

For Year Ended June 30, 2016



O R E G O N

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARION COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2016

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

Fax:
(503) 373-4379

December 21, 2016

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, 2016 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, 2016 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, 2016 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 Champooick, 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 333,950. 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 court, supervision of juvenile offenders, road and bridge maintenance and construction, emergency management, dog licensing and control, parks maintenance, solid waste disposal, and environmental services. Extension services, and 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, 123 state agencies are located in Marion County, providing employment to approximately 20,300 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 6,800 workers. As of October 2016, the seasonally adjusted unemployment rate in Marion County was 5.5%, a decrease from 6.0% last year, and comparable to the state average of 5.3% and the national average of 4.9%.

Long-Term Financial Planning – The County heads into fiscal year 2017 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.

Current initiatives include: expansion of the county's economic development program; renovations nearing completion at the health building and work release center; new construction projects for the Juvenile Department and the Sheriff's Office; and replacement of the case management system for the District Attorney's Office.

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, 2015. This was the 15th 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, 2015, making this the 5th 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, 2016

Board of Commissioners

Kevin Cameron	Chair
Sam Brentano	Vice Chair
Janet Carlson	Second Vice Chair

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

Other Elected Officials

Tom Rohlfing	Assessor
Bill Burgess	County Clerk
Walt Beglau	District Attorney
Janice Zyryanoff	Justice of the Peace
Jason Myers	Sheriff
Laurie Steele	Treasurer

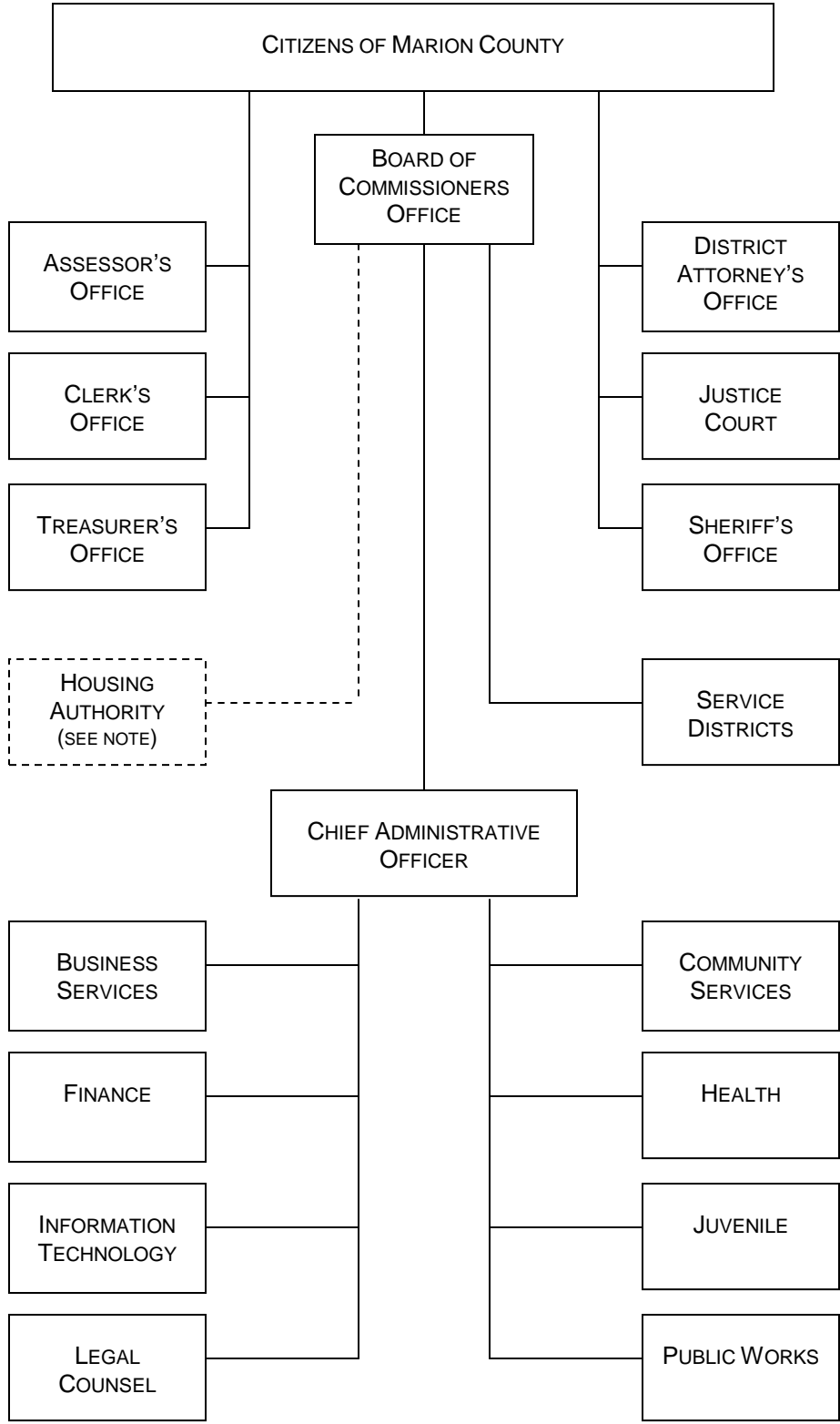
Chief Administrative Officer

John Lattimer

Legal Counsel

Gloria Roy

MARION COUNTY, OREGON
 Organization Chart
 June 30, 2016



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, 2015

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 (the County) as of and for the year ended June 30, 2016, 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 Marion County, Oregon, as of June 30, 2016, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (MD&A), Oregon public employees retirement system – schedule of County's proportionate share of the net pension liability, Oregon public employees retirement system – schedule of County contributions, other post-employment benefits – schedule of funding progress, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the MD&A, both Oregon public employee retirement system schedules, and the other post-employment benefits schedule 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.

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

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 supplementary information, introductory section and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 Legal and Regulatory Requirements


Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2016, 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.

Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 21, 2016, 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: 

Ryan T. Pasquarella, A Shareholder
December 21, 2016

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, 2016. 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 and deferred outflows exceeded its liabilities and deferred inflows at the end of the current fiscal year by \$184,548,116 (*net position*). Of this amount, \$183,718,929 reflects the County's net investment in capital assets, and \$32,256,440 represents resources that are subject to external restrictions, resulting in a negative unrestricted balance of \$31,427,253.
- The County's financial position declined from the prior fiscal year with a decrease in total restated net position of \$29,725,435, primarily due to the change in the county's net pension liability and pension-related deferrals.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$96,262,096, an increase of \$6,886,831 from the prior year. Of this amount, \$845,798 is nonspendable, and \$26,644,329 is subject to external restrictions. The remaining amount of \$68,771,969 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 \$11,211,744, equal to 17% of total General Operating Fund expenditures.
- The County's total debt decreased by \$3,191,857 during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources with the difference 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, roads and bridges, and pass-through support for education. The business-type activities of the

County include environmental services, stormwater 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 12-13 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-eight 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 & Economic Development Fund, and Facility Renovation 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 five 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 14-16 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, stormwater management, 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 17-20 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 21 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 22-45 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 comparisons for the General Fund, Public Works Fund, Health Fund, and Lottery & Economic Development Fund, 2) proportionate share of net pension liability, 3) pension contributions, and 4) funding progress for other post-employment benefits. Required supplementary information can be found on pages 46-52 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 53-103 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 and deferred outflows exceeded liabilities and deferred inflows by \$184,548,116 at the end of fiscal year 2016.

The largest portion of the County's net position (99.5%) 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 (17.5%) represents resources that are subject to external restrictions on how they may be used. The County had a negative unrestricted net position (-17%) at the end of fiscal year 2016.

The County's financial position declined from the prior fiscal year with a decrease in total restated net position of \$29,725,435, primarily due to the change in the county's net pension liability and pension-related deferrals. For fiscal year 2016, the County recognized a pension expense of \$44,887,377, largely due to a court decision that had a significant impact on the valuation of the net pension liability. Additional information on the County's pension plan can be found in Note 8 on pages 37-41 of this report.

Marion County's Net Position (thousands)

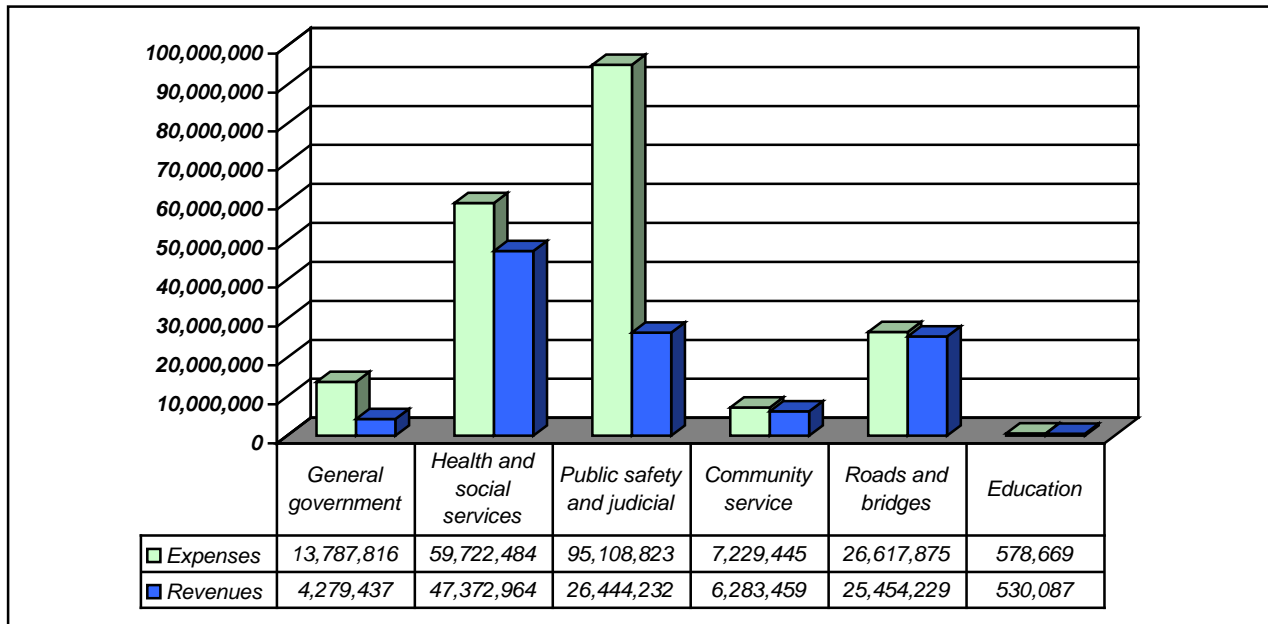
	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 129,647	\$ 137,881	\$ 12,218	\$ 15,831	\$ 141,865	\$ 153,712
Capital assets	193,213	187,330	8,665	9,173	201,878	196,503
Total assets	322,860	325,211	20,883	25,004	343,743	350,215
Deferred outflows of resources	9,735	6,153	198	132	9,933	6,285
Long-term liabilities outstanding	131,482	86,736	11,049	6,589	142,531	93,325
Other liabilities	12,362	8,227	1,607	2,100	13,969	10,327
Total liabilities	143,844	94,963	12,656	8,689	156,500	103,652
Deferred inflows of resources	12,376	34,695	252	746	12,628	35,441
Net position:						
Net investment in capital assets	175,617	172,837	8,102	8,511	183,719	181,348
Restricted	32,256	35,147	-	-	32,256	35,147
Unrestricted	(31,498)	(6,278)	71	7,190	(31,427)	912
Total net position	\$ 176,375	\$ 201,706	\$ 8,173	\$ 15,701	\$ 184,548	\$ 217,407

Marion County's Changes in Net Position (thousands)

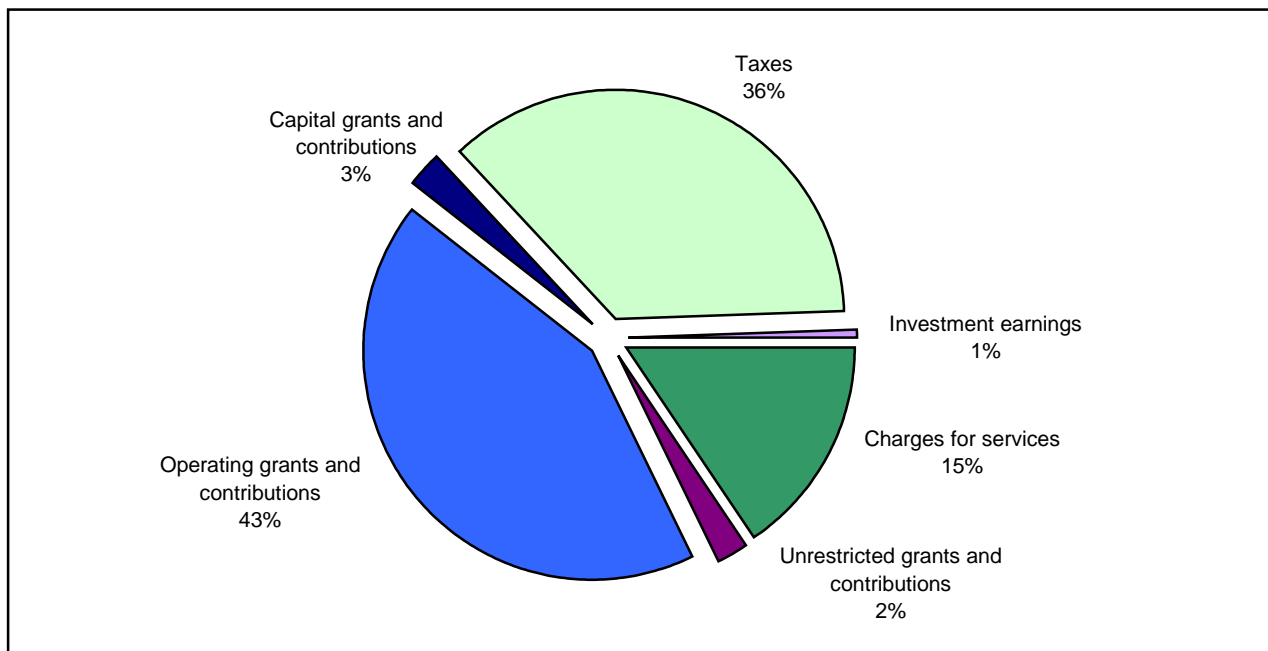
	Governmental activities		Business-type activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 28,025	\$ 26,413	\$ 18,730	\$ 18,499	\$ 46,755	\$ 44,912
Operating grants and contributions	77,564	83,266	-	-	77,564	83,266
Capital grants and contributions	4,775	7,297	-	-	4,775	7,297
General revenues:						
Property taxes	65,567	61,711	-	244	65,567	61,955
Other taxes	337	266	347	325	684	591
Unrestricted grants and contributions	4,145	4,415	-	-	4,145	4,415
Unrestricted investment earnings	1,197	912	89	78	1,286	990
Total revenues	181,610	184,280	19,166	19,146	200,776	203,426
Expenses:						
General government	13,788	10,106	-	-	13,788	10,106
Health and social services	59,722	47,271	-	-	59,722	47,271
Public safety and judicial	95,109	61,628	-	-	95,109	61,628
Community service	7,229	4,583	-	-	7,229	4,583
Roads and bridges	26,618	26,955	-	-	26,618	26,955
Education	579	452	-	-	579	452
Interest on long-term debt	3,896	3,914	-	-	3,896	3,914
Environmental services	-	-	21,616	18,054	21,616	18,054
Stormwater services	-	-	388	-	388	-
Sewer and lighting services	-	-	1,556	1,050	1,556	1,050
Total expenses	206,941	154,909	23,560	19,104	230,501	174,013
Change in net position	(25,331)	29,371	(4,394)	42	(29,725)	29,413
Net position - beginning of year	201,706	244,202	15,701	16,694	217,407	260,896
Restatement of beginning net position	-	(71,867)	(3,134)	(1,035)	(3,134)	(72,902)
Net position - end of year	\$ 176,375	\$ 201,706	\$ 8,173	\$ 15,701	\$ 184,548	\$ 217,407

Governmental Activities – Governmental activities decreased the County’s net position by \$25,331,492 primarily due to the change in net pension liability and pension-related deferrals as noted previously in the government-wide financial analysis.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type Activities – Business-type activities decreased the County’s net position by \$4,393,943 primarily due to the change in net pension liability and pension-related deferrals. The County’s business-type activities include environmental services, stormwater services, and sewer and lighting services. In the current fiscal year, expenses for environmental services were \$21,616,183 with program revenues of \$16,420,306. For stormwater services, expenses were \$388,073 and program revenues were \$853,911, and for sewer and lighting services, expenses were \$1,555,397 and program revenues were \$1,455,443.

Charges for services are the primary source of revenue for business-type activities, comprising 98% of total revenues for fiscal 2016. 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 \$96,262,096, an increase of 8% in comparison with the prior year. \$845,798 (1%) of this amount is nonspendable in the form of inventory and prepaid items. \$26,644,329 (28%) is subject to restrictions imposed by creditors, grantors, contributors, laws or regulations. \$68,771,969 (71%) 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, roads and bridges, 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 had a total fund balance of \$14,743,397, of which \$20,842 is nonspendable for inventories and prepaid items, \$2,222,672 is committed, \$1,288,139 is assigned, and \$11,211,744 is unassigned. The \$393,299 net increase in fund balance during the current year was primarily due to vacancy savings in a number of departments, most notably the Sheriff’s Office. As a measure of the General Operating Fund’s liquidity, it may be useful to note that unassigned fund balance represents 14% of revenues and 17% of expenditures for fiscal 2016.

The Public Works Fund has a total fund balance of \$26,398,200, of which \$799,160 is nonspendable, \$2,587,808 is committed, and \$23,311,232 is assigned. Fund balance increased \$1,395,061 during the current year due to vacancy savings and delays in road and bridge construction projects.

The Health Fund has a total fund balance of \$22,785,882, of which \$16,994,839 is restricted, and \$5,791,043 is assigned. Fund balance decreased \$1,612,871 during the current year due to resources transferred to other funds for the health building renovation.

The Lottery & Economic Development Fund has a total fund balance of \$1,699,259, all of which is restricted. Fund balance increased \$316,929 during the current year due to increases in video lottery revenue and payments received from the Oregon Garden Foundation.

The Facility Renovation Fund has a total fund balance of \$12,801,052, of which \$1,017,167 is restricted, and \$11,783,885 is assigned. Fund balance increased \$471,847 during the current year due to resources transferred from other funds for planned renovation projects.

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 for Environmental Services was a negative \$951,715 at the end of the fiscal year. Net position decreased by \$4,417,941 primarily due to the change in net pension liability and pension-related deferrals.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total appropriations in the General Fund's final amended budget were \$1,528,296 higher than the original adopted budget (includes expenditures and transfers out); the most significant changes were: an increase of \$3,474,344 for transfers to Facility Renovation, Capital Improvement Projects and other funds; a decrease of \$964,000 for non-departmental materials and services; and a decrease of \$1,115,694 for contingency. Charges for services were 14% higher than anticipated, most notably for recording fees, process service fees and election reimbursements. 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, 2016 amounts to \$201,877,484 (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 3% (a 3% increase for governmental activities and a 6% decrease for business-type activities).

Major capital projects during the current fiscal year included road and bridge construction, renovations of the jail and health buildings, and replacing the roof at Courthouse Square. Construction in progress at the end of the year was approximately \$1,990,000 for roads and bridges, \$6,124,000 for facility renovation projects, and \$727,000 for various other projects.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 12,153	\$ 11,889	\$ 3,035	\$ 3,035	\$ 15,188	\$ 14,924
Construction in progress	8,841	7,153	-	-	8,841	7,153
Landfills	-	-	-	2	-	2
Buildings and improvements	79,694	80,061	3,782	4,054	83,476	84,115
Equipment	13,395	13,371	1,848	2,082	15,243	15,453
Infrastructure	79,130	74,856	-	-	79,130	74,856
Total	\$ 193,213	\$ 187,330	\$ 8,665	\$ 9,173	\$ 201,878	\$ 196,503

Additional information on the County's capital assets can be found in Note 5 on pages 30-31 of this report.

Long-Term Debt – At the end of the current fiscal year, the County had total debt outstanding of \$57,481,486, a decrease of 5% from the previous fiscal year. This amount includes \$794,059 in revenue bonds (Oregon Garden), \$9,538,188 in refunding bonds (Courthouse Square), \$9,075,343 in capital financing agreements, \$37,614,562 in limited tax pension obligations (PERS) and \$459,334 in notes payable (service districts). 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% for general obligation bonds and 1% for limited tax obligations. Based on the County's real market value for fiscal year 2016, the current limitation is \$734 million for general obligation bonds and \$367 million for limited tax obligations. As of June 30, 2016, the County's total outstanding debt represents 0.55% of real market value. Standard & Poor's has given the County an issuer credit rating of AA.

Marion County's Outstanding Debt (thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue bonds	\$ 794	\$ 1,292	\$ -	\$ -	\$ 794	\$ 1,292
Refunding bonds	9,538	10,641	-	-	9,538	10,641
Capital financing agreements	9,075	9,663	-	-	9,075	9,663
Limited tax pension obligations	37,615	38,535	-	-	37,615	38,535
Notes payable	-	-	459	542	459	542
Total	\$ 57,022	\$ 60,131	\$ 459	\$ 542	\$ 57,481	\$ 60,673

Additional information on the County's long-term debt can be found in Note 6 on pages 31-36 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 3.9%.
- The unemployment rate in Marion County is currently 5.5%, a decrease from the rate of 6.0% a year ago. The County's unemployment rate is comparable to the state average of 5.3% and the national average of 4.9%.
- For the six months ending October 2016, the University of Oregon Index of Economic Indicators rose 0.5%; comparable national indices showed an increase of 0.7%.
- As of December 2016, forecasted revenues for the State of Oregon's general fund in the 2015-2017 biennium were \$8 million higher than previously forecast at the close of the legislative session.

All of these factors have been considered in preparing the County's budget for fiscal year 2017.

During the current fiscal year, fund balance in the General Operating Fund increased from \$14,350,098 to \$14,743,397. The County has appropriated \$2,875,573 of this amount for spending in fiscal year 2017.

