

For Year Ended June 30, 2013



O R E G O N

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARION COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013

Marion County Finance Department

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INTRODUCTORY SECTION



Marion County

OREGON

FINANCE DEPARTMENT

BOARD OF COMMISSIONERS

Sam Brentano
Janet Carlson
Patti Milne

CHIEF ADMINISTRATIVE OFFICER

John Lattimer

CHIEF FINANCIAL OFFICER

Jeff White

Telephone:
(503) 589-3295

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(503) 373-4379

December 4, 2013

To the Marion County Board of Commissioners
and the Citizens of Marion County, Oregon

We are pleased to submit this Comprehensive Annual Financial Report (CAFR) of Marion County, Oregon for the fiscal year ended June 30, 2013 in accordance with state requirements. Oregon law requires local governments to publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) for the United States of America and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants within six months of the close of each fiscal year.

This report consists of management's representations concerning the finances of Marion County. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the County's assets from loss, theft, or misuse and to provide sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. The County has designed its internal controls to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement, recognizing the need to balance the cost of internal controls with their benefits. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Grove, Mueller & Swank, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the County's financial statements for the fiscal year ended June 30, 2013 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 ended June 30, 2013 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.

The independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the County's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the County's separately issued Federal Grant Compliance Report.

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 can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

Marion County, then called Champoick, was created in 1843 by the provisional government 16 years before Oregon gained statehood on February 14, 1859. In 1849 the name was changed to Marion honoring American Revolutionary General Francis Marion. The County is located in the heart of the Willamette Valley, and the Willamette River was established as its western boundary in 1856. Salem, the county seat and state capital, is one of the valley's oldest cities.

There are 20 incorporated cities and 37 unincorporated communities in Marion County, and the County's population is currently estimated at 322,880. The County's present boundary encompasses 1,194 square miles. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County is governed by a three-member Board of Commissioners. The commissioners are elected to four-year staggered terms from the County at large, and a chair and vice chair are selected annually. Policy-making, legislative authority and quasi-judicial powers are vested in the Board of Commissioners, which is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the Chief Administrative Officer and the heads of various departments. The Chief Administrative Officer is responsible for carrying out the policies of the Board of Commissioners and overseeing the day-to-day operations of the County.

The County provides a full range of services including elections, property assessment and taxation, public and behavioral health, law enforcement, corrections, prosecution, justice courts, supervision of juvenile offenders, road and bridge maintenance and construction, emergency management, dog licensing and control, parks maintenance, solid waste disposal, and environmental services. Sewer and lighting services are provided through legally separate entities, which function, in essence, as part of Marion County and therefore are included as part of the County's financial statements. Additional information on these legally separate entities can be found in Note 1A of the notes to the financial statements.

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 has appointed the Chief Administrative Officer as the County's Budget Officer. County departments submit requests for appropriation to the Budget Officer in March or April each year. The Budget Officer uses these requests as the starting point for developing a proposed budget. The Budget Officer then presents this proposed budget to the County's Budget Committee for review in May or early June. After approval by the Budget Committee, the Board of Commissioners is required to hold a public hearing on the approved budget and adopt a final budget by no later than June 30, the

close of the preceding fiscal year. The appropriated budget is prepared by fund and category or by fund and department. Department heads may make transfers of appropriations between line items within a fund and category; however, transfers of appropriations between categories 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

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the financial environment within which the County operates.

Local Economy – Marion County is the largest producer of agriculture among Oregon's 36 counties. Marion County's economy is also based on government and education. In addition to the state capitol, 38 state agencies are located in Marion County, providing employment to approximately 18,000 employees. Marion County and the City of Salem each employ about 1,400 workers and the County's ten public school districts employ about 6,200 workers. As of August 2013, the seasonally adjusted unemployment rate in Marion County was 8.6 percent, a decrease from 9.5 percent last year, but still higher than the state average of 8.1 percent and the national average of 7.3 percent.

Long-Term Financial Planning – The County heads into fiscal year 2014 with an acceptable financial position and a low ratio of outstanding debt to the real market value of taxable property within the County. Major long-term concerns for the County include changes in state and federal funding, rising employee benefit costs, replacing experienced personnel due to retirements, and pressing capital needs.

Relevant Financial Policies – The County has established, by policy, minimum requirements for budgeting ending fund balance in the General Fund. Maintaining a minimum balance requirement for the General Fund helps ensure that the County has adequate resources for operations at the beginning of the following fiscal year until property taxes (a major funding source) are received.

Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. government, municipal and corporate bonds, and the State's local government investment pool. Investments of the County and other entrusted funds are made under the restrictions of Oregon law, and in accordance with the County's Investment Policy.

The County budgets for its risk management activities in an internal service fund. Risk management is predicated on an actuarial study, which is assigned a probability of loss related to workers' compensation, automobile and general liability. Third-party coverage is currently maintained for workers' compensation claims in excess of \$750,000 and liability claims in excess of \$1,000,000. Additional information on the County's risk management activity can be found in Note 7 of the notes to the financial statements.

Major Initiatives – The County's long-term strategic priorities center on the following areas: 1) operational efficiency and quality service, 2) growth and infrastructure, 3) public safety, 4) economic development, 5) transportation, 6) health and community services, and 7) emergency management. In an effort to provide better information for decision-making, county departments have established key indicators that relate to the County's strategic priorities. These key indicators are used to help forecast trends and determine program and budget needs.

The Courthouse Square complex, an office building and transit center jointly owned by Marion County and the Salem Area Mass Transit District, was closed in September 2010 due to the need for major structural repairs. In September 2012, the County and the Transit District approved a contract for remediation of the Courthouse Square complex; repairs are expected to be complete in fiscal 2014.

Other current initiatives include: consolidation of the County's justice courts, obtaining local agency certification for federal highway projects, review of the County's administrative cost allocation methodology, and long-term planning for the County's technology and facility needs.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Marion County for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This was the twelfth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County also received the GFOA Award for Distinguished Budget Presentation for its budget document for the fiscal year beginning July 1, 2012, making this the second consecutive year the County has received this award. To qualify for the award, the budget document must be judged to be proficient in several categories as a policy document, financial plan, operations guide, and communication device. We believe that next year's budget document will also meet the award requirements and we have submitted it to the GFOA for evaluation.

We would like to express our appreciation to all members of the Finance Department and other County personnel who assisted and contributed to the preparation of this report. Credit must also be given to the County's Board of Commissioners, elected officials, Chief Administrative Officer and appointed department heads for maintaining the highest standards of accountability in the management of the County's finances.

Respectfully submitted,



Jeff White
Chief Financial Officer



Cynthia A. Granatir
Chief Accountant

MARION COUNTY, OREGON
Principal Officials
June 30, 2013

Board of Commissioners

Janet Carlson	Chair
Samuel Brentano	Vice Chair
Patricia Milne	Second Vice Chair

P.O. Box 14500
Salem, Oregon 97309-5036

Other Elected Officials

Tom Rohlfig	Assessor
Bill Burgess	County Clerk
Walt Beglau	District Attorney
Steven Summers	Justice of the Peace – East Marion
Janice Zyryanoff	Justice of the Peace – North Marion
Jason Myers	Sheriff
Laurie Steele	Treasurer

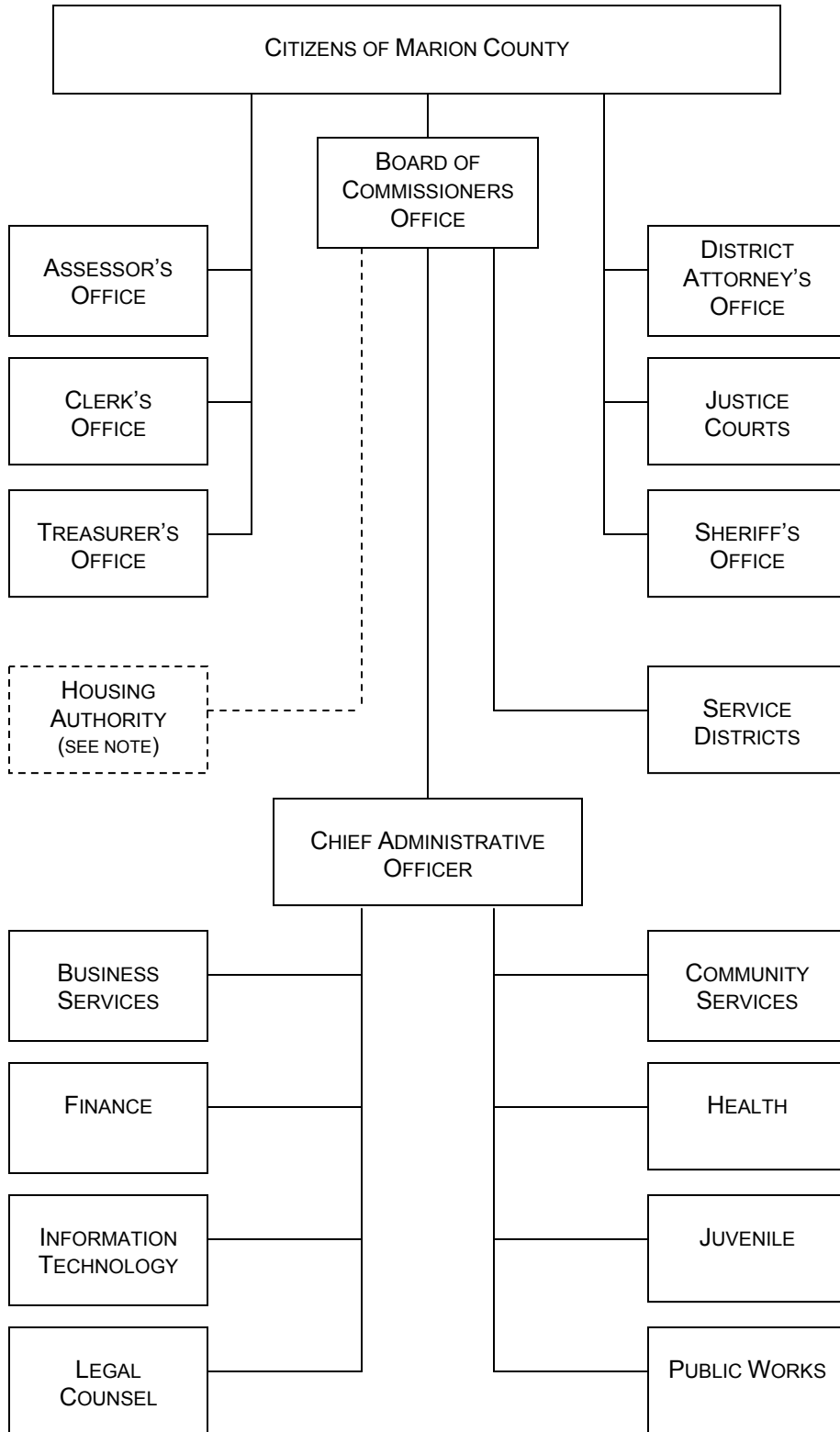
Chief Administrative Officer

John Lattimer

Legal Counsel

Gloria Roy

MARION COUNTY, OREGON
 Organization Chart
 June 30, 2013



Note: The Marion County Housing Authority is reported in separate financial statements.



Government Finance Officers Association

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

Presented to

**Marion County
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

FINANCIAL SECTION



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Marion County, Oregon
Salem, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Marion County, Oregon, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management’s Discussion and Analysis and Other Post Employment Benefits – Schedule of Funding Progress

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3-10 and other post employment benefits – schedule of funding progress on page 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required and Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County’s basic financial statements. The schedule of revenues, expenditures and changes in fund balance – budget and actual for the General, Public Works, Health and Lottery Distribution Funds and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

This information 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. The 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

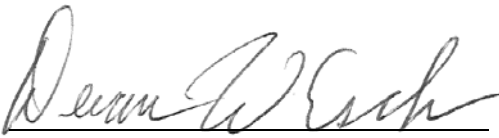
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013, on our consideration of the County's internal control over financial reporting and on our tests of its 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 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 the County's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 4, 2013, on our consideration of the County's 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.

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 
Devan W. Esch, A Shareholder
December 4, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Marion County, Oregon, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013. 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-iv of this report.

FINANCIAL HIGHLIGHTS

- The County's assets exceeded its liabilities at the end of the current fiscal year by \$257,633,278 (*net position*). Of this amount, \$184,995,827 reflects the County's net investment in capital assets, and \$20,421,355 represents resources that are subject to external restrictions. The remainder is unrestricted and may be used to meet the County's ongoing service requirements for governmental and business-type activities, in the amounts of \$45,132,635 and \$7,083,461, respectively.
- The County's financial position was essentially unchanged from the prior fiscal year with a slight increase in total net position of \$196,793. The County recognized a \$8,733,901 gain on impairment of capital assets for insurance and litigation recoveries on the Courthouse Square office building.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$68,300,878, an increase of \$3,939,297 from the prior year. Of this amount, \$1,162,246 is nonspendable, and \$15,823,969 is subject to external restrictions. The remaining amount of \$51,314,663 is available to support the County's various governmental programs and operations.
- At the end of the current fiscal year, the unassigned fund balance for the General Operating Fund was \$8,493,826, equal to 13 percent of total General Operating Fund expenditures.
- The County's total debt decreased by 4 percent (\$2,128,578) during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the 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 the County is improving or declining.

The *statement of activities* presents information showing how the County's net position changed during the most recent 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 in which the cash flows will occur in future fiscal periods (such as uncollected taxes and unused vacation).

Both of the government-wide financial statements distinguish functions of the 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*). The governmental activities of the County include

general government, health and social services, public safety and judicial, community service, transportation, and pass-through support for education. The business-type activities of the County include environmental services, and sewer and lighting services. Sewer and lighting services are provided through legally separate entities which function, in essence, as part of Marion County and therefore have been included as part of the primary government.

The government-wide financial statements can be found on pages 11-12 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. The 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 the 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.

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*.

The County reports thirty 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 Operating Fund, Public Works Fund, Health Fund, Lottery Distribution Fund, and Courthouse Square Remediation Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for each of its governmental funds, with one exception. The County budgets and maintains six individual funds that are combined and reported as the General Operating Fund in the fund financial statements. Individual fund data for each of these budgetary funds is provided in the form of *combining statements* elsewhere in this report. Budgetary comparison schedules have been provided for each fund to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 13-15 of this report.

Proprietary funds – Marion County maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for its environmental services, and sewer and lighting operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its central administration, risk management and fleet management activities. Because these activities predominantly benefit governmental rather than business-type functions, they have been included within *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 Environmental Services Fund, which is considered to be a major fund of the

County. Data from the other enterprise funds are combined into a single, aggregated presentation; individual fund data for each of these non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each of the internal service funds is also provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for each of its proprietary funds, except the Illahe Hills Street Lighting District. Budgetary comparison schedules have been provided for each fund to demonstrate budgetary compliance.

The basic proprietary fund financial statements can be found on pages 16-19 of this report.

Fiduciary funds – *Fiduciary funds* are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of these funds are *not* available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds, similar to that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 20 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-41 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report presents certain *required supplementary information* consisting of 1) budgetary comparison schedules for the General Fund, Public Works Fund, Health Fund and Lottery Distribution Fund, and 2) a schedule of funding progress for other post-employment benefits. Required supplementary information can be found on pages 42-46 of this report.

The combining statements referred to earlier in connection with the General Operating Fund, nonmajor governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 47-99 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Marion County, assets exceeded liabilities by \$257,633,278 at the end of fiscal year 2013.

The largest portion of the County's net position (72 percent) is its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the 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. An additional portion of the County's net position (8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (20 percent) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's financial position was essentially unchanged from the prior fiscal year with a slight increase in total net position of \$196,793. The County recognized a \$8,733,901 gain on impairment of capital assets for insurance and litigation recoveries on the Courthouse Square office building.

Marion County's Net Position (thousands)

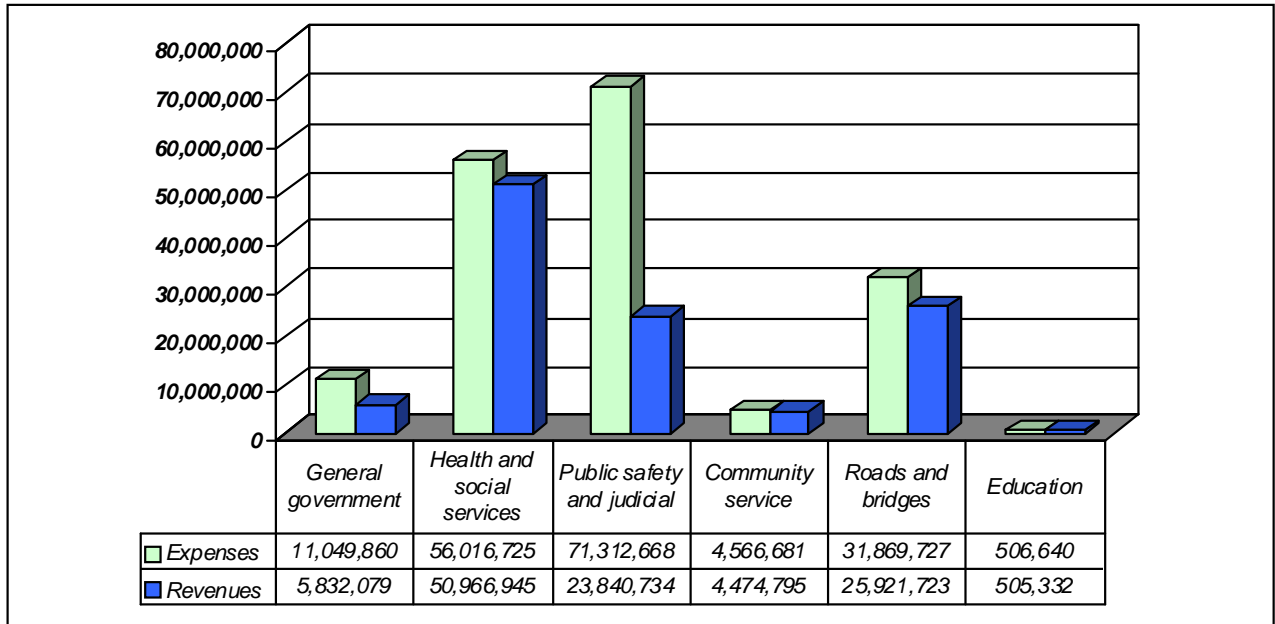
	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 146,625	\$ 138,656	\$ 17,034	\$ 21,637	\$ 163,659	\$ 160,293
Capital assets	187,410	186,353	10,970	10,631	198,380	196,984
Total assets	334,035	325,009	28,004	32,268	362,039	357,277
Long-term liabilities outstanding	78,270	77,905	7,820	7,830	86,090	85,735
Other liabilities	15,490	11,283	2,826	2,823	18,316	14,106
Total liabilities	93,760	89,188	10,646	10,653	104,406	99,841
Net position:						
Net investment in capital assets	174,721	172,698	10,275	9,870	184,996	182,568
Restricted	20,421	19,488	-	-	20,421	19,488
Unrestricted	45,133	43,635	7,083	11,745	52,216	55,380
Total net position	\$ 240,275	\$ 235,821	\$ 17,358	\$ 21,615	\$ 257,633	\$ 257,436

Marion County's Changes in Net Position (thousands)

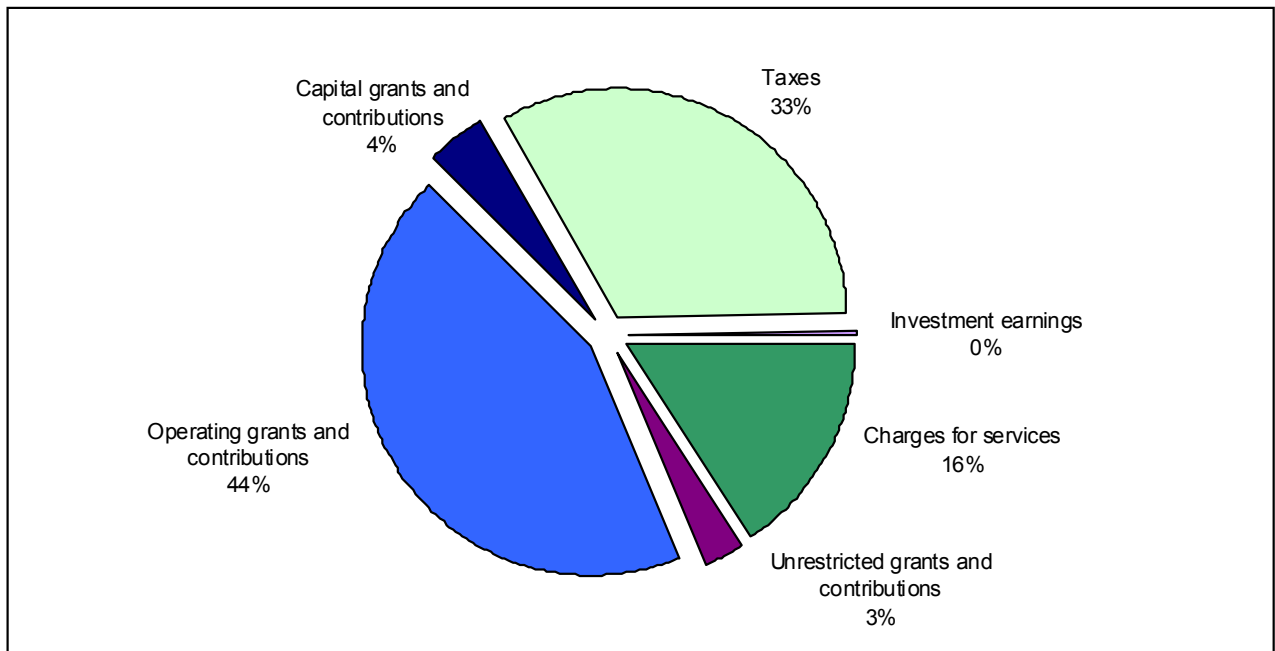
	Governmental activities		Business-type activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 27,425	\$ 29,366	\$ 18,198	\$ 16,129	\$ 45,623	\$ 45,495
Operating grants and contributions	76,891	79,246	-	-	76,891	79,246
Capital grants and contributions	7,226	7,955	-	-	7,226	7,955
General revenues:						
Property taxes	57,134	56,410	251	248	57,385	56,658
Other taxes	275	258	294	290	569	548
Unrestricted grants and contributions	5,009	4,519	-	-	5,009	4,519
Unrestricted investment earnings	678	752	71	119	749	871
Total revenues	174,638	178,506	18,814	16,786	193,452	195,292
Expenses:						
General government	11,050	13,004	-	-	11,050	13,004
Health and social services	56,017	54,623	-	-	56,017	54,623
Public safety and judicial	71,313	69,984	-	-	71,313	69,984
Community service	4,567	4,214	-	-	4,567	4,214
Roads and bridges	31,870	33,933	-	-	31,870	33,933
Education	506	860	-	-	506	860
Interest on long-term debt	3,595	3,588	-	-	3,595	3,588
Environmental services	-	-	22,040	21,146	22,040	21,146
Sewer and lighting services	-	-	1,031	1,007	1,031	1,007
Total expenses	178,918	180,206	23,071	22,153	201,989	202,359
Change in net position before extraordinary item and transfers	(4,280)	(1,700)	(4,257)	(5,367)	(8,537)	(7,067)
Extraordinary item - gain (loss) on capital asset impairment	8,734	(4,400)	-	-	8,734	(4,400)
Transfers	-	38	-	(38)	-	-
Change in net position	4,454	(6,062)	(4,257)	(5,405)	197	(11,467)
Net position - beginning of year	235,821	241,883	21,615	27,020	257,436	268,903
Net position - end of year	\$ 240,275	\$ 235,821	\$ 17,358	\$ 21,615	\$ 257,633	\$ 257,436

Governmental Activities – Governmental activities increased the County’s net position by \$4,454,052. The primary cause of this increase was insurance and litigation recoveries on the Courthouse Square office building.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type Activities – Business-type activities decreased the County’s net position by \$4,257,259. This is primarily due to the re-assignment of electricity revenues from the Environmental Services Fund to other funds for Courthouse Square remediation.

The County’s business-type activities include environmental services, and sewer and lighting services. In the current fiscal year, expenses for environmental services were \$22,040,638 with program revenues of \$17,586,561. For sewer and lighting services, expenses were \$1,030,832, and program revenues were \$611,170.

Charges for services are the primary source of revenue for business-type activities, comprising 97% of total revenues for fiscal 2013. Other sources of revenue include taxes and investment earnings.

FINANCIAL ANALYSIS OF THE COUNTY’S FUNDS

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

Governmental Funds – The focus of the County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unrestricted fund balance (the total of committed, assigned, and unassigned components) may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County’s governmental funds reported combined ending fund balances of \$68,300,878, an increase of 6 percent in comparison with the prior year. \$1,162,246 (2%) of this amount is nonspendable in the form of inventory and prepaid items. \$15,823,969 (23%) is subject to restrictions imposed by creditors, grantors, contributors, laws or regulations. \$51,314,663 (75%) constitutes unrestricted fund balance and is available to support the County’s programs in general government, health and social services, public safety and judicial, community service, public works, and pass-through funding for education.

The General Operating Fund is the chief operating fund of the County. At the end of the current fiscal year, the General Operating Fund has a total fund balance of \$16,481,004, of which \$20,148 is nonspendable for inventories and prepaid items, \$4,571,045 is committed or assigned for general government, \$2,008,105 is restricted or committed for health and social services, \$1,387,880 is assigned for public safety and judicial, and \$8,493,826 is unassigned. The \$2,621,239 net increase in fund balance during the current year was primarily due to insurance and litigation recoveries for Courthouse Square and personnel vacancies in the Sheriff’s Office. As a measure of the General Operating Fund’s liquidity, it may be useful to note that unassigned fund balance represents 12 percent of revenues and 13 percent of expenditures for fiscal 2013.

The Public Works Fund has a total fund balance of \$18,386,612, of which \$1,095,475 is nonspendable, and \$17,291,137 is unrestricted. There was a slight increase in fund balance of \$216,222 during the current year.

The Health Fund has a total fund balance of \$13,236,479, of which \$16,695 is nonspendable, \$7,975,011 is restricted, and \$5,244,773 is unrestricted. Fund balance decreased \$706,704 during the current year primarily due to fluctuations in the cost of providing capitated services.

The Lottery Distribution Fund has a total fund balance of \$1,243,273, all of which is restricted. Fund balance increased \$521,683 during the current year because video lottery and other revenues were higher than projected.

The Courthouse Square Remediation Fund has a total fund balance of \$8,109,153, all of which is unrestricted. Fund balance increased \$1,601,621 during the current year primarily due to insurance and litigation recoveries on the Courthouse Square office building.

Proprietary Funds – The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the fiscal year amounted to \$6,094,927 for Environmental Services. Net position for Environmental Services decreased by \$4,049,770 primarily due to the re-assignment of electricity revenues from the Environmental Services Fund to other funds for Courthouse Square remediation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total appropriations in the General Fund's final amended budget were \$5,927 higher than the original adopted budget (includes expenditures and transfers out); there were no significant changes. Property tax revenues were lower than budgeted because the growth in assessed property values was less than anticipated. Intergovernmental revenues were higher than budgeted because a partial reimbursement from the City of Keizer related to an extension of the Keizer Urban Renewal District was received earlier than expected. Actual expenditures were significantly lower than final amended budget for the Sheriff's Office, primarily due to personnel vacancies in enforcement, court security, and the work center.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets – The County's investment in capital assets for its governmental and business-type activities as of June 30, 2013 amounts to \$198,379,642 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, landfills, buildings and improvements, equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 1 percent (a 1 percent increase for governmental activities and a 3 percent increase for business-type activities).

