agency	<u>2,275,270</u>
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Total cash and investments - all funds \$ 32,374,348

## 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, 2019.

The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2019, the fair value of the position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

*Credit risk:* Oregon statutes authorize the County to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool. The Pool is not registered with the SEC as an investment company and is unrated.

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

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

As of June 30, 2019 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>22,991,516</u>
<u>Investments held with Keybank National Association</u>				
Corporate note –TOYO 2.125	Aa1	7/18/2019	Quoted market price, Level 1	502,639
US Agency-FNMA 1.10	AA+	8/23/2019	Quoted market price, Level 1	501,769
US Agency-FNMA 1.75	AA+	9/12/2019	Quoted market price, Level 1	401,719
US Treasury Note 1.625	(1)	3/15/2020	Quoted market price, Level 1	501,195
Municipal Bond –ORSGEN	AA+	4/1/2020	Quoted market price, Level 1	502,127
Municipal Bond –ORSGEN	AA+	5/1/2020	Quoted market price, Level 1	224,931
US Agency-FHLB 1.875	AA+	6/12/2020	Quoted market price, Level 1	527,184
RFCSP Strips	AA+	7/15/2020	Quoted market price, Level 1	245,996
Municipal Port of Morrow	AA	9/1/2020	Quoted market price, Level 1	<u>504,873</u>
Total Keybank Investments				<u>3,912,433</u>
Total Investments				<u>\$ 26,903,949</u>

(1) rating not required for obligations explicitly guaranteed by the US government

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 2. CASH AND INVESTMENTS (continued)

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

*Concentration of Credit Risk:* The County does not have a formal policy that places a limit on the amount that may be invested in any one insurer. 68.08% of the County's investments are in the State Treasurer's Investment Pool. The County's policy does not allow for an investment with any one issuer that is in excess of 25% of the County's total investments.

*Custodial Credit Risk-Investments:* This is the risk that, in the event of the failure of counterparty, the County will not be able to recover the value of its investments that are in the possession of an outside party. Investments of \$3,912,433 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, 2019 the County's bank balances were \$6,527,920, and none of these funds were exposed to credit risk.

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

**3. RECEIVABLES**

As of June 30, 2019, the County had the following receivables:

	<u>General</u>	<u>General Roads</u>	<u>Law Enforcement 4-Year Levy</u>	<u>Health Services</u>	<u>Veterans Home Loan</u>	<u>Non Major Governmental Funds</u>	<u>Totals</u>
Property taxes	\$ 611,913	\$ -	\$ 1,231,144	\$ -	\$ 82,327	\$ -	\$ 1,925,384
Accounts	85,771	40,060	-	1,070,285	-	-	1,196,116
Interest	5,326	51,431	13,571	9,632	-	3,332	83,292
Assessment	-	19,055	-	-	-	-	19,055
Subtotal	703,010	110,546	1,244,715	1,079,917	82,327	3,332	3,223,847
Less: allowance for uncollectible accounts	-	-	-	(750,656)	-	-	(750,656)
Receivables, net	<u>\$ 703,010</u>	<u>\$ 110,546</u>	<u>\$ 1,244,715</u>	<u>\$ 329,261</u>	<u>\$ 82,327</u>	<u>\$ 3,332</u>	<u>\$ 2,473,191</u>

**4. INTERFUND RECEIVABLES AND PAYABLES**

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General	\$ 25,180	\$ 12,723
General Road	11,304	15,836
Law Enforcement 4-Year Levy	-	36,106
Health Services	24,237	7,765
Non-major governmental funds	-	535
Internal service	12,244	-
	<u>\$ 72,965</u>	<u>\$ 72,965</u>

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

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

**5. INTERFUND LOANS**

The County has multiple interfund loans as permitted by ORS 294.468. The term of each loan does not exceed ten years, and the governing body has determined that a 2% interest rate is appropriate for these types of loans. Interfund loan balances at June 30, 2019 are as follows:

Date of Loan	Lending Fund	Borrowing Fund	Purpose	Original Amount	Balance at June 30, 2019
8/10/2009	Roads	General-Tax & assessment	ORCATS software	\$ 420,000	\$ 66,797
12/1/2011	Roads	Veterans Home Loan	Building purchase	12,000,000	2,736,528
6/1/2012	Roads	General	Property purchase-Jackson St	660,000	259,828
12/6/2012	Health Services	General	Building purchase	1,500,000	699,758
3/5/2014	Roads	General	Weyerhauser building improvement	700,000	351,748
6/1/2014	Roads	General	Property purchase-Edgewater	900,000	501,997
10/30/2014	Roads	General	Property purchase-Tangent	950,000	572,276
9/30/2015	Roads	General-Clerk	Election software	200,000	134,565
12/1/2015	Roads	General	Property purchase-Albany police department	1,750,000	1,260,883
12/1/2015	Roads	General-Sheriff	Communication software	2,000,000	1,255,290
9/13/2016	Roads	General-Planning	Planning software	400,000	164,767
7/1/2017	Roads	General	Building improvements (APD building)	750,000	681,505
TOTAL OUTSTANDING LOAN BALANCES					<u>\$ 8,685,942</u>

SUMMARY

	Interest paid during year	Principal Balance
General fund loans due to Roads	\$ 104,525	\$ 5,249,656
General fund loan due to Health Services	17,324	699,758
Veterans Home loan due to Roads	<u>70,814</u>	<u>2,736,528</u>
	<u>\$ 192,663</u>	<u>\$ 8,685,942</u>

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

**6. INTERFUND TRANSFERS**

Interfund transfers used to pay for administrative services by the general fund, and to reallocate financial resources to funds where they will be expended were as follows:

Fund	Transfers in	Transfers out
General	\$ 888,889	\$ 1,683,310
General Road	-	469,374
Law Enforcement 4-Year Levy	-	23,000
Health	1,412,170	-
Nonmajor governmental funds	442,032	567,407
Unemployment - internal service	-	-
TOTAL	<u>\$ 2,743,091</u>	<u>\$ 2,743,091</u>

**7. CAPITAL ASSETS**

Changes in capital assets during the year were as follows:

	Begin balance June 30, 2018	Additions	Deletions	Adjustment	End balance June 30, 2019
Capital assets not being depreciated					
Land	\$ 19,418,161	\$ -	\$ -	\$ (1,566,698)	\$ 17,851,463
Infrastructure	111,480,802	3,604,923	-	-	115,085,725
Construction in progress	6,015,910	3,930,539	6,287,536	59,582	3,718,495
Total capital assets not being depreciated	<u>136,914,873</u>	<u>7,535,462</u>	<u>6,287,536</u>	<u>(1,507,116)</u>	<u>136,655,683</u>
Capital assets being depreciated					
Buildings and improvements	51,392,968	769,225	-	1,566,698	53,728,891
Intangibles	5,500,729	-	25,012	-	5,475,717
Equipment	27,805,264	2,944,409	1,050,422	-	29,699,251
Infrastructure	38,753,069	1,648,689	-	-	40,401,758
Total capital assets being depreciated	<u>\$ 123,452,030</u>	<u>\$ 5,362,323</u>	<u>\$ 1,075,434</u>	<u>\$ 1,566,698</u>	<u>\$ 129,305,617</u>

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

**7. CAPITAL ASSETS (continued)**

Less accumulated depreciation for:

Buildings and improvements	\$ 15,873,273	\$ 874,318	\$ -	\$ -	\$ 16,747,591
Intangibles	1,561,126	453,987	24,693	-	1,990,420
Equipment	17,057,220	1,235,584	907,061	-	17,385,743
Infrastructure	<u>10,456,775</u>	<u>754,463</u>	<u>-</u>	<u>-</u>	<u>11,211,238</u>
Total accumulated depreciation	<u>44,948,394</u>	<u>3,318,352</u>	<u>931,754</u>	<u>-</u>	<u>47,334,992</u>
Total capital assets, being depreciated, net	<u>78,503,636</u>	<u>2,043,971</u>	<u>143,680</u>	<u>1,566,698</u>	<u>81,970,625</u>
Governmental activities capital assets, net	<u>\$ 215,418,509</u>	<u>\$ 9,579,433</u>	<u>\$ 6,431,216</u>	<u>\$ 59,582</u>	<u>\$ 218,626,308</u>

Depreciation expense was charged to functions as follows:

Governmental activities:

General administration and support	\$ 226,062
Local government services	33,781
Public safety	908,717
Health services	233,613
Community development	497,037
Highways and streets	<u>1,419,142</u>

Total depreciation expense – governmental activities \$ 3,318,352

**8. DUE TO OTHER GOVERNMENTS**

At June 30, 2019 Linn County’s General, Roads, Law Enforcement, and Grants funds owed the Linn Regional Fueling Facility \$40,150 for gasoline used in June 2019.

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

**9. LONG-TERM OBLIGATIONS**

A. Compensated absences

The County’s outstanding obligation for accumulated compensated absences at June 30, 2019 is as follows:

	Balance <u>June 30, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2019</u>	Balances due <u>within one year</u>
Accumulated compensated absences	\$ 3,983,774	\$ 4,178,502	\$ 3,983,774	\$ 4,178,502	\$ 2,885,862
Totals	<u>\$ 3,983,774</u>	<u>\$ 4,178,502</u>	<u>\$ 3,983,774</u>	<u>\$ 4,178,502</u>	<u>\$ 2,885,862</u>

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

B. Operating leases

The County is also committed under various operating leases, primarily pertaining to equipment and office space. Lease payments for the year ended June 30, 2019, were \$137,175. Future minimum lease payments for the County’s non-cancelable leases are as follows:

	Year ending <u>June 30,</u>
2020	\$ 109,740
2021	82,305
2022	54,870
2023	27,435
2024	<u>13,718</u>
	<u>\$ 288,068</u>

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 10. POSTEMPLOYMENT HEALTHCARE BENEFIT (GASB 75)

To comply with GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, the County must account for its other postemployment benefits (OPEB) liability. To determine its OPEB liability, the County obtains an actuarial valuation every two years.

In the latest actuarial valuation, the County's OPEB liability was measured as of June 30, 2019 with the liability determined by an actuarial valuation as of July 1, 2018.

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

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

Actuarial Methods and Assumptions - The District engaged an actuary to perform an evaluation as of July 1, 2018 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer OPEB Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement: Discount rate per year 4%, general inflation rate 2.5 %, payroll growth per year 3.5%, annual medical premium increase of 7.0% in 2018-19, decreasing 0.1% per year, until reaching 5% in 2038. Mortality rates were based on the RP 2014 Basic Mortality Table for males and females, as appropriate. Male adjustments are a blended 50% blue collar/50% white collar, set back 12 months. Female adjustments are also blended 50% blue collar/50% white collar, but with no set back. Turnover rates were based on percentages as developed for the valuation of benefits under Oregon PERS and vary by years of service. Disability rates were based on the percentages as developed for the valuation benefits under Oregon PERS and vary by employee age. Retirement rates follow those developed for the Oregon PERS calculation with the following exception. General Service employees are assumed to retire by the time both employee and dependent have reached aged 65.

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

**10. POSTEMPLOYMENT HEALTHCARE BENEFIT (continued)**

Plan membership

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

Deferred inflows and outflows resulting from OPEB

The County's OPEB actuarial report shows a \$894,533 increase in deferred inflows for the year ended June 30, 2019.