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, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 109,201,856	\$ 12,274,079	\$ 121,475,935
Receivables	17,795,544	1,698,016	19,493,560
Internal balances	1,753,798	(1,753,798)	-
Inventories and prepaid items	895,798	-	895,798
Capital assets not being depreciated:			
Land	12,152,955	3,034,916	15,187,871
Construction in progress	8,840,673	-	8,840,673
Capital assets being depreciated:			
Landfills	-	6,430,703	6,430,703
Buildings and improvements	115,245,393	14,058,609	129,304,002
Equipment	32,592,429	4,122,597	36,715,026
Infrastructure	578,775,349	-	578,775,349
Less accumulated depreciation	(554,394,112)	(18,982,028)	(573,376,140)
Total assets	<u>322,859,683</u>	<u>20,883,094</u>	<u>343,742,777</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related deferred outflows	9,735,311	198,454	9,933,765
Total deferred outflows of resources	<u>9,735,311</u>	<u>198,454</u>	<u>9,933,765</u>
LIABILITIES			
Accounts payable and other current liabilities	12,054,409	1,593,918	13,648,327
Accrued interest payable	307,294	13,255	320,549
Noncurrent liabilities:			
Due within one year	9,647,880	110,986	9,758,866
Due in more than one year	121,834,808	10,937,687	132,772,495
Total liabilities	<u>143,844,391</u>	<u>12,655,846</u>	<u>156,500,237</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	12,375,905	252,284	12,628,189
Total deferred inflows of resources	<u>12,375,905</u>	<u>252,284</u>	<u>12,628,189</u>
NET POSITION			
Net investment in capital assets	175,616,323	8,102,606	183,718,929
Restricted for:			
General government	581,478	-	581,478
Health and social services	16,994,839	-	16,994,839
Public safety and judicial	3,724,319	-	3,724,319
Community service	8,316,998	-	8,316,998
Roads and bridges	1,546,064	-	1,546,064
Education	75,575	-	75,575
Capital projects	1,017,167	-	1,017,167
Unrestricted	(31,498,065)	70,812	(31,427,253)
Total net position	<u>\$ 176,374,698</u>	<u>\$ 8,173,418</u>	<u>\$ 184,548,116</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, 2016

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	\$ 13,787,816	\$ 4,211,284	\$ -	\$ 68,153	\$ (9,508,379)	\$ -	\$ (9,508,379)
Health and social services	59,722,484	6,915,710	40,457,254	-	(12,349,520)	-	(12,349,520)
Public safety and judicial	95,108,823	8,290,644	18,153,588	-	(68,664,591)	-	(68,664,591)
Community service	7,229,445	3,898,925	2,384,393	141	(945,986)	-	(945,986)
Roads and bridges	26,617,875	4,708,897	16,038,526	4,706,806	(1,163,646)	-	(1,163,646)
Education	578,669	-	530,087	-	(48,582)	-	(48,582)
Interest on long-term debt	3,896,389	-	-	-	(3,896,389)	-	(3,896,389)
Total governmental activities	206,941,501	28,025,460	77,563,848	4,775,100	(96,577,093)	-	(96,577,093)
Business-type activities:							
Environmental services	21,616,183	16,420,306	-	-	-	(5,195,877)	(5,195,877)
Stormwater services	388,073	853,911	-	-	-	465,838	465,838
Sewer and lighting services	1,555,397	1,455,443	-	-	-	(99,954)	(99,954)
Total business-type activities	23,559,653	18,729,660	-	-	-	(4,829,993)	(4,829,993)
Total	\$ 230,501,154	\$ 46,755,120	\$ 77,563,848	\$ 4,775,100	(96,577,093)	(4,829,993)	(101,407,086)
General revenues:							
Property taxes					65,566,613	-	65,566,613
Franchise taxes					337,375	347,208	684,583
Unrestricted grants and contributions					4,144,505	-	4,144,505
Unrestricted investment earnings					1,197,108	88,842	1,285,950
Total general revenues					71,245,601	436,050	71,681,651
Change in net position					(25,331,492)	(4,393,943)	(29,725,435)
Net position - beginning, as restated					201,706,190	12,567,361	214,273,551
Net position - ending					\$ 176,374,698	\$ 8,173,418	\$ 184,548,116

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

MARION COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2016

	General Operating Fund	Public Works Fund	Health Fund	Lottery & Economic Development Fund	Facility Renovation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 15,381,179	\$ 23,655,688	\$ 23,869,303	\$ 1,713,748	\$ 14,506,359	\$ 17,372,806	\$ 96,499,083
Receivables	4,230,580	3,452,411	1,634,877	5,246,214	91,604	2,278,749	16,934,435
Advances to other funds	-	697,857	-	-	-	-	697,857
Inventories and prepaids	20,842	799,160	-	-	-	25,796	845,798
Total assets	<u>\$ 19,632,601</u>	<u>\$ 28,605,116</u>	<u>\$ 25,504,180</u>	<u>\$ 6,959,962</u>	<u>\$ 14,597,963</u>	<u>\$ 19,677,351</u>	<u>\$ 114,977,173</u>
LIABILITIES							
Accounts payable	\$ 802,365	\$ 677,672	\$ 669,487	\$ 15,900	\$ 1,796,911	\$ 1,208,720	\$ 5,171,055
Payroll related liabilities	1,257,339	299,280	822,018	2,261	-	449,468	2,830,366
Deposits	23,097	929,964	-	-	-	115,288	1,068,349
Unearned revenue	-	-	1,226,793	-	-	-	1,226,793
Total liabilities	<u>2,082,801</u>	<u>1,906,916</u>	<u>2,718,298</u>	<u>18,161</u>	<u>1,796,911</u>	<u>1,773,476</u>	<u>10,296,563</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>2,806,403</u>	<u>-</u>	<u>-</u>	<u>5,242,542</u>	<u>-</u>	<u>369,569</u>	<u>8,418,514</u>
FUND BALANCES							
Nonspendable	20,842	799,160	-	-	-	25,796	845,798
Restricted	-	-	16,994,839	1,699,259	1,017,167	6,933,064	26,644,329
Committed	2,222,672	2,587,808	-	-	-	407,670	5,218,150
Assigned	1,288,139	23,311,232	5,791,043	-	11,783,885	10,170,957	52,345,256
Unassigned	11,211,744	-	-	-	-	(3,181)	11,208,563
Total fund balances	<u>14,743,397</u>	<u>26,698,200</u>	<u>22,785,882</u>	<u>1,699,259</u>	<u>12,801,052</u>	<u>17,534,306</u>	<u>96,262,096</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 19,632,601</u>	<u>\$ 28,605,116</u>	<u>\$ 25,504,180</u>	<u>\$ 6,959,962</u>	<u>\$ 14,597,963</u>	<u>\$ 19,677,351</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.	193,212,687
Deferred amounts related to pensions are not reported in the funds:	
Pension-related deferred outflows of resources	8,450,037
Pension-related deferred inflows of resources	(10,742,015)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	8,418,514
Internal service funds assets and liabilities are included in governmental activities in the statement of net position.	(2,464,631)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	56,228,093
Accrued interest payable	307,294
Compensated absences	3,786,282
Net pension liability	39,427,055
Net OPEB obligation	17,013,266
	<u>(116,761,990)</u>

Net position of governmental activities \$ 176,374,698

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, 2016

	General Operating Fund	Public Works Fund	Health Fund	Lottery & Economic Development Fund	Facility Renovation Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 65,034,836	\$ -	\$ -	\$ -	\$ -	\$ 1,044,024	\$ 66,078,860
Licenses and permits	64,500	194,402	-	-	-	3,552,399	3,811,301
Intergovernmental	4,360,195	23,833,675	39,282,773	1,634,262	68,153	20,392,738	89,571,796
Charges for services	5,767,638	3,944,923	6,792,695	-	-	10,330,641	26,835,897
Fines and forfeitures	1,936,438	11	-	-	-	772,925	2,709,374
Interest	656,048	144,150	155,433	9,744	68,415	114,089	1,147,879
Other	17,278	18,691	99,594	349,619	-	790,122	1,275,304
Total revenues	77,836,933	28,135,852	46,330,495	1,993,625	136,568	36,996,938	191,430,411
Expenditures:							
Current:							
General government	9,447,384	-	-	-	-	217,682	9,665,066
Health and social services	-	-	48,833,087	-	-	1,628,645	50,461,732
Public safety and judicial	56,388,023	-	-	-	-	18,959,389	75,347,412
Community service	540,884	-	-	845,854	-	4,733,629	6,120,367
Roads and bridges	-	18,958,103	-	-	-	497,785	19,455,888
Education	-	-	-	-	-	578,669	578,669
Debt service:							
Principal	-	-	-	498,354	-	3,257,623	3,755,977
Interest	-	-	-	53,709	-	3,209,732	3,263,441
Capital outlay	100,996	7,795,148	30,131	-	5,410,453	2,003,027	15,339,755
Total expenditures	66,477,287	26,753,251	48,863,218	1,397,917	5,410,453	35,086,181	183,988,307
Excess (deficiency) of revenues over expenditures	11,359,646	1,382,601	(2,532,723)	595,708	(5,273,885)	1,910,757	7,442,104
Other financing sources (uses):							
Transfers in	4,032,582	32,460	3,498,968	47,721	5,745,732	8,512,090	21,869,553
Transfers out	(14,998,929)	(20,000)	(2,579,116)	(326,500)	-	(4,500,281)	(22,424,826)
Total other financing sources (uses)	(10,966,347)	12,460	919,852	(278,779)	5,745,732	4,011,809	(555,273)
Net change in fund balances	393,299	1,395,061	(1,612,871)	316,929	471,847	5,922,566	6,886,831
Fund balances - beginning	14,350,098	25,303,139	24,398,753	1,382,330	12,329,205	11,611,740	89,375,265
Fund balances - ending	\$ 14,743,397	\$ 26,698,200	\$ 22,785,882	\$ 1,699,259	\$ 12,801,052	\$ 17,534,306	\$ 96,262,096

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, 2016

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

Net change in fund balances - total governmental funds (page 15)		\$ 6,886,831
<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	\$ 19,540,521	
Depreciation expense	<u>(13,621,908)</u>	5,918,613
<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>		
		(36,126)
<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	(174,872)	
Loans receivable	<u>(362,468)</u>	(537,340)
<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>		
Repayment of long-term debt principal	3,755,977	
Amortization of premium issued on refunding bonds	87,649	
Amortization of deferred interest bonds	<u>(734,367)</u>	3,109,259
<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	13,770	
Compensated absences	(202,866)	
Net pension asset/liability and related deferrals	(32,292,952)	
Net OPEB obligation	<u>(1,429,944)</u>	(33,911,992)
<p>Adjustment to reflect the consolidation of internal service fund activities related to governmental activities.</p>		
		<u>(6,760,737)</u>
Change in net position of governmental activities (page 13)		<u>\$ (25,331,492)</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, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 10,323,123	\$ 1,950,956	\$ 12,274,079	\$ 12,702,773
Receivables	1,384,148	313,868	1,698,016	67,050
Prepays	-	-	-	50,000
Total current assets	<u>11,707,271</u>	<u>2,264,824</u>	<u>13,972,095</u>	<u>12,819,823</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	10,611,094	14,058,609	-
Equipment	4,111,083	11,514	4,122,597	-
Less accumulated depreciation	(10,164,940)	(8,817,088)	(18,982,028)	-
Total assets	<u>18,339,199</u>	<u>4,297,693</u>	<u>22,636,892</u>	<u>12,819,823</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	<u>198,454</u>	<u>-</u>	<u>198,454</u>	<u>1,285,274</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,371,663	166,933	1,538,596	1,327,429
Payroll related liabilities	52,615	2,707	55,322	430,417
Accrued interest	-	13,255	13,255	-
Compensated absences, current	89,579	3,461	93,040	574,058
Landfill leachate disposal liability	1,635,849	-	1,635,849	-
Accrued claims liability, current	-	-	-	1,548,789
Advances, current	85,000	17,143	102,143	-
Loans payable, current	-	17,946	17,946	-
Total current liabilities	<u>3,234,706</u>	<u>221,445</u>	<u>3,456,151</u>	<u>3,880,693</u>
Noncurrent liabilities, net of current portion:				
Compensated absences	-	-	-	100,825
Net pension liability	925,971	-	925,971	5,996,962
Net OPEB obligation	416,406	-	416,406	2,223,579
Landfill closure and postclosure liability	7,518,073	-	7,518,073	-
Accrued claims liability	-	-	-	3,789,720
Advances	510,000	85,714	595,714	-
Loans payable	-	441,388	441,388	-
Total liabilities	<u>12,605,156</u>	<u>748,547</u>	<u>13,353,703</u>	<u>15,991,779</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	<u>252,284</u>	<u>-</u>	<u>252,284</u>	<u>1,633,890</u>
NET POSITION				
Net investment in capital assets	6,631,928	1,470,678	8,102,606	-
Unrestricted	(951,715)	2,078,468	1,126,753	(3,520,572)
Total net position	<u>\$ 5,680,213</u>	<u>\$ 3,549,146</u>	<u>9,229,359</u>	<u>\$ (3,520,572)</u>
Adjustment to reflect consolidation of internal service fund activities			(1,055,941)	
Net position of business-type activities			<u>\$ 8,173,418</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, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 16,420,304	\$ 2,309,239	\$ 18,729,543	\$ 46,346,439
Other	2	115	117	18,398
Total operating revenues	<u>16,420,306</u>	<u>2,309,354</u>	<u>18,729,660</u>	<u>46,364,837</u>
Operating expenses:				
Salaries and wages	3,065,156	114,380	3,179,536	21,137,988
Repairs and maintenance	703,212	132,968	836,180	1,623,196
Utilities	28,906	236,387	265,293	105,274
Building and equipment rentals	79,626	410	80,036	234,654
Professional services	15,280,158	1,080,121	16,360,279	688,040
Communication	13,861	1,674	15,535	222,978
Fuel and operating supplies	130,162	23,893	154,055	536,803
Insurance claims and premiums	-	14,611	14,611	23,681,154
Administrative expenses	1,194,182	-	1,194,182	1,719,570
Depreciation	471,081	305,300	776,381	-
Other	293,172	7,516	300,688	419,051
Total operating expenses	<u>21,259,516</u>	<u>1,917,260</u>	<u>23,176,776</u>	<u>50,368,708</u>
Operating income (loss)	<u>(4,839,210)</u>	<u>392,094</u>	<u>(4,447,116)</u>	<u>(4,003,871)</u>
Nonoperating revenues (expenses):				
Franchise taxes	347,208	-	347,208	-
Interest revenue	77,733	11,109	88,842	49,229
Interest expense	(3,672)	(26,210)	(29,882)	-
Total nonoperating revenues (expenses)	<u>421,269</u>	<u>(15,101)</u>	<u>406,168</u>	<u>49,229</u>
Income (loss) before transfers	<u>(4,417,941)</u>	<u>376,993</u>	<u>(4,040,948)</u>	<u>(3,954,642)</u>
Transfers in	-	-	-	555,273
Rebate to customers	-	-	-	(2,500,000)
Transfer to general capital assets	-	-	-	(1,214,363)
Change in net position	<u>(4,417,941)</u>	<u>376,993</u>	<u>(4,040,948)</u>	<u>(7,113,732)</u>
Net position - beginning, as restated	<u>10,098,154</u>	<u>3,172,153</u>		<u>3,593,160</u>
Net position - ending	<u>\$ 5,680,213</u>	<u>\$ 3,549,146</u>		<u>\$ (3,520,572)</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(352,995)</u>	
Change in net position of business-type activities			<u>\$ (4,393,943)</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, 2016

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Other	Total	Internal
		Enterprise Funds		Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 16,588,777	\$ 2,308,001	\$ 18,896,778	\$ 46,405,726
Cash payments to suppliers for goods and services	(17,760,672)	(1,481,195)	(19,241,867)	(26,826,181)
Cash payments to employees for services	(2,315,959)	(108,212)	(2,424,171)	(16,083,524)
Net cash from operating activities	(3,487,854)	718,594	(2,769,260)	3,496,021
Cash flows from noncapital financing activities:				
Franchise taxes received	347,208	-	347,208	-
Transfers received	-	44,602	44,602	555,273
Transfers paid	-	(44,602)	(44,602)	-
Rebate paid to customers	-	-	-	(2,500,000)
Net cash from noncapital financing activities	347,208	-	347,208	(1,944,727)
Cash flows from capital and related financing activities:				
Purchase of capital assets	(102,429)	(165,827)	(268,256)	(1,214,363)
Debt principal payments	(85,000)	(99,741)	(184,741)	-
Debt interest payments	(3,672)	(28,240)	(31,912)	-
Net cash from capital and related financing activities	(191,101)	(293,808)	(484,909)	(1,214,363)
Cash flows from investing activities:				
Interest on investments	85,596	10,398	95,994	44,999
Net cash from investing activities	85,596	10,398	95,994	44,999
Net change in cash and investments	(3,246,151)	435,184	(2,810,967)	381,930
Cash and investments - beginning	13,569,274	1,515,772	15,085,046	12,320,843
Cash and investments - ending	\$ 10,323,123	\$ 1,950,956	\$ 12,274,079	\$ 12,702,773

(Continued on following page)

MARION COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2016

	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)	\$ (4,839,210)	\$ 392,094	\$ (4,447,116)	\$ (4,003,871)
Depreciation	471,081	305,300	776,381	-
Change in:				
Accounts receivable	168,471	(1,353)	167,118	40,889
Prepaid expenses	-	-	-	1,048,110
Accounts payable	(508,592)	16,385	(492,207)	787,105
Payroll related liabilities	(1,404)	2,707	1,303	90,616
Compensated absences	(17,261)	3,461	(13,800)	54,545
Net pension asset/liability and deferred pension outflows/inflows	742,316	-	742,316	4,734,192
Net OPEB obligation	25,546	-	25,546	175,111
Landfill closure and postclosure liability	471,199	-	471,199	-
Accrued claims liability	-	-	-	569,324
Net cash from operating activities	<u>\$ (3,487,854)</u>	<u>\$ 718,594</u>	<u>\$ (2,769,260)</u>	<u>\$ 3,496,021</u>
Schedule of non-cash capital and related financing activities:				
Transfer to general capital assets	\$ -	\$ -	\$ -	\$ 1,214,363

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

MARION COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2016

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 26,863,272
Receivables:	
Accounts and interest	728,016
Property taxes	<u>14,273,442</u>
Total assets	<u>\$ 41,864,730</u>
LIABILITIES	
Accounts payable	\$ 3,686,961
Due to other agencies	<u>38,177,769</u>
Total liabilities	<u>\$ 41,864,730</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, 2016

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 component units listed below provide services to County residents that live within the boundaries of each district. These distinct districts are reported as blended component units because the County's Board of Commissioners acts as the districts' governing body, approving budgets, setting rates, and issuing debt. In addition, County personnel are responsible for managing the districts' day-to-day operations. The Marion County Extension and 4-H Service District is reported as a special revenue fund, and the other 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	Marion County Extension and
East Salem Service District	4-H Service District
Fargo Interchange Service District	555 Court Street NE, Suite 3120
Illahe Hills Street Lighting District	Salem, Oregon 97301
Labish Village Sewage and Drainage District	
5155 Silverton Rd NE	
Salem, Oregon 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 2016, the County paid \$144,512 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, Oregon 97301

The County also participates in the Mid-Valley Behavioral Care Network (MVBCN), a jointly governed organization between Marion County and Polk County. MVBCN contracts with its member counties and other providers to deliver behavioral health services to county residents under the Oregon Health Plan and other contracts. Separate financial statements for MVBCN may be obtained at:

Mid-Valley Behavioral Care Network
2965 Ryan Drive SE, Suite 150
Salem, Oregon 97301

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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

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.

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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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

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.

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 & Economic Development 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.

Facility Renovation Fund – Accounts for major facility renovation projects.

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. Cash and Investments:

The County maintains a cash and investment pool that is available for use by all funds including proprietary funds, component units and agency funds. All investment purchases and sales are part of the County's cash management activity and considered cash and cash equivalents. Activities undertaken by the pool, on behalf of the proprietary funds, are not reported on the Statement of Cash Flows. Earnings on pooled cash and investments are allocated monthly based on the average daily balances of participating funds.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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

Investments are reported on a basis that approximates 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 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.

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

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.

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.

F. Inventories and Prepaid Items:

Inventories of materials and supplies are valued at average cost. Prepaid items are recorded when payments are made to vendors for costs applicable to future accounting periods. Inventories and prepaid items are charged to expenditures/expenses when consumed rather than when purchased.

G. 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, 2016

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

H. Long-Term Debt:

All of the County's 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.

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. 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.

K. Pensions:

The County reports its proportionate share of the net pension asset of the Oregon Public Employees Retirement System (PERS). For purposes of measuring the net pension liability, pension expense and related deferrals, information about PERS' fiduciary net position, additions to and deductions from fiduciary net position, have been determined on the same basis as that reported by PERS. Benefit payments, including refunds of employee contributions, are recognized when due and payable; investments are reported at fair value.

L. Deferred Outflows and Inflows of Resources:

Deferred outflows of resources represents a consumption of net position that will be recognized as expenditure or expense in future periods. Within this category, the County reports pension-related deferrals for differences between expected and actual experience, changes in proportionate share, and contributions made after the date used to measure the net pension liability for the current fiscal year; these amounts will be recognized as additions to pension expense in future years.

Deferred inflows of resources represents an acquisition of financial position that will be recognized as revenue in future periods. Within this category, the County reports pension-related deferrals for differences between estimated and actual investment earnings, and differences between estimated and actual employer contributions; these amounts will be recognized as reductions of pension expense in future years. In addition, the governmental funds report deferred inflows for resources not yet available from property taxes and loans receivable; these amounts will be recognized as revenue when available.

M. 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.

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,

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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

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 as directed by the board through the annual budget process. *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.

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 \$2,222,672 as of June 30, 2016.

P. 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, 2016:

Cash on hand	\$ 15,223
Deposits with financial institutions	7,847,377
Investments	<u>140,476,603</u>
Total cash and investments	<u>\$ 148,339,203</u>

Cash and investments consist of \$121,475,930 shown on the government-wide Statement of Net Position and \$26,863,273 shown on the fiduciary Statement of Net Position.

Deposits with Financial Institutions – Deposits with financial institutions are comprised of demand deposits and savings deposits. The County participates in the Oregon Public Funds Collateralization Program formed by the State of Oregon under ORS 295. The 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. As of June 30, 2016, the County had total bank balances of \$8,519,145. Of this amount, \$753,080 was covered by federal depository insurance, and the remainder was collateralized by the statewide pool.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 2 – CASH AND INVESTMENTS (Continued):

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.