Major capital projects during the current fiscal year included courthouse square remediation, and road and bridge construction. Construction in progress at the end of the year was approximately \$8,112,000 for courthouse square remediation, \$3,106,000 for roads and bridges, \$850,000 for an upgrade to the County's assessment and taxation system, and \$285,000 for various other projects.

Marion County's Capital Assets (thousands)
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 11,889	\$ 11,889	\$ 3,035	\$ 3,035	\$ 14,924	\$ 14,924
Construction in progress	12,353	1,407	-	-	12,353	1,407
Landfills	-	-	362	720	362	720
Buildings and improvements	62,264	63,499	4,769	5,167	67,033	68,666
Equipment	11,823	10,586	2,804	1,709	14,627	12,295
Infrastructure	89,081	98,972	-	-	89,081	98,972
Total	\$ 187,410	\$ 186,353	\$ 10,970	\$ 10,631	\$ 198,380	\$ 196,984

Additional information on the County's capital assets can be found in Note 5 on pages 28-29 of this report.

Long-Term Debt – At the end of the current fiscal year, the County had total debt outstanding of \$55,722,485, a decrease of 4 percent from the previous fiscal year. This amount includes \$2,219,860 in revenue bonds (Oregon Garden), \$12,688,614 in refunding bonds (Courthouse Square), \$40,118,810 in limited tax pension obligations (PERS) and \$695,201 in notes payable (service districts).

The County received an AA- rating from Standard & Poor's for its issuance of refunding bonds in fiscal year 2005. The County currently has no outstanding general obligation bonds.

State statutes limit the amount of bonded debt a county may issue to a percentage of the real market value of the County's taxable property; the limit is 2 percent for general obligation bonds and 1 percent for limited tax obligations. Based on the County's real market value for fiscal year 2013, the current limitation is \$652 million for general obligation bonds and \$326 million for limited tax obligations. As of June 30, 2013, the County's total outstanding debt represents 0.17 percent of real market value.

Marion County's Outstanding Debt (thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue bonds	\$ 2,220	\$ 2,651	\$ -	\$ -	\$ 2,220	\$ 2,651
Refunding bonds	12,688	13,656	-	-	12,688	13,656
Limited tax pension obligations	40,119	40,783	-	-	40,119	40,783
Notes payable	-	-	695	761	695	761
Total	\$ 55,027	\$ 57,090	\$ 695	\$ 761	\$ 55,722	\$ 57,851

Additional information on the County's long-term debt can be found in Note 6 on pages 30-34 of this report.

SEC Annual Disclosure Requirements – In order to meet the requirements of SEC Rule 15c2-12, the County must provide annual updates of certain financial information to state and national repositories. All of the information needed to meet the requirement for this fiscal year is provided in this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Total assessed value of taxable property in Marion County is expected to increase by an estimated 2.6 percent.
- The unemployment rate in Marion County is currently 8.6 percent, a decrease from the rate of 9.5 percent a year ago. The County's unemployment rate is higher than the state average of 8.1 percent and the national average of 7.3 percent.
- For the six months ending August 2013, the University of Oregon Index of Economic Indicators rose 1.8 percent; comparable national indices showed an increase of 1.9 percent.
- As of September 2013, forecasted revenues for the State of Oregon's general fund in the 2013-2015 biennium were \$37 million lower than previously forecasted at the close of the legislative session.

All of these factors have been considered in preparing the County's budget for fiscal year 2014.

During the current fiscal year, fund balance in the General Operating Fund increased from \$13,859,765 to \$16,481,004. The County has appropriated \$6,964,930 of this amount for spending in the fiscal year 2014 budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the 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 the Marion County Finance Department, PO Box 14500, Salem, OR 97309, or FinancialServices@co.marion.or.us.

BASIC FINANCIAL STATEMENTS

MARION COUNTY, OREGON
STATEMENT OF NET POSITION

June 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 85,684,353	\$ 16,272,737	\$ 101,957,090
Receivables	19,172,701	1,791,821	20,964,522
Internal balances	1,029,877	(1,029,877)	-
Inventories and prepaid expenses	1,212,246	-	1,212,246
Prepaid pension obligation	39,525,856	-	39,525,856
Capital assets not being depreciated:			
Land	11,888,914	3,034,916	14,923,830
Construction in progress	12,352,830	-	12,352,830
Capital assets being depreciated:			
Landfills	-	6,430,703	6,430,703
Buildings and improvements	91,307,500	13,782,134	105,089,634
Equipment	28,092,201	4,160,052	32,252,253
Infrastructure	558,968,869	-	558,968,869
Less accumulated depreciation	(515,200,381)	(16,438,096)	(531,638,477)
 Total assets	 <u>334,034,966</u>	 <u>28,004,390</u>	 <u>362,039,356</u>
LIABILITIES			
Accounts payable and other current liabilities	15,227,916	2,806,044	18,033,960
Accrued interest payable	262,333	20,481	282,814
Noncurrent liabilities:			
Due within one year	7,925,961	157,212	8,083,173
Due in more than one year	70,343,447	7,662,684	78,006,131
 Total liabilities	 <u>93,759,657</u>	 <u>10,646,421</u>	 <u>104,406,078</u>
NET POSITION			
Net investment in capital assets	174,721,319	10,274,508	184,995,827
Restricted for:			
General government	276,871	-	276,871
Health and social services	10,056,590	-	10,056,590
Public safety and judicial	2,366,903	-	2,366,903
Community service	6,378,101	-	6,378,101
Roads and bridges	1,319,260	-	1,319,260
Education	23,630	-	23,630
Unrestricted	45,132,635	7,083,461	52,216,096
 Total net position	 <u>\$ 240,275,309</u>	 <u>\$ 17,357,969</u>	 <u>\$ 257,633,278</u>

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
General government	\$ 11,049,860	\$ 5,832,079	\$ -	\$ -	\$ (5,217,781)	\$ -	\$ (5,217,781)
Health and social services	56,016,725	6,554,134	44,398,342	14,469	(5,049,780)	-	(5,049,780)
Public safety and judicial	71,312,668	8,318,651	15,487,461	34,622	(47,471,934)	-	(47,471,934)
Community service	4,566,681	2,483,622	1,963,633	27,540	(91,886)	-	(91,886)
Roads and bridges	31,869,727	4,236,283	14,535,673	7,149,767	(5,948,004)	-	(5,948,004)
Education	506,640	-	505,332	-	(1,308)	-	(1,308)
Interest on long-term debt	3,595,170	-	-	-	(3,595,170)	-	(3,595,170)
Total governmental activities	<u>178,917,471</u>	<u>27,424,769</u>	<u>76,890,441</u>	<u>7,226,398</u>	<u>(67,375,863)</u>	<u>-</u>	<u>(67,375,863)</u>
Business-type activities:							
Environmental services	22,040,638	17,586,561	-	-	-	(4,454,077)	(4,454,077)
Sewer and lighting services	1,030,832	611,170	-	-	-	(419,662)	(419,662)
Total business-type activities	<u>23,071,470</u>	<u>18,197,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,873,739)</u>	<u>(4,873,739)</u>
Total	<u>\$ 201,988,941</u>	<u>\$ 45,622,500</u>	<u>\$ 76,890,441</u>	<u>\$ 7,226,398</u>	<u>(67,375,863)</u>	<u>(4,873,739)</u>	<u>(72,249,602)</u>
General revenues:							
Property taxes					57,134,473	250,562	57,385,035
Franchise taxes					275,249	294,357	569,606
Unrestricted grants and contributions					5,008,671	-	5,008,671
Unrestricted investment earnings					677,621	71,561	749,182
Extraordinary item - gain on capital asset impairment					8,733,901	-	8,733,901
Total general revenues and extraordinary items					<u>71,829,915</u>	<u>616,480</u>	<u>72,446,395</u>
Change in net position					4,454,052	(4,257,259)	196,793
Net position - beginning, as restated					<u>235,821,257</u>	<u>21,615,228</u>	<u>257,436,485</u>
Net position - ending					<u>\$ 240,275,309</u>	<u>\$ 17,357,969</u>	<u>\$ 257,633,278</u>

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2013

	General Operating Fund	Public Works Fund	Health Fund	Lottery Distribution Fund	Courthouse Square Remediation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 17,478,067	\$ 16,969,674	\$ 13,758,165	\$ 1,240,720	\$ 11,439,882	\$ 10,312,935	\$ 71,199,443
Receivables	5,699,663	2,154,086	1,553,558	4,413,059	23,531	3,015,120	16,859,017
Due from other funds	-	850,000	-	-	-	-	850,000
Inventories and prepaids	20,148	1,095,475	16,695	-	-	29,928	1,162,246
Total assets	<u>\$ 23,197,878</u>	<u>\$ 21,069,235</u>	<u>\$ 15,328,418</u>	<u>\$ 5,653,779</u>	<u>\$ 11,463,413</u>	<u>\$ 13,357,983</u>	<u>\$ 90,070,706</u>
LIABILITIES							
Accounts payable	\$ 492,570	\$ 1,432,652	\$ 714,594	\$ -	\$ 2,403,809	\$ 1,488,952	\$ 6,532,577
Payroll related liabilities	2,164,911	508,583	1,241,262	-	-	786,712	4,701,468
Deposits	90,370	691,268	-	-	950,451	53,402	1,785,491
Due to other funds	280,000	47,800	-	-	-	-	327,800
Unearned revenue	-	-	136,083	-	-	-	136,083
Total liabilities	<u>3,027,851</u>	<u>2,680,303</u>	<u>2,091,939</u>	<u>-</u>	<u>3,354,260</u>	<u>2,329,066</u>	<u>13,483,419</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>3,689,023</u>	<u>2,320</u>	<u>-</u>	<u>4,410,506</u>	<u>-</u>	<u>184,560</u>	<u>8,286,409</u>
FUND BALANCES							
Nonspendable	20,148	1,095,475	16,695	-	-	29,928	1,162,246
Restricted	2,000,000	-	7,975,011	1,243,273	-	4,605,685	15,823,969
Committed	2,197,214	3,033,479	-	-	-	1,349,979	6,580,672
Assigned	3,769,816	14,257,658	5,244,773	-	8,109,153	4,859,825	36,241,225
Unassigned	8,493,826	-	-	-	-	(1,060)	8,492,766
Total fund balances	<u>16,481,004</u>	<u>18,386,612</u>	<u>13,236,479</u>	<u>1,243,273</u>	<u>8,109,153</u>	<u>10,844,357</u>	<u>68,300,878</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,197,878</u>	<u>\$ 21,069,235</u>	<u>\$ 15,328,418</u>	<u>\$ 5,653,779</u>	<u>\$ 11,463,413</u>	<u>\$ 13,357,983</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	187,409,933
The prepaid pension obligation is not an available resource and, therefore, is not reported in the funds.	39,525,856
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	8,286,409
Internal service funds assets and liabilities are included in governmental activities in the statement of net position.	5,949,903
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	52,807,424
Accrued interest payable	262,333
Compensated absences	3,398,664
Net OPEB obligation	12,729,249
	<u>(69,197,670)</u>

Net position of governmental activities \$ 240,275,309

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the year ended June 30, 2013

	General Operating Fund	Public Works Fund	Health Fund	Lottery Distribution Fund	Courthouse Square Remediation Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 57,533,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,533,975
Licenses and permits	55,350	186,302	-	-	-	2,319,287	2,560,939
Intergovernmental	5,267,313	21,023,151	41,290,137	1,408,021	-	19,474,599	88,463,221
Charges for services	4,251,105	3,511,967	6,436,140	-	1,700,000	7,923,528	23,822,740
Fines and forfeitures	2,270,274	181	-	-	-	1,277,063	3,547,518
Interest	453,875	52,820	51,269	3,440	31,563	53,885	646,852
Other	74,299	5,103	99,232	292,081	-	154,351	625,066
Total revenues	69,906,191	24,779,524	47,876,778	1,703,542	1,731,563	31,202,713	177,200,311
Expenditures:							
Current:							
General government	10,416,776	-	-	-	-	379,712	10,796,488
Health and social services	-	-	51,998,735	-	-	3,699,494	55,698,229
Public safety and judicial	52,902,064	-	-	-	-	17,439,868	70,341,932
Community service	-	-	-	305,796	-	3,638,144	3,943,940
Roads and bridges	-	18,071,672	-	-	-	520,992	18,592,664
Education	-	-	-	-	-	506,640	506,640
Debt service:							
Principal	-	-	-	431,249	-	2,000,000	2,431,249
Interest	13,204	171	-	120,814	-	3,098,058	3,232,247
Capital outlay	6,731	6,487,478	14,469	-	8,072,176	1,084,863	15,665,717
Total expenditures	63,338,775	24,559,321	52,013,204	857,859	8,072,176	32,367,771	181,209,106
Excess (deficiency) of revenues over expenditures	6,567,416	220,203	(4,136,426)	845,683	(6,340,613)	(1,165,058)	(4,008,795)
Other financing sources (uses):							
Insurance recoveries	791,667	-	-	-	7,942,234	-	8,733,901
Transfers in	4,195,419	4,000	3,451,682	-	-	5,819,602	13,470,703
Transfers out	(8,933,263)	(7,981)	(21,960)	(324,000)	-	(4,969,308)	(14,256,512)
Total other financing sources (uses)	(3,946,177)	(3,981)	3,429,722	(324,000)	7,942,234	850,294	7,948,092
Net change in fund balances	2,621,239	216,222	(706,704)	521,683	1,601,621	(314,764)	3,939,297
Fund balances - beginning	13,859,765	18,170,390	13,943,183	721,590	6,507,532	11,159,121	64,361,581
Fund balances - ending	\$ 16,481,004	\$ 18,386,612	\$ 13,236,479	\$ 1,243,273	\$ 8,109,153	\$ 10,844,357	\$ 68,300,878

The notes to the financial statements are an integral part of this statement.

MARION 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, 2013

Amounts reported for governmental activities in the statement of activities (page 12) are different because:

Net change in fund balances - total governmental funds (page 14)	\$	3,939,297
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Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation during the year.

Capital outlay	\$ 16,776,889	
Depreciation expense	<u>(16,205,047)</u>	571,842

Governmental funds do not report donations of capital assets that will be used in operations. However, in the statement of activities, the estimated value of the donated assets is reported as a capital contribution.	662,289
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In the statement of activities, only the gain or loss on disposal of capital assets is reported. However, in the governmental funds, proceeds from disposal of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balance by the net book value of disposed capital assets.	(177,788)
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The issuance of long-term debt provides current financial resources to governmental funds, while repayment of long-term debt principal consumes current financial resources. However, neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.

Long-term debt principal repaid	2,431,249	
Amortization of premium on issuance of refunding bonds	76,855	
Amortization of deferred interest bonds	(445,685)	
Amortization of prepaid pension obligation	<u>(654,479)</u>	1,407,940

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the effect of the change in these amounts during the year.

Property taxes	(124,253)	
Loans and assessments	<u>(215,829)</u>	(340,082)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the effect of the change in these liabilities during the year.

Interest payable	5,907	
Compensated absences	64,588	
Net OPEB obligation	<u>(2,439,439)</u>	(2,368,944)

Adjustment to reflect the consolidation of internal service fund activities related to governmental activities.	<u>759,498</u>
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Change in net position of governmental activities (page 12)	<u>\$ 4,454,052</u>
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The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 14,899,009	\$ 1,373,728	\$ 16,272,737	\$ 14,484,910
Receivables	1,526,554	265,267	1,791,821	93,824
Due from other funds	327,800	-	327,800	-
Prepaid items	-	-	-	50,000
Total current assets	<u>16,753,363</u>	<u>1,638,995</u>	<u>18,392,358</u>	<u>14,628,734</u>
Capital assets:				
Land	2,807,567	227,349	3,034,916	-
Landfills	6,430,703	-	6,430,703	-
Buildings and improvements	3,447,515	10,334,619	13,782,134	-
Equipment	4,146,593	13,459	4,160,052	-
Less accumulated depreciation	<u>(8,500,657)</u>	<u>(7,937,439)</u>	<u>(16,438,096)</u>	-
Total capital assets	<u>8,331,721</u>	<u>2,637,988</u>	<u>10,969,709</u>	-
Total assets	<u>25,085,084</u>	<u>4,276,983</u>	<u>29,362,067</u>	<u>14,628,734</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,570,029	122,303	2,692,332	1,361,175
Payroll related liabilities	113,712	-	113,712	711,122
Due to other funds	850,000	-	850,000	-
Accrued interest	-	20,481	20,481	-
Compensated absences, current	82,479	-	82,479	535,471
Accrued claims liability, current	-	-	-	1,373,139
Notes payable, current	-	74,733	74,733	-
Total current liabilities	<u>3,616,220</u>	<u>217,517</u>	<u>3,833,737</u>	<u>3,980,907</u>
Noncurrent liabilities, net of current portion:				
Compensated absences	35,417	-	35,417	88,509
Net OPEB obligation	367,381	-	367,381	1,682,450
Landfill closure and postclosure liability	6,639,418	-	6,639,418	-
Accrued claims liability	-	-	-	3,434,642
Notes payable	-	620,468	620,468	-
Total noncurrent liabilities	<u>7,042,216</u>	<u>620,468</u>	<u>7,662,684</u>	<u>5,205,601</u>
Total liabilities	<u>10,658,436</u>	<u>837,985</u>	<u>11,496,421</u>	<u>9,186,508</u>
NET POSITION				
Net investment in capital assets	8,331,721	1,942,787	10,274,508	-
Unrestricted	<u>6,094,927</u>	<u>1,496,211</u>	<u>7,591,138</u>	<u>5,442,226</u>
Total net position	<u>\$ 14,426,648</u>	<u>\$ 3,438,998</u>	<u>17,865,646</u>	<u>\$ 5,442,226</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(507,677)</u>	
Net position of business-type activities			<u>\$ 17,357,969</u>	

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON

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

For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 17,573,435	\$ 611,170	\$ 18,184,605	\$ 44,204,327
Other	13,126	-	13,126	95,629
Total operating revenues	<u>17,586,561</u>	<u>611,170</u>	<u>18,197,731</u>	<u>44,299,956</u>
Operating expenses:				
Salaries and wages	2,585,491	-	2,585,491	15,301,580
Repairs and maintenance	396,187	206,390	602,577	1,510,366
Utilities	42,488	250,877	293,365	27,584
Building and equipment rentals	92,881	1,800	94,681	553,527
Professional services	15,922,535	198,600	16,121,135	990,553
Communication	51,421	1,028	52,449	262,742
Fuel and operating supplies	239,421	28,905	268,326	1,908,898
Insurance claims and premiums	1,222	12,678	13,900	22,081,682
Administrative expenses	1,211,438	-	1,211,438	1,508,287
Depreciation	865,269	289,832	1,155,101	-
Other	576,364	3,637	580,001	255,185
Total operating expenses	<u>21,984,717</u>	<u>993,747</u>	<u>22,978,464</u>	<u>44,400,404</u>
Operating income (loss)	<u>(4,398,156)</u>	<u>(382,577)</u>	<u>(4,780,733)</u>	<u>(100,448)</u>
Nonoperating revenues (expenses):				
Property taxes	-	250,562	250,562	-
Franchise taxes	294,357	-	294,357	-
Interest revenue	66,545	5,016	71,561	30,769
Interest expense	-	(37,085)	(37,085)	(37)
Gain (loss) on sale of assets	(12,516)	-	(12,516)	-
Total nonoperating revenues (expenses)	<u>348,386</u>	<u>218,493</u>	<u>566,879</u>	<u>30,732</u>
Income (loss) before transfers	<u>(4,049,770)</u>	<u>(164,084)</u>	<u>(4,213,854)</u>	<u>(69,716)</u>
Transfers in	-	-	-	785,809
Change in net position	<u>(4,049,770)</u>	<u>(164,084)</u>	<u>(4,213,854)</u>	<u>716,093</u>
Net position - beginning, as restated	<u>18,476,418</u>	<u>3,603,082</u>		<u>4,726,133</u>
Net position - ending	<u>\$ 14,426,648</u>	<u>\$ 3,438,998</u>		<u>\$ 5,442,226</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(43,405)</u>	
Change in net position of business-type activities			<u>\$ (4,257,259)</u>	

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 17,920,725	\$ 608,398	\$ 18,529,123	\$ 44,252,184
Cash payments to suppliers for goods and services	(18,507,345)	(710,949)	(19,218,294)	(29,059,583)
Cash payments to employees for services	(2,542,870)	-	(2,542,870)	(15,111,632)
Net cash from operating activities	(3,129,490)	(102,551)	(3,232,041)	80,969
Cash flows from noncapital financing activities:				
Property taxes received	-	249,925	249,925	-
Franchise taxes received	294,357	-	294,357	-
Transfers received	-	-	-	785,809
Net cash from noncapital financing activities	294,357	249,925	544,282	785,809
Cash flows from capital and related financing activities:				
Interfund loan proceeds	850,000	-	850,000	-
Purchase of capital assets	(1,506,452)	-	(1,506,452)	-
Debt principal payments	-	(66,159)	(66,159)	(5,883)
Debt interest payments	-	(39,354)	(39,354)	(37)
Net cash from capital and related financing activities	(656,452)	(105,513)	(761,965)	(5,920)
Cash flows from investing activities:				
Interest on investments	106,890	7,001	113,891	46,290
Interfund loans collected	332,933	-	332,933	-
Net cash from investing activities	439,823	7,001	446,824	46,290
Net change in cash and investments	(3,051,762)	48,862	(3,002,900)	907,148
Cash and investments - beginning	17,950,771	1,324,866	19,275,637	13,577,762
Cash and investments - ending	\$ 14,899,009	\$ 1,373,728	\$ 16,272,737	\$ 14,484,910

(Continued on following page)

MARION COUNTY, OREGON

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (4,398,156)	\$ (382,577)	\$ (4,780,733)	\$ (100,448)
Depreciation	865,269	289,832	1,155,101	-
Change in:				
Accounts receivable	334,164	(2,772)	331,392	(47,772)
Accounts payable	26,612	(7,034)	19,578	224,460
Payroll related liabilities	(14,053)	-	(14,053)	(47,226)
Compensated absences	(5,189)	-	(5,189)	(37,416)
Net OPEB obligation	61,863	-	61,863	274,590
Accrued claims liability	-	-	-	(185,219)
Net cash from operating activities	<u>\$ (3,129,490)</u>	<u>\$ (102,551)</u>	<u>\$ (3,232,041)</u>	<u>\$ 80,969</u>

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2013

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 21,916,421
Receivables:	
Accounts and interest	410,457
Property taxes	<u>19,280,907</u>
Total assets	<u>\$ 41,607,785</u>
LIABILITIES	
Accounts payable	\$ 2,095,029
Due to other agencies	<u>39,512,756</u>
Total liabilities	<u>\$ 41,607,785</u>

The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity:

Marion County, Oregon (the County) is organized under the laws of the State of Oregon as a general law county. The County is governed by an elected three-member Board of Commissioners. These financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are in substance part of the County's operations; thus data from these units are combined with data of the County. Each blended component unit has a June 30 year end.

Blended Component Units – The Brooks Community Service District, East Salem Service District, Fargo Interchange Service District, Illahe Hills Street Lighting District, and Labish Village Sewage and Drainage District provide sewer, drainage and lighting services to County residents that live within the boundaries of each district. These five distinct districts are reported as blended component units because the County's Board of Commissioners acts as the districts' governing body, approving budgets, setting user rates, and issuing debt. In addition, County personnel are responsible for managing the districts' day-to-day operations. These districts are reported as enterprise funds.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

Brooks Community Service District
East Salem Service District
Fargo Interchange Service District
Illahe Hills Street Lighting District
Labish Village Sewage and Drainage District
5155 Silverton Rd. NE
Salem, OR 97305

Joint Ventures – The County participates in the Mid-Willamette Valley Cable Regulatory Commission (MWVCRC), a joint venture between Marion County and the City of Salem. The MWVCRC is responsible for monitoring and enforcing the provisions of franchise agreements with local cable companies and providing cable access for public purposes within the Salem Urban Growth Boundary. The County, under a renewable annual agreement, funds the MWVCRC based upon the amount of cable franchise fees collected by the County. During fiscal year 2013, the County paid \$134,629 to the MWVCRC. Separate financial statements of the MWVCRC may be obtained at:

Mid-Willamette Valley Cable Regulatory Commission
451 Division Street NE, Suite 200
Salem, OR 97301

B. Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely primarily on fees and charges for support.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds; fiduciary funds are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements and the proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*; agency funds are also reported using the *accrual basis of accounting* but have no measurement focus. 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.

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. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days after fiscal year end. Expenditures are generally recorded when a liability is incurred, except for expenditures related to debt service, compensated absences, and claims and judgments which are recorded when payment is due. Property taxes, federal and state grants, shared revenues, and interest are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenues are considered to be measurable and available only when cash is received by the County.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments between funds where the amounts are reasonably equivalent in value to the services provided; elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

The County reports the following major governmental funds:

General Operating Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except for those requiring separate accounting in another fund.

Public Works Fund – Expenditures of this fund are restricted under Article IX of the Constitution of the State of Oregon for construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads and streets within the County. Principal revenues include state gas tax apportionments, federal and state grants, ferry tolls and other charges for services.

Health Fund – Accounts for community health and mental health programs. Principal revenues include federal and state grants and contracts, various fees and charges for services.

Lottery Distribution Fund – Accounts for shared revenues received from the Oregon State Lottery Fund to be used for economic development activities. State video lottery payments are the principal source of revenue.

Courthouse Square Remediation Fund – Accounts for remediation of the courthouse square complex.

The County reports the following major enterprise fund:

Environmental Services Fund – Accounts for the operation of the County's solid waste collection and disposal system.

Additionally, the County reports the following fund types:

Internal Service Funds – These funds account for the County's central administrative services, risk management program and fleet management program, the costs of which are charged to other departments on a cost-reimbursement basis.

Agency Funds – These funds account for property taxes collected on behalf of other taxing districts and miscellaneous fees collected on behalf of other government agencies.

D. Investments:

Investments are reported at fair value. A written investment policy, adopted by the Board of Commissioners, controls the types of investments allowed to be purchased by the County.

E. Receivables:

The County levies, collects and distributes property taxes for all taxing jurisdictions within its boundaries. Property taxes receivable in the General Operating Fund that are not available to finance current operations are offset by deferred inflows in the governmental fund financial statements. Such receivables are not reflected as revenue until they become available to finance current operations.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Loans receivable consist of housing rehabilitation loans made with federal funds in the Community Development Block Grant Fund, land sale contracts in the Tax Title Land Sales Fund, and receivership advances in the Lottery Distribution Fund. Loans receivable that are not available to finance current operations are offset by deferred inflows in the governmental fund financial statements.

Assessments receivable represent uncollected amounts levied against benefited property for the cost of street improvements. Assessments receivable that are not available to finance current operations are offset by deferred inflows in the governmental fund financial statements.

Enterprise fund receivables are recorded as revenue when earned, including charges for services rendered but not billed, net of any required allowance for doubtful accounts.

Receivables for federal and state financial assistance are recorded as revenue, in all fund types, when earned.

F. Inventories:

Inventories of materials and supplies are valued at average cost. Inventories are charged to expense when consumed rather than when purchased.

