

For Year Ended June 30, 2014



O R E G O N

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARION COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014

Marion County Finance Department

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INTRODUCTORY SECTION



Marion County

OREGON

FINANCE DEPARTMENT

BOARD OF COMMISSIONERS

Sam Brentano
Kevin Cameron
Janet Carlson

CHIEF ADMINISTRATIVE OFFICER

John Lattimer

CHIEF FINANCIAL OFFICER

Jeff White

Telephone:
(503) 589-3295

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(503) 373-4379

December 5, 2014

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, 2014 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, 2014 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, 2014 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 326,150. 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 18,800 employees. Marion County employs about 1,500 workers, the City of Salem employs about 1,300 workers, and the County's ten public school districts employ about 6,100 workers. As of September 2014, the seasonally adjusted unemployment rate in Marion County was 7.4 percent, a decrease from 8.2 percent last year, and comparable to the state average of 7.1 percent but higher than the national average of 5.9 percent.

Long-Term Financial Planning – The County heads into fiscal year 2015 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.

Remediation of the Courthouse Square complex, an office building and transit center jointly owned by Marion County and the Salem Area Mass Transit District, was completed in May 2014 allowing personnel from various county departments to return to the building from their temporary locations. Starting in July 2014, the County combined its three separate justice courts into a single consolidated court at a new central location.

Other current initiatives include: redesigning the County's website, obtaining local agency certification for federal highway projects, and long-term planning for the County's technology, facility, and infrastructure 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, 2013. This was the thirteenth 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, 2013, making this the third 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, 2014

Board of Commissioners

Samuel Brentano	Chair
Janet Carlson	Vice Chair
Kevin Cameron	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

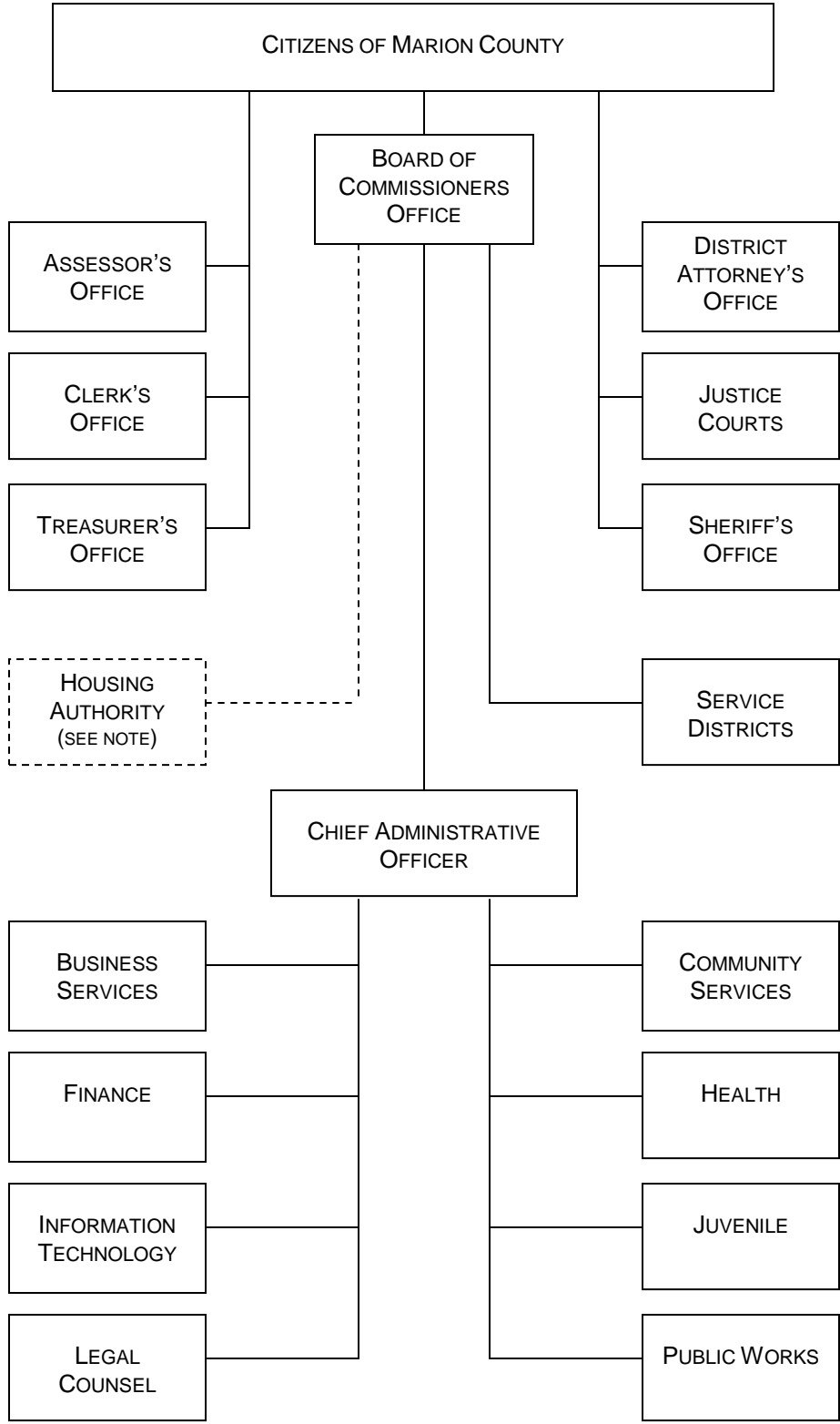
Chief Administrative Officer

John Lattimer

Legal Counsel

Gloria Roy

MARION COUNTY, OREGON
 Organization Chart
 June 30, 2014



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, 2013

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, 2014, 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, 2014, 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 47, 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 5, 2014, 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 5, 2014, 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 5, 2014

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, 2014. 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 \$260,896,457 (*net position*). Of this amount, \$186,707,932 reflects the County's net investment in capital assets, and \$31,524,428 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 \$35,170,896 and \$7,493,201, respectively.
- The County's financial position improved from the prior fiscal year with an increase in total net position of \$3,263,179 primarily due to shared funding for transportation and health services received near the end of the fiscal year.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$77,419,978, an increase of \$9,119,100 from the prior year. Of this amount, \$1,361,407 is nonspendable, and \$26,577,497 is subject to external restrictions. The remaining amount of \$49,481,074 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 \$9,850,658, equal to 15 percent of total General Operating Fund expenditures.
- The County's total debt increased by 14 percent (\$7,668,249) during the current fiscal year due to the issuance of a capital financing agreement.

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 twenty-nine 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, except as follows: the County budgets and maintains six individual funds that are combined and reported as a single 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 21-42 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 43-47 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 48-99 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 \$260,896,457 at the end of fiscal year 2014.

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 (12 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (16 percent) may be used to meet the County's ongoing obligations to citizens and creditors.

The County's financial position improved from the prior fiscal year with an increase in total net position of \$3,263,179 primarily due to shared funding for transportation and health services received near the end of the fiscal year.

Marion County's Net Position (thousands)

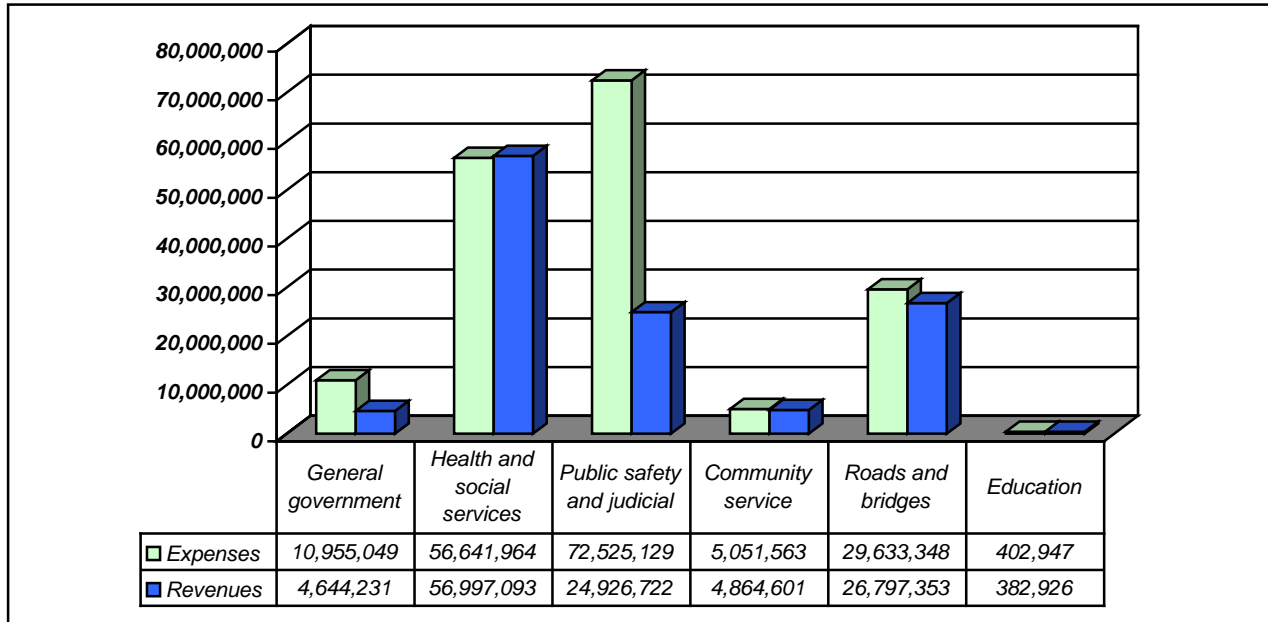
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 152,055	\$ 146,625	\$ 17,549	\$ 17,034	\$ 169,604	\$ 163,659
Capital assets	192,729	187,410	9,821	10,970	202,550	198,380
Total assets	344,784	334,035	27,370	28,004	372,154	362,039
Long-term liabilities outstanding	87,264	78,270	7,728	7,820	94,992	86,090
Other liabilities	13,318	15,490	2,948	2,826	16,266	18,316
Total liabilities	100,582	93,760	10,676	10,646	111,258	104,406
Net position:						
Net investment in capital assets	177,507	174,721	9,201	10,275	186,708	184,996
Restricted	31,524	20,421	-	-	31,524	20,421
Unrestricted	35,171	45,133	7,493	7,083	42,664	52,216
Total net position	\$ 244,202	\$ 240,275	\$ 16,694	\$ 17,358	\$ 260,896	\$ 257,633

Marion County's Changes in Net Position (thousands)

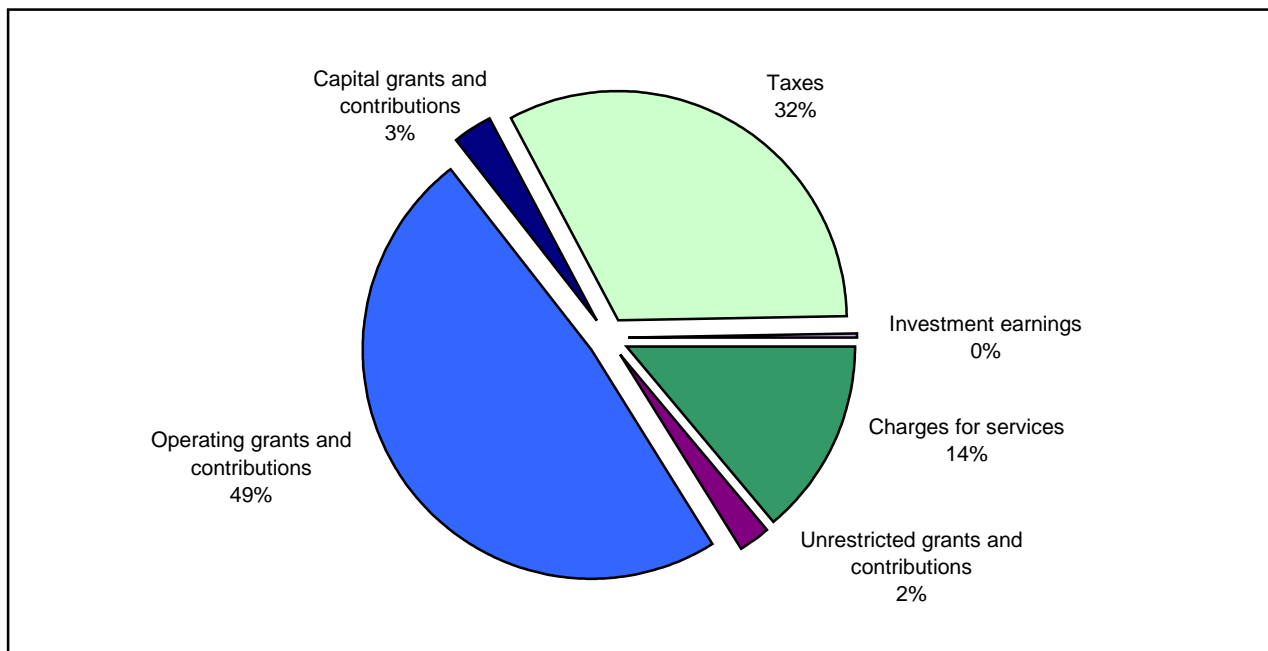
	Governmental activities		Business-type activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	\$ 25,490	\$ 27,425	\$ 20,971	\$ 18,198	\$ 46,461	\$ 45,623
Operating grants and contributions	87,998	76,891	-	-	87,998	76,891
Capital grants and contributions	5,125	7,226	-	-	5,125	7,226
General revenues:						
Property taxes	59,111	57,134	248	251	59,359	57,385
Other taxes	296	275	298	294	594	569
Unrestricted grants and contributions	4,199	5,009	-	-	4,199	5,009
Unrestricted investment earnings	744	678	64	71	808	749
Total revenues	182,963	174,638	21,581	18,814	204,544	193,452
Expenses:						
General government	10,955	11,050	-	-	10,955	11,050
Health and social services	56,642	56,017	-	-	56,642	56,017
Public safety and judicial	72,525	71,313	-	-	72,525	71,313
Community service	5,052	4,567	-	-	5,052	4,567
Roads and bridges	29,633	31,870	-	-	29,633	31,870
Education	403	506	-	-	403	506
Interest on long-term debt	3,826	3,595	-	-	3,826	3,595
Environmental services	-	-	21,199	22,040	21,199	22,040
Sewer and lighting services	-	-	1,046	1,031	1,046	1,031
Total expenses	179,036	178,918	22,245	23,071	201,281	201,989
Change in net position before extraordinary item	3,927	(4,280)	(664)	(4,257)	3,263	(8,537)
Extraordinary item - gain on capital asset impairment	-	8,734	-	-	-	8,734
Change in net position	3,927	4,454	(664)	(4,257)	3,263	197
Net position - beginning of year	240,275	235,821	17,358	21,615	257,633	257,436
Net position - end of year	\$ 244,202	\$ 240,275	\$ 16,694	\$ 17,358	\$ 260,896	\$ 257,633

Governmental Activities – Governmental activities increased the County's net position by \$3,927,143 primarily due to shared funding for transportation and health services received near the end of the fiscal year.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type Activities – Business-type activities decreased the County’s net position by \$663,964. This is primarily due to depreciation of capital assets.

The County’s business-type activities include environmental services, and sewer and lighting services. In the current fiscal year, expenses for environmental services were \$21,199,441 with program revenues of \$20,302,845. For sewer and lighting services, expenses were \$1,045,903, and program revenues were \$668,401.

Charges for services are the primary source of revenue for business-type activities, comprising 97% of total revenues for fiscal 2014. 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 \$77,419,978, an increase of 13 percent in comparison with the prior year. \$1,361,407 (2%) of this amount is nonspendable in the form of inventory and prepaid items. \$26,577,497 (34%) is subject to restrictions imposed by creditors, grantors, contributors, laws or regulations. \$49,481,074 (64%) 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 \$13,524,846, of which \$18,079 is nonspendable for inventories and prepaid items, \$2,507,357 is committed or assigned for general government, \$1,148,752 is assigned for public safety and judicial, and \$9,850,658 is unassigned. The \$2,956,158 net decrease in fund balance during the current year was primarily due to \$2,014,584 in mental health reserves transferred to the Health Fund. As a measure of the General Operating Fund’s liquidity, it may be useful to note that unassigned fund balance represents 14 percent of revenues and 15 percent of expenditures for fiscal 2014.

The Public Works Fund has a total fund balance of \$22,582,838, of which \$1,300,556 is nonspendable, and \$21,282,282 is unrestricted. Fund balance increased \$4,196,226 during the current year due to a 28% reduction in capital spending and \$1,880,000 state transportation funding received at the end of the fiscal year.

The Health Fund has a total fund balance of \$19,483,348, of which \$21,965 is nonspendable, \$14,150,339 is restricted, and \$5,311,044 is unrestricted. Fund balance increased \$6,246,869 during the current year due to fluctuations in the cost of providing capitated and other state-supported services and \$2,014,584 in mental health reserves transferred from the General Operating Fund.

The Lottery Distribution Fund has a total fund balance of \$1,272,797, all of which is restricted. There was a slight increase in fund balance of \$29,524 during the current year.

The Courthouse Square Remediation Fund has an ending fund balance of zero, down from \$8,109,153 for the prior year. Remediation of the Courthouse Square office building was completed during the current year and the fund will be closed when the remaining receivables and payables have cleared.

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 \$6,447,669 for Environmental Services. Net position for Environmental Services decreased by \$505,863 primarily due to depreciation.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total appropriations in the General Fund's final amended budget were \$149,780 higher than the original adopted budget (includes expenditures and transfers out); the only significant change was a \$120,000 transfer from contingency to special payments for an operating loan to the Marion County Housing Authority. Property tax revenues were higher than budgeted because the growth in assessed property values was more than anticipated. Actual expenditures did not vary significantly from the final amended budget.

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, 2014 amounts to \$202,550,054 (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 2 percent (a 3 percent increase for governmental activities and a 10 percent decrease for business-type activities).

Major capital projects during the current fiscal year included courthouse square remediation, jail renovations, and road and bridge construction. Construction in progress at the end of the year was approximately \$1,901,000 for roads and bridges, \$1,315,000 for facility renovation projects, \$879,000 for upgrades to the County's assessment and taxation system, and \$736,000 for various other projects.

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

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 11,889	\$ 11,889	\$ 3,035	\$ 3,035	\$ 14,924	\$ 14,924
Construction in progress	4,831	12,353	-	-	4,831	12,353
Landfills	-	-	5	362	5	362
Buildings and improvements	80,106	62,264	4,352	4,769	84,458	67,033
Equipment	12,665	11,823	2,429	2,804	15,094	14,627
Infrastructure	83,238	89,081	-	-	83,238	89,081
Total	\$ 192,729	\$ 187,410	\$ 9,821	\$ 10,970	\$ 202,550	\$ 198,380

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 \$63,390,734, an increase of 14 percent from the previous fiscal year due to the issuance of a capital financing agreement. This amount includes \$1,767,312 in revenue bonds (Oregon Garden), \$11,683,737 in refunding bonds (Courthouse Square), \$9,950,000 in capital financing agreements, \$39,369,217 in limited tax pension obligations (PERS) and \$620,468 in notes payable (service districts).