As of June 30, 2016, the County had the following investments:

Investment Type	Valuation Method (see below)	Fair Value	Carrying Value	Percent of Investment Portfolio	Wt. Ave. Maturity (months)
US treasury securities	Level 1	\$ 23,048,100	\$ 22,965,374	16.3%	13.53
US agency securities	Level 1	64,810,536	64,689,576	46.1%	23.20
Municipal bonds	Level 1	5,782,849	5,758,799	4.1%	24.07
Corporate bonds	Level 1	31,979,713	31,957,296	22.7%	9.33
State of Oregon local government investment pool	N/A	15,196,191	15,105,558	10.8%	n/a
		<u>\$ 140,817,389</u>	<u>\$ 140,476,603</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 that is not registered with the US Securities and Exchange Commission as an investment company. The Oregon State Treasurer administers the LGIP 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 carrying value of the County’s position in the pool is the same as the value of the pool shares; fair value was 100.6% of the value of the pool shares as of June 30, 2016.

All other investments are reported at amortized cost which approximates fair value. Fair value is based on quoted prices in active markets (level 1), or other observable inputs (level 2), as defined by generally accepted accounting principles.

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 36 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, 2016, ratings (Moody’s unless otherwise noted) for the County’s investments were as follows: US treasury securities \$22,965,374, Aaa; US agency securities \$62,689,117, Aaa, \$2,000,459, not rated; municipal bonds \$4,639,542, Aa, \$518,938, A, \$600,319, AAA (S&P); corporate bonds \$1,618,119, Aaa, \$14,040,061, Aa, \$16,299,116, A. The LGIP is not rated.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 2 – CASH AND INVESTMENTS (Continued):

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.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES:

The Public Works Fund has the following capital advances receivable: \$595,000 from the Environmental Services Fund for heavy equipment purchases, \$85,000 due annually plus interest at 0.875%; and \$102,857 from the Fargo Interchange Service District for a sewer pump upgrade, \$17,143 due annually plus interest at 1.6%.

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	Total
General Operating Fund	\$ 3,152,021	\$ 898,894	\$ 59,665	\$ 120,000	\$ 4,230,580
Public Works Fund	-	3,401,940	50,471	-	3,452,411
Health Fund	-	1,583,069	51,808	-	1,634,877
Lottery Distribution Fund	-	-	3,672	5,242,542	5,246,214
Facility Renovation Fund	-	68,153	23,451	-	91,604
Environmental Services	-	1,361,705	22,443	-	1,384,148
Nonmajor governmental funds	26,564	1,871,954	32,625	347,606	2,278,749
Nonmajor enterprise funds	30,006	279,744	4,118	-	313,868
Internal service funds	-	47,989	19,061	-	67,050
Agency funds	14,273,442	677,436	46,630	-	14,997,508
	<u>\$ 17,482,033</u>	<u>\$ 10,190,884</u>	<u>\$ 313,944</u>	<u>\$ 5,710,148</u>	<u>\$ 33,697,009</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 11,888,914	\$ 264,041	\$ -	\$ 12,152,955
Construction in progress	7,152,949	9,678,672	7,990,948	8,840,673
Total capital assets not being depreciated	<u>19,041,863</u>	<u>9,942,713</u>	<u>7,990,948</u>	<u>20,993,628</u>
Capital assets being depreciated:				
Buildings and improvements	113,270,995	1,974,398	-	115,245,393
Equipment	30,961,729	2,296,354	665,654	32,592,429
Infrastructure	565,460,345	13,315,004	-	578,775,349
Total capital assets being depreciated	<u>709,693,069</u>	<u>17,585,756</u>	<u>665,654</u>	<u>726,613,171</u>
Less accumulated depreciation for:				
Buildings and improvements	33,209,330	2,342,366	-	35,551,696
Equipment	17,590,659	2,239,053	632,528	19,197,184
Infrastructure	490,604,743	9,040,489	-	499,645,232
Total accumulated depreciation	<u>541,404,732</u>	<u>13,621,908</u>	<u>632,528</u>	<u>554,394,112</u>
Total capital assets being depreciated, net	<u>168,288,337</u>	<u>3,963,848</u>	<u>33,126</u>	<u>172,219,059</u>
Governmental activities capital assets, net	<u>\$ 187,330,200</u>	<u>\$ 13,906,561</u>	<u>\$ 8,024,074</u>	<u>\$ 193,212,687</u>
	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	13,904,296	154,313	-	14,058,609
Equipment	4,008,654	113,943	-	4,122,597
Total capital assets being depreciated	<u>24,343,653</u>	<u>268,256</u>	<u>-</u>	<u>24,611,909</u>
Less accumulated depreciation for:				
Landfills	6,428,176	2,527	-	6,430,703
Buildings and improvements	9,850,518	426,246	-	10,276,764
Equipment	1,926,953	347,608	-	2,274,561
Total accumulated depreciation	<u>18,205,647</u>	<u>776,381</u>	<u>-</u>	<u>18,982,028</u>
Total capital assets being depreciated, net	<u>6,138,006</u>	<u>(508,125)</u>	<u>-</u>	<u>5,629,881</u>
Business-type activities capital assets, net	<u>\$ 9,172,922</u>	<u>\$ (508,125)</u>	<u>\$ -</u>	<u>\$ 8,664,797</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 5 – CAPITAL ASSETS (Continued):

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

Governmental activities:	
General government	\$ 1,990,383
Health and social services	111,200
Public safety and judicial	1,534,390
Community service	24,983
Roads and bridges	9,960,952
Total depreciation expense, governmental activities	<u>\$ 13,621,908</u>
Business-type activities:	
Environmental services	\$ 471,081
Stormwater management	908
Sewer and lighting services	304,392
Total depreciation expense, business-type activities	<u>\$ 776,381</u>

NOTE 6 – LONG-TERM OBLIGATIONS:

Changes in long-term obligations for the year ended June 30, 2016 are as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due within One Year
Governmental activities:					
Revenue bonds	\$ 1,292,413	\$ -	\$ 498,354	\$ 794,059	\$ 522,968
Refunding obligations	10,640,837	-	1,102,649	9,538,188	1,070,000
Capital financing agreement	9,662,966	-	587,623	9,075,343	606,172
Limited tax pension obligations	38,535,195	-	920,633	37,614,562	1,865,000
Accrued claims liability	4,769,185	1,617,905	1,048,581	5,338,509	1,548,789
Compensated absences	4,203,754	4,475,449	4,218,038	4,461,165	4,034,951
Net pension liability	-	45,424,017	-	45,424,017	-
Net OPEB obligation	17,631,790	2,344,319	739,264	19,236,845	-
Governmental activities long-term obligations	<u>\$ 86,736,140</u>	<u>\$ 53,861,690</u>	<u>\$ 9,115,142</u>	<u>\$ 131,482,688</u>	<u>\$ 9,647,880</u>
Business-type activities:					
Notes payable	\$ 541,932	\$ -	\$ 82,598	\$ 459,334	\$ 17,946
Landfill closure and postclosure liability	8,682,723	471,199	-	9,153,922	-
Compensated absences	106,840	80,076	93,876	93,040	93,040
Net pension liability	-	925,971	-	925,971	-
Net OPEB obligation	390,860	41,548	16,002	416,406	-
Business-type activities long-term liabilities	<u>\$ 9,722,355</u>	<u>\$ 1,518,794</u>	<u>\$ 192,476</u>	<u>\$ 11,048,673</u>	<u>\$ 110,986</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

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 net pension liability and net OPEB obligation of the internal service funds are included as part of the above totals for governmental activities.

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			Future Interest
	Outstanding July 1, 2015	Matured and Paid During Year	Outstanding June 30, 2016	
2016	\$ 498,354	\$ 498,354	\$ -	\$ -
2017	522,968	-	522,968	29,096
2018	271,091	-	271,091	4,941
	<u>\$ 1,292,413</u>	<u>\$ 498,354</u>	<u>\$ 794,059</u>	<u>\$ 34,037</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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, 2015	Matured and Paid During Year	Outstanding June 30, 2016	
2016	\$ 1,015,000	\$ 1,015,000	\$ -	\$ -
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	1,245,000	-	1,245,000	298,100
2021	1,315,000	-	1,315,000	229,625
2022-2023	2,860,000	-	2,860,000	238,150
	9,795,000	1,015,000	8,780,000	2,025,075
Unamortized premium	845,837	87,649	758,188	-
	<u>\$ 10,640,837</u>	<u>\$ 1,102,649</u>	<u>\$ 9,538,188</u>	<u>\$ 2,025,075</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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% were 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, 2015	Paid During Year	Outstanding June 30, 2016	
2016	\$ 587,623	\$ 587,623	\$ -	\$ -
2017	606,172	-	606,172	276,104
2018	625,307	-	625,307	256,969
2019	645,046	-	645,046	237,230
2020	665,409	-	665,409	216,868
2021	686,414	-	686,414	195,863
2022-2026	3,771,096	-	3,771,096	640,288
2027-2029	2,075,899	-	2,075,899	88,671
	<u>\$ 9,662,966</u>	<u>\$ 587,623</u>	<u>\$ 9,075,343</u>	<u>\$ 1,911,993</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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, 2015	Matured and Paid During Year	Outstanding June 30, 2016	
2016	\$ 1,150,000	\$ 1,150,000	\$ -	\$ -
2017	1,270,000	-	1,270,000	1,459,350
2018	1,390,000	-	1,390,000	1,459,350
2019	1,520,000	-	1,520,000	1,459,350
2020	1,650,000	-	1,650,000	1,459,350
2021	1,795,000	-	1,795,000	1,454,520
2022-2026	13,510,000	-	13,510,000	5,019,750
2027-2028	5,775,000	-	5,775,000	534,060
	28,060,000	1,150,000	26,910,000	12,845,730
Less deferred interest	(4,774,805)	(734,367)	(4,040,438)	-
	<u>\$ 23,285,195</u>	<u>\$ 415,633</u>	<u>\$ 22,869,562</u>	<u>\$ 12,845,730</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, 2015	Matured and Paid During Year	Outstanding June 30, 2016	
2016	\$ 505,000	\$ 505,000	\$ -	\$ -
2017	595,000	-	595,000	892,085
2018	695,000	-	695,000	857,152
2019	800,000	-	800,000	815,862
2020	920,000	-	920,000	767,742
2021	1,045,000	-	1,045,000	712,404
2022-2026	7,530,000	-	7,530,000	2,440,415
2027-2028	3,160,000	-	3,160,000	259,342
	<u>\$ 15,250,000</u>	<u>\$ 505,000</u>	<u>\$ 14,745,000</u>	<u>\$ 6,745,002</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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 5.25%. Annual requirements to repay the loans are as follows:

Fiscal Year of Maturity	Principal			Future Interest
	Outstanding July 1, 2015	Matured and Paid During Year	Outstanding June 30, 2016	
2016	\$ 82,598	\$ 82,598	\$ -	\$ -
2017	17,946	-	17,946	21,517
2018	18,064	-	18,064	20,799
2019	18,186	-	18,186	20,076
2020	18,322	-	18,322	19,303
2021	18,471	-	18,471	18,479
2022-2026	114,866	-	114,866	78,284
2027-2031	145,250	-	145,250	47,126
2032-2034	108,229	-	108,229	10,308
	<u>\$ 541,932</u>	<u>\$ 82,598</u>	<u>\$ 459,334</u>	<u>\$ 235,892</u>

Landfill Closure and Postclosure Liability – In accordance with Governmental Accounting Standards Board Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs," the County records the estimated closure and postclosure 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. The County does not anticipate closing the North Marion site for the foreseeable future, as most incinerator ash is currently transported offsite for use as alternate daily cover; the County expects to continue receiving demolition waste at Brown's Island for 15 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 \$7,518,073 reported as landfill closure and postclosure liability at June 30, 2016, represents the cumulative amount reported to date based on the use of 85% of the estimated capacity at the North Marion facility and 70% at Brown's Island. The estimated total closure and postclosure care costs remaining to be recognized are \$2,412,557. These amounts are based on what it would cost to perform all closure and postclosure care in 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has also recognized a current liability of \$1,635,849 for the disposal of leachate stored at the North Marion site as of June 30, 2016.

The County demonstrates financial assurance for closure and postclosure care requirements using the local government financial assurance test in accordance with Oregon Administrative Rule 340-094-0140 and 40 CFR 258.74. The County was in compliance with the requirements as of June 30, 2015 (the most recent analysis).

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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 County departments 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 \$5,338,509 reported in the Self-Insurance Fund at June 30, 2016 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, 2016.

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 2015-16	Fiscal Year 2014-15
Claims liability, beginning of year	\$ 4,769,185	\$ 4,455,894
Current year claims and changes in estimates	1,617,905	1,998,407
Claim payments	(1,048,581)	(1,685,116)
Claims liability, end of year	\$ 5,338,509	\$ 4,769,185

NOTE 8 – PENSION PLAN:

Plan Description – County employees are provided pension benefits through the Oregon Public Employees Retirement System (PERS). PERS is a cost-sharing multiple-employer defined benefit pension plan for units of state and local government in Oregon, containing multiple actuarial pools. Benefits are established and amended by the Oregon State Legislature pursuant to ORS Chapters 238 and 238A. The legislature has delegated the authority to administer and manage PERS to the Public Employees Retirement Board. PERS issues a publicly available financial report that can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Benefits Provided – PERS provides retirement, disability, and death benefits which vary based on a qualified employee's hiring date and employment class (general service or police/fire). All County employees are eligible to participate after six months of covered employment. Details applicable to police/fire employees are noted in **[square brackets]** where different.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 8 – PENSION PLAN (Continued):

The Tier One/Tier Two Retirement Plan applies to qualifying employees hired before August 29, 2003 and is closed to new members.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.67% [2.00%]. Benefits may also be based on a money match computation, or formula plus annuity (for members contributing before August 21, 1981), if a greater benefit results. Employees are fully vested after making contributions in each of five calendar years, and are eligible to retire at age 55 [50]. Tier One benefits are reduced if retirement occurs prior to age 58 [55] with less than 30 [25] years of service; Tier Two benefits are reduced for retirement prior to age 60.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. Disability benefits are determined in the same manner as retirement benefits with service time computed to age 58 [55].

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance. The beneficiary may also receive a matching lump-sum payment from employer funds if the member was in covered employment at the time of death, or if the member died less than 120 days after termination, while on official leave of absence, or as a result of a job-related injury.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

The Oregon Public Service Retirement Plan (OPSRP) applies to qualifying employees hired on or after August 29, 2003.

Monthly retirement benefits are based on final 3-year average salary multiplied by years of service and a factor of 1.50% [1.80%]. Employees are fully vested after completing 600 hours of service in each of five calendar years, and are eligible to retire at age 58 [53] with 30 [25] years of service, or at age 65 [60] otherwise.

Employees are eligible for service-related disability benefits regardless of length of service; 10 years of service is required for nonservice-related benefits. The benefit is 45% of the employee's salary during the last full month of employment before the disability occurred.

Upon the death of a non-retired member, the beneficiary receives a monthly benefit equal to 50% of the retirement benefit that would have been paid to the member.

Monthly benefits are subject to annual cost-of-living adjustments (COLA). For benefits earned after the relevant effective dates, the COLA is subject to a cap of 1.25% on the first \$60,000 of annual benefits and 0.15% thereafter (ORS 238.360).

Contribution Requirements – As a participating employer, the County is required to make monthly contributions to PERS based on actuarially determined percentages of covered payroll. Rates in effect for fiscal year 2016 were 12.44% for Tier One/Tier Two employees, 5.76% for OPSRP general service employees, and 9.87% for OPSRP police/fire employees. The County's total contributions to PERS were \$7,540,553 for fiscal year 2016.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 8 – PENSION PLAN (Continued):

Contribution requirements are established by Oregon statute and may be amended by an act of the Oregon State Legislature. Employer contribution rates for fiscal year 2016 were based on the December 31, 2013 actuarial valuation using the entry age normal actuarial cost method. The actuarially determined rates also reflect lump sum payments the County made to PERS in 2002 and 2004. It is important to note that the actuarial valuations used for rate setting are based on different methods and assumptions than those used for financial reporting which are described later in this note.

Employee contributions are set by statute at 6% of salary and are remitted by participating employers, who may agree to make employee contributions on the employee's behalf. Prior to January 1, 2004, employee contributions were credited to the defined benefit pension plan. Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan described further at the end of this note.

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2016, the County reported a net pension liability of \$46,349,988 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on a December 31, 2013 actuarial valuation, rolled forward to the measurement date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to PERS relative to the projected contributions of all participating employers, as actuarially determined. The County's proportion was 0.81% as of the June 30, 2015 measurement date, compared to 0.79% as of June 30, 2014.

For fiscal year 2016, the County recognized a pension expense of \$44,887,377. At June 30, 2016, the County reported the following pension-related deferrals:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,499,426	\$ -
Net difference between projected and actual earnings on investments	-	9,716,008
Changes in proportionate share	316,422	-
Differences between employer contributions and proportionate share of contributions	-	2,912,181
	<u>2,815,848</u>	<u>12,628,189</u>
Contributions made after the measurement date	7,117,917	-
	<u>\$ 9,933,765</u>	<u>\$ 12,628,189</u>

The \$7,117,917 reported as deferred outflows of resources for contributions made subsequent to the measurement date will be recognized as a reduction of net pension liability in fiscal year 2017. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in subsequent years as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ (4,694,791)
2018	(4,694,791)
2019	(4,694,791)
2020	4,441,306
2021	(169,274)

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 8 – PENSION PLAN (Continued):

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2013 actuarial valuation was determined using the entry age normal method and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.75%, projected salary increases of 3.75%, investment rate of return of 7.75%, and mortality rates based on the RP-2000 sex-distinct mortality tables, with generational adjustments per scale AA. These assumptions were based on the results of an actuarial experience study for the four-year period ending December 31, 2014.

The long-term expected rate of return on pension plan investments was developed by combining estimated rates of return for each major asset class weighted by target asset allocation percentages and adjusting for inflation.

Target allocations and estimated geometric rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
Core Fixed Income	7.20 %	4.50 %
Short-Term Bonds	8.00	3.70
Intermediate-Term Bonds	3.00	4.10
High Yield Bonds	1.80	6.66
Large Cap US Equities	11.65	7.20
Mid Cap US Equities	3.88	7.30
Small Cap US Equities	2.27	7.45
Developed Foreign Equities	14.21	6.90
Emerging Market Equities	5.49	7.40
Private Equity	20.00	8.26
Hedge Funds	5.00	6.01
Real Estate (Property)	13.75	6.51
Real Estate (REITS)	2.50	6.76
Commodities	1.25	6.07
	<u>100.00 %</u>	

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 6.75%, 7.75%, and 8.75%.

	<u>1% Decrease 6.75%</u>	<u>Current Rate 7.75%</u>	<u>1% Increase 8.75%</u>
County's proportionate share of the net pension liability (asset)	\$ 111,863,972	\$ 46,349,988	\$ (8,861,089)

Pension Plan Fiduciary Net Position – Detailed information about PERS' net position is available in its separately issued financial report.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 8 – PENSION PLAN (Continued):

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the County has opted to pick-up the contributions on behalf of employees; contributions were \$4,795,440 for the year ended June 30, 2016. Employees are fully vested after completing 600 hours of service in each of five calendar years. PERS contracts with VOYA Financial to administer the IAP.

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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued):

	FY 2016	FY 2015	FY 2014
Net OPEB obligation, beginning of year	\$ 18,022,650	\$ 16,414,888	\$ 14,779,080
Annual required contribution (ARC)	2,308,638	2,298,162	2,220,446
Interest on net OPEB obligation	720,906	656,596	591,163
Amortization adjustment to ARC	<u>(643,677)</u>	<u>(586,255)</u>	<u>(527,833)</u>
Annual OPEB cost	2,385,867	2,368,503	2,283,776
Contributions made (implicit rate subsidy)	<u>(755,266)</u>	<u>(760,741)</u>	<u>(647,968)</u>
Change in net OPEB obligation	<u>1,630,601</u>	<u>1,607,762</u>	<u>1,635,808</u>
Net OPEB obligation, end of year	<u>\$ 19,653,251</u>	<u>\$ 18,022,650</u>	<u>\$ 16,414,888</u>
Percentage of annual OPEB cost contributed	32%	32%	28%

Funded Status and Funding Progress – As of July 1, 2015, the most recent actuarial valuation date, the actuarially accrued liability was \$21,491,057, all of which is unfunded because the County has not set aside any assets to pre-fund OPEB resulting from the implicit rate subsidy. The annual payroll of active employees covered by the County's healthcare plan was \$74,871,306, 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, 2015 actuarial valuation, the actuary used the projected unit credit actuarial cost method. Actuarial assumptions included a discount rate of 4%, inflation rate of 2.5%, projected salary increases of 3.5% per year, and a healthcare cost trend rate of 7% initially, reduced by decrements to an ultimate rate of 5% after 16 years. The UAAL is being amortized over an open period of 30 years as a level percentage of projected payroll.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 10 – FUND BALANCE CLASSIFICATIONS:

	General Operating	Public Works	Health	Lottery & Econ Dev	Facility Renovation	Other Governmental	Total Governmental
Restricted for:							
Capitated health services	\$ -	\$ -	\$ 11,494,890	\$ -	\$ -	\$ -	\$ 11,494,890
Health programs	-	-	5,499,949	-	-	-	5,499,949
Economic development	-	-	-	1,699,259	-	-	1,699,259
Forest & wildfire programs	-	-	-	-	-	646,094	646,094
Public safety programs	-	-	-	-	-	2,210,048	2,210,048
Court security	-	-	-	-	-	968,229	968,229
Law library	-	-	-	-	-	546,042	546,042
Corner restoration	-	-	-	-	-	1,546,064	1,546,064
Extension services	-	-	-	-	-	575,155	575,155
Capital projects	-	-	-	-	1,017,167	-	1,017,167
Other purposes	-	-	-	-	-	441,432	441,432
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,994,839</u>	<u>\$ 1,699,259</u>	<u>\$ 1,017,167</u>	<u>\$ 6,933,064</u>	<u>\$ 26,644,329</u>
Committed to:							
Financial stabilization	\$ 2,222,672	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,222,672
Road improvements	-	2,587,808	-	-	-	-	2,587,808
Other purposes	-	-	-	-	-	407,670	407,670
	<u>\$ 2,222,672</u>	<u>\$ 2,587,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,670</u>	<u>\$ 5,218,150</u>
Assigned to:							
Health programs	\$ -	\$ -	\$ 5,791,043	\$ -	\$ -	\$ -	\$ 5,791,043
Public safety programs	1,288,139	-	-	-	-	2,267,905	3,556,044
Roads & bridges	-	23,311,232	-	-	-	81,372	23,392,604
Building inspection	-	-	-	-	-	2,255,401	2,255,401
Debt service	-	-	-	-	-	964,838	964,838
Capital projects	-	-	-	-	11,783,885	4,074,277	15,858,162
Other purposes	24,820	-	-	-	-	502,344	527,164
	<u>\$ 1,312,959</u>	<u>\$ 23,311,232</u>	<u>\$ 5,791,043</u>	<u>\$ -</u>	<u>\$ 11,783,885</u>	<u>\$ 10,146,137</u>	<u>\$ 52,345,256</u>

NOTE 11 – TRANSFERS:

Transfer To	Transfer From						Total
	Governmental Funds					Proprietary Nonmajor enterprise funds	
	General Operating Fund	Public Works Fund	Health Fund	Lottery & Econ Dev Fund	Nonmajor funds		
Governmental Funds:							
General Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ 3,932,582	\$ -	\$ 3,932,582
Public Works Fund	32,460	-	-	-	-	-	32,460
Health Fund	3,498,968	-	-	-	-	-	3,498,968
Lottery & Econ Dev Fund	-	-	-	-	47,721	-	47,721
Facility Renovation Fund	3,545,732	-	2,200,000	-	-	-	5,745,732
Nonmajor funds	7,343,769	20,000	379,116	326,500	442,705	-	8,512,090
Proprietary Funds:							
Nonmajor enterprise funds	-	-	-	-	-	44,602	44,602
Internal service funds	478,000	-	-	-	77,273	-	555,273
Total	<u>\$ 14,898,929</u>	<u>\$ 20,000</u>	<u>\$ 2,579,116</u>	<u>\$ 326,500</u>	<u>\$ 4,500,281</u>	<u>\$ 44,602</u>	<u>\$ 22,369,428</u>

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 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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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, and receives credits for electricity generation and the sale of secondary materials. For fiscal year 2016, monthly service fees were approximately \$804,000. 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 \$1,247,026 for the year ended June 30, 2016. Future obligations under these agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 1,311,341
2018	1,316,377
2019	859,642
2020	372,704
2021	341,257
2022-2025	764,736

NOTE 13 – SUBSEQUENT EVENTS:

In July 2016, the County entered into a full faith and credit financing agreement with a qualified lender for various capital projects totaling \$9,950,000. Payments on the loan are due quarterly through June 2030 with interest at 1.99%.

