

For Year Ended June 30, 2017



O R E G O N

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARION COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017

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) 589-3290

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November 30, 2017

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, 2017 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, 2017 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, 2017 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 339,200. 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, 125 state agencies are located in Marion County, providing employment to approximately 20,700 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 7,000 workers. As of September 2017, the seasonally adjusted unemployment rate in Marion County was 4.5%, a decrease from 5.1% last year, and comparable to the state and national average of 4.2%.

Long-Term Financial Planning – The County heads into fiscal year 2018 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: reorganization of the Health Department, rural economic development and revitalization efforts, analysis of the county's solid waste management system, renovation of the transition center, 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, 2016. This was the 16th 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, 2016, making this the 6th 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, 2017

Board of Commissioners

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

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

Other Elected Officials

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

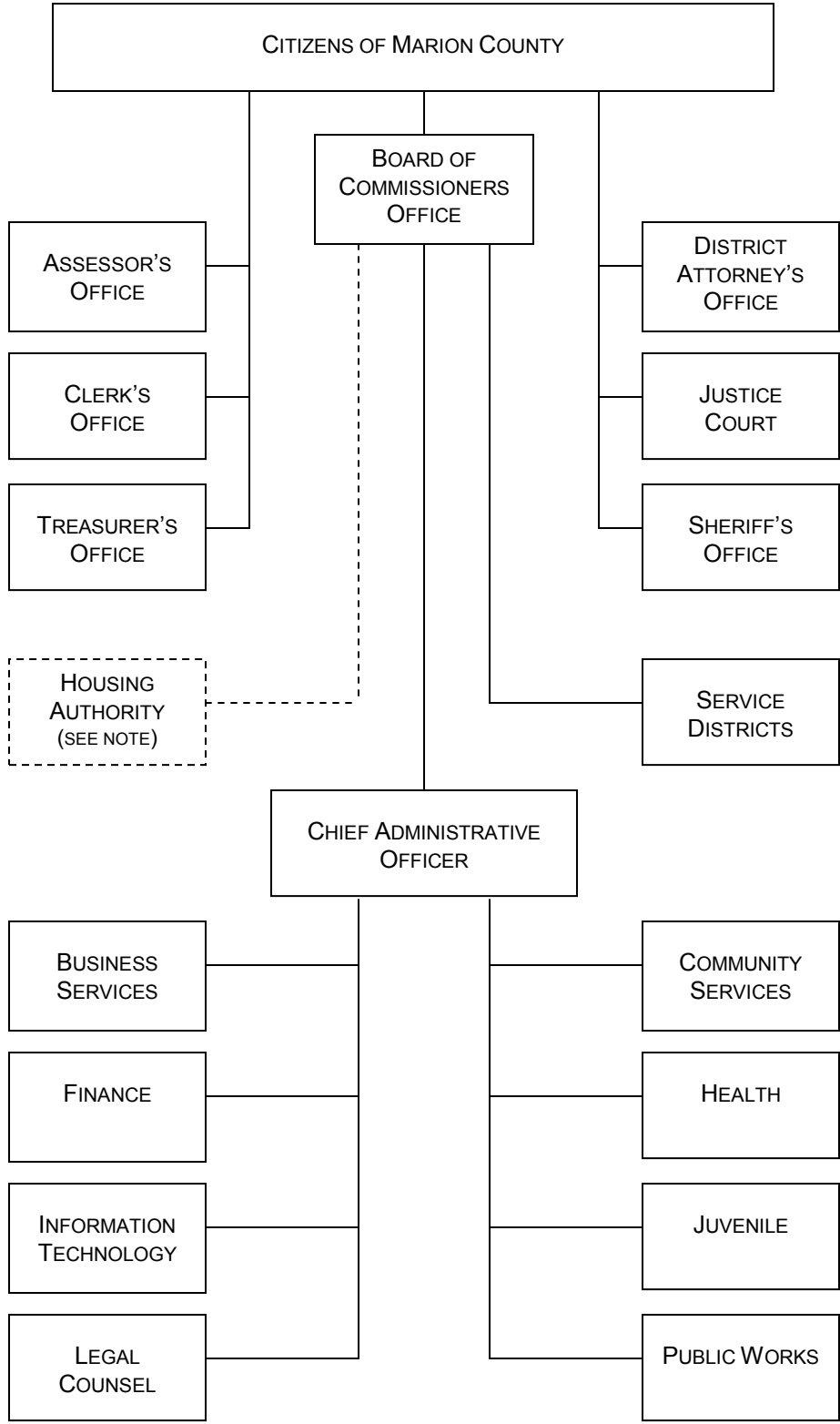
Chief Administrative Officer

John Lattimer

Legal Counsel

Gloria Roy

MARION COUNTY, OREGON
 Organization Chart
 June 30, 2017



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, 2016

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, 2017, 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, 2017, 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 November 30, 2017, 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 November 30, 2017, 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
November 30, 2017

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, 2017. 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 \$175,789,279 (*net position*). Of this amount, \$187,119,126 reflects the County's net investment in capital assets, and \$40,841,999 represents resources that are subject to external restrictions, resulting in a negative unrestricted balance of \$52,171,846.
- The County's financial position declined from the prior fiscal year with a decrease in total net position of \$8,758,837, 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 \$105,638,692, an increase of \$9,376,596 from the prior year. Of this amount, \$964,045 is nonspendable, and \$34,951,886 is subject to external restrictions. The remaining amount of \$69,722,761 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 \$14,710,400, equal to 21% of total General Operating Fund expenditures.
- The County's total debt increased \$5,978,009 during the current fiscal year due to the issuance of a capital financing agreement.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The *statement of net position* presents information on all of the County's assets, 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 four 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 53-102 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 \$175,789,279 at the end of fiscal year 2017.

The largest portion of the County's net position (106%) 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 (23%) represents resources that are subject to external restrictions on how they may be used. The County had a negative unrestricted net position (-29%) at the end of fiscal year 2017.

The County's financial position declined from the prior fiscal year with a decrease in total net position of \$8,758,837, primarily due to the change in the county's net pension liability and pension-related deferrals. 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)

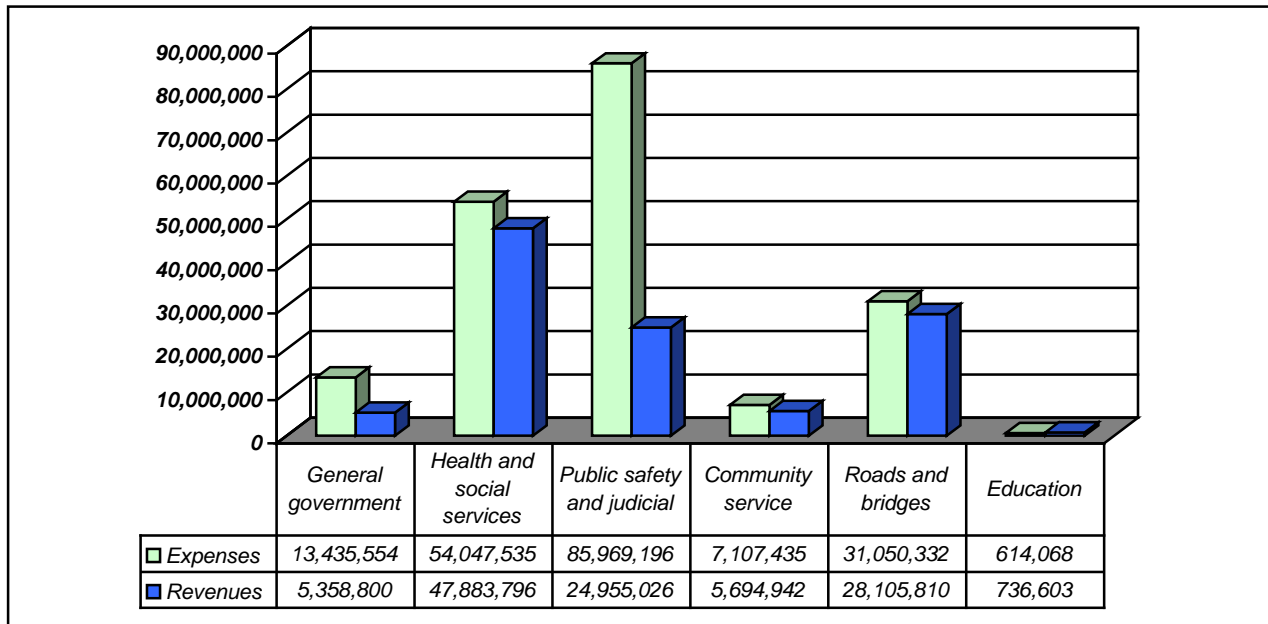
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 140,043	\$ 129,647	\$ 15,070	\$ 12,218	\$ 155,113	\$ 141,865
Capital assets	195,357	193,213	8,077	8,665	203,434	201,878
Total assets	335,400	322,860	23,147	20,883	358,547	343,743
Deferred outflows of resources	59,297	9,735	1,160	198	60,457	9,933
Long-term liabilities outstanding	211,266	131,482	11,017	11,049	222,283	142,531
Other liabilities	12,428	12,362	5,164	1,607	17,592	13,969
Total liabilities	223,694	143,844	16,181	12,656	239,875	156,500
Deferred inflows of resources	3,276	12,376	64	252	3,340	12,628
Net position:						
Net investment in capital assets	179,570	175,617	7,549	8,102	187,119	183,719
Restricted	40,842	32,256	-	-	40,842	32,256
Unrestricted	(52,685)	(31,498)	513	71	(52,172)	(31,427)
Total net position	\$ 167,727	\$ 176,375	\$ 8,062	\$ 8,173	\$ 175,789	\$ 184,548

Marion County's Changes in Net Position (thousands)

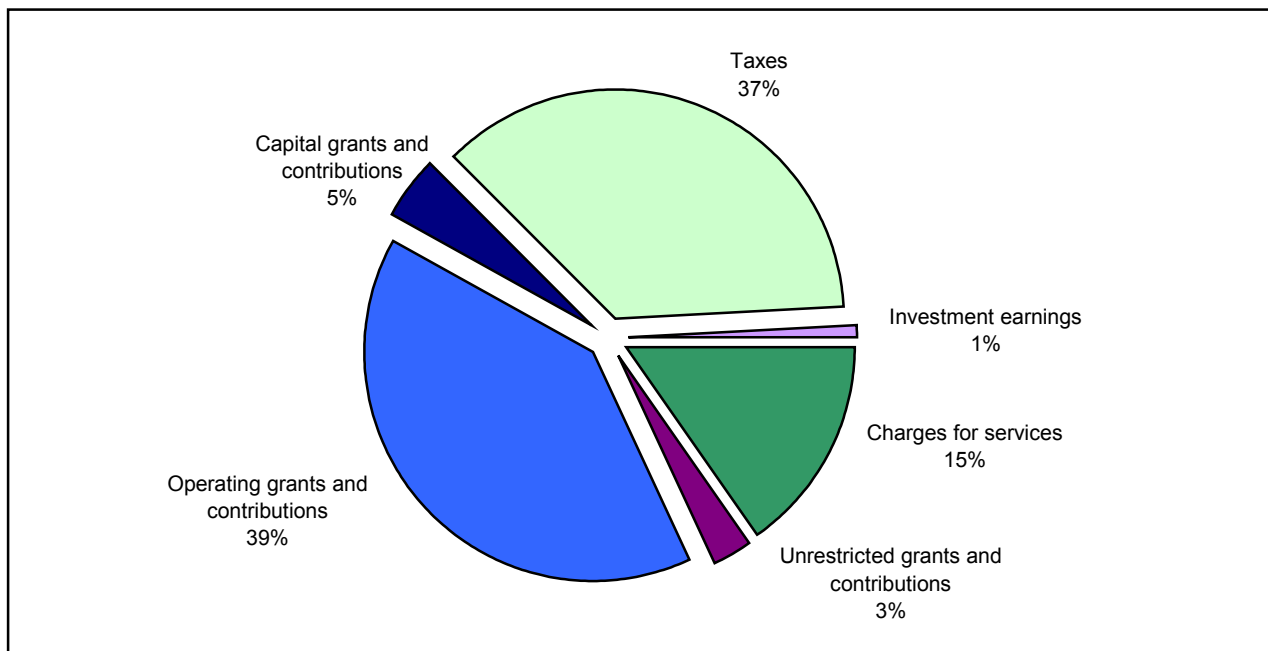
	Governmental activities		Business-type activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 28,872	\$ 28,025	\$ 23,427	\$ 18,730	\$ 52,299	\$ 46,755
Operating grants and contributions	75,313	77,564	-	-	75,313	77,564
Capital grants and contributions	8,551	4,775	-	-	8,551	4,775
General revenues:						
Property taxes	68,203	65,567	-	-	68,203	65,567
Other taxes	355	337	375	347	730	684
Unrestricted grants and contributions	4,744	4,145	-	-	4,744	4,145
Unrestricted investment earnings	1,585	1,197	102	89	1,687	1,286
Total revenues	187,623	181,610	23,904	19,166	211,527	200,776
Expenses:						
General government	13,436	13,788	-	-	13,436	13,788
Health and social services	54,048	59,722	-	-	54,048	59,722
Public safety and judicial	85,969	95,109	-	-	85,969	95,109
Community service	7,107	7,229	-	-	7,107	7,229
Roads and bridges	31,050	26,618	-	-	31,050	26,618
Education	614	579	-	-	614	579
Interest on long-term debt	4,072	3,896	-	-	4,072	3,896
Environmental services	-	-	21,736	21,616	21,736	21,616
Stormwater services	-	-	620	388	620	388
Sewer and lighting services	-	-	1,634	1,556	1,634	1,556
Total expenses	196,296	206,941	23,990	23,560	220,286	230,501
Change in net position before transfers	(8,673)	(25,331)	(86)	(4,394)	(8,759)	(29,725)
Transfers	25	-	(25)	-	-	-
Change in net position	(8,648)	(25,331)	(111)	(4,394)	(8,759)	(29,725)
Net position - beginning of year	176,375	201,706	8,173	12,567	184,548	214,273
Net position - end of year	\$ 167,727	\$ 176,375	\$ 8,062	\$ 8,173	\$ 175,789	\$ 184,548

Governmental Activities – Governmental activities decreased the County’s net position by \$8,648,153 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 \$110,684. 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 \$21,735,817 with program revenues of \$21,078,435. For stormwater services, expenses were \$620,010 and program revenues were \$899,614, and for sewer and lighting services, expenses were \$1,633,876 and program revenues were \$1,448,868.

Charges for services are the primary source of revenue for business-type activities, comprising 98% of total revenues for fiscal 2017. 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 \$105,638,692, an increase of 10% in comparison with the prior year. \$964,045 (1%) of this amount is nonspendable in the form of inventory and prepaid items. \$34,951,886 (33%) is subject to restrictions imposed by creditors, grantors, contributors, laws or regulations. \$69,722,761 (66%) 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 \$18,364,542, of which \$20,932 is nonspendable for inventories and prepaid items, \$2,240,114 is committed, \$1,393,096 is assigned, and \$14,710,400 is unassigned. The \$3,621,145 net increase in fund balance during the current year was primarily due to increased revenues for state timber sales, and lower than anticipated costs for personnel and contracted services. As a measure of the General Operating Fund’s liquidity, it may be useful to note that unassigned fund balance represents 18% of revenues and 21% of expenditures for fiscal 2017.

The Public Works Fund has a total fund balance of \$27,042,813, of which \$916,133 is nonspendable, \$2,796,504 is committed, and \$23,330,176 is assigned. Fund balance increased \$344,613 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 \$22,347,954, of which \$16,125,084 is restricted, and \$6,222,870 is assigned. Fund balance decreased \$437,928 during the current year primarily due to resources transferred to other funds for the health building renovation.

The Lottery & Economic Development Fund has a total fund balance of \$1,977,569, all of which is restricted. Fund balance increased \$278,310 during the current year due to payments received from the Oregon Garden Foundation.

The Facility Renovation Fund has a total fund balance of \$19,599,096, of which \$10,364,032 is restricted, and \$9,235,064 is assigned. Fund balance increased \$6,798,044 during the current year due to the issuance of a capital financing agreement.

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 \$682,783 at the end of the fiscal year. Net position decreased \$99,634 in fiscal 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total appropriations in the General Fund's final amended budget were \$10,000 higher than the original adopted budget (includes expenditures and transfers out); the most significant changes were an increase of \$507,773 for transfers to other funds, and a decrease of \$687,309 for contingency. Intergovernmental revenue was 28% higher than anticipated, primarily for Oregon and California lands grant and state timber sales; charges for services were 22% higher than anticipated, most notably for recording fees, passport application fees and election reimbursements. Actual expenditures for non-departmental materials and services were 33% lower than anticipated primarily for contracted services.

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, 2017 amounts to \$203,433,741 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, landfills, buildings and improvements, equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 1% (a 1% increase for governmental activities and a 7% decrease for business-type activities).

Major capital projects during the current fiscal year included road and bridge construction, completion of the health building renovation, and beginning construction of the new public safety and juvenile buildings. Construction in progress at the end of the year was approximately \$1,169,000 for roads and bridges, \$1,154,000 for facility construction and renovation projects, and \$435,000 for various other projects.

Marion County's Capital Assets (thousands)

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 12,153	\$ 12,153	\$ 3,035	\$ 3,035	\$ 15,188	\$ 15,188
Construction in progress	2,731	8,841	27	-	2,758	8,841
Buildings and improvements	86,327	79,694	3,415	3,782	89,742	83,476
Equipment	16,093	13,395	1,600	1,848	17,693	15,243
Infrastructure	78,053	79,130	-	-	78,053	79,130
Total	\$ 195,357	\$ 193,213	\$ 8,077	\$ 8,665	\$ 203,434	\$ 201,878

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 \$63,459,495, including \$271,091 in revenue bonds (Oregon Garden), \$8,375,789 in refunding bonds (Courthouse Square), \$17,775,756 in capital financing agreements, \$36,595,471 in limited tax pension obligations (PERS) and \$441,388 in notes payable (service districts). Outstanding debt increased 10% from the previous fiscal year due to the issuance of a capital financing agreement. 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 2017, the current limitation is \$780 million for general obligation bonds and \$390 million for limited tax obligations. As of June 30, 2017, the County's total outstanding debt represents 0.16% 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	
	2017	2016	2017	2016	2017	2016
Revenue bonds	\$ 271	\$ 794	\$ -	\$ -	\$ 271	\$ 794
Refunding bonds	8,376	9,538	-	-	8,376	9,538
Capital financing agreements	17,776	9,075	-	-	17,776	9,075
Limited tax pension obligations	36,595	37,615	-	-	36,595	37,615
Notes payable	-	-	441	459	441	459
Total	\$ 63,018	\$ 57,022	\$ 441	\$ 459	\$ 63,459	\$ 57,481

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 3.6%.
- The unemployment rate in Marion County is currently 4.5%, a decrease from the rate of 5.1% a year ago. The County's unemployment rate is comparable to the state and national average of 4.2%.
- For the six months ending September 2017, the University of Oregon Index of Economic Indicators fell 0.3%; comparable national indices showed an increase of 1.7%.
- As of September 2017, forecasted revenues for the State of Oregon's general fund in the 2017-2019 biennium were \$60 million lower 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 2018.