Standard & Poor's recently raised the County's issuer credit rating and refunding bonds rating from AA- to AA. 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 2014, the current limitation is \$642 million for general obligation bonds and \$321 million for limited tax obligations. As of June 30, 2014, the County's total outstanding debt represents 0.20 percent of real market value.

Marion County's Outstanding Debt (thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenue bonds	\$ 1,767	\$ 2,220	\$ -	\$ -	\$ 1,767	\$ 2,220
Refunding bonds	11,684	12,688	-	-	11,684	12,688
Capital financing agreements	9,950	-	-	-	9,950	-
Limited tax pension obligations	39,369	40,119	-	-	39,369	40,119
Notes payable	-	-	621	695	621	695
Total	\$ 62,770	\$ 55,027	\$ 621	\$ 695	\$ 63,391	\$ 55,722

Additional information on the County's long-term debt can be found in Note 6 on pages 30-35 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 4.2 percent.
- The unemployment rate in Marion County is currently 7.4 percent, a decrease from the rate of 8.2 percent a year ago. The County's unemployment rate is comparable to the state average of 7.1 percent and higher than the national average of 5.9 percent.
- For the six months ending September 2014, the University of Oregon Index of Economic Indicators rose 1.0 percent; comparable national indices showed an increase of 3.5 percent.
- As of September 2014, forecasted revenues for the State of Oregon's general fund in the 2013-2015 biennium were \$259 million higher 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 2015.

During the current fiscal year, fund balance in the General Operating Fund decreased from \$16,481,004 to \$13,524,846. The County has appropriated \$6,204,079 of this amount for spending in fiscal year 2015.

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, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 90,975,034	\$ 15,816,068	\$ 106,791,102
Receivables	19,573,591	3,040,252	22,613,843
Internal balances	1,307,633	(1,307,633)	-
Inventories and prepaid expenses	1,411,407	-	1,411,407
Prepaid pension obligation	38,787,402	-	38,787,402
Capital assets not being depreciated:			
Land	11,888,914	3,034,916	14,923,830
Construction in progress	4,830,593	-	4,830,593
Capital assets being depreciated:			
Landfills	-	6,430,703	6,430,703
Buildings and improvements	111,041,337	13,782,134	124,823,471
Equipment	29,512,259	4,113,633	33,625,892
Infrastructure	564,040,704	-	564,040,704
Less accumulated depreciation	(528,585,025)	(17,540,114)	(546,125,139)
 Total assets	 <u>344,783,849</u>	 <u>27,369,959</u>	 <u>372,153,808</u>
LIABILITIES			
Accounts payable and other current liabilities	12,984,262	2,930,379	15,914,641
Accrued interest payable	333,094	17,980	351,074
Noncurrent liabilities:			
Due within one year	8,655,849	166,894	8,822,743
Due in more than one year	78,608,192	7,560,701	86,168,893
 Total liabilities	 <u>100,581,397</u>	 <u>10,675,954</u>	 <u>111,257,351</u>
NET POSITION			
Net investment in capital assets	177,507,128	9,200,804	186,707,932
Restricted for:			
General government	212,385	-	212,385
Health and social services	14,241,646	-	14,241,646
Public safety and judicial	2,608,681	-	2,608,681
Community service	6,713,004	-	6,713,004
Roads and bridges	1,332,576	-	1,332,576
Education	4,053	-	4,053
Capital projects	6,412,083	-	6,412,083
Unrestricted	35,170,896	7,493,201	42,664,097
 Total net position	 <u>\$ 244,202,452</u>	 <u>\$ 16,694,005</u>	 <u>\$ 260,896,457</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, 2014

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	\$ 10,955,049	\$ 4,644,231	\$ -	\$ -	\$ (6,310,818)	\$ -	\$ (6,310,818)
Health and social services	56,641,964	6,176,969	50,619,575	200,549	355,129	-	355,129
Public safety and judicial	72,525,129	7,752,478	16,922,117	252,127	(47,598,407)	-	(47,598,407)
Community service	5,051,563	2,913,115	1,946,486	5,000	(186,962)	-	(186,962)
Roads and bridges	29,633,348	4,003,486	18,126,976	4,666,891	(2,835,995)	-	(2,835,995)
Education	402,947	-	382,926	-	(20,021)	-	(20,021)
Interest on long-term debt	3,825,907	-	-	-	(3,825,907)	-	(3,825,907)
Total governmental activities	179,035,907	25,490,279	87,998,080	5,124,567	(60,422,981)	-	(60,422,981)
Business-type activities:							
Environmental services	21,199,441	20,302,845	-	-	-	(896,596)	(896,596)
Sewer and lighting services	1,045,903	668,401	-	-	-	(377,502)	(377,502)
Total business-type activities	22,245,344	20,971,246	-	-	-	(1,274,098)	(1,274,098)
Total	\$ 201,281,251	\$ 46,461,525	\$ 87,998,080	\$ 5,124,567	(60,422,981)	(1,274,098)	(61,697,079)
General revenues:							
Property taxes					59,110,891	248,431	59,359,322
Franchise taxes					295,802	298,364	594,166
Unrestricted grants and contributions					4,198,940	-	4,198,940
Unrestricted investment earnings					744,491	63,339	807,830
Total general revenues					64,350,124	610,134	64,960,258
Change in net position					3,927,143	(663,964)	3,263,179
Net position - beginning					240,275,309	17,357,969	257,633,278
Net position - ending					\$ 244,202,452	\$ 16,694,005	\$ 260,896,457

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

MARION COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2014

	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	\$ 14,778,909	\$ 19,015,482	\$ 19,934,529	\$ 1,232,372	\$ 483,299	\$ 21,643,019	\$ 77,087,610
Receivables	5,141,570	3,847,712	1,688,670	4,852,348	29,777	2,075,805	17,635,882
Due from other funds	-	765,000	-	-	-	-	765,000
Inventories and prepaids	18,079	1,300,556	21,965	-	-	20,807	1,361,407
Total assets	<u>\$ 19,938,558</u>	<u>\$ 24,928,750</u>	<u>\$ 21,645,164</u>	<u>\$ 6,084,720</u>	<u>\$ 513,076</u>	<u>\$ 23,739,631</u>	<u>\$ 96,849,899</u>
LIABILITIES							
Accounts payable	\$ 761,244	\$ 1,027,294	\$ 701,203	\$ 38,900	\$ 513,076	\$ 2,044,585	\$ 5,086,302
Payroll related liabilities	2,237,948	506,823	1,382,242	-	-	905,627	5,032,640
Deposits	43,399	809,475	-	-	-	61,682	914,556
Unearned revenue	-	-	78,371	-	-	-	78,371
Total liabilities	<u>3,042,591</u>	<u>2,343,592</u>	<u>2,161,816</u>	<u>38,900</u>	<u>513,076</u>	<u>3,011,894</u>	<u>11,111,869</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>3,371,121</u>	<u>2,320</u>	<u>-</u>	<u>4,773,023</u>	<u>-</u>	<u>171,588</u>	<u>8,318,052</u>
FUND BALANCES							
Nonspendable	18,079	1,300,556	21,965	-	-	20,807	1,361,407
Restricted	-	-	14,150,339	1,272,797	-	11,154,361	26,577,497
Committed	2,198,063	3,073,541	-	-	-	1,127,810	6,399,414
Assigned	1,458,046	18,208,741	5,311,044	-	-	8,253,171	33,231,002
Unassigned	9,850,658	-	-	-	-	-	9,850,658
Total fund balances	<u>13,524,846</u>	<u>22,582,838</u>	<u>19,483,348</u>	<u>1,272,797</u>	<u>-</u>	<u>20,556,149</u>	<u>77,419,978</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,938,558</u>	<u>\$ 24,928,750</u>	<u>\$ 21,645,164</u>	<u>\$ 6,084,720</u>	<u>\$ 513,076</u>	<u>\$ 23,739,631</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.	192,728,782
The prepaid pension obligation is not an available resource and, therefore, is not reported in the funds.	38,787,402
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	8,318,052
Internal service funds assets and liabilities are included in governmental activities in the statement of net position.	5,912,012
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	61,002,954
Accrued interest payable	333,094
Compensated absences	3,390,795
Net OPEB obligation	14,236,931
	<u>(78,963,774)</u>

Net position of governmental activities \$ 244,202,452

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, 2014

	General Operating Fund	Public Works Fund	Health Fund	Lottery Distribution Fund	Courthouse Square Remediation Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 59,844,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,844,595
Licenses and permits	58,375	178,216	-	-	-	2,768,069	3,004,660
Intergovernmental	4,682,843	22,793,867	48,692,926	1,384,365	-	19,767,586	97,321,587
Charges for services	3,798,138	3,391,693	6,060,838	-	1,308,278	7,691,161	22,250,108
Fines and forfeitures	1,878,680	-	-	-	-	822,840	2,701,520
Interest	467,611	74,489	59,594	5,113	17,291	87,057	711,155
Other	31,811	6,718	95,507	189,546	-	131,501	455,083
Total revenues	70,762,053	26,444,983	54,908,865	1,579,024	1,325,569	31,268,214	186,288,708
Expenditures:							
Current:							
General government	10,784,864	-	-	-	-	167,281	10,952,145
Health and social services	-	-	53,873,910	-	-	2,550,273	56,424,183
Public safety and judicial	53,585,106	-	-	-	-	17,999,862	71,584,968
Community service	-	-	-	673,437	-	3,671,972	4,345,409
Roads and bridges	-	17,585,817	-	-	-	479,322	18,065,139
Education	-	-	-	-	-	402,947	402,947
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	452,548	-	2,205,000	2,657,548
Interest	3,080	48	-	99,515	-	3,225,298	3,327,941
Capital outlay	702,530	4,666,892	205,617	-	10,994,334	2,339,046	18,908,419
Total expenditures	65,075,580	22,252,757	54,079,527	1,225,500	10,994,334	33,041,001	186,668,699
Excess (deficiency) of revenues over expenditures	5,686,473	4,192,226	829,338	353,524	(9,668,765)	(1,772,787)	(379,991)
Other financing sources (uses):							
Debt issuance	-	-	-	-	-	9,950,000	9,950,000
Transfers in	3,853,559	4,000	5,454,266	-	2,500,000	9,143,566	20,955,391
Transfers out	(12,496,190)	-	(36,735)	(324,000)	(940,388)	(7,608,987)	(21,406,300)
Total other financing sources (uses)	(8,642,631)	4,000	5,417,531	(324,000)	1,559,612	11,484,579	9,499,091
Net change in fund balances	(2,956,158)	4,196,226	6,246,869	29,524	(8,109,153)	9,711,792	9,119,100
Fund balances - beginning	16,481,004	18,386,612	13,236,479	1,243,273	8,109,153	10,844,357	68,300,878
Fund balances - ending	\$ 13,524,846	\$ 22,582,838	\$ 19,483,348	\$ 1,272,797	\$ -	\$ 20,556,149	\$ 77,419,978

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, 2014

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)		\$ 9,119,100
<p>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.</p>		
Capital outlay	\$ 20,436,089	
Depreciation expense	<u>(14,842,423)</u>	5,593,666
<p>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.</p>		
		(274,817)
<p>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.</p>		
Issuance of long-term debt	(9,950,000)	
Repayment of long-term debt principal	2,657,548	
Amortization of premium issued on refunding bonds	79,877	
Amortization of deferred interest bonds	(530,407)	
Amortization of prepaid pension obligation	<u>(738,454)</u>	(8,481,436)
<p>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.</p>		
Property taxes	(317,902)	
Loans and assessments	<u>(103,003)</u>	(420,905)
<p>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.</p>		
Interest payable	(70,761)	
Compensated absences	7,869	
Net OPEB obligation	<u>(1,507,682)</u>	(1,570,574)
<p>Adjustment to reflect the consolidation of internal service fund activities related to governmental activities.</p>		
		<u>(37,891)</u>
Change in net position of governmental activities (page 12)		<u>\$ 3,927,143</u>

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

MARION COUNTY, OREGON

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Nonmajor	Total	Internal
		Enterprise Funds		Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 14,360,565	\$ 1,455,503	\$ 15,816,068	\$ 13,887,424
Receivables	2,735,156	305,096	3,040,252	170,397
Prepaid items	-	-	-	50,000
Total current assets	<u>17,095,721</u>	<u>1,760,599</u>	<u>18,856,320</u>	<u>14,107,821</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	4,100,174	13,459	4,113,633	-
Less accumulated depreciation	(9,312,843)	(8,227,271)	(17,540,114)	-
Total capital assets	<u>7,473,116</u>	<u>2,348,156</u>	<u>9,821,272</u>	<u>-</u>
Total assets	<u>24,568,837</u>	<u>4,108,755</u>	<u>28,677,592</u>	<u>14,107,821</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,662,518	154,454	2,816,972	1,105,018
Payroll related liabilities	113,407	-	113,407	767,375
Due to other funds	765,000	-	765,000	-
Accrued interest	-	17,980	17,980	-
Compensated absences, current	88,358	-	88,358	559,010
Accrued claims liability, current	-	-	-	1,548,456
Notes payable, current	-	78,536	78,536	-
Total current liabilities	<u>3,629,283</u>	<u>250,970</u>	<u>3,880,253</u>	<u>3,979,859</u>
Noncurrent liabilities, net of current portion:				
Compensated absences	13,338	-	13,338	39,201
Net OPEB obligation	366,013	-	366,013	1,811,944
Landfill closure and postclosure liability	6,639,418	-	6,639,418	-
Accrued claims liability	-	-	-	2,907,438
Notes payable	-	541,932	541,932	-
Total noncurrent liabilities	<u>7,018,769</u>	<u>541,932</u>	<u>7,560,701</u>	<u>4,758,583</u>
Total liabilities	<u>10,648,052</u>	<u>792,902</u>	<u>11,440,954</u>	<u>8,738,442</u>
NET POSITION				
Net investment in capital assets	7,473,116	1,727,688	9,200,804	-
Unrestricted	6,447,669	1,588,165	8,035,834	5,369,379
Total net position	<u>\$ 13,920,785</u>	<u>\$ 3,315,853</u>	<u>17,236,638</u>	<u>\$ 5,369,379</u>
Adjustment to reflect consolidation of internal service fund activities			(542,633)	
Net position of business-type activities			<u>\$ 16,694,005</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, 2014

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Nonmajor	Total	Activities
		Enterprise Funds		Internal Service Funds
Operating revenues:				
Charges for services	\$ 20,296,285	\$ 668,401	\$ 20,964,686	\$ 43,568,190
Other	6,560	-	6,560	52,447
Total operating revenues	<u>20,302,845</u>	<u>668,401</u>	<u>20,971,246</u>	<u>43,620,637</u>
Operating expenses:				
Salaries and wages	2,370,198	-	2,370,198	15,328,165
Repairs and maintenance	267,078	199,644	466,722	1,588,505
Utilities	43,190	240,043	283,233	29,042
Building and equipment rentals	137,396	-	137,396	507,224
Professional services	15,823,899	227,651	16,051,550	666,832
Communication	15,734	2,176	17,910	244,010
Fuel and operating supplies	195,052	37,445	232,497	2,049,655
Insurance claims and premiums	4,423	12,193	16,616	22,001,398
Administrative expenses	1,165,855	-	1,165,855	1,524,325
Depreciation	855,680	289,832	1,145,512	-
Other	278,465	3,990	282,455	238,573
Total operating expenses	<u>21,156,970</u>	<u>1,012,974</u>	<u>22,169,944</u>	<u>44,177,729</u>
Operating income (loss)	<u>(854,125)</u>	<u>(344,573)</u>	<u>(1,198,698)</u>	<u>(557,092)</u>
Nonoperating revenues (expenses):				
Property taxes	-	248,431	248,431	-
Franchise taxes	298,364	-	298,364	-
Interest revenue	57,413	5,926	63,339	33,336
Interest expense	(4,590)	(32,929)	(37,519)	-
Gain (loss) on sale of assets	(2,925)	-	(2,925)	-
Total nonoperating revenues (expenses)	<u>348,262</u>	<u>221,428</u>	<u>569,690</u>	<u>33,336</u>
Income (loss) before transfers	<u>(505,863)</u>	<u>(123,145)</u>	<u>(629,008)</u>	<u>(523,756)</u>
Transfers in	-	-	-	450,909
Change in net position	<u>(505,863)</u>	<u>(123,145)</u>	<u>(629,008)</u>	<u>(72,847)</u>
Net position - beginning	<u>14,426,648</u>	<u>3,438,998</u>		<u>5,442,226</u>
Net position - ending	<u>\$ 13,920,785</u>	<u>\$ 3,315,853</u>		<u>\$ 5,369,379</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(34,956)</u>	
Change in net position of business-type activities			<u>\$ (663,964)</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, 2014

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Other	Total	Activities
		Enterprise Funds		Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 19,106,249	\$ 627,462	\$ 19,733,711	\$ 43,550,648
Cash payments to suppliers for goods and services	(17,838,603)	(690,991)	(18,529,594)	(29,457,608)
Cash payments to employees for services	(2,388,071)	-	(2,388,071)	(15,168,187)
Net cash from operating activities	(1,120,425)	(63,529)	(1,183,954)	(1,075,147)
Cash flows from noncapital financing activities:				
Property taxes received	-	250,869	250,869	-
Franchise taxes received	298,364	-	298,364	-
Transfers received	-	-	-	450,909
Net cash from noncapital financing activities	298,364	250,869	549,233	450,909
Cash flows from capital and related financing activities:				
Debt principal payments	(85,000)	(74,733)	(159,733)	-
Debt interest payments	(4,590)	(35,430)	(40,020)	-
Net cash from capital and related financing activities	(89,590)	(110,163)	(199,753)	-
Cash flows from investing activities:				
Interest on investments	45,407	4,598	50,005	26,752
Interfund loans collected	327,800	-	327,800	-
Net cash from investing activities	373,207	4,598	377,805	26,752
Net change in cash and investments	(538,444)	81,775	(456,669)	(597,486)
Cash and investments - beginning	14,899,009	1,373,728	16,272,737	14,484,910
Cash and investments - ending	<u>\$ 14,360,565</u>	<u>\$ 1,455,503</u>	<u>\$ 15,816,068</u>	<u>\$ 13,887,424</u>

(Continued on following page)

MARION COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (854,125)	\$ (344,573)	\$ (1,198,698)	\$ (557,092)
Depreciation	855,680	289,832	1,145,512	-
Change in:				
Accounts receivable	(1,196,596)	(40,939)	(1,237,535)	(69,989)
Accounts payable	92,489	32,151	124,640	(256,157)
Payroll related liabilities	(305)	-	(305)	56,253
Compensated absences	(16,200)	-	(16,200)	(25,769)
Net OPEB obligation	(1,368)	-	(1,368)	129,494
Accrued claims liability	-	-	-	(351,887)
Net cash from operating activities	<u>\$ (1,120,425)</u>	<u>\$ (63,529)</u>	<u>\$ (1,183,954)</u>	<u>\$ (1,075,147)</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, 2014

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 24,137,980
Receivables:	
Accounts and interest	998,733
Property taxes	<u>17,024,419</u>
Total assets	<u>\$ 42,161,132</u>
LIABILITIES	
Accounts payable	\$ 2,751,159
Due to other agencies	<u>39,409,973</u>
Total liabilities	<u>\$ 42,161,132</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, 2014

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
Illaha Hills Street Lighting District
Labish Village Sewage and Drainage District
5155 Silverton Rd. NE
Salem, OR 97305

Jointly Governed Organizations – The County participates in the Mid-Willamette Valley Cable Regulatory Commission (MWVCRC), a jointly governed organization 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 2014, the County paid \$140,005 to the MWVCRC. Separate financial statements of the MWVCRC may be obtained at:

Mid-Willamette Valley Cable Regulatory Commission
555 Court Street NE, Suite 4247
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, 2014

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, 2014

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, 2014

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

Loans receivable consist of an operating loan to the Marion County Housing Authority in the General Operating Fund, 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	6 to 26
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, 2014

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 resolution of the Board of Commissioners; 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, 2014

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 \$2,198,063 as of June 30, 2014.