G. Prepaid Pension Obligation:

The County issued limited tax pension obligation bonds in March 2002 and May 2004. The proceeds were used to make supplemental lump-sum payments to the Oregon Public Employees Retirement System to prepay the County's share of the pension plan's unfunded actuarial liability. The payments have been accrued as a prepaid pension obligation; amortization will be recognized as pension expense over the life of the bonds in proportion to the annual repayment of principal.

H. Capital Assets:

Capital assets, which include land, landfills, buildings and improvements, equipment, and infrastructure (i.e., roads, bridges, sidewalks), are reported in the applicable governmental or business-type activities columns 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 in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date donated. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value or extend the life of the asset are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Landfills	10 to 25
Buildings and improvements	20 to 55
Equipment	5 to 40
Infrastructure	10 to 65

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

I. Landfill Closure and Post-Closure Liabilities:

The County accrues the costs it expects to incur for closure and post-closure of landfills over the landfill's estimated useful life.

J. Long-Term Debt:

All County long-term debt is included in the government-wide financial statements. Long-term debt directly related to and expected to be paid from proprietary funds is also included in those funds.

K. Compensated Absences:

Vested compensated absences are accrued in the government-wide and proprietary fund financial statements when earned by employees. Sick pay does not vest and is recorded when used.

L. Restricted Net Position:

Restricted net position reported in the Statement of Net Position represent amounts for which constraints were imposed by creditors, grantors, contributors, laws or regulations.

M. Deferred Inflows of Resources:

The governmental funds report unavailable revenues from the following sources: property taxes, loans and special assessments. These amounts are deferred and will be recognized as inflows of resources (revenues) in future periods when the amounts become available.

N. Fund Balance:

In the fund financial statements, governmental funds report classifications of fund balance based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which those funds can be spent. *Nonspendable fund balance* includes amounts that cannot be spent because they are not in spendable form. *Restricted fund balance* represents amounts for which constraints have been imposed by creditors, grantors, contributors, laws or regulations. *Committed fund balance* represents amounts for which constraints have been imposed by board ordinance (or resolution when required by state statute); committed amounts cannot be used for any other purpose unless the specified use is removed or changed by the same type of action. *Assigned fund balance* represents amounts that are not restricted or committed, but are intended to be used for specific purposes in accordance with the annual budget adopted by the board. *Unassigned fund balance* is the residual classification for amounts that are not restricted, committed or assigned to specific purposes. When more than one category of fund balance is available for a certain expenditure, the County considers fund balance to be spent in the following order: restricted, committed, assigned, and unassigned.

County policy requires that the General Fund maintain a fund balance of no less than 5% of revenues, in order to ensure that sufficient working capital is available to finance operations at the start of the ensuing fiscal year.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

O. Stabilization Arrangements:

The Rainy Day Fund was established by board resolution in accordance with ORS 294.525. The fund's specified purpose is to accumulate resources to be used in the event of natural or manmade disasters, labor disputes, or financial emergencies; and to offset PERS rate increases and other PERS obligations. Fund balance was \$2,189,109 as of June 30, 2013.

P. Cash Flows Statement:

For purposes of the Statement of Cash Flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

Q. Property Tax Calendar:

Property taxes attach as an enforceable lien on July 1 for real property and personal property. Taxes are levied as of July 1 and payable in three installments on November 15, February 15 and May 15. Real property taxes unpaid on May 16 are considered delinquent. The County levies, collects and distributes property taxes for all taxing jurisdictions within its boundaries. Uncollected taxes, including delinquent amounts, are deemed to be substantially collectible or recoverable through liens or foreclosure.

NOTE 2 – CASH AND INVESTMENTS:

The County maintains an internal cash and investments pool that is available for use by all funds. In addition, cash and investments are held separately by some of the County's funds. Cash and investments are comprised of the following at June 30, 2013:

Cash on hand	\$	15,653
Deposits with financial institutions:		
Demand and savings deposits		15,852,176
Certificates of deposit		6,000,000
Investments		<u>102,005,682</u>
Total cash and investments	\$	<u><u>123,873,511</u></u>

Cash and investments consist of \$101,957,090 shown on the government-wide Statement of Net Position and \$21,916,421 shown on the fiduciary Statement of Net Position.

Deposits with Financial Institutions – Deposits with financial institutions are comprised of demand deposits, savings deposits, and certificates of deposit. Effective July 1, 2008, the State of Oregon formed the Oregon Public Funds Collateralization Program under ORS 295. The collateralization program creates a statewide pool of qualified bank depositories for local governments, providing collateralization for bank balances that exceed the limits of federal depository insurance, and eliminating the need for certificates of participation. As of June 30, 2013, the County had total bank balances of \$23,135,927. Of this amount, \$1,328,936 was covered by federal depository insurance, and the remainder was collateralized by the statewide pool.

Investments – The types of investments in which the County may invest are restricted by Oregon statutes and County policy. Authorized investments include general obligations of the U.S. government and its agencies, obligations of the states of Oregon, California, Idaho, Washington and their municipalities, corporate indebtedness, certificates of deposit, banker's acceptances, repurchase agreements, and the State of Oregon local government investment pool.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 2 – CASH AND INVESTMENTS (Continued):

As of June 30, 2013, the County had the following investments:

<u>Investment Type</u>	<u>Carrying Value</u>	<u>Percent of Investment Portfolio</u>	<u>Weighted Average Maturity (Months)</u>
US agency securities	\$ 76,796,426	75.3%	32.23
Municipal bonds	7,247,031	7.1%	21.83
Corporate bonds	1,011,476	1.0%	20.57
State of Oregon local government investment pool	16,950,749	16.6%	n/a
	<u>\$ 102,005,682</u>	<u>100.0%</u>	

The State of Oregon local government investment pool (LGIP) is an open-ended, no-load diversified portfolio created under Oregon Revised Statutes 294.805 to 294.895 and administered by the Oregon State Treasurer as part of the Oregon Short Term Fund. Investments are regulated by the Oregon Short Term Fund Board and approved by the Oregon Investment Council. Separate financial statements for the Oregon Short Term Fund are available from the Oregon State Treasurer. The fair value of the County's position in the pool is the same as the value of the pool shares.

Interest rate risk – In accordance with its investment policy, the County manages its exposure to declines in fair values by limiting the weighted average maturity of total deposits and investments to 24 months; the maturity of individual securities is limited to 60 months.

Credit risk – In accordance with Oregon statutes, municipal obligations must be rated A or better for issuers within Oregon, and AA or better for issuers outside Oregon. Corporate indebtedness must be rated A / P-2 or better (Moody's Investor Service), A / A-2 or better (Standard & Poor's) or the equivalent for issuers within Oregon, and Aa / P-1 or better (Moody's Investor Service), AA / A-1 or better (Standard & Poor's) or the equivalent for issuers outside Oregon. As of June 30, 2013, ratings for the County's investments were as follows: US agency securities \$68,794,173, Aaa, \$8,002,253, not rated; municipal bonds \$5,591,889, AA, \$1,655,142, A; corporate bonds \$1,011,476, AA. The LGIP is not rated.

Concentration of credit risk – County policy limits corporate indebtedness to 35% of total deposits and investments, and the amount per issuer may not exceed 5%. Municipal securities are limited to 25% total, US agency securities are limited to 75% total and 50% per issuer, US treasury obligations are not limited, and investment in the LGIP is subject to statutory limits.

Custodial credit risk – This is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the County's investments, except the State of Oregon local government investment pool, which is not evidenced by securities, are held in safekeeping by the financial institutions' trust department in the County's name.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES:

The Environmental Services Fund has outstanding capital loans of \$280,000 to the General Operating Fund for facility renovations and \$47,800 to the Public Works Fund for ferry improvements. The Public Works Fund has an outstanding capital loan of \$850,000 to the Environmental Services Fund for heavy equipment purchases.

NOTE 4 – RECEIVABLES:

Receivables for the County's major funds, nonmajor funds, and fiduciary funds are as follows. The majority of loans and assessments receivable are not expected to be collected within one year.

	Property Taxes	Accounts	Interest	Loans and Assessments	Total
General Operating Fund	\$ 4,183,289	\$ 1,458,170	\$ 58,204	\$ -	\$ 5,699,663
Public Works Fund	-	2,115,820	35,946	2,320	2,154,086
Health Fund	-	1,527,217	26,341	-	1,553,558
Lottery Distribution Fund	-	-	2,553	4,410,506	4,413,059
CH2 Remediation Fund	-	-	23,531	-	23,531
Environmental Services	-	1,497,545	29,009	-	1,526,554
Nonmajor governmental funds	-	2,810,803	19,757	184,560	3,015,120
Nonmajor enterprise funds	22,824	239,583	2,860	-	265,267
Internal service funds	-	72,059	21,765	-	93,824
Agency funds	19,280,907	373,129	37,328	-	19,691,364
	<u>\$ 23,487,020</u>	<u>\$ 10,094,326</u>	<u>\$ 257,294</u>	<u>\$ 4,597,386</u>	<u>\$ 38,436,026</u>

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 11,888,914	\$ -	\$ -	\$ 11,888,914
Construction in progress	1,407,021	11,716,860	771,051	12,352,830
Total capital assets not being depreciated	<u>13,295,935</u>	<u>11,716,860</u>	<u>771,051</u>	<u>24,241,744</u>
Capital assets being depreciated:				
Buildings and improvements	90,695,318	612,182	-	91,307,500
Equipment	26,807,947	3,192,424	1,908,170	28,092,201
Infrastructure	556,280,106	2,688,763	-	558,968,869
Total capital assets being depreciated	<u>673,783,371</u>	<u>6,493,369</u>	<u>1,908,170</u>	<u>678,368,570</u>
Less accumulated depreciation for:				
Buildings and improvements	27,196,476	1,846,934	-	29,043,410
Equipment	16,221,321	1,778,618	1,730,382	16,269,557
Infrastructure	457,307,919	12,579,495	-	469,887,414
Total accumulated depreciation	<u>500,725,716</u>	<u>16,205,047</u>	<u>1,730,382</u>	<u>515,200,381</u>
Total capital assets being depreciated, net	<u>173,057,655</u>	<u>(9,711,678)</u>	<u>177,788</u>	<u>163,168,189</u>
Governmental activities capital assets, net	<u>\$ 186,353,590</u>	<u>\$ 2,005,182</u>	<u>\$ 948,839</u>	<u>\$ 187,409,933</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 5 – CAPITAL ASSETS (Continued):

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 3,034,916	\$ -	\$ -	\$ 3,034,916
Capital assets being depreciated:				
Landfills	6,430,703	-	-	6,430,703
Buildings and improvements	13,761,665	20,469	-	13,782,134
Equipment	2,771,311	1,485,983	97,242	4,160,052
Total capital assets being depreciated	<u>22,963,679</u>	<u>1,506,452</u>	<u>97,242</u>	<u>24,372,889</u>
Less accumulated depreciation for:				
Landfills	5,711,329	357,160	-	6,068,489
Buildings and improvements	8,594,254	418,748	-	9,013,002
Equipment	1,062,138	379,193	84,726	1,356,605
Total accumulated depreciation	<u>15,367,721</u>	<u>1,155,101</u>	<u>84,726</u>	<u>16,438,096</u>
Total capital assets being depreciated, net	<u>7,595,958</u>	<u>351,351</u>	<u>12,516</u>	<u>7,934,793</u>
Business-type activities capital assets, net	<u>\$ 10,630,874</u>	<u>\$ 351,351</u>	<u>\$ 12,516</u>	<u>\$ 10,969,709</u>

Depreciation expense was charged to functions/programs of the County as follows:

Governmental activities:	
General government	\$ 1,684,668
Health and social services	80,466
Public safety and judicial	1,132,915
Community service	33,087
Roads and bridges	<u>13,273,911</u>
Total depreciation expense, governmental activities	<u>\$ 16,205,047</u>
Business-type activities:	
Environmental services	\$ 865,269
Sewer and lighting services	<u>289,832</u>
Total depreciation expense, business-type activities	<u>\$ 1,155,101</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 6 – LONG-TERM OBLIGATIONS:

Changes in long-term obligations for the year ended June 30, 2013 are as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due within One Year
Governmental activities:					
Revenue bonds	\$ 2,651,109	\$ -	\$ 431,249	\$ 2,219,860	\$ 452,548
Refunding obligations	13,655,469	-	966,855	12,688,614	925,000
Limited tax pension obligations	40,783,125	-	664,315	40,118,810	1,280,000
Accrued claims liability	4,993,000	1,204,594	1,389,813	4,807,781	1,373,139
Compensated absences	4,124,648	3,909,497	4,011,501	4,022,644	3,895,274
Net OPEB obligation	11,697,670	3,739,533	1,025,504	14,411,699	-
Governmental activities long-term obligations	<u>\$ 77,905,021</u>	<u>\$ 8,853,624</u>	<u>\$ 8,489,237</u>	<u>\$ 78,269,408</u>	<u>\$ 7,925,961</u>
Business-type activities:					
Notes payable	\$ 761,360	\$ -	\$ 66,159	\$ 695,201	\$ 74,733
Landfill closure and postclosure liability	6,639,418	-	-	6,639,418	-
Compensated absences	123,085	77,815	83,004	117,896	82,479
Net OPEB obligation	305,518	88,005	26,142	367,381	-
Business-type activities long-term liabilities	<u>\$ 7,829,381</u>	<u>\$ 165,820</u>	<u>\$ 175,305</u>	<u>\$ 7,819,896</u>	<u>\$ 157,212</u>

Compensated absences are liabilities of the funds in which the related payroll costs are accrued. Expenditures for liquidating the liabilities are recorded in the general, special revenue, enterprise and internal service funds. Internal service funds predominately serve the governmental funds. Accordingly, the accrued claims liability, compensated absences and net OPEB obligation of the internal service funds are included as part of the above totals for governmental activities.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Revenue Bonds – In December 2002, the County issued \$5,000,000 in revenue bonds to provide funds for the acquisition, construction, improvement and equipping of the Oregon Garden. The bonds are payable solely from rental amounts received from a sublease agreement between the County and the Oregon Garden Foundation (OGF), and if those are not sufficient, from video lottery funds the County receives from the State of Oregon. Principal and interest is payable quarterly through December 1, 2017 at an interest rate of 4.85%.

Beginning September 2004, OGF was unable to make the rent payments necessary to stay current on the sublease and service the debt; the County has subsequently made all required debt service payments on the revenue bonds. In September 2005, OGF was placed in receivership. Under the terms of the distribution plan filed by the receiver, the County has a secured claim in the receivership proceeds for \$5,000,000 plus interest paid on the bonds. Because of the leasing arrangement with OGF, the revenue bonds had been classified as conduit debt and were not recognized in the County's financial statements. However, when OGF was placed in receivership, the County reported the revenue bonds as a long-term liability.

The bondholder has permanently waived the requirement that the County maintain a minimum balance in a debt reserve fund.

Annual requirements to repay the Oregon Garden Revenue Bonds are as follows:

Fiscal Year of Maturity	Principal			
	Outstanding July 1, 2012	Matured and Paid During Year	Outstanding June 30, 2013	Future Interest
2013	\$ 431,249	\$ 431,249	\$ -	\$ -
2014	452,548	-	452,548	99,515
2015	474,899	-	474,899	77,164
2016	498,354	-	498,354	53,709
2017	522,968	-	522,968	29,096
2018	271,091	-	271,091	4,941
	<u>\$ 2,651,109</u>	<u>\$ 431,249</u>	<u>\$ 2,219,860</u>	<u>\$ 264,425</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Refunding Obligations – In December 1998, the County sold Certificates of Participation to fund a portion of the County's share of development, design and construction costs for the Courthouse Square Project. In May 2005, the County issued full faith and credit refunding obligations of \$17,975,000 to advance refund the outstanding certificates of participation. Principal payments are due annually through June 1, 2023, and interest is payable in December and June of each year with interest rates ranging from 3.0% to 5.5%. The defeased certificates of participation were fully repaid to bondholders in June 2009.

Annual requirements to repay the Courthouse Square Refunding Obligations are as follows:

Fiscal Year of Maturity	Principal			Future Interest
	Outstanding July 1, 2012	Matured and Paid During Year	Outstanding June 30, 2013	
2013	\$ 890,000	\$ 890,000	\$ -	\$ -
2014	925,000	-	925,000	624,300
2015	960,000	-	960,000	587,300
2016	1,015,000	-	1,015,000	534,500
2017	1,070,000	-	1,070,000	478,675
2018	1,100,000	-	1,100,000	419,825
2019-2023	6,610,000	-	6,610,000	1,126,575
	12,570,000	890,000	11,680,000	3,771,175
Unamortized premium	1,085,469	76,855	1,008,614	-
	<u>\$ 13,655,469</u>	<u>\$ 966,855</u>	<u>\$ 12,688,614</u>	<u>\$ 3,771,175</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Limited Tax Pension Obligations (2002) – In March 2002, the County issued Limited Tax Pension Obligations of \$26,708,830 and transferred the net proceeds to the State of Oregon Public Employees Retirement System to cover the County's unfunded actuarial liability. Principal payments are due annually through June 1, 2028, and interest is payable in December and June of each year with rates ranging from 4.72% to 7.41%. Obligations maturing through June 1, 2020 are deferred interest obligations and are shown at matured value. Annual requirements to repay the 2002 Limited Tax Pension Obligations are as follows:

Fiscal Year of Maturity	Principal			Future Interest
	Outstanding July 1, 2012	Matured and Paid During Year	Outstanding June 30, 2013	
2013	\$ 830,000	\$ 830,000	\$ -	\$ -
2014	930,000	-	930,000	1,459,350
2015	1,040,000	-	1,040,000	1,459,350
2016	1,150,000	-	1,150,000	1,459,350
2017	1,270,000	-	1,270,000	1,459,350
2018	1,390,000	-	1,390,000	1,432,647
2019-2023	9,380,000	-	9,380,000	6,919,113
2024-2028	14,870,000	-	14,870,000	3,034,620
	30,860,000	830,000	30,030,000	17,223,780
Less deferred interest	(6,381,875)	(445,685)	(5,936,190)	-
	<u>\$ 24,478,125</u>	<u>\$ 384,315</u>	<u>\$ 24,093,810</u>	<u>\$ 17,223,780</u>

Limited Tax Pension Obligations (2004) – In May 2004, the County issued \$16,860,000 of Limited Tax Pension Obligations and transferred the net proceeds to the State of Oregon Public Employees Retirement System to cover the County's unfunded actuarial liability. Principal payments are due annually through June 1, 2028, and interest is payable in June and December of each year with rates ranging from 4.29% to 6.09%. Annual requirements to repay the 2004 Limited Tax Pension Obligations are as follows:

Fiscal Year of Maturity	Principal			Future Interest
	Outstanding July 1, 2012	Matured and Paid During Year	Outstanding June 30, 2013	
2013	\$ 280,000	\$ 280,000	\$ -	\$ -
2014	350,000	-	350,000	964,828
2015	425,000	-	425,000	945,330
2016	505,000	-	505,000	921,228
2017	595,000	-	595,000	892,085
2018	695,000	-	695,000	857,152
2019-2023	5,275,000	-	5,275,000	3,524,127
2024-2028	8,180,000	-	8,180,000	1,471,638
	<u>\$ 16,305,000</u>	<u>\$ 280,000</u>	<u>\$ 16,025,000</u>	<u>\$ 9,576,388</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Notes Payable – Fargo Interchange Service District has outstanding loans payable to the State of Oregon Special Public Works Fund. Proceeds from the loans were restricted for construction of a sewer system and related improvements. Principal and interest payments are due annually through December 1, 2033, with interest rates ranging from 3.00% to 6.5%. Annual requirements to repay the loans are as follows:

Fiscal Year of Maturity	Principal			Future Interest
	Outstanding July 1, 2012	Matured and Paid During Year	Outstanding June 30, 2013	
2013	\$ 66,159	\$ 66,159	\$ -	\$ -
2014	74,733	-	74,733	35,430
2015	78,536	-	78,536	31,102
2016	82,598	-	82,598	26,440
2017	17,946	-	17,946	21,517
2018	18,064	-	18,064	20,799
2019-2023	97,380	-	97,380	92,407
2024-2028	126,843	-	126,843	66,858
2029-2033	162,741	-	162,741	32,584
2034	36,360	-	36,360	1,727
	<u>\$ 761,360</u>	<u>\$ 66,159</u>	<u>\$ 695,201</u>	<u>\$ 328,864</u>

Landfill Closure and Postclosure Liability – Effective July 1, 1993, the County adopted Governmental Accounting Standards Board Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" (GASB 18). This statement requires municipalities to record the estimated closure and post-closure care costs of landfills over the useful life of the landfill.

Marion County Environmental Services is currently operating two landfill sites: the North Marion County Disposal Facility and the Brown's Island Demolition Landfill. Federal regulations require the County to place a final cover on each site when it reaches capacity and to perform postclosure maintenance and monitoring for an additional thirty years. Due to the recent addition of a metal recovery process at North Marion that allows for alternative use of screened incinerator ash, the County does not anticipate closing the site for the foreseeable future; the County expects to continue receiving demolition waste at Brown's Island for 14 years.

Although closure and postclosure care costs will be paid only near or after the date the landfill stops accepting waste, Marion County Environmental Services reports a portion of these costs as an operating expense in each fiscal year based on the landfill capacity use as of the end of the fiscal year. The \$6,639,418 reported as landfill closure and postclosure liability at June 30, 2013, represents the cumulative amount reported to date based on the use of 91% of the estimated capacity at the North Marion facility and 77% at Brown's Island. The estimated total closure and post-closure cost remaining to be recognized is \$1,086,920. These amounts are based on what it would cost to perform all closure and postclosure care in 2013. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 7 – RISK MANAGEMENT:

The County is exposed to various risks of loss related to workers' compensation, automobile and general liability. The County has established the Self-Insurance Fund, an internal service fund, to account for and finance its risks of loss. The County carries an excess liability policy which is subject to a \$1,000,000 self-insured retention with a \$10,000,000 limit per occurrence. The County also carries an excess workers' compensation policy which is subject to a \$750,000 self-insured retention with statutory limits for workers' compensation claims. Closed claims have not exceeded this commercial coverage to date.

All departments of the County participate in the risk management program and make payments to the Self-Insurance Fund based on estimates needed to pay current and prior year claims and to establish a reserve for catastrophic losses. The claims liability of \$4,807,781 reported in the Self-Insurance Fund at June 30, 2013 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 loss can be reasonably estimated. The claims liability is based on an evaluation of outstanding claims, using past experience and current assessments of potential and probable exposure, as well as an estimate for claims incurred but not reported as of June 30, 2013.

Changes in estimates of claims costs resulting from the County's continuous review process and differences between estimates and payments of claims are recognized in the results of operations of the Self-Insurance Fund as determinable.

Changes in claims liabilities for the current and previous fiscal years were:

	Fiscal Year 2012-13	Fiscal Year 2011-12
Claims liability, beginning of year	\$ 4,993,000	\$ 3,877,000
Current year claims and changes in estimates	1,204,594	2,458,885
Claim payments	<u>(1,389,813)</u>	<u>(1,342,885)</u>
Claims liability, end of year	<u>\$ 4,807,781</u>	<u>\$ 4,993,000</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 8 – PENSION PLAN:

Plan Description – The County participates in two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Employees Retirement Fund (Tier 1/Tier 2) is a cost-sharing multiple-employer defined benefit pension plan for qualifying employees hired before August 29, 2003. Benefits are established by state statute.

The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to Tier 1/Tier 2 consisting of two programs: a defined benefit pension plan and a defined contribution program (the Individual Account Program or IAP). The OPSRP pension plan is effective for all new employees hired on or after August 29, 2003. The plan provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary, years of service and type of service (general or police/fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. Tier 1/Tier 2 members retain their existing Tier 1/Tier 2 accounts, but future member contributions are deposited into the member's IAP account.

Both pension plans provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. All County employees are eligible to participate after six months of employment. PERS is administered under Oregon Revised Statute Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS, a component unit of the State of Oregon, issues a comprehensive annual financial report which may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700 or by calling (503) 598-7377.

Funding Policy – The contribution requirements of plan members and the County are established by Oregon statute and may be amended by an act of the Oregon Legislature. The County is required to contribute an actuarially determined percentage of covered payroll. The County joined the State and Local Government Rate Pool (SLGRP) in 2002; thus Tier 1/Tier 2 contribution rates are determined based on the overall experience of the pool, and adjusted to reflect the County's transition liability and side accounts.

Rates in effect for fiscal years 2013, 2012 and 2011 were: 10.46%, 10.46%, and 5.37% for Tier 1/Tier 2 members; 6.80%, 6.80%, and 3.86% for OPSRP general service members; and 9.51%, 9.51%, and 6.57% for OPSRP police & fire members, respectively. The County paid employer contributions as required for the years ended June 30, 2013, 2012 and 2011 amounting to \$6,779,130, \$6,875,144, and \$3,934,708, respectively. In addition, the County recognized amortization of the prepaid pension obligation of \$654,479 in fiscal year 2013.

PERS-eligible employees are required to contribute 6% of their annual covered salary which is invested in the OPSRP Individual Account Program. Employers are permitted to pick-up employee contributions on behalf of employees. Starting July 1, 2008, the County began paying the 6% employee contribution for non-represented employees and for represented employees in accordance with collective bargaining agreements. The amount of employee contributions paid by the County was \$3,408,509 for the year ended June 30, 2013. Members of the Marion County Law Enforcement Association bargaining unit do not participate in this arrangement.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS:

The County implemented Governmental Accounting Standards Board Statement No. 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits other than Pensions*, in fiscal year 2008. To comply with GASB 45, the County must account for other postemployment benefits (OPEB) using the accrual basis of accounting rather than a pay-as-you-go basis. Under accrual accounting, a liability must be recognized when employees earn OPEB rather than when the benefits are paid. To determine OPEB liabilities, the County must obtain an actuarial valuation every two years.

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 45. 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 45, and a separate financial report is not issued. In addition to the requirements imposed by ORS 243.303, benefits provided to employees 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 premiums 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.

Annual OPEB Cost and Net OPEB Obligation – The County’s annual OPEB cost is calculated based on the annual required contribution (ARC) determined by an actuary. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

	FY 2011	FY 2012	FY 2013
Net OPEB obligation, beginning of year	\$ 6,611,123	\$ 9,168,001	\$ 12,003,188
Annual required contribution (ARC)	3,493,422	3,648,410	3,776,104
Interest on net OPEB obligation	264,445	366,720	480,127
Amortization adjustment to ARC	(236,116)	(327,434)	(428,693)
Annual OPEB cost	3,521,751	3,687,696	3,827,538
Contributions made (implicit rate subsidy)	(964,873)	(852,509)	(1,051,646)
Change in net OPEB obligation	2,556,878	2,835,187	2,775,892
Net OPEB obligation, end of year	<u>\$ 9,168,001</u>	<u>\$ 12,003,188</u>	<u>\$ 14,779,080</u>
Percentage of annual OPEB cost contributed	27%	23%	27%

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued):

Funded Status and Funding Progress – As of July 1, 2011, the most recent actuarial valuation date, the actuarially accrued liability was \$31,387,612, all of which is unfunded because the County has not set aside any assets to pre-fund OPEB resulting from the implicit rate subsidy. The annual payroll of active employees covered by the County's healthcare plan was \$74,519,598, and the ratio of the unfunded actuarially accrued liability (UAAL) to covered payroll was 42%. The schedule of funding progress included as required supplementary information presents multi-year trend information.