During the current fiscal year, fund balance in the General Operating Fund increased from \$14,743,397 to \$18,364,542. The County has appropriated \$5,414,366 of this amount for spending in fiscal year 2018.

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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 116,517,972	\$ 15,133,409	\$ 131,651,381
Receivables	18,783,119	1,687,602	20,470,721
Internal balances	1,750,476	(1,750,476)	-
Inventories and prepaids	2,991,465	-	2,991,465
Capital assets not being depreciated:			
Land	12,152,955	3,034,916	15,187,871
Construction in progress	2,730,568	27,109	2,757,677
Capital assets being depreciated:			
Landfills	-	6,430,703	6,430,703
Buildings and improvements	124,379,822	14,058,609	138,438,431
Equipment	36,547,429	4,129,774	40,677,203
Infrastructure	586,597,097	-	586,597,097
Less accumulated depreciation	(567,050,924)	(19,604,317)	(586,655,241)
Total assets	<u>335,399,979</u>	<u>23,147,329</u>	<u>358,547,308</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related deferred outflows	59,296,693	1,160,347	60,457,040
Total deferred outflows of resources	<u>59,296,693</u>	<u>1,160,347</u>	<u>60,457,040</u>
LIABILITIES			
Accounts payable and other current liabilities	12,127,128	5,151,545	17,278,673
Accrued interest payable	300,885	12,887	313,772
Long-term obligations:			
Due within one year	10,182,427	103,954	10,286,381
Due in more than one year	201,083,358	10,912,444	211,995,802
Total liabilities	<u>223,693,798</u>	<u>16,180,830</u>	<u>239,874,628</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	3,276,329	64,112	3,340,441
Total deferred inflows of resources	<u>3,276,329</u>	<u>64,112</u>	<u>3,340,441</u>
NET POSITION			
Net investment in capital assets	179,569,434	7,549,692	187,119,126
Restricted for:			
General government	766,676	-	766,676
Health and social services	16,125,084	-	16,125,084
Public safety and judicial	2,951,402	-	2,951,402
Community service	8,698,744	-	8,698,744
Roads and bridges	1,736,730	-	1,736,730
Education	199,331	-	199,331
Capital projects	10,364,032	-	10,364,032
Unrestricted	(52,684,888)	513,042	(52,171,846)
Total net position	<u>\$ 167,726,545</u>	<u>\$ 8,062,734</u>	<u>\$ 175,789,279</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, 2017

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	\$ 13,435,554	\$ 4,882,879	\$ -	\$ 475,921	\$ (8,076,754)	\$ -	\$ (8,076,754)
Health and social services	54,047,535	7,445,079	40,058,931	379,786	(6,163,739)	-	(6,163,739)
Public safety and judicial	85,969,196	7,910,432	17,044,594	-	(61,014,170)	-	(61,014,170)
Community service	7,107,435	3,620,286	2,010,103	64,553	(1,412,493)	-	(1,412,493)
Roads and bridges	31,050,332	5,012,840	15,462,248	7,630,722	(2,944,522)	-	(2,944,522)
Education	614,068	-	736,603	-	122,535	-	122,535
Interest on long-term debt	4,071,654	-	-	-	(4,071,654)	-	(4,071,654)
Total governmental activities	196,295,774	28,871,516	75,312,479	8,550,982	(83,560,797)	-	(83,560,797)
Business-type activities:							
Environmental services	21,735,817	21,078,435	-	-	-	(657,382)	(657,382)
Stormwater services	620,010	899,614	-	-	-	279,604	279,604
Sewer and lighting services	1,633,876	1,448,868	-	-	-	(185,008)	(185,008)
Total business-type activities	23,989,703	23,426,917	-	-	-	(562,786)	(562,786)
Total	\$ 220,285,477	\$ 52,298,433	\$ 75,312,479	\$ 8,550,982	(83,560,797)	(562,786)	(84,123,583)
General revenues:							
Property taxes					68,203,262	-	68,203,262
Franchise taxes					354,709	374,695	729,404
Unrestricted grants and contributions					4,744,325	-	4,744,325
Unrestricted investment earnings					1,585,348	102,407	1,687,755
Transfers					25,000	(25,000)	-
Total general revenues and transfers					74,912,644	452,102	75,364,746
Change in net position					(8,648,153)	(110,684)	(8,758,837)
Net position - beginning					176,374,698	8,173,418	184,548,116
Net position - ending					\$ 167,726,545	\$ 8,062,734	\$ 175,789,279

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

MARION COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2017

	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	\$ 19,175,152	\$ 24,348,771	\$ 23,792,825	\$ 2,053,330	\$ 19,870,144	\$ 15,892,605	\$ 105,132,827
Receivables	4,379,142	4,304,704	1,576,847	5,315,431	58,892	2,812,740	18,447,756
Advances to other funds	-	595,714	-	-	-	-	595,714
Inventories and prepaids	20,932	916,133	-	-	-	26,980	964,045
Total assets	<u>\$ 23,575,226</u>	<u>\$ 30,165,322</u>	<u>\$ 25,369,672</u>	<u>\$ 7,368,761</u>	<u>\$ 19,929,036</u>	<u>\$ 18,732,325</u>	<u>\$ 125,140,342</u>
LIABILITIES							
Accounts payable	\$ 993,663	\$ 1,717,076	\$ 1,006,977	\$ 77,644	\$ 329,940	\$ 1,115,568	\$ 5,240,868
Payroll related liabilities	1,625,693	395,853	1,099,737	4,180	-	641,239	3,766,702
Deposits	21,199	1,009,580	-	-	-	87,578	1,118,357
Unearned revenue	-	-	915,004	-	-	477	915,481
Total liabilities	<u>2,640,555</u>	<u>3,122,509</u>	<u>3,021,718</u>	<u>81,824</u>	<u>329,940</u>	<u>1,844,862</u>	<u>11,041,408</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>2,570,129</u>	<u>-</u>	<u>-</u>	<u>5,309,368</u>	<u>-</u>	<u>580,745</u>	<u>8,460,242</u>
FUND BALANCES							
Nonspendable	20,932	916,133	-	-	-	26,980	964,045
Restricted	-	-	16,125,084	1,977,569	10,364,032	6,485,201	34,951,886
Committed	2,240,114	2,796,504	-	-	-	485,386	5,522,004
Assigned	1,393,096	23,330,176	6,222,870	-	9,235,064	9,313,758	49,494,964
Unassigned	14,710,400	-	-	-	-	(4,607)	14,705,793
Total fund balances	<u>18,364,542</u>	<u>27,042,813</u>	<u>22,347,954</u>	<u>1,977,569</u>	<u>19,599,096</u>	<u>16,306,718</u>	<u>105,638,692</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,575,226</u>	<u>\$ 30,165,322</u>	<u>\$ 25,369,672</u>	<u>\$ 7,368,761</u>	<u>\$ 19,929,036</u>	<u>\$ 18,732,325</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.	195,356,947
Deferred amounts related to pensions are not reported in the funds:	
Pension-related deferred outflows of resources	51,505,279
Pension-related deferred inflows of resources	(2,845,829)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	8,460,242
Internal service funds assets and liabilities are included in governmental activities in the statement of net position.	(3,232,032)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	62,747,016
Accrued interest payable	300,885
Compensated absences	4,007,422
Net pension liability	101,633,395
Net OPEB obligation	18,468,036
	<u>(187,156,754)</u>

Net position of governmental activities \$ 167,726,545

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, 2017

	General Operating Fund	Public Works Fund	Health Fund	Lottery & Economic Development Fund	Facility Renovation Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 67,689,807	\$ -	\$ -	\$ -	\$ -	\$ 1,096,538	\$ 68,786,345
Licenses and permits	64,825	227,294	-	-	-	3,394,857	3,686,976
Intergovernmental	4,957,391	22,979,057	39,215,587	1,632,657	475,921	19,233,260	88,493,873
Charges for services	4,546,851	4,029,884	7,287,402	1,579	-	9,650,024	25,515,740
Fines and forfeitures	1,994,803	7,223	-	-	-	732,541	2,734,567
Interest	779,071	196,025	190,082	14,204	158,905	182,079	1,520,366
Other	19,594	129,392	133,896	488,793	-	448,751	1,220,426
Total revenues	80,052,342	27,568,875	46,826,967	2,137,233	634,826	34,738,050	191,958,293
Expenditures:							
Current:							
General government	10,093,101	-	-	-	-	434,451	10,527,552
Health and social services	-	-	50,036,833	-	-	1,778,113	51,814,946
Public safety and judicial	58,326,776	-	-	-	-	21,205,743	79,532,519
Community service	635,856	-	-	982,859	-	4,944,800	6,563,515
Roads and bridges	-	19,851,234	-	-	-	524,637	20,375,871
Education	-	-	-	-	-	614,068	614,068
Debt service:							
Principal	-	-	-	522,968	-	4,184,588	4,707,556
Interest and other charges	-	-	-	29,096	15,967	3,279,489	3,324,552
Capital outlay	4,999	7,516,810	528,827	-	3,608,540	2,923,069	14,582,245
Total expenditures	69,060,732	27,368,044	50,565,660	1,534,923	3,624,507	39,888,958	192,042,824
Excess (deficiency) of revenues over expenditures	10,991,610	200,831	(3,738,693)	602,310	(2,989,681)	(5,150,908)	(84,531)
Other financing sources (uses):							
Debt issuance	-	-	-	-	9,950,000	-	9,950,000
Transfers in	3,907,582	143,782	3,730,390	-	368,725	8,254,718	16,405,197
Transfers out	(11,278,047)	-	(429,625)	(324,000)	(531,000)	(4,331,398)	(16,894,070)
Total other financing sources (uses)	(7,370,465)	143,782	3,300,765	(324,000)	9,787,725	3,923,320	9,461,127
Net change in fund balances	3,621,145	344,613	(437,928)	278,310	6,798,044	(1,227,588)	9,376,596
Fund balances - beginning	14,743,397	26,698,200	22,785,882	1,699,259	12,801,052	17,534,306	96,262,096
Fund balances - ending	\$ 18,364,542	\$ 27,042,813	\$ 22,347,954	\$ 1,977,569	\$ 19,599,096	\$ 16,306,718	\$ 105,638,692

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, 2017

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)		\$ 9,376,596
<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	\$ 16,042,064	
Depreciation expense	<u>(13,866,584)</u>	2,175,480
<p>Governmental funds do not report donations of capital assets that will be used in operations. However, in the statement of activities, the estimated value of the donated assets is reported as a capital contribution.</p>		
		113,913
<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>		
		(145,133)
<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	(228,374)	
Loans receivable	<u>(252,866)</u>	(481,240)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while repayment of long-term debt principal consumes current financial resources. However, neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
Issuance of long-term debt	(9,950,000)	
Repayment of long-term debt principal	4,707,555	
Amortization of premium issued on refunding bonds	92,399	
Amortization of deferred interest bonds	<u>(845,909)</u>	(5,995,955)
<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	6,409	
Compensated absences	(221,140)	
Net pension asset/liability and related deferrals	(11,254,912)	
Net OPEB obligation	<u>(1,454,770)</u>	(12,924,413)
<p>Adjustment to reflect the consolidation of internal service fund activities related to governmental activities.</p>		
		<u>(767,401)</u>
Change in net position of governmental activities (page 13)		<u>\$ (8,648,153)</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, 2017

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 12,801,597	\$ 2,331,812	\$ 15,133,409	\$ 11,385,145
Receivables	1,384,847	302,755	1,687,602	64,272
Inventories and prepaid items	-	-	-	2,027,420
Total current assets	<u>14,186,444</u>	<u>2,634,567</u>	<u>16,821,011</u>	<u>13,476,837</u>
Capital assets:				
Land	2,807,567	227,349	3,034,916	-
Construction in progress	-	27,109	27,109	-
Landfills	6,430,703	-	6,430,703	-
Buildings and improvements	3,447,515	10,611,094	14,058,609	-
Equipment	4,118,260	11,514	4,129,774	-
Less accumulated depreciation	(10,540,683)	(9,063,634)	(19,604,317)	-
Total assets	<u>20,449,806</u>	<u>4,447,999</u>	<u>24,897,805</u>	<u>13,476,837</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	<u>1,115,920</u>	<u>44,427</u>	<u>1,160,347</u>	<u>7,791,414</u>
LIABILITIES				
Current liabilities:				
Accounts payable	3,309,273	202,889	3,512,162	547,960
Payroll related liabilities	67,366	12,165	79,531	537,760
Landfill leachate disposal liability	1,559,852	-	1,559,852	-
Accrued interest	-	12,887	12,887	-
Advances, current	85,000	17,143	102,143	-
Notes payable, current	-	18,064	18,064	-
Accrued claims liability, current	-	-	-	1,258,319
Compensated absences, current	82,498	3,392	85,890	599,032
Total current liabilities	<u>5,103,989</u>	<u>266,540</u>	<u>5,370,529</u>	<u>2,943,071</u>
Noncurrent liabilities, net of current portion:				
Advances	425,000	68,571	493,571	-
Notes payable	-	423,324	423,324	-
Accrued claims liability	-	-	-	4,429,675
Landfill closure and postclosure liability	7,767,494	-	7,767,494	-
Compensated absences	-	6,953	6,953	107,149
Net pension liability	2,202,003	87,667	2,289,670	15,374,498
Net OPEB obligation	425,003	-	425,003	2,370,152
Total liabilities	<u>15,923,489</u>	<u>853,055</u>	<u>16,776,544</u>	<u>25,224,545</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	<u>61,658</u>	<u>2,454</u>	<u>64,112</u>	<u>430,500</u>
NET POSITION				
Net investment in capital assets	6,263,362	1,286,330	7,549,692	-
Unrestricted	(682,783)	2,350,587	1,667,804	(4,386,794)
Total net position	<u>\$ 5,580,579</u>	<u>\$ 3,636,917</u>	<u>9,217,496</u>	<u>\$ (4,386,794)</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(1,154,762)</u>	
Net position of business-type activities			<u>\$ 8,062,734</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, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 20,951,675	\$ 2,348,482	\$ 23,300,157	\$ 48,803,876
Other	126,760	-	126,760	15,595
Total operating revenues	<u>21,078,435</u>	<u>2,348,482</u>	<u>23,426,917</u>	<u>48,819,471</u>
Operating expenses:				
Salaries and wages	2,184,007	263,603	2,447,610	18,646,243
Repairs and maintenance	315,590	205,310	520,900	1,711,134
Utilities	38,525	227,276	265,801	105,556
Building and equipment rentals	73,316	7,042	80,358	228,748
Professional services	16,603,596	1,193,665	17,797,261	805,852
Communication	13,688	2,541	16,229	265,683
Fuel and operating supplies	99,893	26,931	126,824	547,235
Insurance claims and premiums	2,723	15,016	17,739	24,526,631
Administrative expenses	1,305,270	31,066	1,336,336	1,874,358
Depreciation	479,066	246,546	725,612	-
Other	516,456	11,756	528,212	289,395
Total operating expenses	<u>21,632,130</u>	<u>2,230,752</u>	<u>23,862,882</u>	<u>49,000,835</u>
Operating income (loss)	<u>(553,695)</u>	<u>117,730</u>	<u>(435,965)</u>	<u>(181,364)</u>
Nonoperating revenues (expenses):				
Franchise taxes	374,695	-	374,695	-
Interest revenue	84,572	17,835	102,407	64,982
Interest expense	(5,206)	(22,794)	(28,000)	-
Total nonoperating revenues (expenses)	<u>454,061</u>	<u>(4,959)</u>	<u>449,102</u>	<u>64,982</u>
Income (loss) before transfers	<u>(99,634)</u>	<u>112,771</u>	<u>13,137</u>	<u>(116,382)</u>
Transfers in	-	-	-	538,873
Transfers out	-	(25,000)	(25,000)	(25,000)
Transfer to general capital assets	-	-	-	(1,263,713)
Change in net position	<u>(99,634)</u>	<u>87,771</u>	<u>(11,863)</u>	<u>(866,222)</u>
Net position - beginning	<u>5,680,213</u>	<u>3,549,146</u>		<u>(3,520,572)</u>
Net position - ending	<u>\$ 5,580,579</u>	<u>\$ 3,636,917</u>		<u>\$ (4,386,794)</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(98,821)</u>	
Change in net position of business-type activities			<u>\$ (110,684)</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, 2017

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Other Enterprise Funds	Total	Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 21,093,566	\$ 2,362,426	\$ 23,455,992	\$ 48,824,296
Cash payments to suppliers for goods and services	(16,858,023)	(1,684,647)	(18,542,670)	(32,761,996)
Cash payments to employees for services	(1,999,800)	(201,567)	(2,201,367)	(16,693,023)
Net cash from operating activities	<u>2,235,743</u>	<u>476,212</u>	<u>2,711,955</u>	<u>(630,723)</u>
Cash flows from noncapital financing activities:				
Franchise taxes received	374,695	-	374,695	-
Transfers received	-	-	-	538,873
Transfers paid	-	(25,000)	(25,000)	(25,000)
Net cash from noncapital financing activities	<u>374,695</u>	<u>(25,000)</u>	<u>349,695</u>	<u>513,873</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(110,500)	(27,109)	(137,609)	(1,263,713)
Debt principal payments	(85,000)	(35,089)	(120,089)	-
Debt interest payments	(5,206)	(23,162)	(28,368)	-
Net cash from capital and related financing activities	<u>(200,706)</u>	<u>(85,360)</u>	<u>(286,066)</u>	<u>(1,263,713)</u>
Cash flows from investing activities:				
Interest on investments	<u>68,742</u>	<u>15,004</u>	<u>83,746</u>	<u>62,935</u>
Net cash from investing activities	<u>68,742</u>	<u>15,004</u>	<u>83,746</u>	<u>62,935</u>
Net change in cash and investments	2,478,474	380,856	2,859,330	(1,317,628)
Cash and investments - beginning	<u>10,323,123</u>	<u>1,950,956</u>	<u>12,274,079</u>	<u>12,702,773</u>
Cash and investments - ending	<u>\$ 12,801,597</u>	<u>\$ 2,331,812</u>	<u>\$ 15,133,409</u>	<u>\$ 11,385,145</u>

(Continued on following page)

MARION COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2017

	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)	\$ (553,695)	\$ 117,730	\$ (435,965)	\$ (181,364)
Depreciation	479,066	246,546	725,612	-
Change in:				
Receivables	15,131	13,944	29,075	4,825
Inventories and prepaids	-	-	-	(1,977,420)
Accounts payable	1,937,610	35,956	1,973,566	(779,469)
Payroll related liabilities	14,751	9,458	24,209	107,343
Landfill leachate disposal liability	(75,997)	-	(75,997)	-
Accrued claims liability	-	-	-	349,485
Landfill closure and postclosure liability	249,421	-	249,421	-
Compensated absences	(7,081)	6,884	(197)	31,298
Net pension asset/liability and deferred pension outflows/inflows	167,940	45,694	213,634	1,668,006
Net OPEB obligation	8,597	-	8,597	146,573
Net cash from operating activities	<u>\$ 2,235,743</u>	<u>\$ 476,212</u>	<u>\$ 2,711,955</u>	<u>\$ (630,723)</u>

Schedule of non-cash capital and related financing activities:

Transfer to general capital assets	\$	-	\$	-	\$	-	\$	1,263,713
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The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2017

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 25,867,611
Receivables:	
Accounts and interest	1,924,208
Property taxes	<u>12,722,365</u>
Total assets	<u>\$ 40,514,184</u>
LIABILITIES	
Accounts payable	\$ 4,613,732
Due to other agencies	<u>35,900,452</u>
Total liabilities	<u>\$ 40,514,184</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, 2017

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 2017, the County paid \$163,150 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
550 Hawthorne Avenue SE, Suite 140
Salem, Oregon 97301

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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, 2017

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, 2017

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 Prepays:

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 prepaids 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 acquisition value. 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, 2017

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 liability 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 of assumptions, differences between projected and actual investment earnings, 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 changes in proportionate share, 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, 2017

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 \$2,240,114 as of June 30, 2017.