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, 2014:

Cash on hand	\$ 17,555
Deposits with financial institutions:	
Demand and savings deposits	8,255,515
Certificates of deposit	3,000,000
Investments	<u>119,656,012</u>
Total cash and investments	<u>\$ 130,929,082</u>

Cash and investments consist of \$106,791,102 shown on the government-wide Statement of Net Position and \$24,137,980 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, 2014, the County had total bank balances of \$12,971,083. Of this amount, \$1,568,311 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, 2014

NOTE 2 – CASH AND INVESTMENTS (Continued):

As of June 30, 2014, the County had the following investments:

Investment Type	Carrying Value	Percent of Investment Portfolio	Weighted Average Maturity (Months)
US treasury securities	\$ 5,820,243	4.8%	40.87
US agency securities	68,278,782	57.1%	35.53
Municipal bonds	9,647,592	8.1%	22.67
Corporate bonds	15,606,922	13.0%	20.00
State of Oregon local government investment pool	20,302,473	17.0%	n/a
	<u>\$ 119,656,012</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, 2014, ratings (Moody's unless otherwise noted) for the County's investments were as follows: US treasury securities \$5,820,243, Aaa; US agency securities \$60,277,115, Aaa, \$8,001,667, not rated; municipal bonds \$5,855,749, Aa, \$2,188,197, A, \$600,907, AAA (S&P), \$1,002,739, AA (S&P); corporate bonds \$7,079,342, Aa, \$8,527,580, A. 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, 2014

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES:

The Public Works Fund has an outstanding capital loan of \$765,000 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	\$ 3,718,453	\$ 1,225,989	\$ 77,128	\$ 120,000	\$ 5,141,570
Public Works Fund	-	3,792,731	52,661	2,320	3,847,712
Health Fund	-	1,635,287	53,383	-	1,688,670
Lottery Distribution Fund	-	-	3,501	4,848,847	4,852,348
CH2 Remediation Fund	-	25,653	4,124	-	29,777
Environmental Services	-	2,694,141	41,015	-	2,735,156
Nonmajor governmental funds	-	1,852,160	52,057	171,588	2,075,805
Nonmajor enterprise funds	19,424	281,484	4,188	-	305,096
Internal service funds	-	142,048	28,349	-	170,397
Agency funds	17,024,419	945,668	53,065	-	18,023,152
	<u>\$ 20,762,296</u>	<u>\$ 12,595,161</u>	<u>\$ 369,471</u>	<u>\$ 5,142,755</u>	<u>\$ 38,869,683</u>

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2014 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	12,352,830	16,687,077	24,209,314	4,830,593
Total capital assets not being depreciated	<u>24,241,744</u>	<u>16,687,077</u>	<u>24,209,314</u>	<u>16,719,507</u>
Capital assets being depreciated:				
Buildings and improvements	91,307,500	19,782,349	48,512	111,041,337
Equipment	28,092,201	3,104,142	1,684,084	29,512,259
Infrastructure	558,968,869	5,071,835	-	564,040,704
Total capital assets being depreciated	<u>678,368,570</u>	<u>27,958,326</u>	<u>1,732,596</u>	<u>704,594,300</u>
Less accumulated depreciation for:				
Buildings and improvements	29,043,410	1,938,906	47,381	30,934,935
Equipment	16,269,557	1,987,932	1,410,398	16,847,091
Infrastructure	469,887,414	10,915,585	-	480,802,999
Total accumulated depreciation	<u>515,200,381</u>	<u>14,842,423</u>	<u>1,457,779</u>	<u>528,585,025</u>
Total capital assets being depreciated, net	<u>163,168,189</u>	<u>13,115,903</u>	<u>274,817</u>	<u>176,009,275</u>
Governmental activities capital assets, net	<u>\$ 187,409,933</u>	<u>\$ 29,802,980</u>	<u>\$ 24,484,131</u>	<u>\$ 192,728,782</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

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	13,782,134	-	-	13,782,134
Equipment	4,160,052	-	46,419	4,113,633
Total capital assets being depreciated	<u>24,372,889</u>	<u>-</u>	<u>46,419</u>	<u>24,326,470</u>
Less accumulated depreciation for:				
Landfills	6,068,489	357,160	-	6,425,649
Buildings and improvements	9,013,002	417,442	-	9,430,444
Equipment	1,356,605	370,910	43,494	1,684,021
Total accumulated depreciation	<u>16,438,096</u>	<u>1,145,512</u>	<u>43,494</u>	<u>17,540,114</u>
Total capital assets being depreciated, net	<u>7,934,793</u>	<u>(1,145,512)</u>	<u>2,925</u>	<u>6,786,356</u>
Business-type activities capital assets, net	<u>\$ 10,969,709</u>	<u>\$ (1,145,512)</u>	<u>\$ 2,925</u>	<u>\$ 9,821,272</u>

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

Governmental activities:	
General government	\$ 1,963,943
Health and social services	63,419
Public safety and judicial	1,129,389
Community service	33,482
Roads and bridges	<u>11,652,190</u>
Total depreciation expense, governmental activities	<u>\$ 14,842,423</u>
Business-type activities:	
Environmental services	\$ 855,680
Sewer and lighting services	<u>289,832</u>
Total depreciation expense, business-type activities	<u>\$ 1,145,512</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

NOTE 6 – LONG-TERM OBLIGATIONS:

Changes in long-term obligations for the year ended June 30, 2014 are as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due within One Year
Governmental activities:					
Revenue bonds	\$ 2,219,860	\$ -	\$ 452,548	\$ 1,767,312	\$ 474,899
Refunding obligations	12,688,614	-	1,004,877	11,683,737	960,000
Capital financing agreement	-	9,950,000	-	9,950,000	287,034
Limited tax pension obligations	40,118,810	-	749,593	39,369,217	1,465,000
Accrued claims liability	4,807,781	1,560,782	1,912,669	4,455,894	1,548,456
Compensated absences	4,022,644	3,833,289	3,866,927	3,989,006	3,920,460
Net OPEB obligation	14,411,699	2,270,696	633,520	16,048,875	-
Governmental activities long-term obligations	<u>\$ 78,269,408</u>	<u>\$ 17,614,767</u>	<u>\$ 8,620,134</u>	<u>\$ 87,264,041</u>	<u>\$ 8,655,849</u>
Business-type activities:					
Notes payable	\$ 695,201	\$ -	\$ 74,733	\$ 620,468	\$ 78,536
Landfill closure and postclosure liability	6,639,418	-	-	6,639,418	-
Compensated absences	117,896	77,938	94,138	101,696	88,358
Net OPEB obligation	367,381	13,080	14,448	366,013	-
Business-type activities long-term liabilities	<u>\$ 7,819,896</u>	<u>\$ 91,018</u>	<u>\$ 183,319</u>	<u>\$ 7,727,595</u>	<u>\$ 166,894</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, 2014

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, 2013	Matured and Paid During Year	Outstanding June 30, 2014	Future Interest
2014	\$ 452,548	\$ 452,548	\$ -	\$ -
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>\$ 2,219,860</u>	<u>\$ 452,548</u>	<u>\$ 1,767,312</u>	<u>\$ 164,910</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

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, 2013	Matured and Paid During Year	Outstanding June 30, 2014	
2014	\$ 925,000	\$ 925,000	\$ -	\$ -
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	1,190,000	-	1,190,000	360,700
2020-2023	5,420,000	-	5,420,000	765,875
	11,680,000	925,000	10,755,000	3,146,875
Unamortized premium	1,008,614	79,877	928,737	-
	<u>\$ 12,688,614</u>	<u>\$ 1,004,877</u>	<u>\$ 11,683,737</u>	<u>\$ 3,146,875</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Capital Financing Agreement – In October 2013, the County issued a full faith and credit financing agreement for a bank loan in the amount of \$9,950,000 to finance various capital projects. Interest payments at the rate of 3.12% are due quarterly from January 2014 through October 2014; thereafter, payments of principal and interest at the rate of 3.12% are due quarterly from January 2015 through October 2028.

In accordance with the financing agreement, the County may not prepay any portion of the outstanding balance before October 1, 2018. Prepayments on or after that date are subject to a 5% prepayment fee that declines by 1% each subsequent year. There is no penalty for prepayments made on or after October 1, 2023.

Annual requirements to repay the 2013 Capital Financing Agreement are as follows:

Fiscal Year of Maturity	Principal			Future Interest
	Outstanding July 1, 2013	Issued During Year	Outstanding June 30, 2014	
2015	\$ -	\$ 287,034	\$ 287,034	\$ 309,325
2016	-	587,623	587,623	294,654
2017	-	606,172	606,172	276,104
2018	-	625,307	625,307	256,969
2019	-	645,046	645,046	237,230
2020-2024	-	3,543,830	3,543,830	867,555
2025-2029	-	3,654,988	3,654,988	274,135
	<u>\$ -</u>	<u>\$ 9,950,000</u>	<u>\$ 9,950,000</u>	<u>\$ 2,515,972</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

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, 2013	Matured and Paid During Year	Outstanding June 30, 2014	
2014	\$ 930,000	\$ 930,000	\$ -	\$ -
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	1,520,000	-	1,520,000	1,432,647
2020-2024	10,535,000	-	10,535,000	6,512,496
2025-2028	12,195,000	-	12,195,000	2,008,590
	30,030,000	930,000	29,100,000	15,764,430
Less deferred interest	(5,936,190)	(530,407)	(5,405,783)	-
	<u>\$ 24,093,810</u>	<u>\$ 399,593</u>	<u>\$ 23,694,217</u>	<u>\$ 15,764,430</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, 2013	Matured and Paid During Year	Outstanding June 30, 2014	
2014	\$ 350,000	\$ 350,000	\$ -	\$ -
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	800,000	-	800,000	815,862
2020-2024	5,965,000	-	5,965,000	3,206,836
2025-2028	6,690,000	-	6,690,000	1,471,638
	<u>\$ 16,025,000</u>	<u>\$ 350,000</u>	<u>\$ 15,675,000</u>	<u>\$ 8,611,560</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

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			
	Outstanding July 1, 2013	Matured and Paid During Year	Outstanding June 30, 2014	Future Interest
2014	\$ 74,733	\$ 74,733	\$ -	\$ -
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	18,186	-	18,186	20,076
2020-2024	103,174	-	103,174	87,951
2025-2029	132,918	-	132,918	60,620
2030-2034	169,046	-	169,046	24,929
	<u>\$ 695,201</u>	<u>\$ 74,733</u>	<u>\$ 620,468</u>	<u>\$ 293,434</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 metal recovery processes that allow for alternative use of screened incinerator ash, the County does not anticipate closing the North Marion site for the foreseeable future; the County expects to continue receiving demolition waste at Brown's Island for 12 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, 2014, 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 \$1,084,254. These amounts are based on what it would cost to perform all closure and postclosure care in 2014. 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, 2014

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 \$4,455,894 reported in the Self-Insurance Fund at June 30, 2014 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, 2014.

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 <u>2013-14</u>	Fiscal Year <u>2012-13</u>
Claims liability, beginning of year	\$ 4,807,781	\$ 4,993,000
Current year claims and changes in estimates	1,560,782	1,204,594
Claim payments	<u>(1,912,669)</u>	<u>(1,389,813)</u>
Claims liability, end of year	<u>\$ 4,455,894</u>	<u>\$ 4,807,781</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

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 PERS-covered 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 2014, 2013 and 2012 were: 10.41%, 10.46%, and 10.46% for Tier 1/Tier 2 members; 6.53%, 6.80%, and 6.80% for OPSRP general service members; and 9.26%, 9.51%, and 9.51% for OPSRP police & fire members, respectively. The County paid employer contributions as required for the years ended June 30, 2014, 2013 and 2012 amounting to \$6,552,862, \$6,779,130, and \$6,875,144, respectively. In addition, the County recognized amortization of the prepaid pension obligation of \$738,454 in fiscal year 2014.

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. The County pays the 6% employee contribution for all non-represented employees and for represented employees in accordance with collective bargaining agreements. The amount of employee contributions paid by the County was \$3,832,919 for the year ended June 30, 2014.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

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 2012	FY 2013	FY 2014
Net OPEB obligation, beginning of year	\$ 9,168,001	\$ 12,003,188	\$ 14,779,080
Annual required contribution (ARC)	3,648,410	3,776,104	2,220,446
Interest on net OPEB obligation	366,720	480,127	591,163
Amortization adjustment to ARC	(327,434)	(428,693)	(527,833)
Annual OPEB cost	<u>3,687,696</u>	<u>3,827,538</u>	<u>2,283,776</u>
Contributions made (implicit rate subsidy)	<u>(852,509)</u>	<u>(1,051,646)</u>	<u>(647,968)</u>
Change in net OPEB obligation	<u>2,835,187</u>	<u>2,775,892</u>	<u>1,635,808</u>
Net OPEB obligation, end of year	<u>\$ 12,003,188</u>	<u>\$ 14,779,080</u>	<u>\$ 16,414,888</u>
Percentage of annual OPEB cost contributed	23%	27%	28%

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued):

Funded Status and Funding Progress – As of July 1, 2013, the most recent actuarial valuation date, the actuarially accrued liability was \$20,074,533, 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 \$68,404,003, and the ratio of the unfunded actuarially accrued liability (UAAL) to covered payroll was 29%. 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, 2013 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 8% initially, reduced by decrements to an ultimate rate of 5% after 18 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	Other Governmental Funds	Total Governmental Funds
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 112,663	\$ 112,663
Health & social services	-	-	14,150,339	-	91,307	14,241,646
Public safety & judicial	-	-	-	-	2,608,681	2,608,681
Community service	-	-	-	1,272,797	595,318	1,868,115
Roads and bridges	-	-	-	-	1,330,256	1,330,256
Education	-	-	-	-	4,053	4,053
Capital projects	-	-	-	-	6,412,083	6,412,083
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,150,339</u>	<u>\$ 1,272,797</u>	<u>\$ 11,154,361</u>	<u>\$ 26,577,497</u>
Committed to:						
General government	\$ 2,198,063	\$ -	\$ -	\$ -	\$ -	\$ 2,198,063
Public safety & judicial	-	-	-	-	27,351	27,351
Community service	-	-	-	-	21,742	21,742
Roads and bridges	-	3,073,541	-	-	-	3,073,541
Capital projects	-	-	-	-	1,078,717	1,078,717
	<u>\$ 2,198,063</u>	<u>\$ 3,073,541</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,127,810</u>	<u>\$ 6,399,414</u>
Assigned to:						
General government	\$ 309,294	\$ -	\$ -	\$ -	\$ -	\$ 309,294
Health & social services	-	-	5,311,044	-	167,131	5,478,175
Public safety & judicial	1,148,752	-	-	-	2,256,021	3,404,773
Community service	-	-	-	-	1,209,604	1,209,604
Roads and bridges	-	18,208,741	-	-	70,013	18,278,754
Debt service	-	-	-	-	164,460	164,460
Capital projects	-	-	-	-	4,385,942	4,385,942
	<u>\$ 1,458,046</u>	<u>\$ 18,208,741</u>	<u>\$ 5,311,044</u>	<u>\$ -</u>	<u>\$ 8,253,171</u>	<u>\$ 33,231,002</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

NOTE 11 – TRANSFERS:

Transfers are summarized as follows:

Transfer To	Transfer From					Total
	Governmental Funds					
	General Operating Fund	Health Fund	Lottery Distribution Fund	CH2 Remediation Fund	Nonmajor funds	
Governmental Funds:						
General Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ 3,853,559	\$ 3,853,559
Public Works Fund	4,000	-	-	-	-	4,000
Health Fund	5,454,266	-	-	-	-	5,454,266
CH2 Remediation Fund	-	-	-	-	2,500,000	2,500,000
Nonmajor funds	6,681,215	-	324,000	940,388	1,197,963	9,143,566
Proprietary Funds:						
Internal service funds	356,709	36,735	-	-	57,465	450,909
Total	\$ 12,496,190	\$ 36,735	\$ 324,000	\$ 940,388	\$ 7,608,987	\$ 21,406,300

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 2014, monthly service fees were approximately \$835,240. 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 \$945,775 for the year ended June 30, 2014. Future obligations under these agreements are as follows:

Fiscal Year	Amount
2015	\$ 975,582
2016	974,958
2017	857,370
2018	801,643
2019	454,887
2020-2021	14,762

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

NOTE 13 – SUBSEQUENT EVENTS:

Management has evaluated subsequent events through December 5, 2014 and is not aware of any subsequent events that require recognition or disclosure in the financial statements.

NOTE 14 – 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 (ORS 294). 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 meeting.
3. The Board of Commissioners, after a public hearing and prior to July 1, adopts the budget, makes appropriations and imposes taxes by resolution. If not adopted prior to July, the County has no authority to expend monies until a budget is adopted. The budget must be balanced in accordance with Oregon Local Budget Law.
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, 2014.

