

For Year Ended June 30, 2018



O R E G O N

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARION COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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 27, 2018

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, 2018 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, 2018 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, 2018 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 344,035. The County's present boundary encompasses 1,194 square miles. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

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

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

The annual budget serves as the foundation for the County's financial planning and control. The County adheres to Oregon Local Budget Law in the preparation, adoption and execution of the budget. To oversee the process, the Board of Commissioners has appointed the Chief Administrative Officer as the County's Budget Officer. County departments submit requests for appropriation to the Budget Officer in March or April each year. The Budget Officer uses these requests as the starting point for developing a proposed budget. The Budget Officer then presents this proposed budget to the County's Budget Committee for review in May or early June. After approval by the Budget Committee, the Board of Commissioners is required to hold a public hearing on the approved budget and adopt a final budget by no later than June 30, the

close of the preceding fiscal year. The appropriated budget is prepared by fund and category or by fund and department. Department heads may make transfers of appropriations between line items within a fund and category; however, transfers of appropriations between categories require the approval of the Board of Commissioners. Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy – Marion County is the largest producer of agriculture among Oregon's 36 counties. Marion County's economy is also based on government and education. In addition to the state capitol, 123 state agencies are located in Marion County, providing employment to approximately 20,600 employees. Marion County employs about 1,500 workers, the City of Salem employs about 1,200 workers, and the County's ten public school districts employ about 7,100 workers. As of August 2018, the seasonally adjusted unemployment rate in Marion County was 3.9%, a decrease from 4.4% last year, and comparable to the state average of 3.8% and the national average of 3.9%.

Long-Term Financial Planning – The County heads into fiscal year 2019 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 and information technology 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: a strategic plan for providing health services; rural economic development and revitalization efforts; construction projects for the juvenile administration building, the public safety building, and the jail; redesign of the county's information technology network; and replacement of the District Attorney's case management system, the Health and Human Services records management system, and the jail management system.

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, 2017. This was the 17th 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, 2017, making this the 7th 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, 2018

Board of Commissioners

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

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

Other Elected Officials

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

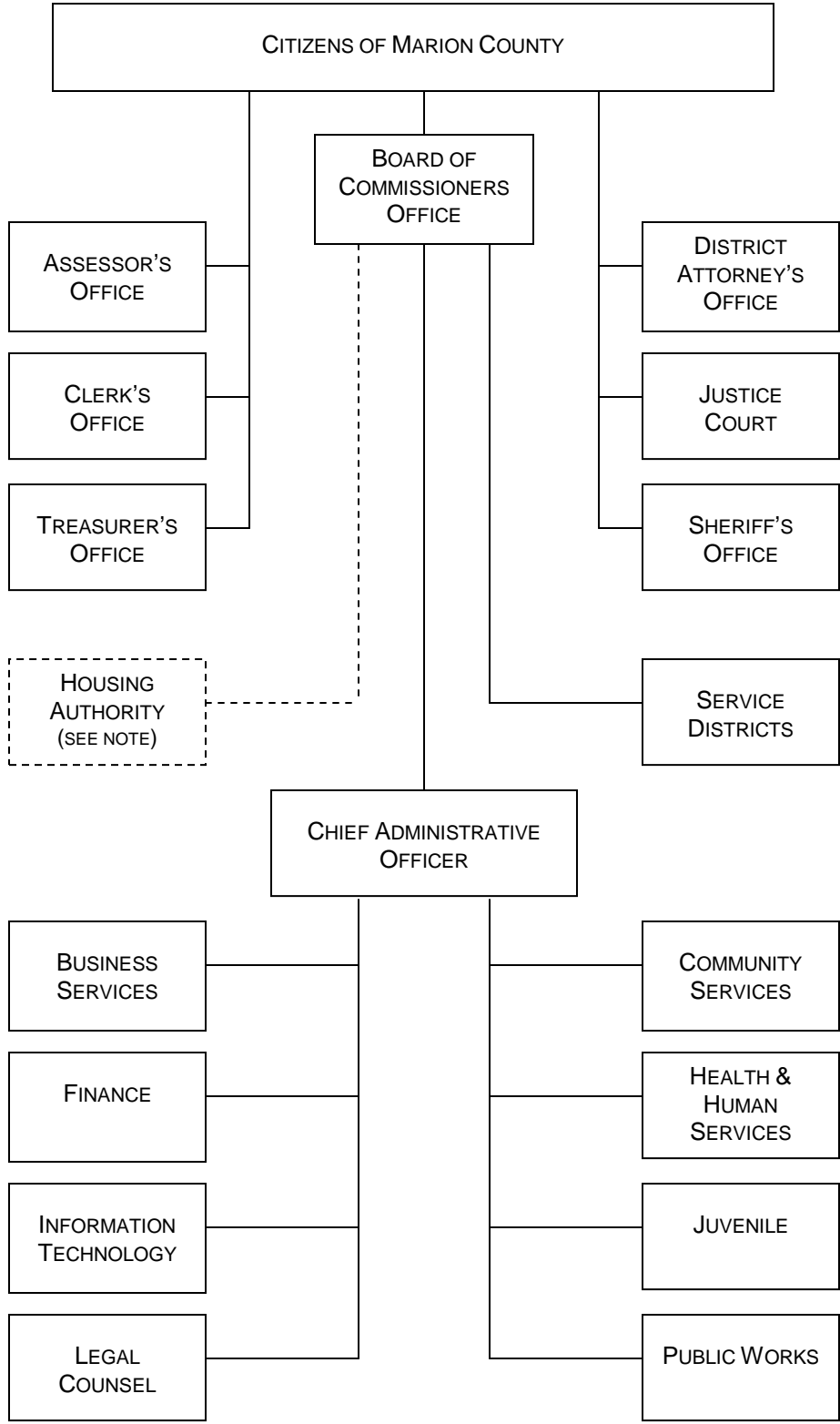
Chief Administrative Officer

John Lattimer

Legal Counsel

Jane Vetto

MARION COUNTY, OREGON
 Organization Chart
 June 30, 2018



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, 2017

Christopher P. Morill

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, 2018, 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, 2018, 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 (OPEB) – schedule of changes in the County's total OPEB liability and related ratios, 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 27, 2018, 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 27, 2018, 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 27, 2018

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, 2018. 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 \$181,854,981 (*net position*). Of this amount, \$187,373,379 reflects the County's net investment in capital assets, and \$34,647,411 represents resources that are subject to external restrictions, resulting in a negative unrestricted balance of \$40,165,809.
- The County's financial position improved from the prior fiscal year with an increase in total net position of \$2,153,520, primarily due to increased tipping fees collected for waste disposal.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$108,779,432, an increase of \$3,140,740 from the prior year. Of this amount, \$949,369 is nonspendable, and \$28,915,180 is subject to external restrictions. The remaining amount of \$78,914,883 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 \$15,492,220, equal to 21% of total General Operating Fund expenditures.
- The County's total debt increased \$1,086,308 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 & Human Services 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 22-46 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 & Human Services Fund, and Lottery & Economic Development Fund, 2) proportionate share of net pension liability, 3) pension contributions, and 4) changes in the liability for other postemployment benefits and related ratios. Required supplementary information can be found on pages 47-53 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 54-103 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position – As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Marion County, assets and deferred outflows exceeded liabilities and deferred inflows by \$181,854,981 at the end of fiscal year 2018.

The largest portion of the County's net position (103%) 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 (19%) represents resources that are subject to external restrictions on how they may be used. The County had a negative unrestricted net position (-22%) at the end of fiscal year 2018.

The County's financial position improved from the prior fiscal year with an increase in total net position of \$2,153,520, primarily due to increased tipping fees collected for waste disposal.

Marion County's Net Position (thousands)

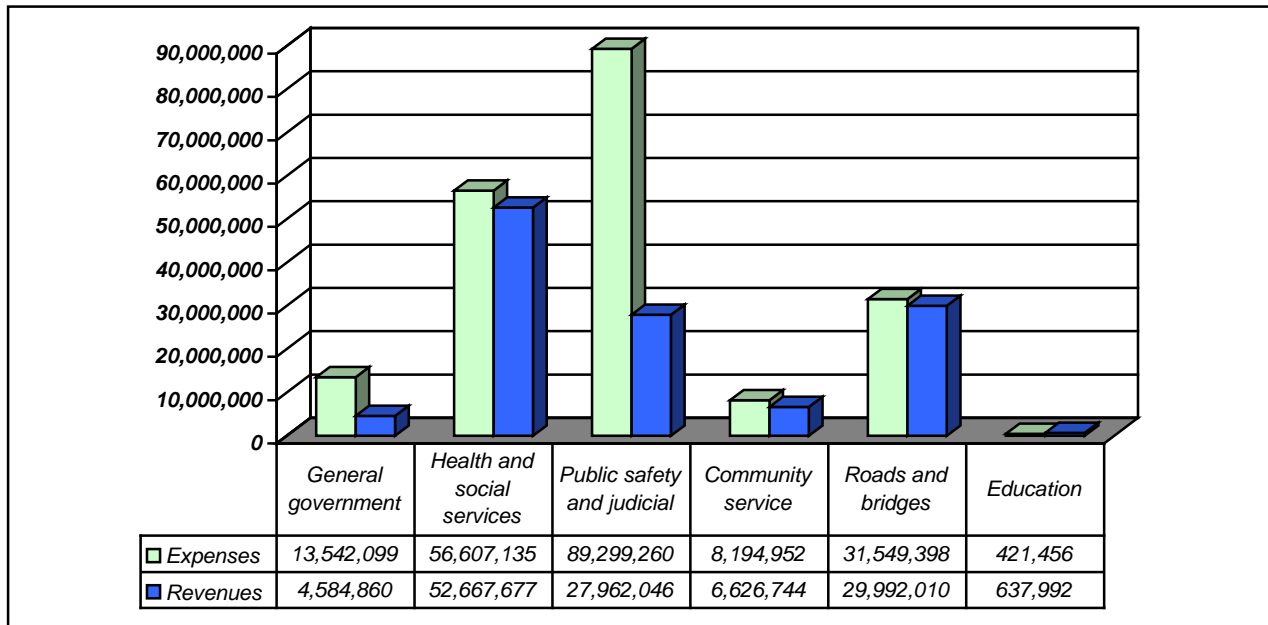
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 148,078	\$ 140,043	\$ 18,176	\$ 15,070	\$ 166,254	\$ 155,113
Capital assets	203,664	195,357	7,417	8,077	211,081	203,434
Total assets	351,742	335,400	25,593	23,147	377,335	358,547
Deferred outflows of resources	36,172	59,297	602	1,160	36,774	60,457
Long-term liabilities outstanding	199,117	211,266	10,548	11,017	209,665	222,283
Other liabilities	15,473	12,428	4,107	5,164	19,580	17,592
Total liabilities	214,590	223,694	14,655	16,181	229,245	239,875
Deferred inflows of resources	2,960	3,276	49	64	3,009	3,340
Net position:						
Net investment in capital assets	180,410	179,570	6,963	7,549	187,373	187,119
Restricted	34,648	40,842	-	-	34,648	40,842
Unrestricted	(44,694)	(52,685)	4,528	513	(40,166)	(52,172)
Total net position	\$ 170,364	\$ 167,727	\$ 11,491	\$ 8,062	\$ 181,855	\$ 175,789

Marion County's Changes in Net Position (thousands)