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, 2017:

Cash on hand	\$	33,283
Deposits with financial institutions		6,571,564
Investments		<u>150,914,145</u>
Total cash and investments	\$	<u><u>157,518,992</u></u>

Cash and investments consist of \$131,651,381 shown on the government-wide Statement of Net Position and \$25,867,611 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, 2017, the County had total bank balances of \$6,705,829. Of this amount, \$758,331 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, 2017

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, 2017, 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	\$ 22,971,190	\$ 22,980,335	15.2%	13.80
US agency securities	Level 1	67,511,647	67,847,140	45.0%	18.53
Municipal bonds	Level 1	20,603,823	20,663,292	13.7%	30.37
Corporate bonds	Level 1	25,606,332	25,691,900	17.0%	18.40
Certificates of deposit	Level 1	249,517	250,000	0.2%	31.83
State of Oregon local government investment pool	N/A	13,558,322	13,481,478	8.9%	n/a
		<u>\$ 150,500,831</u>	<u>\$ 150,914,145</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 100.57% of the value of the pool shares as of June 30, 2017.

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, 2017, ratings (Moody’s unless otherwise noted) for the County’s investments were as follows: US treasury securities \$19,986,308, Aaa, \$2,994,027 Aa; US agency securities \$64,940,915, Aaa, \$2,906,225, AA- (S&P); municipal bonds \$410,580, Aaa, \$16,816,359, Aa, \$600,025, AAA (S&P), \$2,836,328, not rated; corporate bonds \$5,599,759, Aaa, \$15,379,799, Aa, \$4,712,342, A. The certificates of deposit and the LGIP are not rated.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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: \$510,000 from the Environmental Services Fund for heavy equipment purchases, \$85,000 due annually plus interest at 1.30%; and \$85,714 from the Fargo Interchange Service District for a sewer pump upgrade, \$17,143 due annually plus interest at 2.03%.

NOTE 4 – RECEIVABLES:

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

	Property Taxes	Accounts	Interest	Loans	Total
General Operating Fund	\$ 2,856,870	\$ 1,317,520	\$ 84,752	\$ 120,000	\$ 4,379,142
Public Works Fund	-	4,233,381	71,323	-	4,304,704
Health Fund	-	1,505,069	71,778	-	1,576,847
Lottery Distribution Fund	-	-	6,063	5,309,368	5,315,431
Facility Renovation Fund	-	-	58,892	-	58,892
Environmental Services	-	1,346,574	38,273	-	1,384,847
Nonmajor governmental funds	34,808	2,186,554	40,495	550,883	2,812,740
Nonmajor enterprise funds	31,603	264,203	6,949	-	302,755
Internal service funds	-	43,164	21,108	-	64,272
Agency funds	12,722,365	1,867,233	56,975	-	14,646,573
	<u>\$ 15,645,646</u>	<u>\$ 12,763,698</u>	<u>\$ 456,608</u>	<u>\$ 5,980,251</u>	<u>\$ 34,846,203</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 12,152,955	\$ -	\$ -	\$ 12,152,955
Construction in progress	8,840,673	7,072,450	13,182,555	2,730,568
Total capital assets not being depreciated	<u>20,993,628</u>	<u>7,072,450</u>	<u>13,182,555</u>	<u>14,883,523</u>
Capital assets being depreciated:				
Buildings and improvements	115,245,393	9,134,429	-	124,379,822
Equipment	32,592,429	5,309,905	1,354,905	36,547,429
Infrastructure	578,775,349	7,821,748	-	586,597,097
Total capital assets being depreciated	<u>726,613,171</u>	<u>22,266,082</u>	<u>1,354,905</u>	<u>747,524,348</u>
Less accumulated depreciation for:				
Buildings and improvements	35,551,696	2,500,626	-	38,052,322
Equipment	19,197,184	2,466,804	1,209,772	20,454,216
Infrastructure	499,645,232	8,899,154	-	508,544,386
Total accumulated depreciation	<u>554,394,112</u>	<u>13,866,584</u>	<u>1,209,772</u>	<u>567,050,924</u>
Total capital assets being depreciated, net	<u>172,219,059</u>	<u>8,399,498</u>	<u>145,133</u>	<u>180,473,424</u>
Governmental activities capital assets, net	<u>\$ 193,212,687</u>	<u>\$ 15,471,948</u>	<u>\$ 13,327,688</u>	<u>\$ 195,356,947</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 3,034,916	\$ -	\$ -	\$ 3,034,916
Construction in progress	-	27,109	-	27,109
Total capital assets not being depreciated	<u>3,034,916</u>	<u>27,109</u>	<u>-</u>	<u>3,062,025</u>
Capital assets being depreciated:				
Landfills	6,430,703	-	-	6,430,703
Buildings and improvements	14,058,609	-	-	14,058,609
Equipment	4,122,597	110,500	103,323	4,129,774
Total capital assets being depreciated	<u>24,611,909</u>	<u>110,500</u>	<u>103,323</u>	<u>24,619,086</u>
Less accumulated depreciation for:				
Landfills	6,430,703	-	-	6,430,703
Buildings and improvements	10,276,764	367,188	-	10,643,952
Equipment	2,274,561	358,424	103,323	2,529,662
Total accumulated depreciation	<u>18,982,028</u>	<u>725,612</u>	<u>103,323</u>	<u>19,604,317</u>
Total capital assets being depreciated, net	<u>5,629,881</u>	<u>(615,112)</u>	<u>-</u>	<u>5,014,769</u>
Business-type activities capital assets, net	<u>\$ 8,664,797</u>	<u>\$ (588,003)</u>	<u>\$ -</u>	<u>\$ 8,076,794</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

NOTE 5 – CAPITAL ASSETS (Continued):

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

Governmental activities:	
General government	\$ 2,181,513
Health and social services	177,558
Public safety and judicial	1,584,554
Community service	29,214
Roads and bridges	<u>9,893,745</u>
Total depreciation expense, governmental activities	<u>\$ 13,866,584</u>
Business-type activities:	
Environmental services	\$ 479,066
Stormwater management	908
Sewer and lighting services	<u>245,638</u>
Total depreciation expense, business-type activities	<u>\$ 725,612</u>

NOTE 6 – LONG-TERM OBLIGATIONS:

Changes in long-term obligations for the year ended June 30, 2017 are as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due within One Year
Governmental activities:					
Revenue bonds	\$ 794,059	\$ -	\$ 522,968	\$ 271,091	\$ 271,091
Refunding obligations	9,538,188	-	1,162,399	8,375,789	1,100,000
Capital financing agreements	9,075,343	9,950,000	1,249,587	17,775,756	1,261,521
Limited tax pension obligations	37,614,562	-	1,019,091	36,595,471	2,085,000
Accrued claims liability	5,338,509	1,390,746	1,041,261	5,687,994	1,258,319
Compensated absences	4,461,165	4,633,999	4,381,561	4,713,603	4,206,496
Net pension liability	45,424,017	115,997,603	44,413,727	117,007,893	-
Net OPEB obligation	<u>19,236,845</u>	<u>2,447,795</u>	<u>846,452</u>	<u>20,838,188</u>	<u>-</u>
Governmental activities long-term obligations	<u>\$ 131,482,688</u>	<u>\$ 134,420,143</u>	<u>\$ 54,637,046</u>	<u>\$ 211,265,785</u>	<u>\$ 10,182,427</u>
Business-type activities:					
Notes payable	\$ 459,334	\$ -	\$ 17,946	\$ 441,388	\$ 18,064
Landfill closure and postclosure liability	7,518,073	249,421	-	7,767,494	-
Compensated absences	93,040	78,994	79,191	92,843	85,890
Net pension liability	925,971	2,269,901	906,202	2,289,670	-
Net OPEB obligation	<u>416,406</u>	<u>25,861</u>	<u>17,264</u>	<u>425,003</u>	<u>-</u>
Business-type activities long-term obligations	<u>\$ 9,412,824</u>	<u>\$ 2,624,177</u>	<u>\$ 1,020,603</u>	<u>\$ 11,016,398</u>	<u>\$ 103,954</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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, 2016	Matured and Paid During Year	Outstanding June 30, 2017	
2017	\$ 522,968	\$ 522,968	\$ -	\$ -
2018	271,091	-	271,091	4,941
	\$ 794,059	\$ 522,968	\$ 271,091	\$ 4,941

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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, 2016	Matured and Paid During Year	Outstanding June 30, 2017	
2017	\$ 1,070,000	\$ 1,070,000	\$ -	\$ -
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	1,390,000	-	1,390,000	157,300
2023	1,470,000	-	1,470,000	80,850
	8,780,000	1,070,000	7,710,000	1,546,400
Unamortized premium	758,188	92,399	665,789	-
	<u>\$ 9,538,188</u>	<u>\$ 1,162,399</u>	<u>\$ 8,375,789</u>	<u>\$ 1,546,400</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Capital Financing Agreement (2013) – 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, 2016	Paid During Year	Outstanding June 30, 2017	
2017	\$ 606,172	\$ 606,172	\$ -	\$ -
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	708,082	-	708,082	174,195
2023-2027	3,890,137	-	3,890,137	521,246
2028-2029	1,248,776	-	1,248,776	33,518
	<u>\$ 9,075,343</u>	<u>\$ 606,172</u>	<u>\$ 8,469,171</u>	<u>\$ 1,635,889</u>

Capital Financing Agreement (2016) – In July 2016, 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. Payments of principal and interest at the rate of 1.99% are due quarterly from September 2016 through June 2030. In accordance with the financing agreement, the County may not prepay any portion of the outstanding balance before June 15, 2017. Prepayments are subject to a 5% prepayment fee if they occur June 15, 2017 through June 14, 2021 and a 4% prepayment fee if they occur June 15, 2021 through June 14, 2026. There is no penalty for prepayments made on or after June 15, 2026. Annual requirements to repay the 2016 Capital Financing Agreement are as follows:

Fiscal Year of Maturity	Principal			Outstanding June 30, 2017	Future Interest
	Outstanding July 1, 2016	Issued During Year	Paid During Year		
2017	\$ -	\$ 643,415	\$ 643,415	\$ -	\$ -
2018	-	636,214	-	636,214	180,473
2019	-	648,970	-	648,970	167,718
2020	-	661,981	-	661,981	154,706
2021	-	675,253	-	675,253	141,434
2022	-	688,791	-	688,791	127,896
2023-2027	-	3,656,721	-	3,656,721	426,716
2028-2030	-	2,338,655	-	2,338,655	75,338
	<u>\$ -</u>	<u>\$ 9,950,000</u>	<u>\$ 643,415</u>	<u>\$ 9,306,585</u>	<u>\$ 1,274,281</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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, 2016	Matured and Paid During Year	Outstanding June 30, 2017	
2017	\$ 1,270,000	\$ 1,270,000	\$ -	\$ -
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	2,060,000	-	2,060,000	1,330,665
2023-2027	15,260,000	-	15,260,000	4,087,560
2028	1,965,000	-	1,965,000	135,585
	26,910,000	1,270,000	25,640,000	11,386,380
Less deferred interest	(4,040,438)	(845,909)	(3,194,529)	-
	<u>\$ 22,869,562</u>	<u>\$ 424,091</u>	<u>\$ 22,445,471</u>	<u>\$ 11,386,380</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, 2016	Matured and Paid During Year	Outstanding June 30, 2017	
2017	\$ 595,000	\$ 595,000	\$ -	\$ -
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	1,180,000	-	1,180,000	649,548
2023-2027	8,415,000	-	8,415,000	1,983,469
2028	1,095,000	-	1,095,000	66,740
	<u>\$ 14,745,000</u>	<u>\$ 595,000</u>	<u>\$ 14,150,000</u>	<u>\$ 5,852,917</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Notes Payable – In May 2009, Fargo Interchange Service District received a loan from the State of Oregon Economic and Community Development Department to finance construction of a sewer treatment lagoon. Principal and interest payments are due annually through December 1, 2033, with interest rates ranging from 3.00% to 5.25%. Early repayment of the loan prior to January 1, 2019 is subject to a prepayment penalty. Annual requirements to repay the loan are as follows:

Fiscal Year of Maturity	Principal		Outstanding June 30, 2017	Future Interest
	Outstanding July 1, 2016	Matured and Paid During Year		
2017	\$ 17,946	\$ 17,946	\$ -	\$ -
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	18,610	-	18,610	17,740
2023-2027	120,831	-	120,831	72,720
2028-2032	156,472	-	156,472	40,091
2033-2034	72,432	-	72,432	5,167
	<u>\$ 459,334</u>	<u>\$ 17,946</u>	<u>\$ 441,388</u>	<u>\$ 214,375</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 13 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 \$7,767,494 reported as landfill closure and postclosure liability at June 30, 2017, represents the cumulative amount reported to date based on the use of 85% of the estimated capacity at the North Marion facility and 72% at Brown's Island. The estimated total closure and postclosure care costs remaining to be recognized are \$1,791,003. These amounts are based on what it would cost to perform all closure and postclosure care in 2017; actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has also recognized a current liability of \$1,559,852 for the disposal of leachate stored at the North Marion site as of June 30, 2017.

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, 2016 (the most recent analysis).

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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 \$5,687,994 reported in the Self-Insurance Fund at June 30, 2017 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, 2017.

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 2016-17	Fiscal Year 2015-16
Claims liability, beginning of year	\$ 5,338,509	\$ 4,769,185
Current year claims and changes in estimates	1,390,746	1,617,905
Claim payments	(1,041,261)	(1,048,581)
Claims liability, end of year	\$ 5,687,994	\$ 5,338,509

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, 2017

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 2017 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 \$7,772,371 for fiscal year 2017.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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 2017 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, 2017, the County reported a net pension liability of \$119,297,563 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was based on a December 31, 2014 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 0.79% as of the June 30, 2016 measurement date, compared to 0.81% as of June 30, 2015.

For fiscal year 2017, the County recognized a pension expense of \$20,390,703. At June 30, 2017, the County reported the following pension-related deferrals:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,946,885	\$ -
Changes of assumptions	25,443,303	-
Net difference between projected and actual earnings on investments	23,568,193	-
Changes in proportionate share	244,508	679,457
Differences between employer contributions and proportionate share of contributions	-	2,660,984
	53,202,889	3,340,441
Contributions made after the measurement date	7,254,151	-
	\$ 60,457,040	\$ 3,340,441

The \$7,254,151 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 2018. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in subsequent years as follows:

Fiscal Year	Amount
2018	\$ 8,641,699
2019	8,641,697
2020	17,412,565
2021	13,327,287
2022	1,839,200

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

NOTE 8 – PENSION PLAN (Continued):

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2014 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 2.50%, projected salary increases of 3.50%, investment rate of return of 7.50%, and mortality rates based on the RP-2000 sex-distinct mortality tables, with generational adjustments per scale BB. These assumptions were based on the results of an actuarial experience study for the four-year period ending December 31, 2014. Key changes in assumptions from the previous valuation include: 0.25% reduction in inflation, 0.25% reduction in salary growth, and 0.25% reduction in return on investments.

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:

Asset Class	Target Allocation	Expected Rate of Return
Core Fixed Income	8.00 %	4.00 %
Short-Term Bonds	8.00	3.61
Bank/Leveraged Loans	3.00	5.42
High Yield Bonds	1.00	6.20
Large/Mid Cap US Equities	15.75	6.70
Small/Micro Cap US Equities	2.62	7.00
Developed Foreign Equities	13.13	6.73
Emerging Market Equities	4.12	7.25
Non-US Small Cap Equities	1.88	7.22
Private Equity	17.50	7.97
Real Estate (Property)	10.00	5.84
Real Estate (REITS)	2.50	6.69
Hedge Funds	3.12	5.05
Timber/Farmland	3.75	6.11
Infrastructure	3.75	7.13
Commodities	1.88	4.58
	<u>100.00 %</u>	

The discount rate used to measure the total pension liability was 7.50% compared to 7.75% for the previous measurement date. 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 6.50%, 7.50%, and 8.50%.

	1% Decrease 6.50%	Current Rate 7.50%	1% Increase 8.50%
County's proportionate share of the net pension liability (asset)	\$ 192,625,787	\$ 119,297,563	\$ 58,007,997

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

NOTE 8 – PENSION PLAN (Continued):

After the current measurement date of June 30, 2016, the PERS Board lowered the assumed rate of investment return from 7.5% to 7.2%. The lower rate is expected to increase the net pension liability by an estimated \$2.4 billion, of which the County's proportionate share would be approximately \$19 million.