The following funds had overexpenditures in the indicated categories:

General Operating Fund:	
Inmate Welfare Fund – Personnel Services	\$5,432
Special Revenue Funds:	
Children & Families Fund – Personnel Services	3,793
District Attorney Grants Fund – Personnel Services	2,372

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2014

NOTE 15 – NEW PRONOUNCEMENTS:

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements that may impact future financial presentations:

GASB Statement No. 68, “Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27,” replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. **GASB Statement No. 69**, “Government Combinations and Disposals of Government Operations,” establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of government operations, and provides guidance for determining the gain or loss on a disposal of government operations. The requirements of these pronouncements 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, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 58,371,457	\$ 58,371,457	\$ 59,548,793	\$ 1,177,336
Franchise	263,000	263,000	295,802	32,802
Licenses and permits	60,000	60,000	58,375	(1,625)
Intergovernmental	4,328,870	4,328,870	4,375,648	46,778
Charges for services	3,354,052	3,373,302	3,446,585	73,283
Fines and forfeitures	210,000	210,000	278,549	68,549
Interest	450,150	450,150	436,483	(13,667)
Other	15,000	15,000	27,620	12,620
Total revenues	67,052,529	67,071,779	68,467,855	1,396,076
EXPENDITURES:				
Assessor's Office	5,781,138	5,781,138	5,319,041	462,097
Clerk's Office	2,478,229	2,497,479	2,193,815	303,664
Community Services	719,483	756,724	743,790	12,934
District Attorney's Office	7,634,832	7,630,562	7,400,418	230,144
Justice Courts	919,392	966,466	957,912	8,554
Juvenile Department	9,426,176	9,431,147	9,084,986	346,161
Sheriff's Office	35,129,605	35,112,561	34,379,244	733,317
Treasurer's Office	465,375	465,375	401,267	64,108
Non-Departmental:				
Materials and services	1,881,141	1,881,141	1,597,037	284,104
Debt service - principal	280,000	280,000	280,000	-
Debt service - interest	3,080	3,080	3,080	-
Special payments	-	120,000	120,000	-
Contingency	972,958	787,720	-	787,720
Total expenditures	65,691,409	65,713,393	62,480,590	3,232,803
OTHER FINANCING SOURCES (USES):				
Transfers in	3,835,103	3,965,633	3,965,633	-
Transfers out	(8,953,205)	(9,081,001)	(8,878,135)	202,866
Total other financing sources (uses)	(5,118,102)	(5,115,368)	(4,912,502)	202,866
Net change in fund balance	(3,756,982)	(3,756,982)	1,074,763	4,831,745
FUND BALANCE - beginning	7,301,364	7,301,364	8,793,974	1,492,610
FUND BALANCE - ending	\$ 3,544,382	\$ 3,544,382	9,868,737	\$ 6,324,355
Reconciliation to generally accepted accounting principles (GAAP) basis:				
Funds budgeted separately:				
CH2 Redevelopment Fund			309,294	
Traffic Safety Team Fund			870,527	
Inmate Welfare Fund			278,225	
Rainy Day Fund			2,198,063	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - General Operating Fund			\$ 13,524,846	

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 183,950	\$ 183,950	\$ 178,216	\$ (5,734)
Intergovernmental	28,115,343	28,120,018	22,793,867	(5,326,151)
Charges for services	3,413,045	3,422,562	3,391,693	(30,869)
Fines and forfeitures	3,000	3,000	-	(3,000)
Interest	74,950	74,950	74,489	(461)
Other	88,500	88,500	91,718	3,218
Total revenues	31,878,788	31,892,980	26,529,983	(5,362,997)
EXPENDITURES:				
Personnel services	11,404,053	11,404,053	10,054,744	1,349,309
Materials and services	9,052,292	9,209,502	7,531,073	1,678,429
Capital outlay	12,338,419	12,749,767	4,666,892	8,082,875
Debt service - principal	47,050	47,800	47,800	-
Debt service - interest	175	175	48	127
Contingency	2,853,552	2,040,569	-	2,040,569
Total expenditures	35,695,541	35,451,866	22,300,557	13,151,309
OTHER FINANCING SOURCES (USES):				
Transfers in	4,000	4,000	4,000	-
Net change in fund balance	(3,812,753)	(3,554,886)	4,233,426	7,788,312
FUND BALANCE - beginning	17,842,279	17,584,412	17,584,412	-
FUND BALANCE - ending	\$ 14,029,526	\$ 14,029,526	21,817,838	\$ 7,788,312
Add interfund loan receivable			765,000	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 22,582,838	

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 41,166,607	\$ 45,155,415	\$ 48,692,926	\$ 3,537,511
Charges for services	5,954,437	6,015,886	6,060,838	44,952
Interest	65,130	58,130	59,594	1,464
Other	101,900	102,900	95,507	(7,393)
Total revenues	<u>47,288,074</u>	<u>51,332,331</u>	<u>54,908,865</u>	<u>3,576,534</u>
EXPENDITURES:				
Personnel services	28,886,139	29,565,087	27,247,545	2,317,542
Materials and services	27,374,378	29,153,598	26,626,365	2,527,233
Capital outlay	-	474,852	205,617	269,235
Contingency	3,540,105	2,292,843	-	2,292,843
Total expenditures	<u>59,800,622</u>	<u>61,486,380</u>	<u>54,079,527</u>	<u>7,406,853</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,450,682	5,457,182	5,454,266	(2,916)
Transfers out	(38,000)	(38,000)	(36,735)	1,265
Total other financing sources (uses)	<u>3,412,682</u>	<u>5,419,182</u>	<u>5,417,531</u>	<u>(1,651)</u>
Net change in fund balance	(9,099,866)	(4,734,867)	6,246,869	10,981,736
FUND BALANCE - beginning	<u>13,756,229</u>	<u>13,235,772</u>	<u>13,236,479</u>	<u>707</u>
FUND BALANCE - ending	<u>\$ 4,656,363</u>	<u>\$ 8,500,905</u>	<u>\$ 19,483,348</u>	<u>\$ 10,982,443</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,432,553	\$ 1,432,553	\$ 1,384,365	\$ (48,188)
Interest	2,856	2,856	5,113	2,257
Other	188,013	134,992	189,546	54,554
Total revenues	<u>1,623,422</u>	<u>1,570,401</u>	<u>1,579,024</u>	<u>8,623</u>
EXPENDITURES:				
Materials and services	647,497	707,497	673,437	34,060
Debt service - principal	452,549	452,549	452,548	1
Debt service - interest	99,515	99,515	99,515	-
Contingency	250,116	137,095	-	137,095
Total expenditures	<u>1,449,677</u>	<u>1,396,656</u>	<u>1,225,500</u>	<u>171,156</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(324,000)</u>	<u>(324,000)</u>	<u>(324,000)</u>	<u>-</u>
Net change in fund balance	(150,255)	(150,255)	29,524	179,779
FUND BALANCE - beginning	<u>1,154,383</u>	<u>1,154,383</u>	<u>1,243,273</u>	<u>88,890</u>
FUND BALANCE - ending	<u>\$ 1,004,128</u>	<u>\$ 1,004,128</u>	<u>\$ 1,272,797</u>	<u>\$ 268,669</u>

MARION COUNTY, OREGON

OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS

For the year ended June 30, 2014

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAL as % of Payroll</u>
7/1/2013	\$ -	\$ 20,074,533	\$ 20,074,533	0.0%	\$ 68,404,003	29.3%
7/1/2011	\$ -	\$ 31,387,612	\$ 31,387,612	0.0%	\$ 74,519,598	42.1%
7/1/2009	\$ -	\$ 28,117,581	\$ 28,117,581	0.0%	\$ 62,424,328	45.0%

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. Closed in fiscal 2014.

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.
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, 2014

	Budgetary Funds					Total General Operating Fund
	General Fund	CH2 Redevelop- -ment	Traffic Safety Team	Inmate Welfare	Rainy Day	
ASSETS:						
Cash and investments	\$ 10,903,851	\$ 382,278	\$ 998,587	\$ 302,355	\$ 2,191,838	\$ 14,778,909
Receivables:						
Accounts	1,151,623	-	43,253	31,113	-	1,225,989
Interest	62,363	4,850	2,849	841	6,225	77,128
Loans	120,000	-	-	-	-	120,000
Taxes	3,718,453	-	-	-	-	3,718,453
Inventories and prepaids	18,079	-	-	-	-	18,079
Total assets	\$ 15,974,369	\$ 387,128	\$ 1,044,689	\$ 334,309	\$ 2,198,063	\$ 19,938,558
LIABILITIES:						
Accounts payable	\$ 565,019	\$ 77,834	\$ 109,246	\$ 9,145	\$ -	\$ 761,244
Payroll related liabilities	2,160,747	-	64,916	12,285	-	2,237,948
Deposits	8,745	-	-	34,654	-	43,399
Total liabilities	2,734,511	77,834	174,162	56,084	-	3,042,591
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	3,371,121	-	-	-	-	3,371,121
FUND BALANCES:						
Nonspendable	18,079	-	-	-	-	18,079
Committed	-	-	-	-	2,198,063	2,198,063
Assigned	-	309,294	870,527	278,225	-	1,458,046
Unassigned	9,850,658	-	-	-	-	9,850,658
Total fund balances	9,868,737	309,294	870,527	278,225	2,198,063	13,524,846
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,974,369	\$ 387,128	\$ 1,044,689	\$ 334,309	\$ 2,198,063	\$ 19,938,558

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, 2014

	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	\$ 59,844,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,844,595
Licenses and permits	58,375	-	-	-	-	-	-	58,375
Intergovernmental	4,375,648	-	307,195	-	-	-	-	4,682,843
Charges for services	3,446,585	61,801	4,904	284,848	-	-	-	3,798,138
Fines and forfeitures	278,549	-	1,600,131	-	-	-	-	1,878,680
Interest	436,483	9,008	5,312	1,375	8,954	6,479	-	467,611
Other	27,620	-	1,808	2,383	-	-	-	31,811
Total revenues	68,467,855	70,809	1,919,350	288,606	8,954	6,479	-	70,762,053
EXPENDITURES:								
Current:								
General government	10,352,812	432,052	-	-	-	-	-	10,784,864
Public safety and judicial	51,814,022	-	1,480,104	290,980	-	-	-	53,585,106
Debt service:								
Interest	3,080	-	-	-	-	-	-	3,080
Capital outlay	30,676	386,399	285,455	-	-	-	-	702,530
Total expenditures	62,200,590	818,451	1,765,559	290,980	-	-	-	65,075,580
OTHER FINANCING SOURCES (USES):								
Transfers in	3,965,633	-	-	-	-	-	(112,074)	3,853,559
Transfers out	(8,878,135)	(1,325,000)	(390,545)	-	-	(2,014,584)	112,074	(12,496,190)
Total other financing sources (uses)	(4,912,502)	(1,325,000)	(390,545)	-	-	(2,014,584)	-	(8,642,631)
Net change in fund balances	1,354,763	(2,072,642)	(236,754)	(2,374)	8,954	(2,008,105)	-	(2,956,158)
FUND BALANCE - beginning	8,513,974	2,381,936	1,107,281	280,599	2,189,109	2,008,105	-	16,481,004
FUND BALANCE - ending	\$ 9,868,737	\$ 309,294	\$ 870,527	\$ 278,225	\$ 2,198,063	\$ -	\$ -	\$ 13,524,846

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2014

	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	Law Library
ASSETS:													
Cash and investments	\$ 546,287	\$ 26,520	\$ -	\$ 89,215	\$ 326,958	\$ 47,279	\$ 2,458,695	\$ 1,037,767	\$ 316	\$ -	\$ 64,257	\$ 802,979	\$ 440,155
Receivables:													
Accounts	-	-	439,466	-	233,581	-	24,775	102,432	3,736	254,247	5	477,078	21,738
Interest	1,618	69	-	255	987	134	7,286	3,048	1	-	220	1,355	1,243
Loans	-	-	-	99,722	-	71,866	-	-	-	-	-	-	-
Inventories and prepaids	-	-	13,483	-	-	-	-	-	-	-	4,878	2,446	-
Total assets	\$ 547,905	\$ 26,589	\$ 452,949	\$ 189,192	\$ 561,526	\$ 119,279	\$ 2,490,756	\$ 1,143,247	\$ 4,053	\$ 254,247	\$ 69,360	\$ 1,283,858	\$ 463,136
LIABILITIES:													
Accounts payable	\$ -	\$ 291	\$ 248,105	\$ 184	\$ 299,694	\$ -	\$ 107,611	\$ 18,212	\$ -	\$ 202,799	\$ 11,951	\$ 75,526	\$ 3,242
Payroll related liabilities	-	2,921	102,405	-	3,394	-	327,394	-	-	51,448	32,911	207,996	5,887
Deposits	-	-	-	-	-	-	-	-	-	-	-	3,044	-
Total liabilities	-	3,212	350,510	184	303,088	-	435,005	18,212	-	254,247	44,862	286,566	9,129
DEFERRED INFLOWS OF RESOURCES:													
Unavailable revenue	-	-	-	99,722	-	71,866	-	-	-	-	-	-	-
FUND BALANCES:													
Nonspendable	-	-	13,483	-	-	-	-	-	-	-	4,878	2,446	-
Restricted	547,905	23,377	15,965	89,286	91,307	47,413	692,266	1,125,035	4,053	-	-	177,885	454,007
Committed	-	-	-	-	-	-	-	-	-	-	-	27,351	-
Assigned	-	-	72,991	-	167,131	-	1,363,485	-	-	-	19,620	789,610	-
Total fund balances	547,905	23,377	102,439	89,286	258,438	47,413	2,055,751	1,125,035	4,053	-	24,498	997,292	454,007
Total liabilities, deferred inflows of resources, and fund balances	\$ 547,905	\$ 26,589	\$ 452,949	\$ 189,192	\$ 561,526	\$ 119,279	\$ 2,490,756	\$ 1,143,247	\$ 4,053	\$ 254,247	\$ 69,360	\$ 1,283,858	\$ 463,136

(Continued on following page)

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

June 30, 2014

	Special Revenue Funds						Debt Service Fund	Capital Projects Funds			Total Nonmajor Governmental Funds	
	County Fair	District Attorney Grants	Land Use Planning	Parks	Surveyor	Building Inspection		Capital Building & Equipment	Health Building Reserve	Facility Renovation		Capital Improvement Projects
ASSETS:												
Cash and investments	\$ 20,334	\$ 23,412	\$ 56,624	\$ 127,451	\$ 1,473,192	\$ 1,128,300	\$ 164,253	\$ 287,340	\$ 788,322	\$ 9,165,088	\$ 2,568,275	\$ 21,643,019
Receivables:												
Accounts	-	169,009	-	57,118	725	68,250	-	-	-	-	-	1,852,160
Interest	97	-	597	375	4,154	3,069	207	816	2,239	19,444	4,843	52,057
Loans	-	-	-	-	-	-	-	-	-	-	-	171,588
Inventories and prepaids	-	-	-	-	-	-	-	-	-	-	-	20,807
Total assets	\$ 20,431	\$ 192,421	\$ 57,221	\$ 184,944	\$ 1,478,071	\$ 1,199,619	\$ 164,460	\$ 288,156	\$ 790,561	\$ 9,184,532	\$ 2,573,118	\$ 23,739,631
LIABILITIES:												
Accounts payable	\$ 2,032	\$ 8,417	\$ 2,437	\$ 395	\$ 502	\$ 103,562	\$ -	\$ -	\$ -	\$ 507,061	\$ 452,564	\$ 2,044,585
Payroll related liabilities	2,051	30,166	29,784	5,916	18,662	84,692	-	-	-	-	-	905,627
Deposits	-	-	-	-	58,638	-	-	-	-	-	-	61,682
Total liabilities	4,083	38,583	32,221	6,311	77,802	188,254	-	-	-	507,061	452,564	3,011,894
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	-	171,588
FUND BALANCES:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	20,807
Restricted	-	143,523	-	-	1,330,256	-	-	-	-	6,412,083	-	11,154,361
Committed	-	-	-	21,742	-	-	-	288,156	790,561	-	-	1,127,810
Assigned	16,348	10,315	25,000	156,891	70,013	1,011,365	164,460	-	-	2,265,388	2,120,554	8,253,171
Total fund balances	16,348	153,838	25,000	178,633	1,400,269	1,011,365	164,460	288,156	790,561	8,677,471	2,120,554	20,556,149
Total liabilities, deferred inflows of resources, and fund balances	\$ 20,431	\$ 192,421	\$ 57,221	\$ 184,944	\$ 1,478,071	\$ 1,199,619	\$ 164,460	\$ 288,156	\$ 790,561	\$ 9,184,532	\$ 2,573,118	\$ 23,739,631

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	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	Law Library
REVENUES:													
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 378,585	\$ 28,445	\$ -	
Intergovernmental	306,427	-	1,278,604	-	1,136,036	-	12,709,202	-	382,926	991,162	-	2,071,593	
Charges for services	-	98,084	788,481	29,968	1	-	852,232	-	-	20,568	96,743	1,070,013	285,258
Fines and forfeitures	-	-	-	-	-	-	-	815,704	-	-	3,986	1,612	-
Interest	2,211	155	-	6,793	696	189	18,223	4,012	444	-	314	2,527	1,776
Other	14,300	-	4,165	22,032	55	1,200	170	-	-	-	12,860	41,201	1,809
Total revenues	322,938	98,239	2,071,250	58,793	1,136,788	1,389	13,579,827	819,716	383,370	1,011,730	492,488	3,215,391	288,843
EXPENDITURES:													
Current:													
General government	-	130,371	-	36,910	-	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	1,164,564	-	-	-	-	1,385,709	-	-	-
Public safety and judicial	-	-	3,086,843	-	-	-	9,398,745	252,174	-	-	1,157,231	3,176,151	244,384
Community service	181,939	-	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	402,947	-	-	-	-
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	5,954	-	-	-	-	63,666	-
Total expenditures	181,939	130,371	3,086,843	36,910	1,164,564	-	9,404,699	252,174	402,947	1,385,709	1,157,231	3,239,817	244,384
OTHER FINANCING SOURCES (USES):													
Debt issuance	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	1,049,744	-	1,000	-	213,690	-	-	369,202	667,003	470,903	-
Transfers out	(198,326)	-	-	(42,465)	(32,857)	-	(3,821,844)	(641,070)	-	-	-	(22,425)	-
Total other financing sources (uses)	(198,326)	-	1,049,744	(42,465)	(31,857)	-	(3,608,154)	(641,070)	-	369,202	667,003	448,478	-
Net change in fund balances	(57,327)	(32,132)	34,151	(20,582)	(59,633)	1,389	566,974	(73,528)	(19,577)	(4,777)	2,260	424,052	44,459
FUND BALANCE - beginning	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	409,548
FUND BALANCE - ending	\$ 547,905	\$ 23,377	\$ 102,439	\$ 89,286	\$ 258,438	\$ 47,413	\$ 2,055,751	\$ 1,125,035	\$ 4,053	\$ -	\$ 24,498	\$ 997,292	\$ 454,007