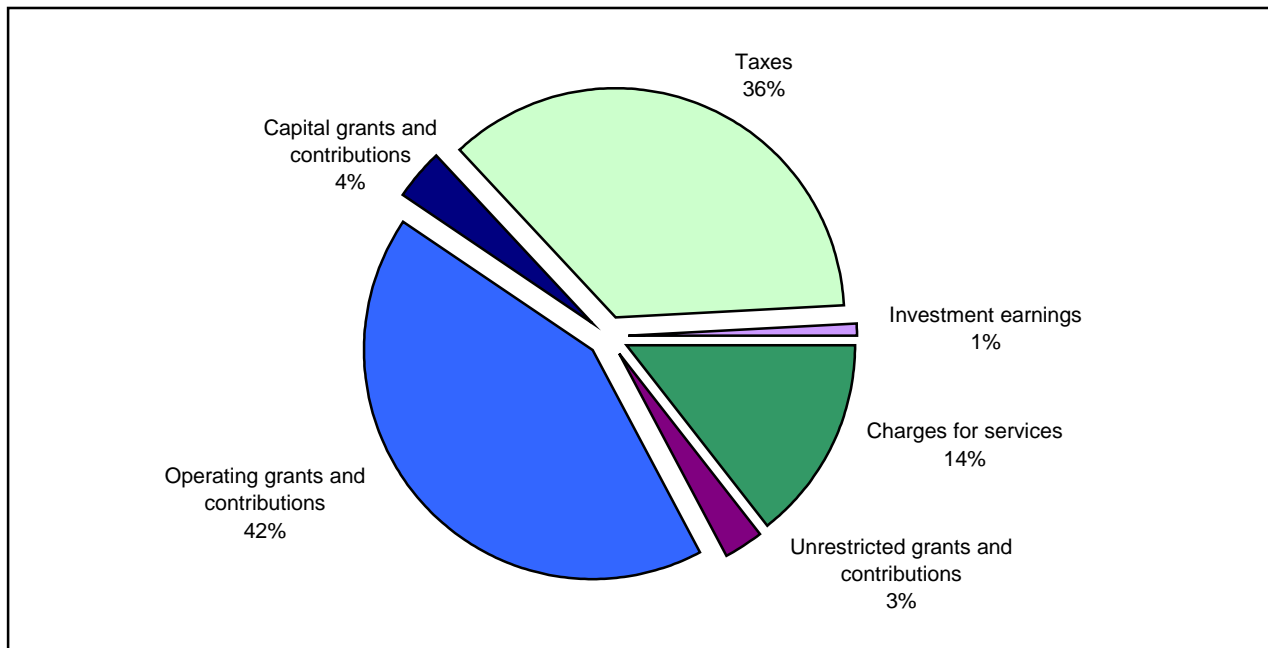
	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 29,217	\$ 28,872	\$ 28,059	\$ 23,427	\$ 57,276	\$ 52,299
Operating grants and contributions	85,787	75,313	-	-	85,787	75,313
Capital grants and contributions	7,468	8,551	-	-	7,468	8,551
General revenues:						
Property taxes	72,290	68,203	-	-	72,290	68,203
Other taxes	352	355	389	375	741	730
Unrestricted grants and contributions	5,410	4,744	-	-	5,410	4,744
Unrestricted investment earnings	1,948	1,585	166	102	2,114	1,687
Debt principal reduction	-	-	38	-	38	-
Total revenues	202,472	187,623	28,652	23,904	231,124	211,527
Expenses:						
General government	13,542	13,436	-	-	13,542	13,436
Health and social services	56,607	54,048	-	-	56,607	54,048
Public safety and judicial	89,299	85,969	-	-	89,299	85,969
Community service	8,195	7,107	-	-	8,195	7,107
Roads and bridges	31,550	31,050	-	-	31,550	31,050
Education	422	614	-	-	422	614
Interest on long-term debt	4,025	4,072	-	-	4,025	4,072
Environmental services	-	-	22,938	21,736	22,938	21,736
Stormwater services	-	-	778	620	778	620
Sewer and lighting services	-	-	1,615	1,634	1,615	1,634
Total expenses	203,640	196,296	25,331	23,990	228,971	220,286
Change in net position before transfers	(1,168)	(8,673)	3,321	(86)	2,153	(8,759)
Transfers	-	25	-	(25)	-	-
Change in net position	(1,168)	(8,648)	3,321	(111)	2,153	(8,759)
Net position - beginning of year	167,727	176,375	8,062	8,173	175,789	184,548
Restatement of beginning net position	3,805	-	108	-	3,913	-
Net position - end of year	\$ 170,364	\$ 167,727	\$ 11,491	\$ 8,062	\$ 181,855	\$ 175,789

Governmental Activities – Governmental activities decreased the County’s net position by \$1,167,798 primarily due to the change in net pension liability and pension-related deferrals.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type Activities – Business-type activities increased the County’s net position by \$3,321,318 due to increased tipping fees collected for waste disposal. 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 \$22,937,752 with program revenues of \$25,701,164. For stormwater services, expenses were \$778,361 and program revenues were \$941,764, and for sewer and lighting services, expenses were \$1,614,926 and program revenues were \$1,416,026.

Charges for services are the primary source of revenue for business-type activities, comprising 98% of total revenues for fiscal 2018. 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 \$108,779,432, an increase of 3% in comparison with the prior year. \$949,369 (1%) of this amount is nonspendable in the form of inventory and prepaid items. \$28,915,180 (26%) is subject to restrictions imposed by creditors, grantors, contributors, laws or regulations. \$78,914,883 (73%) 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 \$19,229,278, of which \$20,044 is nonspendable for inventories and prepaid items, \$1,138 is restricted, \$2,264,231 is committed, \$1,451,645 is assigned, and \$15,492,220 is unassigned. Fund balance increased \$864,736 during the current year primarily due to increased property tax revenues 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 19% of revenues and 21% of expenditures for fiscal 2018.

The Public Works Fund has a total fund balance of \$28,686,537, of which \$905,409 is nonspendable, \$3,954,443 is committed, and \$23,826,685 is assigned. Fund balance increased \$1,643,724 during the current year primarily due to increased gas tax revenues.

The Health & Human Services Fund has a total fund balance of \$23,831,809, of which \$13,698,991 is restricted, and \$10,132,818 is assigned. Fund balance increased \$1,483,855 during the current year primarily due to increased revenues for mental health services.

The Lottery & Economic Development Fund has a total fund balance of \$2,273,072, all of which is restricted. Fund balance increased \$295,503 during the current year due to increased lottery revenues and final payment of the Oregon Garden revenue bonds in December 2017.

The Facility Renovation Fund has a total fund balance of \$13,677,215, of which \$5,441,142 is restricted, and \$8,236,073 is assigned. Fund balance decreased \$5,921,881 during the current year primarily due to construction of the public safety building which was nearing completion at the end of fiscal 2018.

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 \$3,411,340 at the end of the fiscal year. Net position increased \$3,382,748 in fiscal 2018 primarily due to increased tipping fees collected for waste disposal.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total appropriations in the General Fund's final amended budget were \$1,662,001 higher than the original adopted budget (includes expenditures and transfers out); the most significant changes were an increase of \$557,123 for the Sheriff's Office, a decrease of \$559,123 for non-departmental materials & services, and an increase of \$1,360,770 for transfers to other funds. Intergovernmental revenue was 16% higher than anticipated, primarily for payments in lieu of taxes and funding for secure rural schools. 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, 2018 amounts to \$211,081,307 (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 4% (a 4% increase for governmental activities and an 8% decrease for business-type activities).

Major capital projects during the current fiscal year included road improvements, construction of the new public safety and juvenile courtroom buildings, and replacement of the HVAC system at the transition center. Construction in progress at the end of the year was approximately \$2,677,000 for roads and bridges, \$11,663,000 for facility construction and renovation projects, and \$871,000 for various other projects.

Marion County's Capital Assets (thousands)

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 12,153	\$ 12,153	\$ 3,035	\$ 3,035	\$ 15,188	\$ 15,188
Construction in progress	15,211	2,731	-	27	15,211	2,758
Buildings and improvements	86,529	86,327	3,233	3,415	89,762	89,742
Equipment	16,196	16,093	1,149	1,600	17,345	17,693
Infrastructure	73,575	78,053	-	-	73,575	78,053
Total	\$ 203,664	\$ 195,357	\$ 7,417	\$ 8,077	\$ 211,081	\$ 203,434

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 \$64,545,803, including \$7,180,800 in refunding bonds (Courthouse Square), \$21,514,235 in capital financing agreements, \$35,465,304 in limited tax pension obligations (PERS) and \$385,464 in notes payable (service districts). Outstanding debt increased 2% 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, 5% for limited tax pension obligations, and 1% for other limited tax obligations. Based on the County's real market value for fiscal year 2018, the current limitation is \$844 million for general obligation bonds, \$2.1 billion for limited tax pension obligations, and \$422 million for other limited tax obligations. As of June 30, 2018, the County's total outstanding debt represents 0.15% 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	
	2018	2017	2018	2017	2018	2017
Revenue bonds	\$ -	\$ 271	\$ -	\$ -	\$ -	\$ 271
Refunding bonds	7,181	8,376	-	-	7,181	8,376
Capital financing agreements	21,514	17,776	-	-	21,514	17,776
Limited tax pension obligations	35,465	36,595	-	-	35,465	36,595
Notes payable	-	-	386	441	386	441
Total	\$ 64,160	\$ 63,018	\$ 386	\$ 441	\$ 64,546	\$ 63,459

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 4.6%.
- The unemployment rate in Marion County is currently 3.9%, a decrease from the rate of 4.4% a year ago. The County's unemployment rate is comparable to the state average of 3.8% and the national average of 3.9%.
- For the six months ending August 2018, the University of Oregon Index of Economic Indicators fell 1.0%; comparable national indices showed an increase of 2.5%.
- As of September 2018, forecasted revenues for the State of Oregon's general fund in the 2017-2019 biennium were \$894 million higher than previously forecast at the close of the legislative session.

All of these factors have been considered in preparing the County's budget for fiscal year 2019.

During the current fiscal year, fund balance in the General Operating Fund increased from \$18,364,542 to \$19,229,278. The County has appropriated \$9,817,586 of this amount for spending in fiscal year 2019.

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, 2018

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 122,522,559	\$ 17,726,493	\$ 140,249,052
Receivables	20,666,910	2,185,768	22,852,678
Internal balances	1,735,674	(1,735,674)	-
Inventories and prepaids	3,152,470	-	3,152,470
Capital assets not being depreciated:			
Land	12,152,955	3,034,916	15,187,871
Construction in progress	15,210,792	300	15,211,092
Capital assets being depreciated:			
Landfills	-	6,430,703	6,430,703
Buildings and improvements	127,249,312	14,176,990	141,426,302
Equipment	38,126,235	3,716,910	41,843,145
Infrastructure	590,713,903	-	590,713,903
Less accumulated depreciation	(579,788,692)	(19,943,017)	(599,731,709)
Total assets	<u>351,742,118</u>	<u>25,593,389</u>	<u>377,335,507</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related deferred outflows	36,171,842	601,810	36,773,652
Total deferred outflows of resources	<u>36,171,842</u>	<u>601,810</u>	<u>36,773,652</u>
LIABILITIES			
Accounts payable and other current liabilities	15,185,498	4,097,490	19,282,988
Accrued interest payable	287,623	9,292	296,915
Long-term obligations:			
Due within one year	10,744,708	102,874	10,847,582
Due in more than one year	188,372,379	10,445,170	198,817,549
Total liabilities	<u>214,590,208</u>	<u>14,654,826</u>	<u>229,245,034</u>
DEFERRED INFLOWS OF RESOURCES			
Pension-related deferred inflows	2,959,899	49,245	3,009,144
Total deferred inflows of resources	<u>2,959,899</u>	<u>49,245</u>	<u>3,009,144</u>
NET POSITION			
Net investment in capital assets	180,410,612	6,962,767	187,373,379
Restricted for:			
General government	877,395	-	877,395
Health and social services	13,698,991	-	13,698,991
Public safety and judicial	2,998,183	-	2,998,183
Community service	9,209,894	-	9,209,894
Roads and bridges	2,002,727	-	2,002,727
Education	419,079	-	419,079
Capital projects	5,441,142	-	5,441,142
Unrestricted	(44,694,170)	4,528,361	(40,165,809)
Total net position	<u>\$ 170,363,853</u>	<u>\$ 11,491,128</u>	<u>\$ 181,854,981</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, 2018