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Calculations are based on the types of benefits provided at the time of the valuation and the pattern of cost-sharing between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective, including techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

For the July 1, 2011 actuarial valuation, the actuary used the projected unit credit actuarial cost method. Actuarial assumptions included a discount rate of 4%, inflation rate of 3%, projected salary increases of 3.5% per year, and a healthcare cost trend rate of 11% initially, reduced by decrements to an ultimate rate of 5% after 25 years. The UAAL is being amortized over an open period of 30 years as a level percentage of projected payroll.

NOTE 10 – FUND BALANCE CLASSIFICATIONS:

	General Operating Fund	Public Works Fund	Health Fund	Lottery Distribution Fund	CH2 Remediation Fund	Other Governmental Funds	Total Governmental Funds
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 165,377	\$ 165,377
Health & social services	2,000,000	-	7,975,011	-	-	81,579	10,056,590
Public safety & judicial	-	-	-	-	-	2,366,903	2,366,903
Community service	-	-	-	1,243,273	-	651,256	1,894,529
Roads and bridges	-	-	-	-	-	1,316,940	1,316,940
Education	-	-	-	-	-	23,630	23,630
	<u>\$ 2,000,000</u>	<u>\$ -</u>	<u>\$ 7,975,011</u>	<u>\$ 1,243,273</u>	<u>\$ -</u>	<u>\$ 4,605,685</u>	<u>\$ 15,823,969</u>
Committed to:							
General government	\$ 2,189,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,189,109
Health & social services	8,105	-	-	-	-	-	8,105
Public safety & judicial	-	-	-	-	-	26,362	26,362
Roads and bridges	-	3,033,479	-	-	-	-	3,033,479
Capital projects	-	-	-	-	-	1,323,617	1,323,617
	<u>\$ 2,197,214</u>	<u>\$ 3,033,479</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,349,979</u>	<u>\$ 6,580,672</u>
Assigned to:							
General government	\$ 2,381,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,381,936
Health & social services	-	-	5,244,773	-	-	241,269	5,486,042
Public safety & judicial	1,387,880	-	-	-	-	1,363,595	2,751,475
Community service	-	-	-	-	-	821,337	821,337
Roads and bridges	-	14,257,658	-	-	-	69,312	14,326,970
Debt service	-	-	-	-	-	339,600	339,600
Capital projects	-	-	-	-	8,109,153	2,024,712	10,133,865
	<u>\$ 3,769,816</u>	<u>\$ 14,257,658</u>	<u>\$ 5,244,773</u>	<u>\$ -</u>	<u>\$ 8,109,153</u>	<u>\$ 4,859,825</u>	<u>\$ 36,241,225</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 11 – TRANSFERS:

Transfers are summarized as follows:

Transfer To	Transfer From					Total
	Governmental Funds					
	General Operating Fund	Public Works Fund	Health Fund	Lottery Distribution Fund	Nonmajor funds	
Governmental Funds:						
General Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ 4,195,419	\$ 4,195,419
Public Works Fund	4,000	-	-	-	-	4,000
Health Fund	3,451,682	-	-	-	-	3,451,682
Nonmajor funds	4,764,553	-	-	324,000	731,049	5,819,602
Proprietary Funds:						
Internal service funds	713,028	7,981	21,960	-	42,840	785,809
Total	\$ 8,933,263	\$ 7,981	\$ 21,960	\$ 324,000	\$ 4,969,308	\$ 14,256,512

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, to move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and to use unrestricted revenues collected in the General Operating Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 12 – COMMITMENTS AND CONTINGENCIES:

The County is party in its official capacity to various lawsuits and claims, all of which, in the opinion of management and legal counsel, are covered by the County's excess insurance policies if they should exceed the County's retained risk.

The County has a service agreement with the owner of a mass burn solid waste disposal, electric power generation, and resource recovery facility located in Marion County. Under this agreement, the facility will accept 145,000 tons of acceptable waste from the County for disposal each year. In return, the County pays service fees for operations, maintenance and pass through costs, less any credits for electricity generation and the sale of secondary materials. For fiscal year 2013, monthly service fees were approximately \$797,700. These costs are recorded in the Environmental Services Fund, an Enterprise Fund.

The County has long-term agreements to lease space for storage and various offices. Rent for these facilities was \$891,113 for the year ended June 30, 2013. Future obligations under these agreements are as follows:

Fiscal Year	Amount
2014	\$ 919,465
2015	938,391
2016	934,110
2017	830,773
2018	774,252
2019-2021	469,649

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 13 – EXTRAORDINARY ITEM:

In spring 2010, the County began examining defects observed in the Courthouse Square office building, jointly owned by Marion County and the Salem Area Mass Transit District. Due to the structural deficiencies uncovered, the building was closed in September 2010, resulting in the relocation of various county and transit operations. Based on estimates to repair the building, the County recognized a loss on impairment of \$9,003,084 in prior fiscal years. In fiscal 2013, the County recognized a gain of \$8,733,901 for insurance and litigation recoveries related to this impairment.

NOTE 14 – SUBSEQUENT EVENTS:

In October 2013, the County entered into a full faith and credit financing agreement with a qualified lender for various capital projects totaling \$9,950,000. Payments on the loan are due quarterly through October 2028 with interest at 3.12%.

Management has evaluated subsequent events through December 4, 2013 and is not aware of any other subsequent events that require recognition or disclosure in the financial statements.

NOTE 15 – PRIOR PERIOD RESTATEMENT:

Beginning net position has been restated as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Beginning net position, as previously reported	\$ 236,613,132	\$ 22,106,028	\$ 258,719,160
Recognition of debt issuance costs	(558,375)	-	(558,375)
Correction of an error in accounts payable	-	(490,800)	(490,800)
Correction of an error in unearned revenue	(233,500)	-	(233,500)
Beginning net position, as restated	<u>\$ 235,821,257</u>	<u>\$ 21,615,228</u>	<u>\$ 257,436,485</u>

NOTE 16 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

The County budgets all funds except agency funds, and the Illahe Hills Street Lighting District, which is exempt from Oregon Local Budget Law. In accordance with Oregon Local Budget Law, the County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In May or early June, the County's Budget Officer submits a proposed budget to the County Budget Committee for the ensuing fiscal year starting July 1. The budget includes recommended expenditure category levels and the estimated revenues that will finance them.
2. The Budget Committee holds public hearings on the proposed budget and approves a budget which is published at least one week prior to the adoption of the budget resolution by the County's Board of Commissioners at a public hearing.
3. After a hearing and prior to July 1, the budget is enacted by resolution of the Board of Commissioners. If not enacted prior to July, the County has no authority to expend monies until the budget is enacted.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2013

NOTE 16 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued):

4. Departments are authorized to transfer appropriations between line items within a category but transfers between categories or departments must be approved by the Board of Commissioners. The General Fund and Central Services Fund are appropriated by department. All other funds are appropriated by the categories of personnel services, materials and services, capital outlay, debt service, special payments, transfers and contingency. Revisions that alter the total appropriations of any fund, other than the receipt of new, designated grants, must be made using a supplemental budget. This process requires a public hearing and enactment by the Board of Commissioners.
5. Budgets for the General Operating, Special Revenue, Debt Service and Capital Projects Funds are adopted on a modified accrual basis. Budgets for the Enterprise and Internal Service Funds are adopted on a basis consistent with GAAP, except that depreciation and vacation pay are not recognized.
6. Appropriations lapse at the end of the fiscal year.

The County adopted three supplemental budgets during the year ended June 30, 2013.

The following funds had overexpenditures in the indicated categories:

General Operating Fund:	
General Fund – Community Services	\$9,113
Special Revenue Funds:	
County Clerk Records Fund – Personnel Services	234
District Attorney Grants Fund – Personnel Services	7,487
Parks Fund – Capital Outlay	9,158
Enterprise Funds:	
Brooks Community Service District – Materials and Services	3,231

NOTE 17 – NEW PRONOUNCEMENTS:

The County implemented the following pronouncements of the Governmental Accounting Standards Board (GASB) in the current fiscal year:

GASB Statement No. 62, “Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,” incorporates certain accounting and financial reporting guidance issued on or before November 30, 1989. **GASB Statement No. 63**, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,” provides guidance for reporting deferred outflows and inflows of resources, and net position in a statement of financial position. **GASB Statement No. 65**, “Items Previously Reported as Assets and Liabilities,” identifies items previously reported as assets or liabilities that should now be reported as outflows, inflows, deferred outflows, or deferred inflows of resources.

In addition, the following pronouncement may impact future financial presentations:

GASB Statement No. 68, “Accounting and Reporting for Pension Plans – an amendment of GASB Statement No. 27,” revises accounting and financial reporting requirements related to pensions provided by governments. These requirements are effective for the County’s financial statements beginning in fiscal year 2015.

REQUIRED SUPPLEMENTARY INFORMATION

GENERAL AND MAJOR SPECIAL REVENUE FUNDS

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
General	Property taxes, grants, state shared revenue, fees, service charges, fines and forfeitures, and interest.	Accounts for all operations not required to be accounted for in other funds.
Public Works	Motor vehicle fees and gasoline tax apportionments from the State of Oregon, federal forest revenues, property improvement assessments and revenues from various federal and state agencies.	Accounts for construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads and streets. Certain revenues are restricted for these purposes under Article IX of the State Constitution.
Health	Federal and state grants, fees, and transfers from the General Fund.	Accounts for community health and mental health programs.
Lottery Distribution	State Lottery Commission shared revenues.	Accounts for disbursements related to the state Lottery Video Poker Fund.

The County's budgets are accounted for using the modified accrual basis of accounting. The General Fund is appropriated by department. The Public Works Fund, Health Fund and Lottery Distribution Fund are appropriated by the categories of personnel services, materials and services, capital outlay, debt service, special payments, transfers and contingency.

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

For the year ended June 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 58,302,852	\$ 58,302,852	\$ 57,258,726	\$ (1,044,126)
Franchise	283,000	283,000	275,249	(7,751)
Licenses and permits	60,000	60,000	55,350	(4,650)
Intergovernmental	4,418,087	4,463,126	5,173,537	710,411
Charges for services	3,519,970	3,429,970	3,861,669	431,699
Fines and forfeitures	210,000	210,000	291,493	81,493
Interest	432,000	432,000	425,591	(6,409)
Other	15,000	15,000	28,599	13,599
Total revenues	<u>67,240,909</u>	<u>67,195,948</u>	<u>67,370,214</u>	<u>174,266</u>
EXPENDITURES:				
Assessor's Office	5,734,401	5,734,401	5,416,609	317,792
Clerk's Office	2,712,621	2,712,621	2,393,053	319,568
Community Services	427,845	495,909	505,022	(9,113)
District Attorney's Office	7,690,210	7,681,314	7,456,657	224,657
Justice Courts	892,644	892,644	890,193	2,451
Juvenile Department	9,409,593	9,409,593	9,155,632	253,961
Sheriff's Office	35,170,174	35,170,174	33,618,598	1,551,576
Treasurer's Office	474,805	474,805	454,564	20,241
Non-Departmental:				
Materials and services	1,502,148	1,502,148	1,254,352	247,796
Debt service - principal	280,000	280,000	280,000	-
Debt service - interest	15,000	15,000	13,204	1,796
Contingency	705,497	661,352	-	661,352
Total expenditures	<u>65,014,938</u>	<u>65,029,961</u>	<u>61,437,884</u>	<u>3,592,077</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,308,778	3,602,649	3,595,419	(7,230)
Transfers out	<u>(9,411,724)</u>	<u>(9,402,628)</u>	<u>(8,858,823)</u>	<u>543,805</u>
Total other financing sources (uses)	<u>(6,102,946)</u>	<u>(5,799,979)</u>	<u>(5,263,404)</u>	<u>536,575</u>
Net change in fund balance	(3,876,975)	(3,633,992)	668,926	4,302,918
FUND BALANCE - beginning	<u>7,471,418</u>	<u>8,049,705</u>	<u>8,125,048</u>	<u>75,343</u>
FUND BALANCE - ending	<u>\$ 3,594,443</u>	<u>\$ 4,415,713</u>	<u>8,793,974</u>	<u>\$ 4,378,261</u>
Reconciliation to generally accepted accounting principles (GAAP) basis:				
Interfund loan payable			(280,000)	
Funds budgeted separately:				
CH2 Redevelopment Fund			2,381,936	
Traffic Safety Team Fund			1,107,281	
Inmate Welfare Fund			280,599	
Rainy Day Fund			2,189,109	
Health IDS Reserve Fund			2,008,105	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - General Operating Fund			<u>\$ 16,481,004</u>	

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PUBLIC WORKS FUND

For the year ended June 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 174,427	\$ 174,427	\$ 186,302	\$ 11,875
Intergovernmental	20,582,564	22,772,601	21,023,151	(1,749,450)
Charges for services	3,419,336	3,419,336	3,511,967	92,631
Fines and forfeitures	3,000	3,000	181	(2,819)
Interest	65,500	65,500	52,820	(12,680)
Other	11,000	11,000	5,103	(5,897)
Total revenues	24,255,827	26,445,864	24,779,524	(1,666,340)
EXPENDITURES:				
Personnel services	11,126,744	11,130,740	10,444,945	685,795
Materials and services	8,854,355	8,925,679	7,626,727	1,298,952
Capital outlay	6,114,025	7,998,931	6,487,478	1,511,453
Debt service - principal	47,050	47,050	47,050	-
Debt service - interest	200	200	171	29
Special payments	-	850,000	850,000	-
Contingency	1,530,915	1,626,437	-	1,626,437
Total expenditures	27,673,289	30,579,037	25,456,371	5,122,666
OTHER FINANCING SOURCES (USES):				
Transfers in	4,000	4,000	4,000	-
Transfers out	-	(7,981)	(7,981)	-
Total other financing sources (uses)	4,000	(3,981)	(3,981)	-
Net change in fund balance	(3,413,462)	(4,137,154)	(680,828)	3,456,326
FUND BALANCE - beginning	17,541,548	18,265,240	18,265,240	-
FUND BALANCE - ending	\$ 14,128,086	\$ 14,128,086	17,584,412	\$ 3,456,326
Add interfund loan receivable			850,000	
Less interfund loan payable			(47,800)	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 18,386,612	

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH FUND

For the year ended June 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 40,695,208	\$ 41,404,259	\$ 41,290,137	\$ (114,122)
Charges for services	6,335,257	6,594,445	6,436,140	(158,305)
Interest	53,110	53,110	51,269	(1,841)
Other	104,700	104,700	99,232	(5,468)
Total revenues	47,188,275	48,156,514	47,876,778	(279,736)
EXPENDITURES:				
Personnel services	27,610,042	27,798,241	26,474,928	1,323,313
Materials and services	25,490,747	26,459,436	25,523,807	935,629
Capital outlay	-	32,500	14,469	18,031
Contingency	4,886,801	4,538,013	-	4,538,013
Total expenditures	57,987,590	58,828,190	52,013,204	6,814,986
OTHER FINANCING SOURCES (USES):				
Transfers in	3,451,682	3,451,682	3,451,682	-
Transfers out	(21,000)	(22,000)	(21,960)	40
Total other financing sources (uses)	3,430,682	3,429,682	3,429,722	40
Net change in fund balance	(7,368,633)	(7,241,994)	(706,704)	6,535,290
FUND BALANCE - beginning	11,284,838	13,943,184	13,943,183	(1)
FUND BALANCE - ending	\$ 3,916,205	\$ 6,701,190	\$ 13,236,479	\$ 6,535,289

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOTTERY DISTRIBUTION FUND

For the year ended June 30, 2013

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,235,518	\$ 1,235,518	\$ 1,408,021	\$ 172,503
Interest	1,488	1,488	3,440	1,952
Other	171,009	171,009	292,081	121,072
Total revenues	1,408,015	1,408,015	1,703,542	295,527
EXPENDITURES:				
Materials and services	452,294	452,294	305,796	146,498
Debt service - principal	431,250	431,250	431,249	1
Debt service - interest	120,814	120,814	120,814	-
Contingency	208,942	208,942	-	208,942
Total expenditures	1,213,300	1,213,300	857,859	355,441
OTHER FINANCING SOURCES (USES):				
Transfers out	(324,000)	(324,000)	(324,000)	-
Net change in fund balance	(129,285)	(129,285)	521,683	650,968
FUND BALANCE - beginning	681,349	681,349	721,590	40,241
FUND BALANCE - ending	\$ 552,064	\$ 552,064	\$ 1,243,273	\$ 691,209

MARION COUNTY, OREGON

OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS

For the year ended June 30, 2013

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAL as % of Payroll</u>
7/1/2007	\$ -	\$ 22,601,218	\$ 22,601,218	0.0%	\$ 61,919,333	36.5%
7/1/2009	\$ -	\$ 28,117,581	\$ 28,117,581	0.0%	\$ 62,424,328	45.0%
7/1/2011	\$ -	\$ 31,387,612	\$ 31,387,612	0.0%	\$ 74,519,598	42.1%

SUPPLEMENTARY INFORMATION

BUDGETARY FUNDS REPORTED AS GENERAL OPERATING FUND

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
CH2 Redevelopment	Electricity revenues, reimbursements from other governments and interfund transfers.	Discovery, relocation, remediation, litigation and operating costs of the Courthouse Square complex during redevelopment.
Traffic Safety Team	Traffic fines.	Operations of the County's traffic safety team.
Inmate Welfare	Vending machine and pay phone charges.	Operation of the jail commissary.
Rainy Day	Investment earnings.	Resources set aside for financial emergencies.
Health IDS Reserve	Transfers from the Health Fund.	Resources set aside to cover future revenue shortfalls for Integrated Delivery System mental health services.

OTHER MAJOR GOVERNMENTAL FUNDS

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Courthouse Square Remediation	Electricity revenues, reimbursements from other governments, insurance proceeds, and interfund transfers.	Remediation of the Courthouse Square complex.

NONMAJOR GOVERNMENTAL FUNDS

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Non-Departmental Grants	Federal and state grants.	Multi-departmental grant programs.
County Clerk Records	Recording fees.	Operation of County archives.
Juvenile Grants	Federal and state grants.	Grant programs administered by the Juvenile department.
Tax Title Land Sales	Proceeds from the sale of tax foreclosed property.	Disposition of proceeds from the sale of tax foreclosed property.
Children & Families	Federal and state grants.	Grant programs administered by the Community Services department.
Community Development Block Grant	Federal and state grants.	Various development programs and rehabilitation loans to citizens.
Community Corrections	State grants and charges for services.	Operations of the community corrections program.
Criminal Justice Assessment	Assessments from court fines and state shared revenues.	County assessments for criminal justice programs and court security.

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
County Schools	Federal forest revenues and state shared revenues.	Support provided to schools in accordance with ORS 328.005 to 328.035.
Child Support	Federal and state grants and incentives.	Enforcement of court-ordered spousal and child support.
Dog Control	License and adoption fees; transfers from the General Fund.	Animal control activities and dog shelter operations.
Liquor Law Enforcement	Fines and forfeitures.	Liquor law enforcement program. Closed in fiscal 2013.
Sheriff Grants	Federal and state grants, contracts with the state and other agencies.	Marine patrols on County waterways, security provided for other agencies, and grant programs administered by the Sheriff's office.
Law Library	Library fees.	Operation of the law library.
County Fair	Admissions, state shared revenues, and local sponsorships.	Operation of the annual County Fair.
District Attorney Grants	Federal, state and local grants.	Grant programs administered by the District Attorney's office.
Land Use Planning	Planning fees and transfers from other funds.	Operations of the County's land use planning division.
Parks	Recreational vehicle registration fees.	Maintenance and improvement of County parks.
Surveyor	Corner restoration fees.	Operations of the County Surveyor's office.
Building Inspection	Building permit fees.	Building inspection activities.
Debt Service	Internal assessments and transfers from the General Fund.	Payment of principal and interest on long-term obligations of governmental funds.
Capital Building & Equipment	Transfers from the General Fund and other funds.	Resources set aside for future capital improvements.
Health Building Reserve	Transfers from the Health Fund.	Resources set aside for future acquisition and construction of health facilities.
Facility Renovation	Transfers from the General Fund and other funds.	Various facility renovation projects.
Capital Improvement Projects	Transfers from the General Fund and other funds.	Various capital projects and acquisitions.

MARION COUNTY, OREGON

COMBINING BALANCE SHEET
BUDGETARY FUNDS REPORTED AS GENERAL OPERATING FUND

June 30, 2013

	Budgetary Funds						Total General Operating Fund
	General Fund	CH2 Redevelop- -ment	Traffic Safety Team	Inmate Welfare	Rainy Day	Health IDS Reserve	
ASSETS:							
Cash and investments	\$ 9,456,421	\$ 2,380,097	\$ 1,124,587	\$ 328,364	\$ 2,184,615	\$ 2,003,983	\$ 17,478,067
Receivables:							
Accounts	1,369,146	-	43,054	45,970	-	-	1,458,170
Interest	41,601	4,882	2,439	666	4,494	4,122	58,204
Taxes	4,183,289	-	-	-	-	-	4,183,289
Inventories and prepaids	20,148	-	-	-	-	-	20,148
Total assets	\$ 15,070,605	\$ 2,384,979	\$ 1,170,080	\$ 375,000	\$ 2,189,109	\$ 2,008,105	\$ 23,197,878
LIABILITIES:							
Accounts payable	\$ 478,225	\$ 3,043	\$ 10,299	\$ 1,003	\$ -	\$ -	\$ 492,570
Payroll related liabilities	2,103,094	-	52,500	9,317	-	-	2,164,911
Deposits	6,289	-	-	84,081	-	-	90,370
Due to other funds	280,000	-	-	-	-	-	280,000
Total liabilities	2,867,608	3,043	62,799	94,401	-	-	3,027,851
DEFERRED INFLOWS OF RESOURCES:							
Unavailable revenue - property taxes	3,689,023	-	-	-	-	-	3,689,023
FUND BALANCES:							
Nonspendable	20,148	-	-	-	-	-	20,148
Restricted	-	-	-	-	-	2,000,000	2,000,000
Committed	-	-	-	-	2,189,109	8,105	2,197,214
Assigned	-	2,381,936	1,107,281	280,599	-	-	3,769,816
Unassigned	8,493,826	-	-	-	-	-	8,493,826
Total fund balances	8,513,974	2,381,936	1,107,281	280,599	2,189,109	2,008,105	16,481,004
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,070,605	\$ 2,384,979	\$ 1,170,080	\$ 375,000	\$ 2,189,109	\$ 2,008,105	\$ 23,197,878

MARION COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGETARY FUNDS REPORTED AS GENERAL OPERATING FUND

For the year ended June 30, 2013

	Budgetary Funds						Eliminate Interfund Activity	Total General Operating Fund
	General Fund	CH2 Redevelop -ment	Traffic Safety Team	Inmate Welfare	Rainy Day	Health IDS Reserve		
REVENUES:								
Taxes	\$ 57,533,975	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,533,975
Licenses and permits	55,350	-	-	-	-	-	-	55,350
Intergovernmental	5,173,537	-	93,776	-	-	-	-	5,267,313
Charges for services	3,861,669	74,303	49	315,084	-	-	-	4,251,105
Fines and forfeitures	291,493	-	1,978,781	-	-	-	-	2,270,274
Interest	425,591	7,640	4,156	1,003	8,070	7,415	-	453,875
Other	28,599	45,337	-	363	-	-	-	74,299
Total revenues	<u>67,370,214</u>	<u>127,280</u>	<u>2,076,762</u>	<u>316,450</u>	<u>8,070</u>	<u>7,415</u>	<u>-</u>	<u>69,906,191</u>
EXPENDITURES:								
Current:								
General government	10,017,566	399,210	-	-	-	-	-	10,416,776
Public safety and judicial	51,121,080	-	1,519,393	261,591	-	-	-	52,902,064
Debt service:								
Interest	13,204	-	-	-	-	-	-	13,204
Capital outlay	6,034	-	-	697	-	-	-	6,731
Total expenditures	<u>61,157,884</u>	<u>399,210</u>	<u>1,519,393</u>	<u>262,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,338,775</u>
OTHER FINANCING SOURCES (USES):								
Insurance recoveries	-	791,667	-	-	-	-	-	791,667
Transfers in	3,595,419	700,000	-	-	-	-	(100,000)	4,195,419
Transfers out	<u>(8,858,823)</u>	<u>-</u>	<u>(162,440)</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>100,000</u>	<u>(8,933,263)</u>
Total other financing sources (uses)	<u>(5,263,404)</u>	<u>1,491,667</u>	<u>(162,440)</u>	<u>-</u>	<u>-</u>	<u>(12,000)</u>	<u>-</u>	<u>(3,946,177)</u>
Net change in fund balances	948,926	1,219,737	394,929	54,162	8,070	(4,585)	-	2,621,239
FUND BALANCE - beginning	<u>7,565,048</u>	<u>1,162,199</u>	<u>712,352</u>	<u>226,437</u>	<u>2,181,039</u>	<u>2,012,690</u>	<u>-</u>	<u>13,859,765</u>
FUND BALANCE - ending	<u>\$ 8,513,974</u>	<u>\$ 2,381,936</u>	<u>\$ 1,107,281</u>	<u>\$ 280,599</u>	<u>\$ 2,189,109</u>	<u>\$ 2,008,105</u>	<u>\$ -</u>	<u>\$ 16,481,004</u>

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2013

	Special Revenue Funds											
	Non- Departmental Grants	County Clerk Records	Juvenile Grants	Tax Title Land Sales	Children & Families	Community Development Block Grant	Community Corrections	Criminal Justice Assessment	County Schools	Child Support	Dog Control	Sheriff Grants
ASSETS:												
Cash and investments	\$ 603,975	\$ 58,292	\$ -	\$ 109,642	\$ 294,953	\$ 45,929	\$ 1,253,516	\$ 1,216,787	\$ 23,128	\$ -	\$ 56,490	\$ -
Receivables:												
Accounts	-	-	489,065	-	417,934	-	575,725	1,728	454	256,451	230	863,585
Interest	1,332	116	-	226	811	95	2,039	3,172	48	-	138	-
Loans	-	-	-	111,494	-	73,066	-	-	-	-	-	-
Inventories and prepaids	-	-	17,949	-	-	-	-	-	-	-	3,602	7,317
Total assets	\$ 605,307	\$ 58,408	\$ 507,014	\$ 221,362	\$ 713,698	\$ 119,090	\$ 1,831,280	\$ 1,221,687	\$ 23,630	\$ 256,451	\$ 60,460	\$ 870,902
LIABILITIES:												
Accounts payable	\$ 75	\$ -	\$ 317,676	\$ -	\$ 364,694	\$ -	\$ 47,062	\$ 23,124	\$ -	\$ 195,339	\$ 9,474	\$ 196,604
Payroll related liabilities	-	2,899	121,050	-	30,933	-	295,441	-	-	56,335	28,748	98,014
Deposits	-	-	-	-	-	-	-	-	-	-	-	3,044
Total liabilities	75	2,899	438,726	-	395,627	-	342,503	23,124	-	251,674	38,222	297,662
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	111,494	-	73,066	-	-	-	-	-	-
FUND BALANCES:												
Nonspendable	-	-	17,949	-	-	-	-	-	-	-	3,602	7,317
Restricted	605,232	55,509	26,362	109,868	76,802	46,024	582,310	1,198,563	23,630	4,777	-	133,994
Committed	-	-	-	-	-	-	-	-	-	-	-	26,362
Assigned	-	-	23,977	-	241,269	-	906,467	-	-	-	18,636	405,567
Unassigned	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	605,232	55,509	68,288	109,868	318,071	46,024	1,488,777	1,198,563	23,630	4,777	22,238	573,240
Total liabilities, deferred inflows of resources, and fund balances	\$ 605,307	\$ 58,408	\$ 507,014	\$ 221,362	\$ 713,698	\$ 119,090	\$ 1,831,280	\$ 1,221,687	\$ 23,630	\$ 256,451	\$ 60,460	\$ 870,902