(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, 2014

	Special Revenue Funds						Debt Service Fund	Capital Projects Funds				Total Nonmajor Governmental Funds
	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,361,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,768,069
Intergovernmental	50,964	630,942	-	209,730	-	-	-	-	-	-	-	19,767,586
Charges for services	193,977	78,106	211,641	13,189	426,856	-	3,526,044	-	-	-	-	7,691,161
Fines and forfeitures	-	403	1,135	-	-	-	-	-	-	-	-	822,840
Interest	86	238	539	589	6,095	3,528	2,994	1,879	3,221	23,293	7,255	87,057
Other	18,075	15,387	50	-	3	194	-	-	-	-	-	131,501
Total revenues	263,102	725,076	213,365	223,508	432,954	2,364,761	3,529,038	1,879	3,221	23,293	7,255	31,268,214
EXPENDITURES:												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	167,281
Health and social services	-	-	-	-	-	-	-	-	-	-	-	2,550,273
Public safety and judicial	-	684,334	-	-	-	-	-	-	-	-	-	17,999,862
Community service	401,462	-	904,309	197,580	-	1,986,682	-	-	-	-	-	3,671,972
Roads and bridges	-	-	-	-	479,322	-	-	-	-	-	-	479,322
Education	-	-	-	-	-	-	-	-	-	-	-	402,947
Debt service:												
Principal	-	-	-	-	-	-	2,205,000	-	-	-	-	2,205,000
Interest	-	-	-	-	-	-	3,048,478	-	-	176,820	-	3,225,298
Capital outlay	-	-	3,000	11,136	41,274	-	-	-	-	1,037,917	1,176,099	2,339,046
Total expenditures	401,462	684,334	907,309	208,716	520,596	1,986,682	5,253,478	-	-	1,214,737	1,176,099	33,041,001
OTHER FINANCING SOURCES (USES):												
Debt issuance	-	-	-	-	-	-	-	-	-	9,950,000	-	9,950,000
Transfers in	154,708	88,022	694,734	-	101,659	-	1,549,300	-	-	2,418,915	1,364,686	9,143,566
Transfers out	-	-	-	-	-	-	-	(250,000)	-	(2,500,000)	(100,000)	(7,608,987)
Total other financing sources (uses)	154,708	88,022	694,734	-	101,659	-	1,549,300	(250,000)	-	9,868,915	1,264,686	11,484,579
Net change in fund balances	16,348	128,764	790	14,792	14,017	378,079	(175,140)	(248,121)	3,221	8,677,471	95,842	9,711,792
FUND BALANCE - beginning	-	25,074	24,210	163,841	1,386,252	633,286	339,600	536,277	787,340	-	2,024,712	10,844,357
FUND BALANCE - ending	\$ 16,348	\$153,838	\$ 25,000	\$178,633	\$1,400,269	\$1,011,365	\$ 164,460	\$ 288,156	\$790,561	\$8,677,471	\$2,120,554	\$ 20,556,149

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 63,300	\$ 61,801	\$ (1,499)
Interest	2,500	9,008	6,508
Total revenues	<u>65,800</u>	<u>70,809</u>	<u>5,009</u>
EXPENDITURES:			
Materials and services	559,775	432,052	127,723
Capital outlay	<u>562,961</u>	<u>386,399</u>	<u>176,562</u>
Total expenditures	<u>1,122,736</u>	<u>818,451</u>	<u>304,285</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(1,325,000)</u>	<u>(1,325,000)</u>	<u>-</u>
Net change in fund balance	(2,381,936)	(2,072,642)	309,294
FUND BALANCE - beginning	<u>2,381,936</u>	<u>2,381,936</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	309,294	<u>\$ 309,294</u>
Combined with General Fund		<u>(309,294)</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 349,932	\$ 307,195	\$ (42,737)
Charges for services	-	4,904	4,904
Fines and forfeitures	1,285,095	1,600,131	315,036
Interest	1,112	5,312	4,200
Other	-	1,808	1,808
	<u>1,636,139</u>	<u>1,919,350</u>	<u>283,211</u>
EXPENDITURES:			
Personnel services	1,207,631	967,486	240,145
Materials and services	575,489	512,618	62,871
Capital outlay	294,118	285,455	8,663
Contingency	61,989	-	61,989
	<u>2,139,227</u>	<u>1,765,559</u>	<u>373,668</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(390,546)</u>	<u>(390,545)</u>	<u>1</u>
Net change in fund balance	(893,634)	(236,754)	656,880
FUND BALANCE - beginning	<u>893,634</u>	<u>1,107,281</u>	<u>213,647</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	870,527	<u>\$ 870,527</u>
Combined with General Fund		<u>(870,527)</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 280,540	\$ 284,848	\$ 4,308
Interest	-	1,375	1,375
Other	-	2,383	2,383
	<u>280,540</u>	<u>288,606</u>	<u>8,066</u>
Total revenues	<u>280,540</u>	<u>288,606</u>	<u>8,066</u>
EXPENDITURES:			
Personnel services	209,899	215,331	(5,432)
Materials and services	184,806	75,649	109,157
Contingency	105,684	-	105,684
	<u>500,389</u>	<u>290,980</u>	<u>209,409</u>
Total expenditures	<u>500,389</u>	<u>290,980</u>	<u>209,409</u>
Net change in fund balance	(219,849)	(2,374)	217,475
FUND BALANCE - beginning	<u>219,849</u>	<u>280,599</u>	<u>60,750</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	278,225	<u>\$ 278,225</u>
Combined with General Fund		<u>(278,225)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 5,400	\$ 8,954	\$ 3,554
EXPENDITURES:			
Reserves	2,195,400	-	2,195,400
Net change in fund balance	(2,190,000)	8,954	2,198,954
FUND BALANCE - beginning	<u>2,190,000</u>	<u>2,189,109</u>	<u>(891)</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	<u>2,198,063</u>	<u>\$ 2,198,063</u>
Combined with General Fund		<u>(2,198,063)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 6,500	\$ 6,479	\$ (21)
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(2,017,500)</u>	<u>(2,014,584)</u>	<u>2,916</u>
Net change in fund balance	(2,011,000)	(2,008,105)	2,895
FUND BALANCE - beginning	<u>2,011,000</u>	<u>2,008,105</u>	<u>(2,895)</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
COURTHOUSE SQUARE REMEDIATION FUND

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,300,000	\$ 1,312,160	\$ 12,160
Interest	13,376	20,508	7,132
Other	4,990,780	4,752,683	(238,097)
Total revenues	6,304,156	6,085,351	(218,805)
EXPENDITURES:			
Capital outlay	15,895,612	15,754,116	141,496
Contingency	67,698	-	67,698
Total expenditures	15,963,310	15,754,116	209,194
OTHER FINANCING SOURCES (USES):			
Transfers in	2,500,000	2,500,000	-
Transfers out	(950,000)	(940,388)	9,612
Total other financing sources (uses)	1,550,000	1,559,612	9,612
Net change in fund balance	(8,109,154)	(8,109,153)	1
FUND BALANCE - beginning	8,109,154	8,109,153	(1)
FUND BALANCE - ending	\$ -	\$ -	\$ -

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 and expenditures 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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 306,427	\$ 306,427	\$ -
Interest	554	2,211	1,657
Other	11,000	14,300	3,300
Total revenues	<u>317,981</u>	<u>322,938</u>	<u>4,957</u>
EXPENDITURES:			
Materials and services	185,125	181,939	3,186
Contingency	165,349	-	165,349
Total expenditures	<u>350,474</u>	<u>181,939</u>	<u>168,535</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(378,510)</u>	<u>(198,326)</u>	<u>180,184</u>
Net change in fund balance	(411,003)	(57,327)	353,676
FUND BALANCE - beginning	<u>554,002</u>	<u>605,232</u>	<u>51,230</u>
FUND BALANCE - ending	<u>\$ 142,999</u>	<u>\$ 547,905</u>	<u>\$ 404,906</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 131,350	\$ 98,084	\$ (33,266)
Interest	200	155	(45)
Total revenues	<u>131,550</u>	<u>98,239</u>	<u>(33,311)</u>
EXPENDITURES:			
Personnel services	66,313	65,322	991
Materials and services	75,368	65,049	10,319
Contingency	8,794	-	8,794
Total expenditures	<u>150,475</u>	<u>130,371</u>	<u>20,104</u>
Net change in fund balance	(18,925)	(32,132)	(13,207)
FUND BALANCE - beginning	<u>18,925</u>	<u>55,509</u>	<u>36,584</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 23,377</u>	<u>\$ 23,377</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,349,328	\$ 1,278,604	\$ (70,724)
Charges for services	873,262	788,481	(84,781)
Other	4,369	4,165	(204)
	<u>2,226,959</u>	<u>2,071,250</u>	<u>(155,709)</u>
EXPENDITURES:			
Personnel services	2,401,810	2,318,745	83,065
Materials and services	884,014	768,098	115,916
Contingency	6,668	-	6,668
	<u>3,292,492</u>	<u>3,086,843</u>	<u>205,649</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,049,744</u>	<u>1,049,744</u>	<u>-</u>
Net change in fund balance	(68,289)	34,151	102,440
FUND BALANCE - beginning	<u>68,289</u>	<u>68,288</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 102,439</u>	<u>\$ 102,439</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 200,000	\$ 29,968	\$ (170,032)
Interest	6,222	6,793	571
Other	18,200	22,032	3,832
	<u>224,422</u>	<u>58,793</u>	<u>(165,629)</u>
Total revenues			
EXPENDITURES:			
Materials and services	54,022	23,910	30,112
Special payments	203,020	13,000	190,020
Contingency	10,000	-	10,000
	<u>267,042</u>	<u>36,910</u>	<u>230,132</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(42,465)	(42,465)	-
	<u>(42,465)</u>	<u>(42,465)</u>	<u>-</u>
Net change in fund balance	(85,085)	(20,582)	64,503
FUND BALANCE - beginning	170,174	109,868	(60,306)
	<u>170,174</u>	<u>109,868</u>	<u>(60,306)</u>
FUND BALANCE - ending	<u>\$ 85,089</u>	<u>\$ 89,286</u>	<u>\$ 4,197</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,179,934	\$ 1,136,036	\$ (43,898)
Charges for services	-	1	1
Interest	-	696	696
Other	-	55	55
	<u>1,179,934</u>	<u>1,136,788</u>	<u>(43,146)</u>
Total revenues	1,179,934	1,136,788	(43,146)
EXPENDITURES:			
Personnel services	136,198	139,991	(3,793)
Materials and services	1,153,647	1,024,573	129,074
Contingency	176,303	-	176,303
	<u>1,466,148</u>	<u>1,164,564</u>	<u>301,584</u>
Total expenditures	1,466,148	1,164,564	301,584
OTHER FINANCING SOURCES (USES):			
Transfers in	1,000	1,000	-
Transfers out	(32,857)	(32,857)	-
	<u>(31,857)</u>	<u>(31,857)</u>	<u>-</u>
Total other financing sources (uses)	(31,857)	(31,857)	-
Net change in fund balance	(318,071)	(59,633)	258,438
FUND BALANCE - beginning	318,071	318,071	-
FUND BALANCE - ending	\$ -	\$ 258,438	\$ 258,438

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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ 46	\$ 189	\$ 143
Other	-	1,200	1,200
Total revenues	<u>46</u>	<u>1,389</u>	<u>1,343</u>
EXPENDITURES:			
Contingency	<u>45,089</u>	<u>-</u>	<u>45,089</u>
Net change in fund balance	(45,043)	1,389	46,432
FUND BALANCE - beginning	<u>45,043</u>	<u>46,024</u>	<u>981</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 47,413</u>	<u>\$ 47,413</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 12,124,157	\$ 12,709,202	\$ 585,045
Charges for services	832,301	852,232	19,931
Interest	-	18,223	18,223
Other	-	170	170
	<u>12,956,458</u>	<u>13,579,827</u>	<u>623,369</u>
Total revenues			
EXPENDITURES:			
Personnel services	6,945,608	6,528,147	417,461
Materials and services	3,193,830	2,870,598	323,232
Capital outlay	6,500	5,954	546
Contingency	287,478	-	287,478
	<u>10,433,416</u>	<u>9,404,699</u>	<u>1,028,717</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	213,690	213,690	-
Transfers out	<u>(3,821,844)</u>	<u>(3,821,844)</u>	<u>-</u>
	<u>(3,608,154)</u>	<u>(3,608,154)</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	(1,085,112)	566,974	1,652,086
FUND BALANCE - beginning	<u>1,085,112</u>	<u>1,488,777</u>	<u>403,665</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 2,055,751</u>	<u>\$ 2,055,751</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines and forfeitures	\$ 1,079,154	\$ 815,704	\$ (263,450)
Interest	910	4,012	3,102
Total revenues	<u>1,080,064</u>	<u>819,716</u>	<u>(260,348)</u>
EXPENDITURES:			
Materials and services	276,903	252,174	24,729
Contingency	50,000	-	50,000
Total expenditures	<u>326,903</u>	<u>252,174</u>	<u>74,729</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(641,070)</u>	<u>(641,070)</u>	<u>-</u>
Net change in fund balance	112,091	(73,528)	(185,619)
FUND BALANCE - beginning	<u>909,544</u>	<u>1,198,563</u>	<u>289,019</u>
FUND BALANCE - ending	<u>\$ 1,021,635</u>	<u>\$ 1,125,035</u>	<u>\$ 103,400</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 618,913	\$ 382,926	\$ (235,987)
Fines and forfeitures	720	-	(720)
Interest	500	444	(56)
Total revenues	<u>620,133</u>	<u>383,370</u>	<u>(236,763)</u>
EXPENDITURES:			
Special payments	<u>643,247</u>	<u>402,947</u>	<u>240,300</u>
Net change in fund balance	(23,114)	(19,577)	3,537
FUND BALANCE - beginning	<u>23,114</u>	<u>23,630</u>	<u>516</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 4,053</u>	<u>\$ 4,053</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,167,677	\$ 991,162	\$ (176,515)
Charges for services	20,000	20,568	568
Total revenues	<u>1,187,677</u>	<u>1,011,730</u>	<u>(175,947)</u>
EXPENDITURES:			
Personnel services	1,263,455	1,180,673	82,782
Materials and services	<u>237,708</u>	<u>205,036</u>	<u>32,672</u>
Total expenditures	<u>1,501,163</u>	<u>1,385,709</u>	<u>115,454</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>308,709</u>	<u>369,202</u>	<u>60,493</u>
Net change in fund balance	(4,777)	(4,777)	-
FUND BALANCE - beginning	<u>4,777</u>	<u>4,777</u>	<u>-</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
DOG CONTROL FUND

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 396,068	\$ 378,585	\$ (17,483)
Charges for services	101,450	96,743	(4,707)
Fines and forfeitures	4,500	3,986	(514)
Interest	250	314	64
Other	22,250	12,860	(9,390)
	<u>524,518</u>	<u>492,488</u>	<u>(32,030)</u>
EXPENDITURES:			
Personnel services	734,662	733,666	996
Materials and services	478,714	423,565	55,149
Contingency	27,092	-	27,092
	<u>1,240,468</u>	<u>1,157,231</u>	<u>83,237</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	692,944	667,003	(25,941)
	<u>(23,006)</u>	<u>2,260</u>	<u>25,266</u>
Net change in fund balance			
FUND BALANCE - beginning	23,006	22,238	(768)
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 24,498</u>	<u>\$ 24,498</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 16,710	\$ 28,445	\$ 11,735
Intergovernmental	1,980,473	2,071,593	91,120
Charges for services	972,229	1,070,013	97,784
Fines and forfeitures	-	1,612	1,612
Interest	-	2,527	2,527
Other	12,012	41,201	29,189
	<u>2,981,424</u>	<u>3,215,391</u>	<u>233,967</u>
EXPENDITURES:			
Personnel services	2,194,029	2,017,083	176,946
Materials and services	1,383,948	1,159,068	224,880
Capital outlay	78,352	63,666	14,686
Contingency	493,125	-	493,125
	<u>4,149,454</u>	<u>3,239,817</u>	<u>909,637</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	651,087	470,903	(180,184)
Transfers out	(22,425)	(22,425)	-
	<u>628,662</u>	<u>448,478</u>	<u>(180,184)</u>
Total other financing sources (uses)	<u>628,662</u>	<u>448,478</u>	<u>(180,184)</u>
Net change in fund balance	(539,368)	424,052	963,420
FUND BALANCE - beginning	<u>539,368</u>	<u>573,240</u>	<u>33,872</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 997,292</u>	<u>\$ 997,292</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 250,000	\$ 285,258	\$ 35,258
Interest	1,500	1,776	276
Other	500	1,809	1,309
	<hr/>	<hr/>	<hr/>
Total revenues	252,000	288,843	36,843
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Personnel services	145,885	127,209	18,676
Materials and services	141,631	117,175	24,456
Contingency	60,000	-	60,000
	<hr/>	<hr/>	<hr/>
Total expenditures	347,516	244,384	103,132
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(95,516)	44,459	139,975
FUND BALANCE - beginning	374,781	409,548	34,767
	<hr/>	<hr/>	<hr/>
FUND BALANCE - ending	\$ 279,265	\$ 454,007	\$ 174,742
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 48,110	\$ 50,964	\$ 2,854
Charges for services	208,605	193,977	(14,628)
Interest	20	86	66
Other	21,000	18,075	(2,925)
	<u>277,735</u>	<u>263,102</u>	<u>(14,633)</u>
EXPENDITURES:			
Personnel services	53,337	53,202	135
Materials and services	364,456	348,260	16,196
Contingency	14,650	-	14,650
	<u>432,443</u>	<u>401,462</u>	<u>30,981</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	154,708	154,708	-
	<u>-</u>	<u>16,348</u>	<u>16,348</u>
Net change in fund balance	-	16,348	16,348
FUND BALANCE - beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 16,348</u>	<u>\$ 16,348</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 628,740	\$ 630,942	\$ 2,202
Charges for services	71,791	78,106	6,315
Fines and forfeitures	-	403	403
Interest	-	238	238
Other	-	15,387	15,387
	<u>700,531</u>	<u>725,076</u>	<u>24,545</u>
EXPENDITURES:			
Personnel services	578,803	581,175	(2,372)
Materials and services	115,916	103,159	12,757
	<u>694,719</u>	<u>684,334</u>	<u>10,385</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	88,022	88,022	-
	<u>93,834</u>	<u>128,764</u>	<u>34,930</u>
Net change in fund balance	93,834	128,764	34,930
FUND BALANCE - beginning	24,094	25,074	980
FUND BALANCE - ending	<u>\$ 117,928</u>	<u>\$ 153,838</u>	<u>\$ 35,910</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 165,000	\$ 211,641	\$ 46,641
Fines and forfeitures	-	1,135	1,135
Interest	635	539	(96)
Other	-	50	50
	<u>165,635</u>	<u>213,365</u>	<u>47,730</u>
EXPENDITURES:			
Personnel services	668,941	587,307	81,634
Materials and services	341,632	317,002	24,630
Capital outlay	3,000	3,000	-
Contingency	34,191	-	34,191
	<u>1,047,764</u>	<u>907,309</u>	<u>140,455</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>857,919</u>	<u>694,734</u>	<u>(163,185)</u>
Net change in fund balance	(24,210)	790	25,000
FUND BALANCE - beginning	<u>24,210</u>	<u>24,210</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 207,000	\$ 209,730	\$ 2,730
Charges for services	26,300	13,189	(13,111)
Interest	650	589	(61)
	<u>233,950</u>	<u>223,508</u>	<u>(10,442)</u>
Total revenues			
EXPENDITURES:			
Personnel services	95,916	94,865	1,051
Materials and services	149,862	102,715	47,147
Capital outlay	80,000	11,136	68,864
Contingency	23,938	-	23,938
	<u>349,716</u>	<u>208,716</u>	<u>141,000</u>
Total expenditures			
Net change in fund balance	(115,766)	14,792	130,558
FUND BALANCE - beginning	<u>145,006</u>	<u>163,841</u>	<u>18,835</u>
FUND BALANCE - ending	<u>\$ 29,240</u>	<u>\$ 178,633</u>	<u>\$ 149,393</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 490,350	\$ 426,856	\$ (63,494)
Interest	6,000	6,095	95
Other	-	3	3
	<u>496,350</u>	<u>432,954</u>	<u>(63,396)</u>
Total revenues	496,350	432,954	(63,396)
EXPENDITURES:			
Personnel services	395,355	356,988	38,367
Materials and services	126,765	122,334	4,431
Capital outlay	44,415	41,274	3,141
Contingency	129,947	-	129,947
	<u>696,482</u>	<u>520,596</u>	<u>175,886</u>
Total expenditures	696,482	520,596	175,886
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>101,659</u>	<u>101,659</u>	<u>-</u>
Net change in fund balance	(98,473)	14,017	112,490
FUND BALANCE - beginning	1,312,172	1,386,252	74,080
FUND BALANCE - ending	<u>\$ 1,213,699</u>	<u>\$ 1,400,269</u>	<u>\$ 186,570</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 1,840,000	\$ 2,361,039	\$ 521,039
Interest	2,800	3,528	728
Other	-	194	194
	<hr/>	<hr/>	<hr/>
Total revenues	1,842,800	2,364,761	521,961
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Personnel services	1,625,402	1,582,404	42,998
Materials and services	431,238	404,278	26,960
Contingency	74,392	-	74,392
	<hr/>	<hr/>	<hr/>
Total expenditures	2,131,032	1,986,682	144,350
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(288,232)	378,079	666,311
FUND BALANCE - beginning	477,666	633,286	155,620
	<hr/>	<hr/>	<hr/>
FUND BALANCE - ending	\$ 189,434	\$ 1,011,365	\$ 821,931
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 3,947,060	\$ 3,526,044	\$ (421,016)
Interest	3,100	2,994	(106)
Total revenues	<u>3,950,160</u>	<u>3,529,038</u>	<u>(421,122)</u>
EXPENDITURES:			
Debt service - principal	2,205,000	2,205,000	-
Debt service - interest	<u>3,048,478</u>	<u>3,048,478</u>	<u>-</u>
Total expenditures	<u>5,253,478</u>	<u>5,253,478</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,549,300</u>	<u>1,549,300</u>	<u>-</u>
Net change in fund balance	245,982	(175,140)	(421,122)
FUND BALANCE - beginning	<u>348,810</u>	<u>339,600</u>	<u>(9,210)</u>
FUND BALANCE - ending	<u>\$ 594,792</u>	<u>\$ 164,460</u>	<u>\$ (430,332)</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 300	\$ 1,879	\$ 1,579
EXPENDITURES:			
Reserves	287,240	-	287,240
OTHER FINANCING SOURCES (USES):			
Transfers out	(250,000)	(250,000)	-
Net change in fund balance	(536,940)	(248,121)	288,819
FUND BALANCE - beginning	536,940	536,277	(663)
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 288,156</u>	<u>\$ 288,156</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, 2014