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	\$ 13,542,099	\$ 4,584,860	\$ -	\$ -	\$ (8,957,239)	\$ -	\$ (8,957,239)
Health and social services	56,607,135	8,064,125	44,443,042	160,510	(3,939,458)	-	(3,939,458)
Public safety and judicial	89,299,260	8,418,656	19,543,390	-	(61,337,214)	-	(61,337,214)
Community service	8,194,952	3,953,309	2,673,435	-	(1,568,208)	-	(1,568,208)
Roads and bridges	31,549,398	4,195,579	18,489,212	7,307,219	(1,557,388)	-	(1,557,388)
Education	421,456	-	637,992	-	216,536	-	216,536
Interest on long-term debt	4,025,185	-	-	-	(4,025,185)	-	(4,025,185)
Total governmental activities	203,639,485	29,216,529	85,787,071	7,467,729	(81,168,156)	-	(81,168,156)
Business-type activities:							
Environmental services	22,937,752	25,701,164	-	-	-	2,763,412	2,763,412
Stormwater services	778,361	941,764	-	-	-	163,403	163,403
Sewer and lighting services	1,614,926	1,416,026	-	-	-	(198,900)	(198,900)
Total business-type activities	25,331,039	28,058,954	-	-	-	2,727,915	2,727,915
Total	\$ 228,970,524	\$ 57,275,483	\$ 85,787,071	\$ 7,467,729	(81,168,156)	2,727,915	(78,440,241)
General revenues:							
Property taxes					72,290,111	-	72,290,111
Franchise taxes					351,542	389,749	741,291
Unrestricted grants and contributions					5,410,195	-	5,410,195
Unrestricted investment earnings					1,948,510	165,794	2,114,304
Debt principal reduction					-	37,860	37,860
Total general revenues					80,000,358	593,403	80,593,761
Change in net position					(1,167,798)	3,321,318	2,153,520
Net position - beginning, as restated					171,531,651	8,169,810	179,701,461
Net position - ending					\$ 170,363,853	\$ 11,491,128	\$ 181,854,981

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

MARION COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2018

	General Operating Fund	Public Works Fund	Health & Human Services Fund	Lottery & Economic Development Fund	Facility Renovation Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and investments	\$ 20,010,313	\$ 27,102,796	\$ 24,424,370	\$ 2,268,176	\$ 15,694,987	\$ 21,137,726	\$ 110,638,368
Receivables	5,876,082	4,197,868	2,396,293	5,382,294	49,212	2,722,410	20,624,159
Advances to other funds	-	493,571	-	-	-	-	493,571
Inventories and prepaids	20,044	905,409	-	-	-	23,916	949,369
Total assets	<u>\$ 25,906,439</u>	<u>\$ 32,699,644</u>	<u>\$ 26,820,663</u>	<u>\$ 7,650,470</u>	<u>\$ 15,744,199</u>	<u>\$ 23,884,052</u>	<u>\$ 132,705,467</u>
LIABILITIES							
Accounts payable	\$ 817,652	\$ 2,249,431	\$ 1,009,490	\$ 35,114	\$ 2,066,984	\$ 1,566,622	\$ 7,745,293
Payroll related liabilities	1,778,059	443,567	1,260,008	7,762	-	671,373	4,160,769
Deposits	20,228	1,320,109	-	-	-	115,578	1,455,915
Unearned revenue	-	-	719,356	-	-	51,249	770,605
Total liabilities	<u>2,615,939</u>	<u>4,013,107</u>	<u>2,988,854</u>	<u>42,876</u>	<u>2,066,984</u>	<u>2,404,822</u>	<u>14,132,582</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	<u>4,061,222</u>	<u>-</u>	<u>-</u>	<u>5,334,522</u>	<u>-</u>	<u>397,709</u>	<u>9,793,453</u>
FUND BALANCES							
Nonspendable	20,044	905,409	-	-	-	23,916	949,369
Restricted	1,138	-	13,698,991	2,273,072	5,441,142	7,500,837	28,915,180
Committed	2,264,231	3,954,443	-	-	-	342,430	6,561,104
Assigned	1,451,645	23,826,685	10,132,818	-	8,236,073	13,218,196	56,865,417
Unassigned	<u>15,492,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,858)</u>	<u>15,488,362</u>
Total fund balances	<u>19,229,278</u>	<u>28,686,537</u>	<u>23,831,809</u>	<u>2,273,072</u>	<u>13,677,215</u>	<u>21,081,521</u>	<u>108,779,432</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,906,439</u>	<u>\$ 32,699,644</u>	<u>\$ 26,820,663</u>	<u>\$ 7,650,470</u>	<u>\$ 15,744,199</u>	<u>\$ 23,884,052</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.	203,664,505
Deferred amounts related to pensions are not reported in the funds:	
Pension-related deferred outflows of resources	31,438,621
Pension-related deferred inflows of resources	(2,572,585)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	9,793,453
Internal service funds assets and liabilities are included in governmental activities in the statement of net position.	(4,105,525)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds payable	64,160,339
Accrued interest payable	287,623
Compensated absences	3,976,943
Net pension liability	92,026,623
Total OPEB liability	<u>16,182,520</u>
	<u>(176,634,048)</u>

Net position of governmental activities

\$ 170,363,853

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, 2018

	General Operating Fund	Public Works Fund	Health & Human Services Fund	Lottery & Economic Development Fund	Facility Renovation Fund	Other Governmental Funds	Total Governmental Funds
Revenues:							
Taxes	\$ 69,999,101	\$ -	\$ -	\$ -	\$ -	\$ 1,141,578	\$ 71,140,679
Licenses and permits	59,275	202,352	-	-	-	3,590,466	3,852,093
Intergovernmental	5,537,035	25,796,431	43,370,883	1,852,775	-	22,107,871	98,664,995
Charges for services	4,487,450	3,363,134	7,902,900	-	2,446	10,541,220	26,297,150
Fines and forfeitures	2,181,982	11,937	-	-	-	712,882	2,906,801
Interest	916,764	258,447	253,738	24,026	170,165	230,467	1,853,607
Other	35,430	15,492	137,669	250,769	-	510,072	949,432
Total revenues	83,217,037	29,647,793	51,665,190	2,127,570	172,611	38,834,556	205,664,757
Expenditures:							
Current:							
General government	10,167,909	-	-	-	-	271,056	10,438,965
Health and social services	-	-	53,056,542	-	-	1,673,670	54,730,212
Public safety and judicial	61,187,187	-	-	-	-	21,926,312	83,113,499
Community service	761,025	-	-	1,212,308	-	5,819,372	7,792,705
Roads and bridges	-	20,859,514	-	-	-	446,663	21,306,177
Education	-	-	-	-	-	421,456	421,456
Debt service:							
Principal	-	-	-	271,091	-	4,446,522	4,717,613
Interest	-	-	-	4,832	-	3,173,770	3,178,602
Capital outlay	18,527	7,307,219	472,962	-	12,160,492	1,350,094	21,309,294
Total expenditures	72,134,648	28,166,733	53,529,504	1,488,231	12,160,492	39,528,915	207,008,523
Excess (deficiency) of revenues over expenditures	11,082,389	1,481,060	(1,864,314)	639,339	(11,987,881)	(694,359)	(1,343,766)
Other financing sources (uses):							
Debt issuance	-	-	-	-	5,000,000	-	5,000,000
Transfers in	4,234,766	172,664	3,730,390	-	1,066,000	10,399,797	19,603,617
Transfers out	(14,452,419)	(10,000)	(382,221)	(343,836)	-	(4,930,635)	(20,119,111)
Total other financing sources (uses)	(10,217,653)	162,664	3,348,169	(343,836)	6,066,000	5,469,162	4,484,506
Net change in fund balances	864,736	1,643,724	1,483,855	295,503	(5,921,881)	4,774,803	3,140,740
Fund balances - beginning	18,364,542	27,042,813	22,347,954	1,977,569	19,599,096	16,306,718	105,638,692
Fund balances - ending	\$ 19,229,278	\$ 28,686,537	\$ 23,831,809	\$ 2,273,072	\$ 13,677,215	\$ 21,081,521	\$ 108,779,432

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, 2018

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)		\$ 3,140,740
<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	\$ 22,574,457	
Depreciation expense	<u>(14,072,647)</u>	8,501,810
<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>		
		(194,252)
<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	1,500,974	
Loans receivable	<u>(438,854)</u>	1,062,120
<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	(5,000,000)	
Repayment of long-term debt principal	4,717,612	
Amortization of premium issued on refunding bonds	94,989	
Amortization of deferred interest bonds	<u>(954,833)</u>	(1,142,232)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the effect of the change in these liabilities during the year.</p>		
Interest payable	13,262	
Compensated absences	30,479	
Net pension liability and related deferrals	(10,186,642)	
Total OPEB liability	<u>(1,082,651)</u>	(11,225,552)
<p>Adjustment to reflect the consolidation of internal service fund activities related to governmental activities.</p>		
		<u>(1,310,432)</u>
Change in net position of governmental activities (page 13)		<u>\$ (1,167,798)</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, 2018

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 15,303,436	\$ 2,423,057	\$ 17,726,493	\$ 11,884,191
Receivables	1,844,916	340,852	2,185,768	42,751
Inventories and prepaid items	-	-	-	2,203,101
Total current assets	<u>17,148,352</u>	<u>2,763,909</u>	<u>19,912,261</u>	<u>14,130,043</u>
Capital assets:				
Land	2,807,567	227,349	3,034,916	-
Construction in progress	300	-	300	-
Landfills	6,430,703	-	6,430,703	-
Buildings and improvements	3,447,515	10,729,475	14,176,990	-
Equipment	3,705,396	11,514	3,716,910	-
Less accumulated depreciation	(10,698,142)	(9,244,875)	(19,943,017)	-
Total assets	<u>22,841,691</u>	<u>4,487,372</u>	<u>27,329,063</u>	<u>14,130,043</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	<u>550,298</u>	<u>51,512</u>	<u>601,810</u>	<u>4,733,221</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,477,614	196,331	2,673,945	462,495
Payroll related liabilities	76,833	13,406	90,239	590,421
Landfill leachate disposal liability	1,333,306	-	1,333,306	-
Accrued interest	-	9,292	9,292	-
Advances, current	85,000	17,143	102,143	-
Notes payable, current	-	17,844	17,844	-
Accrued claims liability, current	-	-	-	1,102,829
Compensated absences, current	77,461	7,569	85,030	614,811
Total current liabilities	<u>4,050,214</u>	<u>261,585</u>	<u>4,311,799</u>	<u>2,770,556</u>
Noncurrent liabilities, net of current portion:				
Advances	340,000	51,428	391,428	-
Notes payable	-	367,620	367,620	-
Accrued claims liability	-	-	-	5,064,973
Landfill closure and postclosure liability	7,888,193	-	7,888,193	-
Compensated absences	29,386	6,750	36,136	74,496
Net pension liability	1,610,826	150,790	1,761,616	13,855,008
Total OPEB liability	323,661	67,944	391,605	2,058,545
Total liabilities	<u>14,242,280</u>	<u>906,117</u>	<u>15,148,397</u>	<u>23,823,578</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	<u>45,030</u>	<u>4,215</u>	<u>49,245</u>	<u>387,314</u>
NET POSITION				
Net investment in capital assets	5,693,339	1,269,428	6,962,767	-
Unrestricted	3,411,340	2,359,124	5,770,464	(5,347,628)
Total net position	<u>\$ 9,104,679</u>	<u>\$ 3,628,552</u>	<u>12,733,231</u>	<u>\$ (5,347,628)</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(1,242,103)</u>	
Net position of business-type activities			<u>\$ 11,491,128</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, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 25,638,173	\$ 2,357,790	\$ 27,995,963	\$ 50,354,720
Other	62,991	-	62,991	32,068
Total operating revenues	<u>25,701,164</u>	<u>2,357,790</u>	<u>28,058,954</u>	<u>50,386,788</u>
Operating expenses:				
Salaries and wages	2,298,571	509,183	2,807,754	19,078,502
Repairs and maintenance	193,099	189,586	382,685	1,818,150
Utilities	37,798	231,396	269,194	105,779
Building and equipment rentals	70,380	11,495	81,875	223,370
Professional services	18,008,633	1,143,002	19,151,635	770,469
Communication	13,230	6,468	19,698	232,812
Fuel and operating supplies	128,798	37,940	166,738	428,456
Insurance claims and premiums	-	17,421	17,421	26,145,050
Administrative expenses	1,186,210	38,756	1,224,966	1,906,627
Depreciation	406,341	181,241	587,582	-
Other	334,406	10,188	344,594	311,755
Total operating expenses	<u>22,677,466</u>	<u>2,376,676</u>	<u>25,054,142</u>	<u>51,020,970</u>
Operating income (loss)	<u>3,023,698</u>	<u>(18,886)</u>	<u>3,004,812</u>	<u>(634,182)</u>
Nonoperating revenues (expenses):				
Franchise taxes	389,749	-	389,749	-
Interest revenue	139,913	25,881	165,794	94,903
Interest expense	(6,630)	(18,944)	(25,574)	-
Gain (loss) on sale of assets	(163,982)	-	(163,982)	-
Debt principal reduction	-	37,860	37,860	-
Total nonoperating revenues (expenses)	<u>359,050</u>	<u>44,797</u>	<u>403,847</u>	<u>94,903</u>
Income (loss) before transfers	<u>3,382,748</u>	<u>25,911</u>	<u>3,408,659</u>	<u>(539,279)</u>
Transfers in	-	-	-	540,494
Transfers out	-	-	-	(25,000)
Transfer to general capital assets	-	-	-	(1,373,988)
Change in net position	<u>3,382,748</u>	<u>25,911</u>	<u>3,408,659</u>	<u>(1,397,773)</u>
Net position - beginning, as restated	<u>5,721,931</u>	<u>3,602,641</u>		<u>(3,949,855)</u>
Net position - ending	<u>\$ 9,104,679</u>	<u>\$ 3,628,552</u>		<u>\$ (5,347,628)</u>
Adjustment to reflect consolidation of internal service fund activities			<u>(87,341)</u>	
Change in net position of business-type activities			<u>\$ 3,321,318</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, 2018