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

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 \$4,985,126 for the year ended June 30, 2017. 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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued):

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

	FY 2017	FY 2016	FY 2015
Net OPEB obligation, beginning of year	\$ 19,653,251	\$ 18,022,650	\$ 16,414,888
Annual required contribution (ARC)	2,389,440	2,308,638	2,298,162
Interest on net OPEB obligation	786,130	720,906	656,596
Amortization adjustment to ARC	(701,914)	(643,677)	(586,255)
Annual OPEB cost	2,473,656	2,385,867	2,368,503
Contributions made (implicit rate subsidy)	(863,716)	(755,266)	(760,741)
Change in net OPEB obligation	1,609,940	1,630,601	1,607,762
Net OPEB obligation, end of year	<u>\$ 21,263,191</u>	<u>\$ 19,653,251</u>	<u>\$ 18,022,650</u>
Percentage of annual OPEB cost contributed	35%	32%	32%

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, 2017

NOTE 10 – FUND BALANCE CLASSIFICATIONS:

	General Operating	Public Works	Health	Lottery & Econ Dev	Facility Renovation	Other Governmental	Total Governmental
Restricted for:							
Capitated health services	\$ -	\$ -	\$ 8,521,370	\$ -	\$ -	\$ -	\$ 8,521,370
Health programs	-	-	7,603,714	-	-	-	7,603,714
Economic development	-	-	-	1,977,569	-	-	1,977,569
Forest & wildfire programs	-	-	-	-	-	608,917	608,917
Public safety programs	-	-	-	-	-	1,384,284	1,384,284
Court security	-	-	-	-	-	914,493	914,493
Law library	-	-	-	-	-	652,625	652,625
Corner restoration	-	-	-	-	-	1,736,730	1,736,730
Extension services	-	-	-	-	-	681,274	681,274
Capital projects	-	-	-	-	10,364,032	-	10,364,032
Other purposes	-	-	-	-	-	506,878	506,878
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,125,084</u>	<u>\$ 1,977,569</u>	<u>\$ 10,364,032</u>	<u>\$ 6,485,201</u>	<u>\$ 34,951,886</u>
Committed to:							
Financial stabilization	\$ 2,240,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,240,114
Road improvements	-	2,796,504	-	-	-	-	2,796,504
Other purposes	-	-	-	-	-	485,386	485,386
	<u>\$ 2,240,114</u>	<u>\$ 2,796,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,386</u>	<u>\$ 5,522,004</u>
Assigned to:							
Health programs	\$ -	\$ -	\$ 6,222,870	\$ -	\$ -	\$ -	\$ 6,222,870
Public safety programs	1,393,096	-	-	-	-	1,334,747	2,727,843
Roads & bridges	-	23,330,176	-	-	-	91,407	23,421,583
Building inspection	-	-	-	-	-	2,737,300	2,737,300
Debt service	-	-	-	-	-	1,219,698	1,219,698
Capital projects	-	-	-	-	9,235,064	3,303,591	12,538,655
Other purposes	-	-	-	-	-	627,015	627,015
	<u>\$ 1,393,096</u>	<u>\$ 23,330,176</u>	<u>\$ 6,222,870</u>	<u>\$ -</u>	<u>\$ 9,235,064</u>	<u>\$ 9,313,758</u>	<u>\$ 49,494,964</u>

NOTE 11 – TRANSFERS:

Transfer To	Transfer From							Total
	Governmental Funds					Proprietary		
	General Operating Fund	Health Fund	Lottery & Econ Dev Fund	Facility Renovation Fund	Nonmajor funds	Nonmajor enterprise funds	Internal service funds	
Governmental Funds:								
General Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ 3,907,582	\$ -	\$ -	\$ 3,907,582
Public Works Fund	118,782	-	-	-	-	25,000	-	143,782
Health Fund	3,730,390	-	-	-	-	-	-	3,730,390
Facility Renovation Fund	368,725	-	-	-	-	-	-	368,725
Nonmajor funds	6,648,227	376,177	324,000	531,000	350,314	-	25,000	8,254,718
Proprietary Funds:								
Internal service funds	411,923	53,448	-	-	73,502	-	-	538,873
Total	<u>\$ 11,278,047</u>	<u>\$ 429,625</u>	<u>\$ 324,000</u>	<u>\$ 531,000</u>	<u>\$ 4,331,398</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>	<u>\$ 16,944,070</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, 2017

NOTE 12 – TAX ABATEMENTS:

County property taxes were reduced \$276,177 in fiscal 2017 under agreements entered into by other governments.

<u>Authorizing Government</u>	<u>Exemption Program</u>	<u>Property Taxes Abated</u>
State of Oregon	Historic Property (ORS 358.475 to 565)	\$ 41,573
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	32,324
Salem Enterprise Zone (City of Salem)	Enterprise Zone (ORS 285C)	155,362
North Marion Enterprise Zone (Cities of Aurora, Donald & Hubbard)	Enterprise Zone (ORS 285C)	29,633
North Santiam Enterprise Zone (City of Stayton)	Enterprise Zone (ORS 285C)	8,198
Silverton-Mt. Angel Enterprise Zone (Cities of Mt. Angel & Silverton)	Enterprise Zone (ORS 285C)	5,701
Woodburn-Gervais Enterprise Zone (Cities of Gervais & Woodburn)	Enterprise Zone (ORS 285C)	3,386
		<u>\$ 276,177</u>

NOTE 13 – 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 2017, monthly service fees were approximately \$828,600. 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 \$1,213,824 for the year ended June 30, 2017. Future obligations under these agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2018	\$ 1,294,442
2019	1,097,402
2020	583,237
2021	491,509
2022	245,398
2023-2025	518,298

NOTE 14 – SUBSEQUENT EVENTS:

Management has evaluated subsequent events through November 30, 2017 and is not aware of any subsequent events that require recognition or disclosure in the financial statements.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2017

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:

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, 2017.

The Environmental Services Fund, an enterprise fund, overexpended appropriations for Debt Service by \$1,993 in fiscal 2017.

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. 77**, "Tax Abatement Disclosures," establishes disclosure requirements for tax abatement agreements. **GASB Statement No. 80**, "Blending Requirements for Certain Component Units," clarifies financial reporting requirements for certain component units.

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.

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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 68,363,500	\$ 68,363,500	\$ 67,335,098	\$ (1,028,402)
Franchise	285,500	285,500	354,709	69,209
Licenses and permits	62,000	62,000	64,825	2,825
Intergovernmental	3,826,500	3,826,500	4,896,069	1,069,569
Charges for services	3,561,169	3,561,169	4,337,752	776,583
Fines and forfeitures	220,000	220,000	241,011	21,011
Interest	619,000	619,000	750,307	131,307
Other	15,000	15,000	18,899	3,899
Total revenues	76,952,669	76,952,669	77,998,670	1,046,001
EXPENDITURES:				
Assessor's Office	5,796,173	5,796,173	5,599,628	196,545
Clerk's Office	2,533,372	2,533,372	2,431,514	101,858
Community Services Department	641,368	651,220	635,856	15,364
District Attorney's Office	8,611,359	8,634,979	8,570,582	64,397
Justice Court	883,244	883,244	809,893	73,351
Juvenile Department	10,184,698	10,330,762	9,772,098	558,664
Sheriff's Office	38,853,496	38,853,496	37,352,844	1,500,652
Treasurer's Office	420,760	430,760	385,419	45,341
Non-Departmental:				
Materials and services	2,489,567	2,489,567	1,676,540	813,027
Special payments	30,000	30,000	-	30,000
Contingency	1,229,798	542,489	-	542,489
Total expenditures	71,673,835	71,176,062	67,234,374	3,941,688
OTHER FINANCING SOURCES (USES):				
Transfers in	3,997,582	4,007,582	4,007,582	-
Transfers out	(11,166,497)	(11,674,270)	(11,273,132)	401,138
Total other financing sources (uses)	(7,168,915)	(7,666,688)	(7,265,550)	401,138
Net change in fund balance	(1,890,081)	(1,890,081)	3,498,746	5,388,827
FUND BALANCE - beginning	7,523,349	11,169,585	11,232,586	63,001
FUND BALANCE - ending	\$ 5,633,268	\$ 9,279,504	14,731,332	\$ 5,451,828
Reconciliation to generally accepted accounting principles (GAAP) basis:				
Funds budgeted separately:				
Traffic Safety Team Fund			1,004,272	
Inmate Welfare Fund			388,824	
Rainy Day Fund			2,240,114	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - General Operating Fund			\$ 18,364,542	

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 182,600	\$ 182,600	\$ 227,294	\$ 44,694
Intergovernmental	24,590,910	24,957,845	22,979,057	(1,978,788)
Charges for services	3,579,563	3,809,563	4,029,884	220,321
Fines and forfeitures	3,400	3,400	7,223	3,823
Interest	95,356	95,356	196,025	100,669
Other	106,143	106,143	231,535	125,392
Total revenues	28,557,972	29,154,907	27,671,018	(1,483,889)
EXPENDITURES:				
Public Works Department	31,637,445	33,414,300	27,368,044	6,046,256
Contingency	2,869,000	2,769,204	-	2,769,204
Total expenditures	34,506,445	36,183,504	27,368,044	8,815,460
OTHER FINANCING SOURCES (USES):				
Transfers in	92,692	150,628	143,782	(6,846)
Net change in fund balance	(5,855,781)	(6,877,969)	446,756	7,324,725
FUND BALANCE - beginning	23,222,956	26,000,343	26,000,343	-
FUND BALANCE - ending	\$ 17,367,175	\$ 19,122,374	26,447,099	\$ 7,324,725
Add interfund loan receivable			595,714	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 27,042,813	

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 38,963,943	\$ 39,841,263	\$ 39,215,587	\$ (625,676)
Charges for services	6,538,234	6,558,234	7,287,402	729,168
Interest	120,040	120,040	190,082	70,042
Other	106,230	134,980	133,896	(1,084)
Total revenues	<u>45,728,447</u>	<u>46,654,517</u>	<u>46,826,967</u>	<u>172,450</u>
EXPENDITURES:				
Health Department	54,533,173	55,466,406	50,565,660	4,900,746
Contingency	<u>5,097,729</u>	<u>5,090,566</u>	-	<u>5,090,566</u>
Total expenditures	<u>59,630,902</u>	<u>60,556,972</u>	<u>50,565,660</u>	<u>9,991,312</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,730,390	3,730,390	3,730,390	-
Transfers out	<u>(431,677)</u>	<u>(431,677)</u>	<u>(429,625)</u>	<u>2,052</u>
Total other financing sources (uses)	<u>3,298,713</u>	<u>3,298,713</u>	<u>3,300,765</u>	<u>2,052</u>
Net change in fund balance	(10,603,742)	(10,603,742)	(437,928)	10,165,814
FUND BALANCE - beginning	<u>21,412,809</u>	<u>22,785,882</u>	<u>22,785,882</u>	-
FUND BALANCE - ending	<u>\$ 10,809,067</u>	<u>\$ 12,182,140</u>	<u>\$ 22,347,954</u>	<u>\$ 10,165,814</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, 2017

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,618,323	\$ 1,668,323	\$ 1,632,657	\$ (35,666)
Charges for services	-	-	1,579	1,579
Interest	12,749	12,749	14,204	1,455
Other	200,000	200,000	488,793	288,793
Total revenues	1,831,072	1,881,072	2,137,233	256,161
EXPENDITURES:				
Community Services Department	1,903,446	2,299,146	982,859	1,316,287
Non-Departmental:				
Debt service - principal	522,968	522,968	522,968	-
Debt service - interest	29,096	29,096	29,096	-
Contingency	243,572	243,572	-	243,572
Total expenditures	2,699,082	3,094,782	1,534,923	1,559,859
OTHER FINANCING SOURCES (USES):				
Transfers out	(324,000)	(324,000)	(324,000)	-
Net change in fund balance	(1,192,010)	(1,537,710)	278,310	1,816,020
FUND BALANCE - beginning	1,353,559	1,699,259	1,699,259	-
FUND BALANCE - ending	\$ 161,549	\$ 161,549	\$ 1,977,569	\$ 1,816,020

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>
2017	6/30/2016	0.79%	\$ 119,297,563	\$ 79,926,090	149.26%	80.53%
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 thereafter 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>
2017	\$ 7,772,371	\$ 7,772,371	\$ -	\$ 83,085,347	9.35%
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>
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, 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, charges for services, transfers from the General Fund.	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, program contributions.	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, 2017

	Budgetary Funds				Total General Operating Fund
	General Fund	Traffic Safety Team	Inmate Welfare	Rainy Day	
ASSETS:					
Cash and investments	\$ 15,522,824	\$ 1,048,355	\$ 370,425	\$ 2,233,548	\$ 19,175,152
Receivables:					
Accounts	1,262,670	30,418	24,432	-	1,317,520
Interest	73,955	3,120	1,111	6,566	84,752
Loans	120,000	-	-	-	120,000
Taxes	2,856,870	-	-	-	2,856,870
Inventories and prepaids	20,932	-	-	-	20,932
Total assets	\$ 19,857,251	\$ 1,081,893	\$ 395,968	\$ 2,240,114	\$ 23,575,226
LIABILITIES:					
Accounts payable	\$ 949,695	\$ 42,986	\$ 982	\$ -	\$ 993,663
Payroll related liabilities	1,584,912	34,635	6,146	-	1,625,693
Deposits	21,183	-	16	-	21,199
Total liabilities	2,555,790	77,621	7,144	-	2,640,555
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	2,570,129	-	-	-	2,570,129
FUND BALANCES:					
Nonspendable	20,932	-	-	-	20,932
Committed	-	-	-	2,240,114	2,240,114
Assigned	-	1,004,272	388,824	-	1,393,096
Unassigned	14,710,400	-	-	-	14,710,400
Total fund balances	14,731,332	1,004,272	388,824	2,240,114	18,364,542
Total liabilities, deferred inflows of resources, and fund balances	\$ 19,857,251	\$ 1,081,893	\$ 395,968	\$ 2,240,114	\$ 23,575,226

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, 2017

	Budgetary Funds				Eliminate Interfund Activity	Total General Operating Fund
	General Fund	Traffic Safety Team	Inmate Welfare	Rainy Day		
REVENUES:						
Taxes	\$ 67,689,807	\$ -	\$ -	\$ -	\$ -	\$ 67,689,807
Licenses and permits	64,825	-	-	-	-	64,825
Intergovernmental	4,896,069	61,322	-	-	-	4,957,391
Charges for services	4,337,752	2,620	206,479	-	-	4,546,851
Fines and forfeitures	241,011	1,753,792	-	-	-	1,994,803
Interest	750,307	8,470	2,852	17,442	-	779,071
Other	18,899	-	695	-	-	19,594
Total revenues	<u>77,998,670</u>	<u>1,826,204</u>	<u>210,026</u>	<u>17,442</u>	<u>-</u>	<u>80,052,342</u>
EXPENDITURES:						
Current:						
General government	10,093,101	-	-	-	-	10,093,101
Public safety and judicial	56,505,417	1,646,718	174,641	-	-	58,326,776
Community service	635,856	-	-	-	-	635,856
Capital outlay	-	4,999	-	-	-	4,999
Total expenditures	<u>67,234,374</u>	<u>1,651,717</u>	<u>174,641</u>	<u>-</u>	<u>-</u>	<u>69,060,732</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	4,007,582	-	-	-	(100,000)	3,907,582
Transfers out	<u>(11,273,132)</u>	<u>(104,915)</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>(11,278,047)</u>
Total other financing sources (uses)	<u>(7,265,550)</u>	<u>(104,915)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,370,465)</u>
Net change in fund balances	3,498,746	69,572	35,385	17,442	-	3,621,145
FUND BALANCE - beginning	<u>11,232,586</u>	<u>934,700</u>	<u>353,439</u>	<u>2,222,672</u>	<u>-</u>	<u>14,743,397</u>
FUND BALANCE - ending	<u>\$ 14,731,332</u>	<u>\$ 1,004,272</u>	<u>\$ 388,824</u>	<u>\$ 2,240,114</u>	<u>\$ -</u>	<u>\$ 18,364,542</u>

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2017

	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	\$ 607,106	\$ 73,433	\$ 325,608	\$ 213,901	\$ 114,556	\$ 3,676	\$ 1,096,517	\$ 912,816	\$ 57	\$ -	\$ 48,891	\$ 696,921
Receivables:												
Accounts	-	-	813,242	-	-	-	44,818	24,858	199,274	317,518	831	324,358
Interest	1,811	220	1,032	635	346	11	3,922	2,700	-	-	290	2,308
Loans	-	-	-	482,617	-	68,266	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Inventories and prepaids	-	-	16,926	-	-	-	-	-	-	-	4,607	1,425
Total assets	\$ 608,917	\$ 73,653	\$ 1,156,808	\$ 697,153	\$ 114,902	\$ 71,953	\$ 1,145,257	\$ 940,374	\$ 199,331	\$ 317,518	\$ 54,619	\$ 1,025,012
LIABILITIES:												
Accounts payable	\$ -	\$ 2,145	\$ 74,375	\$ 125	\$ 557	\$ -	\$ 250,093	\$ 25,881	\$ -	\$ 273,708	\$ 11,836	\$ 63,307
Payroll related liabilities	-	1,860	81,051	-	2,002	-	253,639	-	-	43,810	22,910	89,539
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-	477	-
Total liabilities	-	4,005	155,426	125	2,559	-	503,732	25,881	-	317,518	35,223	152,846
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	482,617	-	68,266	-	-	-	-	-	-
FUND BALANCES:												
Nonspendable	-	-	16,926	-	-	-	-	-	-	-	4,607	1,425
Restricted	608,917	69,648	834,303	214,411	19,801	3,687	190,762	914,493	199,331	-	19,396	210,651
Committed	-	-	-	-	-	-	-	-	-	-	-	135,658
Assigned	-	-	150,153	-	92,542	-	450,763	-	-	-	-	524,432
Unassigned	-	-	-	-	-	-	-	-	-	-	(4,607)	-
Total fund balances	608,917	69,648	1,001,382	214,411	112,343	3,687	641,525	914,493	199,331	-	19,396	872,166
Total liabilities, deferred inflows of resources, and fund balances	\$ 608,917	\$ 73,653	\$ 1,156,808	\$ 697,153	\$ 114,902	\$ 71,953	\$ 1,145,257	\$ 940,374	\$ 199,331	\$ 317,518	\$ 54,619	\$ 1,025,012

(Continued on following page)

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

June 30, 2017

	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	\$ 657,138	\$ 168,145	\$ 123,462	\$ 20,543	\$ 321,905	\$ 1,929,815	\$ 2,781,010	\$ 903,250	\$ 1,219,698	\$ 292,808	\$ 3,381,349	\$ 15,892,605
Receivables:												
Accounts	-	-	259,053	1,131	152,119	-	46,102	3,250	-	-	-	2,186,554
Interest	1,939	450	385	470	835	5,689	8,313	2,804	-	861	5,474	40,495
Loans	-	-	-	-	-	-	-	-	-	-	-	550,883
Taxes	-	-	-	-	-	-	-	34,808	-	-	-	34,808
Inventories and prepaids	-	4,022	-	-	-	-	-	-	-	-	-	26,980
Total assets	\$ 659,077	\$ 172,617	\$ 382,900	\$ 22,144	\$ 474,859	\$ 1,935,504	\$ 2,835,425	\$ 944,112	\$ 1,219,698	\$ 293,669	\$ 3,386,823	\$ 18,732,325
LIABILITIES:												
Accounts payable	\$ 2,531	\$ 9,339	\$ 9,392	\$ 1,550	\$ 34,920	\$ 6,113	\$ 33,488	\$ 232,976	\$ -	\$ -	\$ 83,232	\$ 1,115,568
Payroll related liabilities	3,921	2,162	34,937	20,594	6,501	13,676	64,637	-	-	-	-	641,239
Deposits	-	-	-	-	-	87,578	-	-	-	-	-	87,578
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	477
Total liabilities	6,452	11,501	44,329	22,144	41,421	107,367	98,125	232,976	-	-	83,232	1,844,862
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	29,862	-	-	-	580,745
FUND BALANCES:												
Nonspendable	-	4,022	-	-	-	-	-	-	-	-	-	26,980
Restricted	652,625	-	129,172	-	-	1,736,730	-	681,274	-	-	-	6,485,201
Committed	-	-	-	-	56,059	-	-	-	-	293,669	-	485,386
Assigned	-	157,094	209,399	-	377,379	91,407	2,737,300	-	1,219,698	-	3,303,591	9,313,758
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(4,607)
Total fund balances	652,625	161,116	338,571	-	433,438	1,828,137	2,737,300	681,274	1,219,698	293,669	3,303,591	16,306,718
Total liabilities, deferred inflows of resources, and fund balances	\$ 659,077	\$ 172,617	\$ 382,900	\$ 22,144	\$ 474,859	\$ 1,935,504	\$ 2,835,425	\$ 944,112	\$ 1,219,698	\$ 293,669	\$ 3,386,823	\$ 18,732,325