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 3,800	\$ 3,221	\$ (579)
EXPENDITURES:			
Reserves	792,000	-	792,000
Net change in fund balance	(788,200)	3,221	791,421
FUND BALANCE - beginning	<u>788,200</u>	<u>787,340</u>	<u>(860)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 790,561</u>	<u>\$ 790,561</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ 20,676	\$ 23,293	\$ 2,617
EXPENDITURES:			
Capital outlay	14,775,000	1,037,917	13,737,083
Debt service - interest	178,915	176,820	2,095
OTHER FINANCING SOURCES (USES):			
Debt issuance	15,000,000	9,950,000	(5,050,000)
Transfers in	2,433,239	2,418,915	(14,324)
Transfers out	(2,500,000)	(2,500,000)	-
Total other financing sources (uses)	14,933,239	9,868,915	(5,064,324)
Net change in fund balance	-	8,677,471	8,677,471
FUND BALANCE - beginning	-	-	-
FUND BALANCE - ending	\$ -	\$ 8,677,471	\$ 8,677,471

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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ -	\$ 7,255	\$ 7,255
EXPENDITURES:			
Capital outlay	3,113,510	1,176,099	1,937,411
Contingency	171,221	-	171,221
Total expenditures	3,284,731	1,176,099	2,108,632
OTHER FINANCING SOURCES (USES):			
Transfers in	1,420,899	1,364,686	(56,213)
Transfers out	(100,000)	(100,000)	-
Total other financing sources (uses)	1,320,899	1,264,686	(56,213)
Net change in fund balance	(1,963,832)	95,842	2,059,674
FUND BALANCE - beginning	1,963,832	2,024,712	60,880
FUND BALANCE - ending	\$ -	\$ 2,120,554	\$ 2,120,554

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.
Illaha 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, 2014

	Sewer and Lighting Service Districts					Totals
	Brooks Community	East Salem	Labish Village	Fargo Interchange	Ilaha Hills	
ASSETS						
Current assets:						
Cash and investments	\$ 262,164	\$ 1,076,294	\$ 47,784	\$ 58,261	\$ 11,000	\$ 1,455,503
Receivables:						
Accounts	26,973	216,911	10,650	26,950	-	281,484
Property taxes	918	16,610	-	1,896	-	19,424
Interest	783	3,067	136	171	31	4,188
Total current assets	290,838	1,312,882	58,570	87,278	11,031	1,760,599
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	(2,901,392)	(4,126,459)	(322,448)	(876,972)	-	(8,227,271)
Total capital assets (net of accumulated depreciation)	469,411	924,322	-	954,423	-	2,348,156
Total assets	760,249	2,237,204	58,570	1,041,701	11,031	4,108,755
LIABILITIES						
Current liabilities:						
Accounts payable	5,684	137,115	4,737	6,918	-	154,454
Accrued interest	-	-	-	17,980	-	17,980
Notes payable, current	-	-	-	78,536	-	78,536
Total current liabilities	5,684	137,115	4,737	103,434	-	250,970
Noncurrent liabilities:						
Notes payable, net of current portion	-	-	-	541,932	-	541,932
Total liabilities	5,684	137,115	4,737	645,366	-	792,902
NET POSITION						
Net investment in capital assets	469,411	924,322	-	333,955	-	1,727,688
Unrestricted	285,154	1,175,767	53,833	62,380	11,031	1,588,165
Total net position	\$ 754,565	\$ 2,100,089	\$ 53,833	\$ 396,335	\$ 11,031	\$ 3,315,853

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Sewer and Lighting Service Districts					Totals
	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illahe Hills	
Operating revenues:						
Charges for services	\$ 263,532	\$ 196,392	\$ 7,338	\$ 190,155	\$ 10,984	\$ 668,401
Operating expenses:						
Repairs and maintenance	49,185	76,555	-	73,904	-	199,644
Utilities	4,292	222,882	-	2,906	9,963	240,043
Professional services	176,605	28,529	1,447	20,974	96	227,651
Communication	314	1,752	39	71	-	2,176
Fuel and operating supplies	32,665	4,538	11	231	-	37,445
Insurance claims and premiums	1,602	8,744	856	991	-	12,193
Depreciation	129,219	90,005	-	70,608	-	289,832
Other	2,865	734	41	309	41	3,990
Total operating expenses	396,747	433,739	2,394	169,994	10,100	1,012,974
Operating income (loss)	(133,215)	(237,347)	4,944	20,161	884	(344,573)
Nonoperating revenues (expenses):						
Property taxes	-	248,431	-	-	-	248,431
Interest revenue	1,216	4,229	187	246	48	5,926
Interest expense	-	-	-	(32,929)	-	(32,929)
Total nonoperating revenues (expenses)	1,216	252,660	187	(32,683)	48	221,428
Change in net position	(131,999)	15,313	5,131	(12,522)	932	(123,145)
Total net position - beginning	886,564	2,084,776	48,702	408,857	10,099	3,438,998
Total net position - ending	\$ 754,565	\$ 2,100,089	\$ 53,833	\$ 396,335	\$ 11,031	\$ 3,315,853

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2014

Sewer and Lighting Service Districts

	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illaha Hills	Totals
Cash flows from operating activities:						
Cash received from customers	\$ 258,966	\$ 162,479	\$ 5,432	\$ 189,601	\$ 10,984	\$ 627,462
Cash payments to suppliers for goods and services	(268,754)	(311,029)	(1,409)	(98,854)	(10,945)	(690,991)
Net cash from operating activities	(9,788)	(148,550)	4,023	90,747	39	(63,529)
Cash flows from noncapital financing activities:						
Property taxes	-	250,869	-	-	-	250,869
Cash flows from capital and related financing activities:						
Debt principal payments	-	-	-	(74,733)	-	(74,733)
Debt interest payments	-	-	-	(35,430)	-	(35,430)
Net cash from capital and related financing activities	-	-	-	(110,163)	-	(110,163)
Cash flows from investing activities:						
Interest on investments	1,014	3,167	141	237	39	4,598
Net change in cash and investments	(8,774)	105,486	4,164	(19,179)	78	81,775
Cash and investments - beginning	270,938	970,808	43,620	77,440	10,922	1,373,728
Cash and investments - ending	\$ 262,164	\$ 1,076,294	\$ 47,784	\$ 58,261	\$ 11,000	\$ 1,455,503
Reconciliation of operating income (loss) to net cash from operating activities:						
Operating income (loss)	\$ (133,215)	\$ (237,347)	\$ 4,944	\$ 20,161	\$ 884	\$ (344,573)
Depreciation	129,219	90,005	-	70,608	-	289,832
Change in:						
Accounts receivable	(4,566)	(33,913)	(1,906)	(554)	-	(40,939)
Accounts payable	(1,226)	32,705	985	532	(845)	32,151
Net cash from operating activities	\$ (9,788)	\$ (148,550)	\$ 4,023	\$ 90,747	\$ 39	\$ (63,529)

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 290,000	\$ 298,364	\$ 8,364
Intergovernmental	4,500	2,190	(2,310)
Charges for services	20,678,500	20,296,285	(382,215)
Interest	83,166	57,413	(25,753)
Other	329,800	332,170	2,370
	<u>21,385,966</u>	<u>20,986,422</u>	<u>(399,544)</u>
EXPENDITURES:			
Personnel services	2,442,552	2,387,766	54,786
Materials and services	19,440,106	17,926,524	1,513,582
Capital outlay	132,000	4,568	127,432
Debt service - principal	85,000	85,000	-
Debt service - interest	5,950	4,590	1,360
Contingency	3,724,860	-	3,724,860
	<u>25,830,468</u>	<u>20,408,448</u>	<u>5,422,020</u>
Net change in fund balance	(4,444,502)	577,974	5,022,476
FUND BALANCE - beginning	<u>13,451,582</u>	<u>13,741,822</u>	<u>290,240</u>
FUND BALANCE - ending	<u>\$ 9,007,080</u>	<u>\$ 14,319,796</u>	<u>\$ 5,312,716</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 258,385	\$ 263,532	\$ 5,147
Interest	850	1,216	366
Total revenues	<u>259,235</u>	<u>264,748</u>	<u>5,513</u>
EXPENDITURES:			
Materials and services	268,220	267,528	692
Capital outlay	50,811	-	50,811
Contingency	75,138	-	75,138
Total expenditures	<u>394,169</u>	<u>267,528</u>	<u>126,641</u>
Net change in fund balance	(134,934)	(2,780)	132,154
FUND BALANCE - beginning	<u>287,934</u>	<u>287,934</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 153,000</u>	<u>\$ 285,154</u>	<u>\$ 132,154</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 262,728	\$ 248,431	\$ (14,297)
Charges for services	328,331	196,392	(131,939)
Interest	4,600	4,229	(371)
Total revenues	<u>595,659</u>	<u>449,052</u>	<u>(146,607)</u>
EXPENDITURES:			
Materials and services	552,790	343,734	209,056
Capital outlay	420,000	-	420,000
Contingency	196,359	-	196,359
Total expenditures	<u>1,169,149</u>	<u>343,734</u>	<u>825,415</u>
Net change in fund balance	(573,490)	105,318	678,808
FUND BALANCE - beginning	<u>1,069,238</u>	<u>1,070,449</u>	<u>1,211</u>
FUND BALANCE - ending	<u>\$ 495,748</u>	<u>\$ 1,175,767</u>	<u>\$ 680,019</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 11,800	\$ 7,338	\$ (4,462)
Interest	185	187	2
Total revenues	<u>11,985</u>	<u>7,525</u>	<u>(4,460)</u>
EXPENDITURES:			
Materials and services	12,020	2,394	9,626
Contingency	<u>48,018</u>	<u>-</u>	<u>48,018</u>
Total expenditures	<u>60,038</u>	<u>2,394</u>	<u>57,644</u>
Net change in fund balance	(48,053)	5,131	53,184
FUND BALANCE - beginning	<u>48,053</u>	<u>48,702</u>	<u>649</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 53,833</u>	<u>\$ 53,833</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 220,865	\$ 190,155	\$ (30,710)
Interest	250	246	(4)
Total revenues	<u>221,115</u>	<u>190,401</u>	<u>(30,714)</u>
EXPENDITURES:			
Materials and services	106,629	99,386	7,243
Capital outlay	25,000	-	25,000
Debt service - principal	74,735	74,733	2
Debt service - interest	35,432	35,430	2
Contingency	78,827	-	78,827
Total expenditures	<u>320,623</u>	<u>209,549</u>	<u>111,074</u>
Net change in fund balance	(99,508)	(19,148)	80,360
FUND BALANCE - beginning	<u>99,508</u>	<u>99,508</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 80,360</u>	<u>\$ 80,360</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, 2014

	Central Services	Self- Insurance	Fleet Management	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 1,041,637	\$ 10,063,147	\$ 2,782,640	\$ 13,887,424
Receivables:				
Accounts	43,490	84,795	13,763	142,048
Interest	-	28,349	-	28,349
Prepaid expenses	-	50,000	-	50,000
Total current assets	<u>1,085,127</u>	<u>10,226,291</u>	<u>2,796,403</u>	<u>14,107,821</u>
LIABILITIES				
Current liabilities:				
Accounts payable	317,752	787,266	-	1,105,018
Payroll related liabilities	767,375	-	-	767,375
Compensated absences, current	559,010	-	-	559,010
Accrued claims liability, current	-	1,548,456	-	1,548,456
Total current liabilities	<u>1,644,137</u>	<u>2,335,722</u>	<u>-</u>	<u>3,979,859</u>
Noncurrent liabilities, net of current portion:				
Compensated absences	39,201	-	-	39,201
Net OPEB obligation	1,811,944	-	-	1,811,944
Accrued claims liability	-	2,907,438	-	2,907,438
Total noncurrent liabilities	<u>1,851,145</u>	<u>2,907,438</u>	<u>-</u>	<u>4,758,583</u>
Total liabilities	<u>3,495,282</u>	<u>5,243,160</u>	<u>-</u>	<u>8,738,442</u>
NET POSITION				
Unrestricted	<u>(2,410,155)</u>	<u>4,983,131</u>	<u>2,796,403</u>	<u>5,369,379</u>
Total net position	<u>\$ (2,410,155)</u>	<u>\$ 4,983,131</u>	<u>\$ 2,796,403</u>	<u>\$ 5,369,379</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2014

	Central Services	Self- Insurance	Fleet Management	Totals
Operating revenues:				
Charges for services	\$ 19,369,275	\$ 22,150,786	\$ 2,048,129	\$ 43,568,190
Other	15,428	23,334	13,685	52,447
Total operating revenues	<u>19,384,703</u>	<u>22,174,120</u>	<u>2,061,814</u>	<u>43,620,637</u>
Operating expenses:				
Salaries and wages	15,328,165	-	-	15,328,165
Repairs and maintenance	1,257,214	-	331,291	1,588,505
Utilities	29,042	-	-	29,042
Building and equipment rentals	503,684	-	3,540	507,224
Professional services	480,921	127,584	58,327	666,832
Communication	244,010	-	-	244,010
Fuel and operating supplies	521,144	1,314	1,527,197	2,049,655
Insurance claims and premiums	1,580	21,999,818	-	22,001,398
Administrative expenses	1,325,860	146,325	52,140	1,524,325
Other	195,086	37,696	5,791	238,573
Total operating expenses	<u>19,886,706</u>	<u>22,312,737</u>	<u>1,978,286</u>	<u>44,177,729</u>
Operating income (loss)	<u>(502,003)</u>	<u>(138,617)</u>	<u>83,528</u>	<u>(557,092)</u>
Nonoperating revenues (expenses):				
Interest revenue	-	33,336	-	33,336
Income (loss) before transfers	(502,003)	(105,281)	83,528	(523,756)
Transfers in	<u>398,278</u>	<u>-</u>	<u>52,631</u>	<u>450,909</u>
Change in net position	(103,725)	(105,281)	136,159	(72,847)
Total net position - beginning	<u>(2,306,430)</u>	<u>5,088,412</u>	<u>2,660,244</u>	<u>5,442,226</u>
Total net position - ending	<u><u>\$ (2,410,155)</u></u>	<u><u>\$ 4,983,131</u></u>	<u><u>\$ 2,796,403</u></u>	<u><u>\$ 5,369,379</u></u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2014