Changes in Medical benefit OPEB liability

The calculation of changes in OPEB liabilities are as follows:

	2019	2018	2017
Total OPEB liability at beginning of year	\$ 2,402,503	\$ 2,324,148	\$ 2,243,248
Changes for the year:			
Service cost	128,184	124,450	124,450
Interest	74,461	69,852	67,498
Differences between expected and actual experience	(155,462)	-	-
Changes in assumptions or other input	(866,862)	-	-
Benefit payments	(97,273)	(115,947)	(111,048)
Net changes for the year	(916,952)	78,355	80,900
Total OPEB liability at end of year	<u>\$ 1,485,551</u>	<u>\$ 2,402,503</u>	<u>\$ 2,324,148</u>
Estimated covered payroll	\$ 36,566,890	\$ 33,693,744	32,712,373
Total OPEB liability as a percentage of covered payroll	4.06%	7.13%	7.10%

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 discount rate of 4.00 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

June 30, 2019	1% Decrease 3%	Current Discount Rate 4%	1% Increase 5%
Total OPEB Liability	\$ 1,612,020	\$ 1,485,551	\$ 1,369,144

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

**10. POSTEMPLOYMENT HEALTHCARE BENEFIT (continued)**

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

June 30, 2019	1% Decrease 6% Graded Down to 4%	Current Trend Rate 7% Graded Down to 5%	1% Increase 8% Graded Down to 6%
Total OPEB Liability	\$ 1,314,137	\$ 1,485,551	\$ 1,688,743

OPEB medical benefit schedule of deferred inflows and outflows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 136,029
Changes of assumptions or other input	-	758,504
	<u>\$ -</u>	<u>\$ 894,533</u>

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

<u>Fiscal years ending June 30,</u>	
2020	\$ (127,791)
2021	(127,791)
2022	(127,791)
2023	(127,791)
2024	(127,791)
Thereafter	(255,578)

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. RETIREMENT PLAN

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

<http://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

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

Actuarial charts below are taken from the June 30, 2018 Oregon PERS CAFR report.

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

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

#### **Pension Benefits**

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

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

#### **Death Benefits**

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

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. 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 a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

#### **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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. 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.

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

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

#### **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. This funding policy applies to the PERS Defined Benefit Plan. Employer contribution rates during the period were based on a December 31, 2015 actuarial valuation, which became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were \$4,921,646 excluding amounts to fund employer specific liabilities. In addition \$2,360,529 in employee contributions were paid or picked up by the County in fiscal 2019.

At June 30, 2019, the County reported a net pension liability of \$65,855,687 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2016. 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 employer's, actuarially determined. As of the measurement date of June 30, 2018 and 2017, the County's proportion was .4347 percent and .4555 percent, respectively. For the year ended June 30, 2019, the County recognized pension expense of \$4,479,229.

The rates in effect for the year ended June 30, 2019 were:

- Tier one/Tier two, 23.2%
- OPSRP general services, 14.1%

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

**11. RETIREMENT PLAN (continued)**

At June 30, 2019, 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.	\$ 2,240,214	\$ -
Changes in assumptions.	15,311,322	-
Net difference between projected and actual earnings on investments.	-	2,924,365
Changes in proportionate share.	481	4,926,542
Differences between employer contributions and employer's proportionate share of system contributions.	<u>2,178,555</u>	<u>310,595</u>
Total (prior to post-MD contributions)	19,730,572	8,161,502
Contributions subsequent to the measurement date (MD)	<u>4,921,646</u>	<u>-</u>
Net deferred outflow/(inflow) of resources	<u>\$ 24,652,218</u>	<u>\$ 8,161,502</u>

Contributions of \$4,921,646 were made subsequent to the measurement date, but prior to the end of the County's reporting period. These contributions will be included as a reduction of the net pension liability in the subsequent fiscal year ended June 30, 2020.

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

<u>Fiscal years ending June 30,</u>	
2020	\$ 7,095,439
2021	4,804,987
2022	(1,234,440)
2023	553,600
2024	349,484
Thereafter	-

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. RETIREMENT PLAN (continued)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019.

#### Actuarial Valuations

The employer contribution rates effective July 1, 2017, through June 30, 2019, 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 accrued liabilities being amortized over 20 years.

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

#### Actuarial Methods and Assumptions:

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

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. 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 methods and assumptions shown above are based on the 2016 Experience Study which is reviewed for the four-year period ending on December 31, 2016.

#### Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	13.5%	21.5%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

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

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, revised as of June 7, 2017, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. RETIREMENT PLAN (continued)

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

#### Discount Rate

The discount rate used to measure the total pension liability as of the measurement date of June 30, 2018 and 2017 was 7.20 percent and 7.50 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

**11. RETIREMENT PLAN (continued)**

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

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

	<u>1% Decrease (6.20%)</u>	<u>Discount rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Linn County's proportionate share of the net pension liability (asset)	\$ 110,057,295	\$ 65,855,687	\$ 29,370,878

**Changes 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, 2018 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 death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the County.

**OPSRP Individual Account Program (OPSRP IAP) Plan Description:**

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. The new plan, Oregon Public Service Retirement Plan (OPSRP), is effective for all new employees hired on or after August 29, 2003, and applies to any inactive OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the OPSRP IAP plan. OPERS’ members retain their existing OPERS accounts, but any future member contributions are deposited into the member’s OPSRP IAP account, not the member’s OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. RETIREMENT PLAN (continued)

Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the OPSRP IAP. The County makes this contribution on behalf of its employees. The amount the County contributed on behalf of its employees amounted to \$2,360,529 for the year ended June 30, 2019. 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, or 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

**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.**

#### **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 districts are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the County currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 11. RETIREMENT PLAN (continued)

paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2017, 2018 and 2019 were \$187,715, \$181,407, and \$181,740, respectively, which equaled the required contributions each year.

At June 30, 2019, the County's net OPEB liability/(asset) and deferred inflows and outflows related to RHIA were not considered significant by management and were not accrued on the government wide statements.

### 12. 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 \$99,458 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:

Fiscal Year	Beginning Liability	Changes in Estimates	Payments	Ending Liability
2018-19	\$ 275,023	\$ 200,438	\$ 174,043	\$ 99,458
2017-18	171,255	416,946	29,332	275,023
2016-17	90,604	240,966	20,893	171,255

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

**13. 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.

**14. COMMITMENTS**

Linn County has the following active construction commitment projects as of June 30, 2019.

	<u>Spent to date</u>	<u>Remaining commitment</u>
Bridge/Road improvements	\$ 3,063,369	\$ 25,926,631
Park improvements-Park department	42,661	312,300
Equipment-Road department	460,765	19,735
Equipment-Sheriff department	<u>151,700</u>	<u>624,949</u>
Totals	<u>\$ 3,718,495</u>	<u>\$ 26,883,615</u>

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

**15. FUND DEFICITS**

At June 30, 2019, General fund had a deficit fund balance of (\$7,488,199). The causes of the deficit are the inter-fund loans the General fund has with the Roads and Health funds that have outstanding balances totaling \$5,949,414, plus the accrued payroll of \$2,616,818 at year end. The loans will be paid back with general fund revenue over a term not to exceed ten years for each individual loan.

At June 30, 2019, the Veterans’ Home Loan fund had a deficit fund balance of (\$2,612,952) primarily due to the inter-fund loan with the Roads fund that has an outstanding balance of \$2,736,528 as of June 30, 2019.

**16. 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.

## NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

### 16. JOINTLY GOVERNED ORGANIZATIONS (continued)

- Linn Regional Fueling Facility - the County has a 33.6 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.

### 17. PROPERTY TAX ABATEMENTS

As of June 30, 2019, 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)**

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

For the fiscal year ended June 30, 2019, Linn County had abated property taxes totaling \$840,838 under these programs.

<u>Program</u>	<u>ORS</u>	<u>Code Area</u>	<u>Exempt/ Abated Value</u>	<u>Linn County Tax Rate</u>	<u>Linn County Local Option I Tax Rate</u>	<u>Linn County Local Option II Tax Rate</u>	<u>Consolidated Linn County Tax Rate</u>	<u>Tax Abatement</u>
<b>Nonprofit low income rental housing</b>								
Linn County	307.541	Code 801	4,518,810	0.0011858	0.0028300	0.0001769	0.0041927	\$ 18,946
<b>Enterprise zone</b>								
Linn County	285C.175	Code 701	3,340,980	0.0011220	0.0028300	0.0001900	0.0041420	13,838
Linn County		Code 801	47,991,965	0.0011858	0.0028300	0.0001769	0.0041927	201,216
Linn County		Code 808	56,695,410	0.0012736	0.0028300	0.0001900	0.0042936	243,427
Linn County		Code 846	13,596,839	0.0011858	0.0028300	0.0001769	0.0041927	57,007
Linn County		Code 905	54,023	0.0010848	0.0028300	0.0001863	0.0041011	222
Linn County		Code 925	36,725,320	0.0010848	0.0028300	0.0001863	0.0041011	150,614
Linn County		Code 5501	1,322,620	0.0012736	0.0028300	0.0001900	0.0042936	5,679
Linn County		Code 5502	408,557	0.0012736	0.0028300	0.0001900	0.0042936	1,754
Linn County		Code 12704	32,640,850	0.0012736	0.0028300	0.0001900	0.0042936	140,147
<b>Construction in process in enterprise zone</b>								
Linn County	285C.170	Code 801	1,756,080	0.0011858	0.0028300	0.0001769	0.0041927	7,363
Linn County		Code 846	109,560	0.0011858	0.0028300	0.0001769	0.0041927	459
Linn County		Code 12704	130,270	0.0012736			0.0012736	166
<b>Total Linn County Tax Abatement</b>								<u>\$ 840,838</u>

**18. SUBSEQUENT EVENT**

On August 27, 2019 Linn County purchased 190.3 acres of property in Millersburg, Oregon for \$10,000,000 dollars. Approximately 50 acres will be sold off to be used as the site of an Intermodal Facility. The remaining acres will be used for further economic development purposes.

REQUIRED SUPPLEMENTARY INFORMATION

**Linn County, Oregon  
Road Department  
Planned versus Actual Maintenance  
Five Years - 2015-2019**

Fiscal Year (Ending June 30)						
	2018-19	2017-18	2016-17	2015-16	2014-15	
<b>Arterials</b>						
<b>Planned</b>	\$ 664,983	\$ 619,180	\$ 608,875	\$ 481,587	\$ 525,916	
<b>Actual</b>	\$ 655,354	\$ 608,129	\$ 592,565	\$ 495,095	\$ 526,678	
<b>Collectors</b>						
<b>Planned</b>	\$ 5,430,692	\$ 5,056,637	\$ 4,972,479	\$ 3,678,405	\$ 4,016,998	
<b>Actual</b>	\$ 5,352,063	\$ 4,966,386	\$ 4,839,279	\$ 3,781,581	\$ 4,022,816	
<b>Local</b>						
<b>Planned</b>	\$ 4,987,370	\$ 4,643,851	\$ 4,566,562	\$ 5,013,088	\$ 5,474,537	
<b>Actual</b>	\$ 4,915,160	\$ 4,560,967	\$ 4,444,235	\$ 5,153,701	\$ 5,482,466	
<b>Total Planned</b>	\$ 11,083,045	\$ 10,319,668	\$ 10,147,916	\$ 9,173,079	\$ 10,017,451	
<b>Total Actual</b>	\$ 10,922,577	\$ 10,135,482	\$ 9,876,079	\$ 9,430,378	\$ 10,031,960	
<b>Difference</b>	\$ 160,468	\$ 184,186	\$ 271,837	\$ (257,299)	\$ (14,509)	

**Notes:**

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

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

Functional Class	Pavement Condition Index (weighted average)		
	2018	2016	2014
Arterial	80.8	88.6	89.1
Collector	76.8	77.1	75.9
Residential / Local	76.7	79.8	80.8

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

Moderate fluctuations in PCI are normal and are the result of the statistical sampling process as well as maintenance performed between the inspection cycles. The 2018 pavement inspection data is the most recent and is reflected in the table above. Maintenance treatments performed in the summers of 2018 and 2019 are not included. They will be reflected in the next inspection report that is scheduled for summer/fall of 2020.