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Other	Total	Internal
		Enterprise Funds		Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 25,254,803	\$ 2,320,983	\$ 27,575,786	\$ 50,412,568
Cash payments to suppliers for goods and services	(20,910,060)	(1,692,810)	(22,602,870)	(31,723,806)
Cash payments to employees for services	(2,266,928)	(412,501)	(2,679,429)	(17,421,866)
Net cash from operating activities	2,077,815	215,672	2,293,487	1,266,896
Cash flows from noncapital financing activities:				
Franchise taxes received	389,749	-	389,749	-
Transfers received	-	-	-	540,494
Transfers paid	-	-	-	(25,000)
Net cash from noncapital financing activities	389,749	-	389,749	515,494
Cash flows from capital and related financing activities:				
Purchase of capital assets	(300)	(91,272)	(91,572)	(1,373,988)
Debt principal payments	(85,000)	(35,207)	(120,207)	-
Debt interest payments	(6,630)	(22,539)	(29,169)	-
Net cash from capital and related financing activities	(91,930)	(149,018)	(240,948)	(1,373,988)
Cash flows from investing activities:				
Interest on investments	126,205	24,591	150,796	90,644
Net cash from investing activities	126,205	24,591	150,796	90,644
Net change in cash and investments	2,501,839	91,245	2,593,084	499,046
Cash and investments - beginning	12,801,597	2,331,812	15,133,409	11,385,145
Cash and investments - ending	\$ 15,303,436	\$ 2,423,057	\$ 17,726,493	\$ 11,884,191

(Continued on following page)

MARION COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2018

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 3,023,698	\$ (18,886)	\$ 3,004,812	\$ (634,182)
Depreciation	406,341	181,241	587,582	-
Change in:				
Receivables	(446,361)	(36,807)	(483,168)	25,780
Inventories and prepaids	-	-	-	(175,681)
Accounts payable	(831,659)	(6,558)	(838,217)	(85,465)
Payroll related liabilities	9,467	1,241	10,708	52,661
Landfill leachate disposal liability	(226,546)	-	(226,546)	-
Accrued claims liability	-	-	-	479,808
Landfill closure and postclosure liability	120,699	-	120,699	-
Compensated absences	24,349	3,974	28,323	(16,874)
Net pension asset/liability and deferred pension outflows/inflows	(42,183)	57,799	15,616	1,495,517
Total OPEB liability	40,010	33,668	73,678	125,332
Net cash from operating activities	<u>\$ 2,077,815</u>	<u>\$ 215,672</u>	<u>\$ 2,293,487</u>	<u>\$ 1,266,896</u>

Schedule of non-cash capital and related financing activities:

Transfer to general capital assets	\$ -	\$ -	\$ -	\$ 1,373,998
Debt principal reduction due to refinancing	-	37,860	37,860	-

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

MARION COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 9,024,389
Receivables:	
Accounts and interest	782,613
Property taxes	<u>19,601,011</u>
Total assets	<u>\$ 29,408,013</u>
LIABILITIES	
Accounts payable	\$ 2,452,056
Due to other agencies	<u>26,955,957</u>
Total liabilities	<u>\$ 29,408,013</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, 2018

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 2018, the County paid \$158,665 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, 2018

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, 2018

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 & Human Services 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, 2018

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 & Economic Development 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, 2018

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, 2018

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 \$2,264,231 as of June 30, 2018.

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, 2018:

Cash on hand	\$	17,492
Deposits with financial institutions		5,810,739
Investments		<u>143,445,210</u>
Total cash and investments	\$	<u><u>149,273,441</u></u>

Cash and investments consist of \$140,249,052 shown on the government-wide Statement of Net Position and \$9,024,389 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, 2018, the County had total bank balances of \$6,272,361. Of this amount, \$534,628 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, 2018

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, 2018, 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	\$ 8,866,820	\$ 8,990,329	6.2%	17.97
US agency securities	Level 1	74,067,010	74,813,904	52.2%	13.73
Municipal bonds	Level 1	24,712,920	25,065,541	17.5%	22.70
Corporate bonds	Level 1	19,785,349	19,966,018	13.9%	11.00
Certificates of deposit	Level 1	246,075	250,000	0.2%	19.67
State of Oregon local government investment pool (LGIP)	N/A	14,378,085	14,359,418	10.0%	n/a
		<u>\$ 142,056,259</u>	<u>\$ 143,445,210</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 100.13% of the value of the pool shares as of June 30, 2018.

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, 2018, ratings (Moody's unless otherwise noted) for the County's investments were as follows: US treasury securities \$5,994,257, Aaa, \$2,996,072, Aa; US agency securities \$71,866,459, Aaa, \$2,947,445, AA- (S&P); municipal bonds \$410,381, Aaa, \$22,393,522, Aa, \$2,261,638, A; corporate bonds \$5,520,981, Aaa, \$9,815,958, Aa, \$4,629,079, 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, 2018

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: \$425,000 from the Environmental Services Fund for heavy equipment purchases, \$85,000 due annually plus interest at 2.25%; and \$68,571 from the Fargo Interchange Service District for a sewer pump upgrade, \$17,143 due annually plus interest at 2.70%.

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	\$ 4,359,512	\$ 1,283,365	\$ 113,205	\$ 120,000	\$ 5,876,082
Public Works Fund	-	4,107,981	89,887	-	4,197,868
Health & Human Services Fund	-	2,313,398	82,895	-	2,396,293
Lottery & Economic Dev Fund	-	40,061	7,711	5,334,522	5,382,294
Facility Renovation Fund	-	-	49,212	-	49,212
Environmental Services	-	1,792,935	51,981	-	1,844,916
Nonmajor governmental funds	45,145	2,256,970	62,329	357,966	2,722,410
Nonmajor enterprise funds	43,790	288,823	8,239	-	340,852
Internal service funds	-	17,384	25,367	-	42,751
Agency funds	19,601,011	776,451	6,162	-	20,383,624
	<u>\$ 24,049,458</u>	<u>\$ 12,877,368</u>	<u>\$ 496,988</u>	<u>\$ 5,812,488</u>	<u>\$ 43,236,302</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2018 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	2,730,568	14,420,314	1,940,090	15,210,792
Total capital assets not being depreciated	<u>14,883,523</u>	<u>14,420,314</u>	<u>1,940,090</u>	<u>27,363,747</u>
Capital assets being depreciated:				
Buildings and improvements	124,379,822	2,869,490	-	127,249,312
Equipment	36,547,429	3,107,937	1,529,131	38,126,235
Infrastructure	586,597,097	4,116,806	-	590,713,903
Total capital assets being depreciated	<u>747,524,348</u>	<u>10,094,233</u>	<u>1,529,131</u>	<u>756,089,450</u>
Less accumulated depreciation for:				
Buildings and improvements	38,052,322	2,667,674	-	40,719,996
Equipment	20,454,216	2,810,652	1,334,879	21,929,989
Infrastructure	508,544,386	8,594,321	-	517,138,707
Total accumulated depreciation	<u>567,050,924</u>	<u>14,072,647</u>	<u>1,334,879</u>	<u>579,788,692</u>
Total capital assets being depreciated, net	<u>180,473,424</u>	<u>(3,978,414)</u>	<u>194,252</u>	<u>176,300,758</u>
Governmental activities capital assets, net	<u>\$ 195,356,947</u>	<u>\$ 10,441,900</u>	<u>\$ 2,134,342</u>	<u>\$ 203,664,505</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	82,104	108,913	300
Total capital assets not being depreciated	<u>3,062,025</u>	<u>82,104</u>	<u>108,913</u>	<u>3,035,216</u>
Capital assets being depreciated:				
Landfills	6,430,703	-	-	6,430,703
Buildings and improvements	14,058,609	118,381	-	14,176,990
Equipment	4,129,774	-	412,864	3,716,910
Total capital assets being depreciated	<u>24,619,086</u>	<u>118,381</u>	<u>412,864</u>	<u>24,324,603</u>
Less accumulated depreciation for:				
Landfills	6,430,703	-	-	6,430,703
Buildings and improvements	10,643,952	300,292	-	10,944,244
Equipment	2,529,662	287,290	248,882	2,568,070
Total accumulated depreciation	<u>19,604,317</u>	<u>587,582</u>	<u>248,882</u>	<u>19,943,017</u>
Total capital assets being depreciated, net	<u>5,014,769</u>	<u>(469,201)</u>	<u>163,982</u>	<u>4,381,586</u>
Business-type activities capital assets, net	<u>\$ 8,076,794</u>	<u>\$ (387,097)</u>	<u>\$ 272,895</u>	<u>\$ 7,416,802</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 5 – CAPITAL ASSETS (Continued):

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

Governmental activities:	
General government	\$ 2,448,929
Health and social services	318,895
Public safety and judicial	1,637,035
Community service	40,804
Roads and bridges	<u>9,626,984</u>
Total depreciation expense, governmental activities	<u><u>\$ 14,072,647</u></u>
Business-type activities:	
Environmental services	\$ 406,341
Stormwater management	5,264
Sewer and lighting services	<u>175,977</u>
Total depreciation expense, business-type activities	<u><u>\$ 587,582</u></u>

NOTE 6 – LONG-TERM OBLIGATIONS:

Changes in long-term obligations for the year ended June 30, 2018 are as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due within One Year
Governmental activities:					
Revenue bonds	\$ 271,091	\$ -	\$ 271,091	\$ -	\$ -
Refunding obligations	8,375,789	-	1,194,989	7,180,800	1,190,000
Capital financing agreements	17,775,756	5,000,000	1,261,521	21,514,235	1,740,544
Limited tax pension obligations	36,595,471	-	1,130,167	35,465,304	2,320,000
Accrued claims liability	5,687,994	1,698,452	1,218,644	6,167,802	1,102,829
Compensated absences	4,713,603	4,527,053	4,574,406	4,666,250	4,391,335
Net pension liability	117,007,893	90,526,969	101,653,231	105,881,631	-
Total OPEB liability	<u>17,033,082</u>	<u>1,725,942</u>	<u>517,959</u>	<u>18,241,065</u>	<u>-</u>
Governmental activities long-term obligations	<u><u>\$ 207,460,679</u></u>	<u><u>\$ 103,478,416</u></u>	<u><u>\$ 111,822,008</u></u>	<u><u>\$ 199,117,087</u></u>	<u><u>\$ 10,744,708</u></u>
Business-type activities:					
Notes payable	\$ 441,388	\$ -	\$ 55,924	\$ 385,464	\$ 17,844
Landfill closure and postclosure liability	7,767,494	120,699	-	7,888,193	-
Compensated absences	92,843	110,347	82,024	121,166	85,030
Net pension liability	2,289,670	1,506,151	2,034,205	1,761,616	-
Total OPEB liability	<u>317,927</u>	<u>84,798</u>	<u>11,120</u>	<u>391,605</u>	<u>-</u>
Business-type activities long-term obligations	<u><u>\$ 10,909,322</u></u>	<u><u>\$ 1,821,995</u></u>	<u><u>\$ 2,183,273</u></u>	<u><u>\$ 10,548,044</u></u>	<u><u>\$ 102,874</u></u>

Beginning balances for total OPEB liability have been restated in accordance with the county's implementation of Statement No. 75 of the Governmental Accounting Standards Board.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Compensated absences, pensions and other postemployment benefits 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 total OPEB liability 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 were payable solely from rental amounts received from a sublease agreement between the County and the Oregon Garden Foundation (OGF), and if those were not sufficient, from video lottery funds the County receives from the State of Oregon. Principal and interest was payable quarterly through December 1, 2017 at an interest rate of 4.85%. The Oregon Garden Revenue Bonds were fully repaid in fiscal 2018.