(Continued on following page)

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS (Continued)

June 30, 2013

	Special Revenue Funds						Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds	
	Law Library	County Fair	District Attorney Grants	Land Use Planning	Parks	Surveyor		Building Inspection	Capital Building & Equipment	Health Building Reserve		Capital Improvement Projects
ASSETS:												
Cash and investments	\$ 425,625	\$ 10,319	\$ -	\$ 51,902	\$ 91,893	\$ 1,451,622	\$ 677,535	\$ 339,600	\$ 535,176	\$ 785,724	\$ 2,280,827	\$ 10,312,935
Receivables:												
Accounts	-	-	78,947	-	79,171	-	47,513	-	-	-	-	2,810,803
Interest	871	12	-	267	247	2,957	1,332	-	1,101	1,616	3,377	19,757
Loans	-	-	-	-	-	-	-	-	-	-	-	184,560
Inventories and prepaids	-	1,060	-	-	-	-	-	-	-	-	-	29,928
Total assets	\$ 426,496	\$ 11,391	\$ 78,947	\$ 52,169	\$ 171,311	\$ 1,454,579	\$ 726,380	\$ 339,600	\$ 536,277	\$ 787,340	\$ 2,284,204	\$ 13,357,983
LIABILITIES:												
Accounts payable	\$ 11,724	\$ 8,153	\$ 30,477	\$ 1,040	\$ 1,784	\$ 714	\$ 21,520	\$ -	\$ -	\$ -	\$ 259,492	\$ 1,488,952
Payroll related liabilities	5,224	3,238	23,396	26,919	5,686	17,255	71,574	-	-	-	-	786,712
Deposits	-	-	-	-	-	50,358	-	-	-	-	-	53,402
Total liabilities	16,948	11,391	53,873	27,959	7,470	68,327	93,094	-	-	-	259,492	2,329,066
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	184,560
FUND BALANCES:												
Nonspendable	-	1,060	-	-	-	-	-	-	-	-	-	29,928
Restricted	409,548	-	16,126	-	-	1,316,940	-	-	-	-	-	4,605,685
Committed	-	-	-	-	-	-	-	-	536,277	787,340	-	1,349,979
Assigned	-	-	8,948	24,210	163,841	69,312	633,286	339,600	-	-	2,024,712	4,859,825
Unassigned	-	(1,060)	-	-	-	-	-	-	-	-	-	(1,060)
Total fund balances	409,548	-	25,074	24,210	163,841	1,386,252	633,286	339,600	536,277	787,340	2,024,712	10,844,357
Total liabilities, deferred inflows of resources, and fund balances	\$ 426,496	\$ 11,391	\$ 78,947	\$ 52,169	\$ 171,311	\$ 1,454,579	\$ 726,380	\$ 339,600	\$ 536,277	\$ 787,340	\$ 2,284,204	\$ 13,357,983

MARION COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the year ended June 30, 2013

	Special Revenue Funds												
	Non- Departmental Grants	County Clerk Records	Juvenile Grants	Tax Title Land Sales	Children & Families	Community Development Block Grant	Community Corrections	Criminal Justice Assessment	County Schools	Child Support	Dog Control	Liquor Law Enforcement	Sheriff Grants
REVENUES:													
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356,602	\$ -	\$ 25,072
Intergovernmental	305,421	-	1,209,324	-	1,963,261	-	11,122,203	-	505,332	1,159,413	-	-	2,460,935
Charges for services	-	130,253	820,068	302,257	35	-	813,750	-	-	17,941	103,638	-	963,699
Fines and forfeitures	-	-	-	-	-	-	-	1,266,387	-	-	4,695	4,990	991
Interest	2,820	155	-	8,304	1,823	166	9,753	3,897	402	-	263	-	107
Other	25,150	-	4,213	24,023	786	2,116	-	-	-	-	39,839	-	28,733
Total revenues	333,391	130,408	2,033,605	334,584	1,965,905	2,282	11,945,706	1,270,284	505,734	1,177,354	505,037	4,990	3,479,537
EXPENDITURES:													
Current:													
General government	-	109,226	-	270,486	-	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	2,238,514	-	-	-	-	1,460,980	-	-	-
Public safety and judicial	-	-	3,119,244	-	-	-	8,363,785	242,702	-	-	1,186,039	-	3,638,665
Community service	181,026	-	-	-	-	372	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	506,640	-	-	-	-
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	18,051	-	-	-	-	69,868	-	-	-	-	31,756
Total expenditures	181,026	109,226	3,137,295	270,486	2,238,514	372	8,363,785	312,570	506,640	1,460,980	1,186,039	-	3,670,421
OTHER FINANCING SOURCES (USES):													
Transfers in	-	-	1,029,925	-	93,306	-	193,871	-	-	277,181	676,482	-	430,138
Transfers out	(342,207)	-	-	(42,840)	-	-	(3,273,778)	(581,613)	-	-	-	(27,770)	-
Total other financing sources (uses)	(342,207)	-	1,029,925	(42,840)	93,306	-	(3,079,907)	(581,613)	-	277,181	676,482	(27,770)	430,138
Net change in fund balances	(189,842)	21,182	(73,765)	21,258	(179,303)	1,910	502,014	376,101	(906)	(6,445)	(4,520)	(22,780)	239,254
FUND BALANCE - beginning	795,074	34,327	142,053	88,610	497,374	44,114	986,763	822,462	24,536	11,222	26,758	22,780	333,986
FUND BALANCE - ending	\$ 605,232	\$ 55,509	\$ 68,288	\$ 109,868	\$ 318,071	\$ 46,024	\$ 1,488,777	\$ 1,198,563	\$ 23,630	\$ 4,777	\$ 22,238	\$ -	\$ 573,240

(Continued on following page)

MARION COUNTY, OREGON

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

For the year ended June 30, 2013

	Special Revenue Funds							Debt Service Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
	Law Library	County Fair	District Attorney Grants	Land Use Planning	Parks	Surveyor	Building Inspection		Capital Building & Equipment	Health Building Reserve	Facility Renovation	Capital Improvement Projects	
REVENUES:													
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,937,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,319,287
Intergovernmental	-	48,110	470,979	-	229,621	-	-	-	-	-	-	-	19,474,599
Charges for services	254,671	187,960	46,930	194,876	16,873	532,406	132	3,496,854	-	-	-	41,185	7,923,528
Fines and forfeitures	-	-	-	-	-	-	-	-	-	-	-	-	1,277,063
Interest	1,575	84	128	598	557	5,219	2,363	2,775	3,297	2,898	69	6,632	53,885
Other	587	18,243	9,953	-	-	708	-	-	-	-	-	-	154,351
Total revenues	256,833	254,397	527,990	195,474	247,051	538,333	1,940,108	3,499,629	3,297	2,898	69	47,817	31,202,713
EXPENDITURES:													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	379,712
Health and social services	-	-	-	-	-	-	-	-	-	-	-	-	3,699,494
Public safety and judicial	267,364	-	622,069	-	-	-	-	-	-	-	-	-	17,439,868
Community service	-	371,701	-	966,103	206,068	-	1,912,874	-	-	-	-	-	3,638,144
Roads and bridges	-	-	-	-	-	-	520,992	-	-	-	-	-	520,992
Education	-	-	-	-	-	-	-	-	-	-	-	-	506,640
Debt service:													
Principal	-	-	-	-	-	-	-	2,000,000	-	-	-	-	2,000,000
Interest	-	-	-	-	-	-	-	3,098,058	-	-	-	-	3,098,058
Capital outlay	-	-	-	-	59,158	-	-	-	-	-	89,371	816,659	1,084,863
Total expenditures	267,364	371,701	622,069	966,103	265,226	520,992	1,912,874	5,098,058	-	-	89,371	816,659	32,367,771
OTHER FINANCING SOURCES (USES):													
Transfers in	-	81,565	88,038	732,096	-	25,000	-	1,548,900	-	-	-	643,100	5,819,602
Transfers out	-	-	-	-	-	-	-	-	(700,000)	-	(1,100)	-	(4,969,308)
Total other financing sources (uses)	-	81,565	88,038	732,096	-	25,000	-	1,548,900	(700,000)	-	(1,100)	643,100	850,294
Net change in fund balances	(10,531)	(35,739)	(6,041)	(38,533)	(18,175)	42,341	27,234	(49,529)	(696,703)	2,898	(90,402)	(125,742)	(314,764)
FUND BALANCE - beginning	420,079	35,739	31,115	62,743	182,016	1,343,911	606,052	389,129	1,232,980	784,442	90,402	2,150,454	11,159,121
FUND BALANCE - ending	\$ 409,548	\$ -	\$ 25,074	\$ 24,210	\$ 163,841	\$ 1,386,252	\$ 633,286	\$ 339,600	\$ 536,277	\$ 787,340	\$ -	\$ 2,024,712	\$ 10,844,357

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CH2 REDEVELOPMENT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 69,300	\$ 74,303	\$ 5,003
Interest	-	7,640	7,640
Other	-	45,337	45,337
	<u>69,300</u>	<u>127,280</u>	<u>57,980</u>
Total revenues			
EXPENDITURES:			
Materials and services	1,820,866	399,210	1,421,656
Contingency	202,300	-	202,300
	<u>2,023,166</u>	<u>399,210</u>	<u>1,623,956</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Insurance recoveries	791,667	791,667	-
Transfers in	700,000	700,000	-
	<u>1,491,667</u>	<u>1,491,667</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	(462,199)	1,219,737	1,681,936
FUND BALANCE - beginning	<u>1,162,199</u>	<u>1,162,199</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	<u>\$ 700,000</u>	2,381,936	<u>\$ 1,681,936</u>
Combined with General Fund		<u>(2,381,936)</u>	
FUND BALANCE - ending, GAAP basis		<u>\$ -</u>	

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TRAFFIC SAFETY TEAM FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 115,439	\$ 93,776	\$ (21,663)
Charges for services	-	49	49
Fines and forfeitures	1,385,095	1,978,781	593,686
Interest	1,112	4,156	3,044
	<u>1,501,646</u>	<u>2,076,762</u>	<u>575,116</u>
EXPENDITURES:			
Personnel services	1,173,178	1,028,807	144,371
Materials and services	558,514	490,586	67,928
Capital outlay	125,000	-	125,000
Contingency	270,209	-	270,209
	<u>2,126,901</u>	<u>1,519,393</u>	<u>607,508</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(162,440)	(162,440)	-
Net change in fund balance	(787,695)	394,929	1,182,624
FUND BALANCE - beginning	<u>787,695</u>	<u>712,352</u>	<u>(75,343)</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	1,107,281	<u>\$ 1,107,281</u>
Combined with General Fund		<u>(1,107,281)</u>	
FUND BALANCE - ending, GAAP basis		<u>\$ -</u>	

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
INMATE WELFARE FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 268,000	\$ 315,084	\$ 47,084
Interest	-	1,003	1,003
Other	-	363	363
	<u>268,000</u>	<u>316,450</u>	<u>48,450</u>
Total revenues			
EXPENDITURES:			
Personnel services	193,925	186,748	7,177
Materials and services	174,493	74,843	99,650
Capital outlay	43,456	697	42,759
Contingency	82,563	-	82,563
	<u>494,437</u>	<u>262,288</u>	<u>232,149</u>
Total expenditures			
Net change in fund balance	(226,437)	54,162	280,599
FUND BALANCE - beginning	<u>226,437</u>	<u>226,437</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	280,599	<u>\$ 280,599</u>
Combined with General Fund		<u>(280,599)</u>	
FUND BALANCE - ending, GAAP basis		<u>\$ -</u>	

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
RAINY DAY FUND

For the year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	<u>\$ 2,000</u>	<u>\$ 8,070</u>	<u>\$ 6,070</u>
EXPENDITURES:			
Reserves	<u> 2,030,350</u>	<u> -</u>	<u> 2,030,350</u>
Net change in fund balance	(2,028,350)	8,070	2,036,420
FUND BALANCE - beginning	<u> 2,028,350</u>	<u> 2,181,039</u>	<u> 152,689</u>
FUND BALANCE - ending, budgetary basis	<u> -</u>	<u> 2,189,109</u>	<u> 2,189,109</u>
Combined with General Fund		<u> (2,189,109)</u>	
FUND BALANCE - ending, GAAP basis		<u> -</u>	

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH IDS RESERVE FUND

For the year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 10,000	\$ 7,415	\$ (2,585)
EXPENDITURES:			
Reserves	2,010,000	-	2,010,000
OTHER FINANCING SOURCES (USES):			
Transfers out	(12,000)	(12,000)	-
Net change in fund balance	(2,012,000)	(4,585)	2,007,415
FUND BALANCE - beginning	2,012,000	2,012,690	690
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	2,008,105	<u>\$ 2,008,105</u>
Combined with General Fund		<u>(2,008,105)</u>	
FUND BALANCE - ending, GAAP basis		<u>\$ -</u>	

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COURTHOUSE SQUARE REMEDIATION FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,700,000	\$ 1,700,000	\$ -
Interest	18,000	34,913	16,913
Other	1,268,854	49,549	(1,219,305)
Total revenues	<u>2,986,854</u>	<u>1,784,462</u>	<u>(1,202,392)</u>
EXPENDITURES:			
Capital outlay	15,285,143	11,467,629	3,817,514
Contingency	5,237,260	-	5,237,260
Total expenditures	<u>20,522,403</u>	<u>11,467,629</u>	<u>9,054,774</u>
OTHER FINANCING SOURCES (USES):			
Insurance recoveries	11,028,017	11,284,788	256,771
Net change in fund balance	(6,507,532)	1,601,621	8,109,153
FUND BALANCE - beginning	<u>6,507,532</u>	<u>6,507,532</u>	<u>-</u>
FUND BALANCE - ending	<u><u>\$ -</u></u>	<u><u>\$ 8,109,153</u></u>	<u><u>\$ 8,109,153</u></u>

Reconciliation to generally accepted accounting principles (GAAP) basis:

The County is budgeting and accounting for all costs related to remediation of the courthouse square complex in this fund, including Transit's share. On a GAAP basis, revenues, expenditures and other financing sources have been adjusted to remove reimbursements received from Transit and costs incurred on their behalf.

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
NON-DEPARTMENTAL GRANTS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 307,299	\$ 305,421	\$ (1,878)
Interest	750	2,820	2,070
Other	10,050	25,150	15,100
Total revenues	<u>318,099</u>	<u>333,391</u>	<u>15,292</u>
EXPENDITURES:			
Materials and services	185,048	181,026	4,022
Contingency	178,898	-	178,898
Total expenditures	<u>363,946</u>	<u>181,026</u>	<u>182,920</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(384,566)</u>	<u>(342,207)</u>	<u>42,359</u>
Net change in fund balance	(430,413)	(189,842)	240,571
FUND BALANCE - beginning	<u>794,823</u>	<u>795,074</u>	<u>251</u>
FUND BALANCE - ending	<u><u>\$ 364,410</u></u>	<u><u>\$ 605,232</u></u>	<u><u>\$ 240,822</u></u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY CLERK RECORDS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 109,474	\$ 130,253	\$ 20,779
Interest	200	155	(45)
Total revenues	<u>109,674</u>	<u>130,408</u>	<u>20,734</u>
EXPENDITURES:			
Personnel services	66,751	66,985	(234)
Materials and services	<u>47,570</u>	<u>42,241</u>	<u>5,329</u>
Total expenditures	<u>114,321</u>	<u>109,226</u>	<u>5,095</u>
Net change in fund balance	(4,647)	21,182	25,829
FUND BALANCE - beginning	<u>5,083</u>	<u>34,327</u>	<u>29,244</u>
FUND BALANCE - ending	<u>\$ 436</u>	<u>\$ 55,509</u>	<u>\$ 55,073</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
JUVENILE GRANTS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,248,403	\$ 1,209,324	\$ (39,079)
Charges for services	908,505	820,068	(88,437)
Other	4,285	4,213	(72)
Total revenues	<u>2,161,193</u>	<u>2,033,605</u>	<u>(127,588)</u>
EXPENDITURES:			
Personnel services	2,545,600	2,516,194	29,406
Materials and services	703,365	603,050	100,315
Capital outlay	19,640	18,051	1,589
Contingency	64,614	-	64,614
Total expenditures	<u>3,333,219</u>	<u>3,137,295</u>	<u>195,924</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,029,926</u>	<u>1,029,925</u>	<u>(1)</u>
Net change in fund balance	(142,100)	(73,765)	68,335
FUND BALANCE - beginning	<u>142,100</u>	<u>142,053</u>	<u>(47)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 68,288</u>	<u>\$ 68,288</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TAX TITLE LAND SALES FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 250,000	\$ 302,257	\$ 52,257
Interest	9,058	8,304	(754)
Other	18,200	24,023	5,823
Total revenues	<u>277,258</u>	<u>334,584</u>	<u>57,326</u>
EXPENDITURES:			
Materials and services	26,645	15,578	11,067
Special payments	254,908	254,908	-
Contingency	10,000	-	10,000
Total expenditures	<u>291,553</u>	<u>270,486</u>	<u>21,067</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(43,119)</u>	<u>(42,840)</u>	<u>279</u>
Net change in fund balance	(57,414)	21,258	78,672
FUND BALANCE - beginning	<u>137,270</u>	<u>88,610</u>	<u>(48,660)</u>
FUND BALANCE - ending	<u>\$ 79,856</u>	<u>\$ 109,868</u>	<u>\$ 30,012</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILDREN & FAMILIES FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 2,131,757	\$ 1,963,261	\$ (168,496)
Charges for services	25	35	10
Interest	2,500	1,823	(677)
Other	460	786	326
Total revenues	2,134,742	1,965,905	(168,837)
EXPENDITURES:			
Personnel services	576,258	576,123	135
Materials and services	1,881,930	1,662,391	219,539
Contingency	267,234	-	267,234
Total expenditures	2,725,422	2,238,514	486,908
OTHER FINANCING SOURCES (USES):			
Transfers in	93,306	93,306	-
Net change in fund balance	(497,374)	(179,303)	318,071
FUND BALANCE - beginning	497,374	497,374	-
FUND BALANCE - ending	\$ -	\$ 318,071	\$ 318,071

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT BLOCK GRANT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ 38	\$ 166	\$ 128
Other	-	2,116	2,116
Total revenues	<u>38</u>	<u>2,282</u>	<u>2,244</u>
EXPENDITURES:			
Materials and services	388	372	16
Contingency	<u>42,398</u>	<u>-</u>	<u>42,398</u>
Total expenditures	<u>42,786</u>	<u>372</u>	<u>42,414</u>
Net change in fund balance	(42,748)	1,910	44,658
FUND BALANCE - beginning	<u>42,748</u>	<u>44,114</u>	<u>1,366</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 46,024</u>	<u>\$ 46,024</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COMMUNITY CORRECTIONS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 10,664,811	\$ 11,122,203	\$ 457,392
Charges for services	826,000	813,750	(12,250)
Interest	-	9,753	9,753
	<u>11,490,811</u>	<u>11,945,706</u>	<u>454,895</u>
Total revenues			
EXPENDITURES:			
Personnel services	6,783,231	6,195,246	587,985
Materials and services	2,334,255	2,168,539	165,716
Contingency	278,537	-	278,537
	<u>9,396,023</u>	<u>8,363,785</u>	<u>1,032,238</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	193,872	193,871	(1)
Transfers out	(3,273,778)	(3,273,778)	-
	<u>(3,079,906)</u>	<u>(3,079,907)</u>	<u>(1)</u>
Total other financing sources (uses)			
Net change in fund balance	(985,118)	502,014	1,487,132
FUND BALANCE - beginning	<u>985,118</u>	<u>986,763</u>	<u>1,645</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 1,488,777</u>	<u>\$ 1,488,777</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CRIMINAL JUSTICE ASSESSMENT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines and forfeitures	\$ 1,009,138	\$ 1,266,387	\$ 257,249
Interest	900	3,897	2,997
Total revenues	<u>1,010,038</u>	<u>1,270,284</u>	<u>260,246</u>
EXPENDITURES:			
Materials and services	284,162	242,702	41,460
Capital outlay	76,700	69,868	6,832
Contingency	822	-	822
Total expenditures	<u>361,684</u>	<u>312,570</u>	<u>49,114</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(581,615)</u>	<u>(581,613)</u>	<u>2</u>
Net change in fund balance	66,739	376,101	309,362
FUND BALANCE - beginning	<u>822,462</u>	<u>822,462</u>	<u>-</u>
FUND BALANCE - ending	<u><u>\$ 889,201</u></u>	<u><u>\$ 1,198,563</u></u>	<u><u>\$ 309,362</u></u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY SCHOOLS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 741,211	\$ 505,332	\$ (235,879)
Fines and forfeitures	1,000	-	(1,000)
Interest	500	402	(98)
Total revenues	<u>742,711</u>	<u>505,734</u>	<u>(236,977)</u>
EXPENDITURES:			
Special payments	<u>767,247</u>	<u>506,640</u>	<u>260,607</u>
Net change in fund balance	(24,536)	(906)	23,630
FUND BALANCE - beginning	<u>24,536</u>	<u>24,536</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 23,630</u>	<u>\$ 23,630</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CHILD SUPPORT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,169,709	\$ 1,159,413	\$ (10,296)
Charges for services	20,000	17,941	(2,059)
Total revenues	<u>1,189,709</u>	<u>1,177,354</u>	<u>(12,355)</u>
EXPENDITURES:			
Personnel services	1,248,186	1,232,424	15,762
Materials and services	<u>243,685</u>	<u>228,556</u>	<u>15,129</u>
Total expenditures	<u>1,491,871</u>	<u>1,460,980</u>	<u>30,891</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>302,162</u>	<u>277,181</u>	<u>(24,981)</u>
Net change in fund balance	-	(6,445)	(6,445)
FUND BALANCE - beginning	<u>-</u>	<u>11,222</u>	<u>11,222</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 4,777</u>	<u>\$ 4,777</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DOG CONTROL FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 385,000	\$ 356,602	\$ (28,398)
Charges for services	113,000	103,638	(9,362)
Fines and forfeitures	7,000	4,695	(2,305)
Interest	250	263	13
Other	35,570	39,839	4,269
	<u>540,820</u>	<u>505,037</u>	<u>(35,783)</u>
Total revenues			
EXPENDITURES:			
Personnel services	700,580	685,886	14,694
Materials and services	559,510	500,153	59,357
	<u>1,260,090</u>	<u>1,186,039</u>	<u>74,051</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	692,944	676,482	(16,462)
	<u>692,944</u>	<u>676,482</u>	<u>(16,462)</u>
Net change in fund balance	(26,326)	(4,520)	21,806
FUND BALANCE - beginning	26,326	26,758	432
	<u>26,326</u>	<u>26,758</u>	<u>432</u>
FUND BALANCE - ending	\$ -	\$ 22,238	\$ 22,238
	<u>\$ -</u>	<u>\$ 22,238</u>	<u>\$ 22,238</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIQUOR LAW ENFORCEMENT FUND

For the year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Fines and forfeitures	\$ 35,000	\$ 4,990	\$ (30,010)
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(35,000)</u>	<u>(27,770)</u>	<u>7,230</u>
Net change in fund balance	-	(22,780)	(22,780)
FUND BALANCE - beginning	<u>-</u>	<u>22,780</u>	<u>22,780</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SHERIFF GRANTS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 18,504	\$ 25,072	\$ 6,568
Intergovernmental	2,505,006	2,460,935	(44,071)
Charges for services	913,725	963,699	49,974
Fines and forfeitures	23,608	991	(22,617)
Interest	-	107	107
Other	5,200	28,733	23,533
Total revenues	3,466,043	3,479,537	13,494
EXPENDITURES:			
Personnel services	2,176,083	2,062,640	113,443
Materials and services	1,748,630	1,576,025	172,605
Capital outlay	42,452	31,756	10,696
Contingency	271,612	-	271,612
Total expenditures	4,238,777	3,670,421	568,356
OTHER FINANCING SOURCES (USES):			
Transfers in	472,497	430,138	(42,359)
Net change in fund balance	(300,237)	239,254	539,491
FUND BALANCE - beginning	300,237	333,986	33,749
FUND BALANCE - ending	\$ -	\$ 573,240	\$ 573,240

