



LINN COUNTY, OREGON

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2024

Prepared by:

General Administration

William E. Palmer, CPA
Accounting Officer

LINN COUNTY, OREGON

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INTRODUCTORY SECTION

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

LINN COUNTY, OREGON
OFFICERS AND MEMEBERS OF THE GOVERNING BODY
June 30, 2024

Elected Officials

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Roger Nyquist	Commissioner, Board Chair	December 2024
William Tucker	Commissioner, Vice-Chair	December 2026
Sherrie Sprenger	Commissioner	December 2024
Andy Stevens	County Assessor	December 2024
Marcie Richey (appointed to fill term)	County Clerk	December 2026
Douglas Marteeny	District Attorney	December 2024
Honorable Jessica Meyer	Justice of the Peace	December 2026
Michelle Duncan	Sheriff	December 2026
Tom Casey	County Surveyor	December 2024
Michelle Hawkins	County Treasurer	December 2024

Administrative Officer

Darrin Lane

Registered Address

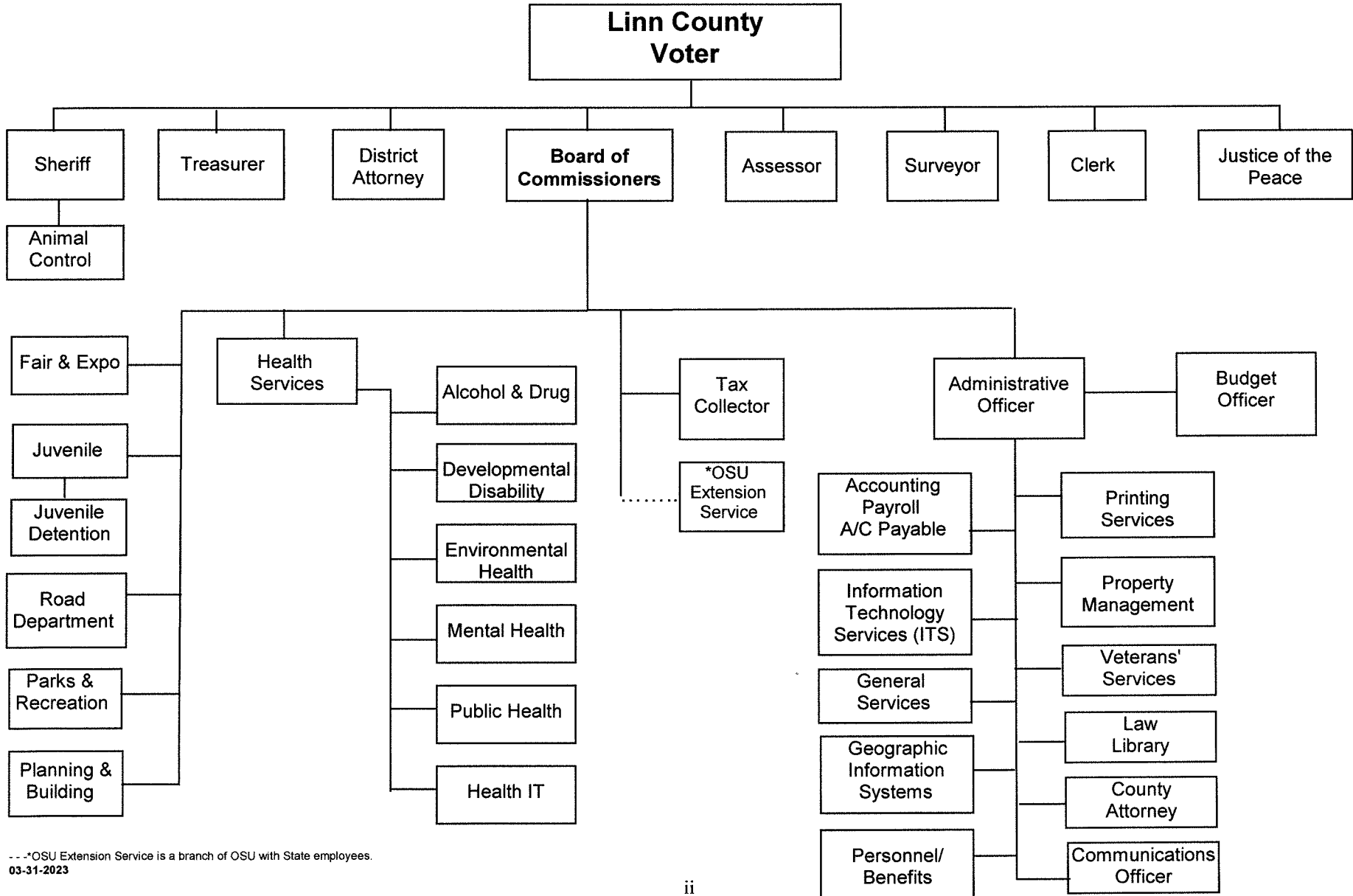
Linn County Courthouse
P.O. Box 100
Albany, Oregon 97321



LINN COUNTY, OREGON

Organization Chart

2024



---*OSU Extension Service is a branch of OSU with State employees.
03-31-2023



LINN COUNTY GENERAL ADMINISTRATION

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

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

BOARD OF COMMISSIONERS

Roger Nyquist
Sherrie Sprenger
Will Tucker

DARRIN L. LANE
Administrative Officer

December 10, 2024

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

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

In accordance with Oregon Revised Statutes Title 28, Section 297.425, we are pleased to submit this Annual Financial Report of Linn County, Oregon for the fiscal year ending June 30, 2024. This report consists of management's representations concerning the finances of Linn County; consequently, management assumes full responsibility for the accuracy and reliability of the presented data, plus the completeness and fairness of its presentation, including all disclosures. As management, we assert, to the best of our knowledge and belief, that this report is complete and accurate in all material respects and is prepared in a manner designed to present fairly the financial position and results of the operations of Linn County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain a clear and comprehensive understanding of Linn County's financial affairs have been included.

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

we assert that, to the best of our knowledge and belief, that the County’s internal controls and procedures adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded and monitored on a continuing and ongoing basis.

Pauly, Rogers and Co., P.C., a firm of licensed certified public accountants have audited the County’s financial statements, with the audit conducted in accordance with generally accepted auditing standards. The goal of the independent audit is to provide reasonable assurance that the County’s financial statements for the fiscal year ending June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County’s financial statements for the fiscal year ending June 30, 2024 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

As with last year’s report, this report has been prepared following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. It is our belief that the accompanying financial report continues to meet those program standards and this report will be submitted to the GFOA for review. In accordance with GAAP, County management has provided a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. MD&A is located in the financial section of this report immediately following the independent auditor’s report.

PROFILE OF LINN COUNTY

Linn County, established December 28, 1847, is in the center of Oregon’s Willamette Valley with the Willamette River as its western boundary and the crest of the Cascade Mountain Range as its eastern boundary. Linn County has a total area of 2,309 square miles of which 19 square miles is water. The County is home, per the Portland State Population Research Center, to an estimated July 1, 2023 population of 131,984. The County seat is Albany, the eleventh largest city in Oregon. Albany is located at the confluence of the Calapooia and Willamette rivers. The County is named in honor of Lewis F. Linn, a US Senator from Missouri who advocated the American settlement of the Oregon County. There are 15 incorporated cities in Linn County.

The County is governed under Oregon law as a “general law county” with a governing body of three full-time commissioners elected at large on a partisan basis, serving staggered four-year terms. The Board of Commissioners is responsible for, among other things, adopting policies, passing ordinances, adopting the budget, appointing various committees and advisory groups, conducting hearings and hiring and supervising key department heads including the Administrative Officer. The Board’s responsibilities also include monitoring the activities of the County and coordinating those activities and operations with the other elected officials (Assessor, Clerk, District Attorney, Justice of the Peace, Sheriff, Surveyor and Treasurer) and department heads. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

PROFILE OF LINN COUNTY (continued)

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

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

The annual budget serves as the foundation for the County's financial planning and control. The County adheres to Oregon Local Budget Law in the preparation, adoption, and execution of the budget. To oversee the process, the Board of Commissioners appoints the County's Budget Officer. Based on guidelines provided by the Board of Commissioners, all departments of the County submit their budget requests to the Budget Officer in March/April of each year. The Budget Officer develops a proposed budget based on these requests with the proposed budget presented to the Budget Committee, consisting of the three Commissioners and three lay members, who review, discuss, balance and approve the budget during public budget hearings in April/May. The approved budget is then adopted by the Board of Commissioners in June prior to the July 1st start of the County's fiscal year. The adopted budget sets appropriation levels at either by fund and category or by fund, department, then category, depending on the fund. Budget categories are personal services, materials & supplies, capital outlay, other requirements, and operating contingency. After adoption, elected officials and department heads may make transfers of appropriations between line items within a fund and category. However, transfers of appropriations between categories or departments require the approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy. Linn County’s economic indicators, over the twelve-month period of this audit, reflect a local economy that is similar to that nationally; high inflation with slightly higher unemployment. The County’s unemployment rate increased from 4.0% at June 30, 2023 to 4.5% at June 30, 2024. The State’s unemployment rate was 4.1% at June 30, 2024. The September 2024 Oregon Economic and Revenue Forecast indicates the economy is slowing from inflationary highs, but stress continues with credit card and auto loan delinquencies. Also, coupled with the slower labor market, only time will tell when households will begin to actually feel better about the economy.

Revenues and Expenditures. Linn County’s FY 23-24 revenues have continued to be strong. Property tax collections are positively impacted by the continued increase in assessed value. State and federal pass-through dollars continue to be strong although not to the level of the unprecedented revenues related to the impacts of the pandemic. Linn County received a direct allocation from the American Rescue Plan Act (ARPA) in the amount of \$25.2 million divided into two tranches. Both tranches of \$12.6 million have been received and approximately \$5.5 million remained at the close of the fiscal year. Linn County also received \$2,695,211 from the Local Assistance and Tribal Consistency Fund, which is a general revenue enhancement program that provides additional assistance to eligible Tribal governments, eligible revenue sharing counties and eligible revenue sharing consolidated governments. These funds, authorized as part of the American Rescue Plan Act, are to be used for use on any governmental purpose except for a lobbying activity. The County’s Health Services Department has also continued to receive additional funding for public health and behavior health assistance.

An expected shift in the County’s service capabilities, due to future changes in two major revenue sources (State and Federal), were delayed as a result of federal legislation that extended the Federal “safety net” payments. Bureau of Land Management and Forest Service payment amounts will continue to exceed the actual sales amounts for another year. The outlook for payments from the State of Oregon is still mixed, with shifts in public safety and health payments to the County, post pandemic. A third major revenue source, the County’s local option Law Enforcement Levy, remains positive. The Law Enforcement Levy, at a rate of \$2.98 per thousand, is in effect through June 30, 2026. Levy revenue collected is slowly recovering with higher property values and smaller Measure 5 compression losses as detailed below.

The County’s major source of revenue remains intergovernmental receipts (\$89,627,592; 55.81% of revenue; up 19.59%. State provided funds increased to \$48,099,114 (53.67% of intergovernmental revenue), and Federal provided funds increased to \$31,051,171 (34.65% of intergovernmental revenue). An increase in other intergovernmental sources accounts for the overall increase in this revenue category.

The impact on County property tax revenue (\$50,471,792 - 31.43% of revenue; up 4.74%) 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 (up 5.08%) in the County’s assessed property values remain strong. The County’s permanent tax rate is \$1.2736 per thousand of assessed value. The County’s Law Enforcement Levy (current rate of \$2.98 per thousand) is critical to the County’s revenue structure (\$35,067,248 - 69.48% of total property taxes). The Law Enforcement Levy’s net amount continues to be reduced (“compressed”) due to the Measure 5 limitations (by \$2,199,099 or 6.27% in the current year) but is easing with increasing property values.

The last major sector of County revenues; licenses, permits, fines & fees and charges for services categories (\$14,451,039 - 9.00% of revenue; up 5.86%) was up slightly from the prior year. The overall outlook for County revenues is fair as total revenues over the next few years continue to stabilize.

On the expense side, the cost of County operations over the long term continues to grow due mainly to increasing costs per employee. Personnel costs were up 3.49% over the prior year, mainly due to cola's given in June and July of 2023 that averaged 3.3% to 4.0%. Materials and services costs remained virtually unchanged from the prior year. There was a large increase in capital outlay (69.19%) due to the purchase of two office buildings for County department expansion. Oregon Public Employees Retirement System (PERS) rates increased effective July 1, 2023 and contributed to an approximate \$700K increase to County costs in the current year. The next PERS rate increase is not expected until July 1, 2025. MODA health insurance premiums increased 4.5% using full family PPO as the metric. Future health insurance costs continue to be an uncertainty given potential Federal and State legislative actions.

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

RELEVANT FINANCIAL POLICIES

Fund balances

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

FY2024	16.36%
FY2023	14.52%
FY2022	8.70%

Property taxes

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

MAJOR INITIATIVES, PROJECTS and SIGNIFICANT ACTIVITIES

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

Linn County has initiated several capital projects funded in part, or in whole, by Federal ARPA funds. Completed projects include the lease and remodel of a new office space for Veterans Services and the purchase of two new office buildings. Remodeling of some or all of the available space in the new buildings is currently in progress with completion prior to December of 2026.

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

The Parks and Recreation Department operates 54 developed recreation facilities and over 1020 camping sites across Linn County. They continue to add revenue generation improvements such as yurts and glamping tents, as well as maintain and improve current facilities, some of which are reaching the end of their expected lifespan. In the current year, two deluxe yurts were added at Clear Lake Resort, and the department took on management of 25 new Forest Service campgrounds. Park department revenues are higher because of the new sites, but offset by initial expansion costs. Additionally, the change in the reservation booking window from 12 months in advance to 9 months out resulted in 2 peak months’ income not being recognized in the current budget year. Despite the challenges brought by the reservation policy change, this year Parks total revenue is still up 19%, driven in part by increased income for the Forest Service sites and increased revenue from the additional yurts at Clear Lake Resort.

Programmed road and bridge improvements by the Road Department upgraded 63 miles of the County’s road system and completed structural repairs on 15 bridges.

AWARDS AND ACKNOWLEDGEMENTS

For the thirty-third consecutive year, the GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to Linn County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2023. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and Local government financial reports and satisfaction of both GAAP and legal requirements. In addition to being awarded the Certificate, Linn County's ACFR was judged to be easily readable and efficiently organized. The Certificate is valid for a period of one year only and this ACFR will be submitted to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated services of the staff in the following departments: Accounting, Treasurer, Information Technology, Health Department, Road Department, Sheriff's Office, 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 continues and builds on past accomplishments while committed to producing future improvements.

Respectfully Submitted,



Darrin L. Lane
Administrative Officer



William E. Palmer
Accounting Officer



Government Finance Officers Association

**Certificate of Achievement for Excellence
in Financial Reporting**

Presented to

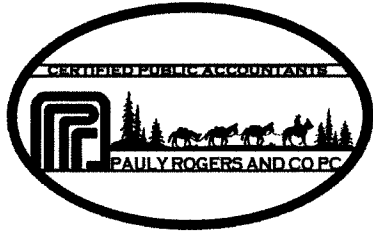
Linn County Government Oregon

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



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

December 10, 2024

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Linn County
Albany, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund, general road fund, law enforcement 4-year levy fund, health services fund, and general grants fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Linn County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 10, 2024 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, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vii of this report.

Financial Highlights

- The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$265,402,251 (*net position*). Of this amount, \$253,466,589 is the net investment in capital assets; \$77,062,930 is restricted for specific purposes and (\$65,127,268) is unrestricted.
- The government's total net position increased by \$26,600,954 year over year, primarily due to the County receiving an approximately 15% increase in funding in its operating grants and contributions category during the year.
- The County's governmental funds reported combined ending fund balances of \$89,166,932, an increase of \$20,690,752 in comparison with the prior year, with \$86,805,071 of this total amount, or 97.4%, *available for spending* to meet the County's commitments and obligations (*restricted, committed, assigned, and unassigned fund balances*).

At the end of the fiscal year, the fund balance for the general fund is \$6,040,505. This balance continues to be positive as additional cash funds are received, expenses are curtailed, and interfund loan balances are paid down. The general fund interfund loan balance at the end of the year is as follows:

<u>Date of Loan</u>	<u>Original amount borrowed</u>	<u>Principal Remaining</u>	<u>Purpose</u>
2019-20	10,000,000	807,841	Millersburg property - Intermodel project
		<u>\$ 807,841</u>	Outstanding principal

The general fund owes the roads fund outstanding interfund loan principal of \$807,841 at year-end. This remaining principal, plus interest, will be repaid over the next 4 years. Other than this interfund loan, plus lease and SBITA liabilities, Linn County has no other outstanding long-term liability obligations at June 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on pages 1 through 3 of this report.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental funds: (continued)

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

Linn County maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, General Roads, Law Enforcement 4-Year Levy, Health Services and the General Grants Funds, all of which are considered to be major funds. Data from the other 8 governmental funds are combined into a single, aggregated presentation under non-major funds. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* located in the supplementary information section of 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 governmental fund financial statements can be found on pages 4 through 32 of this report.

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

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

The proprietary fund financial statements can be found on pages 33 through 35 of this report.

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

The fiduciary fund financial statements can be found on pages 36 and 37 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 table of contents indicates where notes to the financial statements are located in 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 located in this section of the report.

Additional RSI schedules in this section are:

- Schedule of Changes in Total Other Post Employment Benefit (OPEB) Liability and related Ratios - Healthcare,
- Schedule of the Proportional Share of the Net OPEB Liability (Asset) – Retiree Health Insurance Account (RHIA),
- Schedule of OPEB contributions – RHIA,
- Schedule of the Proportionate Share of the Net Pension Liability for PERS, and a
- Schedule of PERS pension contributions.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information.

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 \$265,402,251 at 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, equipment, and right-to-use); 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.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

The balance of *restricted* and *unrestricted net position* may be used to meet the County’s ongoing obligations to citizens and creditors. The County’s net position increased by \$26,600,954 during the current fiscal year as shown below. This is due to an overall net increase in governmental activities during the year.

Linn County Net Position

	Governmental Activities	
	2024	2023
Assets		
Current and other assets	\$ 116,206,238	\$ 103,562,665
Lease receivable	8,070,352	7,882,170
OPEB asset - RHIA	1,307,138	1,432,662
Capital assets, net	258,361,003	246,663,473
Total assets	<u>383,944,731</u>	<u>359,540,970</u>
Deferred outflows (pension & OPEB)	<u>34,819,359</u>	<u>26,765,636</u>
Total assets and deferred outflows	<u>418,764,090</u>	<u>386,306,606</u>
Liabilities		
Current and other liabilities	11,986,004	11,498,056
Net pension and OPEB liabilities	106,300,646	76,559,531
Lease and SBITA obligations	4,894,414	4,150,362
Compensated absences	5,927,652	5,413,239
Total liabilities	<u>129,108,716</u>	<u>97,621,188</u>
Deferred inflows (pension and OPEB)	<u>24,253,123</u>	<u>49,441,130</u>
Total liabilities and deferred inflows	<u>153,361,839</u>	<u>147,062,318</u>
Net Position		
Net investment in capital and leased assets	253,466,589	242,513,111
Restricted	77,062,930	57,676,691
Unrestricted	<u>(65,127,268)</u>	<u>(61,388,505)</u>
Total net position	<u>\$ 265,402,251</u>	<u>\$ 238,801,297</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

Governmental activities during the year increased Linn County’s net position by \$26,600,954. Key elements of this change are as follows:

	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Revenues		
Program		
Charges for services	\$ 15,395,998	\$ 14,589,527
Operating grants and contributions	83,489,921	71,429,859
Capital grants and contributions	482,240	-
General		
Property taxes	50,640,011	48,953,195
Grants and contributions not restricted to specific programs	5,484,801	4,692,525
Other	7,055,520	5,115,907
Total revenues	<u>162,548,491</u>	<u>144,781,013</u>
Expenses		
General government	16,031,320	14,569,910
Local government services	6,274,780	5,778,744
Public safety	51,393,411	46,452,953
Health services	34,886,955	34,014,010
Community development	10,801,986	9,822,029
Highways and streets	16,559,085	14,421,166
Total expenses	<u>135,947,537</u>	<u>125,058,812</u>
Increase (decrease) in net position	26,600,954	19,722,201
Net position - beginning of the year	238,801,297	235,813,191
Beginning net position adjustment	-	(16,734,095)
Net position - end of the year	<u>\$ 265,402,251</u>	<u>\$ 238,801,297</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Government-wide Financial Analysis (continued):

- Total revenues increased by \$17,767,478 over the prior fiscal year. This increase, 12.27%, was primarily due to an increase in operating grants and contributions received in the current year.
- Overall, Countywide expenses increased by \$10,888,725 from the previous year. This increase, 8.71%, was mainly due to Public safety, Highway and street, and General government function increases, with smaller increases in all remaining functions.

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 \$89,166,932, an increase of \$20,690,752 compared to the prior year. The bulk of this increase is mostly in the intergovernmental revenue category. Of this total fund balance amount, \$83,934,268 constitutes the non-spendable, 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 \$6,040,505, which is an \$880,874 increase in fund balance from current year activity.

Key factors in this change are as follows:

- General fund revenues and expenses were relatively similar compared to the prior year. Revenues increased approximately \$1 million dollars due to tax revenues, and total expenses similarly increased approximately \$1 million dollars, mostly in Public safety. Another positive change between the two years was the amount of beginning balance that rolled into each year. The prior year rolled in a positive \$3,107,138, while the current year rolled in a positive \$5,159,631. These combined factors account for the increased ending fund balance compared to the prior year.
- The General fund continues to pay down its outstanding interfund loan balance with the Road fund. The General Fund paid this balance down in the current year, with a \$212,159 debt service payment. The one remaining interfund loan with Roads has a principal balance of \$807,841 at June 30, 2024.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Funds Financial Analysis (continued)

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

General Road – Operations of the County road department are shown in this fund. The major source of revenue is the state apportionment of motor vehicle fees. Expenditures are primarily for road construction and maintenance. The ending fund balance was \$29,845,578 at year-end. This balance is an increase of \$5,153,716 during the year. This increase is attributed to an increase in motor vehicle fees, plus an increase in interest income along with spending approximately \$3.5 million less than last year during the current year.

Law Enforcement 4-Year Levy – The voter approved option levy of November 2021, took effect July 1, 2022, and will run for another 4 years. This new levy will be at a rate of \$2.98 per thousand of assessed value. The levy allows for continued support of the County's law enforcement, including all sheriff departments, the district attorney, and juvenile departments.

The ending fund balance of \$11,700,337 increased by \$3,205,965 over the prior year due to results from current operations. The LE fund property tax revenue increased by \$1,746,111, from \$33,321,137 in the prior year, to \$35,067,248 in the current year. This is mainly due to the effect of increased property assessed valuation. In addition, property tax revenue was reduced (\$2,199,099) due to compression of the overall property tax ceiling imposed by Measure 5. Expenditures decreased by (\$740,464) from \$32,334,811 in the prior year to \$31,594,347 in the current year due to the effects of posting SBITA capital outlay last year due to the implementation of GASB 96.