Management has evaluated subsequent events through December 21, 2016 and is not aware of any subsequent events that require recognition or disclosure in the financial statements.

NOTE 14 – PRIOR PERIOD RESTATEMENT:

Beginning net position has been restated as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Beginning net position, as previously reported	\$ 201,706,190	\$ 15,701,156	\$ 217,407,346
Correction of an error in landfill liabilities	-	(3,133,795)	(3,133,795)
Beginning net position, as restated	<u>\$ 201,706,190</u>	<u>\$ 12,567,361</u>	<u>\$ 214,273,551</u>

NOTE 15 – 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:

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

NOTE 15 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued):

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. Funds are appropriated by department, including amounts for personnel services, materials and services, and capital outlay; non-departmental activity is appropriated by the following categories: personnel services, materials and services, capital outlay, debt service, special payments, transfers and contingency. 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. 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, 2016.

NOTE 16 – NEW PRONOUNCEMENTS:

The County implemented the following pronouncements of the Governmental Accounting Standards Board (GASB) in the current fiscal year: **GASB Statement No. 72**, "Fair Value Measurement and Application," provides guidance for determining fair value measurements for financial reporting purposes. **GASB Statement No. 76**, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments," supersedes Statement No. 55, reducing the GAAP hierarchy to two categories of authoritative GAAP and addressing the use of non-authoritative literature.

The GASB has also issued the following pronouncements that may impact future financial presentations: **GASB Statement No. 75**, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions," replaces Statement No. 45, establishing new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits, effective beginning in fiscal year 2018. **GASB Statement No. 77**, "Tax Abatement Disclosures," establishes disclosure requirements for tax abatement agreements, effective beginning in fiscal year 2017. **GASB Statement No. 80**, "Blending Requirements for Certain Component Units," clarifies financial reporting requirements for certain component units, effective beginning in fiscal year 2017.

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 public health and mental health programs.
Lottery & Economic Development	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. Funds are appropriated by department; non-departmental activities 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, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 64,544,406	\$ 64,544,406	\$ 64,697,461	\$ 153,055
Franchise	285,439	285,439	337,375	51,936
Licenses and permits	60,000	60,000	64,500	4,500
Intergovernmental	4,226,710	4,226,710	4,336,499	109,789
Charges for services	4,695,999	4,695,999	5,355,257	659,258
Fines and forfeitures	270,000	270,000	254,473	(15,527)
Interest	524,000	524,000	633,531	109,531
Other	15,000	15,000	15,599	599
Total revenues	74,621,554	74,621,554	75,694,695	1,073,141
EXPENDITURES:				
Assessor's Office	5,796,757	5,796,757	5,554,502	242,255
Clerk's Office	2,517,374	2,450,493	2,083,294	367,199
Community Services Department	1,032,883	639,313	540,884	98,429
District Attorney's Office	8,288,943	8,288,943	8,070,145	218,798
Justice Court	866,934	866,934	776,950	89,984
Juvenile Department	9,986,895	9,985,775	9,789,796	195,979
Sheriff's Office	36,988,759	37,583,976	36,016,749	1,567,227
Treasurer's Office	459,792	459,792	365,666	94,126
Non-Departmental:				
Materials and services	2,955,487	1,991,487	1,419,700	571,787
Contingency	1,295,000	179,306	-	179,306
Total expenditures	70,188,824	68,242,776	64,617,686	3,625,090
OTHER FINANCING SOURCES (USES):				
Transfers in	4,001,307	4,032,582	4,032,582	-
Transfers out	(12,303,696)	(15,778,040)	(14,685,400)	1,092,640
Total other financing sources (uses)	(8,302,389)	(11,745,458)	(10,652,818)	1,092,640
Net change in fund balance	(3,869,659)	(5,366,680)	424,191	5,790,871
FUND BALANCE - beginning	8,809,905	10,809,512	10,808,395	(1,117)
FUND BALANCE - ending	\$ 4,940,246	\$ 5,442,832	11,232,586	\$ 5,789,754
Reconciliation to generally accepted accounting principles (GAAP) basis:				
Funds budgeted separately:				
Traffic Safety Team Fund			934,700	
Inmate Welfare Fund			353,439	
Rainy Day Fund			2,222,672	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - General Operating Fund			\$ 14,743,397	

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 184,600	\$ 184,600	\$ 194,402	\$ 9,802
Intergovernmental	24,241,367	24,913,915	23,833,675	(1,080,240)
Charges for services	3,845,608	3,845,608	3,944,923	99,315
Fines and forfeitures	3,000	3,000	11	(2,989)
Interest	65,472	65,472	144,150	78,678
Other	106,243	106,243	120,834	14,591
Total revenues	28,446,290	29,118,838	28,237,995	(880,843)
EXPENDITURES:				
Public Works Department	31,997,632	33,484,694	26,753,251	6,731,443
Contingency	2,455,953	3,185,939	-	3,185,939
Total expenditures	34,453,585	36,670,633	26,753,251	9,917,382
OTHER FINANCING SOURCES (USES):				
Transfers in	88,753	88,753	32,460	(56,293)
Transfers out	(23,125)	(23,125)	(20,000)	3,125
Total other financing sources (uses)	65,628	65,628	12,460	(53,168)
Net change in fund balance	(5,941,667)	(7,486,167)	1,497,204	8,983,371
FUND BALANCE - beginning	22,450,569	24,503,139	24,503,139	-
FUND BALANCE - ending	<u>\$ 16,508,902</u>	<u>\$ 17,016,972</u>	26,000,343	<u>\$ 8,983,371</u>
Add interfund loan receivable			<u>697,857</u>	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances			<u>\$ 26,698,200</u>	

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 35,873,030	\$ 38,747,357	\$ 39,282,773	\$ 535,416
Charges for services	6,257,665	6,507,409	6,792,695	285,286
Interest	65,025	125,025	155,433	30,408
Other	35,400	118,740	99,594	(19,146)
Total revenues	<u>42,231,120</u>	<u>45,498,531</u>	<u>46,330,495</u>	<u>831,964</u>
EXPENDITURES:				
Health Department	52,427,909	53,503,466	48,863,218	4,640,248
Contingency	<u>4,475,598</u>	<u>8,159,253</u>	-	<u>8,159,253</u>
Total expenditures	<u>56,903,507</u>	<u>61,662,719</u>	<u>48,863,218</u>	<u>12,799,501</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,555,085	3,555,085	3,498,968	(56,117)
Transfers out	<u>(2,579,116)</u>	<u>(2,579,116)</u>	<u>(2,579,116)</u>	<u>-</u>
Total other financing sources (uses)	<u>975,969</u>	<u>975,969</u>	<u>919,852</u>	<u>(56,117)</u>
Net change in fund balance	(13,696,418)	(15,188,219)	(1,612,871)	13,575,348
FUND BALANCE - beginning	<u>22,604,537</u>	<u>24,398,752</u>	<u>24,398,753</u>	<u>1</u>
FUND BALANCE - ending	<u>\$ 8,908,119</u>	<u>\$ 9,210,533</u>	<u>\$ 22,785,882</u>	<u>\$ 13,575,349</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LOTTERY & ECONOMIC DEVELOPMENT FUND

For the year ended June 30, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,823,323	\$ 1,618,323	\$ 1,634,262	\$ 15,939
Interest	6,053	6,053	9,744	3,691
Other	111,000	105,000	349,619	244,619
Total revenues	<u>1,940,376</u>	<u>1,729,376</u>	<u>1,993,625</u>	<u>264,249</u>
EXPENDITURES:				
Community Services Department	1,271,755	1,240,115	845,854	394,261
Non-Departmental:				
Debt service - principal	498,355	498,355	498,354	1
Debt service - interest	53,709	53,709	53,709	-
Contingency	359,113	313,202	-	313,202
Total expenditures	<u>2,182,932</u>	<u>2,105,381</u>	<u>1,397,917</u>	<u>707,464</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	47,721	47,721	47,721	-
Transfers out	<u>(324,000)</u>	<u>(326,500)</u>	<u>(326,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>(276,279)</u>	<u>(278,779)</u>	<u>(278,779)</u>	<u>-</u>
Net change in fund balance	(518,835)	(654,784)	316,929	971,713
FUND BALANCE - beginning	<u>1,102,421</u>	<u>1,382,330</u>	<u>1,382,330</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 583,586</u>	<u>\$ 727,546</u>	<u>\$ 1,699,259</u>	<u>\$ 971,713</u>

MARION COUNTY, OREGON

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
 SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	<u>Measurement Date</u>	<u>County's Proportion of Net Pension Liability (Asset)</u>	<u>County's Proportionate Share of Net Pension Liability (Asset)</u>	<u>County's Covered Employee Payroll</u>	<u>County's Proportionate Share of NPL(A) as % of Payroll</u>	<u>Plan Fiduciary Net Position as % of Total Pension Liability</u>
2016	6/30/2015	0.81%	\$ 46,349,988	\$ 76,032,919	60.96%	91.88%
2015	6/30/2014	0.79%	(17,881,113)	72,770,005	-24.57%	103.59%
2014	6/30/2013	0.79%	40,256,473	73,461,710	54.80%	91.97%

Notes:

- (1) This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.
- (2) Changes of benefit terms: Amounts reported in fiscal 2015 reflect legislation eliminating tax remedy payments for non-Oregon residents and establishing limits on cost-of-living adjustments. Amounts reported in fiscal 2016 reflect a court ruling that restricts limits on cost-of-living adjustments to benefits accrued after the legislative changes were made.

MARION COUNTY, OREGON

OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS

	<u>Contractually Required Contributions</u>	<u>Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>County's Covered Employee Payroll</u>	<u>Contributions as % of Payroll</u>
2016	\$ 7,540,553	\$ 7,540,553	\$ -	\$ 79,926,090	9.43%
2015	6,741,037	6,741,037	-	76,032,919	8.87%
2014	6,552,862	6,552,862	-	72,770,005	9.00%

Notes:

(1) This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

MARION COUNTY, OREGON

OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS

<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>
7/1/2015	\$ -	\$ 21,491,057	\$ 21,491,057	0.0%	\$ 74,871,306	28.7%
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%

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. Closed in fiscal 2016.
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.

OTHER MAJOR GOVERNMENTAL FUNDS

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Facility Renovation	Capital financing proceeds and interfund transfers.	Various facility renovation projects.

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.
Community Services Grants	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.
Marion County Extension and 4H Service District	Property taxes.	Provides support for extension services to county residents in cooperation with Oregon State University.
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.
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, 2016

	Budgetary Funds				Total General Operating Fund
	General Fund	Traffic Safety Team	Inmate Welfare	Rainy Day	
ASSETS:					
Cash and investments	\$ 11,873,362	\$ 956,986	\$ 332,900	\$ 2,217,931	\$ 15,381,179
Receivables:					
Accounts	861,662	6,765	30,467	-	898,894
Interest	52,020	2,207	697	4,741	59,665
Loans	120,000	-	-	-	120,000
Taxes	3,152,021	-	-	-	3,152,021
Inventories and prepaids	20,842	-	-	-	20,842
Total assets	\$ 16,079,907	\$ 965,958	\$ 364,064	\$ 2,222,672	\$ 19,632,601
LIABILITIES:					
Accounts payable	\$ 795,976	\$ 1,229	\$ 5,160	\$ -	\$ 802,365
Payroll related liabilities	1,227,310	30,029	-	-	1,257,339
Deposits	17,632	-	5,465	-	23,097
Total liabilities	2,040,918	31,258	10,625	-	2,082,801
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	2,806,403	-	-	-	2,806,403
FUND BALANCES:					
Nonspendable	20,842	-	-	-	20,842
Committed	-	-	-	2,222,672	2,222,672
Assigned	-	934,700	353,439	-	1,288,139
Unassigned	11,211,744	-	-	-	11,211,744
Total fund balances	11,232,586	934,700	353,439	2,222,672	14,743,397
Total liabilities, deferred inflows of resources, and fund balances	\$ 16,079,907	\$ 965,958	\$ 364,064	\$ 2,222,672	\$ 19,632,601

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, 2016

	Budgetary Funds					Total General Operating Fund
	General Fund	CH2 Redevelop- -ment	Traffic Safety Team	Inmate Welfare	Rainy Day	
REVENUES:						
Taxes	\$ 65,034,836	\$ -	\$ -	\$ -	\$ -	\$ 65,034,836
Licenses and permits	64,500	-	-	-	-	64,500
Intergovernmental	4,336,499	-	23,696	-	-	4,360,195
Charges for services	5,355,257	-	168,276	244,105	-	5,767,638
Fines and forfeitures	254,473	-	1,681,965	-	-	1,936,438
Interest	633,531	152	7,328	1,503	13,534	656,048
Other	15,599	-	-	1,679	-	17,278
Total revenues	75,694,695	152	1,881,265	247,287	13,534	77,836,933
EXPENDITURES:						
Current:						
General government	9,423,162	24,222	-	-	-	9,447,384
Public safety and judicial	54,653,640	-	1,637,744	96,639	-	56,388,023
Community service	540,884	-	-	-	-	540,884
Capital outlay	-	-	100,996	-	-	100,996
Total expenditures	64,617,686	24,222	1,738,740	96,639	-	66,477,287
OTHER FINANCING SOURCES (USES):						
Transfers in	4,032,582	-	-	-	-	4,032,582
Transfers out	(14,685,400)	(750)	(312,779)	-	-	(14,998,929)
Total other financing sources (uses)	(10,652,818)	(750)	(312,779)	-	-	(10,966,347)
Net change in fund balances	424,191	(24,820)	(170,254)	150,648	13,534	393,299
FUND BALANCE - beginning	10,808,395	24,820	1,104,954	202,791	2,209,138	14,350,098
FUND BALANCE - ending	\$ 11,232,586	\$ -	\$ 934,700	\$ 353,439	\$ 2,222,672	\$ 14,743,397

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2016

	Special Revenue Funds											
	Non- Departmental Grants	County Clerk Records	Juvenile Grants	Tax Title Land Sales	Community Services Grants	Community Development Block Grant	Community Corrections	Criminal Justice Assessment	County Schools	Child Support	Dog Control	Sheriff Grants
ASSETS:												
Cash and investments	\$ 644,702	\$ 34,852	\$ -	\$ 272,315	\$ 245,967	\$ 2,462	\$ 2,920,163	\$ 964,595	\$ 14,520	\$ -	\$ 26,709	\$ 818,935
Receivables:												
Accounts	-	-	861,391	-	25	-	12,072	26,476	61,024	252,785	-	349,325
Interest	1,392	72	-	584	616	5	6,691	2,059	31	-	267	1,792
Loans	-	-	-	278,140	-	69,466	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Inventories and prepaids	-	-	14,217	-	-	-	-	-	-	-	4,454	1,425
Total assets	\$ 646,094	\$ 34,924	\$ 875,608	\$ 551,039	\$ 246,608	\$ 71,933	\$ 2,938,926	\$ 993,130	\$ 75,575	\$ 252,785	\$ 31,430	\$ 1,171,477
LIABILITIES:												
Accounts payable	\$ -	\$ 521	\$ 246,232	\$ 2,191	\$ 48,121	\$ -	\$ 215,096	\$ 24,901	\$ -	\$ 221,399	\$ 12,904	\$ 17,739
Payroll related liabilities	-	1,773	62,581	-	862	-	182,062	-	-	31,386	17,253	49,021
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	2,294	308,813	2,191	48,983	-	397,158	24,901	-	252,785	30,157	66,760
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	278,140	-	69,466	-	-	-	-	-	-
FUND BALANCES:												
Nonspendable	-	-	14,217	-	-	-	-	-	-	-	4,454	1,425
Restricted	646,094	32,630	472,359	270,708	60,052	2,467	1,295,317	968,229	75,575	-	-	340,246
Committed	-	-	-	-	-	-	-	-	-	-	-	63,741
Assigned	-	-	80,219	-	137,573	-	1,246,451	-	-	-	-	699,305
Unassigned	-	-	-	-	-	-	-	-	-	-	(3,181)	-
Total fund balances	646,094	32,630	566,795	270,708	197,625	2,467	2,541,768	968,229	75,575	-	1,273	1,104,717
Total liabilities, deferred inflows of resources, and fund balances	\$ 646,094	\$ 34,924	\$ 875,608	\$ 551,039	\$ 246,608	\$ 71,933	\$ 2,938,926	\$ 993,130	\$ 75,575	\$ 252,785	\$ 31,430	\$ 1,171,477

(Continued on following page)

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

June 30, 2016

	Special Revenue Funds							Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds	
	Law Library	County Fair	District Attorney Grants	Land Use Planning	Parks	Surveyor	Building Inspection		MCE4H Svc Dist	Capital Building & Equipment		Capital Improvement Projects
ASSETS:												
Cash and investments	\$ 549,302	\$ 111,959	\$ 213,767	\$ 16,477	\$ 265,299	\$ 1,760,795	\$ 2,305,713	\$ 778,623	\$ 963,081	\$ 290,761	\$ 4,171,809	\$ 17,372,806
Receivables:												
Accounts	-	-	150,689	-	90,744	-	44,468	1,030	-	-	21,925	1,871,954
Interest	1,182	212	484	539	543	3,760	4,970	1,763	1,757	622	3,284	32,625
Loans	-	-	-	-	-	-	-	-	-	-	-	347,606
Taxes	-	-	-	-	-	-	-	26,564	-	-	-	26,564
Inventories and prepaids	-	5,700	-	-	-	-	-	-	-	-	-	25,796
Total assets	\$ 550,484	\$ 117,871	\$ 364,940	\$ 17,016	\$ 356,586	\$ 1,764,555	\$ 2,355,151	\$ 807,980	\$ 964,838	\$ 291,383	\$ 4,197,018	\$ 19,677,351
LIABILITIES:												
Accounts payable	\$ 1,576	\$ 20,712	\$ 1,067	\$ 1,873	\$ 654	\$ 11,605	\$ 48,526	\$ 210,862	\$ -	\$ -	\$ 122,741	\$ 1,208,720
Payroll related liabilities	2,866	2,563	19,817	15,143	2,691	10,226	51,224	-	-	-	-	449,468
Deposits	-	-	-	-	-	115,288	-	-	-	-	-	115,288
Total liabilities	4,442	23,275	20,884	17,016	3,345	137,119	99,750	210,862	-	-	122,741	1,773,476
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	21,963	-	-	-	369,569
FUND BALANCES:												
Nonspendable	-	5,700	-	-	-	-	-	-	-	-	-	25,796
Restricted	546,042	-	102,126	-	-	1,546,064	-	575,155	-	-	-	6,933,064
Committed	-	-	-	-	52,546	-	-	-	-	291,383	-	407,670
Assigned	-	88,896	241,930	-	300,695	81,372	2,255,401	-	964,838	-	4,074,277	10,170,957
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(3,181)
Total fund balances	546,042	94,596	344,056	-	353,241	1,627,436	2,255,401	575,155	964,838	291,383	4,074,277	17,534,306
Total liabilities, deferred inflows of resources, and fund balances	\$ 550,484	\$ 117,871	\$ 364,940	\$ 17,016	\$ 356,586	\$ 1,764,555	\$ 2,355,151	\$ 807,980	\$ 964,838	\$ 291,383	\$ 4,197,018	\$ 19,677,351