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAW LIBRARY FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 255,117	\$ 254,671	\$ (446)
Interest	1,600	1,575	(25)
Other	500	587	87
	<u>257,217</u>	<u>256,833</u>	<u>(384)</u>
Total revenues			
EXPENDITURES:			
Personnel services	161,915	143,674	18,241
Materials and services	140,600	123,690	16,910
Contingency	30,000	-	30,000
	<u>332,515</u>	<u>267,364</u>	<u>65,151</u>
Total expenditures			
Net change in fund balance	(75,298)	(10,531)	64,767
FUND BALANCE - beginning	<u>394,607</u>	<u>420,079</u>	<u>25,472</u>
FUND BALANCE - ending	<u>\$ 319,309</u>	<u>\$ 409,548</u>	<u>\$ 90,239</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
COUNTY FAIR FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 50,000	\$ 48,110	\$ (1,890)
Charges for services	213,498	187,960	(25,538)
Interest	100	84	(16)
Other	16,200	18,243	2,043
	<u>279,798</u>	<u>254,397</u>	<u>(25,401)</u>
Total revenues			
EXPENDITURES:			
Personnel services	60,377	57,821	2,556
Materials and services	314,622	313,880	742
Contingency	5,200	-	5,200
	<u>380,199</u>	<u>371,701</u>	<u>8,498</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	80,000	81,565	1,565
	<u>80,000</u>	<u>81,565</u>	<u>1,565</u>
Net change in fund balance	(20,401)	(35,739)	(15,338)
FUND BALANCE - beginning	20,401	35,739	15,338
	<u>20,401</u>	<u>35,739</u>	<u>15,338</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DISTRICT ATTORNEY GRANTS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 479,854	\$ 470,979	\$ (8,875)
Charges for services	39,311	46,930	7,619
Interest	95	128	33
Other	-	9,953	9,953
	<u>519,260</u>	<u>527,990</u>	<u>8,730</u>
Total revenues			
EXPENDITURES:			
Personnel services	523,847	531,334	(7,487)
Materials and services	100,117	90,735	9,382
	<u>623,964</u>	<u>622,069</u>	<u>1,895</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	95,204	88,038	(7,166)
	<u>95,204</u>	<u>88,038</u>	<u>(7,166)</u>
Net change in fund balance	(9,500)	(6,041)	3,459
FUND BALANCE - beginning	9,500	31,115	21,615
	<u>9,500</u>	<u>31,115</u>	<u>21,615</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 25,074</u>	<u>\$ 25,074</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LAND USE PLANNING FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 190,000	\$ 194,876	\$ 4,876
Interest	200	598	398
Total revenues	<u>190,200</u>	<u>195,474</u>	<u>5,274</u>
EXPENDITURES:			
Personnel services	815,181	632,867	182,314
Materials and services	349,979	333,236	16,743
Contingency	66,984	-	66,984
Total expenditures	<u>1,232,144</u>	<u>966,103</u>	<u>266,041</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>980,291</u>	<u>732,096</u>	<u>(248,195)</u>
Net change in fund balance	(61,653)	(38,533)	23,120
FUND BALANCE - beginning	<u>61,653</u>	<u>62,743</u>	<u>1,090</u>
FUND BALANCE - ending	<u><u>\$ -</u></u>	<u><u>\$ 24,210</u></u>	<u><u>\$ 24,210</u></u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PARKS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 229,249	\$ 229,621	\$ 372
Charges for services	15,000	16,873	1,873
Interest	800	557	(243)
	<u>245,049</u>	<u>247,051</u>	<u>2,002</u>
Total revenues			
EXPENDITURES:			
Personnel services	99,774	96,671	3,103
Materials and services	143,886	109,397	34,489
Capital outlay	50,000	59,158	(9,158)
Contingency	12,614	-	12,614
	<u>306,274</u>	<u>265,226</u>	<u>41,048</u>
Total expenditures			
Net change in fund balance	(61,225)	(18,175)	43,050
FUND BALANCE - beginning	<u>182,016</u>	<u>182,016</u>	<u>-</u>
FUND BALANCE - ending	<u><u>\$ 120,791</u></u>	<u><u>\$ 163,841</u></u>	<u><u>\$ 43,050</u></u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SURVEYOR FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 405,650	\$ 532,406	\$ 126,756
Interest	12,508	5,219	(7,289)
Other	-	708	708
	<u>418,158</u>	<u>538,333</u>	<u>120,175</u>
Total revenues			
EXPENDITURES:			
Personnel services	421,275	386,041	35,234
Materials and services	155,871	134,951	20,920
Contingency	55,606	-	55,606
	<u>632,752</u>	<u>520,992</u>	<u>111,760</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	(189,594)	42,341	231,935
FUND BALANCE - beginning	<u>1,359,257</u>	<u>1,343,911</u>	<u>(15,346)</u>
FUND BALANCE - ending	<u>\$ 1,169,663</u>	<u>\$ 1,386,252</u>	<u>\$ 216,589</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BUILDING INSPECTION FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 1,750,000	\$ 1,937,613	\$ 187,613
Charges for services	-	132	132
Interest	6,720	2,363	(4,357)
	<u>1,756,720</u>	<u>1,940,108</u>	<u>183,388</u>
Total revenues			
EXPENDITURES:			
Personnel services	1,544,393	1,508,626	35,767
Materials and services	420,566	404,248	16,318
Contingency	247,000	-	247,000
	<u>2,211,959</u>	<u>1,912,874</u>	<u>299,085</u>
Total expenditures			
Net change in fund balance	(455,239)	27,234	482,473
FUND BALANCE - beginning	<u>723,916</u>	<u>606,052</u>	<u>(117,864)</u>
FUND BALANCE - ending	<u>\$ 268,677</u>	<u>\$ 633,286</u>	<u>\$ 364,609</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 3,545,950	\$ 3,496,854	\$ (49,096)
Interest	3,600	2,775	(825)
Total revenues	<u>3,549,550</u>	<u>3,499,629</u>	<u>(49,921)</u>
EXPENDITURES:			
Debt service - principal	2,000,000	2,000,000	-
Debt service - interest	<u>3,098,058</u>	<u>3,098,058</u>	<u>-</u>
Total expenditures	<u>5,098,058</u>	<u>5,098,058</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,548,900</u>	<u>1,548,900</u>	<u>-</u>
Net change in fund balance	392	(49,529)	(49,921)
FUND BALANCE - beginning	<u>474,723</u>	<u>389,129</u>	<u>(85,594)</u>
FUND BALANCE - ending	<u><u>\$ 475,115</u></u>	<u><u>\$ 339,600</u></u>	<u><u>\$ (135,515)</u></u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL BUILDING & EQUIPMENT FUND

For the year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	<u>\$ 1,232</u>	<u>\$ 3,297</u>	<u>\$ 2,065</u>
EXPENDITURES:			
Reserves	<u>534,111</u>	<u>-</u>	<u>534,111</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(700,000)</u>	<u>(700,000)</u>	<u>-</u>
Net change in fund balance	(1,232,879)	(696,703)	536,176
FUND BALANCE - beginning	<u>1,232,879</u>	<u>1,232,980</u>	<u>101</u>
FUND BALANCE - ending	<u><u>\$ -</u></u>	<u><u>\$ 536,277</u></u>	<u><u>\$ 536,277</u></u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HEALTH BUILDING RESERVE FUND

For the year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	<u>\$ 3,700</u>	<u>\$ 2,898</u>	<u>\$ (802)</u>
EXPENDITURES:			
Reserves	<u>787,876</u>	<u>-</u>	<u>787,876</u>
Net change in fund balance	(784,176)	2,898	787,074
FUND BALANCE - beginning	<u>784,176</u>	<u>784,442</u>	<u>266</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 787,340</u>	<u>\$ 787,340</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FACILITY RENOVATION FUND

For the year ended June 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 69	\$ 69	\$ -
EXPENDITURES:			
Capital outlay	89,371	89,371	-
OTHER FINANCING SOURCES (USES):			
Transfers out	(1,100)	(1,100)	-
Net change in fund balance	(90,402)	(90,402)	-
FUND BALANCE - beginning	90,402	90,402	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROJECTS FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 41,276	\$ 41,185	\$ (91)
Interest	-	6,632	6,632
Total revenues	<u>41,276</u>	<u>47,817</u>	<u>6,541</u>
EXPENDITURES:			
Capital outlay	2,665,434	816,659	1,848,775
Contingency	107,815	-	107,815
Total expenditures	<u>2,773,249</u>	<u>816,659</u>	<u>1,956,590</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>643,100</u>	<u>643,100</u>	<u>-</u>
Net change in fund balance	(2,088,873)	(125,742)	1,963,131
FUND BALANCE - beginning	<u>2,088,873</u>	<u>2,150,454</u>	<u>61,581</u>
FUND BALANCE - ending	<u><u>\$ -</u></u>	<u><u>\$ 2,024,712</u></u>	<u><u>\$ 2,024,712</u></u>

ENTERPRISE FUNDS

Major Funds

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Environmental Services	Franchise fees and disposal charges.	Accounts for the operations of the County's solid waste collection and disposal system.

Nonmajor Funds

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Brooks Community Service District	Sewer fees.	Accounts for sewer services provided to district residents.
East Salem Service District	Sewer and lighting fees, property taxes and interest.	Accounts for sewer and lighting services provided to district residents.
Labish Village Sewage and Drainage District	Sewer and drainage fees.	Accounts for sewer and drainage services provided to district residents.
Fargo Interchange Service District	Sewer fees.	Accounts for sewer services provided to district residents.
Illahe Hills Street Lighting District	Lighting fees.	Accounts for lighting services provided to district residents.

MARION COUNTY, OREGON

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2013

	Sewer and Lighting Service Districts					Totals
	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illaha Hills	
ASSETS						
Current assets:						
Cash and investments	\$ 270,938	\$ 970,808	\$ 43,620	\$ 77,440	\$ 10,922	\$ 1,373,728
Receivables:						
Accounts	22,208	182,998	8,744	25,633	-	239,583
Property taxes	1,117	19,048	-	2,659	-	22,824
Interest	581	2,005	90	162	22	2,860
Total current assets	294,844	1,174,859	52,454	105,894	10,944	1,638,995
Capital assets:						
Land	140,335	87,014	-	-	-	227,349
Buildings and improvements	3,230,468	4,950,308	322,448	1,831,395	-	10,334,619
Equipment	-	13,459	-	-	-	13,459
Less accumulated depreciation	(2,772,173)	(4,036,454)	(322,448)	(806,364)	-	(7,937,439)
Total capital assets (net of accumulated depreciation)	598,630	1,014,327	-	1,025,031	-	2,637,988
Total assets	893,474	2,189,186	52,454	1,130,925	10,944	4,276,983
LIABILITIES						
Current liabilities:						
Accounts payable	6,910	104,410	3,752	6,386	845	122,303
Accrued interest	-	-	-	20,481	-	20,481
Notes payable, current	-	-	-	74,733	-	74,733
Total current liabilities	6,910	104,410	3,752	101,600	845	217,517
Noncurrent liabilities:						
Notes payable, net of current portion	-	-	-	620,468	-	620,468
Total liabilities	6,910	104,410	3,752	722,068	845	837,985
NET POSITION						
Net investment in capital assets	598,630	1,014,327	-	329,830	-	1,942,787
Unrestricted	287,934	1,070,449	48,702	79,027	10,099	1,496,211
Total net position	\$ 886,564	\$ 2,084,776	\$ 48,702	\$ 408,857	\$ 10,099	\$ 3,438,998

MARION COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2013

	Sewer and Lighting Service Districts					Totals
	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illahe Hills	
Operating revenues:						
Charges for services	\$ 258,934	\$ 143,006	\$ 6,901	\$ 191,405	\$ 10,924	\$ 611,170
Operating expenses:						
Repairs and maintenance	53,721	82,273	-	70,396	-	206,390
Utilities	4,051	234,418	-	2,307	10,101	250,877
Building and equipment rentals	900	900	-	-	-	1,800
Professional services	144,426	32,051	1,633	20,332	158	198,600
Communication	198	715	36	79	-	1,028
Fuel and operating supplies	23,503	5,332	20	50	-	28,905
Insurance claims and premiums	1,577	9,228	797	1,076	-	12,678
Depreciation	129,219	90,005	-	70,608	-	289,832
Other	2,785	606	26	195	25	3,637
Total operating expenses	360,380	455,528	2,512	165,043	10,284	993,747
Operating income (loss)	(101,446)	(312,522)	4,389	26,362	640	(382,577)
Nonoperating revenues (expenses):						
Property taxes	-	250,562	-	-	-	250,562
Interest revenue	1,035	3,471	148	323	39	5,016
Interest expense	-	-	-	(37,085)	-	(37,085)
Total nonoperating revenues (expenses)	1,035	254,033	148	(36,762)	39	218,493
Change in net position	(100,411)	(58,489)	4,537	(10,400)	679	(164,084)
Total net position - beginning	986,975	2,143,265	44,165	419,257	9,420	3,603,082
Total net position - ending	\$ 886,564	\$ 2,084,776	\$ 48,702	\$ 408,857	\$ 10,099	\$ 3,438,998

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2013

Sewer and Lighting Service Districts

	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illahe Hills	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 258,426	\$ 158,834	\$ 6,215	\$ 173,999	\$ 10,924	\$ 608,398
Cash payments to suppliers for goods and services	(228,315)	(378,271)	(854)	(94,070)	(9,439)	(710,949)
Net cash from operating activities	30,111	(219,437)	5,361	79,929	1,485	(102,551)
Cash flows from noncapital financing activities:						
Property taxes	-	249,925	-	-	-	249,925
Cash flows from capital and related financing activities:						
Debt principal payments	-	-	-	(66,159)	-	(66,159)
Debt interest payments	-	-	-	(39,354)	-	(39,354)
Net cash from capital and related financing activities	-	-	-	(105,513)	-	(105,513)
Cash flows from investing activities:						
Interest on investments	1,396	4,853	195	540	17	7,001
Net change in cash and investments	31,507	35,341	5,556	(25,044)	1,502	48,862
Cash and investments - beginning	239,431	935,467	38,064	102,484	9,420	1,324,866
Cash and investments - ending	\$ 270,938	\$ 970,808	\$ 43,620	\$ 77,440	\$ 10,922	\$ 1,373,728
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	\$ (101,446)	\$ (312,522)	\$ 4,389	\$ 26,362	\$ 640	\$ (382,577)
Depreciation	129,219	90,005	-	70,608	-	289,832
Change in:						
Accounts receivable	(508)	15,828	(686)	(17,406)	-	(2,772)
Accounts payable	2,846	(12,748)	1,658	365	845	(7,034)
Net cash from operating activities	\$ 30,111	\$ (219,437)	\$ 5,361	\$ 79,929	\$ 1,485	\$ (102,551)

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENVIRONMENTAL SERVICES FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 275,000	\$ 294,357	\$ 19,357
Intergovernmental	4,000	4,952	952
Charges for services	19,293,333	17,573,435	(1,719,898)
Fines and forfeitures	-	800	800
Interest	100,000	66,545	(33,455)
Other	344,050	340,307	(3,743)
	<u>20,016,383</u>	<u>18,280,396</u>	<u>(1,735,987)</u>
Total revenues			
EXPENDITURES:			
Personnel services	2,606,121	2,528,817	77,304
Materials and services	19,717,539	18,539,656	1,177,883
Capital outlay	1,514,257	1,500,753	13,504
	<u>23,837,917</u>	<u>22,569,226</u>	<u>1,268,691</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Interfund loan proceeds	850,000	850,000	-
	<u>850,000</u>	<u>850,000</u>	<u>-</u>
Net change in fund balance	(2,971,534)	(3,438,830)	(467,296)
FUND BALANCE - beginning	17,730,459	17,180,652	(549,807)
	<u>17,730,459</u>	<u>17,180,652</u>	<u>(549,807)</u>
FUND BALANCE - ending	\$ 14,758,925	\$ 13,741,822	\$ (1,017,103)
	<u>\$ 14,758,925</u>	<u>\$ 13,741,822</u>	<u>\$ (1,017,103)</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
BROOKS COMMUNITY SERVICE DISTRICT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 247,700	\$ 258,934	\$ 11,234
Interest	1,050	1,035	(15)
Total revenues	<u>248,750</u>	<u>259,969</u>	<u>11,219</u>
EXPENDITURES:			
Materials and services	227,930	231,161	(3,231)
Capital outlay	40,000	-	40,000
Contingency	66,420	-	66,420
Total expenditures	<u>334,350</u>	<u>231,161</u>	<u>103,189</u>
Net change in fund balance	(85,600)	28,808	114,408
FUND BALANCE - beginning	<u>229,600</u>	<u>259,126</u>	<u>29,526</u>
FUND BALANCE - ending	<u>\$ 144,000</u>	<u>\$ 287,934</u>	<u>\$ 143,934</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
EAST SALEM SERVICE DISTRICT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 263,382	\$ 250,562	\$ (12,820)
Charges for services	200,727	143,006	(57,721)
Interest	4,800	3,471	(1,329)
Total revenues	<u>468,909</u>	<u>397,039</u>	<u>(71,870)</u>
EXPENDITURES:			
Materials and services	590,425	365,523	224,902
Capital outlay	427,000	-	427,000
Contingency	200,000	-	200,000
Total expenditures	<u>1,217,425</u>	<u>365,523</u>	<u>851,902</u>
Net change in fund balance	(748,516)	31,516	780,032
FUND BALANCE - beginning	<u>1,075,100</u>	<u>1,038,933</u>	<u>(36,167)</u>
FUND BALANCE - ending	<u>\$ 326,584</u>	<u>\$ 1,070,449</u>	<u>\$ 743,865</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LABISH VILLAGE SEWAGE AND DRAINAGE DISTRICT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 8,655	\$ 6,901	\$ (1,754)
Interest	150	148	(2)
Total revenues	<u>8,805</u>	<u>7,049</u>	<u>(1,756)</u>
EXPENDITURES:			
Materials and services	11,330	2,512	8,818
Contingency	<u>43,415</u>	<u>-</u>	<u>43,415</u>
Total expenditures	<u>54,745</u>	<u>2,512</u>	<u>52,233</u>
Net change in fund balance	(45,940)	4,537	50,477
FUND BALANCE - beginning	<u>45,940</u>	<u>44,165</u>	<u>(1,775)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 48,702</u>	<u>\$ 48,702</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FARGO INTERCHANGE SERVICE DISTRICT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 201,737	\$ 191,405	\$ (10,332)
Interest	250	323	73
Total revenues	<u>201,987</u>	<u>191,728</u>	<u>(10,259)</u>
EXPENDITURES:			
Materials and services	113,589	94,435	19,154
Capital outlay	25,000	-	25,000
Debt service - principal	66,160	66,159	1
Debt service - interest	39,355	39,354	1
Contingency	65,610	-	65,610
Total expenditures	<u>309,714</u>	<u>199,948</u>	<u>109,766</u>
Net change in fund balance	(107,727)	(8,220)	99,507
FUND BALANCE - beginning	<u>107,727</u>	<u>107,728</u>	<u>1</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 99,508</u>	<u>\$ 99,508</u>

INTERNAL SERVICE FUNDS

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Central Services	Internal assessments.	Accounts for the County's central administration including the Board of Commissioners, Business Services, Finance, Information Technology and Legal Counsel.
Self-Insurance	Internal assessments.	Accounts for the County's risk management program.
Fleet Management	Internal assessments.	Accounts for acquisition and maintenance of the County's pooled vehicles.

MARION COUNTY, OREGON

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

June 30, 2013

	Central Services	Self- Insurance	Fleet Management	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 1,189,792	\$ 10,640,333	\$ 2,654,785	\$ 14,484,910
Receivables:				
Accounts	31,225	7,019	33,815	72,059
Interest	-	21,765	-	21,765
Prepaid expenses	-	50,000	-	50,000
Total current assets	<u>1,221,017</u>	<u>10,719,117</u>	<u>2,688,600</u>	<u>14,628,734</u>
LIABILITIES				
Current liabilities:				
Accounts payable	509,895	822,924	28,356	1,361,175
Payroll related liabilities	711,122	-	-	711,122
Compensated absences, current	535,471	-	-	535,471
Accrued claims liability, current	-	1,373,139	-	1,373,139
Total current liabilities	<u>1,756,488</u>	<u>2,196,063</u>	<u>28,356</u>	<u>3,980,907</u>
Noncurrent liabilities, net of current portion:				
Compensated absences	88,509	-	-	88,509
Net OPEB obligation	1,682,450	-	-	1,682,450
Accrued claims liability	-	3,434,642	-	3,434,642
Total noncurrent liabilities	<u>1,770,959</u>	<u>3,434,642</u>	<u>-</u>	<u>5,205,601</u>
Total liabilities	<u>3,527,447</u>	<u>5,630,705</u>	<u>28,356</u>	<u>9,186,508</u>
NET POSITION				
Unrestricted	<u>(2,306,430)</u>	<u>5,088,412</u>	<u>2,660,244</u>	<u>5,442,226</u>
Total net position	<u>\$ (2,306,430)</u>	<u>\$ 5,088,412</u>	<u>\$ 2,660,244</u>	<u>\$ 5,442,226</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the year ended June 30, 2013

	Central Services	Self- Insurance	Fleet Management	Totals
Operating revenues:				
Charges for services	\$ 19,579,782	\$ 22,744,990	\$ 1,879,555	\$ 44,204,327
Other	9,430	51,856	34,343	95,629
Total operating revenues	<u>19,589,212</u>	<u>22,796,846</u>	<u>1,913,898</u>	<u>44,299,956</u>
Operating expenses:				
Salaries and wages	15,300,487	-	1,093	15,301,580
Repairs and maintenance	1,197,194	-	313,172	1,510,366
Utilities	27,584	-	-	27,584
Building and equipment rentals	549,987	-	3,540	553,527
Professional services	808,134	145,824	36,595	990,553
Communication	262,742	-	-	262,742
Fuel and operating supplies	816,516	12,869	1,079,513	1,908,898
Insurance claims and premiums	2,408	22,079,274	-	22,081,682
Administrative expenses	1,352,437	106,540	49,310	1,508,287
Other	199,191	52,119	3,875	255,185
Total operating expenses	<u>20,516,680</u>	<u>22,396,626</u>	<u>1,487,098</u>	<u>44,400,404</u>
Operating income (loss)	<u>(927,468)</u>	<u>400,220</u>	<u>426,800</u>	<u>(100,448)</u>
Nonoperating revenues (expenses):				
Interest revenue	-	30,769	-	30,769
Interest expense	-	-	(37)	(37)
Total nonoperating revenues (expenses)	<u>-</u>	<u>30,769</u>	<u>(37)</u>	<u>30,732</u>
Income (loss) before transfers	(927,468)	430,989	426,763	(69,716)
Transfers in	<u>684,532</u>	<u>-</u>	<u>101,277</u>	<u>785,809</u>
Change in net position	(242,936)	430,989	528,040	716,093
Total net position - beginning	<u>(2,063,494)</u>	<u>4,657,423</u>	<u>2,132,204</u>	<u>4,726,133</u>
Total net position - ending	<u>\$ (2,306,430)</u>	<u>\$ 5,088,412</u>	<u>\$ 2,660,244</u>	<u>\$ 5,442,226</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2013

	Central Services	Self- Insurance	Fleet Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 19,582,274	\$ 22,789,827	\$ 1,880,083	\$ 44,252,184
Cash payments to suppliers for goods and services	(5,008,804)	(22,585,460)	(1,465,319)	(29,059,583)
Cash payments to employees for services	(15,099,447)	-	(12,185)	(15,111,632)
Net cash from operating activities	(525,977)	204,367	402,579	80,969
Cash flows from noncapital financing activities:				
Transfers received	684,532	-	101,277	785,809
Cash flows from capital and related financing activities:				
Interfund loan principal payments	-	-	(5,883)	(5,883)
Interfund loan interest payments	-	-	(37)	(37)
Net cash from capital and related financing activities	-	-	(5,920)	(5,920)
Cash flows from investing activities:				
Interest on investments	-	46,290	-	46,290
Net change in cash and investments	158,555	250,657	497,936	907,148
Cash and investments - beginning	1,031,237	10,389,676	2,156,849	13,577,762
Cash and investments - ending	<u>\$ 1,189,792</u>	<u>\$ 10,640,333</u>	<u>\$ 2,654,785</u>	<u>\$ 14,484,910</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (927,468)	\$ 400,220	\$ 426,800	\$ (100,448)
Change in:				
Accounts receivable	(6,938)	(7,019)	(33,815)	(47,772)
Accounts payable	207,389	(3,615)	20,686	224,460
Payroll liabilities	(41,896)	-	(5,330)	(47,226)
Compensated absences	(31,654)	-	(5,762)	(37,416)
Net OPEB obligation	274,590	-	-	274,590
Accrued claims liability	-	(185,219)	-	(185,219)
Net cash from operating activities	<u>\$ (525,977)</u>	<u>\$ 204,367</u>	<u>\$ 402,579</u>	<u>\$ 80,969</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CENTRAL SERVICES FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 10,000	\$ 9,429	\$ (571)
Charges for services	20,271,495	19,579,782	(691,713)
Other	-	1	1
	<u>20,281,495</u>	<u>19,589,212</u>	<u>(692,283)</u>
Total revenues			
EXPENDITURES:			
Board of Commissioners	2,078,509	2,043,346	35,163
Business Services	6,434,698	6,008,515	426,183
Finance	2,373,035	2,222,260	150,775
Information Technology	8,393,631	8,337,729	55,902
Legal Counsel	1,260,497	1,215,715	44,782
Non-Departmental:			
Materials and services	674,502	446,179	228,323
	<u>21,214,872</u>	<u>20,273,744</u>	<u>941,128</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	933,377	684,532	(248,845)
	<u>933,377</u>	<u>684,532</u>	<u>(248,845)</u>
Net change in fund balance	-	-	-
FUND BALANCE - beginning	-	-	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SELF-INSURANCE FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 24,547,584	\$ 22,744,990	\$ (1,802,594)
Interest	14,039	30,769	16,730
Other	15,000	51,856	36,856
	<u>24,576,623</u>	<u>22,827,615</u>	<u>(1,749,008)</u>
Total revenues			
EXPENDITURES:			
Materials and services	25,767,863	22,581,845	3,186,018
Contingency	1,440,000	-	1,440,000
	<u>27,207,863</u>	<u>22,581,845</u>	<u>4,626,018</u>
Total expenditures			
Net change in fund balance	(2,631,240)	245,770	2,877,010
FUND BALANCE - beginning	<u>9,359,118</u>	<u>9,650,423</u>	<u>291,305</u>
FUND BALANCE - ending	<u>\$ 6,727,878</u>	<u>\$ 9,896,193</u>	<u>\$ 3,168,315</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FLEET MANAGEMENT FUND

For the year ended June 30, 2013

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,826,748	\$ 1,879,555	\$ 52,807
Other	25,000	34,343	9,343
Total revenues	<u>1,851,748</u>	<u>1,913,898</u>	<u>62,150</u>
EXPENDITURES:			
Personnel services	86,667	6,855	79,812
Materials and services	521,942	421,509	100,433
Capital outlay	1,093,317	1,064,496	28,821
Debt service - principal	14,000	5,883	8,117
Debt service - interest	120	37	83
Contingency	93,239	-	93,239
Total expenditures	<u>1,809,285</u>	<u>1,498,780</u>	<u>310,505</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	101,317	101,277	(40)
Net change in fund balance	143,780	516,395	372,615
FUND BALANCE - beginning	<u>2,143,849</u>	<u>2,143,849</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 2,287,629</u>	<u>\$ 2,660,244</u>	<u>\$ 372,615</u>

AGENCY FUNDS

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Treasurer's Trust	None.	Accounts for miscellaneous fees collected on behalf of other government agencies.
Due Subdivisions	None.	Accounts for the collection and distribution of property taxes for all political subdivisions within the County; also accounts for contracted accounting services provided to other governments within the County.