Health Services – County health related activities are recorded in the Health services fund. The majority of resources for this fund come from intergovernmental agencies; mainly state and federal sources. County provided health care services rise and fall as a function of federal and state government funding levels. The ending fund balance of \$34,209,877 represents an increase of \$11,938,473 from the prior year. In the current year, overall revenues increased by \$4,789,598 from \$42,559,672 in the prior year, to \$47,349,270 in the current year. In addition, expenditures decreased by (\$453,339) from \$35,353,685 in the prior year to \$34,900,346 in the current year. The fund balance increase is also due to a larger rollover balance in the current year compared to the prior year. \$22,271,404 rolled into the current year beginning balance versus only \$16,423,843 rolling last year.

General Grants – This fund is used to account for revenues from special taxes, grants and other sources for which expenditures are restricted by law. The ending fund balance of \$5,336,577 represents a decrease of (\$566,800) from the prior year; all due to current activity.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Governmental Funds Financial Analysis (continued)

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

General Fund Budgetary Highlights

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

Actual receipts in the General Fund were \$1,076,960 more than anticipated and actual expenditures were \$11,439,190 less than appropriations, demonstrating a generally prudent spending policy. Overall, personal service expenditures were \$2,472,619 under budget, material and services were \$5,674,949 under budget, and capital outlay was \$3,267,201 under budget.

Capital Assets, Leased Assets, and Debt Administration

Capital assets: Linn County's investment in capital assets for its governmental type activities as of June 30, 2024 amounted to \$253,466,589 (net of accumulated depreciation and amortization, and less any related debt) and includes land, buildings, machinery, equipment, lease and SBITA assets, park facilities, infrastructure, roads, and bridges.

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

In the current fiscal year, the County increased its capital assets by \$10,953,478 to, net of retirements, adjustments, current depreciation and amortization, and less any related debt.

Major capital asset events during the fiscal year include:

- \$6,277,889 purchased office building for expansion of County departments.
- \$2,502,694 purchased office building for expansion of County Health departments.
- \$745,857 capitalized by the Road department for equipment.
- \$1,579,685 capitalized by the Sheriff's department for vehicles and equipment.
- \$988,980 capitalized by the Health department for vehicles and equipment.

MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

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

The County’s capital assets are as follows:

Linn County Capital Assets, net of related debt

	Governmental Activities	
	2024	2023
Land	\$ 23,022,067	\$ 21,396,463
Buildings and improvements	40,639,927	33,728,494
Equipment	18,054,627	16,428,902
Infrastructure	163,893,662	160,161,536
Intangibles	1,061,840	1,648,346
Construction in progress	6,247,442	9,035,020
Leased and SBITA assets, net of related debt	547,024	114,350
Totals	<u>\$ 253,466,589</u>	<u>\$ 242,513,111</u>

The latest pavement inspection occurred in 2024 and was performed by Metropolitan Transportation Commission. Their inspection indicated the County’s PCI (pavement condition index) remained very similar to overall pavement conditions compared to its 2022 inspection. Arterial roads weighted average PCI in 2024 was 75.8 compared to 76.6 in 2022; collector roads weighted average PCI in 2024 was 79.3 compared to 81.5 in 2022, and residential/local roads weighted average PCI in 2024 was 75.2 compared to 76.4 in 2022. The fluctuations in the PCI are expected as the roads depreciate over time coupled with the County’s annual road maintenance. The Road Department makes road improvements every year, and current levels remain well above the County’s goal of a 65 PCI or better. The next scheduled pavement inspection cycle is spring/summer 2026.

The current weighted average assessed condition of 76.8 compares favorably when compared to the Linn County policy of maintaining its road condition level at good to better (PCI of 65 or above) on a weighted average basis.

Additional information on capital assets can be found in the letter of transmittal, and in the footnotes to the financial statements in this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Long-term obligations: The only debt obligations Linn County has are from the implementation of GASB 87 and 96. See long-term obligations footnote for more information. The County has no other 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 \$260,461,436. (See debt capacity schedules in statistical section of this report).

Economic Factors

Per the Oregon employment department, at June 30, 2024 the seasonally adjusted unemployment rate for Linn County was 4.5 percent. This rate is up from June of last year which was 4.0. The 4.5 rate is higher than the State of Oregon as a whole at 4.1 percent, and nationally which is also at 4.1 percent unemployment at June 30th.

According to the September 2024 Oregon Economic and Revenue Forecast, Oregon's economy has transitioned out of the inflationary economic boom and into what will hopefully become a sustained expansion. Expectations are that Federal Reserve adjustments to interest rates should stabilize and revive rate-sensitive parts of the economy in the year ahead. While the economy is slowing down from the inflationary boom, state revenues continue to outpace expectations in recent months. The labor market is also expected to improve going forward, following last year where slower hiring led to a rising unemployment rate.

To date the economic data does not indicate a recession, however cracks are beginning to emerge. The goods recession is continuing as households slow their spending to better match their income. Housing sales and starts are down, and industrial production and manufacturing activity is moving sideways. More stress is beginning to show up in consumer spending, with credit card delinquencies now above pre-pandemic levels, plus auto loan delinquencies are rising. Recent inflation data however, coupled with the slower labor market and wage growth gives the Fed more confidence that inflation is on the path towards its 2% target.

While the economy is slowing down, revenues continue to outpace expectations. In particular income tax collections have come in noticeably higher than previously forecast. Looking ahead to the 2025-27 biennium, available resources have been revised lower by \$676 million. Although larger revenues are expected, this also increases the projected 'kicker' back to taxpayers in 2026.

- See the letter of transmittal for additional economic factors.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Requests for Information

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

BASIC FINANCIAL STATEMENTS

LINN COUNTY, OREGON
STATEMENT OF NET POSITION
June 30, 2024

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash and investments	\$ 106,214,304
Receivables, net	4,916,091
Due from other governments	2,441,617
Prepaid expense	133,276
Lease receivable	8,070,352
Inventories	2,361,861
Investment in joint venture	139,089
Net other postemployment benefit asset	1,307,138
Capital assets:	
Land, infrastructure, and construction in progress, not being depreciated	150,120,922
Other capital assets, net	<u>108,240,081</u>
TOTAL ASSETS	<u>383,944,731</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Pension related items	34,263,778
Other postemployment benefit related items	<u>555,581</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>34,819,359</u>
 <u>LIABILITIES</u>	
Accounts payable	2,030,546
Due to other governments	61,076
Accrued payroll, payroll taxes and benefits	9,610,233
Claims liability	284,149

See notes to basic financial statements
Statement continued on next page

STATEMENT OF NET POSITION (Continued)**LIABILITIES (Continued)**Governmental
Activities

Long-term obligations:	
Due within one year:	
Compensated absences	\$ 3,872,172
Lease payable	87,564
SBITA payable	617,404
Due in more than one year:	
Proportionate share of net pension liability	104,213,745
Other postemployment benefit liability	2,086,901
Compensated absences	2,055,480
Lease payable	1,109,013
SBITA payable	<u>3,080,433</u>
TOTAL LIABILITIES	<u>129,108,716</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related items	6,702,280
Other postemployment benefit related items	1,002,843
Deferred lease resources	7,529,811
Unearned grant revenue	<u>9,018,189</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>24,253,123</u>
<u>NET POSITION</u>	
Net investment in capital assets	253,466,589
Restricted for:	
Highways and streets	29,845,578
Law enforcement 4-year levy	11,700,337
Health services	34,209,877
OPEB RHIA asset	1,307,138
Unrestricted	<u>(65,127,268)</u>
TOTAL NET POSITION	<u>\$ 265,402,251</u>

LINN COUNTY, OREGON

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2024**

Functions/Programs:	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Fees, Fines, and Charges for Services	Operating Grants and Contributions		
Governmental activities					
General administration and support	\$ 15,873,040	\$ 1,075,588	\$ 9,758,166	\$ -	\$ (5,039,286)
Local government services	6,274,780	1,126,184	1,742,888	-	(3,405,708)
Public safety	51,393,411	2,768,864	6,747,013	482,240	(41,395,294)
Health services	34,886,955	2,888,085	43,064,855	-	11,065,985
Community development	10,801,986	7,339,051	1,024,696	-	(2,438,239)
Highways and streets	16,559,085	198,226	21,152,303	-	4,791,444
Interest on long-term debt	158,280	-	-	-	(158,280)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 135,947,537	\$ 15,395,998	\$ 83,489,921	\$ 482,240	(36,579,378)
 General revenues:					
Property taxes levied for:					
General purposes					50,640,011
Grants and contributions not restricted to specific programs					5,484,801
Interest and investment earnings					5,621,604
Miscellaneous					1,433,916
TOTAL GENERAL REVENUES					63,180,332
CHANGE IN NET POSITION					26,600,954
NET POSITION - Beginning of year					238,801,297
NET POSITION - End of year					\$ 265,402,251

See notes to basic financial statements

LINN COUNTY, OREGON

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024**

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>							
Cash and investments	\$ 12,942,640	\$ 27,620,840	\$ 13,924,176	\$ 35,595,353	\$ 11,926,227	\$ 2,036,807	\$ 104,046,043
Receivables, net	709,523	16,191	1,405,461	1,243,597	30,051	-	3,404,823
Due from other governments, net	498,347	184,948	-	906,468	824,803	27,051	2,441,617
Due from other funds	40,200	30,272	-	35,470	1,500	-	107,442
Interest receivable	192,460	396,573	199,920	511,071	171,234	8,879	1,480,137
Leases receivable	8,070,352	-	-	-	-	-	8,070,352
Advances to other funds	-	807,841	-	-	-	-	807,841
Inventories	-	2,361,861	-	-	-	-	2,361,861
TOTAL ASSETS	<u>\$ 22,453,522</u>	<u>\$ 31,418,526</u>	<u>\$ 15,529,557</u>	<u>\$ 38,291,959</u>	<u>\$ 12,953,815</u>	<u>\$ 2,072,737</u>	<u>\$ 122,720,116</u>
<u>LIABILITIES</u>							
Accounts payable	\$ 355,629	\$ 373,143	\$ 100,619	\$ 274,750	\$ 903,353	\$ 23,052	\$ 2,030,546
Due to other governments	22,743	10,509	-	-	284	321	33,857
Due to other funds	113,150	51,632	3,567	1,958	200	1,875	172,382
Advances from other funds	807,841	-	-	-	-	-	807,841
Unearned revenue	277,529	351,001	171,206	1,175,290	509,561	7,604	2,492,191
Accrued payroll, payroll taxes and benefits	4,031,372	786,663	2,275,426	2,367,944	143,001	5,827	9,610,233
TOTAL LIABILITIES	<u>\$ 5,608,264</u>	<u>\$ 1,572,948</u>	<u>\$ 2,550,818</u>	<u>\$ 3,819,942</u>	<u>1,556,399</u>	<u>\$ 38,679</u>	<u>\$ 15,147,050</u>

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

**BALANCE SHEET
GOVERNMENTAL FUNDS (Continued)**

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue - property taxes	\$ 579,732	\$ -	\$ 1,278,402	\$ -	\$ -	\$ -	\$ 1,858,134
Unavailable revenue - leases	7,529,811	-	-	-	-	-	7,529,811
Unearned grant revenue	2,695,210	-	-	262,140	6,060,839	-	9,018,189
TOTAL DEFERRED INFLOWS OF RESOURCES	10,804,753	-	1,278,402	262,140	6,060,839	-	18,406,134
<u>FUND BALANCES</u>							
Non spendable:							
Inventories	-	2,361,861	-	-	-	-	2,361,861
Restricted for:							
Roads	-	27,483,717	-	-	-	-	27,483,717
Law Enforcement Levy	-	-	11,700,337	-	-	-	11,700,337
Health Services	-	-	-	34,209,877	-	-	34,209,877
Grants/ nonmajor funds	-	-	-	-	5,336,577	2,034,058	7,370,635
Committed to:							
Interfund loan commitments	807,841	-	-	-	-	-	807,841
Unassigned	5,232,664	-	-	-	-	-	5,232,664
TOTAL FUND BALANCES	6,040,505	29,845,578	11,700,337	34,209,877	5,336,577	2,034,058	89,166,932
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 22,453,522	\$ 31,418,526	\$ 15,529,557	\$ 38,291,959	\$ 12,953,815	\$ 2,072,737	\$ 122,720,116

LINN COUNTY, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

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

Total fund balances - governmental funds		\$ 89,166,932
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Capital assets, net		258,361,003
Lease and SBITA obligations are shown as financial resources in the funds but are recognized as liabilities on the statement of net position. Those changes are as follows:		
Lease payable	(1,196,577)	
SBITA payable	<u>(3,697,837)</u>	(4,894,414)
The investment in joint venture is not a financial resource and, therefore, is not reported in the funds.		139,089
Long term pension/OPEB liabilities are not payable in the current year are not reported as governmental fund liabilities. Also actuarial changes create deferred outflows and inflows of resources. These differences consist of:		
Other post employment benefit asset	1,307,138	
Pension deferred outflows of resources	34,263,778	
Other postemployment benefit deferred outflows of resources	555,581	
Net pension liability	(104,213,745)	
Other postemployment benefit liability	(2,086,901)	
Pension deferred inflows of resources	(6,702,280)	
Other postemployment benefit deferred inflows of resources	<u>(1,002,843)</u>	(77,879,272)
Compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(5,927,652)
Certain long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		4,376,985
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		<u>2,059,580</u>
Net position of governmental activities		<u>\$ 265,402,251</u>

See notes to basic financial statements

LINN COUNTY, OREGON

**STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2024**

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
REVENUES							
Property taxes	\$ 15,404,544	\$ -	\$ 35,067,248	\$ -	\$ -	\$ -	\$ 50,471,792
Intergovernmental	9,042,584	20,556,578	-	42,981,718	15,175,632	1,871,080	89,627,592
Charges for services	5,923,687	119,754	-	2,166,079	519,152	361,201	9,089,873
Licenses, permits, fines and fees	4,402,007	87,534	-	519,923	135,127	216,575	5,361,166
Interest and investments	1,204,061	1,070,364	711,955	1,374,359	240,566	75,612	4,676,917
Interfund loan interest revenue	-	20,000	-	-	-	-	20,000
Miscellaneous	954,817	19,402	-	307,191	38,110	17,328	1,336,848
TOTAL REVENUES	<u>36,931,700</u>	<u>21,873,632</u>	<u>35,779,203</u>	<u>47,349,270</u>	<u>16,108,587</u>	<u>2,541,796</u>	<u>160,584,188</u>
EXPENDITURES							
General administration and support	10,017,825	-	-	-	5,541,011	-	15,558,836
Local government services	4,478,274	-	-	-	-	-	4,478,274
Public safety	14,207,773	-	30,759,631	-	783,497	103,639	45,854,540
Health services	-	-	-	32,392,009	-	-	32,392,009
Community development	8,870,371	-	-	-	305,483	1,021,804	10,197,658
Highways and streets	-	14,101,195	-	-	-	-	14,101,195
Apportionments to school districts	-	-	-	-	-	1,195,461	1,195,461
Debt service	353,009	19,885	358,152	375,998	-	9,622	1,116,666
Capital outlay	3,113,243	1,858,451	476,564	2,132,339	9,361,978	53,379	16,995,954
Interfund loan interest expense	20,000	-	-	-	-	-	20,000
TOTAL EXPENDITURES	<u>41,060,495</u>	<u>15,979,531</u>	<u>31,594,347</u>	<u>34,900,346</u>	<u>15,991,969</u>	<u>2,383,905</u>	<u>141,910,593</u>
Excess (deficiency) of revenues over expenditures	\$ (4,128,795)	\$ 5,894,101	\$ 4,184,856	\$ 12,448,924	\$ 116,618	\$ 157,891	\$ 18,673,595

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

**STATEMENT OF REVENUES , EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (Continued)**

	General	General Road	Law Enforcement 4-Year Levy	Health Services	General Grants	Total Nonmajor Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	\$ 22,911	\$ 76,384	\$ -	\$ 175	\$ -	\$ -	\$ 99,470
Lease financing	995,831	-	50,966	32,075	-	-	1,078,872
SBITA financing	42,880	-	13,011	782,924	-	-	838,815
Transfers in	4,899,196	-	-	704,636	95,000	247,513	5,946,345
Transfers out	<u>(951,149)</u>	<u>(816,769)</u>	<u>(1,042,868)</u>	<u>(2,030,261)</u>	<u>(778,418)</u>	<u>(326,880)</u>	<u>(5,946,345)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,009,669</u>	<u>(740,385)</u>	<u>(978,891)</u>	<u>(510,451)</u>	<u>(683,418)</u>	<u>(79,367)</u>	<u>2,017,157</u>
Net change in fund balances	880,874	5,153,716	3,205,965	11,938,473	(566,800)	78,524	20,690,752
Fund balances at beginning of year	<u>5,159,631</u>	<u>24,691,862</u>	<u>8,494,372</u>	<u>22,271,404</u>	<u>5,903,377</u>	<u>1,955,534</u>	<u>68,476,180</u>
Fund balances at end of year	<u>\$ 6,040,505</u>	<u>\$ 29,845,578</u>	<u>\$ 11,700,337</u>	<u>\$ 34,209,877</u>	<u>\$ 5,336,577</u>	<u>\$ 2,034,058</u>	<u>\$ 89,166,932</u>

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, 2024**

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

Net change in fund balances - total governmental funds		\$ 20,690,752
<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	17,902,803	
Less current year depreciation and amortization	<u>(5,649,796)</u>	12,253,007
<p>Governmental funds report lease and SBITA financings as expenditures, whereas in the Statement of Activities these are shown as assets and liabilities. The effect of this difference is:</p>		
Proceeds from lease and SBITA obligations	(1,917,687)	
Principal payments on lease and SBITA obligations	958,386	
Disposal of lease and SBITA obligations upon termination	<u>215,249</u>	(744,052)
<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 net book value of capital assets sold.</p>		
		(555,477)
<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 deferred revenue items.</p>		
		591,483
<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 compensated absences		(514,413)
(Increase) decrease to changes in Pension and OPEB accounts, net		(5,712,211)
<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>		
		578,343
<p>The change in investment in joint venture is not recorded in the fund statements</p>		
		<u>13,522</u>
Change in net position of governmental activities		<u>\$ 26,600,954</u>

See notes to basic financial statements

LINN COUNTY, OREGON

GENERAL FUND

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

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

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

LINN COUNTY, OREGON

GENERAL FUND

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

For the Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 15,291,531	\$ 15,291,531	\$ 15,399,016	107,485
Intergovernmental	11,384,365	11,388,859	11,277,245	(111,614)
Charges for services	5,206,132	5,516,592	5,923,687	407,095
Licenses, permits, fines and fees	3,948,151	4,193,151	4,423,977	230,826
Interest earnings	154,000	154,000	885,104	731,104
Miscellaneous	1,267,811	1,263,317	999,802	(263,515)
Interdepartmental transfers in	289,530	289,530	265,109	(24,421)
TOTAL REVENUES	<u>37,541,520</u>	<u>38,096,980</u>	<u>39,173,940</u>	<u>1,076,960</u>
EXPENDITURES				
Commissioners				
Personal services	582,943	582,943	572,353	10,590
Materials and services	15,125	15,125	12,748	2,377
Total Commissioners	<u>598,068</u>	<u>598,068</u>	<u>585,101</u>	<u>12,967</u>
Assessment and Taxation				
Personal services	2,702,614	2,702,614	2,658,097	44,517
Materials and services	295,450	295,450	281,458	13,992
Capital outlay	5	5	-	5
Total Assessment and Taxation	<u>2,998,069</u>	<u>2,998,069</u>	<u>2,939,555</u>	<u>58,514</u>
Clerk				
Personal services	1,410,484	1,410,484	1,089,107	321,377
Materials and services	458,716	458,716	277,644	181,072
Total Clerk	<u>1,869,200</u>	<u>1,869,200</u>	<u>1,366,751</u>	<u>502,449</u>

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

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

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
Treasurer				
Personal services	\$ 434,982	\$ 434,982	\$ 417,957	\$ 17,025
Materials and services	16,050	16,050	16,050	-
Total Treasurer	<u>451,032</u>	<u>451,032</u>	<u>434,007</u>	<u>17,025</u>
Surveyor				
Personal services	883,285	883,285	712,613	170,672
Materials and services	17,776	17,776	17,776	-
Capital outlay	1	1	-	1
Total Surveyor	<u>901,062</u>	<u>901,062</u>	<u>730,389</u>	<u>170,673</u>
Veterans' Services				
Personal services	551,074	551,074	348,369	202,705
Materials and services	119,200	119,200	46,493	72,707
Capital outlay	1	1	-	1
Total Veterans' Services	<u>670,275</u>	<u>670,275</u>	<u>394,862</u>	<u>275,413</u>
Planning & Building				
Personal services	2,042,970	2,042,970	1,781,107	261,863
Materials and services	209,480	259,480	142,833	116,647
Capital outlay	35,000	85,000	52,756	32,244
Total Planning & Building	<u>2,287,450</u>	<u>2,387,450</u>	<u>1,976,696</u>	<u>410,754</u>
Parks and Recreation				
Personal services	2,241,607	2,361,607	2,352,190	9,417
Materials and services	1,191,815	1,381,815	1,375,283	6,532
Capital outlay	650,000	650,000	424,934	225,066
Total Parks and Recreation	<u>4,083,422</u>	<u>4,393,422</u>	<u>4,152,407</u>	<u>241,015</u>

See notes to basic financial statements
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GENERAL FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

EXPENDITURES (Continued)	Budget		Actual	Variance
	Original	Final		
Historical				
Personal services	\$ 36,561	\$ 36,561	\$ 27,391	\$ 9,170
Materials and services	27,350	27,350	27,233	117
Capital outlay	40,000	40,000	4,070	35,930
Total Historical	103,911	103,911	58,694	45,217
Sheriff - Support Services				
Personal services	1,241,912	1,266,912	1,257,896	9,016
Materials and services	896,078	896,078	889,311	6,767
Capital outlay	1	1	-	1
Total Sheriff - Support Services	2,137,991	2,162,991	2,147,207	15,784
Sheriff - 911 Emergency Communication				
Personal services	2,813,511	2,413,511	2,243,121	170,390
Materials and services	195,289	595,289	571,255	24,034
Capital outlay	2	2	-	2
Total Sheriff - 911 Emergency Communication	3,008,802	3,008,802	2,814,376	194,426
Sheriff - Civil				
Personal services	1,600,304	1,600,304	1,427,296	173,008
Materials and services	82,390	82,390	56,067	26,323
Capital outlay	1	1	-	1
Total Sheriff - Civil	1,682,695	1,682,695	1,483,363	199,332
Sheriff - Criminal				
Personal services	2,341,935	2,291,935	2,137,420	154,515
Materials and services	47,840	47,840	18,058	29,782
Capital outlay	1	1	-	1
Total Sheriff - Criminal	2,389,776	2,339,776	2,155,478	184,298