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Special Revenue Funds											
	Non- Departmental Grants	County Clerk Records	Juvenile Grants	Tax Title Land Sales	Community Services Grants	Community Development Block Grant	Community Corrections	Criminal Justice Assessment	County Schools	Child Support	Dog Control	Sheriff Grants
REVENUES:												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-	342,316	56,868
Intergovernmental	297,349	-	1,597,594	-	89,303	-	14,201,717	-	530,087	1,174,481	-	1,442,846
Charges for services	-	135,102	828,890	210,768	110	-	978,669	-	-	23,421	138,801	1,339,583
Fines and forfeitures	-	-	-	-	-	-	-	765,004	-	-	4,667	-
Interest	3,603	140	154	20,572	1,196	136	24,575	6,371	920	-	649	5,363
Other	-	-	9,176	65,358	24,437	1,200	-	-	-	-	28,264	16,481
Total revenues	<u>300,952</u>	<u>135,242</u>	<u>2,435,814</u>	<u>296,698</u>	<u>115,046</u>	<u>1,336</u>	<u>15,204,961</u>	<u>771,375</u>	<u>531,007</u>	<u>1,197,902</u>	<u>514,697</u>	<u>2,861,141</u>
EXPENDITURES:												
Current:												
General government	-	109,914	-	107,768	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	107,542	-	-	-	-	1,521,103	-	-
Public safety and judicial	-	-	3,189,367	-	-	-	10,362,467	300,934	-	-	1,195,535	2,873,574
Community service	158,587	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	578,669	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	11,772	-
Total expenditures	<u>158,587</u>	<u>109,914</u>	<u>3,189,367</u>	<u>107,768</u>	<u>107,542</u>	<u>-</u>	<u>10,362,467</u>	<u>300,934</u>	<u>578,669</u>	<u>1,521,103</u>	<u>1,207,307</u>	<u>2,873,574</u>
OTHER FINANCING SOURCES (USES):												
Transfers in	-	-	1,082,545	-	4,729	-	175,000	-	-	322,920	693,883	110,398
Transfers out	(70,746)	-	(52,818)	(46,414)	-	(47,721)	(3,757,582)	(525,000)	-	-	-	-
Total other financing sources (uses)	<u>(70,746)</u>	<u>-</u>	<u>1,029,727</u>	<u>(46,414)</u>	<u>4,729</u>	<u>(47,721)</u>	<u>(3,582,582)</u>	<u>(525,000)</u>	<u>-</u>	<u>322,920</u>	<u>693,883</u>	<u>110,398</u>
Net change in fund balances	71,619	25,328	276,174	142,516	12,233	(46,385)	1,259,912	(54,559)	(47,662)	(281)	1,273	97,965
FUND BALANCE - beginning	<u>574,475</u>	<u>7,302</u>	<u>290,621</u>	<u>128,192</u>	<u>185,392</u>	<u>48,852</u>	<u>1,281,856</u>	<u>1,022,788</u>	<u>123,237</u>	<u>281</u>	<u>-</u>	<u>1,006,752</u>
FUND BALANCE - ending	<u>\$ 646,094</u>	<u>\$ 32,630</u>	<u>\$ 566,795</u>	<u>\$ 270,708</u>	<u>\$ 197,625</u>	<u>\$ 2,467</u>	<u>\$ 2,541,768</u>	<u>\$ 968,229</u>	<u>\$ 75,575</u>	<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ 1,104,717</u>

(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, 2016

	Special Revenue Funds							Debt Service Fund	Capital Projects Funds		Total Nonmajor Governmental Funds	
	Law Library	County Fair	District Attorney Grants	Land Use Planning	Parks	Surveyor	Building Inspection		MCE4H Svc Dist	Capital Building & Equipment		Capital Improvement Projects
REVENUES:												
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,044,024	\$ -	\$ -	\$ -	\$ 1,044,024
Licenses and permits	-	-	-	-	-	-	3,153,215	-	-	-	-	3,552,399
Intergovernmental	-	53,667	695,741	-	307,643	-	-	2,310	-	-	-	20,392,738
Charges for services	314,262	224,557	97,891	290,330	42,279	550,870	64,209	-	4,514,389	-	576,510	10,330,641
Fines and forfeitures	-	-	3,254	-	-	-	-	-	-	-	-	772,925
Interest	3,753	365	1,211	956	1,174	10,198	11,172	3,193	7,000	1,775	9,613	114,089
Other	1,042	45,922	18,244	-	157	-	-	-	-	-	579,841	790,122
Total revenues	<u>319,057</u>	<u>324,511</u>	<u>816,341</u>	<u>291,286</u>	<u>351,253</u>	<u>561,068</u>	<u>3,228,596</u>	<u>1,049,527</u>	<u>4,521,389</u>	<u>1,775</u>	<u>1,165,964</u>	<u>36,996,938</u>
EXPENDITURES:												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	217,682
Health and social services	-	-	-	-	-	-	-	-	-	-	-	1,628,645
Public safety and judicial	229,812	-	807,700	-	-	-	-	-	-	-	-	18,959,389
Community service	-	374,978	-	869,331	215,863	-	2,291,670	823,200	-	-	-	4,733,629
Roads and bridges	-	-	-	-	-	497,785	-	-	-	-	-	497,785
Education	-	-	-	-	-	-	-	-	-	-	-	578,669
Debt service:												
Principal	-	-	-	-	-	-	-	-	3,257,623	-	-	3,257,623
Interest	-	-	-	-	-	-	-	-	3,209,732	-	-	3,209,732
Capital outlay	-	-	-	-	156,262	9,330	-	-	-	-	1,825,663	2,003,027
Total expenditures	<u>229,812</u>	<u>374,978</u>	<u>807,700</u>	<u>869,331</u>	<u>372,125</u>	<u>507,115</u>	<u>2,291,670</u>	<u>823,200</u>	<u>6,467,355</u>	<u>-</u>	<u>1,825,663</u>	<u>35,086,181</u>
OTHER FINANCING SOURCES (USES):												
Transfers in	-	98,537	84,751	578,045	167,450	102,000	-	348,828	1,929,190	-	2,813,814	8,512,090
Transfers out	-	-	-	-	-	-	-	-	-	-	-	(4,500,281)
Total other financing sources (uses)	<u>-</u>	<u>98,537</u>	<u>84,751</u>	<u>578,045</u>	<u>167,450</u>	<u>102,000</u>	<u>-</u>	<u>348,828</u>	<u>1,929,190</u>	<u>-</u>	<u>2,813,814</u>	<u>4,011,809</u>
Net change in fund balances	89,245	48,070	93,392	-	146,578	155,953	936,926	575,155	(16,776)	1,775	2,154,115	5,922,566
FUND BALANCE - beginning	<u>456,797</u>	<u>46,526</u>	<u>250,664</u>	<u>-</u>	<u>206,663</u>	<u>1,471,483</u>	<u>1,318,475</u>	<u>-</u>	<u>981,614</u>	<u>289,608</u>	<u>1,920,162</u>	<u>11,611,740</u>
FUND BALANCE - ending	<u>\$ 546,042</u>	<u>\$ 94,596</u>	<u>\$ 344,056</u>	<u>\$ -</u>	<u>\$ 353,241</u>	<u>\$ 1,627,436</u>	<u>\$ 2,255,401</u>	<u>\$ 575,155</u>	<u>\$ 964,838</u>	<u>\$ 291,383</u>	<u>\$ 4,074,277</u>	<u>\$ 17,534,306</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 500	\$ 152	\$ (348)
EXPENDITURES:			
Non-Departmental:			
Materials and services	<u>24,320</u>	<u>24,222</u>	<u>98</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(1,000)</u>	<u>(750)</u>	<u>250</u>
Net change in fund balance	(24,820)	(24,820)	-
FUND BALANCE - beginning	<u>24,820</u>	<u>24,820</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
TRAFFIC SAFETY TEAM FUND

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 23,727	\$ 23,696	\$ (31)
Charges for services	165,823	168,276	2,453
Fines and forfeitures	1,740,050	1,681,965	(58,085)
Interest	4,211	7,328	3,117
Total revenues	<u>1,933,811</u>	<u>1,881,265</u>	<u>(52,546)</u>
EXPENDITURES:			
Sheriff's Office	2,186,857	1,738,740	448,117
Contingency	539,130	-	539,130
Total expenditures	<u>2,725,987</u>	<u>1,738,740</u>	<u>987,247</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(312,779)</u>	<u>(312,779)</u>	<u>-</u>
Net change in fund balance	(1,104,955)	(170,254)	934,701
FUND BALANCE - beginning	<u>1,104,955</u>	<u>1,104,954</u>	<u>(1)</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	934,700	<u>\$ 934,700</u>
Combined with General Fund		<u>(934,700)</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 208,000	\$ 244,105	\$ 36,105
Interest	-	1,503	1,503
Other	-	1,679	1,679
	<hr/>	<hr/>	<hr/>
Total revenues	208,000	247,287	39,287
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Sheriff's Office	208,700	96,639	112,061
Contingency	202,092	-	202,092
	<hr/>	<hr/>	<hr/>
Total expenditures	410,792	96,639	314,153
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(202,792)	150,648	353,440
FUND BALANCE - beginning	202,792	202,791	(1)
	<hr/>	<hr/>	<hr/>
FUND BALANCE - ending, budgetary basis	\$ -	353,439	\$ 353,439
	<hr/>	<hr/>	<hr/>
Combined with General Fund		(353,439)	
		<hr/>	
FUND BALANCE - ending, GAAP basis		\$ -	
		<hr/>	

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 9,000	\$ 13,534	\$ 4,534
EXPENDITURES:			
Non-Departmental:			
Reserves	<u>2,215,800</u>	<u>-</u>	<u>2,215,800</u>
Net change in fund balance	(2,206,800)	13,534	2,220,334
FUND BALANCE - beginning	<u>2,206,800</u>	<u>2,209,138</u>	<u>2,338</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	<u>2,222,672</u>	<u>\$ 2,222,672</u>
Combined with General Fund		<u>(2,222,672)</u>	
FUND BALANCE - ending, GAAP basis		<u>\$ -</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ -	\$ 68,153	\$ 68,153
Interest	-	68,415	68,415
Total revenues	-	136,568	136,568
EXPENDITURES:			
Non-Departmental:			
Capital outlay	11,645,753	5,410,453	6,235,300
Contingency	705,484	-	705,484
Total expenditures	12,351,237	5,410,453	6,940,784
OTHER FINANCING SOURCES (USES):			
Transfers in	5,745,732	5,745,732	-
Net change in fund balance	(6,605,505)	471,847	7,077,352
FUND BALANCE - beginning	12,329,205	12,329,205	-
FUND BALANCE - ending	\$ 5,723,700	\$ 12,801,052	\$ 7,077,352

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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 284,520	\$ 297,349	\$ 12,829
Interest	2,159	3,603	1,444
Total revenues	<u>286,679</u>	<u>300,952</u>	<u>14,273</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	158,587	158,587	-
Contingency	145,486	-	145,486
Total expenditures	<u>304,073</u>	<u>158,587</u>	<u>145,486</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(138,474)</u>	<u>(70,746)</u>	<u>67,728</u>
Net change in fund balance	(155,868)	71,619	227,487
FUND BALANCE - beginning	<u>574,475</u>	<u>574,475</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 418,607</u>	<u>\$ 646,094</u>	<u>\$ 227,487</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 112,000	\$ 135,102	\$ 23,102
Interest	64	140	76
Total revenues	<u>112,064</u>	<u>135,242</u>	<u>23,178</u>
EXPENDITURES:			
Clerk's Office	118,090	109,914	8,176
Contingency	<u>1,276</u>	<u>-</u>	<u>1,276</u>
Total expenditures	<u>119,366</u>	<u>109,914</u>	<u>9,452</u>
Net change in fund balance	(7,302)	25,328	32,630
FUND BALANCE - beginning	<u>7,302</u>	<u>7,302</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 32,630</u>	<u>\$ 32,630</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,208,529	\$ 1,597,594	\$ 389,065
Charges for services	927,120	828,890	(98,230)
Interest	-	154	154
Other	9,511	9,176	(335)
	<u>2,145,160</u>	<u>2,435,814</u>	<u>290,654</u>
EXPENDITURES:			
Juvenile Department	3,290,716	3,189,367	101,349
Contingency	188,690	-	188,690
	<u>3,479,406</u>	<u>3,189,367</u>	<u>290,039</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,098,870	1,082,545	(16,325)
Transfers out	(55,246)	(52,818)	2,428
	<u>1,043,624</u>	<u>1,029,727</u>	<u>(13,897)</u>
Net change in fund balance	(290,622)	276,174	566,796
FUND BALANCE - beginning	<u>290,622</u>	<u>290,621</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 566,795</u>	<u>\$ 566,795</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 250,000	\$ 210,768	\$ (39,232)
Interest	5,998	20,572	14,574
Other	24,372	65,358	40,986
	<u>280,370</u>	<u>296,698</u>	<u>16,328</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	29,216	22,768	6,448
Special payments	236,330	85,000	151,330
Contingency	13,970	-	13,970
	<u>279,516</u>	<u>107,768</u>	<u>171,748</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(46,414)	(46,414)	-
	<u>(46,414)</u>	<u>(46,414)</u>	<u>-</u>
Net change in fund balance	(45,560)	142,516	188,076
FUND BALANCE - beginning	128,192	128,192	-
	<u>128,192</u>	<u>128,192</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 82,632</u>	<u>\$ 270,708</u>	<u>\$ 188,076</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 89,303	\$ 89,303	\$ -
Charges for services	-	110	110
Interest	885	1,196	311
Other	24,500	24,437	(63)
	<u>114,688</u>	<u>115,046</u>	<u>358</u>
Total revenues			
EXPENDITURES:			
Community Services Department	268,657	107,542	161,115
Contingency	16,165	-	16,165
	<u>284,822</u>	<u>107,542</u>	<u>177,280</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	44,742	4,729	(40,013)
	<u>44,742</u>	<u>4,729</u>	<u>(40,013)</u>
Net change in fund balance	(125,392)	12,233	137,625
FUND BALANCE - beginning	185,392	185,392	-
	<u>185,392</u>	<u>185,392</u>	<u>-</u>
FUND BALANCE - ending	\$ 60,000	\$ 197,625	\$ 137,625
	<u>\$ 60,000</u>	<u>\$ 197,625</u>	<u>\$ 137,625</u>

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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ 105	\$ 136	\$ 31
Other	-	1,200	1,200
Total revenues	<u>105</u>	<u>1,336</u>	<u>1,231</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(47,721)</u>	<u>(47,721)</u>	<u>-</u>
Net change in fund balance	(47,616)	(46,385)	1,231
FUND BALANCE - beginning	<u>47,616</u>	<u>48,852</u>	<u>1,236</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 2,467</u>	<u>\$ 2,467</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 13,195,993	\$ 14,201,717	\$ 1,005,724
Charges for services	979,162	978,669	(493)
Interest	-	24,575	24,575
	<u>14,175,155</u>	<u>15,204,961</u>	<u>1,029,806</u>
EXPENDITURES:			
Sheriff's Office	11,682,799	10,362,467	1,320,332
Contingency	191,630	-	191,630
	<u>11,874,429</u>	<u>10,362,467</u>	<u>1,511,962</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	175,000	175,000	-
Transfers out	(3,757,582)	(3,757,582)	-
	<u>(3,582,582)</u>	<u>(3,582,582)</u>	<u>-</u>
Net change in fund balance	(1,281,856)	1,259,912	2,541,768
FUND BALANCE - beginning	<u>1,281,856</u>	<u>1,281,856</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 2,541,768</u>	<u>\$ 2,541,768</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines and forfeitures	\$ 772,116	\$ 765,004	\$ (7,112)
Interest	4,717	6,371	1,654
Total revenues	<u>776,833</u>	<u>771,375</u>	<u>(5,458)</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	311,578	300,934	10,644
Contingency	138,996	-	138,996
Total expenditures	<u>450,574</u>	<u>300,934</u>	<u>149,640</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(525,000)</u>	<u>(525,000)</u>	<u>-</u>
Net change in fund balance	(198,741)	(54,559)	144,182
FUND BALANCE - beginning	<u>1,022,788</u>	<u>1,022,788</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 824,047</u>	<u>\$ 968,229</u>	<u>\$ 144,182</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 613,452	\$ 530,087	\$ (83,365)
Interest	400	920	520
Total revenues	<u>613,852</u>	<u>531,007</u>	<u>(82,845)</u>
EXPENDITURES:			
Non-Departmental:			
Special payments	<u>737,089</u>	<u>578,669</u>	<u>158,420</u>
Net change in fund balance	(123,237)	(47,662)	75,575
FUND BALANCE - beginning	<u>123,237</u>	<u>123,237</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 75,575</u>	<u>\$ 75,575</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,164,175	\$ 1,174,481	\$ 10,306
Charges for services	20,000	23,421	3,421
Total revenues	<u>1,184,175</u>	<u>1,197,902</u>	<u>13,727</u>
EXPENDITURES:			
District Attorney's Office	<u>1,541,015</u>	<u>1,521,103</u>	<u>19,912</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>356,840</u>	<u>322,920</u>	<u>(33,920)</u>
Net change in fund balance	-	(281)	(281)
FUND BALANCE - beginning	<u>-</u>	<u>281</u>	<u>281</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 390,750	\$ 342,316	\$ (48,434)
Charges for services	124,617	138,801	14,184
Fines and forfeitures	3,500	4,667	1,167
Interest	250	649	399
Other	19,900	28,264	8,364
	<u>539,017</u>	<u>514,697</u>	<u>(24,320)</u>
EXPENDITURES:			
Community Services Department	1,344,520	1,207,307	137,213
Contingency	18,416	-	18,416
	<u>1,362,936</u>	<u>1,207,307</u>	<u>155,629</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	823,919	693,883	(130,036)
Net change in fund balance	-	1,273	1,273
FUND BALANCE - beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ 1,273</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 55,000	\$ 56,868	\$ 1,868
Intergovernmental	1,542,437	1,442,846	(99,591)
Charges for services	1,270,130	1,339,583	69,453
Interest	-	5,363	5,363
Other	2,850	16,481	13,631
	<u>2,870,417</u>	<u>2,861,141</u>	<u>(9,276)</u>
EXPENDITURES:			
Sheriff's Office	3,279,503	2,873,574	405,929
Contingency	768,379	-	768,379
	<u>4,047,882</u>	<u>2,873,574</u>	<u>1,174,308</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	178,126	110,398	(67,728)
Net change in fund balance	(999,339)	97,965	1,097,304
FUND BALANCE - beginning	999,339	1,006,752	7,413
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 1,104,717</u>	<u>\$ 1,104,717</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 250,000	\$ 314,262	\$ 64,262
Interest	1,300	3,753	2,453
Other	500	1,042	542
	<u>251,800</u>	<u>319,057</u>	<u>67,257</u>
Total revenues			
EXPENDITURES:			
Legal Department	251,596	229,812	21,784
Contingency	64,956	-	64,956
	<u>316,552</u>	<u>229,812</u>	<u>86,740</u>
Total expenditures			
Net change in fund balance	(64,752)	89,245	153,997
FUND BALANCE - beginning	<u>456,797</u>	<u>456,797</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 392,045</u>	<u>\$ 546,042</u>	<u>\$ 153,997</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 50,964	\$ 53,667	\$ 2,703
Charges for services	170,791	224,557	53,766
Interest	-	365	365
Other	41,712	45,922	4,210
	<u>263,467</u>	<u>324,511</u>	<u>61,044</u>
EXPENDITURES:			
Community Services Department	385,268	374,978	10,290
Contingency	23,262	-	23,262
	<u>408,530</u>	<u>374,978</u>	<u>33,552</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	98,537	98,537	-
Net change in fund balance	(46,526)	48,070	94,596
FUND BALANCE - beginning	46,526	46,526	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 94,596</u>	<u>\$ 94,596</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 667,798	\$ 695,741	\$ 27,943
Charges for services	97,891	97,891	-
Fines and forfeitures	3,254	3,254	-
Interest	470	1,211	741
Other	12,000	18,244	6,244
	<u>781,413</u>	<u>816,341</u>	<u>34,928</u>
EXPENDITURES:			
District Attorney's Office	857,673	807,700	49,973
Contingency	270,830	-	270,830
	<u>1,128,503</u>	<u>807,700</u>	<u>320,803</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	96,426	84,751	(11,675)
Net change in fund balance	(250,664)	93,392	344,056
FUND BALANCE - beginning	<u>250,664</u>	<u>250,664</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 344,056</u>	<u>\$ 344,056</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 165,000	\$ 290,330	\$ 125,330
Interest	425	956	531
Total revenues	<u>165,425</u>	<u>291,286</u>	<u>125,861</u>
EXPENDITURES:			
Public Works Department	945,528	869,331	76,197
Contingency	<u>18,897</u>	<u>-</u>	<u>18,897</u>
Total expenditures	<u>964,425</u>	<u>869,331</u>	<u>95,094</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>799,000</u>	<u>578,045</u>	<u>(220,955)</u>
Net change in fund balance	-	-	-
FUND BALANCE - beginning	<u>-</u>	<u>-</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
PARKS FUND

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 251,550	\$ 307,643	\$ 56,093
Charges for services	42,563	42,279	(284)
Interest	600	1,174	574
Other	-	157	157
	<u>294,713</u>	<u>351,253</u>	<u>56,540</u>
Total revenues			
EXPENDITURES:			
Public Works Department	495,020	372,125	122,895
Contingency	30,671	-	30,671
	<u>525,691</u>	<u>372,125</u>	<u>153,566</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	167,450	167,450	-
	<u>167,450</u>	<u>167,450</u>	<u>-</u>
Net change in fund balance	(63,528)	146,578	210,106
FUND BALANCE - beginning	206,663	206,663	-
	<u>206,663</u>	<u>206,663</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 143,135</u>	<u>\$ 353,241</u>	<u>\$ 210,106</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 449,475	\$ 550,870	\$ 101,395
Interest	5,300	10,198	4,898
Total revenues	<u>454,775</u>	<u>561,068</u>	<u>106,293</u>
EXPENDITURES:			
Public Works Department	539,576	507,115	32,461
Contingency	53,000	-	53,000
Total expenditures	<u>592,576</u>	<u>507,115</u>	<u>85,461</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>102,000</u>	<u>102,000</u>	<u>-</u>
Net change in fund balance	(35,801)	155,953	191,754
FUND BALANCE - beginning	<u>1,471,483</u>	<u>1,471,483</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,435,682</u>	<u>\$ 1,627,436</u>	<u>\$ 191,754</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 2,400,000	\$ 3,153,215	\$ 753,215
Charges for services	64,176	64,209	33
Interest	4,000	11,172	7,172
	<u>2,468,176</u>	<u>3,228,596</u>	<u>760,420</u>
Total revenues			
EXPENDITURES:			
Public Works Department	2,484,775	2,291,670	193,105
Contingency	197,000	-	197,000
	<u>2,681,775</u>	<u>2,291,670</u>	<u>390,105</u>
Total expenditures			
Net change in fund balance	(213,599)	936,926	1,150,525
FUND BALANCE - beginning	<u>1,318,475</u>	<u>1,318,475</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,104,876</u>	<u>\$ 2,255,401</u>	<u>\$ 1,150,525</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MARION COUNTY EXTENSION AND 4H SERVICE DISTRICT

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 1,049,513	\$ 1,044,024	\$ (5,489)
Intergovernmental	-	2,310	2,310
Interest	-	3,193	3,193
Total revenues	1,049,513	1,049,527	14
EXPENDITURES:			
Marion County Extension & 4H Service District	1,021,718	823,200	198,518
Contingency	376,623	-	376,623
Total expenditures	1,398,341	823,200	575,141
OTHER FINANCING SOURCES (USES):			
Transfers in	348,828	348,828	-
Net change in fund balance	-	575,155	575,155
FUND BALANCE - beginning	-	-	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 575,155</u>	<u>\$ 575,155</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 3,902,562	\$ 4,514,389	\$ 611,827
Interest	2,900	7,000	4,100
Total revenues	<u>3,905,462</u>	<u>4,521,389</u>	<u>615,927</u>
EXPENDITURES:			
Non-Departmental:			
Debt service - principal	3,551,434	3,257,623	293,811
Debt service - interest	<u>3,357,059</u>	<u>3,209,732</u>	<u>147,327</u>
Total expenditures	<u>6,908,493</u>	<u>6,467,355</u>	<u>441,138</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>2,370,329</u>	<u>1,929,190</u>	<u>(441,139)</u>
Net change in fund balance	(632,702)	(16,776)	615,926
FUND BALANCE - beginning	<u>910,106</u>	<u>981,614</u>	<u>71,508</u>
FUND BALANCE - ending	<u>\$ 277,404</u>	<u>\$ 964,838</u>	<u>\$ 687,434</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, 2016

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	<u>\$ 1,592</u>	<u>\$ 1,775</u>	<u>\$ 183</u>
EXPENDITURES:			
Non-Departmental:			
Reserves	<u>291,044</u>	<u>-</u>	<u>291,044</u>
Net change in fund balance	(289,452)	1,775	291,227
FUND BALANCE - beginning	<u>289,452</u>	<u>289,608</u>	<u>156</u>
FUND BALANCE - ending	<u><u>\$ -</u></u>	<u><u>\$ 291,383</u></u>	<u><u>\$ 291,383</u></u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 625,733	\$ 576,510	\$ (49,223)
Interest	5,600	9,613	4,013
Other	471,974	579,841	107,867
Total revenues	<u>1,103,307</u>	<u>1,165,964</u>	<u>62,657</u>
EXPENDITURES:			
Non-Departmental:			
Capital outlay	4,321,081	1,825,663	2,495,418
Contingency	1,079,578	-	1,079,578
Total expenditures	<u>5,400,659</u>	<u>1,825,663</u>	<u>3,574,996</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>2,818,827</u>	<u>2,813,814</u>	<u>(5,013)</u>
Net change in fund balance	(1,478,525)	2,154,115	3,632,640
FUND BALANCE - beginning	<u>1,920,162</u>	<u>1,920,162</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 441,637</u>	<u>\$ 4,074,277</u>	<u>\$ 3,632,640</u>

ENTERPRISE FUNDS

Major Funds

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

Nonmajor Funds

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Stormwater Management	Stormwater fees.	Accounts for the operations of the County's stormwater management program.
Brooks Community Service District	Sewer fees.	Accounts for sewer services provided to district residents.
East Salem Service District	Sewer and lighting fees.	Accounts for sewer and lighting services provided to district residents.
Labish Village Sewage and Drainage District	Sewer and drainage fees.	Accounts for sewer and drainage services provided to district residents.
Fargo Interchange Service District	Sewer fees.	Accounts for sewer services provided to district residents.
Illahe Hills Street Lighting District	Lighting fees.	Accounts for lighting services provided to district residents.