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	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	-	-	-	-	-	-	-	-	-	-	346,419	58,010
Intergovernmental	-	-	1,585,725	-	-	-	12,895,516	-	736,603	1,223,130	-	1,452,814
Charges for services	-	150,938	796,667	19,077	350	-	851,109	-	-	23,781	123,710	1,302,334
Fines and forfeitures	-	-	-	-	-	-	-	725,234	-	-	6,986	-
Interest	4,986	411	1,749	37,412	1,161	20	30,938	7,396	1,221	-	629	7,045
Other	-	-	4,528	253,581	49,422	1,200	-	-	-	-	30,863	21,026
Total revenues	4,986	151,349	2,388,669	310,070	50,933	1,220	13,777,563	732,630	737,824	1,246,911	508,607	2,841,229
EXPENDITURES:												
Current:												
General government	-	114,331	-	320,120	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	175,338	-	-	-	-	1,602,775	-	-
Public safety and judicial	-	-	3,027,952	-	-	-	12,070,224	328,327	-	-	1,285,790	3,172,084
Community service	-	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	614,068	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	8,039	-	-	-	6,000
Total expenditures	-	114,331	3,027,952	320,120	175,338	-	12,070,224	336,366	614,068	1,602,775	1,285,790	3,178,084
OTHER FINANCING SOURCES (USES):												
Transfers in	-	-	1,073,870	-	39,123	-	150,000	-	-	355,864	795,306	104,304
Transfers out	(42,163)	-	-	(46,247)	-	-	(3,757,582)	(450,000)	-	-	-	-
Total other financing sources (uses)	(42,163)	-	1,073,870	(46,247)	39,123	-	(3,607,582)	(450,000)	-	355,864	795,306	104,304
Net change in fund balances	(37,177)	37,018	434,587	(56,297)	(85,282)	1,220	(1,900,243)	(53,736)	123,756	-	18,123	(232,551)
FUND BALANCE - beginning	646,094	32,630	566,795	270,708	197,625	2,467	2,541,768	968,229	75,575	-	1,273	1,104,717
FUND BALANCE - ending	\$ 608,917	\$ 69,648	\$ 1,001,382	\$ 214,411	\$ 112,343	\$ 3,687	\$ 641,525	\$ 914,493	\$ 199,331	\$ -	\$ 19,396	\$ 872,166

(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, 2017

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,096,538	\$ -	\$ -	\$ -	\$ 1,096,538
Licenses and permits	-	-	-	-	-	-	-	2,990,428	-	-	-	3,394,857
Intergovernmental	-	53,667	897,473	-	378,354	-	-	9,978	-	-	-	19,233,260
Charges for services	314,362	223,763	134,600	241,864	41,379	619,047	31	-	4,460,752	-	346,260	9,650,024
Fines and forfeitures	-	-	321	-	-	-	-	-	-	-	-	732,541
Interest	5,869	686	1,712	962	2,699	14,432	19,669	7,841	10,543	2,286	22,412	182,079
Other	665	36,661	19,743	-	1,924	-	235	-	-	-	28,903	448,751
Total revenues	<u>320,896</u>	<u>314,777</u>	<u>1,053,849</u>	<u>242,826</u>	<u>424,356</u>	<u>633,479</u>	<u>3,010,363</u>	<u>1,114,357</u>	<u>4,471,295</u>	<u>2,286</u>	<u>397,575</u>	<u>34,738,050</u>
EXPENDITURES:												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	434,451
Health and social services	-	-	-	-	-	-	-	-	-	-	-	1,778,113
Public safety and judicial	206,162	-	1,115,204	-	-	-	-	-	-	-	-	21,205,743
Community service	-	345,814	-	827,914	261,625	-	2,501,209	1,008,238	-	-	-	4,944,800
Roads and bridges	-	-	-	-	-	524,637	-	-	-	-	-	524,637
Education	-	-	-	-	-	-	-	-	-	-	-	614,068
Debt service:												
Principal	-	-	-	-	-	-	-	-	4,184,588	-	-	4,184,588
Interest	-	-	-	-	-	-	-	-	3,279,489	-	-	3,279,489
Capital outlay	-	-	-	-	170,996	9,800	-	-	-	-	2,728,234	2,923,069
Total expenditures	<u>206,162</u>	<u>345,814</u>	<u>1,115,204</u>	<u>827,914</u>	<u>432,621</u>	<u>534,437</u>	<u>2,501,209</u>	<u>1,008,238</u>	<u>7,464,077</u>	<u>-</u>	<u>2,728,234</u>	<u>39,888,958</u>
OTHER FINANCING SOURCES (USES):												
Transfers in	-	97,557	55,870	585,088	88,462	101,659	-	-	3,247,642	-	1,559,973	8,254,718
Transfers out	(8,151)	-	-	-	-	-	(27,255)	-	-	-	-	(4,331,398)
Total other financing sources (uses)	<u>(8,151)</u>	<u>97,557</u>	<u>55,870</u>	<u>585,088</u>	<u>88,462</u>	<u>101,659</u>	<u>(27,255)</u>	<u>-</u>	<u>3,247,642</u>	<u>-</u>	<u>1,559,973</u>	<u>3,923,320</u>
Net change in fund balances	106,583	66,520	(5,485)	-	80,197	200,701	481,899	106,119	254,860	2,286	(770,686)	(1,227,588)
FUND BALANCE - beginning	<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>
FUND BALANCE - ending	<u>\$ 652,625</u>	<u>\$ 161,116</u>	<u>\$ 338,571</u>	<u>\$ -</u>	<u>\$ 433,438</u>	<u>\$ 1,828,137</u>	<u>\$ 2,737,300</u>	<u>\$ 681,274</u>	<u>\$ 1,219,698</u>	<u>\$ 293,669</u>	<u>\$ 3,303,591</u>	<u>\$ 16,306,718</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 91,880	\$ 61,322	\$ (30,558)
Charges for services	-	2,620	2,620
Fines and forfeitures	1,525,091	1,753,792	228,701
Interest	3,436	8,470	5,034
	<u>1,620,407</u>	<u>1,826,204</u>	<u>205,797</u>
Total revenues			
EXPENDITURES:			
Sheriff's Office	2,265,110	1,651,717	613,393
Contingency	185,082	-	185,082
	<u>2,450,192</u>	<u>1,651,717</u>	<u>798,475</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(104,915)	(104,915)	-
	<u>(104,915)</u>	<u>(104,915)</u>	<u>-</u>
Net change in fund balance	(934,700)	69,572	1,004,272
FUND BALANCE - beginning	934,700	934,700	-
	<u>934,700</u>	<u>934,700</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	\$ -	1,004,272	\$ 1,004,272
	<u>\$ -</u>	<u>1,004,272</u>	<u>\$ 1,004,272</u>
Combined with General Fund		(1,004,272)	
		<u>(1,004,272)</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 208,178	\$ 206,479	\$ (1,699)
Interest	-	2,852	2,852
Other	-	695	695
	<u>208,178</u>	<u>210,026</u>	<u>1,848</u>
Total revenues			
EXPENDITURES:			
Sheriff's Office	206,596	174,641	31,955
Contingency	52,374	-	52,374
	<u>258,970</u>	<u>174,641</u>	<u>84,329</u>
Total expenditures			
Net change in fund balance	(50,792)	35,385	86,177
FUND BALANCE - beginning	<u>353,439</u>	<u>353,439</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	<u>\$ 302,647</u>	388,824	<u>\$ 86,177</u>
Combined with General Fund		<u>(388,824)</u>	
FUND BALANCE - ending, GAAP basis		<u>\$ -</u>	

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 12,000	\$ 17,442	\$ 5,442
EXPENDITURES:			
Non-Departmental:			
Reserves	<u>2,233,000</u>	<u>-</u>	<u>2,233,000</u>
Net change in fund balance	(2,221,000)	17,442	2,238,442
FUND BALANCE - beginning	<u>2,221,000</u>	<u>2,222,672</u>	<u>1,672</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	2,240,114	<u>\$ 2,240,114</u>
Combined with General Fund		<u>(2,240,114)</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 506,279	\$ 475,921	\$ (30,358)
Interest	30,160	158,905	128,745
Total revenues	<u>536,439</u>	<u>634,826</u>	<u>98,387</u>
EXPENDITURES:			
Non-Departmental:			
Capital outlay	20,207,082	3,608,540	16,598,542
Debt service - interest and other charges	15,967	15,967	-
Contingency	1,304,116	-	1,304,116
Total expenditures	<u>21,527,165</u>	<u>3,624,507</u>	<u>17,902,658</u>
OTHER FINANCING SOURCES (USES):			
Debt issuance	9,950,000	9,950,000	-
Transfers in	368,725	368,725	-
Transfers out	(531,000)	(531,000)	-
Total other financing sources (uses)	<u>9,787,725</u>	<u>9,787,725</u>	<u>-</u>
Net change in fund balance	(11,203,001)	6,798,044	18,001,045
FUND BALANCE - beginning	<u>12,801,052</u>	<u>12,801,052</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,598,051</u>	<u>\$ 19,599,096</u>	<u>\$ 18,001,045</u>

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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 5,655	\$ 4,986	\$ (669)
EXPENDITURES:			
Non-Departmental:			
Contingency	<u>85,000</u>	<u>-</u>	<u>85,000</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(144,908)</u>	<u>(42,163)</u>	<u>102,745</u>
Net change in fund balance	(224,253)	(37,177)	187,076
FUND BALANCE - beginning	<u>646,094</u>	<u>646,094</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 421,841</u>	<u>\$ 608,917</u>	<u>\$ 187,076</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 136,000	\$ 150,938	\$ 14,938
Interest	157	411	254
Total revenues	<u>136,157</u>	<u>151,349</u>	<u>15,192</u>
EXPENDITURES:			
Clerk's Office	<u>168,787</u>	<u>114,331</u>	<u>54,456</u>
Net change in fund balance	(32,630)	37,018	69,648
FUND BALANCE - beginning	<u>32,630</u>	<u>32,630</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 69,648</u>	<u>\$ 69,648</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,343,259	\$ 1,585,725	\$ 242,466
Charges for services	937,885	796,667	(141,218)
Interest	-	1,749	1,749
Other	4,000	4,528	528
	<u>2,285,144</u>	<u>2,388,669</u>	<u>103,525</u>
Total revenues			
EXPENDITURES:			
Juvenile Department	3,394,763	3,027,952	366,811
Contingency	531,046	-	531,046
	<u>3,925,809</u>	<u>3,027,952</u>	<u>897,857</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,073,870</u>	<u>1,073,870</u>	<u>-</u>
Net change in fund balance	(566,795)	434,587	1,001,382
FUND BALANCE - beginning	<u>566,795</u>	<u>566,795</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 1,001,382</u>	<u>\$ 1,001,382</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 250,000	\$ 19,077	\$ (230,923)
Interest	11,300	37,412	26,112
Other	25,600	253,581	227,981
	<u>286,900</u>	<u>310,070</u>	<u>23,170</u>
Total revenues			
EXPENDITURES:			
Non-Departmental:			
Materials and services	36,922	20,120	16,802
Special payments	391,270	300,000	91,270
	<u>428,192</u>	<u>320,120</u>	<u>108,072</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(46,247)	(46,247)	-
	<u>(46,247)</u>	<u>(46,247)</u>	<u>-</u>
Net change in fund balance	(187,539)	(56,297)	131,242
FUND BALANCE - beginning	270,708	270,708	-
	<u>270,708</u>	<u>270,708</u>	<u>-</u>
FUND BALANCE - ending	\$ 83,169	\$ 214,411	\$ 131,242
	<u>\$ 83,169</u>	<u>\$ 214,411</u>	<u>\$ 131,242</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ -	\$ 350	\$ 350
Interest	900	1,161	261
Other	48,750	49,422	672
	<u>49,650</u>	<u>50,933</u>	<u>1,283</u>
Total revenues	49,650	50,933	1,283
EXPENDITURES:			
Community Services Department	229,433	175,338	54,095
OTHER FINANCING SOURCES (USES):			
Transfers in	39,123	39,123	-
Net change in fund balance	(140,660)	(85,282)	55,378
FUND BALANCE - beginning	197,625	197,625	-
FUND BALANCE - ending	<u>\$ 56,965</u>	<u>\$ 112,343</u>	<u>\$ 55,378</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ -	\$ 20	\$ 20
Other	-	1,200	1,200
Total revenues	-	1,220	1,220
EXPENDITURES:			
Non-Departmental:			
Contingency	2,467	-	2,467
Net change in fund balance	(2,467)	1,220	3,687
FUND BALANCE - beginning	2,467	2,467	-
FUND BALANCE - ending	\$ -	\$ 3,687	\$ 3,687

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 12,977,414	\$ 12,895,516	\$ (81,898)
Charges for services	804,300	851,109	46,809
Interest	-	30,938	30,938
	<hr/>	<hr/>	<hr/>
Total revenues	13,781,714	13,777,563	(4,151)
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Sheriff's Office	12,611,611	12,070,224	541,387
Contingency	104,289	-	104,289
	<hr/>	<hr/>	<hr/>
Total expenditures	12,715,900	12,070,224	645,676
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Transfers in	150,000	150,000	-
Transfers out	(3,757,582)	(3,757,582)	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	(3,607,582)	(3,607,582)	-
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(2,541,768)	(1,900,243)	641,525
FUND BALANCE - beginning	2,541,768	2,541,768	-
	<hr/>	<hr/>	<hr/>
FUND BALANCE - ending	\$ -	\$ 641,525	\$ 641,525
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines and forfeitures	\$ 669,780	\$ 725,234	\$ 55,454
Interest	7,318	7,396	78
Total revenues	<u>677,098</u>	<u>732,630</u>	<u>55,532</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	341,665	328,327	13,338
Capital outlay	10,000	8,039	1,961
Contingency	102,094	-	102,094
Total expenditures	<u>453,759</u>	<u>336,366</u>	<u>117,393</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net change in fund balance	(226,661)	(53,736)	172,925
FUND BALANCE - beginning	<u>968,229</u>	<u>968,229</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 741,568</u>	<u>\$ 914,493</u>	<u>\$ 172,925</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 537,257	\$ 736,603	\$ 199,346
Interest	1,500	1,221	(279)
Total revenues	<u>538,757</u>	<u>737,824</u>	<u>199,067</u>
EXPENDITURES:			
Non-Departmental:			
Special payments	<u>614,332</u>	<u>614,068</u>	<u>264</u>
Net change in fund balance	(75,575)	123,756	199,331
FUND BALANCE - beginning	<u>75,575</u>	<u>75,575</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 199,331</u>	<u>\$ 199,331</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,247,116	\$ 1,223,130	\$ (23,986)
Charges for services	20,000	23,781	3,781
Total revenues	<u>1,267,116</u>	<u>1,246,911</u>	<u>(20,205)</u>
EXPENDITURES:			
District Attorney's Office	<u>1,630,122</u>	<u>1,602,775</u>	<u>27,347</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>363,006</u>	<u>355,864</u>	<u>(7,142)</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
DOG CONTROL FUND

For the year ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 328,750	\$ 346,419	\$ 17,669
Charges for services	105,450	123,710	18,260
Fines and forfeitures	4,000	6,986	2,986
Interest	400	629	229
Other	29,100	30,863	1,763
Total revenues	<u>467,700</u>	<u>508,607</u>	<u>40,907</u>
EXPENDITURES:			
Community Services Department	<u>1,353,780</u>	<u>1,285,790</u>	<u>67,990</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>884,807</u>	<u>795,306</u>	<u>(89,501)</u>
Net change in fund balance	(1,273)	18,123	19,396
FUND BALANCE - beginning	<u>1,273</u>	<u>1,273</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 19,396</u>	<u>\$ 19,396</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 51,000	\$ 58,010	\$ 7,010
Intergovernmental	1,569,371	1,452,814	(116,557)
Charges for services	1,287,720	1,302,334	14,614
Interest	-	7,045	7,045
Other	4,500	21,026	16,526
	<u>2,912,591</u>	<u>2,841,229</u>	<u>(71,362)</u>
EXPENDITURES:			
Sheriff's Office	3,680,841	3,178,084	502,757
Contingency	419,195	-	419,195
	<u>4,100,036</u>	<u>3,178,084</u>	<u>921,952</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	211,634	104,304	(107,330)
	<u>(975,811)</u>	<u>(232,551)</u>	<u>743,260</u>
Net change in fund balance			
FUND BALANCE - beginning	1,104,717	1,104,717	-
FUND BALANCE - ending	<u>\$ 128,906</u>	<u>\$ 872,166</u>	<u>\$ 743,260</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 314,262	\$ 314,362	\$ 100
Interest	1,300	5,869	4,569
Other	200	665	465
	<u>315,762</u>	<u>320,896</u>	<u>5,134</u>
Total revenues			
EXPENDITURES:			
Legal Department	304,186	206,162	98,024
Contingency	4,584	-	4,584
	<u>308,770</u>	<u>206,162</u>	<u>102,608</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(9,472)	(8,151)	1,321
	<u>(9,472)</u>	<u>(8,151)</u>	<u>1,321</u>
Net change in fund balance	(2,480)	106,583	109,063
FUND BALANCE - beginning	546,043	546,042	(1)
	<u>546,043</u>	<u>546,042</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ 543,563</u>	<u>\$ 652,625</u>	<u>\$ 109,062</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 50,964	\$ 53,667	\$ 2,703
Charges for services	206,500	223,763	17,263
Interest	-	686	686
Other	47,450	36,661	(10,789)
	<u>304,914</u>	<u>314,777</u>	<u>9,863</u>
EXPENDITURES:			
Community Services Department	389,890	345,814	44,076
Contingency	107,177	-	107,177
	<u>497,067</u>	<u>345,814</u>	<u>151,253</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	97,557	97,557	-
	<u>(94,596)</u>	<u>66,520</u>	<u>161,116</u>
Net change in fund balance			
FUND BALANCE - beginning	94,596	94,596	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 161,116</u>	<u>\$ 161,116</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 971,373	\$ 897,473	\$ (73,900)
Charges for services	140,036	134,600	(5,436)
Fines and forfeitures	3,000	321	(2,679)
Interest	540	1,712	1,172
Other	10,000	19,743	9,743
Total revenues	<u>1,124,949</u>	<u>1,053,849</u>	<u>(71,100)</u>
EXPENDITURES:			
District Attorney's Office	1,286,301	1,115,204	171,097
Contingency	279,410	-	279,410
Total expenditures	<u>1,565,711</u>	<u>1,115,204</u>	<u>450,507</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>96,706</u>	<u>55,870</u>	<u>(40,836)</u>
Net change in fund balance	(344,056)	(5,485)	338,571
FUND BALANCE - beginning	<u>344,056</u>	<u>344,056</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 338,571</u>	<u>\$ 338,571</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 258,000	\$ 241,864	\$ (16,136)
Interest	625	962	337
Total revenues	258,625	242,826	(15,799)
EXPENDITURES:			
Public Works Department	944,009	827,914	116,095
Contingency	14,400	-	14,400
Total expenditures	958,409	827,914	130,495
OTHER FINANCING SOURCES (USES):			
Transfers in	699,784	585,088	(114,696)
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
PARKS FUND