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Justice Court				
Personal services	\$ 535,547	\$ 565,547	\$ 555,618	\$ 9,929
Materials and services	457,400	672,400	646,726	25,674
Capital outlay	5	5	-	5
Total Justice Court	992,952	1,237,952	1,202,344	35,608
District Attorney				
Personal services	1,284,730	1,284,730	1,280,208	4,522
Materials and services	480	480	480	-
Total District Attorney	1,285,210	1,285,210	1,280,688	4,522
Medical Examiner				
Personal services	162,358	162,358	146,651	15,707
Materials and services	17,200	17,200	13,240	3,960
Total Medical Examiner	179,558	179,558	159,891	19,667
Juvenile				
Personal services	819,890	819,890	746,975	72,915
Materials and services	58,880	58,880	39,414	19,466
Total Juvenile	878,770	878,770	786,389	92,381
Sheriff - Corrections				
Personal services	1,843,768	1,843,768	1,803,260	40,508
Materials and services	244,680	455,140	448,186	6,954
Total Sheriff - Corrections	2,088,448	2,298,908	2,251,446	47,462
Sheriff - Animal control				
Personal services	662,394	687,394	661,760	25,634
Materials and services	105,530	105,530	96,176	9,354
Capital outlay	2	2	-	2
Total Sheriff - Animal control	767,926	792,926	757,936	34,990

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
General Administration				
Personal services	\$ 1,420,291	\$ 1,420,291	\$ 1,364,707	\$ 55,584
Materials and services	200,616	200,616	118,046	82,570
Capital outlay	1	1	-	1
Total General Administration	1,620,908	1,620,908	1,482,753	138,155
Information Technology				
Personal services	1,718,901	1,718,901	1,479,123	239,778
Materials and services	339,297	339,297	224,594	114,703
Capital outlay	153,000	153,000	92,703	60,297
Total Information Technology	2,211,198	2,211,198	1,796,420	414,778
General Services				
Personal services	1,648,641	1,648,641	1,624,921	23,720
Materials and services	987,790	987,790	971,349	16,441
Capital outlay	954,782	954,782	457,275	497,507
Total General Services	3,591,213	3,591,213	3,053,545	537,668
Printing				
Personal services	277,146	277,146	247,996	29,150
Materials and services	127,140	127,140	120,323	6,817
Capital outlay	6,501	6,501	-	6,501
Total Printing	410,787	410,787	368,319	42,468
County Attorney				
Personal services	725,717	745,717	745,717	-
Materials and services	28,884	30,884	27,602	3,282
Total County Attorney	754,601	776,601	773,319	3,282

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Geographic System (GIS)				
Personal services	\$ 477,101	\$ 477,101	\$ 445,804	\$ 31,297
Materials and services	49,884	49,884	44,838	5,046
Capital outlay	1	1	-	1
Total Geographic System (GIS)	<u>526,986</u>	<u>526,986</u>	<u>490,642</u>	<u>36,344</u>
Expo				
Personal services	1,046,280	1,046,280	781,250	265,030
Materials and services	887,900	887,900	672,400	215,500
Capital outlay	1,066,899	1,066,899	132,070	934,829
Total Expo	<u>3,001,079</u>	<u>3,001,079</u>	<u>1,585,720</u>	<u>1,415,359</u>
Property Management				
Personal services	150,143	150,143	127,636	22,507
Materials and services	440,106	440,106	33,236	406,870
Capital outlay	1	1	-	1
Total Property Management	<u>590,250</u>	<u>590,250</u>	<u>160,872</u>	<u>429,378</u>
Economic Development				
Personal services	72,000	72,000	27,435	44,565
Materials and services	2,039,138	2,039,138	872,862	1,166,276
Capital outlay	1	1	-	1
Total Economical Development	<u>2,111,139</u>	<u>2,111,139</u>	<u>900,297</u>	<u>1,210,842</u>
Non-departmental				
Personal services	55,001	55,001	17,493	37,508
Materials and services	4,580,606	4,475,954	1,364,268	3,111,686
Capital outlay	1,597,606	1,597,606	122,802	1,474,804
Total Non-departmental	<u>6,233,213</u>	<u>6,128,561</u>	<u>1,504,563</u>	<u>4,623,998</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		
All Departments-Total				
Personal services	\$ 31,784,090	\$ 31,554,090	\$ 29,081,471	\$ 2,472,619
Materials and services	14,138,090	15,100,898	9,425,949	5,674,949
Capital outlay	4,503,811	4,553,811	1,286,610	3,267,201
Total All Departments	<u>50,425,991</u>	<u>51,208,799</u>	<u>39,794,030</u>	<u>11,414,769</u>
Contingency	<u>252,348</u>	<u>-</u>	<u>-</u>	<u>-</u>
Interdepartmental transfers out	<u>289,530 (1)</u>	<u>289,530</u>	<u>265,109</u>	<u>24,421</u>
TOTAL EXPENDITURES	<u>50,967,869</u>	<u>51,498,329</u>	<u>40,059,139</u>	<u>11,439,190</u>
Excess (deficiency) of revenues over expenditures	<u>(13,426,349)</u>	<u>(13,401,349)</u>	<u>(885,199)</u>	<u>12,516,150</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,511,740	5,511,740	4,899,196	(612,544)
Transfers out	(979,050) (1)	(1,004,050)	(951,149)	52,901
Sale of capital assets	545,000	545,000	22,911	(522,089)
Loan repayments to other funds	<u>(212,159) (1)</u>	<u>(212,159)</u>	<u>(212,159)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,865,531</u>	<u>4,840,531</u>	<u>3,758,799</u>	<u>(1,081,732)</u>
Net change in fund balance	<u>(8,560,818)</u>	<u>(8,560,818)</u>	<u>2,873,600</u>	<u>11,434,418</u>
Fund balance at beginning of year	<u>8,560,818</u>	<u>8,560,818</u>	<u>8,406,613</u>	<u>(154,205)</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,280,213</u>	<u>\$ 11,280,213</u>

(1) Appropriation level total is \$1,480,739

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

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 11,280,213
Year-end cash adjustment	18,807
Fair market value adjustment on investments	83,030
Property taxes receivable and available	58,126
Accounts receivable and available	30,817
Due from other governments and available	426,484
Due from other funds	40,200
Interest accrued and available	27,642
Net lease activity	540,541
Accounts payable	(355,629)
Due to other governments	(22,743)
Due to other funds	(113,150)
Unearned grant revenue	(2,695,210)
Accrued payroll, payroll taxes and benefits	(2,470,782)
Loan advances due to other funds	<u>(807,841)</u>
Fund balance (GAAP basis) at end of year	<u>\$ 6,040,505</u>

See notes to basic financial statements

LINN COUNTY, OREGON

MAJOR SPECIAL REVENUE FUNDS

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

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

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

Law Enforcement 4-Year Levy – This fund is supported by a four-year local option property tax levy. This levy was renewed by voters in November 2021 with an effective date of July 1, 2022. The new option levy assesses Linn County residents at a tax rate of \$2.98 per \$1,000 of assessed property value. The purpose of this fund, and its expenditures, are for law enforcement, jail operations, and other public safety operations.

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

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

LINN COUNTY, OREGON

GENERAL ROAD FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 18,891,086	\$ 18,891,086	\$ 20,523,928	\$ 1,632,842
Charges for services	107,400	107,400	119,754	12,354
Licenses, permits, fines and fees	100,000	100,000	79,184	(20,816)
Interest earnings	150,100	150,100	851,504	701,404
Miscellaneous	10,500	10,500	19,402	8,902
TOTAL REVENUES	<u>19,259,086</u>	<u>19,259,086</u>	<u>21,593,772</u>	<u>2,334,686</u>
EXPENDITURES				
Albany District				
Personal services	973,103	973,103	940,230	32,873
Materials and services	144,240	144,240	81,050	63,190
Total Albany District	<u>1,117,343</u>	<u>1,117,343</u>	<u>1,021,280</u>	<u>96,063</u>
Halsey District				
Personal services	1,036,371	1,036,371	1,001,626	34,745
Materials and services	154,940	154,940	118,400	36,540
Capital outlay	10,000	10,000	1,410	8,590
Total Halsey District	<u>1,201,311</u>	<u>1,201,311</u>	<u>1,121,436</u>	<u>79,875</u>
Scio District				
Personal services	979,092	984,092	974,468	9,624
Materials and services	156,440	156,440	128,942	27,498
Capital outlay	10,000	10,000	9,462	538
Total Scio District	<u>1,145,532</u>	<u>1,150,532</u>	<u>1,112,872</u>	<u>37,660</u>

See notes to basic financial statements
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GENERAL ROAD FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Lebanon District				
Personal services	\$ 530,612	\$ 530,612	\$ 471,505	\$ 59,107
Materials and services	245,480	245,480	201,090	44,390
Capital outlay	10,000	10,000	-	10,000
Total Lebanon District	<u>786,092</u>	<u>786,092</u>	<u>672,595</u>	<u>113,497</u>
Sweet Home District				
Personal services	1,088,426	1,108,426	1,095,366	13,060
Materials and services	160,420	160,420	129,927	30,493
Capital outlay	10,000	10,000	3,660	6,340
Total Sweet Home District	<u>1,258,846</u>	<u>1,278,846</u>	<u>1,228,953</u>	<u>49,893</u>
Bridge				
Personal services	757,633	757,633	708,617	49,016
Materials and services	196,140	196,140	134,334	61,806
Capital outlay	10,000	10,000	9,229	771
Total Bridge	<u>963,773</u>	<u>963,773</u>	<u>852,180</u>	<u>111,593</u>
Fleet Maintenance				
Personal services	946,433	946,433	905,557	40,876
Materials and services	547,300	622,300	604,485	17,815
Total Fleet Maintenance	<u>1,493,733</u>	<u>1,568,733</u>	<u>1,510,042</u>	<u>58,691</u>
Traffic Control				
Personal services	560,532	560,532	500,723	59,809
Materials and services	611,040	611,040	398,643	212,397
Capital outlay	20,000	20,000	-	20,000
Total Traffic Control	<u>1,191,572</u>	<u>1,191,572</u>	<u>899,366</u>	<u>292,206</u>

See notes to basic financial statements
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GENERAL ROAD FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Special Operations				
Personal services	\$ 208,982	\$ 208,982	\$ 207,356	\$ 1,626
Materials and services	12,140	12,140	3,693	8,447
Total Special Operations	221,122	221,122	211,049	10,073
Engineering				
Personal services	1,094,523	1,094,523	883,607	210,916
Materials and services	42,740	42,740	26,915	15,825
Total Engineering	1,137,263	1,137,263	910,522	226,741
Roadmaster				
Personal services	1,369,296	1,369,296	1,286,256	83,040
Materials and services	4,311,050	4,311,050	4,137,490	173,560
Capital outlay	6,621,158	6,621,158	1,856,772	4,764,386
Total Roadmaster	12,301,504	12,301,504	7,280,518	5,020,986
All Departments-Total				
Personal services	9,545,003	9,570,003	8,975,311	594,692
Materials and services	6,581,930	6,656,930	5,964,969	691,961
Capital outlay	6,691,158	6,691,158	1,880,533	4,810,625
Total All Departments	22,818,091	22,918,091	16,820,813	6,097,278
Contingency	1,400,000	1,300,000	-	1,300,000
TOTAL EXPENDITURES	24,218,091	24,218,091	16,820,813	7,397,278
Excess (deficiency) of revenues over expenditures	(4,959,005)	(4,959,005)	4,772,959	9,731,964

See notes to basic financial statements
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GENERAL ROAD FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	\$ 50,000	\$ 50,000	\$ 76,384	\$ 26,384
Loan repayment receipts from other funds	212,159	212,159	212,159	-
Transfers out	(991,930)	(991,930)	(816,769)	175,161
TOTAL OTHER FINANCING SOURCES (USES)	<u>(729,771)</u>	<u>(729,771)</u>	<u>(528,226)</u>	<u>201,545</u>
Net change in fund balance	(5,688,776)	(5,688,776)	4,244,733	9,933,509
Fund balance at beginning of year	<u>12,292,959</u>	<u>12,292,959</u>	<u>23,205,021</u>	<u>10,912,062</u>
Fund balance at end of year	<u>\$ 6,604,183</u>	<u>\$ 6,604,183</u>	<u>\$ 27,449,754</u>	<u>\$ 20,845,571</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 27,449,754	
Fair market value adjustment on investments			171,086	
Accounts receivable and available			6,091	
Due from other governments and available			183,662	
Due from other funds			30,272	
Interest accrued and available			56,958	
Inventories			2,361,861	
Loan advances due from other funds			807,841	
Accounts payable			(373,143)	
Due to other governments			(10,509)	
Due to other funds			(51,632)	
Accrued payroll, payroll taxes and benefits			(786,663)	
Fund balance (GAAP basis) at end of year			<u>\$ 29,845,578</u>	

See notes to basic financial statements

LINN COUNTY, OREGON

LAW ENFORCEMENT 4-YEAR LEVY FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 34,716,218	\$ 34,716,218	\$ 35,052,097	\$ 335,879
Interest earnings	175,000	175,000	601,486	426,486
TOTAL REVENUES	<u>34,891,218</u>	<u>34,891,218</u>	<u>35,653,583</u>	<u>762,365</u>
EXPENDITURES				
Sheriff Support				
Personal services	2,636,774	2,636,774	2,524,807	111,967
Materials and services	3,624,287	3,624,287	2,575,663	1,048,624
Capital outlay	1,059,930	1,059,930	625,369	434,561
Total Sheriff Support	<u>7,320,991</u>	<u>7,320,991</u>	<u>5,725,839</u>	<u>1,595,152</u>
Sheriff Criminal				
Personal services	8,879,953	8,879,953	7,919,823	960,130
Materials and services	486,240	486,240	305,146	181,094
Capital outlay	1	1	-	1
Total Sheriff Criminal	<u>9,366,194</u>	<u>9,366,194</u>	<u>8,224,969</u>	<u>1,141,225</u>
District Attorney				
Personal services	3,431,590	3,431,590	2,934,178	497,412
Materials and services	356,891	356,891	319,825	37,066
Capital outlay	1,084,098	1,084,098	-	1,084,098
Total District Attorney	<u>4,872,579</u>	<u>4,872,579</u>	<u>3,254,003</u>	<u>1,618,576</u>
Juvenile				
Personal services	2,167,134	2,167,134	1,988,066	179,068
Materials and services	88,000	88,000	76,453	11,547
Capital outlay	20,001	20,001	-	20,001
Total Juvenile	<u>2,275,135</u>	<u>2,275,135</u>	<u>2,064,519</u>	<u>210,616</u>

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Sheriff Corrections				
Personal services	\$ 9,566,692	\$ 9,566,692	\$ 8,763,271	\$ 803,421
Materials and services	1,411,100	1,411,100	1,314,525	96,575
Capital outlay	1	1	-	1
Total Sheriff Corrections	10,977,793	10,977,793	10,077,796	899,997
Juvenile Detention				
Personal services	2,172,722	2,172,722	2,014,616	158,106
Materials and services	169,746	169,746	169,746	-
Total Juvenile Detention	2,342,468	2,342,468	2,184,362	158,106
Non-Departmental				
Materials and services	15,000	15,000	-	15,000
Capital outlay	1,461,962	1,461,962	-	1,461,962
Total Non-Departmental	1,476,962	1,476,962	-	1,476,962
All Departments-Total				
Personal services	28,854,865	28,854,865	26,144,761	2,710,104
Materials and services	6,151,264	6,151,264	4,761,358	1,389,906
Capital outlay	3,625,993	3,625,993	625,369	3,000,624
Total All Departments	38,632,122	38,632,122	31,531,488	7,100,634
Contingency	4,465,221	5,952,825	-	5,952,825
TOTAL EXPENDITURES	43,097,343	44,584,947	31,531,488	13,053,459
Excess (deficiency) of revenues over expenditures	(8,206,125)	(9,693,729)	4,122,095	13,815,824
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,042,868)	(1,042,868)	(1,042,868)	-

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

	Budget		Actual	Variance
	Original	Final		
Net change in fund balance	\$ (9,248,993)	\$ (10,736,597)	\$ 3,079,227	\$ 13,815,824
Fund balance at beginning of year	<u>9,248,993</u>	<u>10,736,597</u>	<u>10,758,701</u>	<u>22,104</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,837,928</u>	<u>\$ 13,837,928</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 13,837,928	
Fair market value adjustment on investments			86,248	
Property taxes receivable and available			127,059	
Interest accrued and available			28,714	
Accounts payable			(100,619)	
Due to other funds			(3,567)	
Accrued payroll, payroll taxes and benefits			<u>(2,275,426)</u>	
Fund balance (GAAP basis) at end of year			<u>\$ 11,700,337</u>	

See notes to basic financial statements

LINN COUNTY, OREGON
HEALTH SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 33,384,268	\$ 34,534,268	\$ 41,785,521	\$ 7,251,253
Charges for services	1,197,260	1,269,682	2,166,079	896,397
Licenses, permits, fines and fees	691,532	691,532	732,382	40,850
Interest earnings	126,000	126,000	1,090,123	964,123
Miscellaneous	201,351	201,351	307,366	106,015
Interdepartmental transfers in	<u>1,786,208</u>	<u>1,961,208</u>	<u>1,737,532</u>	<u>(223,676)</u>
TOTAL REVENUES	<u>37,386,619</u>	<u>38,784,041</u>	<u>47,819,003</u>	<u>9,034,962</u>
EXPENDITURES				
Administration				
Personal services	1,704,998	1,704,998	1,585,472	119,526
Materials and services	161,300	336,300	224,437	111,863
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Administration	<u>1,866,299</u>	<u>2,041,299</u>	<u>1,809,909</u>	<u>231,390</u>
Mental Health				
Personal services	18,136,473	18,136,473	13,732,798	4,403,675
Materials and services	1,839,065	1,918,437	1,457,648	460,789
Capital outlay	<u>3,200,000</u>	<u>3,200,000</u>	<u>337,975</u>	<u>2,862,025</u>
Total Mental Health	<u>23,175,538</u>	<u>23,254,910</u>	<u>15,528,421</u>	<u>7,726,489</u>
Developmental Disabilities				
Personal services	4,691,982	4,691,982	4,164,943	527,039
Materials and services	440,928	451,928	427,572	24,356
Capital outlay	<u>1</u>	<u>810,001</u>	<u>508,457</u>	<u>301,544</u>
Total Developmental Disabilities	<u>5,132,911</u>	<u>5,953,911</u>	<u>5,100,972</u>	<u>852,939</u>

See notes to basic financial statements
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HEALTH SERVICES FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Alcohol & Drug				
Personal services	\$ 4,394,440	\$ 4,394,440	\$ 3,765,742	\$ 628,698
Materials and services	1,063,939	1,570,539	1,090,603	479,936
Capital outlay	1	65,001	57,464	7,537
Total Alcohol & Drug	<u>5,458,380</u>	<u>6,029,980</u>	<u>4,913,809</u>	<u>1,116,171</u>
Public Health				
Personal services	4,146,030	4,046,030	3,694,356	351,674
Materials and services	1,109,817	1,236,417	1,154,365	82,052
Capital outlay	1	650,001	464,726	185,275
Total Public Health	<u>5,255,848</u>	<u>5,932,448</u>	<u>5,313,447</u>	<u>619,001</u>
Environmental Health				
Personal services	1,050,577	1,050,577	866,890	183,687
Materials and services	246,796	261,796	172,962	88,834
Capital outlay	80,000	80,000	52,757	27,243
Total Environmental Health	<u>1,377,373</u>	<u>1,392,373</u>	<u>1,092,609</u>	<u>299,764</u>
All Departments-Total				
Personal services	34,124,500	34,024,500	27,810,201	6,214,299
Materials and services	4,861,845	5,775,417	4,527,587	1,247,830
Capital outlay	3,280,004	4,805,004	1,421,379	3,383,625
Total All Departments	<u>42,266,349</u>	<u>44,604,921</u>	<u>33,759,167</u>	<u>10,845,754</u>

See notes to basic financial statements
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HEALTH SERVICES FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Contingency	16,150,126	15,033,976	-	15,033,976
Interdepartmental transfers out	1,786,208 (1)	1,961,208	1,737,532	223,676
TOTAL EXPENDITURES	60,202,683	61,600,105	35,496,699	26,103,406
Excess (deficiency) of revenues over expenditures	(22,816,064)	(22,816,064)	12,322,304	35,138,368
OTHER FINANCING SOURCES (USES)				
Transfers in	743,648	743,648	704,636	(39,012)
Transfers out	(2,030,261) (1)	(2,030,261)	(2,030,261)	-
TOTAL OTHER FINANCING SOURCES (USES)	(1,286,613)	(1,286,613)	(1,325,625)	(39,012)
Net change in fund balance	\$ (24,102,677)	\$ (24,102,677)	\$ 10,996,679	\$ 35,099,356
Fund balance at beginning of year	24,102,677	24,102,677	24,378,192	275,515
Fund balance at end of year	\$ -	\$ -	\$ 35,374,871	\$ 35,374,871

(1) Appropriation level total is \$3,816,469

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 35,374,871
Fair market value adjustment on investments	220,482
Accounts receivable, net and available	919,326
Due from other governments, net and available	493,117
Due from other funds	35,470
Interest accrued and available	73,403
Accounts payable	(274,750)
Due to other funds	(1,958)
Unearned grant revenue	(262,140)
Accrued payroll, payroll taxes and benefits	(2,367,944)
Fund balance (GAAP basis) at end of year	\$ 34,209,877

See notes to basic financial statements

LINN COUNTY, OREGON

GENERAL GRANTS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2024

REVENUES	Budget		Actual	Variance
	Original	Final		
<u>By Department:</u>				
Commissioners	\$ 5,664,222	\$ 5,664,222	\$ 3,751,287	\$ (1,912,935)
Veteran's services	5,000	55,000	7,722	(47,278)
Planning & Building	200,000	200,000	25,000	(175,000)
Parks	869,013	869,013	526,176	(342,837)
Fair	48,000	48,000	26,083	(21,917)
Sheriff	685,059	755,059	708,642	(46,417)
District attorney	316,343	316,343	246,034	(70,309)
Juvenile	868,487	882,487	674,584	(207,903)
Sheriff/Animal control	15,000	15,000	20,041	5,041
General administration	161,379	161,379	225,988	64,609
General services	56,001	133,781	4,759	(129,022)
Property management	-	350,000	169,213	(180,787)
Interdepartmental transfers in	425,000	425,000	411,492	(13,508)
Total departmental revenue	<u>9,313,504</u>	<u>9,875,284</u>	<u>6,797,021</u>	<u>(3,078,263)</u>
Interest earnings	<u>35,740</u>	<u>35,740</u>	<u>150,704</u>	<u>114,964</u>
TOTAL REVENUES	<u>9,349,244</u>	<u>9,911,024</u>	<u>6,947,725</u>	<u>(2,963,299)</u>
EXPENDITURES				
Commissioners				
Personal services	174,853	174,853	149,469	25,384
Materials and services	5,104,862	5,129,862	3,272,755	1,857,107
Total Commissioners	<u>5,279,715</u>	<u>5,304,715</u>	<u>3,422,224</u>	<u>1,882,491</u>
Veterans' Services				
Materials and services	<u>5,000</u>	<u>55,000</u>	<u>19,469</u>	<u>35,531</u>
Total Veterans' Services	<u>5,000</u>	<u>55,000</u>	<u>19,469</u>	<u>35,531</u>