**LINN COUNTY, OREGON**

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

	June 30,		
	2019	2018	2017
Service cost	\$ 128,184	\$ 124,450	\$ 124,450
Interest on total OPEB liability	74,461	69,852	67,498
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(155,462)	-	-
Changes of assumptions or other input	(866,862)	-	-
Benefit payments	(97,273)	(115,947)	(111,048)
Net change in total OPEB liability	(916,952)	78,355	80,900
Total OPEB liability - beginning of year	2,402,503	2,324,148	2,243,248
Total OPEB liability - end of year	<u>\$ 1,485,551</u>	<u>\$ 2,402,503</u>	<u>\$ 2,324,148</u>
Covered payroll	\$ 36,566,890	\$ 33,693,744	\$ 32,712,373
Total OPEB liability as a percentage of covered payroll	4.06%	7.13%	7.10%

\*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\***

<u>Years ended June 30,</u>	<u>Proportion of the collective net pension liability (asset)</u>	<u>Proportionate share of the collective net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Proportionate share of the collective net pension liability (asset) as a percentage of covered payroll</u>	<u>Pension plan's fiduciary net position as a percentage of the total pension liability</u>
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	-40%	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
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, 2019

	County Fair	Law Library	General Grants	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
<b><u>ASSETS</u></b>										
Cash and investments	\$ 147,613	\$ 224,229	\$ 1,171,110	\$ 114,238	\$ 275,425	\$ 1,651	\$ 268,123	\$ -	\$ -	\$ 2,202,389
Receivables, net	-	-	3,332	-	-	-	-	-	-	3,332
Due from other governments	-	-	443,876	-	-	-	-	-	-	443,876
<b>TOTAL ASSETS</b>	<b>\$ 147,613</b>	<b>\$ 224,229</b>	<b>\$ 1,618,318</b>	<b>\$ 114,238</b>	<b>\$ 275,425</b>	<b>\$ 1,651</b>	<b>\$ 268,123</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,649,597</b>
<b><u>LIABILITIES</u></b>										
Accounts payable	\$ 5,417	\$ 4,655	\$ 244,133	\$ -	\$ -	\$ -	\$ 56,583	\$ -	\$ -	\$ 310,788
Due to other governments	-	-	1,059	-	-	-	-	-	-	1,059
Due to other funds	28	-	507	-	-	-	-	-	-	535
Unearned revenue	-	-	158,328	-	-	-	-	-	-	158,328
Payroll, payroll taxes and benefits payable	-	3,940	54,073	-	-	-	-	-	-	58,013
<b>TOTAL LIABILITIES</b>	<b>5,445</b>	<b>8,595</b>	<b>458,100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56,583</b>	<b>-</b>	<b>-</b>	<b>528,723</b>
<b><u>FUND BALANCES</u></b>										
Restricted for: Grants/ minor funds	142,168	215,634	1,160,218	114,238	275,425	1,651	211,540	-	-	2,120,874
<b>TOTAL FUND BALANCES</b>	<b>142,168</b>	<b>215,634</b>	<b>1,160,218</b>	<b>114,238</b>	<b>275,425</b>	<b>1,651</b>	<b>211,540</b>	<b>-</b>	<b>-</b>	<b>2,120,874</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 147,613</b>	<b>\$ 224,229</b>	<b>\$ 1,618,318</b>	<b>\$ 114,238</b>	<b>\$ 275,425</b>	<b>\$ 1,651</b>	<b>\$ 268,123</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,649,597</b>

LINN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
For the Year Ended June 30, 2019

	County Fair	Law Library	General Grants	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
<b>REVENUES</b>										
Intergovernmental	\$ 53,167	\$ -	\$ 1,819,916	\$ 103,657	\$ -	\$ -	\$ -	\$ 1,607,775	\$ 232,343	\$ 3,816,858
Licenses, permits, fines and services	381,831	100,421	992,950	-	-	-	325,331	-	-	1,800,533
Interest earnings	1,043	5,325	16,431	1,579	5,104	33	659	2,648	-	32,822
Miscellaneous	-	1	18,445	-	2,304	164	-	-	-	20,914
<b>TOTAL REVENUES</b>	<b>436,041</b>	<b>105,747</b>	<b>2,847,742</b>	<b>105,236</b>	<b>7,408</b>	<b>197</b>	<b>325,990</b>	<b>1,610,423</b>	<b>232,343</b>	<b>5,671,127</b>
<b>EXPENDITURES</b>										
General administration and support	-	-	1,008,652	-	-	-	-	-	-	1,008,652
Public safety	-	107,923	1,409,396	-	-	-	-	-	240,000	1,757,319
Community development	484,767	-	622,135	-	2,316	-	150,888	-	-	1,260,106
Apportionments to school districts	-	-	-	-	-	-	-	1,610,423	-	1,610,423
Indirect cost allocation	-	21,209	12,440	-	12,275	-	-	-	-	45,924
<b>TOTAL EXPENDITURES</b>	<b>484,767</b>	<b>129,132</b>	<b>3,052,623</b>	<b>-</b>	<b>14,591</b>	<b>-</b>	<b>150,888</b>	<b>1,610,423</b>	<b>240,000</b>	<b>5,682,424</b>
Excess (deficiency) of revenues over expenditures	(48,726)	(23,385)	(204,881)	105,236	(7,183)	197	175,102	-	(7,657)	(11,297)
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	60,000	4,000	205,892	-	172,140	-	-	-	-	442,032
Transfers out	-	-	(202,096)	-	(91,978)	-	-	-	(273,333)	(567,407)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>60,000</b>	<b>4,000</b>	<b>3,796</b>	<b>-</b>	<b>80,162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(273,333)</b>	<b>(125,375)</b>
Net change in fund balances	11,274	(19,385)	(201,085)	105,236	72,979	197	175,102	-	(280,990)	(136,672)
Fund balances at beginning of year	130,894	235,019	1,361,303	9,002	202,446	1,454	36,438	-	280,990	2,257,546
Fund balances (deficit) at end of year	\$ 142,168	\$ 215,634	\$ 1,160,218	\$ 114,238	\$ 275,425	\$ 1,651	\$ 211,540	\$ -	\$ -	\$ 2,120,874

## LINN COUNTY, OREGON

### NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

**LINN COUNTY, OREGON**

**COUNTY FAIR - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
For the Year Ended June 30, 2019**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Oregon State lottery distribution	\$ 53,200	\$ 53,200	\$ 53,167	\$ (33)
Parking fees	29,000	29,000	30,436	1,436
Sponsorship fees	120,000	120,000	123,900	3,900
Gate fees, carnival fees, entry fees	115,950	115,950	119,123	3,173
Booth revenues, contracts, miscellaneous	111,500	111,500	108,658	(2,842)
Interest earnings	150	150	1,043	893
<b>TOTAL REVENUES</b>	429,800	429,800	436,327	6,527
 <b>EXPENDITURES</b>				
Materials and services	489,800	489,800	489,477	(323)
Excess (deficiency) of revenues over expenditures	(60,000)	(60,000)	(53,150)	6,850
 <b>OTHER FINANCING SOURCES (USES):</b>				
Transfer from General fund	60,000	60,000	60,000	-
Net change in fund balance	-	-	6,850	6,850
Fund balance at beginning of year	-	-	140,763	140,763
Fund balance at end of year	\$ -	\$ -	147,613	\$ 147,613
 <b>Reconciliation to GAAP basis:</b>				
Accounts payable			(5,417)	
Due to other funds			(28)	
Fund balance (GAAP basis) at end of year			\$ 142,168	

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, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Law library fees	\$ 100,308	\$ 100,308	\$ 100,308	\$ -
Copy and card fees	80	80	113	33
Interest earnings	2,700	2,700	5,325	2,625
Miscellaneous	10	10	1	(9)
<b>TOTAL REVENUES</b>	<u>103,098</u>	<u>103,098</u>	<u>105,747</u>	<u>2,649</u>
<b>EXPENDITURES</b>				
Personal services	61,680	61,680	59,317	2,363
Materials and services	81,413	81,413	45,385	36,028
Capital outlay	6,800	6,800	-	6,800
Contingency	191,459	191,459	-	191,459
Indirect cost allocation	21,209	21,209	21,209	-
<b>TOTAL EXPENDITURES</b>	<u>362,561</u>	<u>362,561</u>	<u>125,911</u>	<u>236,650</u>
Excess (deficiency) of revenues over expenditures	<u>(259,463)</u>	<u>(259,463)</u>	<u>(20,164)</u>	<u>239,299</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General fund	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Net change in fund balance	(255,463)	(255,463)	(16,164)	239,299
Fund balance at beginning of year	<u>255,463</u>	<u>255,463</u>	<u>240,393</u>	<u>(15,070)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	224,229	<u>\$ 224,229</u>
<b>Reconciliation to GAAP basis:</b>				
Accounts payable			(4,655)	
Payroll, payroll taxes and benefits payable			(3,940)	
Fund balance (GAAP basis) at end of year			<u>\$ 215,634</u>	

LINN COUNTY, OREGON

GENERAL GRANTS - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

REVENUES	Budget		Actual	Variance
	Original	Final		
Commissioners:				
Lodging tax	\$ 500,000	\$ 500,000	\$ 199,597	\$ (300,403)
State reimbursements	350,000	350,000	357,941	7,941
Grants and miscellaneous	460,000	460,000	294,317	(165,683)
Parks:				
Rental payments	9,600	9,600	8,200	(1,400)
Reimbursements	-	-	32,561	32,561
Donations/ gifts	1,000	1,000	100	(900)
Grants	249,250	249,250	17,867	(231,383)
Marine gas tax	64,945	64,945	64,887	(58)
Sale of equipment	3,000	3,000	567	(2,433)
RV license fees	540,000	540,000	515,634	(24,366)
Fair	40,000	40,000	49,878	9,878
Sheriff grants	1,040,933	1,040,933	469,400	(571,533)
District attorney grants	251,970	259,970	219,549	(40,421)
Juvenile	561,055	561,055	277,890	(283,165)
Animal Control donations	15,000	15,000	17,778	2,778
General Administration:				
Court fees	82,267	82,267	82,266	(1)
General services:				
Rental payments	17,821	17,821	16,756	(1,065)
Energy utility reimbursement	6,000	6,000	9,765	3,765
Total departmental revenue	<u>4,192,841</u>	<u>4,200,841</u>	<u>2,634,953</u>	<u>(1,565,888)</u>
Interest earnings	<u>5,950</u>	<u>5,950</u>	<u>15,036</u>	<u>9,086</u>
TOTAL REVENUES	<u>4,198,791</u>	<u>4,206,791</u>	<u>2,649,989</u>	<u>(1,556,802)</u>

Statement continued on next page

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

EXPENDITURES	Budget		Actual	Variance
	Original	Final		
Commissioner grants	1,246,500	1,246,500	841,232	405,268
Veterans grants	9,207	9,207	-	9,207
Parks grants	\$ 931,440	\$ 931,440	\$ 551,041	\$ 380,399
Fair grants	74,630	74,630	30,003	44,627
Sheriff grants	1,907,277	1,917,277	741,723	1,175,554
District attorney grants	259,958	267,958	258,281	9,677
Juvenile	507,748	507,748	313,201	194,547
Animal Control	55,590	55,590	6,183	49,407
General Administration	169,003	169,003	75,782	93,221
General Services	94,508	94,508	27,067	67,441
Fair and Expo	1,020	1,020	-	1,020
Contingency	55,000	55,000	-	55,000
Indirect cost allocation	12,440	12,440	12,440	-
<b>TOTAL EXPENDITURES</b>	<u>5,324,321</u> (1)	<u>5,342,321</u>	<u>2,856,953</u>	<u>2,485,368</u>
Excess (deficiency) of revenues over expenditures	<u>(1,125,530)</u>	<u>(1,135,530)</u>	<u>(206,964)</u>	<u>928,566</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	210,525	220,525	205,892	(14,633)
Transfers out	<u>(402,500)</u> (1)	<u>(402,500)</u>	<u>(202,096)</u>	<u>200,404</u>
Total other financing sources (uses)	<u>(191,975)</u>	<u>(181,975)</u>	<u>3,796</u>	<u>185,771</u>
Net change in fund balance	(1,317,505)	(1,317,505)	(203,168)	1,114,337
Fund balance of beginning of year	<u>1,317,505</u>	<u>1,317,505</u>	<u>1,372,465</u>	<u>54,960</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	1,169,297	<u>\$ 1,169,297</u>
<b>Reconciliation to GAAP basis:</b>				
Fair market value adjustment			1,813	
Due from other governments and available			288,880	
Accounts payable			(244,133)	
Due to other governments			(1,059)	
Due to other funds			(507)	
Payroll, payroll taxes and benefits payable			<u>(54,073)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 1,160,218</u>	