For the year ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 283,000	\$ 378,354	\$ 95,354
Charges for services	24,000	41,379	17,379
Interest	1,000	2,699	1,699
Other	-	1,924	1,924
	<u>308,000</u>	<u>424,356</u>	<u>116,356</u>
Total revenues			
EXPENDITURES:			
Public Works Department	541,311	432,621	108,690
Contingency	8,200	-	8,200
	<u>549,511</u>	<u>432,621</u>	<u>116,890</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>138,152</u>	<u>88,462</u>	<u>(49,690)</u>
Net change in fund balance	(103,359)	80,197	183,556
FUND BALANCE - beginning	<u>353,240</u>	<u>353,241</u>	<u>1</u>
FUND BALANCE - ending	<u>\$ 249,881</u>	<u>\$ 433,438</u>	<u>\$ 183,557</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 467,300	\$ 619,047	\$ 151,747
Interest	7,900	14,432	6,532
Total revenues	<u>475,200</u>	<u>633,479</u>	<u>158,279</u>
EXPENDITURES:			
Public Works Department	549,457	534,437	15,020
Contingency	40,800	-	40,800
Total expenditures	<u>590,257</u>	<u>534,437</u>	<u>55,820</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>101,659</u>	<u>101,659</u>	<u>-</u>
Net change in fund balance	(13,398)	200,701	214,099
FUND BALANCE - beginning	<u>1,627,436</u>	<u>1,627,436</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,614,038</u>	<u>\$ 1,828,137</u>	<u>\$ 214,099</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 2,550,000	\$ 2,990,428	\$ 440,428
Charges for services	-	31	31
Interest	6,800	19,669	12,869
Other	-	235	235
	<u>2,556,800</u>	<u>3,010,363</u>	<u>453,563</u>
Total revenues			
EXPENDITURES:			
Public Works Department	2,600,280	2,501,209	99,071
Contingency	229,000	-	229,000
	<u>2,829,280</u>	<u>2,501,209</u>	<u>328,071</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(30,245)	(27,255)	2,990
	<u>(30,245)</u>	<u>(27,255)</u>	<u>2,990</u>
Net change in fund balance	(302,725)	481,899	784,624
FUND BALANCE - beginning	2,277,968	2,255,401	(22,567)
	<u>2,277,968</u>	<u>2,255,401</u>	<u>(22,567)</u>
FUND BALANCE - ending	<u>\$ 1,975,243</u>	<u>\$ 2,737,300</u>	<u>\$ 762,057</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 1,092,674	\$ 1,096,538	\$ 3,864
Intergovernmental	-	9,978	9,978
Interest	2,500	7,841	5,341
Total revenues	<u>1,095,174</u>	<u>1,114,357</u>	<u>19,183</u>
EXPENDITURES:			
Marion County Extension & 4H Service District	1,124,959	1,008,238	116,721
Contingency	196,542	-	196,542
Total expenditures	<u>1,321,501</u>	<u>1,008,238</u>	<u>313,263</u>
Net change in fund balance	(226,327)	106,119	332,446
FUND BALANCE - beginning	<u>575,155</u>	<u>575,155</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 348,828</u>	<u>\$ 681,274</u>	<u>\$ 332,446</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 3,924,374	\$ 4,460,752	\$ 536,378
Interest	6,600	10,543	3,943
Total revenues	<u>3,930,974</u>	<u>4,471,295</u>	<u>540,321</u>
EXPENDITURES:			
Non-Departmental:			
Debt service - principal	4,184,584	4,184,588	(4)
Debt service - interest	<u>3,279,490</u>	<u>3,279,489</u>	<u>1</u>
Total expenditures	<u>7,464,074</u>	<u>7,464,077</u>	<u>(3)</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>3,247,639</u>	<u>3,247,642</u>	<u>3</u>
Net change in fund balance	(285,461)	254,860	540,321
FUND BALANCE - beginning	<u>964,838</u>	<u>964,838</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 679,377</u>	<u>\$ 1,219,698</u>	<u>\$ 540,321</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, 2017

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 1,700	\$ 2,286	\$ 586
EXPENDITURES:			
Non-Departmental:			
Reserves	<u>292,900</u>	<u>-</u>	<u>292,900</u>
Net change in fund balance	(291,200)	2,286	293,486
FUND BALANCE - beginning	<u>291,200</u>	<u>291,383</u>	<u>183</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 293,669</u>	<u>\$ 293,669</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 366,222	\$ 346,260	\$ (19,962)
Interest	12,720	22,412	9,692
Other	-	28,903	28,903
	<u>378,942</u>	<u>397,575</u>	<u>18,633</u>
Total revenues			
EXPENDITURES:			
Non-Departmental:			
Capital outlay	4,085,971	2,728,234	1,357,737
Contingency	1,928,542	-	1,928,542
	<u>6,014,513</u>	<u>2,728,234</u>	<u>3,286,279</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,561,294</u>	<u>1,559,973</u>	<u>(1,321)</u>
Net change in fund balance	(4,074,277)	(770,686)	3,303,591
FUND BALANCE - beginning	<u>4,074,277</u>	<u>4,074,277</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 3,303,591</u>	<u>\$ 3,303,591</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, 2017

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Ilaha Hills	
ASSETS							
Current assets:							
Cash and investments	\$ 801,624	\$ 215,140	\$ 1,126,836	\$ 59,455	\$ 113,859	\$ 14,898	\$ 2,331,812
Receivables:							
Accounts	660	25,474	192,700	9,944	35,425	-	264,203
Property taxes	-	686	30,204	-	713	-	31,603
Interest	2,231	687	3,469	175	343	44	6,949
Total current assets	<u>804,515</u>	<u>241,987</u>	<u>1,353,209</u>	<u>69,574</u>	<u>150,340</u>	<u>14,942</u>	<u>2,634,567</u>
Capital assets:							
Land	-	140,335	87,014	-	-	-	227,349
Construction in progress	27,109	-	-	-	-	-	27,109
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	(1,816)	(3,232,597)	(4,393,545)	(322,448)	(1,113,228)	-	(9,063,634)
Total assets	<u>852,508</u>	<u>391,707</u>	<u>2,128,599</u>	<u>69,574</u>	<u>990,669</u>	<u>14,942</u>	<u>4,447,999</u>
DEFERRED OUTFLOWS OF RESOURCES							
Pension-related deferred outflows	44,427	-	-	-	-	-	44,427
LIABILITIES							
Current liabilities:							
Accounts payable	13,318	5,377	165,294	3,909	14,991	-	202,889
Payroll related liabilities	12,165	-	-	-	-	-	12,165
Accrued interest	-	-	-	-	12,887	-	12,887
Advances, current	-	-	-	-	17,143	-	17,143
Notes payable, current	-	-	-	-	18,064	-	18,064
Compensated absences, current	3,392	-	-	-	-	-	3,392
Total current liabilities	<u>28,875</u>	<u>5,377</u>	<u>165,294</u>	<u>3,909</u>	<u>63,085</u>	<u>-</u>	<u>266,540</u>
Noncurrent liabilities, net of current portion:							
Advances	-	-	-	-	68,571	-	68,571
Notes payable	-	-	-	-	423,324	-	423,324
Compensated absences	6,953	-	-	-	-	-	6,953
Net pension liability	87,667	-	-	-	-	-	87,667
Total liabilities	<u>123,495</u>	<u>5,377</u>	<u>165,294</u>	<u>3,909</u>	<u>554,980</u>	<u>-</u>	<u>853,055</u>
DEFERRED INFLOWS OF RESOURCES							
Pension-related deferred inflows	2,454	-	-	-	-	-	2,454
NET POSITION							
Net investment in capital assets	47,993	149,720	775,390	-	313,227	-	1,286,330
Unrestricted	722,993	236,610	1,187,915	65,665	122,462	14,942	2,350,587
Total net position	<u>\$ 770,986</u>	<u>\$ 386,330</u>	<u>\$ 1,963,305</u>	<u>\$ 65,665</u>	<u>\$ 435,689</u>	<u>\$ 14,942</u>	<u>\$ 3,636,917</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Ilaha Hills	
Operating revenues:							
Charges for services	\$ 899,614	\$ 238,767	\$ 919,352	\$ 7,664	\$ 271,787	\$ 11,298	\$ 2,348,482
Operating expenses:							
Salaries and wages	263,603	-	-	-	-	-	263,603
Repairs and maintenance	11,833	50,887	-	-	142,590	-	205,310
Utilities	399	5,820	211,652	-	1,689	7,716	227,276
Building and equipment rentals	6,873	86	76	-	7	-	7,042
Professional services	283,514	218,942	663,218	2,462	25,451	78	1,193,665
Communication	1,100	1,441	-	-	-	-	2,541
Fuel and operating supplies	14,748	11,985	186	-	12	-	26,931
Insurance claims and premiums	-	1,658	11,412	823	1,023	100	15,016
Administrative expenses	31,066	-	-	-	-	-	31,066
Depreciation	908	71,616	95,270	-	78,752	-	246,546
Other	5,626	4,743	759	156	441	31	11,756
Total operating expenses	619,670	367,178	982,573	3,441	249,965	7,925	2,230,752
Operating income (loss)	279,944	(128,411)	(63,221)	4,223	21,822	3,373	117,730
Nonoperating revenues (expenses):							
Interest revenue	4,380	2,125	9,932	448	833	117	17,835
Interest expense	-	-	-	-	(22,794)	-	(22,794)
Total nonoperating revenues (expenses)	4,380	2,125	9,932	448	(21,961)	117	(4,959)
Income (loss) before transfers	284,324	(126,286)	(53,289)	4,671	(139)	3,490	112,771
Transfers out	(25,000)	-	-	-	-	-	(25,000)
Change in net position	259,324	(126,286)	(53,289)	4,671	(139)	3,490	87,771
Total net position - beginning	511,662	512,616	2,016,594	60,994	435,828	11,452	3,549,146
Total net position - ending	\$ 770,986	\$ 386,330	\$ 1,963,305	\$ 65,665	\$ 435,689	\$ 14,942	\$ 3,636,917

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2017

	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	\$ 899,009	\$ 238,563	\$ 947,417	\$ 6,284	\$ 259,855	\$ 11,298	\$ 2,362,426
Cash payments to suppliers for goods and services	(347,797)	(296,805)	(869,565)	(1,805)	(160,750)	(7,925)	(1,684,647)
Cash payments to employees for services	(201,567)	-	-	-	-	-	(201,567)
Net cash from operating activities	<u>349,645</u>	<u>(58,242)</u>	<u>77,852</u>	<u>4,479</u>	<u>99,105</u>	<u>3,373</u>	<u>476,212</u>
Cash flows from noncapital financing activities:							
Transfers paid	(25,000)	-	-	-	-	-	(25,000)
Cash flows from capital and related financing activities:							
Purchase of capital assets	(27,109)	-	-	-	-	-	(27,109)
Debt principal payments	-	-	-	-	(35,089)	-	(35,089)
Debt interest payments	-	-	-	-	(23,162)	-	(23,162)
Net cash from capital and related financing activities	<u>(27,109)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,251)</u>	<u>-</u>	<u>(85,360)</u>
Cash flows from investing activities:							
Interest on investments	3,026	2,059	8,784	390	648	97	15,004
Net change in cash and investments	300,562	(56,183)	86,636	4,869	41,502	3,470	380,856
Cash and investments - beginning	<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>
Cash and investments - ending	<u>\$ 801,624</u>	<u>\$ 215,140</u>	<u>\$ 1,126,836</u>	<u>\$ 59,455</u>	<u>\$ 113,859</u>	<u>\$ 14,898</u>	<u>\$ 2,331,812</u>
Reconciliation of operating income (loss) to net cash from operating activities:							
Operating income (loss)	\$ 279,944	\$ (128,411)	\$ (63,221)	\$ 4,223	\$ 21,822	\$ 3,373	\$ 117,730
Depreciation	908	71,616	95,270	-	78,752	-	246,546
Change in:							
Accounts receivable	(605)	(204)	28,065	(1,380)	(11,932)	-	13,944
Accounts payable	7,362	(1,243)	17,738	1,636	10,463	-	35,956
Payroll liabilities	9,458	-	-	-	-	-	9,458
Compensated absences	6,884	-	-	-	-	-	6,884
Net pension liability and deferred pension outflows and inflows	45,694	-	-	-	-	-	45,694
Net cash from operating activities	<u>\$ 349,645</u>	<u>\$ (58,242)</u>	<u>\$ 77,852</u>	<u>\$ 4,479</u>	<u>\$ 99,105</u>	<u>\$ 3,373</u>	<u>\$ 476,212</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 300,000	\$ 374,695	\$ 74,695
Intergovernmental	-	126,202	126,202
Charges for services	19,762,833	20,951,675	1,188,842
Interest	60,000	84,572	24,572
Other	250	558	308
	<u>20,123,083</u>	<u>21,537,702</u>	<u>1,414,619</u>
EXPENDITURES:			
Public Works Department	21,533,036	20,920,684	612,352
Debt service - principal	85,000	85,000	-
Debt service - interest	3,213	5,206	(1,993)
Contingency	1,957,033	-	1,957,033
	<u>23,578,282</u>	<u>21,010,890</u>	<u>2,567,392</u>
Net change in fund balance	(3,455,199)	526,812	3,982,011
FUND BALANCE - beginning	<u>10,282,993</u>	<u>10,282,993</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 6,827,794</u>	<u>\$ 10,809,805</u>	<u>\$ 3,982,011</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 934,359	\$ 899,614	\$ (34,745)
Interest	-	4,380	4,380
Total revenues	<u>934,359</u>	<u>903,994</u>	<u>(30,365)</u>
EXPENDITURES:			
Public Works Department	644,735	593,293	51,442
Contingency	<u>21,835</u>	<u>-</u>	<u>21,835</u>
Total expenditures	<u>666,570</u>	<u>593,293</u>	<u>73,277</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	242,789	285,701	42,912
FUND BALANCE - beginning	<u>493,331</u>	<u>493,331</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 736,120</u>	<u>\$ 779,032</u>	<u>\$ 42,912</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 262,000	\$ 238,767	\$ (23,233)
Interest	1,600	2,125	525
Total revenues	263,600	240,892	(22,708)
EXPENDITURES:			
Materials and services	297,275	295,562	1,713
Capital outlay	50,000	-	50,000
Contingency	36,605	-	36,605
Total expenditures	383,880	295,562	88,318
Net change in fund balance	(120,280)	(54,670)	65,610
FUND BALANCE - beginning	291,280	291,280	-
FUND BALANCE - ending	\$ 171,000	\$ 236,610	\$ 65,610

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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 873,000	\$ 919,352	\$ 46,352
Interest	6,500	9,932	3,432
Total revenues	<u>879,500</u>	<u>929,284</u>	<u>49,784</u>
EXPENDITURES:			
Materials and services	968,200	887,303	80,897
Contingency	<u>125,000</u>	<u>-</u>	<u>125,000</u>
Total expenditures	<u>1,093,200</u>	<u>887,303</u>	<u>205,897</u>
Net change in fund balance	(213,700)	41,981	255,681
FUND BALANCE - beginning	<u>1,055,000</u>	<u>1,145,934</u>	<u>90,934</u>
FUND BALANCE - ending	<u>\$ 841,300</u>	<u>\$ 1,187,915</u>	<u>\$ 346,615</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 6,700	\$ 7,664	\$ 964
Interest	300	448	148
Total revenues	<u>7,000</u>	<u>8,112</u>	<u>1,112</u>
EXPENDITURES:			
Materials and services	4,050	3,441	609
Contingency	<u>60,950</u>	<u>-</u>	<u>60,950</u>
Total expenditures	<u>65,000</u>	<u>3,441</u>	<u>61,559</u>
Net change in fund balance	(58,000)	4,671	62,671
FUND BALANCE - beginning	<u>58,000</u>	<u>60,994</u>	<u>2,994</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 65,665</u>	<u>\$ 65,665</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 224,000	\$ 271,787	\$ 47,787
Interest	430	833	403
Total revenues	224,430	272,620	48,190
EXPENDITURES:			
Materials and services	174,085	171,213	2,872
Capital outlay	16,000	-	16,000
Debt service - principal	35,089	35,089	-
Debt service - interest	23,605	23,162	443
Contingency	67,844	-	67,844
Total expenditures	316,623	229,464	87,159
Net change in fund balance	(92,193)	43,156	135,349
FUND BALANCE - beginning	92,193	92,193	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 135,349</u>	<u>\$ 135,349</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, 2017

	Central Services	Self- Insurance	Fleet Management	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 642,902	\$ 8,937,682	\$ 1,804,561	\$ 11,385,145
Receivables:				
Accounts	40,307	-	2,857	43,164
Interest	-	21,108	-	21,108
Inventories and prepaid expenses	103,807	1,923,613	-	2,027,420
 Total current assets	 <u>787,016</u>	 <u>10,882,403</u>	 <u>1,807,418</u>	 <u>13,476,837</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	7,791,414	-	-	7,791,414
LIABILITIES				
Current liabilities:				
Accounts payable	249,256	177,879	120,825	547,960
Payroll related liabilities	537,760	-	-	537,760
Accrued claims liability, current	-	1,258,319	-	1,258,319
Compensated absences, current	599,032	-	-	599,032
 Total current liabilities	 <u>1,386,048</u>	 <u>1,436,198</u>	 <u>120,825</u>	 <u>2,943,071</u>
Noncurrent liabilities, net of current portion:				
Accrued claims liability	-	4,429,675	-	4,429,675
Compensated absences	107,149	-	-	107,149
Net pension liability	15,374,498	-	-	15,374,498
Net OPEB obligation	2,370,152	-	-	2,370,152
 Total noncurrent liabilities	 <u>17,851,799</u>	 <u>4,429,675</u>	 <u>-</u>	 <u>22,281,474</u>
 Total liabilities	 <u>19,237,847</u>	 <u>5,865,873</u>	 <u>120,825</u>	 <u>25,224,545</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	430,500	-	-	430,500
NET POSITION				
Unrestricted	<u>\$ (11,089,917)</u>	<u>\$ 5,016,530</u>	<u>\$ 1,686,593</u>	<u>\$ (4,386,794)</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	Central Services	Self- Insurance	Fleet Management	Totals
Operating revenues:				
Charges for services	\$ 21,371,826	\$ 25,528,592	\$ 1,903,458	\$ 48,803,876
Other	93	15,502	-	15,595
Total operating revenues	21,371,919	25,544,094	1,903,458	48,819,471
Operating expenses:				
Salaries and benefits	18,646,243	-	-	18,646,243
Repairs and maintenance	1,359,853	50	351,231	1,711,134
Utilities	105,556	-	-	105,556
Building and equipment rentals	224,843	-	3,905	228,748
Professional services	611,109	147,795	46,948	805,852
Communication	214,935	-	50,748	265,683
Fuel and operating supplies	526,056	10,747	10,432	547,235
Insurance claims and premiums	40	24,526,591	-	24,526,631
Administrative expenses	1,706,919	120,208	47,231	1,874,358
Other	275,497	9,514	4,384	289,395
Total operating expenses	23,671,051	24,814,905	514,879	49,000,835
Operating income (loss)	(2,299,132)	729,189	1,388,579	(181,364)
Nonoperating revenues (expenses):				
Interest revenue	-	64,982	-	64,982
Income (loss) before transfers	(2,299,132)	794,171	1,388,579	(116,382)
Transfers in	453,255	-	85,618	538,873
Transfers out	-	(25,000)	-	(25,000)
Transfer to general capital assets	-	-	(1,263,713)	(1,263,713)
Change in net position	(1,845,877)	769,171	210,484	(866,222)
Total net position - beginning	(9,244,040)	4,247,359	1,476,109	(3,520,572)
Total net position - ending	\$ (11,089,917)	\$ 5,016,530	\$ 1,686,593	\$ (4,386,794)