See notes to basic financial statements
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GENERAL GRANTS FUND (Continued)
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Planning & Building				
Materials and services	\$ 200,000	\$ 200,000	\$ 12,850	\$ 187,150
Total Planning & Building	<u>200,000</u>	<u>200,000</u>	<u>12,850</u>	<u>187,150</u>
Parks and Recreation				
Personal services	591,438	591,438	392,265	199,173
Materials and services	255,987	255,987	168,016	87,971
Capital outlay	<u>327,852</u>	<u>327,852</u>	<u>110,540</u>	<u>217,312</u>
Total Parks and Recreation	<u>1,175,277</u>	<u>1,175,277</u>	<u>670,821</u>	<u>504,456</u>
Fair				
Materials and services	<u>26,600</u>	<u>26,600</u>	<u>21,799</u>	<u>4,801</u>
Total Fair	<u>26,600</u>	<u>26,600</u>	<u>21,799</u>	<u>4,801</u>
Sheriff - Support Services				
Personal services	132,732	202,732	170,260	32,472
Materials and services	397,182	397,182	8,766	388,416
Capital outlay	<u>845,113</u>	<u>845,113</u>	<u>619,104</u>	<u>226,009</u>
Total Sheriff - Support Services	<u>1,375,027</u>	<u>1,445,027</u>	<u>798,130</u>	<u>646,897</u>
Sheriff - Criminal				
Personal services	149,869	149,869	102,857	47,012
Materials and services	258,220	258,220	11,562	246,658
Capital outlay	<u>1,003</u>	<u>1,003</u>	<u>-</u>	<u>1,003</u>
Total Sheriff - Criminal	<u>409,092</u>	<u>409,092</u>	<u>114,419</u>	<u>294,673</u>
District Attorney				
Personal services	<u>326,715</u>	<u>326,715</u>	<u>303,123</u>	<u>23,592</u>
Total District Attorney	<u>326,715</u>	<u>326,715</u>	<u>303,123</u>	<u>23,592</u>

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Juvenile				
Personal services	\$ 351,958	\$ 351,958	\$ 214,861	\$ 137,097
Materials and services	659,417	673,417	282,826	390,591
Capital outlay	80,999	80,999	41,439	39,560
Total Juvenile	<u>1,092,374</u>	<u>1,106,374</u>	<u>539,126</u>	<u>567,248</u>
Sheriff - Corrections				
Materials and services	441,528	478,528	92,016	386,512
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Sheriff - Corrections	<u>441,529</u>	<u>478,529</u>	<u>92,016</u>	<u>386,513</u>
Sheriff - Animal control				
Materials and services	68,069	68,069	12,593	55,476
Capital outlay	<u>1</u>	<u>1</u>	<u>-</u>	<u>1</u>
Total Sheriff - Animal control	<u>68,070</u>	<u>68,070</u>	<u>12,593</u>	<u>55,477</u>
General Administration				
Personal services	28,537	3,537	2,194	1,343
Materials and services	<u>152,000</u>	<u>177,000</u>	<u>137,447</u>	<u>39,553</u>
Total General Administration	<u>180,537</u>	<u>180,537</u>	<u>139,641</u>	<u>40,896</u>
General Services				
Materials and services	57,435	57,436	51,391	6,045
Capital outlay	<u>19,530</u>	<u>97,309</u>	<u>11,548</u>	<u>85,761</u>
Total General Services	<u>76,965</u>	<u>154,745</u>	<u>62,939</u>	<u>91,806</u>

See notes to basic financial statements
Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
EXPENDITURES (Continued)				
Expo				
Materials and services	\$ 1,020	\$ 1,020	\$ -	\$ 1,020
Property Management				
Personal services	-	88,908	40,097	48,811
Materials and services	-	211,092	96,607	114,485
Capital outlay	-	50,000	-	50,000
Total Property Management	-	350,000	136,704	213,296
Non-departmental				
Materials and services	465,520	1,515,520	608,319	907,201
Capital outlay	1	12,300,001	8,780,583	3,519,418
Total Non-departmental	465,521	13,815,521	9,388,902	4,426,619
All Departments-Total				
Personal services	1,756,102	1,890,010	1,375,126	514,884
Materials and services	8,092,840	9,504,933	4,796,416	4,708,517
Capital outlay	1,274,500	13,702,279	9,563,214	4,139,065
Total All Departments	11,123,442	25,097,222	15,734,756	9,362,466
Contingency	18,780,017	5,393,017	-	5,393,017
Interdepartmental transfers out	425,000 (1)	425,000	411,492	13,508
TOTAL EXPENDITURES	30,328,459	30,915,239	16,146,248	14,768,991
Excess (deficiency) of revenues over expenditures	(20,979,215)	(21,004,215)	(9,198,523)	(11,805,692)

See notes to basic financial statements

Statement continued on next page

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

	Budget		Actual	Variance
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Transfers in	\$ 70,000	\$ 95,000	\$ 95,000	\$ -
Transfers out	(1,152,399) (1)	(1,152,399)	(778,418)	373,981
Sale of capital assets	1,000	1,000	-	(1,000)
Total other financing sources (uses)	<u>(1,081,399)</u>	<u>(1,056,399)</u>	<u>(683,418)</u>	<u>372,981</u>
Net change in fund balance	(22,060,614)	(22,060,614)	(9,881,941)	12,178,673
Fund balance at beginning of year	<u>22,197,021</u>	<u>22,197,021</u>	<u>21,734,296</u>	<u>(462,725)</u>
Fund balance at end of year	<u>\$ 136,407</u>	<u>\$ 136,407</u>	<u>\$ 11,852,355</u>	<u>\$ 11,715,948</u>

(1) Appropriation level total is \$1,577,399

Reconciliation to GAAP basis:

Fund balance (budgetary basis) at end of year	\$ 11,852,355
Fair market value adjustment on investments	73,872
Accounts receivable and available	30,051
Due from other governments and available	461,883
Due from other funds	1,500
Interest accrued and available	24,593
Accounts payable	(903,353)
Due to other governments	(284)
Due to other funds	(200)
Unearned grant revenue	(6,060,839)
Accrued payroll, payroll taxes and benefits	<u>(143,001)</u>
Fund balance (GAAP basis) at end of year	<u>\$ 5,336,577</u>

See notes to basic financial statements

LINN COUNTY, OREGON

**PROPRIETARY FUND
INTERNAL SERVICE FUND**

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

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

LINN COUNTY, OREGON

STATEMENT OF NET POSITION
PROPRIETARY FUND

June 30, 2024

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
<u>ASSETS</u>	
Current assets	
Cash and investments	\$ 2,168,261
Interest receivable	31,131
Due from other funds	64,940
Prepaid expense	<u>133,276</u>
 TOTAL ASSETS	 <u>2,397,608</u>
 <u>LIABILITIES</u>	
Current liabilities	
Due to other governments	27,219
Claims liability	284,149
Unearned revenue	<u>26,660</u>
 TOTAL LIABILITIES	 <u>338,028</u>
 <u>NET POSITION</u>	
Unrestricted	 <u>\$ 2,059,580</u>

LINN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUND

For the Year Ended June 30, 2024

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
OPERATING REVENUES	
Reimbursements	\$ <u>710,266</u>
OPERATING EXPENSES	
Materials and services	<u>221,647</u>
Operating income/(loss)	488,619
NONOPERATING REVENUES (EXPENSES)	
Investment earnings	<u>89,724</u>
Change in net position	578,343
Net position - beginning of year	<u>1,481,237</u>
Net position - end of year	<u>\$ <u>2,059,580</u></u>

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 For the Year Ended June 30, 2024

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
CASH FLOW FROM OPERATING ACTIVITIES	
Cash received from reimbursements	\$ 748,317
Cash paid for insurance claims	<u>(295,958)</u>
Net cash (used in) operating activities	452,359
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest earnings	<u>87,670</u>
Net (decrease) in cash and investments	540,029
Cash and investments - beginning of year	<u>1,628,232</u>
Cash and investments - end of year	<u>\$ 2,168,261</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:	
Operating income	\$ 488,619
(Increase) decrease in due from other funds	(2,939)
(Increase) decrease in prepaid expense	40,990
Increase (decrease) in accounts payable	(1,197)
Increase (decrease) in due to other government	17,454
Increase (decrease) in claims liability	<u>(90,568)</u>
Net cash (used in) operating activities	<u>\$ 452,359</u>

See notes to basic financial statements

LINN COUNTY, OREGON

FIDUCIARY FUND

Custodial Funds – This fund accounts for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with applicable legislative enactment for each particular fund; there are no trust agreements as it relates to the various accounts maintained by the Treasurer’s office. In Linn County these include a regional fueling facility, justice courts and various other receipts held by the County Treasurer’s office.

LINN COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	<u>Custodial Funds</u>
<u>ASSETS</u>	
Cash and investments	\$ 11,377,938
Property taxes receivable for other governments	6,667,656
Accounts receivable for other governments	<u>4,281,961</u>
TOTAL ASSETS	<u>22,327,555</u>
 <u>LIABILITIES</u>	
Accounts payable	26,963
Due to other governments	<u>10,949,617</u>
TOTAL LIABILITIES	<u>10,976,580</u>
 <u>NET POSITION</u>	
Restricted for other governments	<u><u>\$ 11,350,975</u></u>

See notes to basic financial statements

LINN COUNTY, OREGON

STATEMENT OF CHANGES IN NET POSITION
 FIDUCIARY FUNDS
 For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
<u>ADDITIONS</u>	
Interest earnings	\$ 4,893,042
Property tax collections for other governments	216,824,792
Fees and other revenues collected for other governments	35,457,923
Sales made to other governments	<u>1,349,165</u>
TOTAL ADDITIONS	<u>258,524,922</u>
<u>DEDUCTIONS</u>	
Interest paid out to other governments	4,893,042
Payments of property taxes to other governments	216,824,792
Payments of fees and other revenues to other governments	31,330,495
Fuel purchases and other expenses on behalf of other governments	<u>1,368,898</u>
TOTAL DEDUCTIONS	<u>254,417,227</u>
Change in net position	4,107,695
Net position - beginning of year	<u>7,243,280</u>
Net position - end of year	<u><u>\$ 11,350,975</u></u>

See notes to basic financial statements

NOTES TO BASIC
FINANCIAL STATEMENTS

LINN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2024

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LINN COUNTY, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
Year Ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Organization

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

B. Reporting entity

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

C. Government-wide and fund financial statements

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

The County reports the following major governmental funds:

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Major governmental funds (continued):

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

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

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

Additionally, the County reports the following fund types:

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

Proprietary fund - accounts for the operations of predominantly self-supporting activities. The County's internal service fund accounts for services provided to other departments or agencies of the government or to other governments. This fund accounts for unemployment insurance claims, and all commercial insurance premiums, of the County through self-financed monthly contributions from departments.

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

In accordance with State law, annual budgets are adopted for all funds except fiduciary funds. The cash basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year-end.

The County begins its budgeting process by appointing budget committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the budget committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in March or April and the hearing is held in April. The Board of Commissioners adopts the budget, makes appropriations, and declares the tax levy no later than June 30.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budget (continued)

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

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The County has established the levels of budgetary control at the personal services, materials and services, capital outlay, transfers, contingency, and all other requirements levels for all funds except the General fund, Road fund, General Grants fund, Law Enforcement 4-year Levy fund, and the Health Services fund. Budgetary controls for these funds are established within each department at the personal services, materials and services, capital outlay, transfers, contingency, and all other requirements levels.

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

F. Investments

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

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

Fair Value Inputs and Methodologies and Hierarchy

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Investments (continued)

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

Level 2 – inputs are other significant observable inputs.

Level 3 – inputs are significant unobservable inputs.

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

G. Receivables

Uncollected property taxes are reported on the balance sheet as receivables; the portion which has been collected within 45 days of year end, are considered measurable and available, and are recognized as revenues in the funds. The remaining balance is recorded as a deferred inflow item called unavailable revenue, and has not been recorded as revenue. Property taxes receivable in the fiduciary fund are for other governments and are offset by the liability Due to other governments. Property taxes received and disbursed are shown as additions and deductions on the fiduciary statement of changes in net position.

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

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

H. Lease receivables

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Inter-fund loans

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

J. Inventories

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

K. Foreclosed properties held for sale

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

L. Capital assets

Capital assets include property, equipment, right-to-use assets, infrastructure assets (e.g., roads and bridges), and their improvements, and 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 three years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Capital assets (continued)

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

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

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

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

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

M. Lease and SBITA assets

Lease and subscription assets are assets in which the government obtains control of the right to use the underlying IT asset or leased items. The value of the asset is initially measured as the sum of the initial liability amount, any payments made to the vendor before commencement of the lease or subscription term, and any capitalizable implementation costs, less any incentives received from the vendor at or before the commencement of the term. The asset is amortized on a straight-line basis over the course of the lease or subscription term.

N. Investment in joint venture

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Long-term obligations

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

The County has no such debt at year end.

P. Compensated absences

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

Q. Lease and SBITA's payable

In the government-wide financial statements, lease and subscription obligations are reported as liabilities on the Statement of Net Position. In the governmental fund financial statements, the present value of the lease and subscription payments expected to be made during the term are reported as other financing sources. The lease or subscription liability are initially measured at the present value of future lease or subscription payments. Future payments are discounted using the implicit interest rate in the agreement, or by using the government's incremental borrowing rate if the implicit rate is not readily determinable. The liability is reduced by future payments made, less the interest portion of the payment.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Net position and fund balance

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

Fund balance

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

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

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

Committed – Amounts that represents resources whose use is subject to a legally binding constraint by ordinance or resolution that is imposed by the Board of Commissioners, the highest level of decision-making authority for the County. The same type of action that created the constraint is required to change or remove the specified use.

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

S. Property tax calendar

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

T. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents amounts that apply to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. Deferred lease resources, unearned grant revenue, and pension related items and OPEB related items, which are amortized over specified periods, are reported as deferred inflows of resources. The balance sheet of governmental funds reports as deferred inflows, unavailable revenues from property taxes, deferred lease resources, and unearned grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available or are recognized when they are earned.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Pension

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

2. CASH AND INVESTMENTS

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

The County's cash and investments at June 30, 2024, are as follows:

Cash on hand	\$ 169,657
Deposits with financial institutions:	
Checking and saving accounts	7,184,837
Investments	<u>110,237,748</u>
Total cash and investments	<u>\$ 117,592,242</u>

Cash and investments by fund:

Governmental activities

Governmental funds:

General	\$ 12,942,640
General Road	27,620,840
Law Enforcement 4-Year Levy	13,924,176
Health Services	35,595,353
General Grants	11,926,227
Nonmajor governmental funds	<u>2,036,807</u>
Total governmental funds	104,046,043

Proprietary fund:

Internal Service	<u>2,168,261</u>
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Total governmental activities	106,214,304
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Fiduciary fund:

Custodial funds	<u>11,377,938</u>
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Total cash and investments - all funds	<u>\$ 117,592,242</u>
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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, 2024.

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. The pool intends 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, 2024, the fair value of the position of 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, 2024 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>
<u>State Treasurer's Investment Pool</u>				
Linn County share	No rating	N/A	Quoted market price, Level 1	\$ <u>43,172,842</u>
<u>Investments held with Keybank National Association</u>				
<u>Treasury Bonds (Cusip number):</u>				
9128207S0	AA+	7/31/2024	Quoted market price, Level 1	1,991,360
912821CT0	AA+	8/31/2024	Quoted market price, Level 1	1,982,080
912821GJ8	AA+	9/15/2024	Quoted market price, Level 1	1,978,280
912821GN9	AA+	10/15/2024	Quoted market price, Level 1	1,969,500
912820R58	AA+	11/15/2024	Quoted market price, Level 1	1,960,940
912821GY5	AA+	12/15/2024	Quoted market price, Level 1	<u>1,952,960</u>
Class Total				<u>11,835,120</u>
<u>Treasury Bills (Cusip number):</u>				
912797KK2	AA+	9/12/2024	Quoted market price, Level 1	<u>1,978,800</u>
<u>Government Agencies (Cusip number):</u>				
313384ZG7	AA+	7/12/2024	Quoted market price, Level 1	2,993,880
3130ASPJ2	AA+	7/26/2024	Quoted market price, Level 1	1,997,000
313384C31	AA+	8/16/2024	Quoted market price, Level 1	2,978,640
313384K32	AA+	10/11/2024	Quoted market price, Level 1	2,954,850
313385BP0	AA+	2/7/2025	Quoted market price, Level 1	2,907,510
3130B0JN0	AA+	3/20/2025	Quoted market price, Level 1	1,997,360
3130B0LK3	AA+	3/20/2025	Quoted market price, Level 1	1,997,360
3134GXMH4	AA+	3/24/2025	Quoted market price, Level 1	976,210
3130ARC66	AA+	3/28/2025	Quoted market price, Level 1	976,370

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (continued)

Government Agencies (Cusip number) (continued):

3130ART43	AA+	5/12/2025	Quoted market price, Level 1	981,150
3130AYDG8	AA+	7/3/2025	Quoted market price, Level 1	1,990,440
3130B0WE5	AA+	7/11/2025	Quoted market price, Level 1	1,995,880
3130B1QN0	AA+	9/12/2025	Quoted market price, Level 1	2,996,370
3133EPA88	AA+	11/6/2025	Quoted market price, Level 1	2,998,050
3130B1F77	AA+	11/20/2025	Quoted market price, Level 1	1,998,160
3134GYAK8	AA+	12/26/2025	Quoted market price, Level 1	1,995,280
31340AYNJ1	AA+	1/23/2026	Quoted market price, Level 1	1,994,160
3130AKUS3	AA+	1/28/2026	Quoted market price, Level 1	1,397,325
3130BIKE6	AA+	6/3/2026	Quoted market price, Level 1	2,000,380
3133ERGF2	AA+	4/30/2027	Quoted market price, Level 1	2,008,620
3130B1PK7	AA+	6/2/2027	Quoted market price, Level 1	<u>2,998,980</u>
Class Total				<u>45,133,975</u>

Municipal Bonds (Cusip number):

13063DK23	AA+	10/1/2025	Quoted market price, Level 1	955,020
625506HU7	AA+	6/1/2026	Quoted market price, Level 1	<u>2,218,131</u>
Class Total				<u>3,173,151</u>

Corporate Bonds (Cusip number):

91159HHK9	AA+	9/11/2024	Quoted market price, Level 1	2,986,800
06368FAE9	AA+	1/10/2025	Quoted market price, Level 1	<u>1,957,060</u>
Class Total				<u>4,943,860</u>

Total Keybank Investments 67,064,906

Total Investments \$ 110,237,748

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. 39.16% 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 \$67,064,906 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, 2024, the County's bank balances were \$8,425,574, and none of these funds were exposed to credit risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. RECEIVABLES

The County's receivables at June 30, 2024 are as follows:

	Governmental Activities							Total
	General	General Roads	Law Enforcement 4-Year Levy	Health Services	General Grants	Non-major	Internal Service	
Property taxes	\$ 637,858	\$ -	\$ 1,405,461	\$ -	\$ -	\$ -	\$ -	\$ 2,043,319
Accounts	71,665	16,191	-	1,708,199	30,051	-	-	1,826,106
Interest	192,460	396,573	199,920	511,071	171,234	8,879	31,131	1,511,268
Less: allowance for uncollectible accounts	-	-	-	(464,602)	-	-	-	(464,602)
	<u>\$ 901,983</u>	<u>\$ 412,764</u>	<u>\$ 1,605,381</u>	<u>\$ 1,754,668</u>	<u>\$ 201,285</u>	<u>\$ 8,879</u>	<u>\$ 31,131</u>	<u>\$ 4,916,091</u>
	<u>Fiduciary Activities</u>							
	<u>Custodial</u>							
Property taxes	\$ 6,667,656							
Accounts	4,123,833							
Interest	158,128							
	<u>\$ 10,949,617</u>							

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. LEASE RECEIVABLE

Lease receivables as of June 30, 2024 are as follows:

Governmental activities:	<u>Original Amount</u>	<u>Outstanding July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding June 30, 2024</u>
<i>Land lease: <u>Approximately 33 acres located in the Mid-Willamette Valley Industrial Park Millersburg, Oregon.</u> May 9, 2022 to May 31, 2038, excluding three successive options to extend. Exercising these options is unknown at commencement. Base monthly rent is \$37,216.67. Rent increases annually by CPI as described. Payments are amortized at 2.75%. Current payments are \$38,519.25 per month.</i>					
	\$ 6,763,242	\$ 6,612,626	\$ -	\$ 280,376	\$ 6,332,250
<i>Facility leases:</i>					
<i><u>Building lease - 1117 SE Jackson St., Albany, Oregon.</u> October 1, 2018 to September 30, 2033, including one 5-year extension. Base monthly rent started at \$10,000 and increases annually by 2% at the anniversary date. Payments are amortized at 2.99%. Current payments are \$11,040.81 per month.</i>					
	1,447,660	1,269,544	-	95,170	1,174,374
<i><u>Office space - 421 Water Ave., Suite 3200, Albany, Oregon.</u> Assumed in December 2023. Ends November 2027, including a 3-year extension. Base monthly rent at assumption was \$14,810 increasing by CPI in subsequent years. Payments are amortized at 7.00%. Current payments are \$14,810 per month.</i>					
	<u>635,151</u>	<u>-</u>	<u>635,151</u>	<u>71,423</u>	<u>563,728</u>
Total governmental activities	<u>\$ 8,846,053</u>	<u>\$ 7,882,170</u>	<u>\$ 635,151</u>	<u>\$ 446,969</u>	<u>\$ 8,070,352</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. LEASE RECEIVABLE (continued)

As of June 30, 2024, the future maturities of lease receivables are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 546,954	\$ 239,012
2026	586,268	216,701
2027	631,478	192,709
2028	561,736	168,511
2029	511,365	153,196
2030-34	2,919,924	527,836
2035-39	<u>2,312,627</u>	<u>131,435</u>
Total	<u>\$ 8,070,352</u>	<u>\$ 1,629,400</u>

Deferred inflow of resources are recognized annually on the straight line basis. \$621,962 was recognized as revenue in the current year.

5. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General	\$ 40,200	\$ 113,150
General Road	30,272	51,632
Law Enforcement 4-Year Levy	-	3,567
Health Services	35,470	1,958
General Grants	1,500	200
Non-major governmental funds	-	1,875
Internal service	64,940	-
	<u>\$ 172,382</u>	<u>\$ 172,382</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)

6. INTERFUND LOANS

The County’s General fund has utilized borrowing from other funds as permitted by ORS 294.468. These interfund loans generally have a term that does not exceed ten years. The governing body has determined that a 2% interest rate is appropriate for these types of loans. At June 30, 2024 the County has one interfund loan. Its balance is as follows:

Date of Loan	Lending Fund	Borrowing Fund	Purpose	Original Amount	Principal Balance at June 30
3/3/2020	Roads	General	Property purchase-Millersburg	10,000,000	\$ <u>807,841</u>
<u>SUMMARY</u>				<u>Interest paid during year</u>	<u>Principal paid during year</u>
General Fund loan payment to Road fund				\$ <u>20,000</u>	\$ <u>192,159</u>

This remaining loan due to the Road fund had a balance of \$1,000,000 in principal at the beginning of the year and is amortized over a 5-year period. This was the first year of the 5 year repayment; the principal and interest were split as shown above.

7. INTERFUND TRANSFERS

Transfers during the year were as follows:

Fund	Transfers in	Transfers out
General	\$ 4,899,196	\$ 951,149
General Road	-	816,769
Law Enforcement 4-Year Levy	-	1,042,868
Health	704,636	2,030,261
General Grants	95,000	778,418
Nonmajor governmental funds	247,513	326,880
TOTAL	<u>\$ 5,946,345</u>	<u>\$ 5,946,345</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. INTERFUND TRANSFERS (continued)

As part of the budget process, the County makes interfund transfers to move resources between funds as per statute or per budget authorization. Budgeted interfund transfers are used to provide operational support, capital projects, equipment replacement, and grant support.

8. CAPITAL ASSETS

Changes in capital assets during the year were as follows:

Governmental activities:	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated or amortized:				
Land	\$ 21,396,463	\$ 1,625,604	\$ -	\$ 23,022,067
Infrastructure	120,851,413	-	-	120,851,413
Construction in progress	9,035,020	3,609,854	6,397,432	6,247,442
Total capital assets not being depreciated or amortized	<u>151,282,896</u>	<u>5,235,458</u>	<u>6,397,432</u>	<u>150,120,922</u>
Capital assets being depreciated and amortized:				
Buildings and improvements	53,848,731	7,885,033	-	61,733,764
Buildings leased	-	1,518,480	-	1,518,480
Intangibles	5,145,363	-	482,898	4,662,465
Intangible SBITA's	4,466,131	838,815	252,119	5,052,827
Equipment	37,647,529	3,830,243	1,202,025	40,275,747
Equipment leased	794,621	129,415	488,142	435,894
Infrastructure	54,775,853	4,862,791	-	59,638,644
Infrastructure leased	81,007	-	-	81,007
Total capital assets being depreciated and amortized	<u>\$ 156,759,235</u>	<u>\$ 19,064,777</u>	<u>\$ 2,425,184</u>	<u>\$ 173,398,828</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. CAPITAL ASSETS (continued)

Less accumulated depreciation and amortization for:

Buildings and improvements	\$ 20,120,237	\$ 973,600	\$ -	\$ 21,093,837
Buildings leased	-	40,493	-	40,493
Intangibles	3,497,017	412,604	308,996	3,600,625
Intangible SBITA's	694,021	839,441	189,690	1,343,772
Equipment	21,218,627	2,040,594	1,038,101	22,221,120
Equipment leased	363,307	202,540	332,920	232,927
Infrastructure	15,465,730	1,130,665	-	16,596,395
Infrastructure leased	19,719	9,859	-	29,578
Total accumulated depreciation and amortization	<u>61,378,658</u>	<u>5,649,796</u>	<u>1,869,707</u>	<u>65,158,747</u>
Total capital assets being depreciated and amortized, net	<u>95,380,577</u>	<u>13,414,981</u>	<u>555,477</u>	<u>108,240,081</u>
Total capital assets, net	<u>\$ 246,663,473</u>	<u>\$ 18,650,439</u>	<u>\$ 6,952,909</u>	<u>\$ 258,361,003</u>

Depreciation and amortization expense was charged to functions as follows:

Governmental activities:

General administration and support	\$ 594,091
Local government services	119,163
Public safety	1,635,237
Health services	689,923
Community development	728,723
Highways and streets	<u>1,882,659</u>
Total	<u>\$ 5,649,796</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

9. DUE TO OTHER GOVERNMENTS

At June 30, 2024 Linn County's General, General Roads, General Grants, and Fair funds owed the Linn Regional Fueling, Facility \$33,857 for fuel purchased in June.

10. COMPENSATED ABSENCES

The County's outstanding obligation for accumulated compensated absences at June 30, 2024 is as follows:

	<u>Balance June 30, 2023</u>	<u>Net Change</u>	<u>Balance June 30, 2024</u>	<u>Balances due within one year</u>
Accumulated compensated absences	\$ 5,413,239	\$ 514,413	\$ 5,927,652	\$ 3,872,172
Totals	<u>\$ 5,413,239</u>	<u>\$ 514,413</u>	<u>\$ 5,927,652</u>	<u>\$ 3,872,172</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. LONG-TERM OBLIGATIONS

Below is a summary of long-term obligation transactions for governmental activities for the year ended June 30, 2024.

<u>Lease liabilities:</u>	<u>Original Amount</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Amounts due in One Year</u>
<u>Building lease.</u> Effective October of 2023 with a 10-year term. The agreement includes 3 5-year renewal options which the County will likely exercise. This lease is set up for a 25 year term. The initial interest rate was set at 3% since the annual rent escalation is 3%. Initial monthly principal and interest payments were not due until initial lessor remodel costs were completed. These initial direct costs were reimbursed to the lessor and occupancy occurred in July 2024. Initial rent is \$3,324 per month. This lease is not due until October of 2048.	\$ 949,457	\$ -	\$ 949,457	\$ -	\$ 949,457	\$ -
<u>Office equipment,</u> terms vary from 39 to 63 months, interest ranges from 1.75% to 2.50%, monthly principal and interest payments range from \$124 to \$488, due dates vary for each asset with the latest lease due August 2027	330,185	205,891	78,449	90,705	193,635	78,188
<u>Mail screening machine,</u> interest 8.14%, annual principal and interest payments of \$26,725, due January 2025	74,294	24,714	-	24,714	-	-
<u>Vehicle leases,</u> terms vary from 48 to 60 months, interest ranges from 1.20% to 4.68%, monthly principal and interest payments range from \$400 to \$853, due dates vary, latest leases due April 2025	362,125	193,922	50,966	244,888	-	-
<u>Two parking lots,</u> each has a ten year term, interest rates at 2.33% and 2.15% respectively, the first lot has annual payments that escalate by 2% each year, current annual payment was \$7,141, due June 2030. The second lot has monthly payments of \$250, due September 2027	81,007	62,507	-	9,022	53,485	9,376
Total Lease liabilities	<u>\$ 1,797,068</u>	<u>\$ 487,034</u>	<u>\$ 1,078,872</u>	<u>\$ 369,329</u>	<u>\$1,196,577</u>	<u>\$ 87,564</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. LONG-TERM OBLIGATIONS (continued)

Lease liabilities (continued):

Future lease obligation maturities are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 87,564	\$ 49,199
2026	74,676	34,417
2027	57,762	31,895
2028	47,423	29,517
2029	35,637	27,756
2030-34	134,319	125,425
2035-39	189,121	101,885
2040-44	269,533	67,823
2045-49	300,542	27,908
	<u>\$ 1,196,577</u>	<u>\$ 495,825</u>

SBITA liabilities:

	<u>Original Amount</u>	<u>Balance July 1, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2024</u>	<u>Amounts due in One Year</u>
Community development SBITA arrangements allow for activities in Planning and building, GIS, and Expo to serve their clients. These SBITA arrangements have terms ranging from 18 mos to 10 years. Interest ranges from 3% to 5%. Two arrangements have annual payments; one at approx \$3,450 annually, the other at approx \$36,700 annually. The third arrangement has monthly payments of approx \$4,688 per month.	\$ 403,285	\$ 310,071	\$ -	\$ 52,887	\$ 257,184	\$ 24,946
General admin/Local government have various SBITA arrangements; all are geared toward serving the public, or safeguarding County software. Terms are from 1 year to 10 years, with interest ranging from 1.75% to 5.0%. Those with annual payments range from \$2,000 to \$53,060. One SBITA has monthly payments of \$3,821.	1,230,585	942,609	42,880	213,957	771,532	120,640
The Health services SBITA arrangements help this department provide for its various customers with their health service needs. Terms are 4 to 10 years, with interest ranging from 3.50% to 3.65%. Two have annual payments between \$2868 and \$12,668, while the other two are monthly payments ranging between \$220 and \$14,472.	1,666,566	717,218	782,924	323,491	1,176,651	292,064

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

11. LONG-TERM OBLIGATIONS (continued)

SBITA liabilities (continued):

Public safety SBITA's allow this department to provide various safety and law enforcement activities. Terms range from 3 to 10 years, with interest ranging from 1.0% to 4.2%. annual arrangements have payments that range from \$8,252 to \$70,211. Monthly arrangements have payments ranging from \$255 to \$1,160.

1,865,364 1,576,708 13,011 205,816 1,383,903 170,427

The Road department SBITA's assist with engineering and road maintenance activities. Terms are between 9 and 10 years, with interest rates between 3.65% and 6.85%. Both have annual payments that range between \$4,500 and \$10,400.

134,096 116,722 - 8,155 108,567 9,327

Total SBITA liabilities

\$ 5,299,896 \$ 3,663,328 \$ 838,815 \$ 804,306 \$ 3,697,837 \$ 617,404

Future SBITA obligation maturities are as follows:

<u>Fiscal year</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 617,404	\$ 162,325
2026	629,138	135,881
2027	493,023	111,457
2028	451,625	88,588
2029	470,217	66,445
2030-34	988,853	85,766
2035-39	<u>47,577</u>	<u>3,545</u>
	<u>\$ 3,697,837</u>	<u>\$ 654,007</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

12. OTHER POST-EMPLOYMENT BENEFIT PLAN - HEALTHCARE

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

The County's latest actuarial valuation was supplemented on July 10, 2024. The County's actuary has used an actuarial valuation date of July 1, 2022 with the results rolled forward to a measurement date of June 30, 2024.

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

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

Actuarial Methods and Assumptions - The County engaged an actuary to perform an evaluation as of July 1, 2022 using the entry age normal, level percent of salary actuarial cost method. The OPEB Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement: Discount rate per year 4.00%, general inflation rate 2.50%, payroll growth per year 3.50%, annual medical premium increase of 6.8% in 2022-2023, decreasing each year, until reaching 5.5% in 2031-32. Mortality rates were based on the PUB 2010 Employee Mortality Tables for General service active, General service retiree, Police & Fire active, and Police & Fire retiree employees as appropriate. Turnover rates, Disability rates, and Retirement rates were all based on rates developed for the valuation of benefits under Oregon PERS and vary by years of service, and employee age, as applicable. These rates also vary between General Service employees, Police & Fire employees, and Safety employees.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Plan membership

As of July 1, 2022, there were 624 active employees and 7 eligible retirees receiving benefits, for a total of 631 plan participants.

Deferred inflows and outflows resulting from Cobra retiree OPEB

The County's Cobra retiree OPEB actuarial report shows a (\$106,231) decrease in deferred outflows, and a (\$182,253) decrease in deferred inflows for the year ended June 30, 2024, as compared to the prior year.

Changes in Medical benefit Cobra retiree OPEB liability

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

	2024	2023	2022
Total OPEB liability at beginning of year	\$ 1,986,638	\$ 2,399,474	\$ 2,512,921
Changes for the year:			
Service cost	140,919	139,124	169,333
Interest	78,378	87,747	59,493
Differences between expected and actual experience	-	(499,543)	-
Changes in assumptions or other input	(44,064)	(77,094)	(266,029)
Benefit payments	(74,970)	(63,070)	(76,244)
Net changes for the year	100,263	(412,836)	(113,447)
Total OPEB liability at end of year	\$ 2,086,901	\$ 1,986,638	\$ 2,399,474
Estimated covered payroll	\$ 45,445,720	\$ 43,908,908	\$ 41,286,623
Total OPEB liability as a percentage of covered payroll	4.59%	4.52%	5.81%

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, 2024	1% Decrease 3.00%	Current Discount Rate 4.00%	1% Increase 5.00%
Total OPEB Liability	\$ 2,268,597	\$ 2,086,901	\$ 1,919,638

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 6.8 percent graded down to 4.5 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.8 percent graded down to 3.5 percent) or 1-percentage-point higher (7.8 percent graded down to 5.5 percent) than the current rate:

June 30, 2024	1% Decrease 5.80% Graded Down to 3.50%	Current Trend Rate 6.80% Graded Down to 4.50%	1% Increase 7.80% Graded Down to 5.50%
Total Cobra retiree OPEB Liability	\$ 1,820,064	\$ 2,086,901	\$ 2,405,899

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,586	\$ 427,397
Changes of assumptions or other input	418,446	493,196
	<u>\$ 471,032</u>	<u>\$ 920,593</u>

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

<u>Fiscal years ending June 30,</u>	
2025	\$ (120,086)
2026	(120,082)
2027	7,706
2028	(22,355)
2029	(22,359)
Thereafter	(172,385)
Total	<u>\$ (449,561)</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

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

Participating counties are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the County currently contributes 0.00% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2024. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The County's contributions to RHIA for the years ended June 30, 2024, 2023, and 2022 were \$0, \$7,035, and \$9,937, respectively, which equaled the required contributions each year.

At June 30, 2024, the County reported a net OPEB liability/(asset) of (\$1,307,138) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2023, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2021. Consistent with GASB Statement No. 75, paragraph 59(a), the County's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2023 and 2022, the County's proportion was .357% and .403%, respectively. OPEB (revenue) recognized for the year ended June 30, 2024 was (\$256,902).

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (151,288)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	(105,014)
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	(600)
	<hr/>
Employer's Total OPEB Expense/(Income)	<u>\$ (256,902)</u>

Components of Deferred Outflows/Inflows of Resources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 32,816
Changes of assumptions	-	14,094
Net difference between projected and actual earnings on investments	3,707	-
Changes in proportionate share	80,842	35,340
Differences between County contributions and proportionate share of contributions	-	-
Subtotal	<hr/> 84,549	<hr/> 82,250
County contributions subsequent to the measurement date	-	-
Total	<u>\$ 84,549</u>	<u>\$ 82,250</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2025.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

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

<u>Fiscal years ending June 30,</u>	
2025	(32,833)
2026	(30,500)
2027	48,307
2028	17,325
2029	-
Thereafter	-
Total	<u>\$ 2,299</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2023. That independently audited report was dated February 1, 2024 and is found at: <https://www.oregon.gov/pers/emp/pages/gasb.aspx>

Actuarial Methods and Assumptions:

Valuation date	December 31, 2021
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increases	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15.0%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active membes: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Actuarial Methods and Assumptions (continued):

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2023 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 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)

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

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

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

Sensitivity of the County’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the County’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
County's proportionate share of the net OPEB liability (asset)	\$ (1,188,191)	\$ (1,307,138)	\$ (1,409,194)

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

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

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

	Other Postemployment Benefit Plan Healthcare (Footnote 12)	PERS Retirement Health Insurance Account RHIA (Footnote 13)	Aggregate Total
Net OPEB Asset	\$ -	\$ 1,307,138	\$ 1,307,138
Deferred outflows of resources	471,032	84,549	555,581
Total OPEB Liability	2,086,901	-	2,086,901
Deferred inflows of resources	920,593	82,250	1,002,843
OPEB expense (revenue)	24,241	(256,902)	(232,661)

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN

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

<https://www.oregon.gov/pers/Documents/Financials/ACFR/2023-ACFR.pdf>

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

PERS Pension-Chapter 238 (Tier One/Tier Two) Retirement Benefit. The ORS Chapter 238 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 either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit plan is closed to new members hired on or after August 29, 2003.

Death Benefits

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

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Disability Benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes After Retirement

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

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

Pension Benefits

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General Service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

Death Benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Disability Benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Contributions

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2022 actuarial valuation, which became effective July 1, 2023. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2024 were \$5,884,679 excluding amounts to fund employer specific liabilities. In addition \$2,990,531 in employee contributions were paid or picked up by the County in fiscal 2024.

At June 30, 2024, the County reported a net pension liability of \$104,213,745 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2021. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2023 and 2022, the County's proportion was .5564 percent and .4870 percent, respectively. Pension expense for the year ended June 30, 2024 was \$5,944,872.

The rates in effect for the year ended June 30, 2024 were:

- Tier one/Tier two, 30.46%
- OPSRP general services, 24.74%
- Police and Fire, 29.53%

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflow of resources	Deferred inflow of resources
Differences between expected and actual experience	\$ 5,096,370	\$ 413,217
Changes in assumptions	9,257,733	69,026
Net difference between projected and actual earnings on pension plan investments	1,873,148	-
Changes in proportionate share	12,151,848	648,836
Differences between employer contributions and employer's proportionate share of system contributions	-	5,571,201
Subtotal	28,379,099	6,702,280
Contributions subsequent to the measurement date (MD)	5,884,679	-
Total	<u>\$ 34,263,778</u>	<u>\$ 6,702,280</u>

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2025.

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

Year ending June 30,	Amount
2025	\$ 3,647,072
2026	(874,480)
2027	12,470,881
2028	5,419,908
2029	1,013,438
Thereafter	-
Total	<u>\$ 21,676,819</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 1, 2024.

Actuarial Valuations

The employer contribution rates effective July 1, 2023, through June 30, 2025, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

Valuation date	December 31, 2021
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of living adjustment	Blend of 2% COLA and graded COLA (1.25% / .15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex-distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2020 Experience Study which is reviewed for the four-year period ending on December 31, 2020.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	20.00%	30.00%	25.00%
Public Equity	22.50%	32.50%	27.50%
Real Estate	9.00%	16.50%	12.50%
Private Equity	17.50%	27.50%	20.00%
Real Assets	2.50%	10.00%	7.50%
Diversifying Strategies	2.50%	10.00%	7.50%
Opportunity Portfolio	0.00%	5.00%	0.00%
Total			100.00%

(Source: June 30, 2023 PERS ACFR; p. 125)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in January 2023 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Global Equity	27.50%	7.07%
Private Equity	25.50%	8.83%
Core Fixed Income	25.00%	4.50%
Real Estate	12.25%	5.83%
Master Limited Partnerships	0.75%	6.02%
Infrastructure	1.50%	6.51%
Hedge Fund of Funds - Multistrategy	1.25%	6.27%
Hedge Fund Equity - Hedge	0.63%	6.48%
Hedge Fund - Macro	5.62%	4.83%
<i>Assumed Inflation - Mean</i>		2.35%

(Source: June 30, 2023 PERS ACFR; p. 92)

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

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

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.90 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Linn County's proportionate share of the net pension liability	\$ 172,141,484	\$ 104,213,745	\$ 47,365,425

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

Changes Subsequent to the Measurement Date

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

There are no changes subsequent to the June 30, 2023 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the County are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

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

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the County pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

14. RETIREMENT PLAN (continued)

The County did not make any optional contributions to member IAP accounts for the year ended June 30, 2024.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700. <http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

15. 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 \$284,149 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the fund's claims liability amount during the past three years were as follows:

<u>Fiscal Year</u>	<u>Beginning Liability</u>	<u>Changes in Estimates</u>	<u>Payments</u>	<u>Ending Liability</u>
2023-24	\$ 374,717	\$ 8,956	\$ 99,524	\$ 284,149
2022-23	348,398	54,285	27,966	374,717
2021-22	417,704	24,693	93,999	348,398

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

16. 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.

17. COMMITMENTS

Linn County has the following active construction commitment projects as of June 30, 2024:

	<u>Spent to date</u>	<u>Remaining commitment</u>
Bridge/Road improvements	\$ 3,656,236	\$ 42,553,711
Park improvements-Park department	603,994	916,528
General services projects	157,070	250,880
Health department projects	413,087	298,397
Sheriff improvements-Sheriff department	<u>1,417,055</u>	<u>423,185</u>
Totals	<u>\$ 6,247,442</u>	<u>\$ 44,442,701</u>

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

18. JOINTLY GOVERNED ORGANIZATIONS

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

- Linn County Emergency Telephone Agency - the County does not have an equity interest in this organization.
- Linn Regional Fueling Facility - the County has a 31.99 percent interest in the equity of this organization.

Financial statements are available for these organizations as follows:

- Linn County Emergency Telephone Agency, 1115 Jackson Street SE, Albany, Oregon 97321;
- Linn Regional Fueling Facility, 3130 Ferry Street SW, Albany, Oregon 97321.

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

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

19. PROPERTY TAX ABATEMENTS

As of June 30, 2024, 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)

19. PROPERTY TAX ABATEMENTS (continued)

For the fiscal year ended June 30, 2024, Linn County had abated property taxes totaling \$692,172 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 Tax Rate</u>	<u>Consolidated Linn County Tax Rate</u>	<u>Tax Abatement</u>
Nonprofit low income rental housing							
Linn County	307.541	Code 801	4,617,160	0.0011619	0.0029800	0.0041419	\$ 19,124
			4,617,160				
Enterprise zone							
Linn County	285C.175	Code 801	37,373,602	0.0011619	0.0029800	0.0041419	154,798
Linn County		Code 805	50,221,650	0.0012736	0.0029800	0.0042536	213,623
Linn County		Code 807	25,791,330	0.0012736	0.0029800	0.0042536	109,706
Linn County		Code 808	642,040	0.0012736	0.0029800	0.0042536	2,731
Linn County		Code 811	5,597,980	0.0012736	0.0029800	0.0042536	23,812
Linn County		Code 826	25,280	0.0012736	0.0029800	0.0042536	108
Linn County		Code 846	10,938,190	0.0011619	0.0029800	0.0041419	45,305
Linn County		Code 12702	1,106,940	0.0012736	0.0029800	0.0042536	4,708
			131,697,012				
Construction in process in enterprise zone							
Linn County	285C.170	Code 805	4,543,440	0.0012736	0.0029800	0.0042536	19,326
Linn County		Code 808	20,214,553	0.0012736	0.0029800	0.0042536	85,985
Linn County		Code 12702	3,043,590	0.0012736	0.0029800	0.0042536	12,946
			27,801,583				
Total Linn County Tax Abatement							\$ 692,172

*Information provided by Linn County Tax & Assessment office.