(1) Total appropriations for fund is \$5,726,821

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, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Motor vehicle apportionments	\$ 102,613	\$ 102,613	\$ 103,657	\$ 1,044
Interest earnings	500	500	1,579	1,079
<b>TOTAL REVENUES</b>	<u>103,113</u>	<u>103,113</u>	<u>105,236</u>	<u>2,123</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>103,113</u>	<u>103,113</u>	-	103,113
Net change in fund balance	-	-	105,236	105,236
Fund balance at beginning of year	-	-	9,002	9,002
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,238</u>	<u>\$ 114,238</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, 2019**

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Sale of equipment	\$ -	\$ -	\$ 2,304	\$ 2,304
Interest earnings	1,200	1,200	5,104	3,904
<b>TOTAL REVENUES</b>	<u>1,200</u>	<u>1,200</u>	<u>7,408</u>	<u>6,208</u>
<b>EXPENDITURES</b>				
Materials and services	13,202	13,202	2,316	10,886
Capital outlay	32,503	32,503	-	32,503
Contingency	30,000	30,000	-	30,000
Indirect cost allocation	12,275 (1)	12,275	12,275	-
<b>TOTAL EXPENDITURES</b>	<u>87,980</u>	<u>87,980</u>	<u>14,591</u>	<u>73,389</u>
Excess (deficiency) of revenues over expenditures	<u>(86,780)</u>	<u>(86,780)</u>	<u>(7,183)</u>	<u>79,597</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer from General fund - Clerks office	188,460	188,460	172,140	(16,320)
Transfer to Surveyor contract/GIS contract	(162,450) (1)	(162,450)	(91,978)	70,472
<b>Total other financing sources (uses)</b>	<u>26,010</u>	<u>26,010</u>	<u>80,162</u>	<u>54,152</u>
Net change in fund balance	(60,770)	(60,770)	72,979	133,749
Fund balance at beginning of year	98,769	98,769	202,446	103,677
<b>Fund balance at end of year</b>	<u>\$ 37,999 (1)</u>	<u>\$ 37,999</u>	<u>\$ 275,425</u>	<u>\$ 237,426</u>

(1) Appropriation level total is \$212,724

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, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Donations and gifts	\$ 35,500	\$ 35,500	\$ 164	\$ (35,336)
Interest earnings	100	100	33	(67)
<b>TOTAL REVENUES</b>	<u>35,600</u>	<u>35,600</u>	<u>197</u>	<u>(35,403)</u>
<b>EXPENDITURES</b>				
Material and services	2,552	2,552	-	2,552
Capital outlay	<u>34,482</u>	<u>34,482</u>	<u>-</u>	<u>34,482</u>
<b>TOTAL EXPENDITURES</b>	<u>37,034</u>	<u>37,034</u>	<u>-</u>	<u>37,034</u>
Net change in fund balance	(1,434)	(1,434)	197	1,631
Fund balance at beginning of year	<u>1,434</u>	<u>1,434</u>	<u>1,454</u>	<u>20</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,651</u>	<u>\$ 1,651</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, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Reimbursements	\$ -	\$ -	\$ 1,835	\$ 1,835
Firewood sales	25,000	25,000	23,496	(1,504)
Timber sales	300,000	300,000	300,000	-
Interest earnings	500	500	659	159
<b>TOTAL REVENUES</b>	<u>325,500</u>	<u>325,500</u>	<u>325,990</u>	<u>490</u>
<b>EXPENDITURES</b>				
Materials and services	75,500	75,500	10,875	64,625
Capital outlay	255,000	255,000	88,155	166,845
<b>TOTAL EXPENDITURES</b>	<u>330,500</u>	<u>330,500</u>	<u>99,030</u>	<u>231,470</u>
Net change in fund balance	(5,000)	(5,000)	226,960	231,960
Fund balance at beginning of year	5,000	5,000	41,163	36,163
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	268,123	<u>\$ 268,123</u>
<b>Reconciliation to GAAP basis:</b>				
Accounts payable			(56,583)	
Fund balance (GAAP basis) at end of year			<u>\$ 211,540</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, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
State forest	\$ 950,000	\$ 950,000	\$ 740,399	\$ (209,601)
Federal forest	900,000	900,000	763,412	(136,588)
Private car co tax	5,000	5,000	5,309	309
Electric co-op tax	85,000	85,000	98,655	13,655
Interest earnings	800	800	2,648	1,848
Miscellaneous	300	300	-	(300)
<b>TOTAL REVENUES</b>	<u>1,941,100</u>	<u>1,941,100</u>	<u>1,610,423</u>	<u>(330,677)</u>
<b>EXPENDITURES</b>				
Materials and services	<u>2,541,100</u>	<u>2,541,100</u>	<u>2,212,388</u>	<u>328,712</u>
Net change in fund balance	(600,000)	(600,000)	(601,965)	(1,965)
Fund balance at beginning of year	<u>600,000</u>	<u>600,000</u>	<u>601,965</u>	<u>1,965</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LINN COUNTY, OREGON

FEDERAL FOREST - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Federal forest fees	\$ 344,963	\$ 344,963	\$ 232,343	\$ (112,620)
<b>EXPENDITURES</b>				
Materials and services	240,000	240,000	240,000	-
Excess (deficiency) of revenues over expenditures	104,963	104,963	(7,657)	(112,620)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(375,337)	(375,337)	(273,333)	102,004
Net change in fund balance	(270,374)	(270,374)	(280,990)	(10,616)
Fund balance at beginning of year	270,374	270,374	280,990	10,616
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -

**LINN COUNTY, OREGON**  
**INTERNAL SERVICE FUND**

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Unemployment Insurance – This fund began in 1990-91 with funding obtained through action by the County Commissioners in requesting monies that had accumulated in the State Employment Division Local Government Benefit Trust Fund. Currently, this fund is self-financed by obtaining monies from other County funds. Expenditures from the Unemployment Insurance Fund pertain to current year unemployment claims.

LINN COUNTY, OREGON

UNEMPLOYMENT INSURANCE - INTERNAL SERVICE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL  
 For the Year Ended June 30, 2019

	Budget		Actual	Variance
	Original	Final		
<b>REVENUES</b>				
Reimbursements	\$ 140,000	\$ 140,000	\$ 144,112	\$ 4,112
Interest earnings	7,000	7,000	8,624	1,624
<b>TOTAL REVENUES</b>	<u>147,000</u>	<u>147,000</u>	<u>152,736</u>	<u>5,736</u>
<b>EXPENDITURES</b>				
Materials and services				
Program management	3,000	3,000	2,286	714
Claim payments	200,000	200,000	171,758	28,242
Total Materials and services	203,000	203,000	174,044	28,956
Contingency	150,602	150,602	-	150,602
<b>TOTAL EXPENDITURES</b>	<u>353,602</u>	<u>353,602</u>	<u>174,044</u>	<u>179,558</u>
Excess (deficiency) of revenues over expenditures	(206,602)	(206,602)	(21,308)	(173,822)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer to General fund	(235,000)	(235,000)	-	235,000
Net change in fund balance	(441,602)	(441,602)	(21,308)	420,294
Fund balance at beginning of year	441,602	441,602	462,476	20,874
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	441,168	<u>\$ 441,168</u>
<b>Reconciliation to GAAP basis:</b>				
Fair value adjustment			684	
Due from other funds and available			12,244	
Due to other governments			(8,499)	
Claims liability			(99,458)	
Net position at end of year			<u>\$ 346,139</u>	

## LINN COUNTY, OREGON

### AGENCY FUNDS

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

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

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

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

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

LINN COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 For the Year Ended June 30, 2019

	Balances June 30, 2018	Additions	Deductions	Balances June 30, 2019
<b>Taxing Districts</b>				
<u>Assets</u>				
Cash and investments	\$ 328,098	\$ 172,239,685	\$ 172,217,360	\$ 350,423
<u>Liabilities</u>				
Amounts held in trust	\$ 328,098	\$ 172,239,685	\$ 172,217,360	\$ 350,423
<b>Treasurer's Departmental</b>				
<u>Assets</u>				
Cash and investments	\$ 1,852,479	\$ 14,059,251	\$ 14,659,949	\$ 1,251,781
Accounts receivable	1,174,244	1,254,863	1,174,244	1,254,863
Total assets	\$ 3,026,723	\$ 15,314,114	\$ 15,834,193	\$ 2,506,644
<u>Liabilities</u>				
Due to other governments	551,161	1,254,863	551,161	1,254,863
Amounts held in trust	2,475,562	14,059,251	15,283,032	1,251,781
Total liabilities	\$ 3,026,723	\$ 15,314,114	\$ 15,834,193	\$ 2,506,644
<b>Property Taxes</b>				
<u>Assets</u>				
Cash and investments	\$ 1,256,638	\$ 172,239,685	\$ 172,920,620	\$ 575,703
Property taxes receivable	11,418,292	6,449,908	11,418,292	6,449,908
Total assets	\$ 12,674,930	\$ 178,689,593	\$ 184,338,912	\$ 7,025,611
<u>Liabilities</u>				
Due to other governments	\$ 524,777	\$ 6,449,908	\$ 524,777	\$ 6,449,908
Amounts held in trust	12,150,153	172,239,685	183,814,135	575,703
Total liabilities	\$ 12,674,930	\$ 178,689,593	\$ 184,338,912	\$ 7,025,611

Statement continued on next page

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

	Balances June 30, 2018	Additions	Deductions	Balances June 30, 2019
<b>Regional Fuel Facility</b>				
<u>Assets</u>				
Cash and investments	\$ 93,135	\$ 977,943	\$ 973,715	\$ 97,363
Due from other governments	<u>95,547</u>	<u>100,522</u>	<u>95,547</u>	<u>100,522</u>
Total assets	<u>\$ 188,682</u>	<u>\$ 1,078,465</u>	<u>\$ 1,069,262</u>	<u>\$ 197,885</u>
<u>Liabilities</u>				
Accounts payable	\$ 91,618	\$ 67,497	\$ 91,618	\$ 67,497
Amounts held in trust	<u>97,064</u>	<u>1,010,968</u>	<u>977,644</u>	<u>130,388</u>
Total liabilities	<u>\$ 188,682</u>	<u>\$ 1,078,465</u>	<u>\$ 1,069,262</u>	<u>\$ 197,885</u>
<b>Totals - All Agency Funds</b>				
<u>Assets</u>				
Cash and investments	\$ 3,530,350	\$ 359,516,564	\$ 360,771,644	\$ 2,275,270
Property taxes receivable	11,418,292	6,449,908	11,418,292	6,449,908
Accounts receivable	1,174,244	1,254,863	1,174,244	1,254,863
Due from other governments	<u>95,547</u>	<u>100,522</u>	<u>95,547</u>	<u>100,522</u>
Total assets	<u>\$ 16,218,433</u>	<u>\$ 367,321,857</u>	<u>\$ 373,459,727</u>	<u>\$ 10,080,563</u>
<u>Liabilities</u>				
Accounts payable	\$ 91,618	\$ 67,497	\$ 91,618	\$ 67,497
Due to other governments	1,075,938	7,704,771	1,075,938	7,704,771
Amounts held in trust	<u>15,050,877</u>	<u>359,549,589</u>	<u>372,292,171</u>	<u>2,308,295</u>
Total liabilities	<u>\$ 16,218,433</u>	<u>\$ 367,321,857</u>	<u>\$ 373,459,727</u>	<u>\$ 10,080,563</u>