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			
	Outstanding July 1, 2017	Matured and Paid During Year	Outstanding June 30, 2018	Future Interest
2018	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -
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
	7,710,000	1,100,000	6,610,000	1,126,575
Unamortized premium	665,789	94,989	570,800	-
	<u>\$ 8,375,789</u>	<u>\$ 1,194,989</u>	<u>\$ 7,180,800</u>	<u>\$ 1,126,575</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

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, 2017	Paid During Year	Outstanding June 30, 2018	
2018	\$ 625,307	\$ 625,307	\$ -	\$ -
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	730,434	-	730,434	151,843
2024-2028	4,012,936	-	4,012,936	398,447
2029	395,543	-	395,543	4,474
	<u>\$ 8,469,171</u>	<u>\$ 625,307</u>	<u>\$ 7,843,864</u>	<u>\$ 1,378,920</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. 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			Future Interest
	Outstanding July 1, 2017	Paid During Year	Outstanding June 30, 2018	
2018	\$ 636,214	\$ 636,214	\$ -	\$ -
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	702,601	-	702,601	114,087
2024-2028	3,730,034	-	3,730,034	353,402
2029-2030	1,562,741	-	1,562,741	34,565
	<u>\$ 9,306,585</u>	<u>\$ 636,214</u>	<u>\$ 8,670,371</u>	<u>\$ 1,093,808</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

Capital Financing Agreement (2018) – In June 2018, the County issued a full faith and credit financing agreement for a bank loan in the amount of \$5,000,000 to finance various capital projects. Payments of principal and interest are due semi-annually from December 2018 through June 2023 at the rate of 3.00%, and from December 2023 through June 2028 at the rate of 3.15%. Annual requirements to repay the 2018 Capital Financing Agreement are as follows:

Fiscal Year of Maturity	Principal				Future Interest
	Outstanding July 1, 2017	Issued During Year	Paid During Year	Outstanding June 30, 2018	
2019	\$ -	\$ 446,528	\$ -	\$ 446,528	\$ 135,762
2020	-	449,029	-	449,029	133,261
2021	-	462,600	-	462,600	119,690
2022	-	476,582	-	476,582	105,708
2023	-	490,987	-	490,987	91,303
2024-2028	-	2,674,274	-	2,674,274	237,080
	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>\$ -</u>	<u>\$ 5,000,000</u>	<u>\$ 822,804</u>

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, 2017	Matured and Paid During Year	Outstanding June 30, 2018	
2018	\$ 1,390,000	\$ 1,390,000	\$ -	\$ -
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	2,355,000	-	2,355,000	1,188,525
2024-2028	14,870,000	-	14,870,000	3,034,620
	25,640,000	1,390,000	24,250,000	9,927,030
Less deferred interest	(3,194,529)	(954,833)	(2,239,696)	-
	<u>\$ 22,445,471</u>	<u>\$ 435,167</u>	<u>\$ 22,010,304</u>	<u>\$ 9,927,030</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

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			
	Outstanding July 1, 2017	Matured and Paid During Year	Outstanding June 30, 2018	Future Interest
2018	\$ 695,000	\$ 695,000	\$ -	\$ -
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	1,330,000	-	1,330,000	578,571
2024-2028	8,180,000	-	8,180,000	1,983,469
	<u>\$ 14,150,000</u>	<u>\$ 695,000</u>	<u>\$ 13,455,000</u>	<u>\$ 4,995,765</u>

Notes Payable – In May 2009, the Fargo Interchange Service District received a loan in the amount of \$562,259 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 4.00% to 5.00%. The loan was restructured in April 2018, resulting in a \$37,860 reduction of principal and a \$21,384 reduction of future interest. In accordance with the revised loan agreement, early repayment of the loan is not allowed prior to January 1, 2026. Annual requirements to repay the loan are as follows:

Fiscal Year of Maturity	Principal				
	Outstanding July 1, 2017	Matured and Paid During Year	Reduction of Principal	Outstanding June 30, 2018	Future Interest
2018	\$ 18,064	\$ 18,064	\$ -	\$ -	\$ -
2019	18,186	-	342	17,844	14,486
2020	18,322	-	356	17,966	18,083
2021	18,471	-	372	18,099	17,349
2022	18,610	-	387	18,223	16,475
2023	23,791	-	406	23,385	15,564
2024-2028	126,843	-	2,342	124,501	60,240
2029-2033	162,741	-	27,973	134,768	28,475
2034	36,360	-	5,682	30,678	1,520
	<u>\$ 441,388</u>	<u>\$ 18,064</u>	<u>\$ 37,860</u>	<u>\$ 385,464</u>	<u>\$ 172,192</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 6 – LONG-TERM OBLIGATIONS (Continued):

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. At current usage rates, the County has the capacity to continue receiving incinerator ash at North Marion for 13 years and demolition waste at Brown's Island for 10 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 \$7,888,193 reported as landfill closure and postclosure liability at June 30, 2018, represents the cumulative amount reported to date based on the use of 92% of the estimated capacity at the North Marion facility and 74% at Brown's Island. The estimated total closure and postclosure care costs remaining to be recognized are \$1,268,517. These amounts are based on what it would cost to perform all closure and postclosure care in 2018; actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has also recognized a current liability of \$1,333,306 for the disposal of leachate stored at the North Marion site as of June 30, 2018.

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, 2017 (the most recent analysis).

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 \$6,167,802 reported in the Self-Insurance Fund at June 30, 2018 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, 2018.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 7 – RISK MANAGEMENT (Continued):

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 2017-18	Fiscal Year 2016-17
Claims liability, beginning of year	\$ 5,687,994	\$ 5,338,509
Current year claims and changes in estimates	1,698,452	1,390,746
Claim payments	(1,218,644)	(1,041,261)
Claims liability, end of year	\$ 6,167,802	\$ 5,687,994

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.

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].

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 8 – PENSION PLAN (Continued):

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 2018 were 17.09% for Tier One/Tier Two employees, 8.76% for OPSRP general service employees, and 13.53% for OPSRP police/fire employees. The County's total contributions to PERS were \$10,892,136 for fiscal year 2018.

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 2018 were based on the December 31, 2015 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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 8 – PENSION PLAN (Continued):

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2018, the County reported a net pension liability of \$107,643,247 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was based on a December 31, 2015 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 0.80% as of the June 30, 2017 measurement date, compared to 0.79% as of June 30, 2016.

For fiscal year 2018, the County recognized a pension expense of \$22,232,669. At June 30, 2018, the County reported the following pension-related deferrals:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,205,673	\$ -
Changes of assumptions	19,621,444	-
Net difference between projected and actual earnings on investments	1,108,978	-
Changes in proportionate share	434,970	521,444
Differences between employer contributions and proportionate share of contributions	-	2,487,700
	26,371,065	3,009,144
Contributions made after the measurement date	10,402,587	-
	\$ 36,773,652	\$ 3,009,144

The \$10,402,587 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 2019. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in subsequent years as follows:

Fiscal Year	Amount
2019	\$ 4,137,178
2020	12,950,401
2021	8,843,376
2022	(2,702,441)
2023	133,407

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2015 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.

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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 8 – PENSION PLAN (Continued):

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%. 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)	\$ 183,443,747	\$ 107,643,247	\$ 44,259,992

After the current measurement date of June 30, 2017, 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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 8 – PENSION PLAN (Continued):

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the County has opted to pick-up the contributions on behalf of employees; contributions were \$5,121,177 for the year ended June 30, 2018. 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. 75 (GASB 75), *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, in fiscal year 2018. As required by GASB 75, a liability must be recognized when employees earn other postemployment benefits (OPEB) rather than when the benefits are paid. To measure OPEB liabilities in accordance with GASB 75, the County obtains an actuarial valuation every two years.

Benefits Provided – The County provides subsidized health insurance to retirees under age 65 and their qualified dependents, as required by ORS 243.303. Retirees electing to remain on County-sponsored health plans must pay the entire premium in order to maintain coverage. However, while the County does not directly contribute to the cost of premiums for retirees, the premiums paid by retirees do not represent the full cost of covering these retirees. Since retirees typically generate 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 added cost of allowing retirees to purchase health insurance at a blended rate is called an *implicit rate subsidy* and is required to be reported as an OPEB liability under GASB 75.

Employees Covered by Benefit Terms – All classes of employees and their qualified dependents may continue health insurance coverage upon retirement until eligible for Medicare. As of June 30, 2018, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	72
Retirees entitled to but not receiving benefits	-
Active employees	<u>1,321</u>
	<u>1,393</u>

Plan Description – The County treats the implicit rate subsidy as a single-employer, defined benefit OPEB plan administered by the County only to satisfy the accounting and financial reporting requirements of GASB 75, and a separate financial report is not issued. In addition to the requirements imposed by ORS 243.303, benefits provided to employees are established and may be amended by the County's board of commissioners in conjunction with various collective bargaining agreements.

Contribution Requirements – 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; no assets are accumulated for this purpose. For the year ended June 30, 2018, the actuarially estimated implicit rate subsidy was \$529,079.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued):

Total OPEB Liability and OPEB Expense – As of June 30, 2018, the County reported a total OPEB liability of \$18,632,670, based on a July 1, 2017 actuarial valuation, rolled forward to the measurement date of June 30, 2018. For the year ended June 30, 2018, the County recognized OPEB expense of \$1,810,740.

Total OPEB liability, beginning of year	\$ 17,351,009
Changes for the year:	
Service cost	1,278,961
Interest	531,779
Benefit payments	<u>(529,079)</u>
Net changes	<u>1,281,661</u>
Total OPEB liability, end of year	<u><u>\$ 18,632,670</u></u>

Actuarial Methods and Assumptions – The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the entry age normal method with level percent of salary and the following actuarial assumptions, applied to all periods included in the measurement: inflation rate of 2.5%, salary increases of 3.5%, discount rate of 3.0%, and a healthcare cost trend rate of 7.0% initially, decreasing by 0.1% per year to an ultimate rate of 5.0% after 20 years. The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index. Mortality rates were based on the RP-2014 Employee/Healthy Annuitant, Sex Distinct, Generational Mortality Table, with adjustments for mortality improvements based on the 60-year Average Unisex Social Security Data Scale. Other actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the Oregon Public Employees Retirement System for the period January 1, 2013 to December 31, 2016.

Sensitivity of the total OPEB liability to changes in the *discount rate*, using rates that are 1% lower or 1% higher than the current rate, are shown in the following chart:

	1% Decrease 2.0%	Current Rate 3.0%	1% Increase 4.0%
Total OPEB Liability	\$ 20,354,222	\$ 18,632,670	\$ 17,034,743

Sensitivity of the total OPEB liability to changes in the *healthcare cost trend rate*, using rates that are 1% lower or 1% higher than the current rate, are shown in the following chart:

	1% Decrease 6.0% declining to 4.0%	Current Rate 7.0% declining to 5.0%	1% Increase 8.0% declining to 6.0%
Total OPEB Liability	\$ 16,148,609	\$ 18,632,670	\$ 21,620,207

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 10 – FUND BALANCE CLASSIFICATIONS:

	General Operating	Public Works	Health & Human Svcs	Lottery & Econ Dev	Facility Renovation	Other Governmental	Total Governmental
Restricted for:							
Capitated health services	\$ -	\$ -	\$ 5,452,330	\$ -	\$ -	\$ -	\$ 5,452,330
Health programs	-	-	8,246,661	-	-	-	8,246,661
Economic development	-	-	-	2,273,072	-	-	2,273,072
Public safety programs	1,138	-	-	-	-	1,461,286	1,462,424
Court security	-	-	-	-	-	828,170	828,170
Law library	-	-	-	-	-	707,589	707,589
Forest & wildfire programs	-	-	-	-	-	737,892	737,892
Extension services	-	-	-	-	-	724,423	724,423
Corner restoration	-	-	-	-	-	2,002,727	2,002,727
Education	-	-	-	-	-	419,079	419,079
Capital projects	-	-	-	-	5,441,142	-	5,441,142
Other purposes	-	-	-	-	-	619,671	619,671
	<u>\$ 1,138</u>	<u>\$ -</u>	<u>\$ 13,698,991</u>	<u>\$ 2,273,072</u>	<u>\$ 5,441,142</u>	<u>\$ 7,500,837</u>	<u>\$ 28,915,180</u>
Committed to:							
Financial stabilization	\$ 2,264,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,264,231
Road improvements	-	3,954,443	-	-	-	-	3,954,443
Other purposes	-	-	-	-	-	342,430	342,430
	<u>\$ 2,264,231</u>	<u>\$ 3,954,443</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,430</u>	<u>\$ 6,561,104</u>
Assigned to:							
Health programs	\$ -	\$ -	\$ 10,132,818	\$ -	\$ -	\$ -	\$ 10,132,818
Public safety programs	1,451,645	-	-	-	-	1,608,644	3,060,289
Roads & bridges	-	23,826,685	-	-	-	105,407	23,932,092
Building inspection	-	-	-	-	-	3,381,385	3,381,385
Debt service	-	-	-	-	-	1,593,659	1,593,659
Capital projects	-	-	-	-	8,236,073	5,928,900	14,164,973
Other purposes	-	-	-	-	-	600,201	600,201
	<u>\$ 1,451,645</u>	<u>\$ 23,826,685</u>	<u>\$ 10,132,818</u>	<u>\$ -</u>	<u>\$ 8,236,073</u>	<u>\$ 13,218,196</u>	<u>\$ 56,865,417</u>

NOTE 11 – TRANSFERS:

Transfer To	Transfer From						Total
	Governmental Funds					Proprietary	
	General Operating Fund	Public Works Fund	Health & Human Svcs Fund	Lottery & Econ Dev Fund	Nonmajor funds	Internal service funds	
Governmental Funds:							
General Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ 4,234,766	\$ -	\$ 4,234,766
Public Works Fund	149,786	-	6,044	-	16,834	-	172,664
Health & Human Svcs Fund	3,730,390	-	-	-	-	-	3,730,390
Facility Renovation Fund	1,066,000	-	-	-	-	-	1,066,000
Nonmajor funds	9,012,998	10,000	376,177	343,836	631,786	25,000	10,399,797
Proprietary Funds:							
Internal service funds	493,245	-	-	-	47,249	-	540,494
Total	<u>\$ 14,452,419</u>	<u>\$ 10,000</u>	<u>\$ 382,221</u>	<u>\$ 343,836</u>	<u>\$ 4,930,635</u>	<u>\$ 25,000</u>	<u>\$ 20,144,111</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, 2018

NOTE 12 – TAX ABATEMENTS:

County property taxes were reduced \$298,700 in fiscal 2018 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)	\$ 44,981
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	54,437
Salem Enterprise Zone (City of Salem)	Enterprise Zone (ORS 285C)	149,272
North Marion Enterprise Zone (Cities of Aurora, Donald & Hubbard)	Enterprise Zone (ORS 285C)	33,607
North Santiam Enterprise Zone (City of Stayton)	Enterprise Zone (ORS 285C)	10,400
Silverton-Mt. Angel Enterprise Zone (Cities of Mt. Angel & Silverton)	Enterprise Zone (ORS 285C)	3,143
Woodburn-Gervais Enterprise Zone (Cities of Gervais & Woodburn)	Enterprise Zone (ORS 285C)	2,860
		<u>\$ 298,700</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 2018, monthly service fees were approximately \$859,300. 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 \$985,450 for the year ended June 30, 2018. Future obligations under these agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2019	\$ 1,415,565
2020	1,330,657
2021	1,129,786
2022	695,864
2023	711,967
2024-2028	2,582,397

NOTE 14 – SUBSEQUENT EVENTS:

Management has evaluated subsequent events through November 27, 2018 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, 2018

NOTE 15 – PRIOR PERIOD RESTATEMENT:

Beginning net position has been restated as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Beginning net position, as previously reported	\$ 167,726,545	\$ 8,062,734	\$ 175,789,279
Change in OPEB accounting per GASB 75	3,805,106	107,076	3,912,182
Beginning net position, as restated	<u>\$ 171,531,651</u>	<u>\$ 8,169,810</u>	<u>\$ 179,701,461</u>

NOTE 16 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

The County budgets all funds except agency funds, and the Illahe Hills Street Lighting District, which is exempt from Oregon Local Budget Law (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 four supplemental budgets during the year ended June 30, 2018.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2018

NOTE 17 – NEW PRONOUNCEMENTS:

The County implemented the following pronouncements of the Governmental Accounting Standards Board (GASB) in the current fiscal year: **Statement No. 75**, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,” which replaces **Statement No. 45** and establishes new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits; and **Statement No. 85**, “Omnibus 2017,” which addresses a variety of topics including pensions and other postemployment benefits.

The GASB has also issued the following pronouncements that may impact future financial presentations: **Statement No. 84**, “Fiduciary Activities,” regarding the identification of fiduciary activities and how those activities should be reported, effective beginning in fiscal year 2020; and **Statement No. 87**, “Leases,” establishing new accounting and financial reporting requirements for leases, effective beginning in fiscal year 2021.

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 & Human Services	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, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 70,528,000	\$ 70,528,000	\$ 69,647,559	\$ (880,441)
Franchise	335,592	335,592	351,542	15,950
Licenses and permits	65,000	65,000	59,275	(5,725)
Intergovernmental	4,146,441	4,719,301	5,461,268	741,967
Charges for services	3,899,599	3,984,599	4,289,500	304,901
Fines and forfeitures	220,000	220,000	227,722	7,722
Interest	740,570	740,570	875,738	135,168
Other	15,000	15,000	35,430	20,430
Total revenues	79,950,202	80,608,062	80,948,034	339,972
EXPENDITURES:				
Assessor's Office	6,059,671	6,059,671	5,665,930	393,741
Clerk's Office	2,662,824	2,804,117	2,597,045	207,072
Community Services Department	857,663	857,663	761,025	96,638
District Attorney's Office	9,421,245	9,421,245	8,687,118	734,127
Justice Court	913,943	913,943	823,563	90,380
Juvenile Department	10,421,494	10,421,494	10,109,123	312,371
Sheriff's Office	40,119,022	40,676,145	39,656,321	1,019,824
Treasurer's Office	442,332	452,332	419,266	33,066
Non-Departmental:				
Materials and services	2,764,432	2,205,309	1,485,668	719,641
Contingency	972,537	1,124,475	-	1,124,475
Total expenditures	74,635,163	74,936,394	70,205,059	4,731,335
OTHER FINANCING SOURCES (USES):				
Transfers in	4,330,625	4,334,766	4,334,766	-
Transfers out	(14,030,443)	(15,391,213)	(14,296,809)	1,094,404
Total other financing sources (uses)	(9,699,818)	(11,056,447)	(9,962,043)	1,094,404
Net change in fund balance	(4,384,779)	(5,384,779)	780,932	6,165,711
FUND BALANCE - beginning	9,457,639	14,731,332	14,731,332	-
FUND BALANCE - ending	\$ 5,072,860	\$ 9,346,553	15,512,264	\$ 6,165,711
Reconciliation to generally accepted accounting principles (GAAP) basis:				
Funds budgeted separately:				
Traffic Safety Team Fund			1,034,542	
Inmate Welfare Fund			418,241	
Rainy Day Fund			2,264,231	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - General Operating Fund			\$ 19,229,278	

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 205,000	\$ 205,000	\$ 202,352	\$ (2,648)
Intergovernmental	26,149,984	26,305,072	25,796,431	(508,641)
Charges for services	3,863,448	3,577,448	3,363,134	(214,314)
Fines and forfeitures	5,000	5,000	11,937	6,937
Interest	114,690	119,020	258,447	139,427
Other	110,143	110,143	117,635	7,492
Total revenues	30,448,265	30,321,683	29,749,936	(571,747)
EXPENDITURES:				
Public Works Department	35,127,596	36,719,534	28,166,733	8,552,801
Contingency	3,130,475	2,381,618	-	2,381,618
Total expenditures	38,258,071	39,101,152	28,166,733	10,934,419
OTHER FINANCING SOURCES (USES):				
Transfers in	130,327	285,374	172,664	(112,710)
Transfers out	-	(10,000)	(10,000)	-
Total other financing sources (uses)	130,327	275,374	162,664	(112,710)
Net change in fund balance	(7,679,479)	(8,504,095)	1,745,867	10,249,962
FUND BALANCE - beginning	24,525,611	26,447,099	26,447,099	-
FUND BALANCE - ending	<u>\$ 16,846,132</u>	<u>\$ 17,943,004</u>	28,192,966	<u>\$ 10,249,962</u>
Add interfund loan receivable			493,571	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances			<u>\$ 28,686,537</u>	

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 38,247,038	\$ 41,748,441	\$ 43,370,883	\$ 1,622,442
Charges for services	7,459,647	7,528,746	7,902,900	374,154
Interest	185,000	185,000	253,738	68,738
Other	126,980	129,680	137,669	7,989
Total revenues	<u>46,018,665</u>	<u>49,591,867</u>	<u>51,665,190</u>	<u>2,073,323</u>
EXPENDITURES:				
Health Department	58,170,986	60,060,619	53,529,504	6,531,115
Contingency	<u>5,198,410</u>	<u>5,408,892</u>	-	<u>5,408,892</u>
Total expenditures	<u>63,369,396</u>	<u>65,469,511</u>	<u>53,529,504</u>	<u>11,940,007</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,730,390	3,730,390	3,730,390	-
Transfers out	<u>(376,177)</u>	<u>(544,351)</u>	<u>(382,221)</u>	<u>162,130</u>
Total other financing sources (uses)	<u>3,354,213</u>	<u>3,186,039</u>	<u>3,348,169</u>	<u>162,130</u>
Net change in fund balance	(13,996,518)	(12,691,605)	1,483,855	14,175,460
FUND BALANCE - beginning	<u>22,564,607</u>	<u>22,347,954</u>	<u>22,347,954</u>	-
FUND BALANCE - ending	<u>\$ 8,568,089</u>	<u>\$ 9,656,349</u>	<u>\$ 23,831,809</u>	<u>\$ 14,175,460</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, 2018

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,802,890	\$ 1,802,890	\$ 1,852,775	\$ 49,885
Interest	11,463	11,463	24,026	12,563
Other	120,000	120,000	250,769	130,769
Total revenues	1,934,353	1,934,353	2,127,570	193,217
EXPENDITURES:				
Community Services Department	2,460,974	2,894,274	1,212,308	1,681,966
Non-Departmental:				
Debt service - principal	271,092	271,092	271,091	1
Debt service - interest	4,940	4,940	4,832	108
Contingency	280,117	388,416	-	388,416
Total expenditures	3,017,123	3,558,722	1,488,231	2,070,491
OTHER FINANCING SOURCES (USES):				
Transfers out	(324,000)	(353,200)	(343,836)	9,364
Net change in fund balance	(1,406,770)	(1,977,569)	295,503	2,273,072
FUND BALANCE - beginning	1,406,770	1,977,569	1,977,569	-
FUND BALANCE - ending	\$ -	\$ -	\$ 2,273,072	\$ 2,273,072

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>
2018	6/30/2017	0.80%	\$ 107,643,247	\$ 83,085,347	129.56%	83.12%
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>
2018	\$ 10,892,136	\$ 10,892,136	\$ -	\$ 85,352,985	12.76%
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 POSTEMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF CHANGES IN THE COUNTY'S
TOTAL OPEB LIABILITY AND RELATED RATIOS

	<u>2018</u>
Total OPEB liability, beginning of year	\$ 17,351,009
Changes for the year:	
Service cost	1,278,961
Interest	531,779
Benefit payments	<u>(529,079)</u>
Net changes	<u>1,281,661</u>
Total OPEB liability, end of year	<u>\$ 18,632,670</u>
Covered-employee payroll	\$ 87,148,750
Total OPEB liability as a percentage of covered-employee payroll	21.38%
Discount rate	3.00%

Notes:

- (1) This schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.
- (2) The County finances other postemployment benefits on a pay-as-you-go basis; no assets are accumulated for this purpose.