MARION COUNTY, OREGON

COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2016

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illahe Hills	
ASSETS							
Current assets:							
Cash and investments	\$ 501,062	\$ 271,323	\$ 1,040,200	\$ 54,586	\$ 72,357	\$ 11,428	\$ 1,950,956
Receivables:							
Accounts	55	25,137	222,595	8,564	23,393	-	279,744
Property taxes	-	819	28,374	-	813	-	30,006
Interest	877	621	2,321	117	158	24	4,118
Total current assets	501,994	297,900	1,293,490	63,267	96,721	11,452	2,264,824
Capital assets:							
Land	-	140,335	87,014	-	-	-	227,349
Buildings and improvements	22,700	3,230,468	5,081,921	322,448	1,953,557	-	10,611,094
Equipment	-	11,514	-	-	-	-	11,514
Less accumulated depreciation	(908)	(3,160,981)	(4,298,275)	(322,448)	(1,034,476)	-	(8,817,088)
Total capital assets (net of accumulated depreciation)	21,792	221,336	870,660	-	919,081	-	2,032,869
Total assets	523,786	519,236	2,164,150	63,267	1,015,802	11,452	4,297,693
LIABILITIES							
Current liabilities:							
Accounts payable	5,956	6,620	147,556	2,273	4,528	-	166,933
Payroll related liabilities	2,707	-	-	-	-	-	2,707
Accrued interest	-	-	-	-	13,255	-	13,255
Compensated absences	3,461	-	-	-	-	-	3,461
Loans payable and advances, current	-	-	-	-	35,089	-	35,089
Total current liabilities	12,124	6,620	147,556	2,273	52,872	-	221,445
Noncurrent liabilities:							
Loans payable and advances, net of current portion	-	-	-	-	527,102	-	527,102
Total liabilities	12,124	6,620	147,556	2,273	579,974	-	748,547
NET POSITION							
Net investment in capital assets	21,792	221,336	870,660	-	356,890	-	1,470,678
Unrestricted	489,870	291,280	1,145,934	60,994	78,938	11,452	2,078,468
Total net position	\$ 511,662	\$ 512,616	\$ 2,016,594	\$ 60,994	\$ 435,828	\$ 11,452	\$ 3,549,146

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Ilaha Hills	
Operating revenues:							
Charges for services	\$ 853,911	\$ 239,973	\$ 968,039	\$ 6,712	\$ 230,663	\$ 9,941	\$ 2,309,239
Other	-	-	115	-	-	-	115
Total operating revenues	<u>853,911</u>	<u>239,973</u>	<u>968,154</u>	<u>6,712</u>	<u>230,663</u>	<u>9,941</u>	<u>2,309,354</u>
Operating expenses:							
Salaries and wages	114,380	-	-	-	-	-	114,380
Repairs and maintenance	2,361	50,254	1,145	-	79,208	-	132,968
Utilities	569	3,400	221,860	-	1,952	8,606	236,387
Building and equipment rentals	77	85	233	7	8	-	410
Professional services	257,329	158,501	634,500	2,163	26,775	853	1,080,121
Communication	260	1,414	-	-	-	-	1,674
Fuel and operating supplies	8,426	15,006	316	1	144	-	23,893
Insurance claims and premiums	-	1,659	11,075	795	982	100	14,611
Depreciation	908	130,370	95,270	-	78,752	-	305,300
Other	3,763	2,438	763	157	363	32	7,516
Total operating expenses	<u>388,073</u>	<u>363,127</u>	<u>965,162</u>	<u>3,123</u>	<u>188,184</u>	<u>9,591</u>	<u>1,917,260</u>
Operating income (loss)	<u>465,838</u>	<u>(123,154)</u>	<u>2,992</u>	<u>3,589</u>	<u>42,479</u>	<u>350</u>	<u>392,094</u>
Nonoperating revenues (expenses):							
Interest revenue	1,222	1,847	7,210	324	431	75	11,109
Interest expense	-	-	-	-	(26,210)	-	(26,210)
Total nonoperating revenues (expenses)	<u>1,222</u>	<u>1,847</u>	<u>7,210</u>	<u>324</u>	<u>(25,779)</u>	<u>75</u>	<u>(15,101)</u>
Income (loss) before transfers	<u>467,060</u>	<u>(121,307)</u>	<u>10,202</u>	<u>3,913</u>	<u>16,700</u>	<u>425</u>	<u>376,993</u>
Transfers in	44,602	-	-	-	-	-	44,602
Transfers out	-	-	(44,602)	-	-	-	(44,602)
Change in net position	<u>511,662</u>	<u>(121,307)</u>	<u>(34,400)</u>	<u>3,913</u>	<u>16,700</u>	<u>425</u>	<u>376,993</u>
Total net position - beginning	<u>-</u>	<u>633,923</u>	<u>2,050,994</u>	<u>57,081</u>	<u>419,128</u>	<u>11,027</u>	<u>3,172,153</u>
Total net position - ending	<u>\$ 511,662</u>	<u>\$ 512,616</u>	<u>\$ 2,016,594</u>	<u>\$ 60,994</u>	<u>\$ 435,828</u>	<u>\$ 11,452</u>	<u>\$ 3,549,146</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2016

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illahe Hills	
Cash flows from operating activities:							
Cash received from customers	\$ 853,856	\$ 242,206	\$ 960,689	\$ 10,206	\$ 231,103	\$ 9,941	\$ 2,308,001
Cash payments to suppliers for goods and services	(266,829)	(230,941)	(855,172)	(7,251)	(111,411)	(9,591)	(1,481,195)
Cash payments to employees for services	(108,212)	-	-	-	-	-	(108,212)
Net cash from operating activities	<u>478,815</u>	<u>11,265</u>	<u>105,517</u>	<u>2,955</u>	<u>119,692</u>	<u>350</u>	<u>718,594</u>
Cash flows from noncapital financing activities:							
Transfers received	44,602	-	-	-	-	-	44,602
Transfers paid	-	-	(44,602)	-	-	-	(44,602)
Net cash from noncapital financing activities	<u>44,602</u>	<u>-</u>	<u>(44,602)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:							
Purchase of capital assets	(22,700)	(11,514)	(131,613)	-	-	-	(165,827)
Debt principal payments	-	-	-	-	(99,741)	-	(99,741)
Debt interest payments	-	-	-	-	(28,240)	-	(28,240)
Net cash from capital and related financing activities	<u>(22,700)</u>	<u>(11,514)</u>	<u>(131,613)</u>	<u>-</u>	<u>(127,981)</u>	<u>-</u>	<u>(293,808)</u>
Cash flows from investing activities:							
Interest on investments	345	1,849	7,354	321	454	75	10,398
Net change in cash and investments	501,062	1,600	(63,344)	3,276	(7,835)	425	435,184
Cash and investments - beginning	-	269,723	1,103,544	51,310	80,192	11,003	1,515,772
Cash and investments - ending	<u>\$ 501,062</u>	<u>\$ 271,323</u>	<u>\$ 1,040,200</u>	<u>\$ 54,586</u>	<u>\$ 72,357</u>	<u>\$ 11,428</u>	<u>\$ 1,950,956</u>
Reconciliation of operating income (loss) to net cash from operating activities:							
Operating income (loss)	\$ 465,838	\$ (123,154)	\$ 2,992	\$ 3,589	\$ 42,479	\$ 350	\$ 392,094
Depreciation	908	130,370	95,270	-	78,752	-	305,300
Change in:							
Accounts receivable	(55)	2,233	(7,465)	3,494	440	-	(1,353)
Accounts payable	5,956	1,816	14,720	(4,128)	(1,979)	-	16,385
Payroll liabilities	2,707	-	-	-	-	-	2,707
Compensated absences	3,461	-	-	-	-	-	3,461
Net cash from operating activities	<u>\$ 478,815</u>	<u>\$ 11,265</u>	<u>\$ 105,517</u>	<u>\$ 2,955</u>	<u>\$ 119,692</u>	<u>\$ 350</u>	<u>\$ 718,594</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 285,000	\$ 347,208	\$ 62,208
Charges for services	18,228,181	16,420,304	(1,807,877)
Interest	50,000	77,733	27,733
Other	400	2	(398)
	<u>18,563,581</u>	<u>16,845,247</u>	<u>(1,718,334)</u>
Total revenues			
EXPENDITURES:			
Public Works Department	21,381,979	19,669,064	1,712,915
Debt service - principal	85,000	85,000	-
Debt service - interest	3,672	3,672	-
Contingency	2,272,785	-	2,272,785
	<u>23,743,436</u>	<u>19,757,736</u>	<u>3,985,700</u>
Total expenditures			
Net change in fund balance	(5,179,855)	(2,912,489)	2,267,366
FUND BALANCE - beginning	<u>13,195,482</u>	<u>13,195,482</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 8,015,627</u>	<u>\$ 10,282,993</u>	<u>\$ 2,267,366</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 729,850	\$ 853,911	\$ 124,061
Interest	-	1,222	1,222
Total revenues	<u>729,850</u>	<u>855,133</u>	<u>125,283</u>
EXPENDITURES:			
Public Works Department	<u>421,094</u>	<u>406,404</u>	<u>14,690</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>78,000</u>	<u>44,602</u>	<u>(33,398)</u>
Net change in fund balance	386,756	493,331	106,575
FUND BALANCE - beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 386,756</u>	<u>\$ 493,331</u>	<u>\$ 106,575</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 263,300	\$ 239,973	\$ (23,327)
Interest	1,100	1,847	747
Total revenues	<u>264,400</u>	<u>241,820</u>	<u>(22,580)</u>
EXPENDITURES:			
Materials and services	274,280	232,757	41,523
Capital outlay	50,000	11,514	38,486
Contingency	48,120	-	48,120
Total expenditures	<u>372,400</u>	<u>244,271</u>	<u>128,129</u>
Net change in fund balance	(108,000)	(2,451)	105,549
FUND BALANCE - beginning	<u>270,000</u>	<u>293,731</u>	<u>23,731</u>
FUND BALANCE - ending	<u>\$ 162,000</u>	<u>\$ 291,280</u>	<u>\$ 129,280</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 960,550	\$ 968,039	\$ 7,489
Interest	4,000	7,210	3,210
Other	-	115	115
	<u>964,550</u>	<u>975,364</u>	<u>10,814</u>
EXPENDITURES:			
Materials and services	887,095	869,892	17,203
Capital outlay	150,000	131,613	18,387
Contingency	130,000	-	130,000
	<u>1,167,095</u>	<u>1,001,505</u>	<u>165,590</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(78,000)</u>	<u>(44,602)</u>	<u>33,398</u>
Net change in fund balance	(280,545)	(70,743)	209,802
FUND BALANCE - beginning	<u>1,116,000</u>	<u>1,216,677</u>	<u>100,677</u>
FUND BALANCE - ending	<u>\$ 835,455</u>	<u>\$ 1,145,934</u>	<u>\$ 310,479</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 6,900	\$ 6,712	\$ (188)
Interest	185	324	139
Total revenues	<u>7,085</u>	<u>7,036</u>	<u>(49)</u>
EXPENDITURES:			
Materials and services	3,905	3,123	782
Contingency	<u>54,015</u>	<u>-</u>	<u>54,015</u>
Total expenditures	<u>57,920</u>	<u>3,123</u>	<u>54,797</u>
Net change in fund balance	(50,835)	3,913	54,748
FUND BALANCE - beginning	<u>50,835</u>	<u>57,081</u>	<u>6,246</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 60,994</u>	<u>\$ 60,994</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 245,441	\$ 230,663	\$ (14,778)
Interest	300	431	131
Total revenues	<u>245,741</u>	<u>231,094</u>	<u>(14,647)</u>
EXPENDITURES:			
Materials and services	120,460	109,432	11,028
Debt service - principal	99,741	99,741	-
Debt service - interest	28,240	28,240	-
Contingency	76,300	-	76,300
Total expenditures	<u>324,741</u>	<u>237,413</u>	<u>87,328</u>
Net change in fund balance	(79,000)	(6,319)	72,681
FUND BALANCE - beginning	<u>79,000</u>	<u>98,512</u>	<u>19,512</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 92,193</u>	<u>\$ 92,193</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, 2016

	Central Services	Self- Insurance	Fleet Management	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 708,516	\$ 10,435,441	\$ 1,558,816	\$ 12,702,773
Receivables:				
Accounts	43,728	4,261	-	47,989
Interest	-	19,061	-	19,061
Prepaid expenses	-	50,000	-	50,000
Total current assets	<u>752,244</u>	<u>10,508,763</u>	<u>1,558,816</u>	<u>12,819,823</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	<u>1,285,274</u>	<u>-</u>	<u>-</u>	<u>1,285,274</u>
LIABILITIES				
Current liabilities:				
Accounts payable	321,827	922,895	82,707	1,327,429
Payroll related liabilities	430,417	-	-	430,417
Compensated absences, current	574,058	-	-	574,058
Accrued claims liability, current	-	1,548,789	-	1,548,789
Total current liabilities	<u>1,326,302</u>	<u>2,471,684</u>	<u>82,707</u>	<u>3,880,693</u>
Noncurrent liabilities, net of current portion:				
Compensated absences	100,825	-	-	100,825
Net pension liability	5,996,962	-	-	5,996,962
Net OPEB obligation	2,223,579	-	-	2,223,579
Accrued claims liability	-	3,789,720	-	3,789,720
Total noncurrent liabilities	<u>8,321,366</u>	<u>3,789,720</u>	<u>-</u>	<u>12,111,086</u>
Total liabilities	<u>9,647,668</u>	<u>6,261,404</u>	<u>82,707</u>	<u>15,991,779</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	<u>1,633,890</u>	<u>-</u>	<u>-</u>	<u>1,633,890</u>
NET POSITION				
Unrestricted	<u>\$ (9,244,040)</u>	<u>\$ 4,247,359</u>	<u>\$ 1,476,109</u>	<u>\$ (3,520,572)</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Central Services	Self- Insurance	Fleet Management	Totals
Operating revenues:				
Charges for services	\$ 20,324,470	\$ 24,237,838	\$ 1,784,131	\$ 46,346,439
Other	600	17,798	-	18,398
Total operating revenues	20,325,070	24,255,636	1,784,131	46,364,837
Operating expenses:				
Salaries and benefits	21,137,988	-	-	21,137,988
Repairs and maintenance	1,274,931	-	348,265	1,623,196
Utilities	105,274	-	-	105,274
Building and equipment rentals	230,694	-	3,960	234,654
Professional services	497,509	137,562	52,969	688,040
Communication	222,978	-	-	222,978
Fuel and operating supplies	525,114	2,148	9,541	536,803
Insurance claims and premiums	40	23,681,114	-	23,681,154
Administrative expenses	1,531,473	141,587	46,510	1,719,570
Other	209,552	205,243	4,256	419,051
Total operating expenses	25,735,553	24,167,654	465,501	50,368,708
Operating income (loss)	(5,410,483)	87,982	1,318,630	(4,003,871)
Nonoperating revenues (expenses):				
Interest revenue	-	49,229	-	49,229
Income (loss) before transfers	(5,410,483)	137,211	1,318,630	(3,954,642)
Transfers in	446,635	-	108,638	555,273
Rebate to customers	-	-	(2,500,000)	(2,500,000)
Transfer to general capital assets	-	-	(1,214,363)	(1,214,363)
Change in net position	(4,963,848)	137,211	(2,287,095)	(7,113,732)
Total net position - beginning	(4,280,192)	4,110,148	3,763,204	3,593,160
Total net position - ending	\$ (9,244,040)	\$ 4,247,359	\$ 1,476,109	\$ (3,520,572)

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2016

	Central Services	Self- Insurance	Fleet Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 20,320,004	\$ 24,252,539	\$ 1,833,183	\$ 46,405,726
Cash payments to suppliers for goods and services	(4,685,952)	(21,756,117)	(384,112)	(26,826,181)
Cash payments to employees for services	(16,083,524)	-	-	(16,083,524)
Net cash from operating activities	<u>(449,472)</u>	<u>2,496,422</u>	<u>1,449,071</u>	<u>3,496,021</u>
Cash flows from noncapital financing activities:				
Transfers received	446,635	-	108,638	555,273
Rebate paid to customers	-	-	(2,500,000)	(2,500,000)
Net cash from noncapital financing activities	<u>446,635</u>	<u>-</u>	<u>(2,391,362)</u>	<u>(1,944,727)</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	-	(1,214,363)	(1,214,363)
Cash flows from investing activities:				
Interest on investments	-	44,999	-	44,999
Net change in cash and investments	(2,837)	2,541,421	(2,156,654)	381,930
Cash and investments - beginning	<u>711,353</u>	<u>7,894,020</u>	<u>3,715,470</u>	<u>12,320,843</u>
Cash and investments - ending	<u>\$ 708,516</u>	<u>\$ 10,435,441</u>	<u>\$ 1,558,816</u>	<u>\$ 12,702,773</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (5,410,483)	\$ 87,982	\$ 1,318,630	\$ (4,003,871)
Change in:				
Accounts receivable	(5,066)	(3,097)	49,052	40,889
Prepaid expenses	-	1,048,110	-	1,048,110
Accounts payable	(88,387)	794,103	81,389	787,105
Payroll liabilities	90,616	-	-	90,616
Compensated absences	54,545	-	-	54,545
Net pension asset/liability and deferred pension outflows/inflows	4,734,192	-	-	4,734,192
Net OPEB obligation	175,111	-	-	175,111
Accrued claims liability	-	569,324	-	569,324
Net cash from operating activities	<u>\$ (449,472)</u>	<u>\$ 2,496,422</u>	<u>\$ 1,449,071</u>	<u>\$ 3,496,021</u>
Schedule of non-cash capital and related financing activities:				
Transfer to general capital assets	\$ -	\$ -	\$ 1,214,363	\$ 1,214,363

MARION COUNTY, OREGON

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

For the year ended June 30, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 21,598,139	\$ 20,324,470	\$ (1,273,669)
Other	-	600	600
Total revenues	21,598,139	20,325,070	(1,273,069)
EXPENDITURES:			
Board of Commissioners	2,273,361	2,101,476	171,885
Business Services	6,761,580	6,468,495	293,085
Finance	2,513,785	2,469,914	43,871
Information Technology	8,801,338	8,339,217	462,121
Legal Counsel	1,367,701	1,345,174	22,527
Non-Departmental:			
Materials and services	348,176	47,429	300,747
Capital outlay	65,000	-	65,000
Total expenditures	22,130,941	20,771,705	1,359,236
OTHER FINANCING SOURCES (USES):			
Transfers in	532,802	446,635	(86,167)
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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 25,458,564	\$ 24,237,838	\$ (1,220,726)
Interest	39,141	49,229	10,088
Other	15,000	17,798	2,798
	<u>25,512,705</u>	<u>24,304,865</u>	<u>(1,207,840)</u>
Total revenues			
EXPENDITURES:			
Non-Departmental:			
Materials and services	25,810,436	23,598,330	2,212,106
Contingency	1,131,453	-	1,131,453
	<u>26,941,889</u>	<u>23,598,330</u>	<u>3,343,559</u>
Total expenditures			
Net change in fund balance	(1,429,184)	706,535	2,135,719
FUND BALANCE - beginning	<u>8,879,333</u>	<u>8,879,333</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 7,450,149</u>	<u>\$ 9,585,868</u>	<u>\$ 2,135,719</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, 2016

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,782,688	\$ 1,784,131	\$ 1,443
Other	25,000	-	(25,000)
Total revenues	<u>1,807,688</u>	<u>1,784,131</u>	<u>(23,557)</u>
EXPENDITURES:			
Public Works Department	1,754,358	1,679,864	74,494
Special payments	2,500,000	2,500,000	-
Contingency	86,430	-	86,430
Total expenditures	<u>4,340,788</u>	<u>4,179,864</u>	<u>160,924</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>109,428</u>	<u>108,638</u>	<u>(790)</u>
Net change in fund balance	(2,423,672)	(2,287,095)	136,577
FUND BALANCE - beginning	<u>3,763,204</u>	<u>3,763,204</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,339,532</u>	<u>\$ 1,476,109</u>	<u>\$ 136,577</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, 2016