**LINN COUNTY, OREGON**

**OTHER SCHEDULES**

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

LINN COUNTY, OREGON

SCHEDULE OF ACCOUNTABILITY FOR ELECTED OFFICIALS  
For the Year Ended June 30, 2019

	Assessor/ Tax Collector	Clerk	Commis- sioners	District Attorney	Central Linn/ Justice Courts	Sheriff	Surveyor	Treasurer	Totals
<b>On hand - June 30, 2018</b>	\$ 1,520	\$ 200	\$ 50	\$ 2,000	\$ 82,385	\$ -	\$ 50	\$ 30,180,607	\$ 30,266,812
Receipts	679,590	1,189,932	858,301	429,215	911,395	6,073,762	202,565	201,286,330	211,631,090
Turnovers and disbursements:									
To County Treasurer	(679,540)	(1,189,932)	(858,301)	(429,215)	(993,480)		(202,565)		(4,353,033)
To Others	-	-	-	-	-	(6,073,632)	-	(199,096,189)	(205,169,821)
<b>On hand - June 30, 2019 (1)</b>	<u>\$ 1,570</u>	<u>\$ 200</u>	<u>\$ 50</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 32,370,748</u>	<u>\$ 32,375,048</u>
(1) Consists of:									
Deposits with County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,377,664	9,377,664
Deposits with Local Government									
Investment Pool	-	-	-	-	-	-	-	22,991,516	22,991,516
Due to County Treasurer	-	-	-	-	-	-	-	-	-
Due to State of Oregon	-	-	-	-	-	-	-	-	-
Change and revolving funds	1,570	200	50	2,000	300	130	50	1,568	5,868
<b>Totals</b>	<u>\$ 1,570</u>	<u>\$ 200</u>	<u>\$ 50</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 32,370,748</u>	<u>\$ 32,375,048</u>

**LINN COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS  
For the Year Ended June 30, 2019**

Tax Year	Receivable 6/30/2018	Current Levy	Discounts Allowed	Interest on Delinquent Taxes	Cash Collections	Corrections and Adjustments	Receivable 6/30/2019
2018-19		\$ 174,662,326	\$ 4,627,434	\$ 81,428	\$ 164,797,373	\$ (888,772)	\$ 4,430,175
2017-18	4,214,215	-	(21,611)	156,434	1,237,612	(1,089,569)	2,065,079
2016-17	2,718,673	-	7,096	161,863	1,120,422	(668,012)	1,085,006
2015-16	2,097,925	-	8,728	207,916	1,005,604	(869,299)	422,210
2014-15	1,413,671	-	21,286	131,203	1,062,336	(337,793)	123,459
2013-14	1,053,555	-	21,148	18,793	720,861	(250,371)	79,968
2012-13	937,912	-	20,423	17,795	688,806	(219,708)	26,770
prior	2,212,144	-	16,068	32,879	1,606,671	(479,659)	142,625
<b>Totals</b>	<b>\$ 14,648,095</b>	<b>\$ 174,662,326</b>	<b>\$ 4,700,572</b>	<b>\$ 808,311</b>	<b>\$ 172,239,685</b>	<b>\$ (4,803,183)</b>	<b>\$ 8,375,292</b>

Fund	Receivable 6/30/2019
General	\$ 611,913
Law Enforcement 4-Year Levy	1,231,144
Veterans Home Loan	82,327
Agency	6,449,908
<b>Total</b>	<b>\$ 8,375,292</b>

## STATISTICAL SECTION

## STATISTICAL SECTION

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

### **CONTENTS:**

### **Page**

#### **Financial Trends**

84-89

*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**

90-93

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

#### **Debt Capacity**

94-97

*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**

98-100

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

#### **Operating Information**

101-103

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

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

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 218,626	\$ 215,418	\$ 210,236	\$ 199,587	\$ 192,271	\$ 187,332	\$ 179,484	\$ 176,725	\$ 175,712	\$ 173,806
Restricted	23,318	21,059	18,697	16,355	31,758	29,338	-	-	-	-
Unrestricted	(52,007)	(44,646)	(37,860)	(23,029)	(10,081)	(3,933)	22,745	23,634	25,003	38,995
<b>Total net position</b>	<b>\$ 189,937</b>	<b>\$ 191,831</b>	<b>\$ 191,073</b>	<b>\$ 192,913</b>	<b>\$ 213,948</b>	<b>\$ 212,737</b>	<b>\$ 202,229</b>	<b>\$ 200,359</b>	<b>\$ 200,715</b>	<b>\$ 212,801</b>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Expenses</b>										
Governmental Activities										
General administration and support	\$ 9,263	\$ 8,375	\$ 8,338	\$ 8,236	\$ 5,480	\$ 5,767	\$ 7,066	\$ 6,160	\$ 6,288	\$ 6,569
Local government services	3,950	4,013	3,982	4,411	2,676	3,217	3,222	3,371	3,199	3,442
Public safety	42,132	38,696	36,889	46,278	22,864	30,427	29,599	31,413	31,306	32,367
Health services	25,798	29,166	28,925	32,142	20,536	20,725	20,066	20,247	18,799	17,566
Community development	8,232	9,561	8,946	9,677	6,171	6,846	5,552	6,477	19,636	8,269
Highways and streets	15,397	13,759	12,713	13,380	9,590	9,606	10,789	12,404	13,019	12,597
Apportionments to school districts	1,610	1,747	779	1,539	1,733	2,000	1,405	1,314	2,321	2,667
Interest on long term debt	-	-	-	-	-	279	267	-	-	13
<b>Total expenses</b>	<b>\$ 106,382</b>	<b>\$ 105,317</b>	<b>\$ 100,572</b>	<b>\$ 115,663</b>	<b>\$ 69,050</b>	<b>\$ 78,867</b>	<b>\$ 77,966</b>	<b>\$ 81,386</b>	<b>\$ 94,568</b>	<b>\$ 83,490</b>
<b>Program Revenues</b>										
Governmental Activities										
Fees, Fines, and Charges for service										
General government	\$ 1,545	\$ 1,608	\$ 1,419	\$ 1,529	\$ 1,519	\$ 1,093	\$ 1,826	\$ 1,491	\$ 1,617	\$ 1,944
Public Safety	2,760	3,133	2,360	3,257	2,559	2,466	3,119	2,902	3,194	3,835
Health services	1,396	1,164	907	1,072	1,021	952	2,820	1,185	1,191	1,432
Roads	1,921	2,744	4,330	2,942	2,615	2,735	1,540	1,760	1,141	1,371
Community Development	4,050	4,172	3,002	3,125	3,084	2,558	3,223	2,958	2,204	2,647
Operating Grants and Contributions	41,764	40,731	40,852	37,357	39,490	35,718	32,996	36,972	37,367	34,500
<b>Total program revenues</b>	<b>\$ 53,436</b>	<b>\$ 53,552</b>	<b>\$ 52,870</b>	<b>\$ 49,282</b>	<b>\$ 50,288</b>	<b>\$ 45,522</b>	<b>\$ 45,524</b>	<b>\$ 47,268</b>	<b>\$ 46,714</b>	<b>\$ 45,729</b>
<b>Total net (expense) / revenue</b>	<b>\$ (52,946)</b>	<b>\$ (51,765)</b>	<b>\$ (47,702)</b>	<b>\$ (66,381)</b>	<b>\$ (18,762)</b>	<b>\$ (33,345)</b>	<b>\$ (32,442)</b>	<b>\$ (34,118)</b>	<b>\$ (47,854)</b>	<b>\$ (37,761)</b>
<b>General Revenues</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 39,102	\$ 36,808	\$ 34,023	\$ 31,765	\$ 30,077	\$ 27,561	\$ 26,464	\$ 26,373	\$ 25,137	\$ 25,285
Interest and investment earnings	649	395	159	314	80	416	117	107	338	479
Unrestricted grants and contributions	11,301	15,320	11,680	13,267	12,569	15,876	9,952	7,283	10,292	11,478
<b>Total general revenues</b>	<b>\$ 51,052</b>	<b>\$ 52,523</b>	<b>\$ 45,862</b>	<b>\$ 45,346</b>	<b>\$ 42,726</b>	<b>\$ 43,853</b>	<b>\$ 36,533</b>	<b>\$ 33,763</b>	<b>\$ 35,767</b>	<b>\$ 37,242</b>
<b>Total change in net position- governmental activities</b>	<b>\$ (1,894)</b>	<b>\$ 758</b>	<b>\$ (1,840)</b>	<b>\$ (21,035)</b>	<b>\$ 23,964</b>	<b>\$ 10,508</b>	<b>\$ 4,091</b>	<b>\$ (355)</b>	<b>\$ (12,087)</b>	<b>\$ (519)</b>

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

<b>Fiscal year ended June 30,</b>	<b>Property Taxes</b>	<b>Intergovernmental</b>	<b>Charges for Services</b>	<b>Licenses, Permits and Fines</b>	<b>Interest and Miscellaneous</b>	<b>Total</b>
<b>2019</b>	\$ 40,417	\$ 52,561	\$ 7,671	\$ 5,114	\$ 2,879	\$ 108,642
<b>2018</b>	36,867	55,725	7,358	4,905	3,073	107,928
<b>2017</b>	33,841	50,246	7,774	5,183	2,859	99,903
<b>2016</b>	31,577	50,392	7,155	4,770	2,580	96,474
<b>2015</b>	29,852	51,291	6,479	4,320	2,290	94,232
<b>2014</b>	27,561	50,827	6,343	4,228	1,249	90,208
<b>2013</b>	26,464	42,546	7,517	5,011	518	82,056
<b>2012</b>	26,341	44,014	6,178	4,118	505	81,156
<b>2011</b>	25,137	46,771	5,708	3,842	1,022	82,480
<b>2010</b>	25,284	45,360	6,667	4,445	1,215	82,971

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>General fund</b>										
Non spendable										
Committed to										
Interfund loan										
Assigned to										
Unassigned	\$ (7,488)	\$ (7,810)	\$ (9,041)	\$ (7,197)	\$ (6,284)	\$ (5,514)	\$ (6,062)	\$ (4,511)	\$ (2,199)	\$ (1,188)
<b>Total general fund</b>	<b>(7,488)</b>	<b>(7,810)</b>	<b>(9,041)</b>	<b>(7,197)</b>	<b>(6,284)</b>	<b>(5,514)</b>	<b>(6,062)</b>	<b>(4,511)</b>	<b>(2,199)</b>	<b>(1,188)</b>
<b>All other governmental funds</b>										
Non spendable										
Inventories	1,770	1,829	1,950	1,327	1,076	1,299	1,051	1,164	1,452	1,719
Committed to										
Interfund loan	8,686	11,830	13,653	15,610	13,747	14,613	14,582	2,629	2,258	2,787
Capital Projects							2,229	3,070	5,419	
Restricted for										
Roads	16,146	14,723	15,669	16,432	20,840	20,318	18,033	16,355	14,010	32,444
Public Safety	3,351	1,841	334				57			
Health Services	2,050	2,126	2,838	7,590	8,012	6,059	5,079	6,629	5,112	3,748
Grants/Minor Funds	2,244	2,381	1,842	1,575	1,831	1,662	1,344	1,467	1,160	1,449
Assigned to										
Unassigned	(2,736)	(4,403)	(5,812)	(7,434)	(9,156)	(10,868)	(11,068)	(850)	(758)	(403)
<b>Total all other governmental funds</b>	<b>\$ 31,511</b>	<b>\$ 30,327</b>	<b>\$ 30,474</b>	<b>\$ 35,100</b>	<b>\$ 36,350</b>	<b>\$ 33,083</b>	<b>\$ 31,307</b>	<b>\$ 30,464</b>	<b>\$ 28,653</b>	<b>\$ 41,744</b>

\*\*\* GASB 54 was implemented in FY 2010-11 requiring new fund balance categories. Prior years have been restated to meet the new provisions of GASB Statement 54 fund balance categories.