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, 2018

	Budgetary Funds				Total General Operating Fund
	General Fund	Traffic Safety Team	Inmate Welfare	Rainy Day	
ASSETS:					
Cash and investments	\$ 16,283,662	\$ 1,067,980	\$ 402,031	\$ 2,256,640	\$ 20,010,313
Receivables:					
Accounts	1,240,898	21,325	21,142	-	1,283,365
Interest	100,533	3,724	1,357	7,591	113,205
Loans	120,000	-	-	-	120,000
Taxes	4,359,512	-	-	-	4,359,512
Inventories and prepaids	20,044	-	-	-	20,044
Total assets	\$ 22,124,649	\$ 1,093,029	\$ 424,530	\$ 2,264,231	\$ 25,906,439
LIABILITIES:					
Accounts payable	\$ 805,784	\$ 9,835	\$ 2,033	\$ -	\$ 817,652
Payroll related liabilities	1,725,171	48,652	4,236	-	1,778,059
Deposits	20,208	-	20	-	20,228
Total liabilities	2,551,163	58,487	6,289	-	2,615,939
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	4,061,222	-	-	-	4,061,222
FUND BALANCES:					
Nonspendable	20,044	-	-	-	20,044
Restricted	-	1,138	-	-	1,138
Committed	-	-	-	2,264,231	2,264,231
Assigned	-	1,033,404	418,241	-	1,451,645
Unassigned	15,492,220	-	-	-	15,492,220
Total fund balances	15,512,264	1,034,542	418,241	2,264,231	19,229,278
Total liabilities, deferred inflows of resources, and fund balances	\$ 22,124,649	\$ 1,093,029	\$ 424,530	\$ 2,264,231	\$ 25,906,439

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, 2018

	Budgetary Funds				Eliminate Interfund Activity	Total General Operating Fund
	General Fund	Traffic Safety Team	Inmate Welfare	Rainy Day		
REVENUES:						
Taxes	\$ 69,999,101	\$ -	\$ -	\$ -	\$ -	\$ 69,999,101
Licenses and permits	59,275	-	-	-	-	59,275
Intergovernmental	5,461,268	75,767	-	-	-	5,537,035
Charges for services	4,289,500	2,331	195,619	-	-	4,487,450
Fines and forfeitures	227,722	1,954,260	-	-	-	2,181,982
Interest	875,738	12,823	4,086	24,117	-	916,764
Other	35,430	-	-	-	-	35,430
Total revenues	80,948,034	2,045,181	199,705	24,117	-	83,217,037
EXPENDITURES:						
Current:						
General government	10,167,909	-	-	-	-	10,167,909
Public safety and judicial	59,276,125	1,740,774	170,288	-	-	61,187,187
Community service	761,025	-	-	-	-	761,025
Capital outlay	-	18,527	-	-	-	18,527
Total expenditures	70,205,059	1,759,301	170,288	-	-	72,134,648
OTHER FINANCING SOURCES (USES):						
Transfers in	4,334,766	-	-	-	(100,000)	4,234,766
Transfers out	(14,296,809)	(255,610)	-	-	100,000	(14,452,419)
Total other financing sources (uses)	(9,962,043)	(255,610)	-	-	-	(10,217,653)
Net change in fund balances	780,932	30,270	29,417	24,117	-	864,736
FUND BALANCE - beginning	14,731,332	1,004,272	388,824	2,240,114	-	18,364,542
FUND BALANCE - ending	\$ 15,512,264	\$ 1,034,542	\$ 418,241	\$ 2,264,231	\$ -	\$ 19,229,278

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2018

	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	\$ 782,928	\$ 96,942	\$ 335,305	\$ 494,883	\$ 93,304	\$ 4,113	\$ 1,498,048	\$ 823,145	\$ 312,377	\$ -	\$ 61,682	\$ 568,150
Receivables:												
Accounts	54,266	-	780,431	-	-	-	54,207	26,099	105,651	314,668	163	419,655
Interest	2,815	326	1,604	1,675	322	14	5,741	2,806	1,051	-	535	1,495
Loans	-	-	-	290,100	-	67,866	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Inventories and prepaids	-	-	18,633	-	-	-	-	-	-	-	3,858	1,425
Total assets	\$ 840,009	\$ 97,268	\$ 1,135,973	\$ 786,658	\$ 93,626	\$ 71,993	\$ 1,557,996	\$ 852,050	\$ 419,079	\$ 314,668	\$ 66,238	\$ 990,725
LIABILITIES:												
Accounts payable	\$ 52,117	\$ 152	\$ 66,678	\$ 3,028	\$ 1,946	\$ -	\$ 210,497	\$ 23,880	\$ -	\$ 270,264	\$ 7,794	\$ 91,897
Payroll related liabilities	-	3,351	101,131	-	-	-	274,593	-	-	44,404	24,666	61,586
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	50,000	-	-	-	-	-	-	-	-	-	1,249	-
Total liabilities	102,117	3,503	167,809	3,028	1,946	-	485,090	23,880	-	314,668	33,709	153,483
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	290,100	-	67,866	-	-	-	-	-	-
FUND BALANCES:												
Nonspendable	-	-	18,633	-	-	-	-	-	-	-	3,858	1,425
Restricted	737,892	93,765	816,796	493,530	28,249	4,127	284,123	828,170	419,079	-	32,529	250,854
Committed	-	-	-	-	-	-	-	-	-	-	-	125,733
Assigned	-	-	132,735	-	63,431	-	788,783	-	-	-	-	459,230
Unassigned	-	-	-	-	-	-	-	-	-	-	(3,858)	-
Total fund balances	737,892	93,765	968,164	493,530	91,680	4,127	1,072,906	828,170	419,079	-	32,529	837,242
Total liabilities, deferred inflows of resources, and fund balances	\$ 840,009	\$ 97,268	\$ 1,135,973	\$ 786,658	\$ 93,626	\$ 71,993	\$ 1,557,996	\$ 852,050	\$ 419,079	\$ 314,668	\$ 66,238	\$ 990,725

(Continued on following page)

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

June 30, 2018

	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	\$ 711,824	\$ 178,166	\$ 107,875	\$ 24,511	\$ 474,279	\$ 2,230,746	\$ 3,339,447	\$ 961,648	\$ 1,589,035	\$ 133,436	\$ 6,315,882	\$ 21,137,726
Receivables:												
Accounts	-	-	238,415	85	78,718	-	145,260	1,752	-	-	37,600	2,256,970
Interest	2,402	724	285	869	1,143	7,511	11,361	3,429	4,624	995	10,602	62,329
Loans	-	-	-	-	-	-	-	-	-	-	-	357,966
Taxes	-	-	-	-	-	-	-	45,145	-	-	-	45,145
Inventories and prepaids	-	-	-	-	-	-	-	-	-	-	-	23,916
Total assets	\$ 714,226	\$ 178,890	\$ 346,575	\$ 25,465	\$ 554,140	\$ 2,238,257	\$ 3,496,068	\$ 1,011,974	\$ 1,593,659	\$ 134,431	\$ 6,364,084	\$ 23,884,052
LIABILITIES:												
Accounts payable	\$ 959	\$ 15,336	\$ 5,190	\$ 3,122	\$ 87,658	\$ 2,689	\$ 40,423	\$ 247,808	\$ -	\$ -	\$ 435,184	\$ 1,566,622
Payroll related liabilities	5,678	635	36,505	22,343	10,365	11,856	74,260	-	-	-	-	671,373
Deposits	-	-	-	-	-	115,578	-	-	-	-	-	115,578
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	51,249
Total liabilities	6,637	15,971	41,695	25,465	98,023	130,123	114,683	247,808	-	-	435,184	2,404,822
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	-	-	-	-	39,743	-	-	-	397,709
FUND BALANCES:												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	23,916
Restricted	707,589	-	76,984	-	-	2,002,727	-	724,423	-	-	-	7,500,837
Committed	-	-	-	-	82,266	-	-	-	-	134,431	-	342,430
Assigned	-	162,919	227,896	-	373,851	105,407	3,381,385	-	1,593,659	-	5,928,900	13,218,196
Unassigned	-	-	-	-	-	-	-	-	-	-	-	(3,858)
Total fund balances	707,589	162,919	304,880	-	456,117	2,108,134	3,381,385	724,423	1,593,659	134,431	5,928,900	21,081,521
Total liabilities, deferred inflows of resources, and fund balances	\$ 714,226	\$ 178,890	\$ 346,575	\$ 25,465	\$ 554,140	\$ 2,238,257	\$ 3,496,068	\$ 1,011,974	\$ 1,593,659	\$ 134,431	\$ 6,364,084	\$ 23,884,052

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	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	-	-	-	-	-	-	-	-	-	-	302,917	58,160
Intergovernmental	454,213	-	1,420,426	-	-	-	15,459,007	-	637,992	1,232,669	-	1,637,483
Charges for services	-	145,926	965,605	155,814	-	-	898,141	-	-	23,556	110,482	1,376,438
Fines and forfeitures	-	-	-	-	-	-	-	704,012	-	-	7,843	-
Interest	7,332	893	5,654	27,890	1,150	40	30,779	9,475	3,212	-	1,371	5,070
Other	-	-	4,260	291,018	32,169	400	-	-	-	-	23,276	92,329
Total revenues	<u>461,545</u>	<u>146,819</u>	<u>2,395,945</u>	<u>474,722</u>	<u>33,319</u>	<u>440</u>	<u>16,387,927</u>	<u>713,487</u>	<u>641,204</u>	<u>1,256,225</u>	<u>445,889</u>	<u>3,169,480</u>
EXPENDITURES:												
Current:												
General government	-	122,702	-	148,354	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	55,982	-	-	-	-	1,617,688	-	-
Public safety and judicial	-	-	3,471,545	-	-	-	12,086,509	345,295	-	-	1,269,466	3,274,620
Community service	273,016	-	-	-	-	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	421,456	-	-	-
Debt service:												
Principal	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	19,292
Total expenditures	<u>273,016</u>	<u>122,702</u>	<u>3,471,545</u>	<u>148,354</u>	<u>55,982</u>	<u>-</u>	<u>12,086,509</u>	<u>345,295</u>	<u>421,456</u>	<u>1,617,688</u>	<u>1,269,466</u>	<u>3,293,912</u>
OTHER FINANCING SOURCES (USES):												
Transfers in	-	-	1,135,042	-	2,000	-	165,667	-	-	361,463	836,710	103,670
Transfers out	(59,554)	-	(92,660)	(47,249)	-	-	(4,035,704)	(454,515)	-	-	-	(14,162)
Total other financing sources (uses)	<u>(59,554)</u>	<u>-</u>	<u>1,042,382</u>	<u>(47,249)</u>	<u>2,000</u>	<u>-</u>	<u>(3,870,037)</u>	<u>(454,515)</u>	<u>-</u>	<u>361,463</u>	<u>836,710</u>	<u>89,508</u>
Net change in fund balances	128,975	24,117	(33,218)	279,119	(20,663)	440	431,381	(86,323)	219,748	-	13,133	(34,924)
FUND BALANCE - beginning	<u>608,917</u>	<u>69,648</u>	<u>1,001,382</u>	<u>214,411</u>	<u>112,343</u>	<u>3,687</u>	<u>641,525</u>	<u>914,493</u>	<u>199,331</u>	<u>-</u>	<u>19,396</u>	<u>872,166</u>
FUND BALANCE - ending	<u>\$ 737,892</u>	<u>\$ 93,765</u>	<u>\$ 968,164</u>	<u>\$ 493,530</u>	<u>\$ 91,680</u>	<u>\$ 4,127</u>	<u>\$ 1,072,906</u>	<u>\$ 828,170</u>	<u>\$ 419,079</u>	<u>\$ -</u>	<u>\$ 32,529</u>	<u>\$ 837,242</u>

(Continued on following page)