	Central Services	Self- Insurance	Fleet Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 19,372,438	\$ 22,096,344	\$ 2,081,866	\$ 43,550,648
Cash payments to suppliers for goods and services	(4,750,684)	(22,700,282)	(2,006,642)	(29,457,608)
Cash payments to employees for services	(15,168,187)	-	-	(15,168,187)
Net cash from operating activities	<u>(546,433)</u>	<u>(603,938)</u>	<u>75,224</u>	<u>(1,075,147)</u>
Cash flows from noncapital financing activities:				
Transfers received	398,278	-	52,631	450,909
Cash flows from investing activities:				
Interest on investments	-	26,752	-	26,752
Net change in cash and investments	(148,155)	(577,186)	127,855	(597,486)
Cash and investments - beginning	<u>1,189,792</u>	<u>10,640,333</u>	<u>2,654,785</u>	<u>14,484,910</u>
Cash and investments - ending	<u>\$ 1,041,637</u>	<u>\$ 10,063,147</u>	<u>\$ 2,782,640</u>	<u>\$ 13,887,424</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (502,003)	\$ (138,617)	\$ 83,528	\$ (557,092)
Change in:				
Accounts receivable	(12,265)	(77,776)	20,052	(69,989)
Accounts payable	(192,143)	(35,658)	(28,356)	(256,157)
Payroll liabilities	56,253	-	-	56,253
Compensated absences	(25,769)	-	-	(25,769)
Net OPEB obligation	129,494	-	-	129,494
Accrued claims liability	-	(351,887)	-	(351,887)
Net cash from operating activities	<u>\$ (546,433)</u>	<u>\$ (603,938)</u>	<u>\$ 75,224</u>	<u>\$ (1,075,147)</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 10,000	\$ 15,359	\$ 5,359
Charges for services	20,137,587	19,369,275	(768,312)
Other	-	69	69
	<u>20,147,587</u>	<u>19,384,703</u>	<u>(762,884)</u>
Total revenues			
EXPENDITURES:			
Board of Commissioners	2,139,037	2,079,707	59,330
Business Services	6,370,628	6,035,179	335,449
Finance	2,363,908	2,324,039	39,869
Information Technology	8,336,711	8,069,686	267,025
Legal Counsel	1,245,239	1,219,572	25,667
Non-Departmental:			
Materials and services	103,650	54,798	48,852
	<u>20,559,173</u>	<u>19,782,981</u>	<u>776,192</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	411,586	398,278	(13,308)
	<u>411,586</u>	<u>398,278</u>	<u>(13,308)</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 23,469,951	\$ 22,150,786	\$ (1,319,165)
Interest	25,062	33,336	8,274
Other	15,000	23,334	8,334
	<u>23,510,013</u>	<u>22,207,456</u>	<u>(1,302,557)</u>
Total revenues			
EXPENDITURES:			
Materials and services	24,625,764	22,664,624	1,961,140
Contingency	1,200,000	-	1,200,000
	<u>25,825,764</u>	<u>22,664,624</u>	<u>3,161,140</u>
Total expenditures			
Net change in fund balance	(2,315,751)	(457,168)	1,858,583
FUND BALANCE - beginning	<u>9,623,380</u>	<u>9,896,193</u>	<u>272,813</u>
FUND BALANCE - ending	<u>\$ 7,307,629</u>	<u>\$ 9,439,025</u>	<u>\$ 2,131,396</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, 2014

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,895,598	\$ 2,048,129	\$ 152,531
Other	38,685	13,685	(25,000)
Total revenues	<u>1,934,283</u>	<u>2,061,814</u>	<u>127,531</u>
EXPENDITURES:			
Personnel services	83,800	-	83,800
Materials and services	477,876	463,489	14,387
Capital outlay	1,725,315	1,514,797	210,518
Contingency	235,931	-	235,931
Total expenditures	<u>2,522,922</u>	<u>1,978,286</u>	<u>544,636</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>106,397</u>	<u>52,631</u>	<u>(53,766)</u>
Net change in fund balance	(482,242)	136,159	618,401
FUND BALANCE - beginning	<u>2,563,601</u>	<u>2,660,244</u>	<u>96,643</u>
FUND BALANCE - ending	<u>\$ 2,081,359</u>	<u>\$ 2,796,403</u>	<u>\$ 715,044</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, 2014

	Treasurer's Trust	Due Subdivisions	Totals
ASSETS:			
Cash and investments	\$ 365,360	\$ 23,772,620	\$ 24,137,980
Receivables:			
Accounts and interest	49	998,684	998,733
Property taxes	-	17,024,419	17,024,419
	<u>\$ 365,409</u>	<u>\$ 41,795,723</u>	<u>\$ 42,161,132</u>
Total assets	<u>\$ 365,409</u>	<u>\$ 41,795,723</u>	<u>\$ 42,161,132</u>
LIABILITIES:			
Accounts payable	\$ 336,774	\$ 2,414,385	\$ 2,751,159
Due to other agencies	28,635	39,381,338	39,409,973
	<u>\$ 365,409</u>	<u>\$ 41,795,723</u>	<u>\$ 42,161,132</u>
Total liabilities	<u>\$ 365,409</u>	<u>\$ 41,795,723</u>	<u>\$ 42,161,132</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2014

	Balance, July 1, 2013	Additions	Deductions	Balance, June 30, 2014
Treasurer's Trust				
Assets:				
Cash and investments	\$ 226,330	\$ 3,555,483	\$ 3,416,453	\$ 365,360
Receivables:				
Accounts and interest	6,876	6	6,833	49
Total assets	<u>\$ 233,206</u>	<u>\$ 3,555,489</u>	<u>\$ 3,423,286</u>	<u>\$ 365,409</u>
Liabilities:				
Accounts payable	\$ 61,466	\$ 2,105,006	\$ 1,829,698	\$ 336,774
Due to other agencies	171,740	1,450,483	1,593,588	28,635
Total liabilities	<u>\$ 233,206</u>	<u>\$ 3,555,489</u>	<u>\$ 3,423,286</u>	<u>\$ 365,409</u>
Due Subdivisions				
Assets:				
Cash and investments	\$ 21,690,091	\$ 410,383,475	\$ 408,300,946	\$ 23,772,620
Receivables:				
Accounts and interest	403,581	1,133,823	538,720	998,684
Property taxes	19,280,907	-	2,256,488	17,024,419
Total assets	<u>\$ 41,374,579</u>	<u>\$ 411,517,298</u>	<u>\$ 411,096,154</u>	<u>\$ 41,795,723</u>
Liabilities:				
Accounts payable	\$ 2,033,563	\$ 29,186,935	\$ 28,806,113	\$ 2,414,385
Due to other agencies	39,341,016	382,330,363	382,290,041	39,381,338
Total liabilities	<u>\$ 41,374,579</u>	<u>\$ 411,517,298</u>	<u>\$ 411,096,154</u>	<u>\$ 41,795,723</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 21,916,421	\$ 413,938,958	\$ 411,717,399	\$ 24,137,980
Receivables:				
Accounts and interest	410,457	1,133,829	545,553	998,733
Property taxes	19,280,907	-	2,256,488	17,024,419
Total assets	<u>\$ 41,607,785</u>	<u>\$ 415,072,787</u>	<u>\$ 414,519,440</u>	<u>\$ 42,161,132</u>
Liabilities:				
Accounts payable	\$ 2,095,029	\$ 31,291,941	\$ 30,635,811	\$ 2,751,159
Due to other agencies	39,512,756	383,780,846	383,883,629	39,409,973
Total liabilities	<u>\$ 41,607,785</u>	<u>\$ 415,072,787</u>	<u>\$ 414,519,440</u>	<u>\$ 42,161,132</u>

OTHER SCHEDULES

MARION COUNTY, OREGON (AND ALL POLITICAL SUBDIVISIONS)

SCHEDULE OF PROPERTY TAX TRANSACTIONS

For the year ended June 30, 2014

	Taxes receivable July 1, 2013	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, 2014
2013-14	\$ -	\$ 337,961,701	\$ (754,795)	\$ (8,697,747)	\$ 135,380	\$ (318,568,244)	\$ 10,076,295
2012-13	11,419,697	-	(123,247)	(1,115)	439,254	(6,431,165)	5,303,424
2011-12	5,785,386	-	(72,919)	(1,130)	508,821	(3,202,193)	3,017,965
2010-11	3,651,610	-	(107,786)	(1,165)	740,509	(3,173,273)	1,109,895
2009-10	1,269,000	-	17,260	(3,350)	291,312	(1,172,641)	401,581
2008-09	414,465	-	(78,317)	-	61,023	(174,920)	222,251
Prior	946,862	-	(206,378)	-	93,994	(203,593)	630,885
Totals	\$ 23,487,020	\$ 337,961,701	\$ (1,326,182)	\$ (8,704,507)	\$ 2,270,293	\$ (332,926,029)	\$ 20,762,296

Summary by fund and fund type:

General Operating Fund	\$ 3,718,453
Enterprise Funds:	
Brooks Community Service District	918
East Salem Service District	16,610
Fargo Interchange Service District	1,896
Agency Funds:	
Due State (Fire Patrol)	16,713
Due Subdivisions	17,007,706
Total	\$ 20,762,296

MARION COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS

For the year ended June 30, 2014

	Cash	Receipts	Turnovers to			Cash
	Balance July 1, 2013		Treasurer	State	Other	Balance June 30, 2014
Assessor	\$ -	\$ 430,178	\$ 430,178	\$ -	\$ -	\$ -
Clerk	-	1,571,455	1,571,455	-	-	-
District Attorney	-	192,011	192,011	-	-	-
Justices of the Peace:						
East Marion	-	1,652,856	1,115,236	402,161	135,459	-
North Marion	-	2,375,143	1,552,339	732,914	89,890	-
Sheriff	-	2,382,725	2,382,725	-	-	-
Treasurer	123,399,004	1,903,183,457	-	-	1,896,125,006	130,457,455

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, 2014

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.

Outstanding 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-AP3	68608D-CS1	569127-AX1
56913R-AQ1	68608D-CT9	569127-AY9
56913R-AR9	68608D-CU6	569127-AZ6
56913R-AS7	68608D-CV4	569127-BA0
56913R-AT5	68608D-DA9	569127-BH5
56913R-AU2	68608D-DF8	569127-BB8
56913R-BR8		569127-BJ1
56913R-BS6		569127-BC6
56913R-BT4		569127-BD4
56913R-BU1		569127-BE2
56913R-BV9		569127-BF9
56913R-BW7		
56913R-BX5		
56913R-BY3		
56913R-BZ0		
56913R-CA4		
56913R-CB2		
56913R-CC0		
56913R-CD8		
56913R-CE6		

Debt Payment Record – The County has promptly met principal and interest payments on outstanding bonds and other indebtedness in the past ten years when due. Additionally, no refunding bonds have been issued for the purpose of preventing an impending default.

Future Financings – The County has no authorized but unissued bonds outstanding, but does anticipate issuing additional long-term debt for capital financing within the next 12 months.

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
Net investment in capital assets	\$ 177,507,128	\$ 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
Restricted	31,524,428	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
Unrestricted	35,170,896	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
Total net position, governmental activities	\$ 244,202,452	\$ 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
Business-Type Activities:										
Net investment in capital assets	\$ 9,200,804	\$ 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
Restricted	-	-	-	-	479,960	240,146	3,002,426	4,009,312	2,790,154	2,564,524
Unrestricted	7,493,201	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
Total net position, business-type activities	\$ 16,694,005	\$ 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
Primary Government:										
Net investment in capital assets	\$ 186,707,932	\$ 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
Restricted	31,524,428	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
Unrestricted	42,664,097	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
Total net position, primary government	\$ 260,896,457	\$ 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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
EXPENSES										
Governmental activities:										
General government	\$ 10,955,049	\$ 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
Health and social services	56,641,964	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
Public safety and judicial	72,525,129	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
Community service	5,051,563	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
Roads and bridges	29,633,348	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
Education	402,947	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458	1,893,548	1,640,790	1,699,570
Interest on long-term debt	3,825,907	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
Total governmental activities	<u>179,035,907</u>	<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>
Business-type activities:										
Environmental services	21,199,441	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
Housing authority	-	-	-	-	7,605,742	7,395,830	6,741,111	5,645,709	6,710,324	7,169,787
Sewer and lighting services	1,045,903	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
Total business-type activities	<u>22,245,344</u>	<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>
Total primary government	<u>\$ 201,281,251</u>	<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>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 4,644,231	\$ 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
Health and social services	6,176,969	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
Public safety and judicial	7,752,478	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
Community service	2,913,115	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
Roads and bridges	4,003,486	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
Education	-	-	2,574	1,304	401	511	1,422	-	1,052	333
Operating grants and contributions	87,998,080	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
Capital grants and contributions	5,124,567	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
Total governmental activities	<u>118,612,926</u>	<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>
Business-type activities:										
Charges for services:										
Environmental services	20,302,845	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
Housing authority	-	-	-	-	1,142,907	573,475	1,062,843	1,598,438	1,075,216	1,005,881
Sewer and lighting services	668,401	611,170	607,512	607,358	602,653	553,017	492,655	501,415	550,907	462,374
Operating grants and contributions	-	-	-	-	6,545,388	5,576,677	4,741,383	5,949,680	7,182,205	6,187,683
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities	<u>20,971,246</u>	<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>
Total primary government	<u>\$ 139,584,172</u>	<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>

MARION COUNTY, OREGON

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
NET (EXPENSE) REVENUE										
Governmental activities	\$ (60,422,981)	\$ (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)
Business-type activities	(1,274,098)	(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)
Total primary government	<u>\$ (61,697,079)</u>	<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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 59,110,891	\$ 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
Franchise taxes	295,802	275,249	258,296	300,159	259,905	239,042	209,443	215,460	208,644	237,047
Unrestricted grants and contributions	4,198,940	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
Unrestricted investment earnings	744,491	677,621	752,181	751,126	1,276,223	2,143,463	3,538,182	3,869,082	2,895,835	1,490,163
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)
Total governmental activities	<u>64,350,124</u>	<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>
Business-type activities:										
Property taxes	248,431	250,562	248,113	246,700	248,965	311,797	237,170	352,428	387,895	416,476
Franchise taxes	298,364	294,357	289,719	277,716	263,019	301,997	279,846	291,626	239,073	248,401
Unrestricted investment earnings	63,339	71,561	118,265	145,817	359,510	727,773	1,112,519	1,248,581	850,857	438,909
Transfers	-	-	(37,800)	(35,046)	(7,000,000)	73,030	41,199	(55,425)	63,000	58,504
Total business-type activities	<u>610,134</u>	<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>
Total primary government	<u>\$ 64,960,258</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	\$ 3,927,143	\$ 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)
Business-type activities	(663,964)	(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)
Total primary government	<u>\$ 3,263,179</u>	<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>

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Operating Fund										
Nonspendable	\$ 18,079	\$ 20,148	\$ 19,284	\$ 21,690						
Restricted	-	2,000,000	2,000,000	3,000,000						
Committed	2,198,063	2,197,214	2,193,729	4,033,217						
Assigned	1,458,046	3,769,816	2,100,988	4,034,160						
Unassigned	9,850,658	8,493,826	7,545,764	7,980,753						
Total General Operating Fund	13,524,846	16,481,004	13,859,765	19,069,820						
General Fund										
Reserved					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved					6,446,160	5,967,914	11,277,134	11,171,805	9,472,408	9,487,500
Total General Fund					6,446,160	5,967,914	11,277,134	11,171,805	9,472,408	9,487,500
Other governmental funds										
Nonspendable	1,343,328	1,142,098	1,029,240	887,094						
Restricted	26,577,497	13,823,969	13,106,572	11,556,896						
Committed	4,201,351	4,383,458	4,823,398	3,972,412						
Assigned	31,772,956	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
Unreserved, reported in:										
Special revenue funds					45,763,228	41,441,267	41,963,239	35,560,165	39,826,057	38,987,458
Capital projects funds					1,039,434	1,297,058	1,446,905	1,784,369	37,866	2,246,855
Total other governmental funds	63,895,132	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
Total governmental funds	\$77,419,978	\$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

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
REVENUES										
Taxes	\$59,844,595	\$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
Licenses and permits	3,004,660	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
Intergovernmental	97,321,587	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
Charges for services	22,250,108	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
Fines and forfeitures	2,701,520	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
Interest	711,155	646,852	711,839	711,757	1,192,044	1,995,736	3,278,843	3,655,703	2,626,278	1,348,957
Other	455,083	625,066	531,180	389,652	358,888	177,591	626,758	661,065	531,260	174,529
Total revenues	<u>186,288,708</u>	<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>
EXPENDITURES										
General government	10,952,145	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
Health and social services	56,424,183	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
Public safety and judicial	71,584,968	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
Community service	4,345,409	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
Roads and bridges	18,065,139	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
Education	402,947	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458	1,319,634	1,640,790	1,699,570
Debt service:										
Principal	2,657,548	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
Interest	3,327,941	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
Capital outlay	18,908,419	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
Total expenditures	<u>186,668,699</u>	<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>
Excess (deficiency) of revenues over expenditures	<u>(379,991)</u>	<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>
OTHER FINANCING SOURCES (USES)										
Insurance recoveries	-	8,733,901	-	-	-	-	-	1,215,375	10,234,737	-
Issuance of long-term debt	9,950,000	-	-	-	-	-	-	-	-	19,527,212
Payment to escrow agent	-	-	-	-	-	-	-	-	-	(19,527,212)
Transfers in	20,955,391	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
Transfers out	(21,406,300)	(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)
Total other financing sources (uses)	<u>9,499,091</u>	<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>
Net change in fund balance	<u>\$ 9,119,100</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>3.60%</u>	<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>

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 (AV) (thousands)	Total Direct Tax Rate	Estimated Actual Value of Taxable Property (thousands)	Real Market Value (RMV) (thousands)	AV as a % of RMV
	Residential (thousands)	Commercial (thousands)	Other (thousands)							
2014	\$ 10,593,617	\$ 4,492,229	\$ 4,417,702	\$ 707,650	\$ 533,437	\$ 20,744,635	\$ 3.03	\$ 24,740,339	\$ 32,102,805	64.6%
2013	10,348,389	5,301,747	3,331,525	706,315	530,818	20,218,794	3.03	24,271,119	32,586,520	62.0%
2012	10,371,278	5,153,446	3,302,288	694,860	533,329	20,055,201	3.03	25,397,333	33,412,694	60.0%
2011	10,134,765	4,978,186	3,220,346	745,652	548,683	19,627,632	3.03	26,762,742	34,978,576	56.1%
2010	9,832,759	4,891,576	3,122,784	717,777	550,426	19,115,322	3.03	28,338,031	36,446,336	52.4%
2009	9,473,424	4,674,451	2,999,843	599,372	536,226	18,283,316	3.03	28,981,751	37,002,691	49.4%
2008	8,697,447	4,487,099	3,137,763	602,560	512,478	17,437,347	3.03	27,405,903	35,276,496	49.4%
2007	8,434,482	4,260,118	2,745,397	552,589	471,119	16,463,705	3.03	23,289,461	29,663,727	55.5%
2006	7,957,082	4,078,155	2,616,354	557,936	456,277	15,665,804	3.02	20,630,409	26,500,539	59.1%
2005	7,514,115	3,971,376	2,489,869	586,609	442,615	15,004,584	3.02	19,227,936	24,906,909	60.2%