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2017

	Central Services	Self- Insurance	Fleet Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 21,375,340	\$ 25,548,355	\$ 1,900,601	\$ 48,824,296
Cash payments to suppliers for goods and services	(5,201,186)	(27,084,049)	(476,761)	(32,761,996)
Cash payments to employees for services	(16,693,023)	-	-	(16,693,023)
Net cash from operating activities	<u>(518,869)</u>	<u>(1,535,694)</u>	<u>1,423,840</u>	<u>(630,723)</u>
Cash flows from noncapital financing activities:				
Transfers received	453,255	-	85,618	538,873
Transfers paid	-	(25,000)	-	(25,000)
Net cash from noncapital financing activities	<u>453,255</u>	<u>(25,000)</u>	<u>85,618</u>	<u>513,873</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	-	(1,263,713)	(1,263,713)
Cash flows from investing activities:				
Interest on investments	-	62,935	-	62,935
Net change in cash and investments	(65,614)	(1,497,759)	245,745	(1,317,628)
Cash and investments - beginning	<u>708,516</u>	<u>10,435,441</u>	<u>1,558,816</u>	<u>12,702,773</u>
Cash and investments - ending	<u>\$ 642,902</u>	<u>\$ 8,937,682</u>	<u>\$ 1,804,561</u>	<u>\$ 11,385,145</u>
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (2,299,132)	\$ 729,189	\$ 1,388,579	\$ (181,364)
Change in:				
Receivables	3,421	4,261	(2,857)	4,825
Inventories and prepaids	(103,807)	(1,873,613)	-	(1,977,420)
Accounts payable	(72,571)	(745,016)	38,118	(779,469)
Payroll related liabilities	107,343	-	-	107,343
Accrued claims liability	-	349,485	-	349,485
Compensated absences	31,298	-	-	31,298
Net pension asset/liability and deferred pension outflows/inflows	1,668,006	-	-	1,668,006
Net OPEB obligation	146,573	-	-	146,573
Net cash from operating activities	<u>\$ (518,869)</u>	<u>\$ (1,535,694)</u>	<u>\$ 1,423,840</u>	<u>\$ (630,723)</u>
Schedule of non-cash capital and related financing activities:				
Transfer to general capital assets	\$ -	\$ -	\$ 1,263,713	\$ 1,263,713

MARION COUNTY, OREGON

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

For the year ended June 30, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 22,053,851	\$ 21,371,826	\$ (682,025)
Other	-	93	93
Total revenues	22,053,851	21,371,919	(681,932)
EXPENDITURES:			
Board of Commissioners	2,475,053	2,374,413	100,640
Business Services	6,862,205	6,525,868	336,337
Finance	2,420,228	2,346,357	73,871
Information Technology	9,213,619	9,000,678	212,941
Legal Counsel	1,433,214	1,419,699	13,515
Non-Departmental:			
Materials and services	190,632	158,159	32,473
Total expenditures	22,594,951	21,825,174	769,777
OTHER FINANCING SOURCES (USES):			
Transfers in	541,100	453,255	(87,845)
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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 26,412,146	\$ 25,528,592	\$ (883,554)
Interest	35,755	64,982	29,227
Other	10,000	15,502	5,502
	<u>26,457,901</u>	<u>25,609,076</u>	<u>(848,825)</u>
Total revenues			
EXPENDITURES:			
Non-Departmental:			
Materials and services	26,427,146	24,465,420	1,961,726
Contingency	2,561,339	-	2,561,339
	<u>28,988,485</u>	<u>24,465,420</u>	<u>4,523,065</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(25,000)	(25,000)	-
	<u>(25,555,584)</u>	<u>1,118,656</u>	<u>3,674,240</u>
Net change in fund balance			
FUND BALANCE - beginning	9,585,868	9,585,868	-
	<u>9,585,868</u>	<u>9,585,868</u>	<u>-</u>
FUND BALANCE - ending	\$ 7,030,284	\$ 10,704,524	\$ 3,674,240
	<u>\$ 7,030,284</u>	<u>\$ 10,704,524</u>	<u>\$ 3,674,240</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, 2017

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,855,216	\$ 1,903,458	\$ 48,242
Other	25,000	-	(25,000)
Total revenues	<u>1,880,216</u>	<u>1,903,458</u>	<u>23,242</u>
EXPENDITURES:			
Public Works Department	<u>1,901,801</u>	<u>1,778,592</u>	<u>123,209</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>90,660</u>	<u>85,618</u>	<u>(5,042)</u>
Net change in fund balance	69,075	210,484	141,409
FUND BALANCE - beginning	<u>1,476,109</u>	<u>1,476,109</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,545,184</u>	<u>\$ 1,686,593</u>	<u>\$ 141,409</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, 2017

	Treasurer's Trust	Due Subdivisions	Totals
ASSETS:			
Cash and investments	\$ 1,931,168	\$ 23,936,443	\$ 25,867,611
Receivables:			
Accounts and interest	885,668	1,038,540	1,924,208
Property taxes	-	12,722,365	12,722,365
	<u>\$ 2,816,836</u>	<u>\$ 37,697,348</u>	<u>\$ 40,514,184</u>
Total assets			
LIABILITIES:			
Accounts payable	\$ 1,923,760	\$ 2,689,972	\$ 4,613,732
Due to other agencies	893,076	35,007,376	35,900,452
	<u>\$ 2,816,836</u>	<u>\$ 37,697,348</u>	<u>\$ 40,514,184</u>
Total liabilities			

MARION COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2017

	Balance, July 1, 2016	Additions	Deductions	Balance, June 30, 2017
Treasurer's Trust				
Assets:				
Cash and investments	\$ 533,822	\$ 5,185,059	\$ 3,787,713	\$ 1,931,168
Receivables:				
Accounts and interest	298,233	885,668	298,233	885,668
Total assets	<u>\$ 832,055</u>	<u>\$ 6,070,727</u>	<u>\$ 4,085,946</u>	<u>\$ 2,816,836</u>
Liabilities:				
Accounts payable	\$ 501,875	\$ 3,002,907	\$ 1,581,022	\$ 1,923,760
Due to other agencies	330,180	3,067,820	2,504,924	893,076
Total liabilities	<u>\$ 832,055</u>	<u>\$ 6,070,727</u>	<u>\$ 4,085,946</u>	<u>\$ 2,816,836</u>
Due Subdivisions				
Assets:				
Cash and investments	\$ 26,329,450	\$ 408,424,233	\$ 410,817,240	\$ 23,936,443
Receivables:				
Accounts and interest	429,783	1,181,347	572,590	1,038,540
Property taxes	14,273,442	-	1,551,077	12,722,365
Total assets	<u>\$ 41,032,675</u>	<u>\$ 409,605,580</u>	<u>\$ 412,940,907</u>	<u>\$ 37,697,348</u>
Liabilities:				
Accounts payable	\$ 3,185,086	\$ 34,717,774	\$ 35,212,888	\$ 2,689,972
Due to other agencies	37,847,589	374,887,806	377,728,019	35,007,376
Total liabilities	<u>\$ 41,032,675</u>	<u>\$ 409,605,580</u>	<u>\$ 412,940,907</u>	<u>\$ 37,697,348</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 26,863,272	\$ 413,609,292	\$ 414,604,953	\$ 25,867,611
Receivables:				
Accounts and interest	728,016	2,067,015	870,823	1,924,208
Property taxes	14,273,442	-	1,551,077	12,722,365
Total assets	<u>\$ 41,864,730</u>	<u>\$ 415,676,307</u>	<u>\$ 417,026,853</u>	<u>\$ 40,514,184</u>
Liabilities:				
Accounts payable	\$ 3,686,961	\$ 37,720,681	\$ 36,793,910	\$ 4,613,732
Due to other agencies	38,177,769	377,955,626	380,232,943	35,900,452
Total liabilities	<u>\$ 41,864,730</u>	<u>\$ 415,676,307</u>	<u>\$ 417,026,853</u>	<u>\$ 40,514,184</u>

OTHER SCHEDULES

MARION COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS

For the year ended June 30, 2017

	Cash	Receipts	Turnovers to			Cash
	Balance		Treasurer	State	Other	Balance
	July 1, 2016					June 30, 2017
Assessor	\$ -	\$ 268,293	\$ 268,293	\$ -	\$ -	\$ -
Clerk	-	2,541,649	2,541,649	-	-	-
District Attorney	-	225,362	225,362	-	-	-
Justice of the Peace	-	4,137,153	2,812,896	1,137,400	186,857	-
Sheriff	-	2,166,549	2,166,549	-	-	-
Treasurer	147,174,088	984,986,624	-	-	976,386,446	155,774,266

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, 2017

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-AS7	68608D-CV4	569127-BA0
56913R-AT5	68608D-DA9	569127-BB8
56913R-AU2	68608D-DF8	569127-BC6
56913R-BU1		569127-BD4
56913R-BV9		569127-BE2
56913R-BW7		569127-BF9
56913R-BX5		569127-BH5
56913R-BY3		569127-BJ1
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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
Net investment in capital assets	\$ 179,569,434	\$ 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
Restricted	40,841,999	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
Unrestricted	(52,684,888)	(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
Total net position, governmental activities	\$ 167,726,545	\$ 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
Business-Type Activities:										
Net investment in capital assets	\$ 7,549,692	\$ 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
Restricted	-	-	-	-	-	-	-	479,960	240,146	3,002,426
Unrestricted	513,042	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
Total net position, business-type activities	\$ 8,062,734	\$ 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
Primary Government:										
Net investment in capital assets	\$ 187,119,126	\$ 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
Restricted	40,841,999	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
Unrestricted	(52,171,846)	(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
Total net position, primary government	\$ 175,789,279	\$ 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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
EXPENSES										
Governmental activities:										
General government	\$ 13,435,554	\$ 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
Health and social services	54,047,535	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
Public safety and judicial	85,969,196	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
Community service	7,107,435	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
Roads and bridges	31,050,332	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
Education	614,068	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458
Interest on long-term debt	4,071,654	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
Total governmental activities	<u>196,295,774</u>	<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>
Business-type activities:										
Environmental services	21,735,817	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
Stormwater services	620,010	388,073	-	-	-	-	-	-	-	-
Sewer and lighting services	1,633,876	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
Housing authority	-	-	-	-	-	-	-	7,605,742	7,395,830	6,741,111
Total business-type activities	<u>23,989,703</u>	<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>
Total primary government	<u>\$ 220,285,477</u>	<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>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 4,882,879	\$ 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
Health and social services	7,445,079	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
Public safety and judicial	7,910,432	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
Community service	3,620,286	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
Roads and bridges	5,012,840	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
Education	-	-	-	-	-	2,574	1,304	401	511	1,422
Operating grants and contributions	75,312,479	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
Capital grants and contributions	8,550,982	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
Total governmental activities	<u>112,734,977</u>	<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>
Business-type activities:										
Charges for services:										
Environmental services	21,078,435	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
Stormwater services	899,614	853,911	-	-	-	-	-	-	-	-
Sewer and lighting services	1,448,868	1,455,443	654,696	668,401	611,170	607,512	607,358	602,653	553,017	492,655
Housing authority	-	-	-	-	-	-	-	1,142,907	573,475	1,062,843
Operating grants and contributions	-	-	-	-	-	-	-	6,545,388	5,576,677	4,741,383
Total business-type activities	<u>23,426,917</u>	<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>
Total primary government	<u>\$ 136,161,894</u>	<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>

MARION COUNTY, OREGON

CHANGES IN NET POSITION
(accrual basis of accounting)

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
NET (EXPENSE) REVENUE										
Governmental activities	\$ (83,560,797)	\$ (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)
Business-type activities	(562,786)	(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
Total primary government	<u>\$ (84,123,583)</u>	<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>
GENERAL REVENUES AND OTHER										
CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 68,203,262	\$ 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
Franchise taxes	354,709	337,375	265,819	295,802	275,249	258,296	300,159	259,905	239,042	209,443
Unrestricted grants and contribution:	4,744,325	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
Unrestricted investment earnings	1,585,348	1,197,108	912,040	744,491	677,621	752,181	751,126	1,276,223	2,143,463	3,538,182
Extraordinary items	-	-	-	-	8,733,901	(4,400,068)	(4,603,041)	-	-	-
Transfers	25,000	-	-	-	-	37,800	35,046	7,000,000	(73,030)	(41,199)
Total governmental activities	<u>74,912,644</u>	<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>
Business-type activities:										
Property taxes	-	-	243,556	248,431	250,562	248,113	246,700	248,965	311,797	237,170
Franchise taxes	374,695	347,208	324,940	298,364	294,357	289,719	277,716	263,019	301,997	279,846
Unrestricted investment earnings	102,407	88,842	78,453	63,339	71,561	118,265	145,817	359,510	727,773	1,112,519
Transfers	(25,000)	-	-	-	-	(37,800)	(35,046)	(7,000,000)	73,030	41,199
Total business-type activities	<u>452,102</u>	<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>
Total primary government	<u>\$ 75,364,746</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	\$ (8,648,153)	\$ (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)
Business-type activities	(110,684)	(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
Total primary government	<u>\$ (8,758,837)</u>	<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>

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
General Operating Fund										
Nonspendable	\$ 20,932	\$ 20,842	\$ 19,960	\$ 18,079	\$ 20,148	\$ 19,284	\$ 21,690			
Restricted	-	-	-	-	2,000,000	2,000,000	3,000,000			
Committed	2,240,114	2,222,672	2,209,138	2,198,063	2,197,214	2,193,729	4,033,217			
Assigned	1,393,096	1,288,139	1,332,565	1,458,046	3,769,816	2,100,988	4,034,160			
Unassigned	14,710,400	11,211,744	10,788,435	9,850,658	8,493,826	7,545,764	7,980,753			
Total General Operating Fund	18,364,542	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
Total General Fund								6,446,160	5,967,914	11,277,134
Other governmental funds										
Nonspendable	943,113	824,956	935,994	1,343,328	1,142,098	1,029,240	887,094			
Restricted	34,951,886	26,644,329	29,692,731	26,577,497	13,823,969	13,106,572	11,556,896			
Committed	3,281,890	2,995,478	2,962,942	4,201,351	4,383,458	4,823,398	3,972,412			
Assigned	48,101,868	51,057,117	41,437,261	31,772,956	32,471,409	31,542,606	22,502,444			
Unassigned	(4,607)	(3,181)	(3,761)	-	(1,060)	-	-			
Reserved								772,461	213,509	79,387
Unreserved, reported in:										
Special revenue funds								45,763,228	41,441,267	41,963,239
Capital projects funds								1,039,434	1,297,058	1,446,905
Total other governmental funds	87,274,150	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
Total governmental funds	\$ 105,638,692	\$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

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
REVENUES										
Taxes	\$68,786,345	\$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
Licenses and permits	3,686,976	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
Intergovernmental	88,493,873	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
Charges for services	25,515,740	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
Fines and forfeitures	2,734,567	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
Interest	1,520,366	1,147,879	871,704	711,155	646,852	711,839	711,757	1,192,044	1,995,736	3,278,843
Other	1,220,426	1,275,304	1,227,905	455,083	625,066	531,180	389,652	358,888	177,591	626,758
Total revenues	<u>191,958,293</u>	<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>
EXPENDITURES										
General government	10,527,552	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
Health and social services	51,814,946	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
Public safety and judicial	79,532,519	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
Community service	6,563,515	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
Roads and bridges	20,375,871	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
Education	614,068	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640	1,418,857	1,535,458
Debt service:										
Principal	4,707,556	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
Interest	3,324,552	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
Capital outlay	14,582,245	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
Total expenditures	<u>192,042,824</u>	<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>
Excess (deficiency) of revenues over expenditures	<u>(84,531)</u>	<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>
OTHER FINANCING SOURCES (USES)										
Insurance recoveries	-	-	-	-	8,733,901	-	-	-	-	-
Issuance of long-term debt	9,950,000	-	-	9,950,000	-	-	-	-	-	-
Transfers in	16,405,197	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
Transfers out	(16,894,070)	(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)
Total other financing sources (uses)	<u>9,461,127</u>	<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>
Net change in fund balance	<u>\$ 9,376,596</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>4.56%</u>	<u>4.27%</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>

MARION COUNTY, OREGON

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

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Public Utilities	Personal Property	Total Taxable Assessed Value (AV) <i>(thousands)</i>	Total Direct Tax Rate	Estimated Actual Value of Taxable Property <i>(thousands)</i>	Real Market Value (RMV) <i>(thousands)</i>	AV as a % of RMV
	Residential <i>(thousands)</i>	Commercial <i>(thousands)</i>	Other <i>(thousands)</i>							
2017	\$ 12,129,920	\$ 5,148,729	4,742,285	\$ 768,629	\$ 581,957	\$ 23,371,520	\$ 3.03	\$ 30,038,915	\$ 39,002,300	59.9%
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%

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	0.28 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09
School Districts & ESD's	0.30 - 8.34	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
Chemeketa Community College	0.90	0.92	0.89	0.86	0.90	0.88	0.79	0.89	0.71	0.70
Sewer & Service Districts	0.05	0.05	0.00	0.00	0.00	0.00	0.00	0.00	1.10	0.00
Water & Water Control Districts	0.05 - 1.00	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
Rural Fire Protection Districts	0.53 - 2.93	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
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	2017			2008		
	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	\$ 257,780,798	1.10%	1	\$ 204,242,050	1.17%
Northwest Natural Gas Co	2	143,292,600	0.61%	2	111,271,200	0.64%
Winco Foods LLC	3	100,080,762	0.43%	3	78,121,357	0.45%
Woodburn Premium Outlets LLC	4	62,473,396	0.27%			
CenturyLink (Qwest Corporation)	5	69,974,320	0.30%	4	87,459,550	0.50%
Norpac Foods Inc	6	69,047,262	0.30%	6	57,090,429	0.33%
Lancaster Development Company	7	56,428,400	0.24%	5	53,453,210	0.31%
Wal-Mart Real Estate	8	50,818,350	0.22%	8	38,481,100	0.22%
Donahue Schriber Realty Group	9	59,975,400	0.26%			
Metropolitan Life Insurance Co	10	46,093,960	0.20%	9	35,395,980	0.20%
Craig Realty Group Woodburn				7	41,245,830	0.24%
Food Services of America Inc				10	31,566,560	0.18%
Total for principal taxpayers		<u>\$ 915,965,248</u>	<u>3.92%</u>		<u>\$ 738,327,266</u>	<u>4.23%</u>
Total taxable assessed value		<u>\$ 23,371,520,094</u>			<u>\$ 17,437,346,702</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
2017	\$ 71,431,215	\$ 67,750,167	94.85%	\$ -	\$ 67,750,167	94.85%
2016	68,645,892	65,123,214	94.87%	940,849	66,064,063	96.24%
2015	63,937,929	60,400,930	94.47%	1,194,581	61,595,511	96.34%
2014	61,192,469	57,656,513	94.22%	1,636,803	59,293,316	96.90%
2013	59,269,340	55,486,634	93.62%	1,937,349	57,423,983	96.89%
2012	58,696,510	54,896,065	93.53%	1,923,212	56,819,277	96.80%
2011	57,538,690	53,606,948	93.17%	1,986,657	55,593,605	96.62%
2010	56,220,810	52,312,753	93.05%	2,100,563	54,413,316	96.79%
2009	54,128,189	50,344,904	93.01%	2,168,054	52,512,958	97.02%
2008	51,700,531	48,420,768	93.66%	1,773,967	50,194,735	97.09%