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Revenues</b>										
Property taxes	\$ 40,417	\$ 36,867	\$ 33,841	\$ 31,577	\$ 29,853	\$ 27,100	\$ 26,595	\$ 26,341	\$ 24,941	\$ 25,170
Licenses and Permits	5,114	4,905	5,183	4,770	4,321	3,959	4,016	4,118	3,739	4,421
Intergovernmental	52,561	55,725	50,247	50,393	51,292	50,827	42,546	44,015	46,771	45,360
Charges for services	7,671	7,358	7,774	7,155	6,479	5,940	6,025	6,177	5,608	6,631
Investment earnings	853	627	413	521	325	422	480	121	422	487
Miscellaneous	2,026	2,446	2,445	2,058	1,962	1,961	1,922	384	600	727
<b>Total revenues</b>	<b>108,642</b>	<b>107,928</b>	<b>99,903</b>	<b>96,474</b>	<b>94,232</b>	<b>90,209</b>	<b>81,584</b>	<b>81,156</b>	<b>82,081</b>	<b>82,796</b>
<b>Expenditures</b>										
General government (local government)	11,952	11,403	10,862	9,621	9,419	8,263	8,713	8,993	9,039	9,179
Public Safety	39,799	35,721	33,169	35,910	30,079	30,425	29,667	30,991	30,965	31,908
Health Services	25,491	28,745	28,248	25,741	25,824	21,588	20,991	20,175	18,822	17,419
Community development	7,482	8,365	8,476	7,554	6,796	6,430	6,492	6,224	19,663	7,904
Highways and streets	14,035	11,980	16,580	11,882	10,933	8,658	10,014	13,959	15,374	16,267
Apportionments to school districts	1,610	1,747	778	1,539	1,733	2,000	1,406	1,314	2,321	2,667
Capital outlay	6,573	8,848	8,175	6,178	6,704	10,242	4,741	-	-	-
Debt Service - Interfund loan interest	193	218	260	211	247	279	267	-	-	308
<b>Total expenditures</b>	<b>107,135</b>	<b>107,027</b>	<b>106,548</b>	<b>98,636</b>	<b>91,735</b>	<b>87,885</b>	<b>82,291</b>	<b>81,656</b>	<b>96,184</b>	<b>85,652</b>
<b>Excess of revenues over (under) expenditures</b>	<b>1,507</b>	<b>901</b>	<b>(6,645)</b>	<b>(2,162)</b>	<b>2,497</b>	<b>2,324</b>	<b>(707)</b>	<b>(500)</b>	<b>(14,103)</b>	<b>(2,856)</b>
<b>Other financing sources (uses)</b>										
Transfers in	2,743	1,857	1,832	1,915	1,982	1,958	2,201	4,046	3,643	4,293
Transfers out	(2,743)	(1,674)	(1,657)	(1,915)	(1,982)	(1,958)	(2,201)	(4,046)	(3,643)	(4,293)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>183</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 1,507</b>	<b>\$ 1,084</b>	<b>\$ (6,470)</b>	<b>\$ (2,162)</b>	<b>\$ 2,497</b>	<b>\$ 2,324</b>	<b>\$ (707)</b>	<b>\$ (500)</b>	<b>\$ (14,103)</b>	<b>\$ (2,856)</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.18%</b>	<b>0.20%</b>	<b>0.24%</b>	<b>0.21%</b>	<b>0.27%</b>	<b>0.32%</b>	<b>0.32%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.36%</b>

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

<b>Fiscal Year</b>	<b>Federal</b>	<b>State</b>	<b>Cities and Other</b>	<b>Totals</b>	<b>Per Capita</b>
<b>2018-2019</b>	\$ 7,660,757	\$ 31,925,596	\$ 12,974,225	\$ 52,560,578	419
<b>2017-2018</b>	8,563,882	34,925,596	12,235,364	55,724,842	449
<b>2016-2017</b>	4,738,912	33,984,225	11,523,740	50,246,877	411
<b>2015-2016</b>	9,418,795	33,264,502	7,708,775	50,392,072	417
<b>2014-2015</b>	10,191,186	35,049,234	6,051,326	51,291,746	428
<b>2013-2014</b>	12,168,849	33,017,481	5,640,990	50,827,320	428
<b>2012-2013</b>	9,828,607	29,974,876	2,742,715	42,546,198	360
<b>2011-2012</b>	10,658,575	29,581,523	3,774,442	44,014,540	375
<b>2010-2011</b>	13,256,530	29,390,032	4,125,077	46,771,639	401
<b>2009-2010</b>	14,288,642	27,720,567	3,351,255	45,360,464	407

*Population used to calculate per capita comes from Demographics schedule in this report (page 95).*

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

<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>	<b>Manufactured Structures</b>	<b>Personal Property</b>	<b>Utilities</b>	<b>Less Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate Per \$1,000</b>	<b>Estimated Real Market Value</b>	<b>Total Taxable Assessed Value as a Percentage of Estimated RMV</b>
<b>2019</b>	\$ 9,698,077	\$ 149,167	\$ 330,928	\$ 490,552	\$ 39,272	\$ 10,629,452	4.2936	\$ 17,541,514	60.60%
<b>2018</b>	9,271,794	134,010	311,426	507,412	35,735	10,188,907	4.2936	16,130,441	63.17%
<b>2017</b>	8,915,128	128,910	304,072	485,257	33,193	9,800,174	4.2936	14,532,083	67.44%
<b>2016</b>	8,543,774	121,034	296,402	460,848	32,034	9,390,024	4.2936	13,241,005	70.92%
<b>2015</b>	8,214,875	112,203	275,483	446,542	31,384	9,017,719	4.2936	12,118,178	74.41%
<b>2014</b>	7,932,202	108,688	254,054	425,703	30,625	8,690,022	4.2900	11,395,676	76.26%
<b>2013</b>	7,639,006	107,561	240,404	396,669	27,141	8,356,499	4.0436	10,815,138	77.27%
<b>2012</b>	7,416,487	108,088	228,878	393,791	28,110	8,119,134	4.0436	10,572,478	76.79%
<b>2011</b>	7,361,380	113,366	231,304	328,812	27,519	8,007,343	4.0436	10,879,896	73.60%
<b>2010</b>	7,110,783	114,486	254,022	306,826	25,380	7,760,737	3.6100	12,381,258	62.68%

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

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

Fiscal Year Ended June 30,	Cities				Rural Fire Districts		Schools Districts				Linn-Benton Community College
	Linn County	Albany	Lebanon	Sweet Home	Albany	Lebanon	(1) Albany	Lebanon	Sweet Home	Central Linn	
<b>2019</b>	4.29	7.47	5.70	10.44	2.15	2.45	6.83	6.79	6.88	4.62	0.67
<b>2018</b>	4.29	7.47	5.70	10.44	2.15	2.46	6.90	6.84	6.91	4.62	0.67
<b>2017</b>	4.29	7.48	5.68	10.44	2.15	2.46	6.89	6.94	6.92	4.62	0.67
<b>2016</b>	4.29	7.51	5.30	10.43	2.15	2.46	6.08	7.02	6.94	4.62	0.68
<b>2015</b>	4.29	7.48	5.47	8.64	2.15	2.47	6.29	6.94	6.96	5.03	0.68
<b>2014</b>	4.29	7.59	5.64	8.64	2.15	2.47	6.32	7.08	6.99	4.62	0.68
<b>2013</b>	4.04	7.66	5.67	8.64	2.15	2.48	6.31	7.02	7.01	4.62	0.69
<b>2012</b>	4.04	7.50	6.18	8.64	2.15	2.48	6.20	7.01	7.00	6.27	0.67
<b>2011</b>	4.04	7.51	5.86	8.63	2.15	2.47	6.19	7.25	6.69	4.62	0.68
<b>2010</b>	3.61	7.78	6.19	8.66	2.15	2.48	6.23	7.09	6.60	5.06	0.68

**(1) Includes Union High School District**

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

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

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

Principal Taxpayers	Type of Business	2019			2010		
		2018-19 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2009-10 Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacificorp PP&L	Utility	\$ 112,438	1	1.10%	\$ 84,858	4	1.09%
Fort James Operating Co.	Timber & Forest Products	109,401	2	1.07%	105,371	3	1.36%
Weyerhaeuser Co./ Willamette Industries	Timber & Forest Products	107,968	3	1.06%	122,316	1	1.58%
Centurylink	Technology & Communications	101,980	4	1.00%			
Teledyne Wah Chang Albany	Rare Metals	97,002	5	0.95%	72,314	6	0.93%
Lowes HIW Inc	Retail distribution	88,771	6	0.87%			
Target Corporation	Retail distribution	68,664	7	0.67%	76,357	5	0.98%
Northwest Natural Gas	Utility	66,981	8	0.66%	48,694	8	0.63%
Cascade Pacific Pulp LLC	Wood pulp for paper manufacture	61,676	9	0.61%			
Timber Service Co. Inc.	Timber & Forest Products	52,399	10	0.51%	40,400	10	0.52%
International Paper (IP Eat Three)	Timber & Forest Products				112,689	2	1.45%
Oregon Metallurgical Corp	Rare Metals				65,093	7	0.84%
Comcast Corporation	Telecommunications				43,001	9	0.55%
<b>Total Principal Taxpayers</b>		<b>867,280</b>		<b>8.51%</b>	<b>771,093</b>		<b>9.94%</b>
<b>Totals</b>		<b>\$10,188,908</b>		<b>100%</b>	<b>\$ 7,760,736</b>		<b>100%</b>

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

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

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2019	\$ 40,367	\$ 39,338	97.45%	\$ -	\$ -	
2018	37,746	36,783	97.45%	(2)	36,781	97.44%
2017	34,504	33,331	96.60%	551	33,882	98.20%
2016	32,523	31,320	96.30%	723	32,043	98.52%
2015	30,476	29,318	96.20%	834	30,152	98.94%
2014	30,476	29,196	95.80%	1,039	30,235	99.21%
2013	27,650	26,572	96.61%	864	27,435	99.22%
2012	27,337	25,486	93.23%	1,663	27,149	99.31%
2011	26,995	25,834	95.30%	994	26,828	99.38%
2010	26,141	25,017	95.70%	1,124	26,141	100.00%

**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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Debt limit</b>	\$ 212,589	\$ 203,778	\$ 196,003	\$ 187,800	\$ 180,982	\$ 173,800	\$ 16,269	\$ 160,147	\$ 154,021	\$ 155,722
<b>Total net debt applicable to limit</b>	-	-	-	-	-	-	-	-	-	-
<b>Legal debt margin</b>	<u>\$ 212,589</u>	<u>\$ 203,778</u>	<u>\$ 196,003</u>	<u>\$ 187,800</u>	<u>\$ 180,982</u>	<u>\$ 173,800</u>	<u>\$ 16,269</u>	<u>\$ 160,147</u>	<u>\$ 154,021</u>	<u>\$ 155,722</u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Debt Limit Calculation for Fiscal Year 2019:**

Estimated Actual Taxable Value	\$ 10,629,452
Debt limit (2% of total assessed value)**	212,589,040
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
	<hr/>
Total net application to limit	<hr/> -
Legal Debt Margin	<u>\$212,589,040</u>