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 AGENCY FUNDS

June 30, 2013

	Treasurer's Trust	Due Subdivisions	Totals
ASSETS:			
Cash and investments	\$ 226,330	\$ 21,690,091	\$ 21,916,421
Receivables:			
Accounts and interest	6,876	403,581	410,457
Property taxes	-	19,280,907	19,280,907
	-	19,280,907	19,280,907
Total assets	\$ 233,206	\$ 41,374,579	\$ 41,607,785
 LIABILITIES:			
Accounts payable	\$ 61,466	\$ 2,033,563	\$ 2,095,029
Due to other agencies	171,740	39,341,016	39,512,756
	-	39,341,016	39,512,756
Total liabilities	\$ 233,206	\$ 41,374,579	\$ 41,607,785

MARION COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2013

	Balance, July 1, 2012	Additions	Deductions	Balance, June 30, 2013
Treasurer's Trust				
Assets:				
Cash and investments	\$ 388,463	\$ 5,157,775	\$ 5,319,908	\$ 226,330
Receivables:				
Accounts and interest	677	6,748	549	6,876
Total assets	<u>\$ 389,140</u>	<u>\$ 5,164,523</u>	<u>\$ 5,320,457</u>	<u>\$ 233,206</u>
Liabilities:				
Accounts payable	\$ 94,877	\$ 2,528,318	\$ 2,561,729	\$ 61,466
Due to other agencies	294,263	2,636,205	2,758,728	171,740
Total liabilities	<u>\$ 389,140</u>	<u>\$ 5,164,523</u>	<u>\$ 5,320,457</u>	<u>\$ 233,206</u>
Due Subdivisions				
Assets:				
Cash and investments	\$ 18,363,703	\$ 373,146,339	\$ 369,819,951	\$ 21,690,091
Receivables:				
Accounts and interest	710,795	548,273	855,487	403,581
Property taxes	19,926,284	-	645,377	19,280,907
Total assets	<u>\$ 39,000,782</u>	<u>\$ 373,694,612</u>	<u>\$ 371,320,815</u>	<u>\$ 41,374,579</u>
Liabilities:				
Accounts payable	\$ 1,995,038	\$ 32,843,540	\$ 32,805,015	\$ 2,033,563
Due to other agencies	37,005,744	340,851,072	338,515,800	39,341,016
Total liabilities	<u>\$ 39,000,782</u>	<u>\$ 373,694,612</u>	<u>\$ 371,320,815</u>	<u>\$ 41,374,579</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 18,752,166	\$ 378,304,114	\$ 375,139,859	\$ 21,916,421
Receivables:				
Accounts and interest	711,472	555,021	856,036	410,457
Property taxes	19,926,284	-	645,377	19,280,907
Total assets	<u>\$ 39,389,922</u>	<u>\$ 378,859,135</u>	<u>\$ 376,641,272</u>	<u>\$ 41,607,785</u>
Liabilities:				
Accounts payable	\$ 2,089,915	\$ 35,371,858	\$ 35,366,744	\$ 2,095,029
Due to other agencies	37,300,007	343,487,277	341,274,528	39,512,756
Total liabilities	<u>\$ 39,389,922</u>	<u>\$ 378,859,135</u>	<u>\$ 376,641,272</u>	<u>\$ 41,607,785</u>

OTHER SCHEDULES

MARION COUNTY, OREGON (AND ALL POLITICAL SUBDIVISIONS)

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the year ended June 30, 2013

	Taxes receivable July 1, 2012	Add current levy extended to tax rolls	Add (deduct) corrections & adjustments	(Deduct) discounts allowed or added back	Add interest collected on delinquent accounts	(Deduct) cash collections	Taxes receivable June 30, 2013
2012-13	\$ -	\$ 331,700,945	\$ (1,323,888)	\$ (8,426,331)	\$ 136,040	\$ (310,667,069)	\$ 11,419,697
2011-12	11,807,718	-	(542,285)	14,016	447,815	(5,941,878)	5,785,386
2010-11	6,193,555	-	(179,734)	3,304	487,272	(2,852,787)	3,651,610
2009-10	3,756,080	-	(191,796)	5,321	765,106	(3,065,711)	1,269,000
2008-09	1,404,397	-	(13,947)	177	367,833	(1,343,995)	414,465
2007-08	324,899	-	(15,234)	285	43,583	(114,830)	238,703
Prior	792,871	-	(18,263)	130	58,581	(125,160)	708,159
Totals	<u>\$ 24,279,520</u>	<u>\$ 331,700,945</u>	<u>\$ (2,285,147)</u>	<u>\$ (8,403,098)</u>	<u>\$ 2,306,230</u>	<u>\$ (324,111,430)</u>	<u>\$ 23,487,020</u>

Summary by fund and fund type:

General Operating Fund	\$ 4,183,289
Enterprise Funds:	
Brooks Community Service District	1,117
East Salem Service District	19,048
Fargo Interchange Service District	2,659
Agency Funds:	
Due State (Fire Patrol)	19,216
Due Subdivisions	<u>19,261,691</u>
Total	<u>\$ 23,487,020</u>

MARION COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS

For the year ended June 30, 2013

	Cash		Turnovers to			Cash
	Balance July 1, 2012	Receipts	Treasurer	State	Other	Balance June 30, 2013
Assessor	\$ -	\$ 297,453	\$ 297,453	\$ -	\$ -	\$ -
Clerk	-	2,080,731	2,080,731	-	-	-
District Attorney	-	181,296	181,296	-	-	-
Justices of the Peace:						
East Marion	-	2,118,600	1,361,560	619,885	137,155	-
North Marion	-	2,660,065	1,668,745	896,204	95,116	-
Sheriff	-	2,191,464	2,191,464	-	-	-
Treasurer	116,596,735	1,075,241,779	-	-	1,068,439,510	123,399,004

Source of receipts:

- Assessor - Property taxes collected in advance of due date and sale of maps.
- Clerk - Various licenses and fees.
- District Attorney - Photocopies.
- Justice of the Peace - Fines and fees.
- Sheriff - Document serving, permits, board, fees and fines.
- Treasurer - All County receipts and receipts for which the County is an agent.

MARION COUNTY, OREGON

ANNUAL DISCLOSURE INFORMATION

For the year ended June 30, 2013

The Securities and Exchange Commission (SEC) has published amendments to Rule 15c2-12 (the Rule) that require annual disclosure of current financial information and timely disclosure of certain events with respect to the County's outstanding long-term debt, if material. The SEC has designated the Municipal Securities Rulemaking Board (MSRB) as the nationally recognized municipal securities information repository. The County submits a copy of its Comprehensive Annual Financial Report to the MSRB in order to comply with the Rule's annual disclosure requirements. All of the financial information needed to meet the annual disclosure requirements for the bonds and obligations listed below is provided in the Comprehensive Annual Financial Report. In addition, the County has agreed to provide notice to the MSRB of certain events pursuant to the requirements of Section (b)(5)(i) of the Rule.

CUSIP numbers by bond series are as follows:

Limited Tax Pension Bonds, Series 2002	Limited Tax Pension Bonds, Series 2004	Full Faith and Credit Refunding Obligations, Series 2005
56913R-AN8	68608D-CR3	569127-BG7
56913R-AP3	68608D-CS1	569127-AW3
56913R-AQ1	68608D-CT9	569127-AX1
56913R-AR9	68608D-CU6	569127-AY9
56913R-AS7	68608D-CV4	569127-AZ6
56913R-AT5	68608D-DA9	569127-BA0
56913R-AU2	68608D-DF8	569127-BH5
56913R-CE6		569127-BB8
		569127-BJ1
		569127-BC6
		569127-BD4
		569127-BE2
		569127-BF9

STATISTICAL SECTION

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

Financial Trends

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

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its most significant revenue source, property taxes.

Debt Capacity

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

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the County's comprehensive annual financial reports for the relevant years.

MARION COUNTY, OREGON

NET POSITION BY COMPONENT
(accrual basis of accounting)

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Net investment in capital assets	\$ 174,721,319	\$ 172,698,121	\$ 182,594,952	\$ 196,923,549	\$ 206,767,946	\$ 222,278,156	\$ 238,419,017	\$ 253,294,368	\$ 253,127,913	\$ 264,841,826
Restricted	20,421,355	19,488,538	18,628,146	50,701,287	43,973,267	45,684,895	38,798,499	41,687,192	41,665,792	25,831,673
Unrestricted	45,132,635	43,634,598	40,659,828	5,258,497	8,390,930	12,096,689	13,705,240	9,456,798	14,564,491	23,759,205
Total net position, governmental activities	\$ 240,275,309	\$ 235,821,257	\$ 241,882,926	\$ 252,883,333	\$ 259,132,143	\$ 280,059,740	\$ 290,922,756	\$ 304,438,358	\$ 309,358,196	\$ 314,432,704
Business-Type Activities:										
Net investment in capital assets	\$ 10,274,508	\$ 9,869,514	\$ 10,796,204	\$ 14,951,194	\$ 15,662,939	\$ 15,802,394	\$ 14,634,438	\$ 15,031,254	\$ 15,170,831	\$ 15,691,441
Restricted	-	-	-	479,960	240,146	3,002,426	4,009,312	2,790,154	2,564,524	2,169,137
Unrestricted	7,083,461	11,745,714	16,224,077	26,353,156	30,911,753	24,861,360	22,366,781	21,143,075	18,582,727	19,434,102
Total net position, business-type activities	\$ 17,357,969	\$ 21,615,228	\$ 27,020,281	\$ 41,784,310	\$ 46,814,838	\$ 43,666,180	\$ 41,010,531	\$ 38,964,483	\$ 36,318,082	\$ 37,294,680
Primary Government:										
Net investment in capital assets	\$ 184,995,827	\$ 182,567,635	\$ 193,391,156	\$ 211,874,743	\$ 222,430,885	\$ 238,080,550	\$ 253,053,455	\$ 268,325,622	\$ 268,298,744	\$ 280,533,267
Restricted	20,421,355	19,488,538	18,628,146	51,181,247	44,213,413	48,687,321	42,807,811	44,477,346	44,230,316	28,000,810
Unrestricted	52,216,096	55,380,312	56,883,905	31,611,653	39,302,683	36,958,049	36,072,021	30,599,873	33,147,218	43,193,307
Total net position, primary government	\$ 257,633,278	\$ 257,436,485	\$ 268,903,207	\$ 294,667,643	\$ 305,946,981	\$ 323,725,920	\$ 331,933,287	\$ 343,402,841	\$ 345,676,278	\$ 351,727,384

Notes:

- (1) The County implemented GASB Statement No. 54 in fiscal 2011, resulting in some changes in the classification of restricted and unrestricted balances for governmental activities.
- (2) Business-type activities included the Marion County Housing Authority through fiscal year 2010.

MARION COUNTY, OREGON

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES										
Governmental activities:										
General government	\$ 11,049,860	\$ 13,003,991	\$ 12,807,895	\$ 10,652,166	\$ 12,380,750	\$ 12,061,985	\$ 10,832,358	\$ 13,904,065	\$ 10,913,729	\$ 25,239,579
Health and social services	56,016,725	54,623,305	58,343,197	58,312,272	50,758,992	45,318,034	73,486,663	71,704,246	66,329,085	58,494,510
Public safety and judicial	71,312,668	69,983,971	69,369,059	67,533,185	68,590,031	64,942,420	61,318,863	56,902,654	52,534,130	43,934,337
Community service	4,566,681	4,213,912	4,554,392	5,214,130	5,614,438	5,781,244	5,583,484	6,462,421	5,825,048	3,942,006
Roads and bridges	31,869,727	33,933,093	34,210,353	34,555,793	36,581,863	36,768,900	38,381,183	38,148,231	37,407,985	31,422,715
Education	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458	1,893,548	1,640,790	1,699,570	1,384,000
Interest on long-term debt	3,595,170	3,588,036	3,525,858	3,562,823	3,353,325	3,470,378	3,619,207	3,356,909	4,116,809	1,956,774
Total governmental activities	<u>178,917,471</u>	<u>180,206,613</u>	<u>183,824,682</u>	<u>180,660,009</u>	<u>178,698,256</u>	<u>169,878,419</u>	<u>195,115,306</u>	<u>192,119,316</u>	<u>178,826,356</u>	<u>166,373,921</u>
Business-type activities:										
Environmental services	22,040,638	21,146,155	19,360,838	18,585,048	17,926,252	17,349,140	20,537,615	19,626,301	19,328,712	19,961,975
Housing authority	-	-	-	7,605,742	7,395,830	6,741,111	5,645,709	6,710,324	7,169,787	7,506,296
Sewer and lighting services	1,030,832	1,006,476	1,033,416	1,053,617	1,124,479	1,055,953	1,036,059	1,055,176	1,038,040	944,253
Total business-type activities	<u>23,071,470</u>	<u>22,152,631</u>	<u>20,394,254</u>	<u>27,244,407</u>	<u>26,446,561</u>	<u>25,146,204</u>	<u>27,219,383</u>	<u>27,391,801</u>	<u>27,536,539</u>	<u>28,412,524</u>
Total primary government	<u>\$ 201,988,941</u>	<u>\$ 202,359,244</u>	<u>\$ 204,218,936</u>	<u>\$ 207,904,416</u>	<u>\$ 205,144,817</u>	<u>\$ 195,024,623</u>	<u>\$ 222,334,689</u>	<u>\$ 219,511,117</u>	<u>\$ 206,362,895</u>	<u>\$ 194,786,445</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 5,832,079	\$ 8,891,006	\$ 9,129,581	\$ 4,165,982	\$ 6,038,178	\$ 3,305,233	\$ 3,282,168	\$ 3,409,453	\$ 3,730,387	\$ 5,207,376
Health and social services	6,554,134	6,639,196	7,205,331	7,461,684	5,589,612	4,033,665	3,957,844	3,726,491	3,642,627	2,519,467
Public safety and judicial	8,318,651	7,360,065	7,196,736	7,240,109	5,225,994	7,457,908	7,260,283	5,990,914	5,050,019	5,050,759
Community service	2,483,622	2,152,406	2,780,000	2,876,339	2,199,566	3,049,818	3,605,016	5,060,171	3,097,896	3,089,072
Roads and bridges	4,236,283	4,321,393	3,927,151	3,703,877	3,580,276	2,397,273	2,368,997	2,204,868	2,360,174	2,310,749
Education	-	2,574	1,304	401	511	1,422	-	1,052	333	312
Operating grants and contributions	76,890,441	79,245,471	81,692,596	79,350,143	74,415,207	78,935,640	99,418,469	99,160,287	102,524,653	92,127,986
Capital grants and contributions	7,226,398	7,955,427	3,782,661	1,772,116	1,037,748	1,762,574	3,907,479	6,247,810	5,467,900	3,173,565
Total governmental activities	<u>111,541,608</u>	<u>116,567,538</u>	<u>115,715,360</u>	<u>106,570,651</u>	<u>98,087,092</u>	<u>100,943,533</u>	<u>123,800,256</u>	<u>125,801,046</u>	<u>125,873,989</u>	<u>113,479,286</u>
Business-type activities:										
Charges for services:										
Environmental services	17,586,561	15,521,769	14,808,769	20,051,437	21,477,453	19,834,238	19,378,688	19,689,049	17,741,713	17,567,054
Housing authority	-	-	-	1,142,907	573,475	1,062,843	1,598,438	1,075,216	1,005,881	710,598
Sewer and lighting services	611,170	607,512	607,358	602,653	553,017	492,655	501,415	550,907	462,374	484,896
Operating grants and contributions	-	-	-	6,545,388	5,576,677	4,741,383	5,949,680	7,182,205	6,187,683	6,582,040
Capital grants and contributions	-	-	-	-	-	-	-	-	-	30,336
Total business-type activities	<u>18,197,731</u>	<u>16,129,281</u>	<u>15,416,127</u>	<u>28,342,385</u>	<u>28,180,622</u>	<u>26,131,119</u>	<u>27,428,221</u>	<u>28,497,377</u>	<u>25,397,651</u>	<u>25,374,924</u>
Total primary government	<u>\$ 129,739,339</u>	<u>\$ 132,696,819</u>	<u>\$ 131,131,487</u>	<u>\$ 134,913,036</u>	<u>\$ 126,267,714</u>	<u>\$ 127,074,652</u>	<u>\$ 151,228,477</u>	<u>\$ 154,298,423</u>	<u>\$ 151,271,640</u>	<u>\$ 138,854,210</u>

MARION COUNTY, OREGON

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
NET (EXPENSE) REVENUE										
Governmental activities	\$ (67,375,863)	\$ (63,639,075)	\$ (68,109,322)	\$ (74,089,358)	\$ (80,611,164)	\$ (68,934,886)	\$ (71,315,050)	\$ (66,318,270)	\$ (52,952,367)	\$ (52,894,635)
Business-type activities	(4,873,739)	(6,023,350)	(4,978,127)	1,097,978	1,734,061	984,915	208,838	1,105,576	(2,138,888)	(3,037,600)
Total primary government	<u>\$ (72,249,602)</u>	<u>\$ (69,662,425)</u>	<u>\$ (73,087,449)</u>	<u>\$ (72,991,380)</u>	<u>\$ (78,877,103)</u>	<u>\$ (67,949,971)</u>	<u>\$ (71,106,212)</u>	<u>\$ (65,212,694)</u>	<u>\$ (55,091,255)</u>	<u>\$ (55,932,235)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 57,134,473	\$ 56,410,115	\$ 55,328,502	\$ 54,135,566	\$ 52,098,594	\$ 49,875,152	\$ 47,814,061	\$ 44,810,763	\$ 41,719,601	\$ 40,935,138
Franchise taxes	275,249	258,296	300,159	259,905	239,042	209,443	215,460	208,644	237,047	222,084
Unrestricted grants and contributions	5,008,671	4,519,082	5,297,123	5,168,854	5,275,498	4,490,292	4,630,045	3,812,816	4,489,552	3,219,022
Unrestricted investment earnings	677,621	752,181	751,126	1,276,223	2,143,463	3,538,182	3,869,082	2,895,835	1,490,163	796,061
Extraordinary items	8,733,901	(4,400,068)	(4,603,041)	-	-	-	1,215,375	9,733,374	-	-
Transfers	-	37,800	35,046	7,000,000	(73,030)	(41,199)	55,425	(63,000)	(58,504)	212,819
Total governmental activities	<u>71,829,915</u>	<u>57,577,406</u>	<u>57,108,915</u>	<u>67,840,548</u>	<u>59,683,567</u>	<u>58,071,870</u>	<u>57,799,448</u>	<u>61,398,432</u>	<u>47,877,859</u>	<u>45,385,124</u>
Business-type activities:										
Property taxes	250,562	248,113	246,700	248,965	311,797	237,170	352,428	387,895	416,476	398,777
Franchise taxes	294,357	289,719	277,716	263,019	301,997	279,846	291,626	239,073	248,401	272,347
Unrestricted investment earnings	71,561	118,265	145,817	359,510	727,773	1,112,519	1,248,581	850,857	438,909	355,900
Transfers	-	(37,800)	(35,046)	(7,000,000)	73,030	41,199	(55,425)	63,000	58,504	(212,819)
Total business-type activities	<u>616,480</u>	<u>618,297</u>	<u>635,187</u>	<u>(6,128,506)</u>	<u>1,414,597</u>	<u>1,670,734</u>	<u>1,837,210</u>	<u>1,540,825</u>	<u>1,162,290</u>	<u>814,205</u>
Total primary government	<u>\$ 72,446,395</u>	<u>\$ 58,195,703</u>	<u>\$ 57,744,102</u>	<u>\$ 61,712,042</u>	<u>\$ 61,098,164</u>	<u>\$ 59,742,604</u>	<u>\$ 59,636,658</u>	<u>\$ 62,939,257</u>	<u>\$ 49,040,149</u>	<u>\$ 46,199,329</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 4,454,052	\$ (6,061,669)	\$ (11,000,407)	\$ (6,248,810)	\$ (20,927,597)	\$ (10,863,016)	\$ (13,515,602)	\$ (4,919,838)	\$ (5,074,508)	\$ (7,509,511)
Business-type activities	(4,257,259)	(5,405,053)	(4,342,940)	(5,030,528)	3,148,658	2,655,649	2,046,048	2,646,401	(976,598)	(2,223,395)
Total primary government	<u>\$ 196,793</u>	<u>\$ (11,466,722)</u>	<u>\$ (15,343,347)</u>	<u>\$ (11,279,338)</u>	<u>\$ (17,778,939)</u>	<u>\$ (8,207,367)</u>	<u>\$ (11,469,554)</u>	<u>\$ (2,273,437)</u>	<u>\$ (6,051,106)</u>	<u>\$ (9,732,906)</u>

Notes:

(1) Business-type activities included the Marion County Housing Authority through fiscal year 2010.

MARION COUNTY, OREGON

FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
General Operating Fund										
Nonspendable	\$ 20,148	\$ 19,284	\$ 21,690							
Restricted	2,000,000	2,000,000	3,000,000							
Committed	2,197,214	2,193,729	4,033,217							
Assigned	3,769,816	2,100,988	4,034,160							
Unassigned	8,493,826	7,545,764	7,980,753							
Total General Operating Fund	16,481,004	13,859,765	19,069,820							
General Fund										
Reserved				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 424,271
Unreserved				6,446,160	5,967,914	11,277,134	11,171,805	9,472,408	9,487,500	13,902,974
Total General Fund				6,446,160	5,967,914	11,277,134	11,171,805	9,472,408	9,487,500	14,327,245
Other governmental funds										
Nonspendable	1,142,098	1,029,240	887,094							
Restricted	13,823,969	13,106,572	11,556,896							
Committed	4,383,458	4,823,398	3,972,412							
Assigned	32,471,409	31,542,606	22,502,444							
Unassigned	(1,060)	-	-							
Reserved				772,461	213,509	79,387	201,403	737,686	616,148	547,859
Unreserved, reported in:										
Special revenue funds				45,763,228	41,441,267	41,963,239	35,560,165	39,826,057	38,987,458	22,517,082
Capital projects funds				1,039,434	1,297,058	1,446,905	1,784,369	37,866	2,246,855	2,594,700
Total other governmental funds	51,819,874	50,501,816	38,918,846	47,575,123	42,951,834	43,489,531	37,545,937	40,601,609	41,850,461	25,659,641
Total governmental funds	\$ 68,300,878	\$ 64,361,581	\$ 57,988,666	\$ 54,021,283	\$ 48,919,748	\$ 54,766,665	\$ 48,717,742	\$ 50,074,017	\$ 51,337,961	\$ 39,986,886

Notes:

(1) The County implemented GASB Statement No. 54 in fiscal 2011, resulting in some changes in the classification of governmental funds and fund balances.

MARION COUNTY, OREGON

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
(modified accrual basis of accounting)

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES										
Taxes	\$ 57,533,975	\$ 56,931,645	\$ 55,206,300	\$ 53,987,816	\$ 51,642,143	\$ 49,713,395	\$ 47,693,310	\$ 45,346,564	\$ 42,264,357	\$ 41,320,754
Licenses and permits	2,560,939	2,259,909	2,837,711	2,858,419	2,454,711	3,147,025	3,656,240	3,663,731	3,241,933	3,328,056
Intergovernmental	88,463,221	87,059,568	90,772,380	86,291,113	80,728,453	85,188,506	107,671,851	109,938,554	112,482,105	98,520,573
Charges for services	23,822,740	26,557,956	26,802,502	22,591,707	20,188,489	16,150,111	15,670,452	16,796,040	18,359,898	35,132,080
Fines and forfeitures	3,547,518	2,867,689	2,791,571	2,750,119	2,380,014	2,462,386	2,464,004	1,847,871	1,270,592	1,089,499
Interest	646,852	711,839	711,757	1,192,044	1,995,736	3,278,843	3,655,703	2,626,278	1,348,957	673,333
Other	625,066	531,180	389,652	358,888	177,591	626,758	661,065	531,260	174,529	195,043
Total revenues	<u>177,200,311</u>	<u>176,919,786</u>	<u>179,511,873</u>	<u>170,030,106</u>	<u>159,567,137</u>	<u>160,567,024</u>	<u>181,472,625</u>	<u>180,750,298</u>	<u>179,142,371</u>	<u>180,259,338</u>
EXPENDITURES										
General government	10,796,488	12,249,892	11,866,007	10,206,092	11,178,064	10,573,571	9,526,733	10,566,035	8,860,518	45,057,236
Health and social services	55,698,229	54,118,820	58,099,011	58,680,292	51,298,954	45,475,884	72,720,683	71,887,352	67,283,326	62,930,206
Public safety and judicial	70,341,932	68,460,354	67,956,195	66,043,416	68,379,322	64,233,521	55,707,433	58,638,364	53,842,828	51,523,948
Community service	3,943,940	4,057,270	4,458,950	4,316,138	5,067,115	5,397,959	13,131,815	6,660,452	6,244,907	4,803,047
Roads and bridges	18,592,664	19,210,938	19,226,147	17,861,969	19,095,005	17,602,410	18,884,997	18,053,862	17,808,758	15,676,859
Education	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458	1,319,634	1,640,790	1,699,570	1,384,000
Debt service:										
Principal	2,431,249	2,215,953	2,011,611	1,823,180	1,645,616	1,468,880	1,337,930	1,045,720	597,877	330,194
Interest	3,232,247	3,297,021	3,356,299	3,418,054	3,453,622	3,633,171	3,818,452	3,555,398	3,501,536	2,397,706
Capital outlay	15,665,717	5,461,094	6,466,382	7,700,356	3,683,613	3,521,569	7,068,068	22,521,843	9,741,918	5,202,783
Total expenditures	<u>181,209,106</u>	<u>169,931,647</u>	<u>174,454,530</u>	<u>170,879,137</u>	<u>165,220,168</u>	<u>153,442,423</u>	<u>183,515,745</u>	<u>194,569,816</u>	<u>169,581,238</u>	<u>189,305,979</u>
Excess (deficiency) of revenues over expenditures	<u>(4,008,795)</u>	<u>6,988,139</u>	<u>5,057,343</u>	<u>(849,031)</u>	<u>(5,653,031)</u>	<u>7,124,601</u>	<u>(2,043,120)</u>	<u>(13,819,518)</u>	<u>9,561,133</u>	<u>(9,046,641)</u>
OTHER FINANCING SOURCES (USES)										
Insurance recoveries	8,733,901	-	-	-	-	-	1,215,375	10,234,737	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-	19,527,212	16,860,000
Payment to escrow agent	-	-	-	-	-	-	-	-	(19,527,212)	-
Transfers in	13,570,703	22,768,781	16,907,757	22,379,309	22,822,598	15,046,940	14,269,043	24,765,623	15,601,690	8,268,596
Transfers out	(14,356,512)	(23,384,005)	(17,997,717)	(16,428,743)	(23,016,484)	(16,122,618)	(14,797,573)	(22,444,786)	(13,811,748)	(8,055,777)
Total other financing sources (uses)	<u>7,948,092</u>	<u>(615,224)</u>	<u>(1,089,960)</u>	<u>5,950,566</u>	<u>(193,886)</u>	<u>(1,075,678)</u>	<u>686,845</u>	<u>12,555,574</u>	<u>1,789,942</u>	<u>17,072,819</u>
Net change in fund balance	<u>\$ 3,939,297</u>	<u>\$ 6,372,915</u>	<u>\$ 3,967,383</u>	<u>\$ 5,101,535</u>	<u>\$ (5,846,917)</u>	<u>\$ 6,048,923</u>	<u>\$ (1,356,275)</u>	<u>\$ (1,263,944)</u>	<u>\$ 11,351,075</u>	<u>\$ 8,026,178</u>
Debt service as a percentage of noncapital expenditures	<u>3.44%</u>	<u>3.37%</u>	<u>3.21%</u>	<u>3.23%</u>	<u>3.17%</u>	<u>3.43%</u>	<u>2.93%</u>	<u>2.68%</u>	<u>2.57%</u>	<u>1.51%</u>

MARION COUNTY, OREGON

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
(modified accrual basis of accounting)

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Public Utilities	Personal Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value of Taxable Property
	Residential	Commercial	Other					
2013	\$ 10,348,389,171	\$ 5,301,747,218	\$ 3,331,524,985	\$ 706,314,870	\$ 530,817,698	\$ 20,218,793,942	\$ 3.03	\$ 24,271,119,349
2012	10,371,277,720	5,153,446,071	3,302,287,509	694,860,320	533,328,534	20,055,200,154	3.03	25,397,332,998
2011	10,134,765,200	4,978,185,840	3,220,346,152	745,652,470	548,682,538	19,627,632,200	3.03	26,762,741,974
2010	9,832,759,440	4,891,576,173	3,122,784,069	717,776,570	550,426,322	19,115,322,574	3.03	28,338,030,519
2009	9,473,423,832	4,674,450,584	2,999,843,248	599,372,000	536,225,853	18,283,315,517	3.03	28,981,751,344
2008	8,697,447,133	4,487,098,761	3,137,763,190	602,559,889	512,477,729	17,437,346,702	3.03	27,405,903,335
2007	8,434,482,025	4,260,117,924	2,745,396,709	552,589,210	471,119,135	16,463,705,003	3.03	23,289,460,517
2006	7,957,081,724	4,078,154,740	2,616,354,477	557,935,917	456,276,837	15,665,803,695	3.02	20,630,408,778
2005	7,514,115,205	3,971,376,294	2,489,869,032	586,608,771	442,614,690	15,004,583,992	3.02	19,227,936,429
2004	7,142,042,113	3,933,217,960	2,372,522,014	543,718,823	437,767,697	14,429,268,607	3.02	18,145,181,926

Sources:

Marion County Assessor.

Notes:

- (1) Estimated actual value of taxable property equals real market value except for tax exempt property which is excluded, and farm use property which is included at its lower taxable value. Real market value and assessed value were required to be equal by state law prior to fiscal year 1998. In May 1997, voters approved ballot Measure 50 which reduced assessed values to 90% of 1995 real market values and limits the annual increase in assessed values to 3%.
- (2) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.