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
	Revenue Bonds	Refunding Obligations	Capital Financing Agreement	Limited Tax Pension Obligations	Notes Payable			
2017	\$ 271,091	\$ 8,375,789	\$ 17,775,756	\$ 36,595,471	\$ 441,388	\$ 63,459,495	0.49%	\$ 187
2016	794,059	9,538,188	9,075,343	37,614,562	459,334	57,481,486	0.47%	172
2015	1,292,413	10,640,837	9,662,966	38,535,195	541,932	60,673,343	0.53%	184
2014	1,767,312	11,683,737	9,950,000	39,369,217	620,468	63,390,734	0.59%	194
2013	2,219,860	12,688,614	-	40,118,810	695,201	55,722,485	0.53%	173
2012	2,651,109	13,655,469	-	40,783,125	761,360	57,851,063	0.57%	181
2011	3,062,062	14,589,733	-	41,362,745	824,172	59,838,712	0.62%	188
2010	3,453,673	15,485,975	-	41,865,334	2,327,785	63,132,767	0.66%	200
2009	3,826,853	16,355,058	-	42,288,832	2,448,584	64,919,327	0.66%	204
2008	4,182,470	17,196,982	-	42,636,965	2,270,166	66,286,583	0.72%	211

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							
2017	\$ 8,375,789	\$ 36,595,471	\$ 44,971,260	0.15%	\$ 133	\$ -	\$ 2,372	\$ 114,983	0%	2.06%
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%

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, 2017

<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	\$ 2,108,943	100.0000%	\$ 2,108,943
City of Aurora	2,365,065	100.0000%	2,365,065
City of Detroit	1,380,354	100.0000%	1,380,354
City of Donald	175,000	100.0000%	175,000
City of Gates	529,979	87.2414%	462,361
City of Gervais	490,343	100.0000%	490,343
City of Idanha	28,040	56.0949%	15,729
City of Jefferson	2,852,764	100.0000%	2,852,764
City of Mill City	4,885,892	24.3664%	1,190,516
City of St. Paul	667,408	100.0000%	667,408
City of Salem	149,566,555	84.2532%	126,014,609
City of Silverton	3,787,619	100.0000%	3,787,619
City of Stayton	11,985,703	100.0000%	11,985,703
City of Woodburn	14,275,297	100.0000%	14,275,297
<u>School Districts & ESD's:</u>			
Marion County SD 1 (Gervais)	9,477,328	100.0000%	9,477,328
Marion County SD 4J (Silver Falls)	47,813,545	91.3465%	43,676,000
Marion County SD 5 (Cascade)	23,655,221	100.0000%	23,655,221
Marion County SD 14J (Jefferson)	5,332,011	93.1048%	4,964,358
Marion County SD 15 (N. Marion)	9,500,721	100.0000%	9,500,721
Marion County SD 24J (Salem-Keizer)	398,867,517	88.4319%	352,726,124
Marion County SD 29J (N. Santiam)	33,691,817	79.5699%	26,808,545
Marion County SD 45 (St. Paul)	8,035,000	100.0000%	8,035,000
Marion County SD 91 (Mt. Angel)	12,072,815	100.0000%	12,072,815
Marion County SD 103 (Woodburn)	62,456,754	100.0000%	62,456,754
Linn County SD 129J (Santiam Canyon)	3,942,217	54.0326%	2,130,082
Polk County SD 13J (Central)	75,112,611	1.3141%	987,055
Willamette ESD	9,961,880	61.9632%	6,172,700
Chemeketa Community College	80,186,466	69.0518%	55,370,198
<u>Rural Fire Districts:</u>			
Aumsville Rural Fire District	1,730,000	100.0000%	1,730,000
Idanha-Detroit Rural Fire District	75,000	92.4640%	69,348
Jefferson Rural Fire District	195,000	59.1739%	115,389
Keizer Rural Fire District	3,625,000	100.0000%	3,625,000
Marion County Rural Fire District 1	4,875,990	100.0000%	4,875,990
Mt. Angel Rural Fire District	595,000	100.0000%	595,000
Silverton Rural Fire District	4,283,817	94.8374%	4,062,661
Stayton Rural Fire District	659,589	89.7630%	592,067
Sublimity Rural Fire District	1,046,238	100.0000%	1,046,238
Woodburn Rural Fire District	1,765,000	100.0000%	1,765,000
Polk County Rural Fire District	1,780,000	2.2806%	40,595
<u>Water Districts:</u>			
Lyons-Mehama Water District	465,000	29.5049%	137,198
Subtotal, overlapping debt	<u>\$ 996,300,499</u>		804,459,098
Marion County direct debt			<u>63,018,107</u>
Total direct and overlapping debt			<u>\$ 867,477,205</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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Real Market Value (RMV) (thousands)	<u>\$ 39,002,300</u>	<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>
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)	\$ 780,046	\$ 734,332	\$ 697,552	\$ 642,056	\$ 651,730	\$ 668,254	\$ 699,572	\$ 728,927	\$ 740,054	\$ 705,530
Total applicable debt (thousands)	-	-	-	-	-	-	-	-	-	-
Legal debt margin (thousands)	<u>\$ 780,046</u>	<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>
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)	\$ 1,950,115	\$ 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
Total applicable debt (thousands)	36,595	37,615	38,535	39,369	40,119	40,783	41,363	41,865	42,289	42,637
Legal debt margin (thousands)	<u>\$ 1,913,520</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>1.9%</u>	<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>
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)	\$ 390,023	\$ 367,166	\$ 348,776	\$ 321,028	\$ 325,865	\$ 334,127	\$ 349,786	\$ 364,463	\$ 370,027	\$ 352,765
Total applicable debt (thousands)	62,352	56,264	59,286	61,842	54,019	56,004	57,855	59,574	61,171	62,649
Legal debt margin (thousands)	<u>\$ 327,671</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>16.0%</u>	<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>

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	
2017	\$ 1,632,657	\$ -	\$ 1,632,657	\$ 522,968	\$ 29,096	296%
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%

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
2017	339,200	12,836,365	38,168	5.1%
2016	333,950	12,329,208	37,367	6.0%
2015	329,770	11,482,549	35,347	7.4%
2014	326,150	10,697,982	33,268	8.9%
2013	322,880	10,432,012	32,606	10.0%
2012	320,495	10,110,954	31,819	10.5%
2011	318,150	9,727,336	30,784	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%

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

	2017				2008			
	Units	Employment	Wages	% of Employment	Units	Employment	Wages	% of Employment
Government Employers:								
Federal government	57	1,305	\$ 85,440,963	0.87%	60	1,470	\$ 82,422,534	1.05%
State government	200	20,655	1,228,874,982	13.83%	200	18,133	832,628,993	12.93%
Local government	324	14,168	694,197,174	9.49%	258	14,187	553,974,452	10.12%
	581	36,128	2,008,513,119	24.19%	518	33,790	1,469,025,979	24.09%
Private Employers:								
Natural resources and mining:								
Crop & animal production	333	5,150	162,463,875	3.45%	297	5,604	131,378,204	4.00%
Agriculture, forestry & mining	155	4,825	163,150,971	3.23%	128	4,517	118,685,841	3.22%
Construction:								
Building construction	337	1,640	76,728,102	1.10%	407	1,794	71,771,347	1.28%
Heavy & civil engineering	79	1,335	94,434,751	0.89%	108	1,629	91,683,394	1.16%
Specialty trade contractors	648	5,328	260,953,835	3.57%	785	5,540	200,734,026	3.95%
Manufacturing:								
Food, beverage & tobacco	75	4,666	155,476,923	3.12%	57	4,156	123,309,177	2.96%
Wood products	34	1,471	61,575,925	0.99%	31	2,132	73,848,486	1.52%
Metal & machinery	97	1,645	81,418,971	1.10%	102	1,577	62,632,739	1.12%
Other manufacturing	178	3,194	161,523,537	2.14%	214	3,768	140,716,600	2.69%
Trade, transportation and utilities:								
Merchant wholesalers	237	3,250	170,273,742	2.18%	245	3,285	143,018,535	2.34%
Motor vehicles, parts & fuel	195	3,043	119,434,061	2.04%	207	3,078	101,369,517	2.19%
Building & garden supplies	78	1,390	45,687,939	0.93%	87	1,495	42,951,112	1.07%
Food & beverages	174	2,844	66,528,148	1.90%	156	2,695	57,791,187	1.92%
Clothing & accessories	157	2,113	38,640,314	1.41%	146	1,886	31,607,954	1.34%
General merchandise	44	3,860	93,019,138	2.58%	34	3,732	81,281,769	2.66%
Other wholesalers & retailers	586	3,959	131,405,646	2.65%	537	4,034	110,961,910	2.88%
Truck & other transportation	177	2,377	95,371,336	1.59%	194	2,111	70,551,424	1.51%
Warehousing & storage	15	1,023	51,580,955	0.69%	13	977	42,733,300	0.70%
Utilities	7	206	19,657,720	0.14%	8	290	21,565,151	0.21%
Information services	111	1,066	56,226,225	0.71%	117	1,435	61,466,821	1.02%
Financial activities:								
Credit intermediation	160	2,111	105,515,019	1.41%	210	1,803	81,185,391	1.29%
Insurance	210	1,480	90,098,289	0.99%	228	1,816	82,523,208	1.29%
Real estate	384	1,399	46,009,717	0.94%	422	1,451	35,969,633	1.03%
Other financial activities	141	543	33,396,196	0.36%	121	706	39,093,147	0.50%
Professional and business services:								
Professional & technical	775	4,117	243,123,104	2.76%	748	3,883	193,513,942	2.77%
Management & administrative	588	7,741	269,459,934	5.18%	461	8,039	232,965,693	5.73%
Waste management & remediation	23	427	23,594,407	0.29%	13	307	14,149,090	0.22%
Education and health services:								
Educational services	112	2,360	87,013,817	1.58%	83	1,917	62,200,039	1.37%
Ambulatory services	531	7,818	496,303,470	5.24%	524	5,395	277,734,569	3.85%
Nursing & residential care	245	4,537	120,806,821	3.04%	183	3,347	72,428,198	2.39%
Hospitals & other health services	180	7,381	402,831,017	4.94%	159	5,786	242,888,784	4.13%
Leisure and hospitality:								
Amusement, gambling & recreation	84	1,310	18,378,352	0.88%	76	1,129	15,105,467	0.81%
Food services & drinking places	646	10,385	177,620,355	6.95%	584	9,111	125,898,435	6.50%
Other leisure & hospitality	85	1,206	25,861,342	0.81%	82	972	14,623,489	0.69%
Other services	1,802	6,007	158,621,470	4.02%	1,124	5,060	114,301,771	3.61%
	9,683	113,207	4,404,185,424	75.81%	8,891	106,457	3,384,639,350	75.91%
Total County Employment	10,264	149,335	\$ 6,412,698,543	100.00%	9,409	140,247	\$ 4,853,665,329	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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Full Time Equivalent (FTE)										
Employees by Function:										
Governmental activities:										
General government	231.4	231.3	228.8	220.5	222.0	224.0	223.0	234.8	242.3	250.3
Health and social services	453.8	425.2	407.1	396.3	367.7	349.4	360.3	382.2	360.4	339.4
Public safety and judicial	562.8	561.4	554.0	550.7	546.8	541.3	556.6	555.3	582.9	588.1
Community service	41.3	39.5	35.5	29.7	35.3	27.3	28.0	24.8	30.6	47.7
Roads and bridges	147.4	142.4	141.4	131.4	134.4	133.0	128.3	136.8	149.5	155.0
Total governmental activities	<u>1,436.6</u>	<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>
Business-type activities:										
Environmental services	<u>29.3</u>	<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>
Total FTE budgeted	<u>1,465.9</u>	<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>
Number of Employees by Bargaining Unit:										
Marion County Employee Assoc.	823	790	780	732	718	693	718	764	763	745
Marion County Law Enforcement Association	216	205	213	207	202	198	211	226	227	218
Marion County Juvenile Employees Association	32	32	32	33	34	31	31	35	39	41
Federation of Oregon Parole and Probation Officers	41	38	36	35	37	34	37	41	41	45
Oregon Nurses Association	17	17	19	17	18	20	19	20	23	23
Unrepresented:										
Management and other	250	246	238	233	238	232	234	251	255	258
Temporary employees	<u>169</u>	<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>
Total county employees	<u>1,548</u>	<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>

Sources:

Marion County payroll records.

MARION COUNTY, OREGON

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Governmental Activities:										
General Government										
General election information:										
Registered voters	182,173	(1)	151,674	(1)	151,426	(1)	142,968	(1)	150,122	(1)
Votes cast	139,563	(1)	105,239	(1)	121,665	(1)	102,281	(1)	126,583	(1)
Percentage voted	76.61%	(1)	69.38%	(1)	80.35%	(1)	71.54%	(1)	84.32%	(1)
Marriage licenses issued	2,573	2,567	2,504	2,335	2,221	2,350	2,334	2,297	2,456	2,387
Passports issued	5,673	1,118	1,039	934	752	677	712	801	891	1,205
Documents recorded	65,457	58,714	49,451	48,596	58,630	51,058	53,070	55,756	54,747	67,981
Property tax accounts:										
Residential	83,910	83,453	83,175	83,134	82,996	82,934	82,891	82,887	82,511	81,539
Commercial	9,851	9,921	9,908	9,921	9,747	8,876	8,855	8,753	8,604	9,564
Industrial	545	526	520	533	682	1,663	1,594	1,631	1,686	567
Farm	27,826	27,836	27,879	27,897	27,972	28,163	28,134	28,179	28,643	29,414
Utilities	1,863	1,821	1,975	1,911	1,896	1,852	1,841	1,771	1,438	1,490
Personal	6,657	6,720	6,527	6,434	6,359	6,215	6,280	5,953	5,380	5,059
Health and Social Services										
Total clinic visits	424,126	386,895	404,860	419,676	405,221	421,711	456,385	462,909	493,094	474,292
Number of clients served:										
Acute	12,935	15,408	11,809	5,097	8,061	6,361	6,813	7,680	6,025	5,675
Alcohol and drug treatment	2,020	1,634	2,783	2,413	2,307	2,187	2,114	2,144	3,371	4,387
Behavioral health (other)	6,984	6,391	5,934	5,967	5,578	6,134	6,017	5,889	4,714	4,302
Developmental disabilities	2,689	2,584	2,394	2,206	2,123	2,075	2,044	1,980	1,946	1,861
IDS & out-of-panel MH providers	-	-	1,646	6,313	8,283	5,903	5,422	4,750	4,534	3,914
Immunizations	2,656	3,088	3,556	2,567	2,867	2,971	6,270	10,323	8,049	11,060
Public health (other)	5,644	6,911	8,872	9,567	9,531	8,079	9,019	9,901	10,810	9,261
Women, infants and children (WIC)	6,654	7,467	7,923	8,555	9,821	9,648	11,397	12,741	12,558	10,772
Health inspections	3,677	3,207	3,221	3,166	3,027	3,073	3,351	3,066	3,757	2,795
Food handler cards issued	1,877	1,810	6,212	5,133	614	614	731	5,054	3,173	17,645
Birth and death certificates issued	17,659	17,640	17,175	16,561	17,118	16,175	17,538	16,294	16,094	15,416
Public Safety and Judicial										
Sheriff:										
Calls for service	74,720	67,791	74,613	68,199	n/a	n/a	n/a	n/a	n/a	n/a
Number of reports	27,756	25,931	26,358	23,737	24,042	23,132	23,024	24,507	28,427	27,065
Number of arrests	2,341	2,293	2,571	2,587	2,269	2,560	2,610	3,248	2,983	3,007
Number of inmates booked	14,141	13,177	13,574	13,696	13,384	13,731	15,197	16,446	16,321	17,304
Average daily jail population	416	403	409	414	418	454	542	534	526	534
Average length of jail stay (days)	24	18	17	15	13	11	14	19	20	25
Adults on probation and post-prison supervision (monthly average)	3,269	3,644	3,583	3,697	3,781	3,940	3,963	4,120	4,333	4,444
Juvenile:										
Youth served per year (2)	1,308	1,428	1,567	1,975	2,012	2,247	2,368	2,459	2,918	3,226
Community service hours completed (2)	7,590	7,056	7,676	8,341	9,334	14,626	15,239	16,966	19,552	17,763
Youth admitted to detention center (2)	724	862	900	921	1,020	1,051	1,125	1,128	1,073	1,211
Average length of stay (days) (2)	11.5	12.7	10.4	8.9	9.4	8.0	7.5	8.0	11.6	11.4
District Attorney:										
Adult criminal cases prosecuted (2)	9,646	9,836	9,916	9,513	9,867	9,687	9,600	10,799	11,071	12,430
Juvenile delinquency petitions filed (2)	338	433	422	451	612	582	479	694	978	1,136
Juvenile dependency petitions filed (2)	491	411	414	510	668	875	826	877	974	916
Volunteer hours for victim assistance (3)	19,430	19,189	19,666	24,731	23,837	18,401	26,003	24,903	25,878	52,861
Victims served (3)	4,371	5,069	4,124	4,017	4,531	5,792	4,294	4,725	3,668	3,887
Business-Type Activities										
Environmental Services										
Waste generated per capita (pounds)	2,878	2,805	2,721	2,641	2,627	2,711	2,612	2,637	2,902	3,210
Waste recovered per capita (pounds)	1,421	1,460	1,463	1,441	1,428	1,482	1,308	1,376	1,522	1,619
Waste recovery rate	49.4%	52.0%	53.8%	54.6%	54.4%	54.7%	50.1%	52.2%	52.4%	50.4%
Waste recovered (tons)	237,152	240,595	238,422	232,540	228,708	235,584	206,398	218,787	239,441	251,673

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
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	13	12	12
Other facilities countywide	13	13	12	12	12	12	12	12	11	11
Community Service										
Parks acreage	610.2	610.2	610.2	610.2	610.2	610.2	614.2	614.2	614.2	614.2
Number of developed facilities	18	18	18	18	18	18	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	5	6	6	6	6
Roads and Bridges										
Roads maintained by county:										
- miles paved	924.3	924.3	925.6	925.5	925.5	925.8	925.2	932.0	932.0	926.9
- miles unpaved	193.2	193.2	192.6	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, 2017, and have issued our report thereon dated November 30, 2017.

Compliance and Other Matters

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

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

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

In connection with our testing nothing came to our attention that caused us to believe the County was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except for the over expenditure of budgeted appropriations as detailed in Note 15 of the notes to the financial statements.


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
November 30, 2017