REQUIRED SUPPLEMENTARY INFORMATION

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

Five Years - 2020-2024

Fiscal Year (Ending June 30)					
	2023-24	2022-23	2021-22	2020-21	2019-20
Arterials:					
Planned	\$ 773,699	\$ 715,468	\$ 710,120	\$ 703,882	\$ 742,908
Actual	\$ 773,002	\$ 692,859	\$ 704,929	\$ 705,556	\$ 740,028
Collectors:					
Planned	\$ 6,318,541	\$ 5,842,989	\$ 5,799,316	\$ 5,830,038	\$ 6,067,082
Actual	\$ 6,312,851	\$ 5,658,345	\$ 5,756,920	\$ 5,762,039	\$ 6,043,563
Local:					
Planned	\$ 5,802,742	\$ 5,366,010	\$ 5,325,903	\$ 5,354,116	\$ 5,571,810
Actual	\$ 5,797,517	\$ 5,196,440	\$ 5,286,967	\$ 5,291,669	\$ 5,550,211
Total all roads:					
Planned	\$ 12,894,982	\$ 11,924,467	\$ 11,835,339	\$ 11,888,036	\$ 12,381,800
Actual	\$ 12,883,370	\$ 11,547,644	\$ 11,748,816	\$ 11,759,264	\$ 12,333,802
Difference	\$ 11,612	\$ 376,823	\$ 86,523	\$ 128,772	\$ 47,998

Notes:

Linn County's Gravel roads are not included above amounts as they are on a depreciation schedule. The above amounts are derived from reports produced through the IRIS cost accounting system for actual and the Road department budget documents for planned.

Pavement Condition Index (weighted average)			
Functional Class	2024	2022	2020
Arterial	75.8	76.6	83.2
Collector	79.3	81.5	80.9
Residential / Local	75.2	76.4	78.5

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 2024 pavement inspection data is the most recent and is reflected in the table above. An algorithm calculates depreciation over time from that last inspection, as modified by data input from more recent maintenance treatments. The next scheduled pavement inspection cycle is spring/summer 2026.

LINN COUNTY, OREGON

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

At June 30,	2024	2023	2022	2021	2020	2019	2018	2017
Service cost	\$ 140,919	\$ 139,124	\$ 169,333	\$ 93,555	\$ 90,391	\$ 128,184	\$ 124,450	\$ 124,450
Interest on total OPEB liability	78,378	87,747	59,493	41,204	61,142	74,461	69,852	67,498
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(499,543)	-	94,658	-	(155,462)	-	-
Changes of assumptions or other input	(44,064)	(77,094)	(266,029)	590,876	240,481	(866,862)	-	-
Benefit payments	(74,970)	(63,070)	(76,244)	(90,170)	(94,767)	(97,273)	(115,947)	(111,048)
Net change in total OPEB liability	100,263	(412,836)	(113,447)	730,123	297,247	(916,952)	78,355	80,900
Total OPEB liability - beginning of year	1,986,638	2,399,474	2,512,921	1,782,798	1,485,551	2,402,503	2,324,148	2,243,248
Total OPEB liability - end of year	<u>\$ 2,086,901</u>	<u>\$ 1,986,638</u>	<u>\$ 2,399,474</u>	<u>\$ 2,512,921</u>	<u>\$ 1,782,798</u>	<u>\$ 1,485,551</u>	<u>\$ 2,402,503</u>	<u>\$ 2,324,148</u>
Covered employee payroll	\$49,192,610	\$44,499,591	\$44,071,475	\$41,365,737	\$39,267,851	39,671,124	37,957,371	35,166,218
Total OPEB liability as a percentage of covered employee payroll	4.24%	4.46%	5.44%	6.07%	4.54%	3.74%	6.33%	6.61%

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

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

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

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

Years ended June 30,	Proportion of the collective net OPEB liability (asset)	Proportionate share of the collective net pension liability (asset)	Covered payroll	Proportionate share of the collective net OPEB liability (asset) as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2024	0.35697985	\$ (1,307,138)	\$ 49,192,610	-2.657%	201.6%
2023	0.40318606	(1,432,662)	44,499,591	-3.219%	194.6%
2022	0.33358832	(1,145,544)	44,071,475	-2.599%	183.9%
2021	0.14243077	(290,217)	41,365,737	-0.702%	150.1%
2020	0.36669232	(708,592)	39,267,851	-1.805%	144.4%
2019	0.37465065	(418,212)	39,671,124	-1.054%	124.0%

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

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

2. Schedule of OPEB Contributions for RHIA

Years ended June 30,	Contractually required contributions	Contractually required contributions recognized by the plan	Difference	Covered payroll	Contractually required contributions as a percentage of covered payroll
2024	\$ -	\$ -	\$ -	\$ 50,518,445	0.0000%
2023	7,035	7,035	-	49,192,610	0.0143%
2022	9,937	9,937	-	44,499,591	0.0223%
2021	8,926	8,926	-	44,071,475	0.0203%
2020	10,171	10,171	-	41,365,737	0.0246%
2019	181,740	181,740	-	39,267,851	0.4628%

*Information will be accumulated until ten years are presented.

LINN COUNTY, OREGON

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

Last ten fiscal years

Years ended June 30,	Proportion of the collective net pension liability (asset)	Proportionate share of the collective net pension liability (asset)	Covered payroll	Proportionate share of the collective net pension liability (asset) as a percentage of covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2024	0.5564	\$ 104,213,745	\$ 49,192,610	211.8%	81.7%
2023	0.4870	74,572,893	44,499,591	167.6%	84.5%
2022	0.4653	55,677,709	44,071,475	126.3%	87.6%
2021	0.4496	98,117,728	41,365,737	237.2%	75.8%
2020	0.4679	80,928,024	39,267,851	206.1%	80.2%
2019	0.4347	65,855,687	39,671,124	166.0%	82.1%
2018	0.4555	61,406,151	37,957,371	161.8%	83.1%
2017	0.4865	73,028,662	35,166,218	207.7%	80.5%
2016	0.5420	31,119,510	32,712,922	95.1%	91.9%
2015	0.5419	(12,283,908)	30,765,157	-39.9%	103.6%

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
2024	\$ 5,884,679	\$ 5,884,679	-	\$ 50,518,445	11.65%
2023	5,231,009	5,231,009	-	49,192,610	10.63%
2022	4,786,775	4,786,775	-	44,499,591	10.76%
2021	5,413,027	5,413,027	-	44,071,475	12.28%
2020	5,207,008	5,207,008	-	41,365,737	12.59%
2019	4,921,646	4,921,646	-	39,267,851	12.53%
2018	4,994,324	4,994,324	-	39,671,124	12.59%
2017	4,389,239	4,389,239	-	37,957,371	11.56%
2016	4,262,510	4,262,510	-	35,166,218	12.12%
2015	2,572,876	2,572,876	-	32,712,922	7.87%

SUPPLEMENTARY INFORMATION

Combining Financial Statements and Individual Fund Schedules

LINN COUNTY, OREGON

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2024

	County Fair	Law Library	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
<u>ASSETS</u>									
Cash and investments	\$ 166,845	\$ 166,110	\$ 430,489	\$ 297,540	\$ 14,031	\$ 618,440	\$ -	\$ 343,352	\$ 2,036,807
Due from other governments	-	-	-	-	-	27,051	-	-	27,051
Interest receivable	-	-	-	-	-	8,879	-	-	8,879
TOTAL ASSETS	\$ 166,845	\$ 166,110	\$ 430,489	\$ 297,540	\$ 14,031	\$ 654,370	\$ -	\$ 343,352	\$ 2,072,737
<u>LIABILITIES</u>									
Accounts payable	\$ 22,686	\$ 366	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,052
Due to other governments	321	-	-	-	-	-	-	-	321
Due to other funds	1,875	-	-	-	-	-	-	-	1,875
Unearned revenue	-	-	-	-	-	7,604	-	-	7,604
Accrued payroll, payroll taxes and benefits	-	5,827	-	-	-	-	-	-	5,827
TOTAL LIABILITIES	24,882	6,193	-	-	-	7,604	-	-	38,679
<u>FUND BALANCES</u>									
Restricted for:									
Grants/ minor funds	141,963	159,917	430,489	297,540	14,031	646,766	-	343,352	2,034,058
TOTAL FUND BALANCES	141,963	159,917	430,489	297,540	14,031	646,766	-	343,352	2,034,058
TOTAL LIABILITIES AND FUND BALANCES	\$ 166,845	\$ 166,110	\$ 430,489	\$ 297,540	\$ 14,031	\$ 654,370	\$ -	\$ 343,352	\$ 2,072,737

LINN COUNTY, OREGON

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2024**

	County Fair	Law Library	Bike Trails	Corner Preser- vation	Historical Restoration	County Forest/ Park	County School	Federal Forest	Totals
REVENUES									
Intergovernmental	\$ 53,167	\$ 129,842	\$ 123,493	\$ -	\$ -	\$ 27,051	\$ 1,024,175	\$ 513,352	\$ 1,871,080
Charges for services	335,795	692	-	-	-	24,714	-	-	361,201
Licenses, permits, fines and fees	216,575	-	-	-	-	-	-	-	216,575
Investment earnings	426	7,174	14,044	10,670	496	37,229	5,573	-	75,612
Miscellaneous	17,328	-	-	-	-	-	-	-	17,328
TOTAL REVENUES	<u>623,291</u>	<u>137,708</u>	<u>137,537</u>	<u>10,670</u>	<u>496</u>	<u>88,994</u>	<u>1,029,748</u>	<u>513,352</u>	<u>2,541,796</u>
EXPENDITURES									
Public safety	-	103,639	-	-	-	-	-	-	103,639
Community development	707,690	-	-	30,244	-	283,870	-	-	1,021,804
Apportionments to school districts	-	-	-	-	-	-	1,195,461	-	1,195,461
Debt service	-	9,622	-	-	-	-	-	-	9,622
Capital outlay	-	-	-	-	-	53,379	-	-	53,379
TOTAL EXPENDITURES	<u>707,690</u>	<u>113,261</u>	<u>-</u>	<u>30,244</u>	<u>-</u>	<u>337,249</u>	<u>1,195,461</u>	<u>-</u>	<u>2,383,905</u>
Excess (deficiency) of revenues over expenditures	<u>(84,399)</u>	<u>24,447</u>	<u>137,537</u>	<u>(19,574)</u>	<u>496</u>	<u>(248,255)</u>	<u>(165,713)</u>	<u>513,352</u>	<u>157,891</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	121,000	6,500	-	120,013	-	-	-	-	247,513
Transfers out	-	(22,629)	-	(134,251)	-	-	-	(170,000)	(326,880)
TOTAL OTHER FINANCING SOURCES (USES)	<u>121,000</u>	<u>(16,129)</u>	<u>-</u>	<u>(14,238)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(170,000)</u>	<u>(79,367)</u>
Net change in fund balances	36,601	8,318	137,537	(33,812)	496	(248,255)	(165,713)	343,352	78,524
Fund balances at beginning of year	<u>105,362</u>	<u>151,599</u>	<u>292,952</u>	<u>331,352</u>	<u>13,535</u>	<u>895,021</u>	<u>165,713</u>	<u>-</u>	<u>1,955,534</u>
Fund balances at end of year	<u>\$ 141,963</u>	<u>\$ 159,917</u>	<u>\$ 430,489</u>	<u>\$ 297,540</u>	<u>\$ 14,031</u>	<u>\$ 646,766</u>	<u>\$ -</u>	<u>\$ 343,352</u>	<u>\$ 2,034,058</u>

LINN COUNTY, OREGON

NON-MAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

County School – Revenues of this fund consist primarily of 25% of federal and state forestland sales as required by law. Other state taxes make up the remainder of revenues. Proceeds are redistributed to County school districts to be used for educational programs.

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, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 53,100	\$ 53,100	\$ 53,167	\$ 67
Charges for services	364,500	432,500	335,795	(96,705)
Licenses, permits, fines and fees	146,000	146,000	216,575	70,575
Interest earnings	500	500	426	(74)
Miscellaneous	1,500	1,500	17,328	15,828
TOTAL REVENUES	<u>565,600</u>	<u>633,600</u>	<u>623,291</u>	<u>(10,309)</u>
EXPENDITURES				
Materials and services	<u>686,600</u>	<u>754,600</u>	<u>697,522</u>	<u>57,078</u>
Excess (deficiency) of revenues over expenditures	<u>(121,000)</u>	<u>(121,000)</u>	<u>(74,231)</u>	<u>46,769</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>121,000</u>	<u>121,000</u>	<u>121,000</u>	<u>-</u>
Net change in fund balance	-	-	46,769	46,769
Fund balance at beginning of year	-	-	120,076	120,076
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,845</u>	<u>\$ 166,845</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 166,845	
Accounts payable			(22,686)	
Due to other governments			(321)	
Due to other funds			(1,875)	
Fund balance (GAAP basis) at end of year			<u>\$ 141,963</u>	

LINN COUNTY, OREGON

LAW LIBRARY - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 160,056	\$ 160,056	\$ 129,842	\$ (30,214)
Charges for services	85	85	692	607
Interest earnings	1,000	1,000	7,174	6,174
Miscellaneous	10	10	-	(10)
TOTAL REVENUES	<u>161,151</u>	<u>161,151</u>	<u>137,708</u>	<u>(23,443)</u>
EXPENDITURES				
Personal services	86,968	86,968	73,101	13,867
Materials and services	93,885	93,885	40,530	53,355
Capital outlay	2,000	2,000	34	1,966
Contingency	155,169	155,169	-	155,169
TOTAL EXPENDITURES	<u>338,022</u>	<u>338,022</u>	<u>113,665</u>	<u>224,357</u>
Excess (deficiency) of revenues over expenditures	<u>(176,871)</u>	<u>(176,871)</u>	<u>24,043</u>	<u>200,914</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	6,500	6,500	6,500	-
Transfers out	(22,629)	(22,629)	(22,629)	-
Total other financing sources (uses)	<u>(16,129)</u>	<u>(16,129)</u>	<u>(16,129)</u>	<u>-</u>
Net change in fund balance	(193,000)	(193,000)	7,914	200,914
Fund balance at beginning of year	193,000	193,000	158,196	(34,804)
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 166,110</u>	<u>\$ 166,110</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 166,110	
Accounts payable			(366)	
Accrued payroll, payroll taxes and benefits			(5,827)	
Fund balance (GAAP basis) at end of year			<u>\$ 159,917</u>	

LINN COUNTY, OREGON

BIKE TRAILS - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
 For the Year Ended June 30, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 123,493	\$ 3,493
Interest earnings	4,500	4,500	14,160	9,660
TOTAL REVENUES	<u>124,500</u>	<u>124,500</u>	<u>137,653</u>	<u>13,153</u>
EXPENDITURES				
Capital outlay	<u>408,468</u>	<u>408,468</u>	<u>-</u>	<u>408,468</u>
Net change in fund balance	(283,968)	(283,968)	137,653	421,621
Fund balance at beginning of year	<u>283,968</u>	<u>283,968</u>	<u>292,836</u>	<u>8,868</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,489</u>	<u>\$ 430,489</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, 2024

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 5,500	\$ 5,500	\$ 10,801	\$ 5,301
EXPENDITURES				
Materials and services	15,202	15,202	-	15,202
Capital outlay	113,501	113,501	30,244	83,257
Contingency	30,283	30,283	-	30,283
TOTAL EXPENDITURES	<u>158,986</u>	<u>158,986</u>	<u>30,244</u>	<u>128,742</u>
Excess (deficiency) of revenues over expenditures	<u>(153,486)</u>	<u>(153,486)</u>	<u>(19,443)</u>	<u>134,043</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	133,902	133,902	120,013	(13,889)
Transfers out	<u>(197,652)</u>	<u>(197,652)</u>	<u>(134,251)</u>	<u>63,401</u>
Total other financing sources (uses)	<u>(63,750)</u>	<u>(63,750)</u>	<u>(14,238)</u>	<u>49,512</u>
Net change in fund balance	(217,236)	(217,236)	(33,681)	183,555
Fund balance at beginning of year	<u>274,243</u>	<u>274,243</u>	<u>331,221</u>	<u>56,978</u>
Fund balance at end of year	<u>\$ 57,007</u>	<u>\$ 57,007</u>	<u>\$ 297,540</u>	<u>\$ 240,533</u>

LINN COUNTY, OREGON

**HISTORICAL RESTORATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2024**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Interest earnings	\$ 20	\$ 20	\$ 496	\$ 476
Miscellaneous	<u>35,500</u>	<u>35,500</u>	<u>-</u>	<u>(35,500)</u>
TOTAL REVENUES	<u>35,520</u>	<u>35,520</u>	<u>496</u>	<u>(35,024)</u>
EXPENDITURES				
Materials and services	2,297	2,297	-	2,297
Capital outlay	<u>35,200</u>	<u>35,200</u>	<u>-</u>	<u>35,200</u>
TOTAL EXPENDITURES	<u>37,497</u>	<u>37,497</u>	<u>-</u>	<u>37,497</u>
Net change in fund balance	(1,977)	(1,977)	496	2,473
Fund balance at beginning of year	<u>1,977</u>	<u>1,977</u>	<u>13,535</u>	<u>11,558</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,031</u>	<u>\$ 14,031</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, 2024**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 24,714	\$ (286)
Interest earnings	8,000	8,000	32,497	24,497
Miscellaneous	500	500	-	(500)
TOTAL REVENUES	<u>33,500</u>	<u>33,500</u>	<u>57,211</u>	<u>23,711</u>
EXPENDITURES				
Materials and services	75,000	75,000	46,827	28,173
Capital outlay	848,500	848,500	290,422	558,078
TOTAL EXPENDITURES	<u>923,500</u>	<u>923,500</u>	<u>337,249</u>	<u>586,251</u>
Net change in fund balance	(890,000)	(890,000)	(280,038)	609,962
Fund balance at beginning of year	890,000	890,000	894,647	4,647
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 614,609</u>	<u>\$ 614,609</u>
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 614,609	
Fair market value adjustment on investments			3,831	
Due from other governments and available			27,051	
Interest accrued and available			1,275	
Fund balance (GAAP basis) at end of year			<u>\$ 646,766</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, 2024**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,965,000	\$ 1,965,000	\$ 1,189,888	\$ (775,112)
Interest earnings	800	800	5,573	4,773
Miscellaneous	300	300	-	(300)
TOTAL REVENUES	<u>1,966,100</u>	<u>1,966,100</u>	<u>1,195,461</u>	<u>(770,639)</u>
EXPENDITURES				
Materials and services	<u>1,966,100</u>	<u>1,966,100</u>	<u>1,195,461</u>	<u>770,639</u>
Net change in fund balance	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

LINN COUNTY, OREGON

**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, 2024**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Intergovernmental	\$ 310,000	\$ 310,000	\$ 513,352	\$ 203,352
EXPENDITURES				
Materials and services	250,000	250,000	-	250,000
Excess (deficiency) of revenues over expenditures	60,000	60,000	513,352	453,352
OTHER FINANCING SOURCES (USES):				
Transfers out	(170,000)	(170,000)	(170,000)	-
Net change in fund balance	(110,000)	(110,000)	343,352	453,352
Fund balance at beginning of year	110,000	110,000	-	(110,000)
Fund balance at end of year	\$ -	\$ -	\$ 343,352	\$ 343,352

LINN COUNTY, OREGON

INTERNAL SERVICE FUND

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

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

LINN COUNTY, OREGON

**INTERNAL SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE (NON-GAAP BUDGETARY BASIS) - BUDGET AND ACTUAL
For the Year Ended June 30, 2024**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Charges for services	\$ 656,000	\$ 656,000	\$ 748,317	\$ 92,317
Interest earnings	16,000	16,000	72,467	56,467
TOTAL REVENUES	672,000	672,000	820,784	148,784
EXPENDITURES				
INSURANCE				
Materials and services	1,368,000	1,368,000	254,878	1,113,122
UNEMPLOYMENT				
Materials and services	243,000	243,000	41,080	201,920
Contingency	604,049	604,049	-	604,049
TOTAL EXPENDITURES	2,215,049	2,215,049	295,958	1,919,091
Excess (deficiency) of revenues over expenditures	(1,543,049)	(1,543,049)	524,826	2,067,875
OTHER FINANCING SOURCES (USES)				
Transfers out	(1)	(1)	-	1
Net change in fund balance	(1,543,050)	(1,543,050)	524,826	2,067,876
Fund balance at beginning of year	1,543,050	1,543,050	1,630,005	86,955
Fund balance at end of year	\$ -	\$ -	\$ 2,154,831	\$ 2,154,831
Reconciliation to GAAP basis:				
Fund balance (budgetary basis) at end of year			\$ 2,154,831	
Fair market value adjustment on investments			13,430	
Due from other funds and available			64,940	
Interest due and available			4,471	
Prepaid expense			133,276	
Due to other governments			(27,219)	
Claims liability			(284,149)	
Net position (GAAP basis) at end of year			\$ 2,059,580	

LINN COUNTY, OREGON

OTHER SCHEDULES

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

LINN COUNTY, OREGON

**SCHEDULE OF ACCOUNTABILITY FOR ELECTED OFFICIALS
For the Year Ended June 30, 2024**

	Assessor/ Tax Collector	Clerk	Commis- sioners	District Attorney	Justice of the Peace	Sheriff	Surveyor	Treasurer	Totals
On hand - June 30, 2023	\$ 1,020	\$ 20,194	\$ -	\$ 2,000	\$ 300	\$ 130	\$ 50	\$ 100,173,985	\$ 100,197,679
Receipts	617,122	1,014,503	3,885,380	426,375	1,273,559	7,124,112	142,876	273,994,192	288,478,119
Turnovers and disbursements:									
To County Treasurer	(617,122)	(1,015,640)	(3,885,380)	(426,375)	(1,273,559)	-	(142,876)	-	(7,360,952)
To Others	-	-	-	-	-	(7,124,112)	-	(256,598,492)	(263,722,604)
On hand - June 30, 2024 (1)	<u>\$ 1,020</u>	<u>\$ 19,057</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 117,569,685</u>	<u>\$ 117,592,242</u>
(1) Consists of:									
Deposits with County Treasurer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,184,837	\$ 7,184,837
Deposits with Local Government									
Investment Pool	-	-	-	-	-	-	-	43,172,842	43,172,842
Investments with Key Bank	-	-	-	-	-	-	-	67,064,906	67,064,906
Change and revolving funds	<u>1,020</u>	<u>19,057</u>	<u>-</u>	<u>2,000</u>	<u>300</u>	<u>130</u>	<u>50</u>	<u>147,100</u>	<u>169,657</u>
Totals	<u>\$ 1,020</u>	<u>\$ 19,057</u>	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 300</u>	<u>\$ 130</u>	<u>\$ 50</u>	<u>\$ 117,569,685</u>	<u>\$ 117,592,242</u>