MARION COUNTY, OREGON

DIRECT AND OVERLAPPING PROPERTY TAX RATES
(rate per \$1,000 of assessed value)

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Marion County Direct Rate:										
General Operations	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.02	\$ 3.02	\$ 3.02
Overlapping Rates:										
Cities	0.28 - 8.09	0.28 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09
School Districts & ESD's	0.30 - 8.12	0.30 - 8.25	0.30 - 8.11	0.30 - 8.12	0.21 - 8.25	0.21 - 8.25	0.26 - 7.87	0.23 - 8.28	0.30 - 8.55	0.25 - 9.22
Chemeketa Community College	0.90	0.88	0.79	0.89	0.71	0.70	0.94	0.96	0.96	0.77
Brooks Community Service District	0.00	0.00	0.00	0.00	1.10	0.00	1.75	2.76	2.91	3.01
Water & Water Control Districts	0.05 - 1.00	0.05 - 1.03	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 2.23
Rural Fire Protection Districts	0.53 - 2.47	1.01 - 2.35	1.01 - 2.42	1.01 - 2.40	1.01 - 2.53	1.01 - 2.59	0.92 - 2.71	0.92 - 3.26	0.84 - 4.93	0.84 - 3.39
Special Purpose Districts	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76	0.08 - 0.76

Sources:
Marion County Tax Collector.

Notes:
(1) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.

MARION COUNTY, OREGON

PRINCIPAL PROPERTY TAXPAYERS

Current Fiscal Year and Nine Years Ago

Taxpayer	2013			2004		
	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Rank	Taxable Assessed Value	Percentage of Total Taxable Assessed Value
Portland General Electric Co	1	\$ 261,339,270	1.29%	2	\$ 194,378,200	1.35%
Northwest Natural Gas Co	2	126,610,900	0.63%	4	85,935,000	0.60%
Winco Foods LLC	3	83,755,905	0.41%	5	73,019,214	0.51%
Lancaster Development Co	4	62,001,320	0.31%	7	41,884,190	0.29%
Qwest Corporation/CenturyLink	5	55,920,560	0.28%	3	115,949,822	0.80%
Norpac Foods Inc	6	55,122,219	0.27%	6	77,883,848	0.54%
Craig Realty Group Woodburn	7	50,614,890	0.25%	9	28,491,680	0.20%
Donahue Schriber Realty Group	8	50,244,950	0.25%			
Wal-Mart Real Estate Business	9	46,069,540	0.23%			
Metropolitan Life Insurance Co	10	41,589,300	0.21%	10	28,230,920	0.20%
Mitsubishi Silicon America				1	226,814,160	1.57%
Boise Cascade Corp				8	31,653,207	0.22%
Total for principal taxpayers		<u>\$ 833,268,854</u>	<u>4.12%</u>		<u>\$ 904,240,241</u>	<u>6.27%</u>
Total taxable assessed value		<u>\$ 20,218,793,942</u>			<u>\$ 14,429,268,607</u>	

Sources:

Marion County Assessor, Marion County Tax Collector.

Notes:

(1) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.

MARION COUNTY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Fiscal Year Ended June 30	Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2013	\$ 59,269,340	\$ 55,486,634	93.62%	\$ -	\$ 55,486,634	93.62%
2012	58,696,510	54,896,065	93.53%	981,696	55,877,761	95.20%
2011	57,538,690	53,606,948	93.17%	1,429,381	55,036,329	95.65%
2010	56,220,810	52,312,753	93.05%	1,898,929	54,211,682	96.43%
2009	54,128,189	50,344,904	93.01%	2,131,974	52,476,878	96.95%
2008	51,700,531	48,420,768	93.66%	1,757,718	50,178,486	97.06%
2007	49,372,997	46,532,052	94.25%	1,451,324	47,983,376	97.19%
2006	46,814,427	44,094,655	94.19%	1,399,757	45,494,412	97.18%
2005	44,807,030	41,736,268	93.15%	1,592,411	43,328,679	96.70%
2004	42,762,869	39,961,950	93.45%	1,304,187	41,266,137	96.50%

Sources:

Marion County Tax Collector.

Notes:

- (1) Includes all County funds; excludes taxes collected by Marion County for other political subdivisions.
- (2) Marion County offers a 3% discount if tax payments are made by November 15 in the year levied.
- (3) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.

MARION COUNTY, OREGON

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities					Business-Type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Refunding Obligations	Limited Tax Pension Obligations	Certificates of Participation	Notes Payable	Revenue Bonds	Notes Payable			
2013	\$ 12,688,614	\$ 40,118,810	\$ -	\$ -	\$ 2,219,860	\$ 695,201	\$ 55,722,485	0.50%	\$ 173
2012	13,655,469	40,783,125	-	-	2,651,109	761,360	57,851,063	0.53%	181
2011	14,589,733	41,362,745	-	-	3,062,062	824,172	59,838,712	0.57%	188
2010	15,485,975	41,865,334	-	-	3,453,673	2,327,785	63,132,767	0.61%	200
2009	16,355,058	42,288,832	-	-	3,826,853	2,448,584	64,919,327	0.62%	204
2008	17,196,982	42,636,965	-	-	4,182,470	2,270,166	66,286,583	0.67%	211
2007	18,006,316	42,903,776	-	-	4,521,350	2,524,444	67,955,886	0.72%	218
2006	18,793,923	43,117,233	-	-	4,844,280	2,616,435	69,371,871	0.80%	226
2005	19,527,212	43,287,472	-	-	-	3,250,240	66,064,924	0.79%	219
2004	-	43,405,937	19,005,000	457,878	-	3,133,517	66,002,332	0.81%	221

Sources:

Oregon Treasury Department, Municipal Bond Division.

Notes:

- (1) Personal income and population data can be found in the Schedule of Demographic and Economic Statistics.
- (2) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.
- (3) Business-type activities included the Marion County Housing Authority through fiscal year 2010.

MARION COUNTY, OREGON

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year Ended June 30	Refunding Obligations	Limited Tax Pension Obligations	Certificates of Participation	Less Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Taxable Property	Debt Per Capita
2013	\$ 12,688,614	\$ 40,118,810	\$ -	\$ (339,600)	\$ 52,467,824	0.22%	\$ 163
2012	13,655,469	40,783,125	-	(389,129)	54,049,465	0.21%	169
2011	14,589,733	41,362,745	-	(478,460)	55,474,018	0.21%	174
2010	15,485,975	41,865,334	-	(772,461)	56,578,848	0.20%	179
2009	16,355,058	42,288,832	-	(213,509)	58,430,381	0.20%	184
2008	17,196,982	42,636,965	-	(79,387)	59,754,560	0.22%	190
2007	18,006,316	42,903,776	-	(201,403)	60,708,689	0.26%	195
2006	18,793,923	43,117,233	-	(737,686)	61,173,470	0.30%	199
2005	19,527,212	43,287,472	-	(616,148)	62,198,536	0.32%	206
2004	-	43,405,937	19,005,000	(547,859)	61,863,078	0.34%	207

Sources:

Oregon Treasury Department, Municipal Bond Division.

Notes:

- (1) Property value data can be found in the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.
- (2) Population data can be found in the Schedule of Demographic and Economic Statistics.

MARION COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2013

Overlapping District	Outstanding Net Property Tax Backed Debt	Percent Overlapping	Net Overlapping Debt
Cities:			
City of Aurora	\$ 2,920,000	100.0000%	\$ 2,920,000
City of Donald	65,000	100.0000%	65,000
City of Mill City	978,184	24.3965%	238,643
City of St. Paul	55,543	100.0000%	55,543
City of Salem	55,458,130	84.6970%	46,971,372
City of Silverton	5,660,582	100.0000%	5,660,582
City of Woodburn	5,065,000	100.0000%	5,065,000
School Districts & ESD's:			
Marion County SD 1 (Gervais)	11,042,918	100.0000%	11,042,918
Marion County SD 4J (Silver Falls)	54,584,450	91.8786%	50,151,428
Marion County SD 5 (Cascade)	29,179,804	100.0000%	29,179,804
Marion County SD 14J (Jefferson)	5,670,687	92.6082%	5,251,521
Marion County SD 15 (N. Marion)	15,272,741	100.0000%	15,272,741
Marion County SD 24J (Salem-Keizer)	475,632,874	88.7351%	422,053,306
Marion County SD 29J (N. Santiam)	37,554,935	77.8103%	29,221,608
Marion County SD 45 (St. Paul)	3,545,000	100.0000%	3,545,000
Marion County SD 91 (Mt. Angel)	1,540,000	100.0000%	1,540,000
Marion County SD 103 (Woodburn)	14,495,000	100.0000%	14,495,000
Linn County SD 129J (Santiam Canyon)	4,315,000	53.5548%	2,310,890
Polk County SD 13J (Central)	83,673,667	1.2714%	1,063,827
Willamette ESD	1,625,000	62.5560%	1,016,535
Chemeketa Community College	84,905,000	69.4046%	58,927,976
Rural Fire Districts:			
Aumsville Rural Fire District	355,000	100.0000%	355,000
Idanha-Detroit Rural Fire District	115,000	93.8852%	107,968
Jefferson Rural Fire District	50,000	59.2720%	29,636
Keizer Rural Fire District	570,000	100.0000%	570,000
Marion County Rural Fire District 1	7,425,000	100.0000%	7,425,000
Mt. Angel Rural Fire District	950,000	100.0000%	950,000
Silverton Rural Fire District	940,000	94.8767%	891,841
Stayton Rural Fire District	395,000	88.3633%	349,035
Sublimity Rural Fire District	1,305,000	100.0000%	1,305,000
Woodburn Rural Fire District	2,835,000	100.0000%	2,835,000
Water Districts:			
Lyons-Mehama Water District	570,000	30.4004%	173,282
Subtotal, overlapping debt	\$ 908,749,515		721,040,456
Marion County direct debt			55,027,284
Total direct and overlapping debt			\$ 776,067,740

Sources:

Oregon State Treasury, Debt Management Division.

Notes:

- (1) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.
- (2) Percent overlapping is the estimated real market value of taxable property in the overlapping district as a percentage of the County total.

MARION COUNTY, OREGON

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Real Market Value (RMV) (thousands)	<u>\$ 32,586,520</u>	<u>\$ 33,412,694</u>	<u>\$ 34,978,576</u>	<u>\$ 36,446,336</u>	<u>\$ 37,002,691</u>	<u>\$ 35,276,496</u>	<u>\$ 29,663,727</u>	<u>\$ 26,500,539</u>	<u>\$ 24,906,909</u>	<u>\$ 23,481,602</u>
General Obligation Bonds										
Debt limit rate (as % of RMV)	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Debt limit (thousands)	\$ 651,730	\$ 668,254	\$ 699,572	\$ 728,927	\$ 740,054	\$ 705,530	\$ 593,275	\$ 530,011	\$ 498,138	\$ 469,632
Total applicable debt (thousands)	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 651,730</u>	<u>\$ 668,254</u>	<u>\$ 699,572</u>	<u>\$ 728,927</u>	<u>\$ 740,054</u>	<u>\$ 705,530</u>	<u>\$ 593,275</u>	<u>\$ 530,011</u>	<u>\$ 498,138</u>	<u>\$ 469,632</u>
Total applicable debt as a percentage of the debt limit	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>	<u>0.0%</u>
Limited Tax Pension Obligations										
Debt limit rate (as % of RMV)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Debt limit (thousands)	\$ 1,629,326	\$ 1,670,635	\$ 1,748,929	\$ 1,822,317	\$ 1,850,135	\$ 1,763,825	\$ 1,483,186	\$ 1,325,027	\$ 1,245,345	\$ 1,174,080
Total applicable debt (thousands)	40,119	40,783	41,363	41,865	42,289	42,637	42,904	43,117	43,287	43,406
Legal debt margin	<u>\$ 1,589,207</u>	<u>\$ 1,629,852</u>	<u>\$ 1,707,566</u>	<u>\$ 1,780,452</u>	<u>\$ 1,807,846</u>	<u>\$ 1,721,188</u>	<u>\$ 1,440,282</u>	<u>\$ 1,281,910</u>	<u>\$ 1,202,058</u>	<u>\$ 1,130,674</u>
Total applicable debt as a percentage of the debt limit	<u>2.5%</u>	<u>2.4%</u>	<u>2.4%</u>	<u>2.3%</u>	<u>2.3%</u>	<u>2.4%</u>	<u>2.9%</u>	<u>3.3%</u>	<u>3.5%</u>	<u>3.7%</u>
Limited Tax Obligations										
Debt limit rate (as % of RMV)	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Debt limit (thousands)	\$ 325,865	\$ 334,127	\$ 349,786	\$ 364,463	\$ 370,027	\$ 352,765	\$ 296,637	\$ 265,005	\$ 249,069	\$ 234,816
Total applicable debt (thousands)	54,019	56,004	57,855	59,574	61,171	62,649	64,000	65,262	61,262	62,869
Legal debt margin	<u>\$ 271,846</u>	<u>\$ 278,123</u>	<u>\$ 291,931</u>	<u>\$ 304,889</u>	<u>\$ 308,856</u>	<u>\$ 290,116</u>	<u>\$ 232,637</u>	<u>\$ 199,743</u>	<u>\$ 187,807</u>	<u>\$ 171,947</u>
Total applicable debt as a percentage of the debt limit	<u>16.6%</u>	<u>16.8%</u>	<u>16.5%</u>	<u>16.3%</u>	<u>16.5%</u>	<u>17.8%</u>	<u>21.6%</u>	<u>24.6%</u>	<u>24.6%</u>	<u>26.8%</u>

Notes:

(1) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.

MARION COUNTY, OREGON
 PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year Ended June 30	Oregon Garden Revenue Bonds					
	Lottery Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2013	\$ 1,408,021	\$ -	\$ 1,408,021	\$ 431,249	\$ 120,814	255%
2012	1,464,136	-	1,464,136	410,953	141,111	265%
2011	1,172,765	-	1,172,765	391,611	160,452	212%
2010	1,142,037	-	1,142,037	373,180	178,883	207%
2009	1,391,254	-	1,391,254	355,616	196,447	252%
2008	1,521,182	-	1,521,182	338,880	213,184	276%
2007	1,397,951	-	1,397,951	322,930	229,133	253%
2006	1,119,198	-	1,119,198	155,720	180,937	332%

Notes:

(1) The County assumed the debt for the Oregon Garden Revenue Bonds in fiscal 2006.
 The County has had no other outstanding revenue bonds over the last ten fiscal years.

MARION COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate
2013	322,880	\$ 11,249,451	\$ 35,156	9.6%
2012	320,495	10,887,855	34,257	10.4%
2011	318,150	10,474,191	33,144	11.1%
2010	315,900	10,397,374	33,177	11.0%
2009	318,170	10,517,961	33,959	6.6%
2008	314,865	9,872,900	32,163	5.4%
2007	311,070	9,453,315	31,169	5.7%
2006	306,665	8,689,303	29,016	6.5%
2005	302,135	8,395,938	28,256	7.6%
2004	298,450	8,106,416	27,145	8.0%

Sources:

Bureau of Economic Analysis, Regional Economic Data.
Bureau of Labor Statistics, Local Area Unemployment Statistics.
Population Research Center, Portland State University.

Notes:

- (1) Personal income and per capita income presented for the prior calendar year.
- (2) Unemployment rates presented are the annual average rate for the prior calendar year.

MARION COUNTY, OREGON

PRINCIPAL EMPLOYERS AND EMPLOYMENT BY INDUSTRY

Current Fiscal Year and Nine Years Ago

Employer	2013			2004		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
State of Oregon	18,000-18,499	1	13.88%	16,000-16,499	1	12.50%
Salem-Keizer School District	4,000-4,499	2	3.23%	4,500-4,999	2	3.65%
Salem Health (Salem Hospital)	3,500-3,999	3	2.85%	3,000-3,499	3	2.50%
Chemeketa Community College	1,500-1,999	4	1.33%	1,500-1,999	4	1.35%
Marion County	1,000-1,499	5	0.95%	1,000-1,499	7	0.96%
US Government	1,000-1,499	6	0.95%	1,000-1,499	6	0.96%
City of Salem	1,000-1,499	7	0.95%	1,500-1,999	5	1.35%
Norpac Foods Inc	1,000-1,499	8	0.95%	500-999	10	0.58%
Walmart	1,000-1,499	9	0.95%			
SAIF Corporation	500-999	10	0.57%	500-999	9	0.58%
T-Mobile				1,000-1,499	8	0.96%
Total for Principal Employers	32,500-37,499		26.61%	30,500-35,499		25.39%
Employment by Industry (1)						
Government	33,384		25.39%	31,601		24.31%
Trade, Transportation & Utilities	22,556		17.15%	22,689		17.46%
Education & Health Services	18,853		14.34%	15,336		11.80%
Leisure & Hospitality	10,910		8.30%	10,823		8.33%
Professional & Business Services	10,396		7.91%	11,402		8.77%
Natural Resources & Mining	9,699		7.38%	9,140		7.03%
Manufacturing	9,529		7.25%	12,122		9.33%
Financial Activities	5,634		4.28%	5,739		4.42%
Construction	5,441		4.14%	6,416		4.94%
Other Services	5,095		3.87%	4,707		3.62%
Total County Employment	131,497		100.00%	129,975		100.00%

Sources:

Oregon Employment Department, individual employers.

Notes:

(1) Information is presented for the prior calendar year.

(2) All numbers include full-time and part-time employees.

(3) Percentage of total county employment is based on the midpoints of the ranges given.

MARION COUNTY, OREGON

COUNTY EMPLOYEES BY FUNCTION AND BARGAINING UNIT

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Full Time Equivalent (FTE)										
Employees by Function:										
Governmental activities:										
General government	222.0	224.0	223.0	234.8	242.3	250.3	247.3	244.8	240.3	236.8
Health and social services	367.7	349.4	360.3	382.2	360.4	339.4	295.4	291.0	294.9	237.8
Public safety and judicial	546.8	541.3	556.6	555.3	582.9	588.1	559.1	560.8	537.0	523.4
Community service	35.3	27.3	28.0	24.8	30.6	47.7	50.7	48.7	45.7	45.7
Roads and bridges	134.4	133.0	128.3	136.8	149.5	155.0	155.0	153.0	143.0	142.0
Total governmental activities	<u>1,306.3</u>	<u>1,275.0</u>	<u>1,296.1</u>	<u>1,333.8</u>	<u>1,365.7</u>	<u>1,380.6</u>	<u>1,307.5</u>	<u>1,298.3</u>	<u>1,260.9</u>	<u>1,185.7</u>
Business-type activities:										
Environmental services	33.3	33.3	33.1	29.1	12.1	12.5	10.5	10.5	17.0	18.5
Total FTE budgeted	<u>1,339.6</u>	<u>1,308.3</u>	<u>1,329.2</u>	<u>1,362.9</u>	<u>1,377.8</u>	<u>1,393.1</u>	<u>1,318.0</u>	<u>1,308.8</u>	<u>1,277.9</u>	<u>1,204.2</u>
Number of Employees by Bargaining Unit:										
Marion County Employee Assoc.	718	693	718	764	763	745	758	755	723	663
Marion County Law Enforcement Association	202	198	211	226	227	218	219	216	204	179
Marion County Juvenile Employees Association	34	31	31	35	39	41	-	-	-	-
Federation of Oregon Parole and Probation Officers	37	34	37	41	41	45	42	41	38	34
Oregon Nurses Association	18	20	19	20	23	23	19	23	25	28
Unrepresented:										
Management and other	238	232	234	251	255	258	230	226	216	203
Temporary employees	240	230	242	257	257	281	294	321	333	347
Total county employees	<u>1,487</u>	<u>1,438</u>	<u>1,492</u>	<u>1,594</u>	<u>1,605</u>	<u>1,611</u>	<u>1,562</u>	<u>1,582</u>	<u>1,539</u>	<u>1,454</u>

Sources:

Marion County payroll records.

MARION COUNTY, OREGON

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
General Government										
General election information:										
Registered voters	151,426	(1)	142,968	(1)	150,122	(1)	138,705	(1)	145,717	(1)
Votes cast	121,665	(1)	102,281	(1)	126,583	(1)	99,675	(1)	130,609	(1)
Percentage voted	80.35%	(1)	71.54%	(1)	84.32%	(1)	71.86%	(1)	89.63%	(1)
Marriage licenses issued	2,221	2,350	2,334	2,297	2,456	2,387	2,328	2,133	2,157	2,269
Passports issued	752	677	712	801	891	1,205	1,378	635	766	704
Documents recorded	58,630	51,058	53,070	55,756	54,747	67,981	82,542	85,449	80,486	94,638
Property tax accounts:										
Residential	82,996	82,934	82,891	82,887	82,511	81,539	79,567	78,250	76,940	76,324
Commercial	9,747	8,876	8,855	8,753	8,604	9,564	8,215	8,386	8,747	8,790
Industrial	682	1,663	1,594	1,631	1,686	567	1,905	1,887	1,884	1,870
Farm	27,972	28,163	28,134	28,179	28,643	29,414	28,890	29,037	29,159	28,734
Utilities	1,896	1,852	1,841	1,771	1,438	1,490	1,433	1,481	1,466	1,589
Personal	6,359	6,215	6,280	5,953	5,380	5,059	4,860	4,725	4,594	5,072
Health and Social Services										
Total clinic visits	405,221	421,711	456,385	462,909	493,094	474,292	346,024	329,737	369,568	334,949
Number of clients served:										
Acute	8,061	6,361	6,813	7,680	6,025	5,675	3,485	3,357	3,157	2,916
Alcohol and drug treatment	2,307	2,187	2,114	2,144	3,371	4,387	477	3,348	450	649
Behavioral health (other)	5,578	6,134	6,017	5,889	4,714	4,302	5,633	3,578	5,175	5,953
Developmental disabilities	2,123	2,075	2,044	1,980	1,946	1,861	1,785	2,927	1,722	1,727
IDS & out-of-panel MH providers	8,283	5,903	5,422	4,750	4,534	3,914	3,953	n/a	n/a	n/a
Immunizations	2,867	2,971	6,270	10,323	8,049	11,060	6,529	7,480	5,627	5,803
Public health (other)	9,531	8,079	9,019	9,901	10,810	9,261	9,225	8,636	7,995	8,415
Women, infants and children (WIC)	9,821	9,648	11,397	12,741	12,558	10,772	15,967	15,215	15,337	14,779
Health inspections	3,027	3,073	3,351	3,066	3,757	2,795	3,875	3,685	3,657	3,578
Food handler cards issued	614	614	731	5,054	3,173	17,645	17,655	11,226	10,524	7,792
Birth and death certificates issued	17,118	16,175	17,538	16,294	16,094	15,416	8,049	7,764	7,715	7,736
Public Safety and Judicial										
Sheriff:										
Calls for service	24,042	23,132	23,024	24,507	28,427	27,065	28,494	39,490	36,070	35,933
Number of arrests	2,269	2,560	2,610	3,248	2,983	3,007	3,534	3,407	3,601	3,096
Number of inmates booked	13,384	13,731	15,197	16,446	16,321	17,304	19,171	19,511	19,499	18,962
Average daily jail population	418	454	542	534	526	534	538	539	539	544
Average length of jail stay (days)	13	11	14	19	20	25	25	17	19	21
Adults on probation and post-prison supervision (monthly average)	3,781	3,940	3,963	4,120	4,333	4,444	4,298	4,162	3,694	3,818
Juvenile:										
Youth served per year (2)	2,012	2,247	2,368	2,459	2,918	3,226	3,224	3,097	3,025	2,838
Community service hours completed (2)	10,764	14,626	15,239	16,966	19,552	17,763	15,619	14,446	13,613	14,027
Youth admitted to detention center (2)	1,020	1,051	1,125	1,128	1,073	1,211	1,234	853	946	913
Average length of stay (days) (2)	9.4	8.0	7.5	8.0	11.6	11.4	11.2	10.5	11.0	12.2
District Attorney:										
Adult criminal cases prosecuted (2)	9,867	9,687	9,600	10,799	11,071	12,430	13,066	13,542	13,470	n/a
Juvenile delinquency petitions filed (2)	612	582	479	694	978	1,136	1,273	1,237	1,270	n/a
Juvenile dependency petitions filed (2)	668	875	826	877	974	916	1,008	1,161	1,137	n/a
Volunteer hours for victim assistance (3)	23,837	18,401	26,003	24,903	25,878	52,861	44,076	53,749	52,232	n/a
Victims served (3)	4,531	5,792	4,294	4,725	3,668	3,887	3,879	3,040	3,060	n/a
Business-Type Activities										
Environmental Services										
Waste generated per capita (pounds)	2,611	2,718	2,621	2,637	2,902	3,227	3,311	3,091	2,875	2,701
Waste recovered per capita (pounds)	1,412	1,489	1,317	1,376	1,522	1,637	1,705	1,583	1,364	1,267
Waste recovery rate	54.1%	54.8%	50.2%	52.2%	52.4%	50.7%	51.5%	51.2%	47.4%	46.9%
Recycled waste (tons)	226,163	236,695	207,794	218,792	239,442	252,555	261,412	238,990	203,346	187,889

Sources:

Marion County department records.

Notes:

- (1) General elections are held in November in even calendar years.
 - (2) Information is presented for the prior calendar year.
 - (3) Information prior to fiscal year 2009 is presented for the year ending March 31.
- n/a Data is not available for this fiscal year.

MARION COUNTY, OREGON

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
General Government										
Buildings owned:										
Center Street campus	9	9	9	9	9	9	9	9	9	7
Corrections campus	6	6	6	6	6	6	6	5	4	4
Downtown campus	2	2	2	2	2	2	2	2	2	2
Public Works campus	13	13	13	13	12	12	12	12	12	12
Other facilities countywide	12	12	12	12	11	11	11	11	11	11
Community Service										
Parks acreage	610.2	610.2	614.2	614.2	614.2	614.2	614.2	614.2	614.2	614.2
Number of developed facilities	18	18	19	19	19	19	19	19	17	17
Number of undeveloped facilities	3	3	3	3	3	3	3	3	6	6
Number of playgrounds	5	5	6	6	6	6	6	6	5	5
Roads and Bridges										
Roads maintained by county:										
- miles paved	925.5	925.8	925.2	932.0	932.0	926.9	926.9	926.9	927.0	924.0
- miles unpaved	192.8	192.8	192.8	192.8	192.8	192.8	192.8	195.3	196.0	196.0
Bridges	147	147	147	147	147	147	147	147	n/a	n/a
Ferries	2	2	2	2	2	2	2	2	2	2

Sources:

Marion County department records.

**INDEPENDENT AUDITOR'S REPORT REQUIRED
BY OREGON STATE REGULATIONS**



GROVE, MUELLER & SWANK, P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
475 Cottage Street NE, Suite 200, Salem, Oregon 97301
(503) 581-7788

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
Marion County, Oregon
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Marion County, Oregon as of and for the year ended June 30, 2013, and have issued our report thereon dated December 4, 2013.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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).**
- **Accountability for collecting or receiving money by elected officials.**

In connection with our testing nothing came to our attention that caused us to believe the County 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 expenditures in excess of appropriations as detailed in Note 16 to the financial statements.

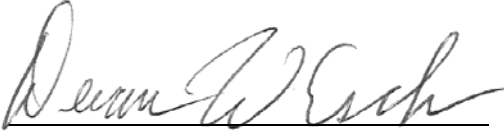
OAR 162-10-0230 - Internal Control

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control. Control deficiencies in internal control will be reported to management in a separate letter.

Restriction on Use

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

GROVE, MUELLER & SWANK, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

By: 

Devan W. Esch, A Shareholder
December 4, 2013