	Treasurer's Trust	Due Subdivisions	Totals
ASSETS:			
Cash and investments	\$ 533,822	\$ 26,329,450	\$ 26,863,272
Receivables:			
Accounts and interest	298,233	429,783	728,016
Property taxes	-	14,273,442	14,273,442
	<u>\$ 832,055</u>	<u>\$ 41,032,675</u>	<u>\$ 41,864,730</u>
LIABILITIES:			
Accounts payable	\$ 501,875	\$ 3,185,086	\$ 3,686,961
Due to other agencies	330,180	37,847,589	38,177,769
	<u>\$ 832,055</u>	<u>\$ 41,032,675</u>	<u>\$ 41,864,730</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2016

	Balance, July 1, 2015	Additions	Deductions	Balance, June 30, 2016
Treasurer's Trust				
Assets:				
Cash and investments	\$ 1,536,011	\$ 2,016,523	\$ 3,018,712	\$ 533,822
Receivables:				
Accounts and interest	24	298,233	24	298,233
Total assets	<u>\$ 1,536,035</u>	<u>\$ 2,314,756</u>	<u>\$ 3,018,736</u>	<u>\$ 832,055</u>
Liabilities:				
Accounts payable	\$ 1,485,230	\$ 1,430,800	\$ 2,414,155	\$ 501,875
Due to other agencies	50,805	883,956	604,581	330,180
Total liabilities	<u>\$ 1,536,035</u>	<u>\$ 2,314,756</u>	<u>\$ 3,018,736</u>	<u>\$ 832,055</u>
Due Subdivisions				
Assets:				
Cash and investments	\$ 24,022,441	\$ 410,151,605	\$ 407,844,596	\$ 26,329,450
Receivables:				
Accounts and interest	393,016	2,973,232	2,936,465	429,783
Property taxes	15,334,681	-	1,061,239	14,273,442
Total assets	<u>\$ 39,750,138</u>	<u>\$ 413,124,837</u>	<u>\$ 411,842,300</u>	<u>\$ 41,032,675</u>
Liabilities:				
Accounts payable	\$ 4,235,465	\$ 32,983,768	\$ 34,034,147	\$ 3,185,086
Due to other agencies	35,514,673	380,141,069	377,808,153	37,847,589
Total liabilities	<u>\$ 39,750,138</u>	<u>\$ 413,124,837</u>	<u>\$ 411,842,300</u>	<u>\$ 41,032,675</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 25,558,452	\$ 412,168,128	\$ 410,863,308	\$ 26,863,272
Receivables:				
Accounts and interest	393,040	3,271,465	2,936,489	728,016
Property taxes	15,334,681	-	1,061,239	14,273,442
Total assets	<u>\$ 41,286,173</u>	<u>\$ 415,439,593</u>	<u>\$ 414,861,036</u>	<u>\$ 41,864,730</u>
Liabilities:				
Accounts payable	\$ 5,720,695	\$ 34,414,568	\$ 36,448,302	\$ 3,686,961
Due to other agencies	35,565,478	381,025,025	378,412,734	38,177,769
Total liabilities	<u>\$ 41,286,173</u>	<u>\$ 415,439,593</u>	<u>\$ 414,861,036</u>	<u>\$ 41,864,730</u>

OTHER SCHEDULES

MARION COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS

For the year ended June 30, 2016

	Cash		Turnovers to			Cash
	Balance July 1, 2015	Receipts	Treasurer	State	Other	Balance June 30, 2016
Assessor	\$ -	\$ 696,195	\$ 696,195	\$ -	\$ -	\$ -
Clerk	-	2,130,312	2,130,312	-	-	-
District Attorney	-	214,294	214,294	-	-	-
Justices of the Peace:	-	3,931,755	2,717,871	1,014,227	199,657	-
Sheriff	-	2,237,608	2,237,608	-	-	-
Treasurer	138,171,508	2,004,097,106	-	-	1,995,094,526	147,174,088

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, 2016

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-AR9	68608D-CU6	569127-AZ6
56913R-AS7	68608D-CV4	569127-BA0
56913R-AT5	68608D-DA9	569127-BB8
56913R-AU2	68608D-DF8	569127-BC6
56913R-BT4		569127-BD4
56913R-BU1		569127-BE2
56913R-BV9		569127-BF9
56913R-BW7		569127-BH5
56913R-BX5		569127-BJ1
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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
Net investment in capital assets	\$ 175,616,323	\$ 172,837,685	\$ 177,507,128	\$ 174,721,319	\$ 172,698,121	\$ 182,594,952	\$ 196,923,549	\$ 206,767,946	\$ 222,278,156	\$ 238,419,017
Restricted	32,256,440	35,146,993	31,524,428	20,421,355	19,488,538	18,628,146	50,701,287	43,973,267	45,684,895	38,798,499
Unrestricted	(31,498,065)	(6,278,488)	35,170,896	45,132,635	43,634,598	40,659,828	5,258,497	8,390,930	12,096,689	13,705,240
Total net position, governmental activities	\$ 176,374,698	\$ 201,706,190	\$ 244,202,452	\$ 240,275,309	\$ 235,821,257	\$ 241,882,926	\$ 252,883,333	\$ 259,132,143	\$ 280,059,740	\$ 290,922,756
Business-Type Activities:										
Net investment in capital assets	\$ 8,102,606	\$ 8,510,990	\$ 9,200,804	\$ 10,274,508	\$ 9,869,514	\$ 10,796,204	\$ 14,951,194	\$ 15,662,939	\$ 15,802,394	\$ 14,634,438
Restricted	-	-	-	-	-	-	479,960	240,146	3,002,426	4,009,312
Unrestricted	70,812	7,190,166	7,493,201	7,083,461	11,745,714	16,224,077	26,353,156	30,911,753	24,861,360	22,366,781
Total net position, business-type activities	\$ 8,173,418	\$ 15,701,156	\$ 16,694,005	\$ 17,357,969	\$ 21,615,228	\$ 27,020,281	\$ 41,784,310	\$ 46,814,838	\$ 43,666,180	\$ 41,010,531
Primary Government:										
Net investment in capital assets	\$ 183,718,929	\$ 181,348,675	\$ 186,707,932	\$ 184,995,827	\$ 182,567,635	\$ 193,391,156	\$ 211,874,743	\$ 222,430,885	\$ 238,080,550	\$ 253,053,455
Restricted	32,256,440	35,146,993	31,524,428	20,421,355	19,488,538	18,628,146	51,181,247	44,213,413	48,687,321	42,807,811
Unrestricted	(31,427,253)	911,678	42,664,097	52,216,096	55,380,312	56,883,905	31,611,653	39,302,683	36,958,049	36,072,021
Total net position, primary government	\$ 184,548,116	\$ 217,407,346	\$ 260,896,457	\$ 257,633,278	\$ 257,436,485	\$ 268,903,207	\$ 294,667,643	\$ 305,946,981	\$ 323,725,920	\$ 331,933,287

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
EXPENSES										
Governmental activities:										
General government	\$ 13,787,816	\$ 10,105,968	\$ 10,955,049	\$ 11,049,860	\$ 13,003,991	\$ 12,807,895	\$ 10,652,166	\$ 12,380,750	\$ 12,061,985	\$ 10,832,358
Health and social services	59,722,484	47,271,288	56,641,964	56,016,725	54,623,305	58,343,197	58,312,272	50,758,992	45,318,034	73,486,663
Public safety and judicial	95,108,823	61,627,624	72,525,129	71,312,668	69,983,971	69,369,059	67,533,185	68,590,031	64,942,420	61,318,863
Community service	7,229,445	4,582,776	5,051,563	4,566,681	4,213,912	4,554,392	5,214,130	5,614,438	5,781,244	5,583,484
Roads and bridges	26,617,875	26,955,454	29,633,348	31,869,727	33,933,093	34,210,353	34,555,793	36,581,863	36,768,900	38,381,183
Education	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458	1,893,548
Interest on long-term debt	3,896,389	3,914,517	3,825,907	3,595,170	3,588,036	3,525,858	3,562,823	3,353,325	3,470,378	3,619,207
Total governmental activities	<u>206,941,501</u>	<u>154,909,530</u>	<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>
Business-type activities:										
Environmental services	21,616,183	18,054,237	21,199,441	22,040,638	21,146,155	19,360,838	18,585,048	17,926,252	17,349,140	20,537,615
Stormwater services	388,073	-	-	-	-	-	-	-	-	-
Sewer and lighting services	1,555,397	1,049,626	1,045,903	1,030,832	1,006,476	1,033,416	1,053,617	1,124,479	1,055,953	1,036,059
Housing authority	-	-	-	-	-	-	7,605,742	7,395,830	6,741,111	5,645,709
Total business-type activities	<u>23,559,653</u>	<u>19,103,863</u>	<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>
Total primary government	<u>\$ 230,501,154</u>	<u>\$ 174,013,393</u>	<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>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 4,211,284	\$ 5,066,815	\$ 4,644,231	\$ 5,832,079	\$ 8,891,006	\$ 9,129,581	\$ 4,165,982	\$ 6,038,178	\$ 3,305,233	\$ 3,282,168
Health and social services	6,915,710	6,516,683	6,176,969	6,554,134	6,639,196	7,205,331	7,461,684	5,589,612	4,033,665	3,957,844
Public safety and judicial	8,290,644	8,079,397	7,752,478	8,318,651	7,360,065	7,196,736	7,240,109	5,225,994	7,457,908	7,260,283
Community service	3,898,925	2,806,613	2,913,115	2,483,622	2,152,406	2,780,000	2,876,339	2,199,566	3,049,818	3,605,016
Roads and bridges	4,708,897	3,943,448	4,003,486	4,236,283	4,321,393	3,927,151	3,703,877	3,580,276	2,397,273	2,368,997
Education	-	-	-	-	2,574	1,304	401	511	1,422	-
Operating grants and contributions	77,563,848	83,266,222	87,998,080	76,890,441	79,245,471	81,692,596	79,350,143	74,415,207	78,935,640	99,418,469
Capital grants and contributions	4,775,100	7,297,155	5,124,567	7,226,398	7,955,427	3,782,661	1,772,116	1,037,748	1,762,574	3,907,479
Total governmental activities	<u>110,364,408</u>	<u>116,976,333</u>	<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>
Business-type activities:										
Charges for services:										
Environmental services	16,420,306	17,844,368	20,302,845	17,586,561	15,521,769	14,808,769	20,051,437	21,477,453	19,834,238	19,378,688
Stormwater services	853,911	-	-	-	-	-	-	-	-	-
Sewer and lighting services	1,455,443	654,696	668,401	611,170	607,512	607,358	602,653	553,017	492,655	501,415
Housing authority	-	-	-	-	-	-	1,142,907	573,475	1,062,843	1,598,438
Operating grants and contributions	-	-	-	-	-	-	6,545,388	5,576,677	4,741,383	5,949,680
Total business-type activities	<u>18,729,660</u>	<u>18,499,064</u>	<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>
Total primary government	<u>\$ 129,094,068</u>	<u>\$ 135,475,397</u>	<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>

(continued on following page)

MARION COUNTY, OREGON

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
NET (EXPENSE) REVENUE										
Governmental activities	\$ (96,577,093)	\$ (37,933,197)	\$ (60,422,981)	\$ (67,375,863)	\$ (63,639,075)	\$ (68,109,322)	\$ (74,089,358)	\$ (80,611,164)	\$ (68,934,886)	\$ (71,315,050)
Business-type activities	(4,829,993)	(604,799)	(1,274,098)	(4,873,739)	(6,023,350)	(4,978,127)	1,097,978	1,734,061	984,915	208,838
Total primary government	<u>\$ (101,407,086)</u>	<u>\$ (38,537,996)</u>	<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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 65,566,613	\$ 61,711,673	\$ 59,110,891	\$ 57,134,473	\$ 56,410,115	\$ 55,328,502	\$ 54,135,566	\$ 52,098,594	\$ 49,875,152	\$ 47,814,061
Franchise taxes	337,375	265,819	295,802	275,249	258,296	300,159	259,905	239,042	209,443	215,460
Unrestricted grants and contribution:	4,144,505	4,414,818	4,198,940	5,008,671	4,519,082	5,297,123	5,168,854	5,275,498	4,490,292	4,630,045
Unrestricted investment earnings	1,197,108	912,040	744,491	677,621	752,181	751,126	1,276,223	2,143,463	3,538,182	3,869,082
Extraordinary items	-	-	-	8,733,901	(4,400,068)	(4,603,041)	-	-	-	1,215,375
Transfers	-	-	-	-	37,800	35,046	7,000,000	(73,030)	(41,199)	55,425
Total governmental activities	<u>71,245,601</u>	<u>67,304,350</u>	<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>
Business-type activities:										
Property taxes	-	243,556	248,431	250,562	248,113	246,700	248,965	311,797	237,170	352,428
Franchise taxes	347,208	324,940	298,364	294,357	289,719	277,716	263,019	301,997	279,846	291,626
Unrestricted investment earnings	88,842	78,453	63,339	71,561	118,265	145,817	359,510	727,773	1,112,519	1,248,581
Transfers	-	-	-	-	(37,800)	(35,046)	(7,000,000)	73,030	41,199	(55,425)
Total business-type activities	<u>436,050</u>	<u>646,949</u>	<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>
Total primary government	<u>\$ 71,681,651</u>	<u>\$ 67,951,299</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	\$ (25,331,492)	\$ 29,371,153	\$ 3,927,143	\$ 4,454,052	\$ (6,061,669)	\$ (11,000,407)	\$ (6,248,810)	\$ (20,927,597)	\$ (10,863,016)	\$ (13,515,602)
Business-type activities	(4,393,943)	42,150	(663,964)	(4,257,259)	(5,405,053)	(4,342,940)	(5,030,528)	3,148,658	2,655,649	2,046,048
Total primary government	<u>\$ (29,725,435)</u>	<u>\$ 29,413,303</u>	<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>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Operating Fund										
Nonspendable	\$ 20,842	\$ 19,960	\$ 18,079	\$ 20,148	\$ 19,284	\$ 21,690				
Restricted	-	-	-	2,000,000	2,000,000	3,000,000				
Committed	2,222,672	2,209,138	2,198,063	2,197,214	2,193,729	4,033,217				
Assigned	1,288,139	1,332,565	1,458,046	3,769,816	2,100,988	4,034,160				
Unassigned	11,211,744	10,788,435	9,850,658	8,493,826	7,545,764	7,980,753				
Total General Operating Fund	14,743,397	14,350,098	13,524,846	16,481,004	13,859,765	19,069,820				
General Fund										
Unreserved							\$ 6,446,160	\$ 5,967,914	\$ 11,277,134	\$ 11,171,805
Total General Fund							6,446,160	5,967,914	11,277,134	11,171,805
Other governmental funds										
Nonspendable	824,956	935,994	1,343,328	1,142,098	1,029,240	887,094				
Restricted	26,644,329	29,692,731	26,577,497	13,823,969	13,106,572	11,556,896				
Committed	2,995,478	2,962,942	4,201,351	4,383,458	4,823,398	3,972,412				
Assigned	51,057,117	41,437,261	31,772,956	32,471,409	31,542,606	22,502,444				
Unassigned	(3,181)	(3,761)	-	(1,060)	-	-				
Reserved							772,461	213,509	79,387	201,403
Unreserved, reported in:										
Special revenue funds							45,763,228	41,441,267	41,963,239	35,560,165
Capital projects funds							1,039,434	1,297,058	1,446,905	1,784,369
Total other governmental funds	81,518,699	75,025,167	63,895,132	51,819,874	50,501,816	38,918,846	47,575,123	42,951,834	43,489,531	37,545,937
Total governmental funds	\$96,262,096	\$89,375,265	\$77,419,978	\$68,300,878	\$64,361,581	\$57,988,666	\$54,021,283	\$48,919,748	\$54,766,665	\$48,717,742

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
REVENUES										
Taxes	\$66,078,860	\$62,345,375	\$59,844,595	\$57,533,975	\$56,931,645	\$55,206,300	\$53,987,816	\$51,642,143	\$49,713,395	\$47,693,310
Licenses and permits	3,811,301	3,041,718	3,004,660	2,560,939	2,259,909	2,837,711	2,858,419	2,454,711	3,147,025	3,656,240
Intergovernmental	89,571,796	94,978,195	97,321,587	88,463,221	87,059,568	90,772,380	86,291,113	80,728,453	85,188,506	107,671,851
Charges for services	26,835,897	22,543,128	22,250,108	23,822,740	26,557,956	26,802,502	22,591,707	20,188,489	16,150,111	15,670,452
Fines and forfeitures	2,709,374	3,076,921	2,701,520	3,547,518	2,867,689	2,791,571	2,750,119	2,380,014	2,462,386	2,464,004
Interest	1,147,879	871,704	711,155	646,852	711,839	711,757	1,192,044	1,995,736	3,278,843	3,655,703
Other	1,275,304	1,227,905	455,083	625,066	531,180	389,652	358,888	177,591	626,758	661,065
Total revenues	<u>191,430,411</u>	<u>188,084,946</u>	<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>
EXPENDITURES										
General government	9,665,066	9,348,870	10,952,145	10,796,488	12,249,892	11,866,007	10,206,092	11,178,064	10,573,571	9,526,733
Health and social services	50,461,732	53,593,236	56,424,183	55,698,229	54,118,820	58,099,011	58,680,292	51,298,954	45,475,884	72,720,683
Public safety and judicial	75,347,412	72,550,922	71,584,968	70,341,932	68,460,354	67,956,195	66,043,416	68,379,322	64,233,521	55,707,433
Community service	6,120,367	5,110,822	4,345,409	3,943,940	4,057,270	4,458,950	4,316,138	5,067,115	5,397,959	13,131,815
Roads and bridges	19,455,888	18,764,207	18,065,139	18,592,664	19,210,938	19,226,147	17,861,969	19,095,005	17,602,410	18,884,997
Education	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458	1,319,634
Debt service:										
Principal	3,755,977	3,186,933	2,657,548	2,431,249	2,215,953	2,011,611	1,823,180	1,645,616	1,468,880	1,337,930
Interest	3,263,441	3,378,469	3,327,941	3,232,247	3,297,021	3,356,299	3,418,054	3,453,622	3,633,171	3,818,452
Capital outlay	15,339,755	9,161,982	18,908,419	15,665,717	5,461,094	6,466,382	7,700,356	3,683,613	3,521,569	7,068,068
Total expenditures	<u>183,988,307</u>	<u>175,547,344</u>	<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>
Excess (deficiency) of revenues over expenditures	<u>7,442,104</u>	<u>12,537,602</u>	<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>
OTHER FINANCING SOURCES (USES)										
Insurance recoveries	-	-	-	8,733,901	-	-	-	-	-	1,215,375
Issuance of long-term debt	-	-	9,950,000	-	-	-	-	-	-	-
Transfers in	21,869,553	18,530,412	20,955,391	13,570,703	22,768,781	16,907,757	22,379,309	22,822,598	15,046,940	14,269,043
Transfers out	(22,424,826)	(19,112,727)	(21,406,300)	(14,356,512)	(23,384,005)	(17,997,717)	(16,428,743)	(23,016,484)	(16,122,618)	(14,797,573)
Total other financing sources (uses)	<u>(555,273)</u>	<u>(582,315)</u>	<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>
Net change in fund balance	<u>\$ 6,886,831</u>	<u>\$11,955,287</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>4.03%</u>	<u>3.96%</u>	<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>

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 (thousands)	Personal Property (thousands)	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)							
2016	\$ 11,660,258	\$ 4,950,815	\$ 4,533,423	\$ 784,377	\$ 561,608	\$ 22,490,481	\$ 3.03	\$ 27,831,182	\$ 36,716,577	61.3%
2015	11,184,908	4,825,983	4,321,539	734,653	541,430	21,608,513	3.03	26,283,582	34,877,589	62.0%
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%

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Marion County Direct Rate: General Operations	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03	\$ 3.03
Overlapping Rates:										
Cities	0.28 - 8.09	0.28 - 8.09	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
School Districts & ESD's	0.30 - 8.12	0.30 - 8.42	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
Chemeketa Community College	0.92	0.89	0.86	0.90	0.88	0.79	0.89	0.71	0.70	0.94
Sewer & Service Districts	0.05	0.00	0.00	0.00	0.00	0.00	0.00	1.10	0.00	1.75
Water & Water Control Districts	0.05 - 1.00	0.05 - 1.00	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
Rural Fire Protection Districts	0.53 - 2.51	0.53 - 2.52	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
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.

(2) Rates for individual taxing districts are available in the annual tax roll summaries posted on the county's website.