LINN COUNTY, OREGON

**SCHEDULE OF PROPERTY TAX TRANSACTIONS
For the Year Ended June 30, 2024**

Tax Year	Receivable June 30, 2023	Current Levy	Discounts Allowed	Interest on Delinquent Taxes	Cash Collections	Corrections and Adjustments	Receivable June 30, 2024
2023-24		\$ 221,932,528	\$ (5,887,881)	\$ 65,277	\$ (211,421,481)	\$ (161,083)	\$ 4,527,360
2022-23	4,264,907	-	1,697	134,148	(1,982,147)	(268,086)	2,150,519
2021-22	1,850,834	-	260	119,841	(619,069)	(231,152)	1,120,714
2020-21	1,073,158	-	34	154,737	(583,193)	(163,606)	481,130
2019-20	443,847	-	47	98,140	(304,746)	(104,267)	133,021
2018-19	89,828	-	(14)	12,636	(25,469)	(17,352)	59,629
2017-18	60,256	-	13	10,255	(16,512)	(13,807)	40,205
prior	209,504	-	-	10,093	(10,960)	(10,240)	198,397
Totals	\$ 7,992,334	\$ 221,932,528	\$ (5,885,844)	\$ 605,127	\$ (214,963,577)	\$ (969,593)	\$ 8,710,975

Fund	Receivable June 30, 2024
General	\$ 637,858
Law Enforcement 4-Year Levy	1,405,461
Governmental funds subtotal	2,043,319
Fiduciary fund	6,667,656
Grand total all funds	<u>\$ 8,710,975</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

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Financial Trends

106-111

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

112-115

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

Debt Capacity

116-119

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

Demographic and Economic Information

120-122

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information

123-125

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
(amounts expressed in thousands)

	Fiscal Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 253,467	\$ 242,513	\$ 236,989	\$ 232,565	\$ 230,728	\$ 218,626	\$ 215,418	\$ 210,236	\$ 199,587	\$ 192,271
Restricted	77,062	57,677	43,121	34,869	17,505	23,318	21,059	18,697	16,355	31,758
Unrestricted	(65,127)	(61,389)	(44,297)	(52,924)	(57,960)	(52,007)	(44,646)	(37,860)	(23,029)	(10,081)
Total net position	\$ 265,402	\$ 238,801	\$ 235,813	\$ 214,510	\$ 190,273	\$ 189,937	\$ 191,831	\$ 191,073	\$ 192,913	\$ 213,948

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

	Fiscal Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Expenses										
Governmental Activities										
General administration and support	\$ 15,873	\$ 14,469	\$ 23,087	\$ 24,738	\$ 11,484	\$ 9,263	\$ 8,375	\$ 8,338	\$ 8,236	\$ 5,480
Local government services	6,275	5,779	6,017	6,271	6,209	5,560	5,760	4,761	5,950	4,409
Public safety	51,393	46,453	42,241	47,089	46,117	42,132	38,696	36,889	46,278	22,864
Health services	34,887	34,014	26,810	29,407	28,619	25,798	29,166	28,925	32,142	20,536
Community development	10,802	9,822	9,516	9,121	8,946	8,232	9,561	8,946	9,677	6,171
Highways and streets	16,559	14,421	13,602	12,960	16,204	15,397	13,759	12,713	13,380	9,590
Interest on long term debt	158	101	9	-	-	-	-	-	-	-
Total expenses	\$ 135,947	\$ 125,059	\$ 121,282	\$ 129,586	\$ 117,579	\$ 106,382	\$ 105,317	\$ 100,572	\$ 115,663	\$ 69,050
Program Revenues										
Governmental Activities										
Fees, Fines, and Charges for service										
General government	\$ 2,202	\$ 2,358	\$ 5,831	\$ 2,890	\$ 2,693	\$ 1,545	\$ 1,608	\$ 1,419	\$ 1,529	\$ 1,519
Public Safety	2,769	2,828	2,271	2,450	2,620	2,760	3,133	2,360	3,257	2,559
Health services	2,888	2,772	1,542	1,610	2,596	1,396	1,164	907	1,072	1,021
Roads	198	233	251	244	441	1,921	2,744	4,330	2,942	2,615
Community Development	7,339	6,399	5,336	4,757	5,544	4,050	4,172	3,002	3,125	3,084
Operating Grants and Contributions	83,490	71,430	74,977	82,738	56,505	41,764	40,731	40,852	37,357	39,490
Capital Grants and Contributions	482	-	-	-	700	-	-	-	-	-
Total program revenues	\$ 99,368	\$ 86,020	\$ 90,208	\$ 94,689	\$ 71,099	\$ 53,436	\$ 53,552	\$ 52,870	\$ 49,282	\$ 50,288
Total net (expense) / revenue	\$ (36,579)	\$ (39,039)	\$ (31,074)	\$ (34,897)	\$ (46,480)	\$ (52,946)	\$ (51,765)	\$ (47,702)	\$ (66,381)	\$ (18,762)
General Revenues										
Governmental activities:										
Property taxes	\$ 50,640	\$ 48,953	\$ 44,121	\$ 42,842	\$ 41,572	\$ 39,102	\$ 36,808	\$ 34,023	\$ 31,765	\$ 30,077
Unrestricted grants and contributions	5,485	4,692	4,926	5,436	3,712	11,264	15,320	11,680	13,267	12,569
Interest and investment earnings	5,621	1,809	(256)	226	485	649	395	159	314	80
Miscellaneous revenue	1,434	3,307	3,578	8,022	563	37	-	-	-	-
Gain on sale of capital assets	-	-	9	2,949	-	-	-	-	-	-
Total general revenues	\$ 63,180	\$ 58,761	\$ 52,378	\$ 59,475	\$ 46,332	\$ 51,052	\$ 52,523	\$ 45,862	\$ 45,346	\$ 42,726
Total change in net position- governmental activities	\$ 26,601	\$ 19,722	\$ 21,304	\$ 24,578	\$ (148)	\$ (1,894)	\$ 758	\$ (1,840)	\$ (21,035)	\$ 23,964

LINN COUNTY, OREGON
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

	Fiscal Year ended June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>General fund</u>										
Committed:										
Interfund loan	\$ 808	\$ 1,000	\$ 4,976	\$ 6,498	\$ 14,801	\$ 5,949	\$ 7,427	\$ 7,842	\$ 8,589	\$ 5,582
Unassigned	5,233	4,160	(1,869)	(7,246)	(28,015)	(13,437)	(15,237)	(16,883)	(15,786)	(11,866)
Total general fund	6,041	5,160	3,107	(748)	(13,214)	(7,488)	(7,810)	(9,041)	(7,197)	(6,284)
<u>All other governmental funds</u>										
Non spendable:										
Inventories	2,362	2,275	2,171	2,319	1,749	1,770	1,829	1,950	1,327	1,076
Restricted:										
Highways and streets	27,484	22,417	22,015	21,460	22,422	24,132	25,687	28,293	30,852	33,241
Public safety	11,700	8,494	6,383	4,971	3,638	3,351	1,841	334		
Health services	34,210	22,271	17,528	12,616	5,391	2,750	2,992	3,867	8,779	9,358
Grants/non-major funds	7,370	7,859	24,521	19,862	5,034	2,244	2,381	1,842	1,575	1,831
Committed:										
Interfund loan	-	-	-	-	893	2,737	4,403	5,811	7,021	8,165
Unassigned	-	-	-	-	(954)	(5,473)	(8,806)	(11,623)	(14,454)	(17,321)
Total all other governmental funds	\$ 83,126	\$ 63,316	\$ 72,618	\$ 61,228	\$ 38,173	\$ 31,511	\$ 30,327	\$ 30,474	\$ 35,100	\$ 36,350

LINN COUNTY, OREGON
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year ended June 30,

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Property taxes	\$ 50,472	\$ 48,186	\$ 44,795	\$ 42,988	\$ 41,588	\$ 40,417	\$ 36,867	\$ 33,841	\$ 31,577	\$ 29,853
Intergovernmental	89,627	74,945	79,974	88,454	59,744	52,561	55,725	50,247	50,393	51,292
Charges for services	9,090	8,312	8,470	5,428	9,617	7,671	7,358	7,774	7,155	6,479
Licenses, permits, fines and fees	5,361	5,340	6,087	6,278	4,756	5,114	4,905	5,183	4,770	4,321
Investment earnings	4,697	2,918	(153)	498	702	853	627	413	521	325
Miscellaneous	1,337	1,696	3,529	1,798	563	2,026	2,446	2,445	2,058	1,962
Total revenues	160,584	141,397	142,702	145,444	116,970	108,642	107,928	99,903	96,474	94,232
Expenditures										
General administration and support	15,559	13,620	22,907	16,465	10,106	8,251	7,672	7,224	6,313	5,994
Local government services	4,478	4,602	4,441	4,254	3,956	3,701	3,731	3,638	3,308	3,425
Public safety	45,854	45,850	42,115	40,399	38,907	39,799	35,721	33,169	35,910	30,079
Health services	32,392	33,963	26,963	26,067	25,029	25,491	28,745	28,248	25,741	25,824
Community development	10,198	9,294	9,056	7,700	7,673	7,482	8,365	8,476	7,554	6,796
Highways and streets	14,101	12,758	12,118	9,598	13,342	14,035	11,980	16,580	11,882	10,933
Apportionments to school districts	1,195	1,063	1,592	1,403	1,643	1,610	1,747	778	1,539	1,733
Capital outlay	16,996	14,274	8,781	12,465	15,205	6,573	8,848	8,175	6,178	6,704
Debt service	1,137	1,188	305	275	174	193	218	260	211	247
Total expenditures	141,910	136,612	128,278	118,626	116,035	107,135	107,027	106,548	98,636	91,735
Excess of revenues over (under) expenditures	18,674	4,785	14,424	26,818	935	1,507	901	(6,645)	(2,162)	2,497
Other financing sources (uses)										
Transfers in	5,946	6,579	6,767	5,906	4,902	2,743	1,857	1,832	1,915	1,982
Transfers out	(5,946)	(6,579)	(6,767)	(5,906)	(4,902)	(2,743)	(1,674)	(1,657)	(1,915)	(1,982)
Lease and SBITA financings	1,918	4,587	762	-	-	-	-	-	-	-
Sale of capital assets	99	113	60	9,174	-	-	-	-	-	-
Total other financing sources (uses)	2,017	4,700	822	9,174	-	-	183	175	-	-
Net change in fund balances	\$ 20,691	\$ 9,485	\$ 15,246	\$ 35,992	\$ 935	\$ 1,507	\$ 1,084	\$ (6,470)	\$ (2,162)	\$ 2,497
Debt service as a percentage of noncapital expenditures	0.910%	0.971%	0.255%	0.259%	0.173%	0.192%	0.222%	0.264%	0.228%	0.290%

LINN COUNTY, OREGON
Governmental Activities Revenues By Source
Last Ten Fiscal Years
Year Ended June 30, 2024
(amounts expressed in thousands)

<u>Year ended June 30,</u>	<u>Property Taxes</u>	<u>Intergovernmental</u>	<u>Charges for Services</u>	<u>Licenses, Permits, Fines and Fees</u>	<u>Interest and Miscellaneous</u>	<u>Total</u>
2024	\$ 50,472	\$ 89,627	\$ 9,090	\$ 5,361	\$ 6,034	\$ 160,584
2023	48,186	74,945	8,312	5,340	4,614	141,397
2022	44,795	79,974	8,470	6,087	3,376	142,702
2021	42,988	88,454	5,428	6,278	2,296	145,444
2020	41,588	59,744	9,617	4,756	1,265	116,970
2019	40,417	52,561	7,671	5,114	2,879	108,642
2018	36,867	55,725	7,358	4,905	3,073	107,928
2017	33,841	50,247	7,774	5,183	2,858	99,903
2016	31,577	50,393	7,155	4,770	2,579	96,474
2015	29,853	51,292	6,479	4,321	2,287	94,232

LINN COUNTY, OREGON
Intergovernmental Revenues by Source
Last Ten Fiscal Years
Year Ended June 30, 2024

Year ended June 30,	Federal	State	Cities and Other	Totals	Per Capita
2024	\$ 31,051,171	\$ 48,099,114	\$ 10,477,307	\$ 89,627,592	679
2023	28,042,288	43,859,852	3,042,715	74,944,855	571
2022	36,068,939	39,420,496	4,484,490	79,973,925	613
2021	34,833,970	36,861,844	16,757,750	88,453,564	695
2020	7,599,586	39,096,349	13,048,187	59,744,122	472
2019	7,660,757	31,925,596	12,974,225	52,560,578	419
2018	8,563,882	34,925,596	12,235,364	55,724,842	449
2017	4,738,912	33,984,225	11,523,740	50,246,877	411
2016	9,418,795	33,264,502	7,709,275	50,392,572	417
2015	10,191,186	35,049,234	6,051,326	51,291,746	428

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

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

Year ended June 30,	Real Property	Manufactured Structures	Personal Property	Public Utilities	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate Per \$1,000 *	Estimated Real Market Value	Total Taxable Assessed Value as a Percentage of Estimated RMV
2024	\$ 11,844,577	\$ 173,488	\$ 412,352	\$ 640,063	\$ 47,408	\$ 13,023,072	4.2536	\$ 27,047,414	48.15%
2023	11,285,052	167,077	381,868	604,710	44,658	12,394,049	4.2536	25,115,023	49.35%
2022	10,699,739	162,079	358,821	567,119	43,718	11,744,040	4.1036	21,193,423	55.41%
2021	10,171,566	156,758	344,598	558,842	40,895	11,190,869	4.2136	18,853,415	59.36%
2020	9,698,077	149,167	330,928	490,552	39,272	10,629,452	4.2936	17,541,514	60.60%
2019	9,271,795	134,010	311,426	507,412	35,735	10,188,908	4.2936	16,130,441	63.17%
2018	8,915,129	128,911	304,072	485,258	33,194	9,800,176	4.2936	14,532,083	67.44%
2017	8,543,774	121,034	296,402	460,848	32,034	9,390,024	4.2936	13,241,005	70.92%
2016	8,214,875	112,204	275,484	446,543	31,385	9,017,721	4.2936	12,118,178	74.41%
2015	7,932,202	108,688	254,054	425,703	30,625	8,690,022	4.2936	11,395,676	76.26%

Source: Linn County Department of Assessment and Taxation.

* Note: The rate shown above is the combined total direct rate for Linn County only.

LINN COUNTY, OREGON
Direct and Overlapping Property Tax Rates
(Per \$1000 of Assessed Valuation)
Last Ten Fiscal Years

Year ended June 30,	Linn County Direct Rates				Overlapping Rates **				Total Direct and Overlapping Tax Rates
	Operating	Local Option	Local Option #2 *	Total Direct	Cities	School Districts	Fire Districts	Other Districts	
2024	1.2736	2.9800	-	4.2536	4.6082	6.4436	1.9532	1.8004	19.0590
2023	1.2736	2.9800	-	4.2536	4.6455	6.4497	1.9058	1.8081	19.0627
2022	1.2736	2.8300	-	4.1036	4.7446	6.3825	1.8510	1.8261	18.9078
2021	1.2736	2.8300	0.1100	4.2136	4.7527	6.4417	1.8631	1.9236	19.1947
2020	1.2736	2.8300	0.1900	4.2936	4.5410	6.4935	1.8785	1.9690	19.1756
2019	1.2736	2.8300	0.1900	4.2936	4.5764	6.2496	1.8664	2.1283	19.1143
2018	1.2736	2.8300	0.1900	4.2936	4.4510	6.1624	1.8465	2.1308	18.8843
2017	1.2736	2.8300	0.1900	4.2936	4.5066	6.0408	1.7958	2.1313	18.7681
2016	1.2736	2.8300	0.1900	4.2936	4.4535	6.0575	1.7598	2.1308	18.6952
2015	1.2736	2.8300	0.1900	4.2936	4.4344	5.9160	1.8105	2.3415	18.7960

Source: Linn County Department of Assessment and Taxation.

Overlapping rates are those of other governments that apply to property owners within Linn County.

Not all overlapping rates apply to all property owners within the County as rates for cities, schools, and other districts apply only to the proportion of the County's property owners whose property is located within the geographic boundaries of those governments.

* Local option #2 was levied to repay a loan used to build a building. This loan has been paid off and the levy discontinued.

** Overlapping rates shown are the average rates of all governments in that category for that year.

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

Taxpayers	Type of Business	2024			2015		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Pacificorp PP&L	Utility	\$ 210,136	1	1.61%	\$ 98,006	2	1.08%
Fort James Operating Co.	Timber & Forest Products	205,941	2	1.58%	114,636	1	1.27%
ATI/Teledyne Wah Chang Albany	Rare Metals	140,612	3	1.08%	78,791	4	0.87%
Freres Lumber Co Inc/ Engineered Wood	Timber & Forest Products	110,445	4	0.85%			
Lowes HIW Inc	Retail distribution	104,726	5	0.80%	87,579	3	0.97%
Northwest Natural Gas	Utility	96,846	6	0.74%	61,762	8	0.68%
Selmet Inc	Aerospace specialty parts	86,921	7	0.67%			
Target Corporation	Retail distribution	83,987	8	0.64%	71,020	6	0.78%
Cascade Pacific Pulp LLC	Wood pulp for paper manufacture	79,007	9	0.61%	59,830	9	0.66%
Lumen Technologies Inc (formerly Centurylink)	Technology & Communications	74,512	10	0.57%	73,031	5	0.81%
Weyerhaeuser Co./ Willamette Industries	Timber & Forest Products				65,446	7	0.72%
Comcast Corporation	Communications				54,872	10	0.61%
Total Principal Taxpayers		1,193,133		9.16%	764,973		8.45%
Total County Taxable Assessed Value		\$13,023,072		100%	\$ 9,049,105		100%

Source: Linn County Department of Assessment and Taxation.

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

Year ended June 30,	Certified Tax Levies				Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	General Fund	Law Enforcement Local option	(1) Local option #2	Totals	Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 15,877	\$ 36,610	\$ -	\$ 52,487	\$ 51,416	97.96%	\$ -	\$ 51,416	97.96%
2023	15,117	34,515	-	49,632	48,638	98.00%	491	49,129	98.99%
2022	14,335	30,951	-	45,286	44,430	98.11%	599	45,029	99.43%
2021	13,671	29,336	1,111	44,118	43,205	97.93%	802	44,007	99.75%
2020	12,947	27,764	1,819	42,530	41,475	97.52%	1,024	42,499	99.93%
2019	12,415	26,232	1,720	40,367	39,338	97.45%	1,015	40,353	99.97%
2018	11,946	24,210	1,590	37,746	36,783	97.45%	954	37,737	99.98%
2017	11,383	21,693	1,428	34,504	33,329	96.60%	1,168	34,497	99.98%
2016	11,058	20,136	1,329	32,523	31,320	96.30%	1,198	32,518	99.98%
2015	10,576	18,665	1,235	30,476	29,318	96.20%	1,154	30,472	99.99%

(1) Local option #2 was levied to repay a loan used to build a building. This loan has been paid off and the levy discontinued.

Note: Above data relates only to Linn County and does not include any other governments within the County.

Source: Linn County Department of Assessment and Taxation.

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Debt limit	\$ 260,461	\$ 247,881	\$ 234,881	\$ 223,817	\$ 212,589	\$ 203,778	\$ 196,003	\$ 187,800	\$ 180,982	\$ 173,800
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 260,461</u>	<u>\$ 247,881</u>	<u>\$ 234,881</u>	<u>\$ 223,817</u>	<u>\$ 212,589</u>	<u>\$ 203,778</u>	<u>\$ 196,003</u>	<u>\$ 187,800</u>	<u>\$ 180,982</u>	<u>\$ 173,800</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Debt Limit Calculation for Fiscal Year 2024:

Estimated Actual Taxable Value	\$13,023,072
Debt limit (2% of total assessed value)**	260,461
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>\$ 260,461</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

Year ended June 30,	Governmental Activities						(1) Percentage of Personal Income	(1) Debt Per Capita
	General Obligation Bonds	Bond Premiums	Loans and Notes	Leases Payable	SBITA Payable	Totals		
2024	\$ -	\$ -	\$ -	\$ 1,196,577	\$ 3,697,837	\$ 4,894,414	0.07%	\$ 37.08
2023	-	-	-	487,034	3,663,328	4,150,362	0.06%	31.64
2022	-	-	-	572,921	-	572,921	0.01%	4.39
2021	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-

(1) Percentage of personal income and per capita information is derived from demographic information presented in this statistical section.

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

Year ended June 30,	(1) General Obligation Bonds	Bond Premiums	Less: Amounts Available in Debt Service Fund		Totals	(2) Estimated Actual Taxable Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2024	\$ -	\$ -	\$ -	-	\$ -	\$ 13,023,072	0.00%	\$ -
2023	-	-	-	-	-	12,394,049	0.00%	-
2022	-	-	-	-	-	11,744,040	0.00%	-
2021	-	-	-	-	-	11,190,869	0.00%	-
2020	-	-	-	-	-	10,629,452	0.00%	-
2019	-	-	-	-	-	10,188,908	0.00%	-
2018	-	-	-	-	-	9,800,176	0.00%	-
2017	-	-	-	-	-	9,390,024	0.00%	-
2016	-	-	-	-	-	9,017,721	0.00%	-
2015	-	-	-	-	-	8,690,022	0.00%	-

(1) The County has no General Obligation debt.

(2) Source: Linn County Department of Assessment and Taxation.

LINN COUNTY, OREGON
Direct and Overlapping Governmental Activities Debt
June 30, 2024
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Overlapping Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cities: Albany	\$ 13,205	79.67%	\$ 10,520
Brownsville	5,245	100.00%	5,245
Harrisburg	7,820	100.00%	7,820
Lebanon	5,030	100.00%	5,030
Community Colleges: Chemeketa	18,565	1.17%	217
Lane	118,145	1.12%	1,323
Linn-Benton	34,040	52.71%	17,942
School Districts: Corvallis	183,365	2.19%	4,016
Eugene	413,820	0.07%	290
Marcola	6,400	0.04%	3
Greater Albany	110,630	80.95%	89,555
Harrisburg	6,750	91.25%	6,159
Jefferson	13,166	6.55%	862
Lebanon Community	23,555	100.00%	23,555
North Santiam	13,225	21.68%	2,867
Santiam Canyon	17,100	54.81%	9,373
Sweet Home	7,830	100.00%	7,830
Rural Fire Districts: Lebanon	15,520	100.00%	15,520
Harrisburg	5,790	99.89%	5,784
Scio	1,778	100.00%	1,778
Total Overlapping debt			215,689
Linn County direct debt	4,894	100.00%	4,894
Total			<u><u>\$ 220,583</u></u>

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

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

Source: Oregon State Treasury, Debt Management Division.