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Marion County Direct Rate:										
General Operations	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.02	\$ 3.02
Overlapping Rates:										
Cities	0.28 - 8.09	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
School Districts & ESD's	0.30 - 8.07	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
Chemeketa Community College	0.86	0.90	0.88	0.79	0.89	0.71	0.70	0.94	0.96	0.96
Brooks Community Service District	0.00	0.00	0.00	0.00	0.00	1.10	0.00	1.75	2.76	2.91
Water & Water Control Districts	0.05 - 1.00	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
Rural Fire Protection Districts	0.53 - 2.53	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
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	2014			2005		
	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	\$ 256,592,280	1.24%	2	\$ 70,148,880	0.47%
Northwest Natural Gas Co	2	130,546,000	0.63%	4	44,362,000	0.29%
Winco Foods LLC	3	84,312,689	0.41%			
Lancaster Development Company	4	63,861,330	0.31%	5	43,140,640	0.29%
Woodburn Premium Outlets LLC	5	56,980,260	0.27%			
CenturyLink (Qwest Corporation)	6	57,396,660	0.28%	1	111,508,800	0.74%
JLR LLC	7	26,260,851	0.13%			
Wal-Mart Real Estate	8	47,127,070	0.23%			
Norpac Foods Inc	9	56,693,593	0.27%	9	27,627,390	0.18%
Metropolitan Life Insurance Co	10	42,822,470	0.21%	7	29,077,790	0.19%
Sumco				3	60,461,770	0.40%
Mitsubishi Silicon America				6	39,174,800	0.26%
Boise Cascade Corp				8	28,487,080	0.19%
State Accident Insurance Fund				10	22,707,510	0.15%
Total for principal taxpayers		<u>\$ 822,593,203</u>	<u>3.97%</u>		<u>\$ 476,696,660</u>	<u>3.16%</u>
Total taxable assessed value		<u>\$ 20,744,634,065</u>			<u>\$ 15,068,766,209</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
2014	\$ 61,192,469	\$ 57,656,513	94.22%	\$ -	\$ 57,656,513	94.22%
2013	59,269,340	55,486,634	93.62%	1,084,915	56,571,549	95.45%
2012	58,696,510	54,896,065	93.53%	1,469,367	56,365,432	96.03%
2011	57,538,690	53,606,948	93.17%	1,869,865	55,476,813	96.42%
2010	56,220,810	52,312,753	93.05%	2,058,505	54,371,258	96.71%
2009	54,128,189	50,344,904	93.01%	2,152,597	52,497,501	96.99%
2008	51,700,531	48,420,768	93.66%	1,767,897	50,188,665	97.08%
2007	49,372,997	46,532,052	94.25%	1,454,335	47,986,387	97.19%
2006	46,814,427	44,094,655	94.19%	1,402,083	45,496,738	97.19%
2005	44,807,030	41,736,268	93.15%	1,593,519	43,329,787	96.70%

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	Capital Financing Agreement	Revenue Bonds	Notes Payable			
2014	\$ 11,683,737	\$ 39,369,217	\$ 9,950,000	\$ 1,767,312	\$ 620,468	\$ 63,390,734	0.55%	\$ 194
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	0.60%	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

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	Capital Financing Agreement	Less Amount Available in Debt Service Fund	Net General Bonded Debt	% of Estimated Actual Value of Taxable Property	Net General Bonded Debt Per Capita	Net Debt Per Capita	Net Direct & Overlapping Debt Per Capita	Real Market Value (RMV) Per Capita	Net Direct Debt To RMV	Net Direct & Overlapping Debt To RMV
2014	\$ 11,683,737	\$ 39,369,217	\$ 9,950,000	\$ (164,460)	\$ 60,838,494	0.25%	\$ 187	\$ -	\$ 2,246	\$ 98,430	0%	2.28%
2013	12,688,614	40,118,810	-	(339,600)	52,467,824	0.22%	163	-	2,233	100,925	0%	2.21%
2012	13,655,469	40,783,125	-	(389,129)	54,049,465	0.21%	169	-	2,317	104,253	0%	2.22%
2011	14,589,733	41,362,745	-	(478,460)	55,474,018	0.21%	174	-	2,377	109,944	0%	2.16%
2010	15,485,975	41,865,334	-	(772,461)	56,578,848	0.20%	179	-	1,568	115,373	0%	1.36%
2009	16,355,058	42,288,832	-	(213,509)	58,430,381	0.20%	184	-	1,555	116,298	0%	1.34%
2008	17,196,982	42,636,965	-	(79,387)	59,754,560	0.22%	190	-	953	112,037	0%	0.85%
2007	18,006,316	42,903,776	-	(201,403)	60,708,689	0.26%	195	-	985	95,360	0%	1.03%
2006	18,793,923	43,117,233	-	(737,686)	61,173,470	0.30%	199	-	863	86,415	0%	1.00%
2005	19,527,212	43,287,472	-	(616,148)	62,198,536	0.32%	206	-	913	82,436	0%	1.11%

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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.
- (3) For the purposes of this schedule, net direct debt includes all voter-approved, tax-supported bonds; self-supporting bonds and limited tax obligations are excluded.
- (4) Overlapping debt information can be found in the Direct and Overlapping Governmental Activities Debt Schedule.
- (5) Information in this schedule satisfies the County's annual disclosure requirements under SEC Rule 15c2-12.

MARION COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2014

Overlapping District	Outstanding Net Property Tax Backed Debt	Percent Overlapping	Net Overlapping Debt
Cities:			
City of Aurora	\$ 2,735,000	100.0000%	\$ 2,735,000
City of Donald	60,000	100.0000%	60,000
City of Mill City	948,549	25.1272%	238,344
City of St. Paul	48,224	100.0000%	48,224
City of Salem	92,751,172	84.9039%	78,749,362
City of Silverton	5,279,393	100.0000%	5,279,393
City of Woodburn	4,745,000	100.0000%	4,745,000
School Districts & ESD's:			
Marion County SD 1 (Gervais)	10,657,049	100.0000%	10,657,049
Marion County SD 4J (Silver Falls)	52,639,224	91.4871%	48,158,100
Marion County SD 5 (Cascade)	27,891,299	100.0000%	27,891,299
Marion County SD 14J (Jefferson)	5,447,749	93.1303%	5,073,505
Marion County SD 15 (N. Marion)	13,950,817	100.0000%	13,950,817
Marion County SD 24J (Salem-Keizer)	446,162,967	89.0016%	397,092,179
Marion County SD 29J (N. Santiam)	36,108,104	78.8049%	28,454,955
Marion County SD 45 (St. Paul)	3,400,000	100.0000%	3,400,000
Marion County SD 91 (Mt. Angel)	11,451,683	100.0000%	11,451,683
Marion County SD 103 (Woodburn)	10,720,000	100.0000%	10,720,000
Linn County SD 129J (Santiam Canyon)	4,210,000	55.6399%	2,342,440
Polk County SD 13J (Central)	81,570,341	1.3491%	1,100,465
Willamette ESD	1,405,000	62.6759%	880,596
Chemeketa Community College	95,155,000	69.6080%	66,235,492
Rural Fire Districts:			
Aumsville Rural Fire District	185,000	100.0000%	185,000
Idanha-Detroit Rural Fire District	105,000	94.9781%	99,727
Jefferson Rural Fire District	25,000	59.8640%	14,966
Keizer Rural Fire District	380,000	100.0000%	380,000
Marion County Rural Fire District 1	6,795,000	100.0000%	6,795,000
Mt. Angel Rural Fire District	860,000	100.0000%	860,000
Silverton Rural Fire District	650,000	94.6848%	615,451
Stayton Rural Fire District	205,000	88.8112%	182,063
Sublimity Rural Fire District	1,240,000	100.0000%	1,240,000
Woodburn Rural Fire District	2,590,000	100.0000%	2,590,000
Water Districts:			
Lyons-Mehama Water District	570,000	31.2804%	178,298
Subtotal, overlapping debt	\$ 920,941,571		732,404,408
Marion County direct debt			62,770,266
Total direct and overlapping debt			\$ 795,174,674

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Real Market Value (RMV) (thousands)	<u>\$ 32,102,805</u>	<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>
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)	\$ 642,056	\$ 651,730	\$ 668,254	\$ 699,572	\$ 728,927	\$ 740,054	\$ 705,530	\$ 593,275	\$ 530,011	\$ 498,138
Total applicable debt (thousands)	-	-	-	-	-	-	-	-	-	-
Legal debt margin (thousands)	<u>\$ 642,056</u>	<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>
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)	\$ 1,605,140	\$ 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
Total applicable debt (thousands)	39,369	40,119	40,783	41,363	41,865	42,289	42,637	42,904	43,117	43,287
Legal debt margin (thousands)	<u>\$ 1,565,771</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>2.5%</u>	<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>
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)	\$ 321,028	\$ 325,865	\$ 334,127	\$ 349,786	\$ 364,463	\$ 370,027	\$ 352,765	\$ 296,637	\$ 265,005	\$ 249,069
Total applicable debt (thousands)	61,842	54,019	56,004	57,855	59,574	61,171	62,649	64,000	65,262	61,262
Legal debt margin (thousands)	<u>\$ 259,186</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>19.3%</u>	<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>

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	
2014	\$ 1,384,365	\$ -	\$ 1,384,365	\$ 452,548	\$ 99,515	251%
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

<u>Fiscal Year Ended June 30</u>	<u>Population</u>	<u>Personal Income (thousands)</u>	<u>Per Capita Income</u>	<u>Unemployment Rate</u>
2014	326,150	\$ 11,484,654	\$ 35,489	8.4%
2013	322,880	11,178,396	34,781	9.7%
2012	320,495	10,894,470	34,275	10.4%
2011	318,150	10,498,263	33,228	11.1%
2010	315,900	10,436,528	33,302	11.0%
2009	318,170	10,547,007	34,052	6.6%
2008	314,865	9,901,521	32,256	5.4%
2007	311,070	9,477,031	31,247	5.7%
2006	306,665	8,711,258	29,090	6.5%
2005	302,135	8,414,085	28,317	7.6%

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	2014			2005		
	Number of Employees	Rank	Percentage of Total County Employment	Number of Employees	Rank	Percentage of Total County Employment
State of Oregon	18,500-18,999	1	13.89%	17,500-17,999	1	13.16%
Salem-Keizer School District	4,000-4,499	2	3.15%	4,500-4,999	2	3.52%
Salem Health (Salem Hospital)	3,500-3,999	3	2.78%	2,500-2,999	3	2.04%
Chemeketa Community College	1,500-1,999	4	1.30%	1,500-1,999	4	1.30%
Marion County	1,000-1,499	5	0.93%	1,500-1,999	5	1.30%
City of Salem	1,000-1,499	6	0.93%	1,000-1,499	6	0.93%
US Government	1,000-1,499	7	0.93%	1,000-1,499	7	0.93%
Norpac Foods Inc	1,000-1,499	8	0.93%	1,000-1,499	9	0.93%
Walmart	1,000-1,499	9	0.93%			
Winco	1,000-1,499	10	0.93%			
T-Mobile				1,000-1,499	8	0.93%
SAIF Corporation				500-999	10	0.56%
Total for Principal Employers	33,500-38,499		26.66%	32,000-36,999		25.57%
Employment by Industry (1)						
Government	33,416		24.75%	33,200		24.61%
Trade, Transportation & Utilities	22,940		16.99%	23,894		17.71%
Education & Health Services	19,454		14.41%	15,595		11.56%
Leisure & Hospitality	11,578		8.58%	10,736		7.96%
Professional & Business Services	10,974		8.13%	12,034		8.92%
Natural Resources & Mining	10,104		7.48%	9,183		6.81%
Manufacturing	9,856		7.30%	12,262		9.09%
Financial Activities	5,630		4.17%	5,794		4.29%
Construction	6,042		4.48%	7,263		5.38%
Other Services	5,004		3.71%	4,954		3.67%
Total County Employment	134,998		100.00%	134,915		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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Full Time Equivalent (FTE)										
Employees by Function:										
Governmental activities:										
General government	220.5	222.0	224.0	223.0	234.8	242.3	250.3	247.3	244.8	240.3
Health and social services	396.3	367.7	349.4	360.3	382.2	360.4	339.4	295.4	291.0	294.9
Public safety and judicial	550.7	546.8	541.3	556.6	555.3	582.9	588.1	559.1	560.8	537.0
Community service	29.7	35.3	27.3	28.0	24.8	30.6	47.7	50.7	48.7	45.7
Roads and bridges	131.4	134.4	133.0	128.3	136.8	149.5	155.0	155.0	153.0	143.0
Total governmental activities	<u>1,328.6</u>	<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>
Business-type activities:										
Environmental services	30.3	33.3	33.3	33.1	29.1	12.1	12.5	10.5	10.5	17.0
Total FTE budgeted	<u>1,358.9</u>	<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>
Number of Employees by Bargaining Unit:										
Marion County Employee Assoc.	732	718	693	718	764	763	745	758	755	723
Marion County Law Enforcement Association	207	202	198	211	226	227	218	219	216	204
Marion County Juvenile Employees Association	33	34	31	31	35	39	41	-	-	-
Federation of Oregon Parole and Probation Officers	35	37	34	37	41	41	45	42	41	38
Oregon Nurses Association	17	18	20	19	20	23	23	19	23	25
Unrepresented:										
Management and other	233	238	232	234	251	255	258	230	226	216
Temporary employees	235	240	230	242	257	257	281	294	321	333
Total county employees	<u>1,492</u>	<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>

Sources:

Marion County payroll records.

MARION COUNTY, OREGON

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities:										
General Government										
General election information:										
Registered voters	(1)	151,426	(1)	142,968	(1)	150,122	(1)	138,705	(1)	145,717
Votes cast	(1)	121,665	(1)	102,281	(1)	126,583	(1)	99,675	(1)	130,609
Percentage voted	(1)	80.35%	(1)	71.54%	(1)	84.32%	(1)	71.86%	(1)	89.63%
Marriage licenses issued	2,335	2,221	2,350	2,334	2,297	2,456	2,387	2,328	2,133	2,157
Passports issued	934	752	677	712	801	891	1,205	1,378	635	766
Documents recorded	48,596	58,630	51,058	53,070	55,756	54,747	67,981	82,542	85,449	80,486
Property tax accounts:										
Residential	83,134	82,996	82,934	82,891	82,887	82,511	81,539	79,567	78,250	76,940
Commercial	9,921	9,747	8,876	8,855	8,753	8,604	9,564	8,215	8,386	8,747
Industrial	533	682	1,663	1,594	1,631	1,686	567	1,905	1,887	1,884
Farm	27,897	27,972	28,163	28,134	28,179	28,643	29,414	28,890	29,037	29,159
Utilities	1,911	1,896	1,852	1,841	1,771	1,438	1,490	1,433	1,481	1,466
Personal	6,434	6,359	6,215	6,280	5,953	5,380	5,059	4,860	4,725	4,594
Health and Social Services										
Total clinic visits	444,536	405,221	421,711	456,385	462,909	493,094	474,292	346,024	329,737	369,568
Number of clients served:										
Acute	5,097	8,061	6,361	6,813	7,680	6,025	5,675	3,485	3,357	3,157
Alcohol and drug treatment	2,413	2,307	2,187	2,114	2,144	3,371	4,387	477	3,348	450
Behavioral health (other)	5,967	5,578	6,134	6,017	5,889	4,714	4,302	5,633	3,578	5,175
Developmental disabilities	2,206	2,123	2,075	2,044	1,980	1,946	1,861	1,785	2,927	1,722
IDS & out-of-panel MH providers	6,313	8,283	5,903	5,422	4,750	4,534	3,914	3,953	n/a	n/a
Immunizations	2,567	2,867	2,971	6,270	10,323	8,049	11,060	6,529	7,480	5,627
Public health (other)	9,567	9,531	8,079	9,019	9,901	10,810	9,261	9,225	8,636	7,995
Women, infants and children (WIC)	8,555	9,821	9,648	11,397	12,741	12,558	10,772	15,967	15,215	15,337
Health inspections	3,166	3,027	3,073	3,351	3,066	3,757	2,795	3,875	3,685	3,657
Food handler cards issued	5,133	614	614	731	5,054	3,173	17,645	17,655	11,226	10,524
Birth and death certificates issued	16,561	17,118	16,175	17,538	16,294	16,094	15,416	8,049	7,764	7,715
Public Safety and Judicial										
Sheriff:										
Calls for service	23,737	24,042	23,132	23,024	24,507	28,427	27,065	28,494	39,490	36,070
Number of arrests	2,587	2,269	2,560	2,610	3,248	2,983	3,007	3,534	3,407	3,601
Number of inmates booked	13,696	13,384	13,731	15,197	16,446	16,321	17,304	19,171	19,511	19,499
Average daily jail population	414	418	454	542	534	526	534	538	539	539
Average length of jail stay (days)	15	13	11	14	19	20	25	25	17	19
Adults on probation and post-prison supervision (monthly average)	3,697	3,781	3,940	3,963	4,120	4,333	4,444	4,298	4,162	3,694
Juvenile:										
Youth served per year (2)	1,975	2,012	2,247	2,368	2,459	2,918	3,226	3,224	3,097	3,025
Community service hours completed (2)	8,341	9,334	14,626	15,239	16,966	19,552	17,763	15,619	14,446	13,613
Youth admitted to detention center (2)	921	1,020	1,051	1,125	1,128	1,073	1,211	1,234	853	946
Average length of stay (days) (2)	8.9	9.4	8.0	7.5	8.0	11.6	11.4	11.2	10.5	11.0
District Attorney:										
Adult criminal cases prosecuted (2)	9,513	9,867	9,687	9,600	10,799	11,071	12,430	13,066	13,542	13,470
Juvenile delinquency petitions filed (2)	451	612	582	479	694	978	1,136	1,273	1,237	1,270
Juvenile dependency petitions filed (2)	510	668	875	826	877	974	916	1,008	1,161	1,137
Volunteer hours for victim assistance (3)	24,731	23,837	18,401	26,003	24,903	25,878	52,861	44,076	53,749	52,232
Victims served (3)	4,017	4,531	5,792	4,294	4,725	3,668	3,887	3,879	3,040	3,060
Business-Type Activities										
Environmental Services										
Waste generated per capita (pounds)	2,640	2,611	2,718	2,621	2,637	2,902	3,227	3,311	3,091	2,875
Waste recovered per capita (pounds)	1,440	1,412	1,489	1,317	1,376	1,522	1,637	1,705	1,583	1,364
Waste recovery rate	54.5%	54.1%	54.8%	50.2%	52.2%	52.4%	50.7%	51.5%	51.2%	47.4%
Recycled waste (tons)	232,323	226,163	236,695	207,794	218,792	239,442	252,555	261,412	238,990	203,346

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental Activities										
General Government										
Buildings owned:										
Center Street campus	9	9	9	9	9	9	9	9	9	9
Corrections campus	6	6	6	6	6	6	6	6	5	4
Downtown campus	2	2	2	2	2	2	2	2	2	2
Public Works campus	13	13	13	13	13	12	12	12	12	12
Other facilities countywide	12	12	12	12	12	11	11	11	11	11
Community Service										
Parks acreage	610.2	610.2	610.2	614.2	614.2	614.2	614.2	614.2	614.2	614.2
Number of developed facilities	18	18	18	19	19	19	19	19	19	17
Number of undeveloped facilities	3	3	3	3	3	3	3	3	3	6
Number of playgrounds	5	5	5	6	6	6	6	6	6	5
Roads and Bridges										
Roads maintained by county:										
- miles paved	925.5	925.5	925.8	925.2	932.0	932.0	926.9	926.9	926.9	927.0
- miles unpaved	192.8	192.8	192.8	192.8	192.8	192.8	192.8	192.8	195.3	196.0
Bridges	147	147	147	147	147	147	147	147	147	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, 2014, and have issued our report thereon dated December 5, 2014.

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 as follows:

1. Expenditures in excess of appropriations as detailed in Note 14 to the financial statements.
2. The County did not timely notify the State Treasurer about a change in depositories as required under ORS 295.006(3).

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 5, 2014