MARION COUNTY, OREGON

PRINCIPAL PROPERTY TAXPAYERS

Current Fiscal Year and Nine Years Ago

Taxpayer	2016			2007		
	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	\$ 305,584,619	1.36%	1	\$ 195,567,370	1.19%
Northwest Natural Gas Co	2	141,012,700	0.63%	2	103,978,500	0.63%
Winco Foods LLC	3	90,605,362	0.40%	3	75,259,326	0.46%
Woodburn Premium Outlets LLC	4	60,616,550	0.27%			
Lancaster Development Company	5	58,833,290	0.26%	5	46,529,970	0.28%
CenturyLink (Qwest Corporation)	6	64,019,190	0.28%	4	84,892,880	0.52%
Wal-Mart Real Estate	7	49,338,240	0.22%	8	37,432,470	0.23%
Norpac Foods Inc	8	58,848,031	0.26%	6	57,157,202	0.35%
Metropolitan Life Insurance Co	9	45,385,410	0.20%	9	34,365,100	0.21%
Donahue Schriber Realty Group	10	51,968,800	0.23%			
Craig Realty Group Woodburn				7	39,997,040	0.24%
Food Services of America Inc				10	32,157,390	0.20%
Total for principal taxpayers		<u>\$ 926,212,192</u>	<u>4.12%</u>		<u>\$ 707,337,248</u>	<u>4.30%</u>
Total taxable assessed value		<u>\$ 22,490,480,722</u>			<u>\$ 16,463,705,003</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
2016	\$ 68,645,892	\$ 65,123,214	94.87%	\$ -	\$ 65,123,214	94.87%
2015	63,937,929	60,400,930	94.47%	889,408	61,290,338	95.86%
2014	61,192,469	57,656,513	94.22%	1,346,675	59,003,188	96.42%
2013	59,269,340	55,486,634	93.62%	1,816,645	57,303,279	96.68%
2012	58,696,510	54,896,065	93.53%	1,905,174	56,801,239	96.77%
2011	57,538,690	53,606,948	93.17%	1,976,440	55,583,388	96.60%
2010	56,220,810	52,312,753	93.05%	2,097,655	54,410,408	96.78%
2009	54,128,189	50,344,904	93.01%	2,166,050	52,510,954	97.01%
2008	51,700,531	48,420,768	93.66%	1,771,857	50,192,625	97.08%
2007	49,372,997	46,532,052	94.25%	1,456,641	47,988,693	97.20%

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			
2016	\$ 9,538,188	\$ 37,614,562	\$ 9,075,343	\$ 794,059	\$ 459,334	\$ 57,481,486	0.47%	\$ 172
2015	10,640,837	38,535,195	9,662,966	1,292,413	541,932	60,673,343	0.53%	184
2014	11,683,737	39,369,217	9,950,000	1,767,312	620,468	63,390,734	0.59%	194
2013	12,688,614	40,118,810	-	2,219,860	695,201	55,722,485	0.53%	173
2012	13,655,469	40,783,125	-	2,651,109	761,360	57,851,063	0.57%	181
2011	14,589,733	41,362,745	-	3,062,062	824,172	59,838,712	0.62%	188
2010	15,485,975	41,865,334	-	3,453,673	2,327,785	63,132,767	0.66%	200
2009	16,355,058	42,288,832	-	3,826,853	2,448,584	64,919,327	0.66%	204
2008	17,196,982	42,636,965	-	4,182,470	2,270,166	66,286,583	0.72%	211
2007	18,006,316	42,903,776	-	4,521,350	2,524,444	67,955,886	0.76%	218

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	General Bonded Debt Outstanding			% of Estimated Actual Value of Taxable Property	General Bonded Debt Per Capita	Net Direct 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
	Refunding Obligations	Limited Tax Pension Obligations	Total							
2016	\$ 9,538,188	\$ 37,614,562	\$ 47,152,750	0.17%	\$ 141	\$ -	\$ 2,394	\$ 109,946	0%	2.18%
2015	10,640,837	38,535,195	49,176,032	0.19%	149	-	2,075	105,763	0%	1.96%
2014	11,683,737	39,369,217	51,052,954	0.21%	157	-	2,246	98,430	0%	2.28%
2013	12,688,614	40,118,810	52,807,424	0.22%	164	-	2,233	100,925	0%	2.21%
2012	13,655,469	40,783,125	54,438,594	0.21%	170	-	2,317	104,253	0%	2.22%
2011	14,589,733	41,362,745	55,952,478	0.21%	176	-	2,377	109,944	0%	2.16%
2010	15,485,975	41,865,334	57,351,309	0.20%	182	-	1,568	115,373	0%	1.36%
2009	16,355,058	42,288,832	58,643,890	0.20%	184	-	1,555	116,298	0%	1.34%
2008	17,196,982	42,636,965	59,833,947	0.22%	190	-	953	112,037	0%	0.85%
2007	18,006,316	42,903,776	60,910,092	0.26%	196	-	985	95,360	0%	1.03%

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, 2016

<u>Overlapping District</u>	<u>Outstanding Net Property Tax Backed Debt</u>	<u>Percent Overlapping</u>	<u>Net Overlapping Debt</u>
<u>Cities:</u>			
City of Aumsville	\$ 2,190,533	100.0000%	\$ 2,190,533
City of Aurora	2,600,065	100.0000%	2,600,065
City of Detroit	1,380,354	100.0000%	1,380,354
City of Donald	190,000	100.0000%	190,000
City of Gates	529,979	87.5837%	464,175
City of Gervais	490,343	100.0000%	490,343
City of Idanha	28,040	60.1213%	16,858
City of Jefferson	2,852,764	100.0000%	2,852,764
City of Mill City	4,920,198	23.1209%	1,137,594
City of St. Paul	693,305	100.0000%	693,305
City of Salem	87,383,819	84.5647%	73,895,864
City of Silverton	4,057,619	100.0000%	4,057,619
City of Stayton	12,322,703	100.0000%	12,322,703
City of Woodburn	14,645,297	100.0000%	14,645,297
<u>School Districts & ESD's:</u>			
Marion County SD 1 (Gervais)	9,873,338	100.0000%	9,873,338
Marion County SD 4J (Silver Falls)	50,573,104	91.4348%	46,241,416
Marion County SD 5 (Cascade)	25,113,855	100.0000%	25,113,855
Marion County SD 14J (Jefferson)	5,611,250	93.1722%	5,228,125
Marion County SD 15 (N. Marion)	11,083,666	100.0000%	11,083,666
Marion County SD 24J (Salem-Keizer)	430,397,423	88.7073%	381,793,933
Marion County SD 29J (N. Santiam)	34,925,878	80.0243%	27,949,189
Marion County SD 45 (St. Paul)	8,220,000	100.0000%	8,220,000
Marion County SD 91 (Mt. Angel)	12,715,142	100.0000%	12,715,142
Marion County SD 103 (Woodburn)	63,732,179	100.0000%	63,732,179
Linn County SD 129J (Santiam Canyon)	4,112,217	54.8334%	2,254,868
Polk County SD 13J (Central)	78,356,304	1.2990%	1,017,848
Willamette ESD	10,750,000	62.4468%	6,713,031
Chemeketa Community College	86,615,000	69.4198%	60,127,960
<u>Rural Fire Districts:</u>			
Aumsville Rural Fire District	1,880,000	100.0000%	1,880,000
Idanha-Detroit Rural Fire District	85,000	94.1459%	80,024
Jefferson Rural Fire District	210,000	59.4738%	124,895
Keizer Rural Fire District	3,770,000	100.0000%	3,770,000
Marion County Rural Fire District 1	5,600,990	100.0000%	5,600,990
Mt. Angel Rural Fire District	685,000	100.0000%	685,000
Silverton Rural Fire District	4,493,575	94.8249%	4,261,028
Stayton Rural Fire District	858,785	89.7526%	770,782
Sublimity Rural Fire District	1,126,238	100.0000%	1,126,238
Woodburn Rural Fire District	2,055,000	100.0000%	2,055,000
Polk County Rural Fire District	1,880,000	2.3478%	44,139
<u>Water Districts:</u>			
Lyons-Mehama Water District	500,000	29.6204%	148,102
Subtotal, overlapping debt	<u>\$ 989,508,963</u>		799,548,222
Marion County direct debt			<u>57,022,152</u>
Total direct and overlapping debt			<u><u>\$ 856,570,374</u></u>

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Real Market Value (RMV) (thousands)	<u>\$ 36,716,577</u>	<u>\$ 34,877,589</u>	<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>
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)	\$ 734,332	\$ 697,552	\$ 642,056	\$ 651,730	\$ 668,254	\$ 699,572	\$ 728,927	\$ 740,054	\$ 705,530	\$ 593,275
Total applicable debt (thousands)	-	-	-	-	-	-	-	-	-	-
Legal debt margin (thousands)	<u>\$ 734,332</u>	<u>\$ 697,552</u>	<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>
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)	\$ 1,835,829	\$ 1,743,879	\$ 1,605,140	\$ 1,629,326	\$ 1,670,635	\$ 1,748,929	\$ 1,822,317	\$ 1,850,135	\$ 1,763,825	\$ 1,483,186
Total applicable debt (thousands)	<u>37,615</u>	<u>38,535</u>	<u>39,369</u>	<u>40,119</u>	<u>40,783</u>	<u>41,363</u>	<u>41,865</u>	<u>42,289</u>	<u>42,637</u>	<u>42,904</u>
Legal debt margin (thousands)	<u>\$ 1,798,214</u>	<u>\$ 1,705,344</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>2.0%</u>	<u>2.2%</u>	<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>
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)	\$ 367,166	\$ 348,776	\$ 321,028	\$ 325,865	\$ 334,127	\$ 349,786	\$ 364,463	\$ 370,027	\$ 352,765	\$ 296,637
Total applicable debt (thousands)	<u>56,264</u>	<u>59,286</u>	<u>61,842</u>	<u>54,019</u>	<u>56,004</u>	<u>57,855</u>	<u>59,574</u>	<u>61,171</u>	<u>62,649</u>	<u>64,000</u>
Legal debt margin (thousands)	<u>\$ 310,902</u>	<u>\$ 289,490</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>15.3%</u>	<u>17.0%</u>	<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>

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	
2016	\$ 1,634,262	\$ -	\$ 1,634,262	\$ 498,354	\$ 53,709	296%
2015	1,392,465	-	1,392,465	474,899	77,164	252%
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%

MARION COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

Fiscal Year Ended June 30	Population	Personal Income (thousands)	Per Capita Income	Unemployment Rate
2016	333,950	\$ 12,301,699	\$ 37,199	6.1%
2015	329,770	11,466,398	35,190	7.4%
2014	326,150	10,697,982	33,232	8.9%
2013	322,880	10,432,012	32,606	10.0%
2012	320,495	10,110,954	31,806	10.5%
2011	318,150	9,727,336	30,787	11.2%
2010	315,900	9,556,426	30,494	11.1%
2009	318,170	9,806,818	31,663	6.6%
2008	314,865	9,200,465	29,972	5.4%
2007	311,070	8,919,741	29,410	5.6%

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

EMPLOYMENT AND WAGES BY INDUSTRY

Current Fiscal Year and Nine Years Ago

	2016				2007			
	Units	Employment	Wages	% of Employment	Units	Employment	Wages	% of Employment
Government Employers:								
Federal government	58	1,269	\$ 82,115,719	0.87%	55	1,467	\$ 79,797,300	1.06%
State government	211	20,344	1,166,240,029	14.01%	204	17,781	761,505,112	12.91%
Local government	330	13,726	665,150,495	9.45%	201	14,015	530,391,165	10.17%
	599	35,339	1,913,506,243	24.34%	460	33,263	1,371,693,577	24.14%
Private Employers:								
Natural resources and mining:								
Crop & animal production	324	5,173	154,908,122	3.56%	301	5,524	124,959,408	4.01%
Agriculture, forestry & mining	152	5,220	170,590,866	3.60%	127	4,316	109,710,130	3.13%
Construction:								
Building construction	314	1,462	62,970,822	1.01%	378	1,629	63,517,801	1.18%
Heavy & civil engineering	85	1,381	99,829,971	0.95%	103	1,429	73,285,794	1.04%
Specialty trade contractors	621	4,839	227,429,790	3.33%	738	5,177	183,435,104	3.76%
Manufacturing:								
Food, beverage & tobacco	70	4,779	153,050,298	3.29%	58	4,483	133,825,873	3.25%
Wood products	32	1,319	51,058,845	0.91%	35	2,308	77,438,417	1.68%
Metal & machinery	96	1,518	72,543,115	1.05%	96	1,588	62,752,705	1.15%
Other manufacturing	180	3,050	138,518,617	2.10%	216	3,899	146,543,393	2.83%
Trade, transportation and utilities:								
Merchant wholesalers	233	3,189	162,070,690	2.20%	250	3,214	133,543,868	2.33%
Motor vehicles, parts & fuel	195	2,888	111,484,162	1.99%	212	3,158	103,206,493	2.29%
Building & garden supplies	78	1,307	40,537,406	0.90%	80	1,457	42,248,599	1.06%
Food & beverages	170	2,818	64,771,430	1.94%	153	2,717	55,825,433	1.97%
Clothing & accessories	162	2,129	42,999,860	1.47%	135	1,737	28,968,716	1.26%
General merchandise	42	3,815	89,398,799	2.63%	34	3,671	78,202,756	2.66%
Other wholesalers & retailers	573	3,824	123,931,854	2.63%	533	4,068	112,243,432	2.95%
Truck & other transportation	176	2,309	87,650,816	1.59%	187	2,144	70,168,840	1.56%
Warehousing & storage	14	935	46,386,099	0.64%	12	811	35,581,621	0.59%
Utilities	8	208	19,017,524	0.14%	9	285	20,400,988	0.21%
Information services	110	934	47,831,265	0.64%	109	1,391	59,374,835	1.01%
Financial activities:								
Credit intermediation	160	2,069	99,441,007	1.43%	209	1,739	79,004,660	1.26%
Insurance	208	1,465	85,071,267	1.01%	225	1,772	84,904,087	1.29%
Real estate	366	1,355	40,892,040	0.93%	410	1,529	36,184,528	1.11%
Other financial activities	140	503	33,439,244	0.35%	122	708	38,167,146	0.51%
Professional and business services:								
Professional & technical	767	3,920	222,913,363	2.70%	729	3,681	167,157,542	2.67%
Management & administrative	548	7,520	249,670,044	5.18%	440	7,906	224,036,773	5.74%
Waste management & remediation	21	392	20,786,503	0.27%	14	301	13,481,592	0.22%
Education and health services:								
Educational services	107	2,318	83,455,998	1.60%	87	1,846	58,007,592	1.34%
Ambulatory services	512	7,333	465,550,868	5.05%	508	5,144	259,326,292	3.73%
Nursing & residential care	241	4,374	111,187,028	3.01%	164	3,184	67,380,917	2.31%
Hospitals & other health services	186	7,146	387,698,613	4.92%	151	5,683	227,449,996	4.12%
Leisure and hospitality:								
Amusement, gambling & recreation	81	1,345	18,418,798	0.93%	67	1,101	15,243,935	0.80%
Food services & drinking places	638	10,286	167,936,601	7.08%	556	9,004	118,737,067	6.53%
Other leisure & hospitality	84	1,123	23,757,504	0.77%	81	937	14,135,632	0.68%
Other services	1,676	5,601	143,553,377	3.86%	1,055	4,979	108,029,091	3.61%
	9,370	109,847	4,120,752,606	75.66%	8,584	104,520	3,226,481,056	75.86%
Total County Employment	9,969	145,186	\$ 6,034,258,849	100.00%	9,044	137,783	\$ 4,598,174,633	100.00%

Source: Oregon Employment Department

Notes:

- (1) Information is presented for the prior calendar year.
- (2) Includes full-time and part-time employees.

MARION COUNTY, OREGON

COUNTY EMPLOYEES BY FUNCTION AND BARGAINING UNIT

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Full Time Equivalent (FTE)										
Employees by Function:										
Governmental activities:										
General government	231.3	228.8	220.5	222.0	224.0	223.0	234.8	242.3	250.3	247.3
Health and social services	425.2	407.1	396.3	367.7	349.4	360.3	382.2	360.4	339.4	295.4
Public safety and judicial	561.4	554.0	550.7	546.8	541.3	556.6	555.3	582.9	588.1	559.1
Community service	39.5	35.5	29.7	35.3	27.3	28.0	24.8	30.6	47.7	50.7
Roads and bridges	142.4	141.4	131.4	134.4	133.0	128.3	136.8	149.5	155.0	155.0
Total governmental activities	<u>1,399.8</u>	<u>1,366.8</u>	<u>1,328.6</u>	<u>1,306.2</u>	<u>1,275.0</u>	<u>1,296.2</u>	<u>1,333.9</u>	<u>1,365.7</u>	<u>1,380.5</u>	<u>1,307.5</u>
Business-type activities:										
Environmental services	<u>30.3</u>	<u>30.3</u>	<u>30.3</u>	<u>33.3</u>	<u>33.3</u>	<u>33.1</u>	<u>29.1</u>	<u>12.1</u>	<u>12.5</u>	<u>10.5</u>
Total FTE budgeted	<u>1,430.1</u>	<u>1,397.1</u>	<u>1,358.9</u>	<u>1,339.5</u>	<u>1,308.3</u>	<u>1,329.3</u>	<u>1,363.0</u>	<u>1,377.8</u>	<u>1,393.0</u>	<u>1,318.0</u>
Number of Employees by Bargaining Unit:										
Marion County Employee Assoc.	790	780	732	718	693	718	764	763	745	758
Marion County Law Enforcement Association	205	213	207	202	198	211	226	227	218	219
Marion County Juvenile Employees Association	32	32	33	34	31	31	35	39	41	-
Federation of Oregon Parole and Probation Officers	38	36	35	37	34	37	41	41	45	42
Oregon Nurses Association	17	19	17	18	20	19	20	23	23	19
Unrepresented:										
Management and other	246	238	233	238	232	234	251	255	258	230
Temporary employees	<u>183</u>	<u>174</u>	<u>235</u>	<u>240</u>	<u>230</u>	<u>242</u>	<u>257</u>	<u>257</u>	<u>281</u>	<u>294</u>
Total county employees	<u>1,511</u>	<u>1,492</u>	<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>

Sources:

Marion County payroll records.

MARION COUNTY, OREGON

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Governmental Activities:										
General Government										
General election information:										
Registered voters	(1)	151,674	(1)	151,426	(1)	142,968	(1)	150,122	(1)	138,705
Votes cast	(1)	105,239	(1)	121,665	(1)	102,281	(1)	126,583	(1)	99,675
Percentage voted	(1)	69.38%	(1)	80.35%	(1)	71.54%	(1)	84.32%	(1)	71.86%
Marriage licenses issued	2,567	2,504	2,335	2,221	2,350	2,334	2,297	2,456	2,387	2,328
Passports issued	1,118	1,039	934	752	677	712	801	891	1,205	1,378
Documents recorded	58,714	49,451	48,596	58,630	51,058	53,070	55,756	54,747	67,981	82,542
Property tax accounts:										
Residential	83,453	83,175	83,134	82,996	82,934	82,891	82,887	82,511	81,539	79,567
Commercial	9,921	9,908	9,921	9,747	8,876	8,855	8,753	8,604	9,564	8,215
Industrial	526	520	533	682	1,663	1,594	1,631	1,686	567	1,905
Farm	27,836	27,879	27,897	27,972	28,163	28,134	28,179	28,643	29,414	28,890
Utilities	1,821	1,975	1,911	1,896	1,852	1,841	1,771	1,438	1,490	1,433
Personal	6,720	6,527	6,434	6,359	6,215	6,280	5,953	5,380	5,059	4,860
Health and Social Services										
Total clinic visits	409,552	431,857	444,536	405,221	421,711	456,385	462,909	493,094	474,292	346,024
Number of clients served:										
Acute	15,408	11,809	5,097	8,061	6,361	6,813	7,680	6,025	5,675	3,485
Alcohol and drug treatment	1,634	2,783	2,413	2,307	2,187	2,114	2,144	3,371	4,387	477
Behavioral health (other)	6,391	5,934	5,967	5,578	6,134	6,017	5,889	4,714	4,302	5,633
Developmental disabilities	2,584	2,394	2,206	2,123	2,075	2,044	1,980	1,946	1,861	1,785
IDS & out-of-panel MH providers	-	1,646	6,313	8,283	5,903	5,422	4,750	4,534	3,914	3,953
Immunizations	3,088	3,556	2,567	2,867	2,971	6,270	10,323	8,049	11,060	6,529
Public health (other)	6,911	8,872	9,567	9,531	8,079	9,019	9,901	10,810	9,261	9,225
Women, infants and children (WIC)	7,467	7,923	8,555	9,821	9,648	11,397	12,741	12,558	10,772	15,967
Health inspections	3,207	3,221	3,166	3,027	3,073	3,351	3,066	3,757	2,795	3,875
Food handler cards issued	1,810	6,212	5,133	614	614	731	5,054	3,173	17,645	17,655
Birth and death certificates issued	17,640	17,175	16,561	17,118	16,175	17,538	16,294	16,094	15,416	8,049
Public Safety and Judicial										
Sheriff:										
Calls for service	67,791	74,613	68,199	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of reports	25,931	26,358	23,737	24,042	23,132	23,024	24,507	28,427	27,065	28,494
Number of arrests	2,293	2,571	2,587	2,269	2,560	2,610	3,248	2,983	3,007	3,534
Number of inmates booked	13,177	13,574	13,696	13,384	13,731	15,197	16,446	16,321	17,304	19,171
Average daily jail population	403	409	414	418	454	542	534	526	534	538
Average length of jail stay (days)	18	17	15	13	11	14	19	20	25	25
Adults on probation and post-prison supervision (monthly average)	3,644	3,583	3,697	3,781	3,940	3,963	4,120	4,333	4,444	4,298
Juvenile:										
Youth served per year (2)	1,428	1,567	1,975	2,012	2,247	2,368	2,459	2,918	3,226	3,224
Community service hours completed (2)	7,056	7,676	8,341	9,334	14,626	15,239	16,966	19,552	17,763	15,619
Youth admitted to detention center (2)	862	900	921	1,020	1,051	1,125	1,128	1,073	1,211	1,234
Average length of stay (days) (2)	12.7	10.4	8.9	9.4	8.0	7.5	8.0	11.6	11.4	11.2
District Attorney:										
Adult criminal cases prosecuted (2)	9,836	9,916	9,513	9,867	9,687	9,600	10,799	11,071	12,430	13,066
Juvenile delinquency petitions filed (2)	433	422	451	612	582	479	694	978	1,136	1,273
Juvenile dependency petitions filed (2)	411	414	510	668	875	826	877	974	916	1,008
Volunteer hours for victim assistance (3)	19,189	19,666	24,731	23,837	18,401	26,003	24,903	25,878	52,861	44,076
Victims served (3)	5,069	4,124	4,017	4,531	5,792	4,294	4,725	3,668	3,887	3,879
Business-Type Activities										
Environmental Services										
Waste generated per capita (pounds)	2,801	2,721	2,641	2,627	2,711	2,612	2,637	2,902	3,210	3,324
Waste recovered per capita (pounds)	1,456	1,463	1,441	1,428	1,482	1,308	1,376	1,522	1,619	1,724
Waste recovery rate	52.0%	53.8%	54.6%	54.4%	54.7%	50.1%	52.2%	52.4%	50.4%	51.9%
Waste recovered (tons)	239,926	238,422	232,540	228,708	235,584	206,398	218,787	239,441	251,673	264,168

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

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
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	6	6
Downtown campus	2	2	2	2	2	2	2	2	2	2
Public Works campus	13	13	13	13	13	13	13	12	12	12
Other facilities countywide	13	12	12	12	12	12	12	11	11	11
Community Service										
Parks acreage	610.2	610.2	610.2	610.2	610.2	614.2	614.2	614.2	614.2	614.2
Number of developed facilities	18	18	18	18	18	19	19	19	19	19
Number of undeveloped facilities	3	3	3	3	3	3	3	3	3	3
Number of playgrounds	5	5	5	5	5	6	6	6	6	6
Roads and Bridges										
Roads maintained by county:										
- miles paved	924.3	925.6	925.5	925.5	925.8	925.2	932.0	932.0	926.9	926.9
- miles unpaved	193.2	192.6	192.8	192.8	192.8	192.8	192.8	192.8	192.8	192.8
Bridges	147	147	147	147	147	147	147	147	147	147
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 (the County) as of and for the year ended June 30, 2016, and have issued our report thereon dated December 21, 2016.

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.


Internal Control Over Financial Reporting

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: 
Ryan T. Pasquarella, A Shareholder
December 21, 2016