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

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

Fiscal year ended June 30,	Population*	Governmental Activities				Personal Income	Percentage of Personal Income	Per Capita
		General Obligation Bonds	Loans and Notes Payable	Capital Leases	Totals			
2019	125,575	The County's governmental activities have been debt free since June 30, 2010						
2018	124,010	The County's governmental activities have been debt free since June 30, 2010						
2017	122,315	The County's governmental activities have been debt free since June 30, 2010						
2016	120,860	The County's governmental activities have been debt free since June 30, 2010						
2015	119,705	The County's governmental activities have been debt free since June 30, 2010						
2014	118,665	The County's governmental activities have been debt free since June 30, 2010						
2013	118,035	The County's governmental activities have been debt free since June 30, 2010						
2012	117,340	The County's governmental activities have been debt free since June 30, 2010						
2011	116,672	The County's governmental activities have been debt free since June 30, 2010						
2010	111,355	The County's governmental activities have been debt free since June 30, 2010						

\* Per Portland State Center for Population (beginning of fiscal year)

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

Fiscal year ended June 30,	General Obligation Bonds (1)	Less: Amounts Available in Debt Service Fund	Totals	Estimated Actual Taxable Value (2)	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2019	\$ -	\$ -	\$ -	\$ 10,629,452	0.00%	-
2018	-	-	-	10,188,908	0.00%	-
2017	-	-	-	9,800,174	0.00%	-
2016	-	-	-	9,390,023	0.00%	-
2015	-	-	-	9,017,720	0.00%	-
2014	-	-	-	8,690,022	0.00%	-
2013	-	-	-	8,013,475	0.00%	-
2012	-	-	-	8,119,134	0.00%	-
2011	-	-	-	8,007,344	0.00%	-
2010	-	-	-	7,760,736	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, 2019**

<u>Jurisdiction</u>	<u>General Obligation Bonded Debt Outstanding (In Thousands)</u>	<u>Percentage Applicable to County</u>	<u>Amount Applicable to County (In Thousands)</u>
<b>Direct:</b> Linn County	\$ -	100.00%	\$ -
<b>Overlapping:</b>			
<b>Cities:</b>			
Albany	16,355	72.72%	11,893
Brownsville	5,905	100.00%	5,905
Harrisburg	860	100.00%	860
Lebanon	11,305	100.00%	11,305
<b>Community Colleges:</b>			
Chemeketa	63,100	1.02%	644
Lane	36,730	1.11%	408
Linn-Benton	29,715	49.17%	14,611
<b>School Districts:</b>			
Corvallis	166,234	2.20%	3,657
Eugene	388,385	0.07%	272
Lane , Marcola	7,100	0.04%	3
Greater Albany	141,210	75.43%	106,515
Harrisburg	8,942	90.56%	8,098
Jefferson	14,102	6.50%	917
Lebanon Community	36,205	100.00%	36,205
North Santiam	19,510	21.38%	4,171
Sweet Home	13,230	100.00%	13,230
<b>Rural Fire Districts:</b>			
Brownsville	780	100.00%	780
Lebanon	815	100.00%	815
Harrisburg	6,210	99.99%	6,209
Mohawk Valley	635	0.02%	-
Scio	2,495	100.00%	2,495
Stayton	231	11.35%	26
<b>Total Overlapping</b>	<u>970,054</u>		<u>229,019</u>
Total Direct and Overlapping	<u>\$ 970,054</u>		<u>\$ 229,019</u>

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

**Source: Oregon State Treasury, Debt Management Division.**

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

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

Fiscal year ended June 30,	(1) Population	(2) Personal Income (amounts expressed as thousands)	(calculated) Per Capita Personal Income	(3) Public School Enrollment	(4) County Unemployment Rate	(5) Marriage Licenses	(6) Linn County Employees
2019	125,575	<i>n/a</i>	<i>n/a</i>	<i>n/a</i>	4.5%	792	671
2018	124,010	<i>n/a</i>	<i>n/a</i>	18,446	4.4%	857	694
2017	122,315	\$ 5,049,370	\$ 41,282	18,383	4.4%	816	676
2016	120,860	4,713,141	38,997	18,746	6.2%	836	636
2015	119,705	4,520,435	37,763	17,484	7.0%	836	635
2014	118,665	4,223,823	35,595	17,376	8.4%	812	605
2013	118,035	3,991,947	33,820	18,325	9.9%	792	603
2012	117,340	3,921,881	33,423	18,068	10.8%	873	662
2011	116,672	3,794,021	32,519	<i>n/a</i>	11.4%	744	651
2010	111,355	3,655,021	32,823	20,094	12.7%	823	646

*n/a information not available at this time*

**Source:**

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

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

<u>Employer</u>	<u>2019</u>			<u>2010</u>		
	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Samaritan Health Services	1,600 (A)	1	3.46%	1,355	1	2.81%
Linn Benton Community College	1,100	2	2.38%	1,115	3	2.31%
Greater Albany Public Schools	1,080	3	2.33%	1,345	2	2.79%
Wah Chang (ATI)	949	4	2.05%	1,039	4	2.15%
Target Distribution Center	631	5	1.36%	591	6	1.22%
Linn County	627	6	1.36%	674	5	1.40%
Assurant Solutions	500	7	1.08%		7	
Georgia-Pacific/GP	470	8	1.02%	470	7	0.97%
Oregon Freeze Dry	398	9	0.86%	350	9	0.73%
City of Albany	390	10	0.84%	425	8	0.88%
Pacific Cast Technologies				310	10	0.64%
<b>Totals</b>			<u>16.74%</u>			<u>15.91%</u>
<b>Number of individuals employed in Linn County</b>			46,270			48,248

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

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

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

<b>Function</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
General administration and support	41	45	41	42	39	42	42	36	42	42
Local government services	36	35	34	38	36	31	31	30	33	38
Public safety	249	244	234	242	245	232	233	231	258	261
Health services	193	209	221	208	190	176	178	184	187	180
Community development	56	61	50	53	53	66	65	67	71	69
Highways and streets	67	67	63	62	67	75	73	76	85	84
<b>Total</b>	<b>642</b>	<b>661</b>	<b>643</b>	<b>645</b>	<b>630</b>	<b>622</b>	<b>622</b>	<b>624</b>	<b>676</b>	<b>674</b>

Source: Linn County payroll department

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

<b>Function</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Sheriff</b>										
Jail bookings (calendar year basis)	n/a	7,214	6,808	6,672	6,767	6,671	6,115	6,157	5,902	5,766
<b>Highways and streets</b>										
Road surface improvements (miles)	69	63	74	59	49	32	51	46	62	85
<b>Parks</b>										
Picnic shelter rentals	189	189	264	200	223	212	169	260	190	211
<b>Clerk's Office</b>										
Documents recorded	22,628	25,243	25,321	23,683	20,442	20,878	26,758	24,178	24,964	27,544
Marriage licenses issued	792	857	816	816	836	749	792	873	744	823
Registered voters	88,608	84,875	80,474	69,202	64,264	62,509	63,622	60,738	59,785	58,755
<b>Planning</b>										
Building permits	1,807	1,944	1,680	1,494	1,333	1,353	1,226	1,123	1,198	1,190
Contract cities	1,095	1,070	956	701	596	497	426	374	364	402
Electrical permits	1,937	2,010	1,972	1,631	1,505	1,335	1,312	1,335	1,199	1,342
Planning applications	888	934	794	757	642	670	613	519	509	537
<b>Health</b>										
Alcohol and drug clients	856	1,059	808	904	903	763	790	830	857	887
Developmentally disabled clients	1,168	1,113	972	909	776	842	747	736	724	717
Environmental health service contacts	2,655	2,816	2,552	1,649	1,942	2,642	2,460	2,742	2,622	2,483
Mental health clients	4,062	4,859	4,673	5,647	5,036	4,273	4,662	3,857	3,773	3,902
Public health clients	4,363	8,557	11,071	14,583	15,867	13,756	12,672	13,251	13,085	13,197
Women, Infants, and children clients	4,762	5,123	5,490	5,721	5,810	6,021	6,052	6,521	6,418	6,285
<b>Fairgrounds</b>										
Willamette building (hours of use)	9,363	7,892	8,259	6,642	6,176	5,550	5,604	5,200	6,196	4,856
Calapooia arena (hours of use)	1,683	1,684	1,952	1,926	1,845	2,042	1,918	1,995	1,749	2,076
Santiam center (hours of use)	1,852	1,823	1,540	1,503	1,373	1,146	1,203	1,315	1,594	1,388
Cascade livestock building (hours of use)	3,514	3,952	4,305	4,124	4,107	3,793	3,900	3,836	3,500	3,895

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

Source: Linn County elected officials and department managers.

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

<b>Function</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
<b>Public Safety</b>										
<b>Police:</b>										
Stations	9	9	8	8	7	7	7	7	7	7
Patrol Units	53	53	55	55	55	55	55	55	53	54
Police service dogs	3	2	1	1	1	1	1	1	1	3
<b>Culture and recreation</b>										
Parks acreage	1,246	1,369	1,369	1,364	1,364	1,364	1,360	1,360	1,360	1,360
Parks	25	24	24	24	24	24	23	23	22	22
Picnic shelters	13	13	13	13	13	13	13	13	13	13
<b>General Services</b>										
Motor pool vehicles	78	80	80	79	76	78	78	82	80	83
<b>Roads</b>										
All Public road miles	1,170	1,170	1,155	1,155	1,153	1,153	1,153	1,153	1,153	1,154
Bridges	335	335	335	336	336	336	329	329	329	329

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

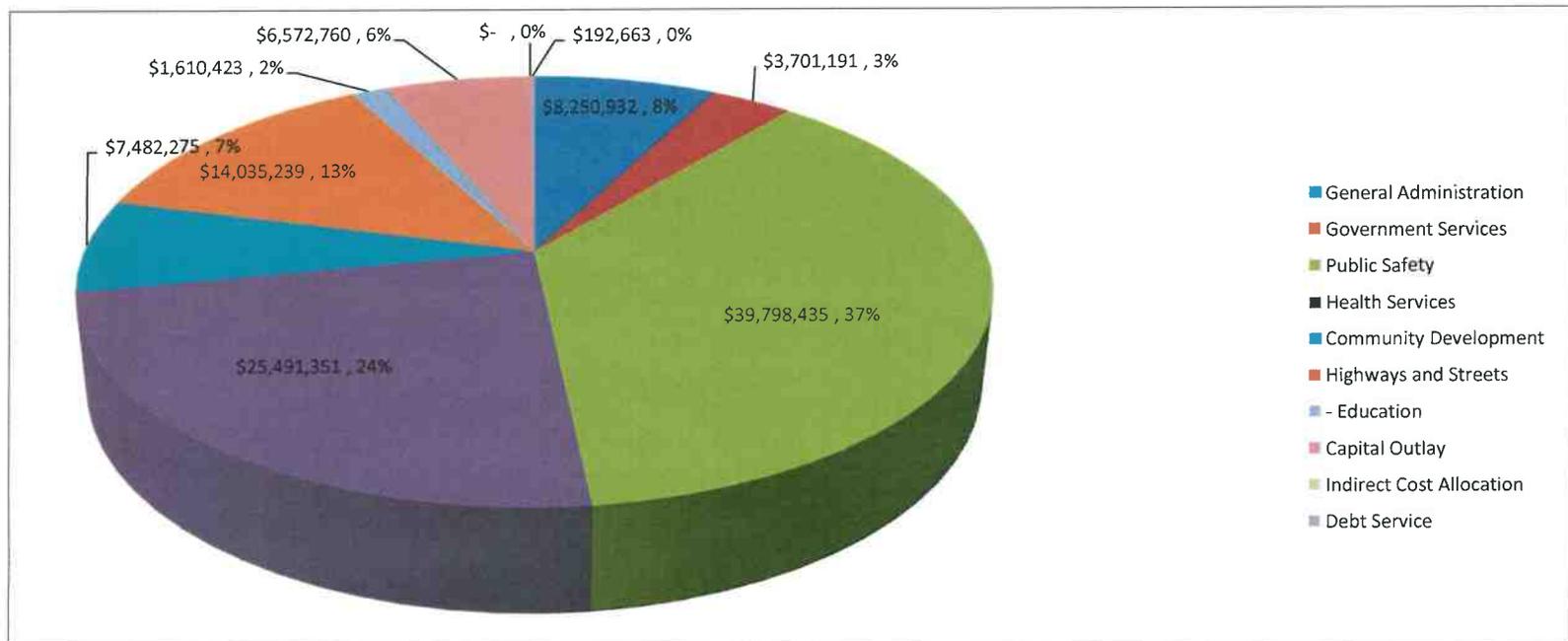
**LINN COUNTY, OREGON**  
**General Government Expenditures by Function**  
**Last Ten Fiscal Years**