LINN COUNTY, OREGON
Demographic and Economic Statistics
Last Ten Fiscal Years

Year ended June 30,	(1) Population	(2) Personal Income (in thousands)	Per Capita Personal Income	(3) Public School Enrollment	(4) County Unemployment Rate
2024	131,984	\$ 7,584,024	\$ 57,462	21,102	4.5%
2023	131,194	7,233,605	55,137	21,127	3.9%
2022	130,440	6,845,480	52,480	21,795	4.0%
2021	127,320	6,836,583	53,696	24,325	6.3%
2020	126,550	6,295,776	49,749	22,834	13.5%
2019	125,575	5,816,653	46,320	22,836	4.5%
2018	124,010	5,461,463	44,041	18,446	4.4%
2017	122,315	5,049,370	41,282	18,383	4.4%
2016	120,860	4,713,141	38,997	18,746	6.2%
2015	119,705	4,520,435	37,763	17,484	7.0%

Source:

- (1) *Certified estimate per Portland State Population Research Center*
- (2) *Bureau of Economic Analysis - (the two most current years are estimated, and are updated to actual in subsequent years)*
- (3) *Oregon Department of Education*
- (4) *Bureau of Labor Statistics*

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

<u>Employer</u>	<u>2024</u>			<u>2015</u>		
	<u>Number of Employees (a)</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>
Target Distribution Center	1,700	1	2.89%	631	5	1.57%
Greater Albany Public Schools	1,091	2	1.86%	1,080	3	2.68%
Samaritan Health Services	1,060 (1)	3	1.80%	1,600	1	3.97%
Linn Benton Community College	1,000	4	1.70%	1,100	2	2.73%
ATI - (Wah Chang)	960	5	1.63%	949	4	2.36%
Selmet - a CPP company	782	6	1.33%			
Linn County	667	7	1.13%	627	6	1.56%
Oregon Freeze Dry	450	8	0.77%	398	8	0.99%
City of Albany	404	9	0.69%	390	9	0.97%
ENTEK International	368	10	0.63%			
Assurant Solutions				500	7	1.24%
National Frozen Foods				350	10	0.87%
Totals			<u>14.43%</u>			<u>18.93%</u>
Number of individuals employed in Linn County (b)			58,800			40,270

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

(a) Source: Albany, Oregon Chamber of Commerce

(b) Source: State of Oregon Employment Department

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

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General administration and support	45	46	49	47	39	41	45	41	42	39
Local government services	37	36	36	36	36	36	35	34	38	36
Public safety	244	256	251	253	314	249	244	234	242	245
Health services	209	212	194	189	195	193	209	221	208	190
Community development	81	62	59	62	52	56	61	50	53	53
Highways and streets	68	68	65	72	78	67	67	63	62	67
Total	684	680	654	659	714	642	661	643	645	630

Source: Linn County payroll department; shown are active employees at June 30.

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

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Sheriff										
Jail bookings (calendar year basis)	<i>n/a</i>	3,771	2,925	2,698	3,216	6,531	7,214	6,808	6,672	6,767
Highways and streets										
Road surface improvements (miles)	63	71	66	65	70	69	63	74	59	49
Parks										
Picnic shelter rentals	167	225	219	127	125	189	189	264	200	223
Clerk's Office										
Documents recorded	14,773	16,482	27,210	32,778	26,862	22,628	25,243	25,321	23,683	20,442
Marriage licenses issued	778	843	780	680	689	792	857	816	816	836
Registered voters	99,753	97,379	95,450	94,353	90,650	88,608	84,875	80,474	69,202	64,264
Planning										
Building permits	1,225	1,265	1,091	1,418	1,816	1,807	1,944	1,680	1,494	1,333
Contract cities	503	410	531	746	1,038	1,095	1,070	956	701	596
Electrical permits	1,800	1,772	1,879	2,022	1,859	1,937	2,010	1,972	1,631	1,505
Planning applications	408	541	867	929	887	888	934	794	757	642
Health										
Mental health clients	4,688	4,909	4,203	4,540	4,015	4,062	4,859	4,673	5,647	5,036
Developmentally disabled clients	1,199	1,210	1,481	1,261	1,362	1,168	1,113	972	909	776
Alcohol and drug clients	1,917	1,265	611	632	808	856	1,059	808	904	903
Public health clients	5,234	13,033	26,720	8,543	3,966	4,363	8,557	11,071	14,583	15,867
Women, Infants, and children clients	5,856	6,338	4,416	5,980	4,505	4,762	5,123	5,490	5,721	5,810
Environmental health service contacts	2,234	2,756	2,688	2,054	2,591	2,655	2,816	2,552	1,649	1,942
Fairgrounds (hours of use)										
Willamette building	8,495	7,815	5,230	1,133	5,051	9,363	7,892	8,259	6,642	6,176
Calapooia arena	1,811	1,657	1,387	48	1,071	1,683	1,684	1,952	1,926	1,845
Santiam center (hours of use)	1,780	1,645	842	178	953	1,852	1,823	1,540	1,503	1,373
Cascade livestock building (hours of use)	2,788	2,853	2,150	136	1,995	3,514	3,952	4,305	4,124	4,107

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

Source: Linn County elected officials and department managers.

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

Function	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety										
Police stations	10	10	10	9	9	9	9	8	8	7
Patrol units	56	56	53	53	53	53	53	55	55	55
Vehicles leased	-	15	12	-	-	-	-	-	-	-
Police service dogs	1	1	2	2	3	3	2	1	1	1
Culture and recreation										
Parks acreage	1,508	1,508	1,508	1,256	1,246	1,246	1,369	1,369	1,364	1,364
Parks	27	27	27	26	25	25	24	24	24	24
Picnic shelters	13	13	13	13	13	13	13	13	13	13
General Services										
Motor pool vehicles	91	82	78	81	79	78	80	80	79	76
Roads										
All public road miles	1,167	1,167	1,167	1,167	1,170	1,170	1,170	1,155	1,155	1,153
Bridges	335	335	335	335	335	335	335	335	336	336

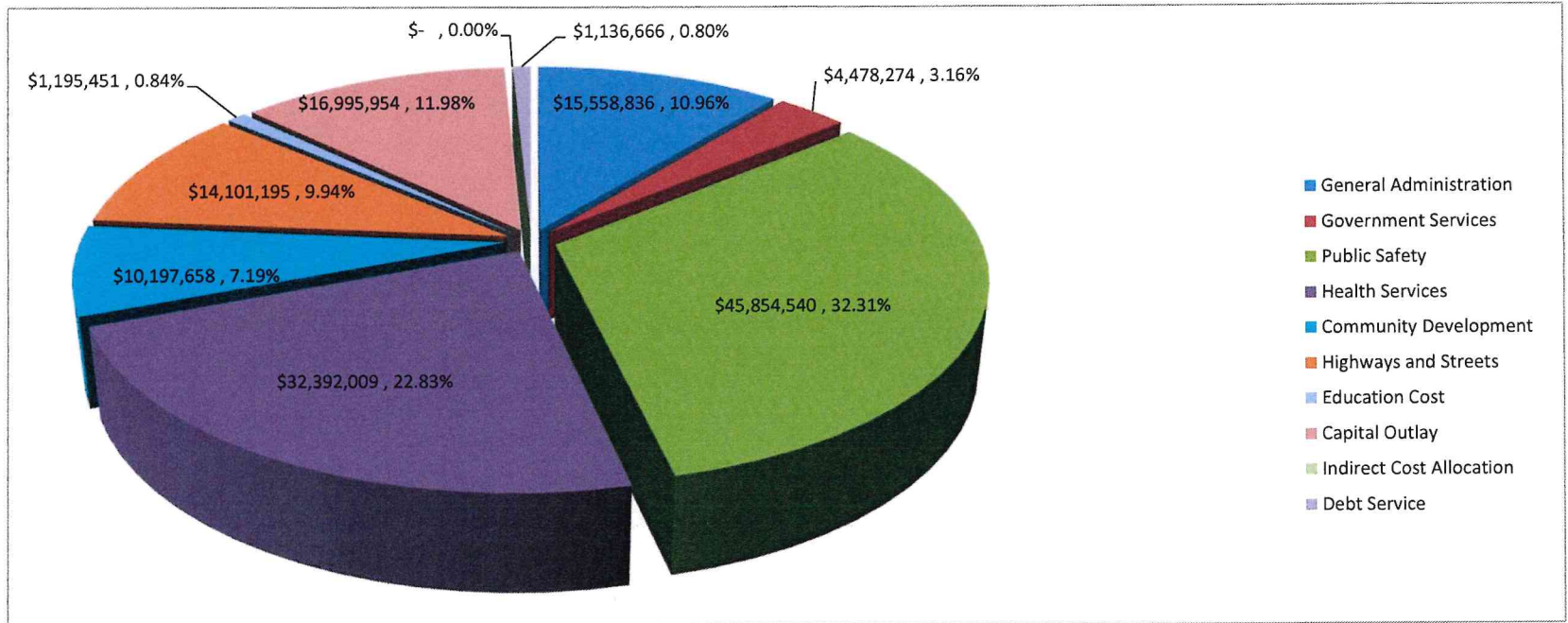
Source: Linn County elected officials and department managers.

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

Year ended June 30,	Local											Totals	(b) CPI	Per Capita
	General Administration	Government Services	Public Safety	Health Services	Community Development	Highways and Streets	Education Cost	Capital Outlay	Indirect Cost Allocation	Debt Service				
2024	\$ 15,558,836	\$ 4,478,274	\$45,854,540	\$ 32,392,009	\$ 10,197,658	\$ 14,101,195	\$ 1,195,451	\$ 16,995,954	(a)	\$ 1,136,666	\$ 141,910,583	343.9	1,075.21	
2023	13,619,802	4,602,166	45,849,652	33,963,116	9,293,785	12,758,150	1,062,740	14,274,470	(a)	1,187,894	136,611,775	333.7	1,041.30	
2022	22,906,618	4,440,822	42,114,994	26,962,734	9,055,751	12,117,939	1,592,381	8,782,308	(a)	304,939	128,278,486	322.6	983.43	
2021	16,464,690	4,254,342	40,399,019	26,066,580	7,700,185	9,598,339	1,403,270	12,464,692	(a)	274,671	118,625,788	296.1	931.71	
2020	10,105,797	3,956,387	38,906,797	25,028,813	7,673,106	13,342,211	1,643,314	15,204,919	(a)	173,868	116,035,212	283.6	916.91	
2019	8,250,932	3,701,191	39,798,435	25,491,351	7,482,275	14,035,239	1,610,423	6,572,760	(a)	192,663	107,135,269	279.4	853.16	
2018	7,672,035	3,731,080	35,057,002	27,328,255	8,352,713	11,801,039	1,747,165	8,847,857	\$ 2,272,026	218,013	107,027,185	271.7	863.05	
2017	7,223,740	3,638,210	32,540,288	26,883,838	8,461,930	16,385,036	778,499	8,174,975	2,202,327	259,985	106,548,828	258.0	871.10	
2016	6,312,665	3,308,064	35,345,739	24,643,028	7,540,995	11,691,535	1,538,719	6,177,945	1,866,919	210,770	98,636,379	247.5	816.12	
2015	5,976,827	3,424,956	29,546,251	24,856,327	6,764,848	10,743,588	1,733,163	6,703,094	1,739,461	246,921	91,735,436	242.7	766.35	

(a) The indirect cost allocation has been included in transfers in/out on the governmental statement since 2019.

(b) After and including 2018, CPI based on 'CPI West-Size class A'; before 2018 based on CPI-Portland Metro Area, from Bureau of Labor Statistics. Population used to calculate per capita comes from Demographics schedule in this report.



OTHER INFORMATION

LINN COUNTY, OREGON
SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES
Year Ending June 30, 2024

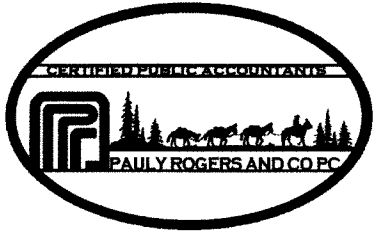
<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>COVERAGE LIMITS</u>	<u>POLICY PERIOD FROM</u>	<u>TO</u>
28337	SAIF Corporation State of Oregon	Standard workers' compensation and employers' liability policy - policy limit Bodily injury by accident - each accident Bodily injury by disease - each employee		500,000 500,000 500,000	7/1/2023	7/1/2024
23LLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.) (Is subject to policy conditions and contingent on sufficient monies being available in Self-Insured Loss Fund)	Commercial general liability-General Aggregate Public officials liability Auto liability	Policy limit Each occurrence Each occurrence	15,000,000 5,000,000 5,000,000	7/1/2023	7/1/2024
23APDLINC	City/County Insurance Services	Automobile physical damage (APD)	Comp/Collision and APD deductibles vary based on value and deductible per vehicle		7/1/2023	7/1/2024
LINC2023	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Equipment Breakdown Coverage (\$10,000 Deductible)	Policy limit	100,000,000	7/1/2023	7/1/2024
LINC2023	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Property Coverage (\$10,000 Deductible)	Policy limit Blanket buildings/business personal property Earthquake Flood Revenue and Rental Value Extra Expense and Rental value Property in Transit Hired, Rented, or Borrowed Equipment Restoration/Reproduction of books, records, etc. Electronic Data Restoration/Reproduction Pollution Clean-up Crime Coverage Police Dogs (if scheduled) Off Premises Service Interruption Miscellaneous Coverage	221,306,336 <small>As per property schedule</small> 5,000,000 5,000,000 1,000,000 1,000,000 1,000,000 150,000 100,000 250,000 25,000 50,000 15,000 100,000 50,000	7/1/2023	7/1/2024

Property Coverage continues on next page

LINN COUNTY, OREGON
SCHEDULE OF INSURANCE AND FIDELITY BOND COVERAGES
Year Ending June 30, 2024

<u>POLICY NUMBER</u>	<u>COMPANY</u>	<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>COVERAGE LIMITS</u>	<u>POLICY PERIOD FROM</u>	<u>TO</u>
LINC2023 Continued	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Property Coverage (\$10,000 Deductible)	Personal Property at Unscheduled Locations Personal Property of Employees or Volunteers Unscheduled Fine Arts Temporary Emergency Shelter Restoration	15,000 15,000 100,000 50,000	7/1/2023	7/1/2024
LINC2023	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Inland Marine Coverage (\$2,500 Deductible)	Refer to Mobile Equipment schedule for list of covered equipment Actual cash or replacement cost value as per schedule		7/1/2023	7/1/2024
23ECLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Excess Crime Coverage (\$10,000 Deductible) Coverages listed are in excess of the \$50,000 crime coverage provided under the property coverage agreement.	Employee Theft - per loss Forgery or Altercation Inside Premises-Theft of Money & Securities Inside Premises-Robbery, Safe Burglary, Other Outside the Premises Computer Fraud Money Orders & Counterfeit Paper Currency Funds Transfer Fraud Faithful Performance of Duty Impersonation fraud coverage	500,000 Included Included Included Included Included Included Included Included 250,000	7/1/2023	7/1/2024
23CYBLINC	City/County Insurance Services (Rhodes-Warden Ins, Inc.)	Cyber Security Coverage (\$5,000 Deductible)	Policy limit per coverage year Total Coverage Limit Tier 1 Coverage Limit Notification Costs Third Party Liability Penalties Extortion Breach Coaching Public Relations Consulting Credit Monitoring Impersonation Fraud Coverage	5,000,000 50,000 50,000 Included Included Included Included Included Included Included	7/1/2023	7/1/2024

INDEPENDENT AUDITORS' REPORT REQUIRED BY OREGON STATE REGULATIONS



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December 10, 2024

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, 2024, and have issued our report thereon dated December 10, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards.

Compliance

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

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

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

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

1. During our review of the 2023-24 budget appropriations, we noted that the County did not conduct a public notice of budget hearing in accordance with ORS 294.473 for a contingency appropriation that exceeded 15% of the total fund appropriation.
2. During our testing of Bids and Quotes for the County, we noted two instances for vendors where the County did not perform bidding and quoting procedures in accordance with ORS.

OAR 162-10-0230 Internal Control

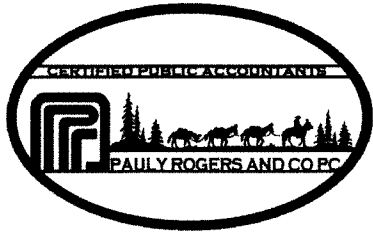
In planning and performing our audit, we considered internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Linn County,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

GRANT COMPLIANCE REVIEW



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December 10, 2024

To the Board of County Commissioners
Linn County
Albany, Oregon

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Linn County as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated December 10, 2024.

Report on Internal Control over Financial Reporting

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

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

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

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

Report on Compliance and Other Matters

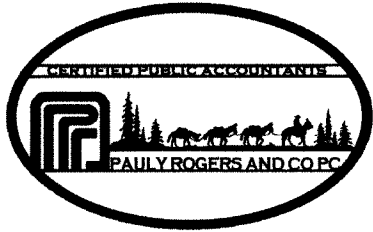
As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the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

Purpose of this Report

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



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



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December 10, 2024

To the Board of County Commissioners
Linn County
Albany, Oregon

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Linn County's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the major federal programs for the year ended June 30, 2024. The major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Linn County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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, 2024

SECTION I – SUMMARY OF AUDITORS’ RESULTS

FINANCIAL STATEMENTS

Type of auditors’ report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

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

yes none reported

Noncompliance material to financial statements noted?

yes no

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

yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

yes no

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

yes none reported

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

Unmodified

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

yes

no

IDENTIFICATION OF MAJOR PROGRAMS

AL NUMBER

NAME OF FEDERAL PROGRAM CLUSTER

21.027

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

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

\$750,000

Auditee qualified as low-risk auditee?

yes

no

SECTION II – FINANCIAL STATEMENT FINDINGS

None Noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None Noted

SECTION IV – PRIOR FINANCIAL STATEMENT FINDINGS

FEDERAL PROGRAM: 21.027 – Coronavirus State and Local Fiscal Recovery Funds

SPECIFIC REQUIREMENT: Expenditures being reported under the major program were made in accordance within grant compliance

CONDITION: During our testing of Quarterly Project and Expenditure Reporting forms, we noted that there was inaccurate reporting of expenditures, where monies expended in fiscal year 2022 were reported as 2023 expenditures. Forms submitted prior to fiscal year 2023 start, had a clerical error where the second quarter of fiscal year 2022 was improperly identified as the third quarter of 2022.

QUESTIONED COST: None noted

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

LINN COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>DEPARTMENT OF AGRICULTURE</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	Oregon Department of Education	2212004	\$ 10,158	\$ -
National School Lunch Program	10.555	Oregon Department of Education	2212004	24,337	-
National School Lunch Program (non-cash assistance)	10.555	Oregon Department of Education	2212004	1,035	-
<i>Subtotal Child Nutrition Cluster</i>				<u>35,530</u>	<u>-</u>
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	Oregon Health Authority	PE40-various	987,780	-
US Forest Service-Direct programs:					
Secure Rural Schools - Resource Advisory Committee Title II	10.665	Direct - BLM	L21AC102980	21,000	-
Total Department of Agriculture				<u>1,044,310</u>	<u>-</u>
<u>DEPARTMENT OF THE INTERIOR</u>					
Bureau of Land Management-direct programs					
Clean Vessel Act Program	15.616	Oregon State Marine Board	F20AP11947	11,840	-
Total Department of the Interior				<u>11,840</u>	<u>-</u>
<u>DEPARTMENT OF JUSTICE</u>					
Crime Victim Assistance	16.575	Oregon Department of Justice	VOCA-NC-FR-2021	175,598	-
Total Department of Justice				<u>175,598</u>	<u>-</u>
<u>DEPARTMENT OF TRANSPORTATION</u>					
Highway Planning and Construction	20.205	Oregon Department of Transportation	34663	150,605	-
Highway Planning and Construction	20.205	Oregon Department of Transportation	73000-00018497	14,547	-
Highway Planning and Construction	20.205	Oregon Department of Transportation	73000-00015462	53,942	-
<i>Subtotal Highway Planning and Construction</i>				<u>219,094</u>	<u>0</u>
Federal Lands Access Program	20.224	Federal Highway Administration (FHWA) - Oregon division	6905672040006	43,692	-
Federal Transit Cluster:					
Formula Grants for Rural Areas	20.509	Oregon Department of Transportation	35007-various	252,350	252,350
Formula Grants for Rural Areas-Covid 19	20.509	Oregon Department of Transportation	35007-various	157,744	157,744
<i>Subtotal Formula Grants for Rural Areas</i>				<u>410,094</u>	<u>410,094</u>
Total Department of Transportation				<u>672,880</u>	<u>410,094</u>

Statement continued on next page

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)

<u>Federal Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Pass Through Organization</u>	<u>Pass-Through Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed Through to Subrecipients</u>
<u>DEPARTMENT OF THE TREASURY</u>					
Coronavirus state and local fiscal recovery funds-Covid 19	21.027	Direct	TD022SLFRP8364C	\$ 9,388,902	\$ -
Coronavirus state and local fiscal recovery funds-Covid 19	21.027	Oregon Department of Administrative Services	SLFRP4454	9,144	-
Coronavirus state and local fiscal recovery funds-Covid 19	21.027	Oregon Department of Administrative Services		180,000	-
Coronavirus state and local fiscal recovery funds-Covid 19	21.027	Oregon Health Authority	400998	549,928	-
<i>Subtotal Coronavirus state and local fiscal recovery funds-Covid 19</i>				<u>10,127,974</u>	<u>-</u>
Total Department of the Treasury				<u>10,127,974</u>	<u>-</u>
<u>GENERAL SERVICES ADMINISTRATION</u>					
Donation of Federal Surplus Personal Property	39.003	Oregon Department of Administrative Services	various	4,802	-
Total General Services Administration				<u>4,802</u>	<u>-</u>
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>					
Medical Reserve Corp Small Grant Program	93.008	Direct-National Association of County and City Health Officials	MRC 23-0329	449	-
Public Health Emergency Preparedness	93.069	Oregon Health Authority	PE12-01	103,784	-
Family Planning Services	93.217	Oregon Health Authority	PE46-05	17,713	-
Immunization Cooperative Agreements	93.268	Oregon Health Authority	PE01-10, PE43-01	102,302	-
Drug-Free Communities Support Program Grants	93.276	Direct-Centers for Disease Control and Prevention	5NH28CE003365-02-00	94,299	-
Epidemiology and Laboratory Capacity for Infectious Diseases-COVID 19	93.323	Oregon Health Authority	PE01-09	889,398	-
Public Health Emergency Response - COVID 19	93.354	Oregon Health Authority	PE51-03	120,225	-
Block Grants for Community Mental Health Services	93.958	Oregon Health Authority	not available	40,416	-
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Oregon Health Authority	not available	290,831	-
CDC's Collaboration with Academia to Strengthen Public Health					
Workforce Capacity	93.967	Oregon Health Authority	not available	35,131	-
Maternal and Child Health Services Block Grant to the States	93.994	Oregon Health Authority	PE42-11, PE42-12	54,022	-
Total Department of Health and Human Services				<u>1,748,570</u>	<u>-</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>					
Emergency Management Performance Grant	97.042	Oregon Military Department	31011, 31020	79,251	-
Homeland Security Grant Program	97.067	Oregon Military Department	32020	160,110	-
Total Department of Homeland Security				<u>239,361</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$14,025,335</u>	<u>\$ 410,094</u>

The accompanying notes are an integral part of this schedule.

LINN COUNTY, OREGON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2024

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, 2024.

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.