Fiscal year ended June 30,	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 (1982-84)	Per Capita
2019	\$ 8,250,932	\$ 3,701,191	\$39,798,435	\$25,491,351	\$ 7,482,275	\$ 14,035,239	\$ 1,610,423	\$6,572,760	(A)	\$ 192,663	\$ 107,135,269	279.4	853.16
2018	7,672,035	3,731,080	35,057,002	27,328,255	8,352,713	11,801,039	1,747,165	8,847,857	\$ 2,272,026	218,013	107,027,185	271.7	863.05
2017	7,223,740	3,638,210	32,540,288	26,883,838	8,461,930	16,385,036	778,499	8,174,975	2,202,327	259,985	106,548,828	258.0	871.10
2016	6,312,665	3,308,064	35,345,739	24,643,028	7,540,995	11,691,535	1,538,719	6,177,945	1,866,919	210,770	98,636,379	247.5	816.12
2015	5,976,827	3,424,956	29,546,251	24,856,327	6,764,848	10,743,588	1,733,163	6,703,094	1,739,461	246,921	91,735,436	242.7	766.35
2014	5,081,149	3,169,212	29,889,155	20,626,039	6,395,095	8,467,424	1,999,835	10,241,664	1,736,315	279,447	87,885,335	233.6	740.62
2013	5,511,126	3,191,808	29,155,216	20,043,224	6,457,929	9,808,537	1,405,596	4,741,212	1,710,610	266,709	82,291,967	231.8	697.18
2012	5,657,757	3,335,274	30,991,422	20,174,727	6,224,219	13,958,809	1,314,484	-	-	-	81,656,692	226.0	695.90
2011	5,697,524	3,341,122	30,965,440	18,822,560	19,663,245	15,373,606	2,320,828	-	-	-	96,184,325	219.1	824.40
2010	5,759,678	3,419,549	31,908,090	17,419,166	7,904,443	16,266,638	2,667,222	-	-	307,832	85,652,618	217.5	769.19

(A) Starting with fiscal year end June 30, 2019 the indirect cost allocation is included in each functional expenditure category, as appropriate.

(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 (page 97).



## OTHER INFORMATION

**LINN COUNTY, OREGON**  
**SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES**  
Year Ending June 30, 2019

<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>COVERAGE</u>	<u>AMT OF COVERAGE</u>	<u>POLICY PERIOD</u>	
				<u>FROM</u>	<u>TO</u>
28337	SAIF Corporation	Standard workers' compensation and employers' liability policy Bodily injury by accident - each accident Bodily injury by disease - each employee	500,000 500,000 500,000	7/1/2018	7/1/2019
18LLINC	City/County Insurance Services (provides comprehensive general and automotive liability coverage up to \$5,000,000 on each type of coverage, subject to policy conditions and contingent on sufficient monies being available in Self-Insured Loss Funds). \$15,000,000 General Aggregate	Comprehensive general liability Auto liability Bodily Injury Property Damage Combined single limit	15,000,000	7/1/2018	7/1/2019
18APDLINC	City/County Insurance Services	Comprehensive general liability Automobile - Self-Insured Loss Funds	50,000 50,000	7/1/2018 7/1/2018	7/1/2019 7/1/2019
18BLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	All boilers and machinery (\$10,000 Deductible)	Equipment breakdown	100,000,000	7/1/2018 7/1/2019
18PLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	All property coverage Real and Personal (\$10,000 Deductible)	Basic Coverage Inland Marine Earthquake Flood Revenue and Rental Value Extra Expense and Rental value Property in Transit Hired, Rented, or Borrowed Equipment Restoration/Reproduction of books, records, etc.	159,171,102 (incl w/basic coverage) 5,000,000 5,000,000 1,000,000 1,000,000 1,000,000 150,000 100,000	7/1/2018 7/1/2019

**LINN COUNTY, OREGON**  
**SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES**  
Year Ending June 30, 2019

<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>COVERAGE</u>	<u>AMT OF COVERAGE</u>	<u>POLICY PERIOD</u>		
				<u>FROM</u>	<u>TO</u>	
18PLINC Continued	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	All property coverage Real and Personal (\$10,000 Deductible)	Electronic Data Restoration/ Reproduction Pollution Clean-up Crime Coverage Police Dogs Off Premises Miscellaneous Coverage Personal Property at Unscheduled Locations Personal Property of Employees or Volunteers Unscheduled Fine Arts Temporary Emergency Shelter Restoration	250,000 25,000 50,000 15,000 100,000 50,000 15,000 15,000 100,000 50,000	7/1/2018	7/1/2019
18ECLINC	Rhodes-Warden Ins., Inc (National Union Fire Insurance Company of Pitts, PA)	Excess Crime Coverage (Deductible \$10,000)  Coverages listed are in excess of the \$50,000 crime coverage provided under the property coverage agreement.	Employee Theft 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 (Subject to \$1,000 Deductible) Impersonation fraud coverage	500,000 500,000 500,000 500,000 500,000 500,000 500,000 500,000 500,000 100,000	7/1/2018	7/1/2019



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November 21, 2019

### **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, 2019, and have issued our report thereon dated November 21, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

#### **Compliance**

As part of obtaining reasonable assurance about whether the Linn County, Oregon's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Programs funded from outside sources.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Schedule of Accountability of Elected Officials**

In connection with our testing nothing came to our attention that caused us to believe the Linn County, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

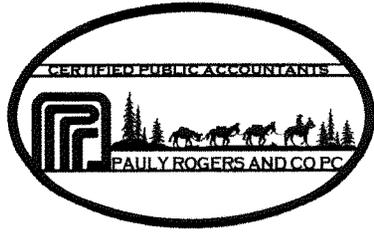
**OAR 162-10-0230 Internal Control**

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

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.



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November 21, 2019

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, Oregon as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 21, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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  
PAULY, ROGERS AND CO., P.C.

## GRANT COMPLIANCE – SINGLE AUDIT



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November 21, 2019

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

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

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

We have audited Linn County, Oregon's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2019. The major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

In our opinion, Linn County, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## Report on Internal Control Over Compliance

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

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

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

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



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

LINN COUNTY, OREGON  
ALBANY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2019

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

**FINANCIAL STATEMENTS**

Type of auditors’ report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes  no

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

yes  none reported

Noncompliance to financial statements noted?

yes  no

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

yes  no

**FEDERAL AWARDS**

Internal control over major programs:

Material weakness(es) identified?

yes  no

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

yes  none reported

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

Unmodified

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

yes  no

**IDENTIFICATION OF MAJOR PROGRAMS**

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

20.205                                      Highway Planning and Construction

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

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

NONE

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

**BASIS OF PRESENTATION**

1. **BASIS OF PRESENTATION**

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LINN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2019

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Agriculture</b>				
Food and Nutrition Service				
<i>Passed through Oregon State Department of Education:</i>				
Child Nutrition Cluster:				
School Breakfast Program	10.553	NA	\$ 9,050	\$ -
National Lunch Program	10.555	NA	16,753	-
National Lunch Program -Food Donations for Commodities (non-cash)	10.555	NA	1,008	-
State administrative expense for child nutrition	10.560	NA	7	-
Total Child Nutrition Cluster			<u>26,818</u>	<u>-</u>
US Forest Service				
<i>Passed through Oregon State Health Authority:</i>				
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	F37009	607,487	-
US Forest Service-Direct programs:				
Secure Rural Schools - Resource Advisory Committee Title II	10.665	13-PA-11061800-008	<u>4,199</u>	<u>-</u>
<b>Total U.S. Department of Agriculture</b>			<u>638,504</u>	<u>-</u>
<b>U.S. Department of the Interior</b>				
Bureau of Land Management-direct programs				
Distribution of Receipts to State and Local Government	15.227	NA	11	-
Fish and Wildlife Service				
<i>Passed through Oregon State Marine Board:</i>				
Clean Vessel Act Program	15.616	F17AP00482	<u>14,125</u>	<u>-</u>
<b>Total U.S. Department of the Interior</b>			<u>\$ 14,136</u>	<u>\$ -</u>

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Justice</b>				
Office of Victims of Crime				
<i>Passed through Oregon State Department of Justice:</i>				
Crime Victims Assistance	16.575	NA	\$ 165,535	\$ -
<b>Total U.S. Department of Justice</b>			<u>165,535</u>	<u>-</u>
<b>U.S. Department of Transportation</b>				
Federal Highway Administration				
<i>Passed through Oregon State Department of Transportation:</i>				
Highway Planning and Construction	20.205	NA	612,780	-
Formula Grants for Rural Areas	20.509	NA	138,689	138,689
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	NA	199,456	199,456
<b>Total U.S. Department of Transportation</b>			<u>950,925</u>	<u>338,145</u>
<b>General Services Administration</b>				
<i>Passed through Oregon State Department of Administrative Services:</i>				
Donation of Federal Surplus Personal Property	39.003	NA	29,851	-
<b>Total General Services Administration</b>			<u>29,851</u>	<u>-</u>
<b>U.S. Environmental Protection Agency</b>				
Office of Water				
<i>Passed through Oregon State Health Authority:</i>				
State Public Water System Supervision	66.432	F000312 09	3,020	-
Capitalization Grants for Drinking Water State Revolving Funds	66.468	NA	10,736	-
<b>Total U.S. Environmental Protection Agency</b>			<u>\$ 13,756</u>	<u>\$ -</u>

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

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Expenditures</u>	<u>Passed Through to Subrecipients</u>
<b>U.S. Department of Health and Human Services</b>				
Office of Population Affairs				
<i>Passed through Oregon State Health Authority:</i>				
Family Planning - Services	93.217	NA	\$ 39,618	\$ -
Centers for Disease Control and Prevention				
<i>Passed through Oregon State Health Authority:</i>				
Public Health Emergency Preparedness	93.069	NA	84,424	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	NA	21	-
IMMED Office of the Secretary of Health and Human Services				
<i>Passed through Oregon State Health Authority:</i>				
Pregnancy Assistance Fund Program	93.500	NA	3,000	
Heath Resources and Services Administration				
<i>Passed through Oregon State Health Authority:</i>				
HIV Care Formula Grants	93.917	NA	33,834	-
Maternal and Child Health Services Block Grant to the States	93.994	NA	34,626	-
Substance Abuse and Mental Health Services Administration				
<i>Passed through Oregon State Health Authority:</i>				
Block Grants for Community Mental Health Services	93.958	NA	83,965	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	NA	363,395	-
<b>Total U.S. Department of Health and Human Services</b>			<u>642,883</u>	<u>-</u>
<b>U.S. Department of Homeland Security</b>				
Federal Emergency Management Agency				
<i>Passed through Oregon State Military Department:</i>				
Disaster Grants - Public Assistance	97.036	NA	200,837	-
Emergency Management Performance Grant	97.042	NA	111,128	
Homeland Security Grant Program	97.067	NA	38,000	-
<b>Total U.S. Department of Homeland Security</b>			<u>349,965</u>	<u>-</u>
<b>Total Grant Amounts Expended or Passed Through to Subrecipients</b>			<u>2,805,555</u>	<u>338,145</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 2,805,555</u>	<u>\$ 338,145</u>

**LINN COUNTY, OREGON**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2019**

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

Reporting Entity: The reporting entity is fully described in Note 1 to the County's basic financial statements. The schedule includes all federal financial assistance programs administered by the County for the year ended June 30, 2019.

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.