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,141,578	\$ -	\$ -	\$ -	\$ 1,141,578
Licenses and permits	-	-	-	-	-	-	-	3,229,389	-	-	-	3,590,466
Intergovernmental	-	53,167	899,634	-	308,992	-	-	4,288	-	-	-	22,107,871
Charges for services	300,421	256,754	159,957	320,108	71,662	602,664	-	-	4,758,866	-	394,826	10,541,220
Fines and forfeitures	-	-	1,027	-	-	-	-	-	-	-	-	712,882
Interest	8,590	1,517	1,187	1,816	3,806	22,337	32,934	12,121	16,605	3,162	33,526	230,467
Other	9	37,915	28,216	-	480	-	-	-	-	-	-	510,072
Total revenues	<u>309,020</u>	<u>349,353</u>	<u>1,090,021</u>	<u>321,924</u>	<u>384,940</u>	<u>625,001</u>	<u>3,262,323</u>	<u>1,157,987</u>	<u>4,775,471</u>	<u>3,162</u>	<u>428,352</u>	<u>38,834,556</u>
EXPENDITURES:												
Current:												
General government	-	-	-	-	-	-	-	-	-	-	-	271,056
Health and social services	-	-	-	-	-	-	-	-	-	-	-	1,673,670
Public safety and judicial	254,056	-	1,224,821	-	-	-	-	-	-	-	-	21,926,312
Community service	-	435,695	-	951,571	426,014	-	2,618,238	1,114,838	-	-	-	5,819,372
Roads and bridges	-	-	-	-	-	446,663	-	-	-	-	-	446,663
Education	-	-	-	-	-	-	-	-	-	-	-	421,456
Debt service:												
Principal	-	-	-	-	-	-	-	-	4,446,522	-	-	4,446,522
Interest	-	-	-	-	-	-	-	-	3,173,770	-	-	3,173,770
Capital outlay	-	-	-	-	150,644	-	-	-	-	-	1,180,158	1,350,094
Total expenditures	<u>254,056</u>	<u>435,695</u>	<u>1,224,821</u>	<u>951,571</u>	<u>576,658</u>	<u>446,663</u>	<u>2,618,238</u>	<u>1,114,838</u>	<u>7,620,292</u>	<u>-</u>	<u>1,180,158</u>	<u>39,528,915</u>
OTHER FINANCING SOURCES (USES):												
Transfers in	-	135,702	101,109	629,647	214,397	101,659	-	-	3,218,782	-	3,393,949	10,399,797
Transfers out	-	(47,557)	-	-	-	-	-	-	-	(162,400)	(16,834)	(4,930,635)
Total other financing sources (uses)	<u>-</u>	<u>88,145</u>	<u>101,109</u>	<u>629,647</u>	<u>214,397</u>	<u>101,659</u>	<u>-</u>	<u>-</u>	<u>3,218,782</u>	<u>(162,400)</u>	<u>3,377,115</u>	<u>5,469,162</u>
Net change in fund balances	54,964	1,803	(33,691)	-	22,679	279,997	644,085	43,149	373,961	(159,238)	2,625,309	4,774,803
FUND BALANCE - beginning	<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>
FUND BALANCE - ending	<u>\$ 707,589</u>	<u>\$ 162,919</u>	<u>\$ 304,880</u>	<u>\$ -</u>	<u>\$ 456,117</u>	<u>\$ 2,108,134</u>	<u>\$ 3,381,385</u>	<u>\$ 724,423</u>	<u>\$ 1,593,659</u>	<u>\$ 134,431</u>	<u>\$ 5,928,900</u>	<u>\$ 21,081,521</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 119,277	\$ 75,767	\$ (43,510)
Charges for services	-	2,331	2,331
Fines and forfeitures	1,525,091	1,954,260	429,169
Interest	3,436	12,823	9,387
	<u>1,647,804</u>	<u>2,045,181</u>	<u>397,377</u>
Total revenues			
EXPENDITURES:			
Sheriff's Office	2,372,395	1,759,301	613,094
Contingency	24,071	-	24,071
	<u>2,396,466</u>	<u>1,759,301</u>	<u>637,165</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(255,610)	(255,610)	-
	<u>(255,610)</u>	<u>(255,610)</u>	<u>-</u>
Net change in fund balance	(1,004,272)	30,270	1,034,542
FUND BALANCE - beginning	1,004,272	1,004,272	-
	<u>1,004,272</u>	<u>1,004,272</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	\$ -	1,034,542	\$ 1,034,542
	<u>\$ -</u>	<u>1,034,542</u>	<u>\$ 1,034,542</u>
Combined with General Fund		(1,034,542)	
		<u>(1,034,542)</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 169,213	\$ 195,619	\$ 26,406
Interest	-	4,086	4,086
Total revenues	<u>169,213</u>	<u>199,705</u>	<u>30,492</u>
EXPENDITURES:			
Sheriff's Office	232,084	170,288	61,796
Contingency	<u>46,844</u>	<u>-</u>	<u>46,844</u>
Total expenditures	<u>278,928</u>	<u>170,288</u>	<u>108,640</u>
Net change in fund balance	(109,715)	29,417	139,132
FUND BALANCE - beginning	<u>388,824</u>	<u>388,824</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	<u>\$ 279,109</u>	418,241	<u>\$ 139,132</u>
Combined with General Fund		<u>(418,241)</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ 16,000	\$ 24,117	\$ 8,117
EXPENDITURES:			
Non-Departmental:			
Special payments	2,240,114	-	2,240,114
Reserves	16,000	-	16,000
Total expenditures	2,256,114	-	2,256,114
Net change in fund balance	(2,240,114)	24,117	2,264,231
FUND BALANCE - beginning	2,240,114	2,240,114	-
FUND BALANCE - ending, budgetary basis	\$ -	2,264,231	\$ 2,264,231
Combined with General Fund		(2,264,231)	
FUND BALANCE - ending, GAAP basis		\$ -	

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ -	\$ 2,446	\$ 2,446
Interest	99,553	170,165	70,612
Total revenues	<u>99,553</u>	<u>172,611</u>	<u>73,058</u>
EXPENDITURES:			
Non-Departmental:			
Capital outlay	17,568,498	12,160,492	5,408,006
Contingency	535,623	-	535,623
Reserves	7,660,528	-	7,660,528
Total expenditures	<u>25,764,649</u>	<u>12,160,492</u>	<u>13,604,157</u>
OTHER FINANCING SOURCES (USES):			
Debt issuance	5,000,000	5,000,000	-
Transfers in	1,066,000	1,066,000	-
Total other financing sources (uses)	<u>6,066,000</u>	<u>6,066,000</u>	<u>-</u>
Net change in fund balance	(19,599,096)	(5,921,881)	13,677,215
FUND BALANCE - beginning	<u>19,599,096</u>	<u>19,599,096</u>	<u>-</u>
FUND BALANCE - ending	<u><u>\$ -</u></u>	<u><u>\$ 13,677,215</u></u>	<u><u>\$ 13,677,215</u></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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 475,448	\$ 454,213	\$ (21,235)
Interest	5,190	7,332	2,142
Total revenues	<u>480,638</u>	<u>461,545</u>	<u>(19,093)</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	362,788	273,016	89,772
Contingency	76,265	-	76,265
Total expenditures	<u>439,053</u>	<u>273,016</u>	<u>166,037</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(147,561)</u>	<u>(59,554)</u>	<u>88,007</u>
Net change in fund balance	(105,976)	128,975	234,951
FUND BALANCE - beginning	<u>608,917</u>	<u>608,917</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 502,941</u>	<u>\$ 737,892</u>	<u>\$ 234,951</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 150,000	\$ 145,926	\$ (4,074)
Interest	200	893	693
Total revenues	<u>150,200</u>	<u>146,819</u>	<u>(3,381)</u>
EXPENDITURES:			
Clerk's Office	185,170	122,702	62,468
Contingency	<u>34,678</u>	<u>-</u>	<u>34,678</u>
Total expenditures	<u>219,848</u>	<u>122,702</u>	<u>97,146</u>
Net change in fund balance	(69,648)	24,117	93,765
FUND BALANCE - beginning	<u>69,648</u>	<u>69,648</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 93,765</u>	<u>\$ 93,765</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,546,536	\$ 1,420,426	\$ (126,110)
Charges for services	975,104	965,605	(9,499)
Interest	-	5,654	5,654
Other	4,400	4,260	(140)
	<u>2,526,040</u>	<u>2,395,945</u>	<u>(130,095)</u>
EXPENDITURES:			
Juvenile Department	3,903,708	3,471,545	432,163
Contingency	685,274	-	685,274
	<u>4,588,982</u>	<u>3,471,545</u>	<u>1,117,437</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	1,154,220	1,135,042	(19,178)
Transfers out	(92,660)	(92,660)	-
	<u>1,061,560</u>	<u>1,042,382</u>	<u>(19,178)</u>
Net change in fund balance	(1,001,382)	(33,218)	968,164
FUND BALANCE - beginning	<u>1,001,382</u>	<u>1,001,382</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 968,164</u>	<u>\$ 968,164</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 250,000	\$ 155,814	\$ (94,186)
Interest	28,739	27,890	(849)
Other	59,931	291,018	231,087
	<u>338,670</u>	<u>474,722</u>	<u>136,052</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	208,802	38,354	170,448
Special payments	181,980	110,000	71,980
Contingency	17,000	-	17,000
	<u>407,782</u>	<u>148,354</u>	<u>259,428</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(47,249)	(47,249)	-
Net change in fund balance	(116,361)	279,119	395,480
FUND BALANCE - beginning	214,412	214,411	(1)
FUND BALANCE - ending	<u>\$ 98,051</u>	<u>\$ 493,530</u>	<u>\$ 395,479</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Interest	\$ 700	\$ 1,150	\$ 450
Other	28,000	32,169	4,169
Total revenues	<u>28,700</u>	<u>33,319</u>	<u>4,619</u>
EXPENDITURES:			
Community Services Department	134,343	55,982	78,361
Contingency	8,700	-	8,700
Total expenditures	<u>143,043</u>	<u>55,982</u>	<u>87,061</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Net change in fund balance	(112,343)	(20,663)	91,680
FUND BALANCE - beginning	<u>112,343</u>	<u>112,343</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 91,680</u>	<u>\$ 91,680</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 8	\$ 40	\$ 32
Other	-	400	400
	<u>8</u>	<u>440</u>	<u>432</u>
Total revenues			
EXPENDITURES:			
Non-Departmental:			
Contingency	3,695	-	3,695
	<u>3,687</u>	<u>440</u>	<u>4,127</u>
Net change in fund balance			
	(3,687)	440	4,127
FUND BALANCE - beginning	<u>3,687</u>	<u>3,687</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 4,127</u>	<u>\$ 4,127</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 15,271,173	\$ 15,459,007	\$ 187,834
Charges for services	849,300	898,141	48,841
Interest	30,000	30,779	779
	<u>16,150,473</u>	<u>16,387,927</u>	<u>237,454</u>
Total revenues			
EXPENDITURES:			
Sheriff's Office	12,683,698	12,086,509	597,189
Contingency	56,588	-	56,588
	<u>12,740,286</u>	<u>12,086,509</u>	<u>653,777</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	165,667	165,667	-
Transfers out	(4,035,704)	(4,035,704)	-
	<u>(3,870,037)</u>	<u>(3,870,037)</u>	<u>-</u>
Total other financing sources (uses)			
Net change in fund balance	(459,850)	431,381	891,231
FUND BALANCE - beginning	<u>641,525</u>	<u>641,525</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 181,675</u>	<u>\$ 1,072,906</u>	<u>\$ 891,231</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines and forfeitures	\$ 716,443	\$ 704,012	\$ (12,431)
Interest	6,400	9,475	3,075
Total revenues	<u>722,843</u>	<u>713,487</u>	<u>(9,356)</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	353,935	345,295	8,640
Capital outlay	100,000	-	100,000
Contingency	90,000	-	90,000
Total expenditures	<u>543,935</u>	<u>345,295</u>	<u>198,640</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(454,515)</u>	<u>(454,515)</u>	<u>-</u>
Net change in fund balance	(275,607)	(86,323)	189,284
FUND BALANCE - beginning	<u>914,492</u>	<u>914,493</u>	<u>1</u>
FUND BALANCE - ending	<u>\$ 638,885</u>	<u>\$ 828,170</u>	<u>\$ 189,285</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 677,872	\$ 637,992	\$ (39,880)
Interest	1,200	3,212	2,012
Total revenues	<u>679,072</u>	<u>641,204</u>	<u>(37,868)</u>
EXPENDITURES:			
Non-Departmental:			
Special payments	<u>878,403</u>	<u>421,456</u>	<u>456,947</u>
Net change in fund balance	(199,331)	219,748	419,079
FUND BALANCE - beginning	<u>199,331</u>	<u>199,331</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 419,079</u>	<u>\$ 419,079</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,351,639	\$ 1,232,669	\$ (118,970)
Charges for services	20,000	23,556	3,556
Total revenues	<u>1,371,639</u>	<u>1,256,225</u>	<u>(115,414)</u>
EXPENDITURES:			
District Attorney's Office	<u>1,763,245</u>	<u>1,617,688</u>	<u>145,557</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>391,606</u>	<u>361,463</u>	<u>(30,143)</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 372,649	\$ 302,917	\$ (69,732)
Charges for services	106,300	110,482	4,182
Fines and forfeitures	4,000	7,843	3,843
Interest	400	1,371	971
Other	22,300	23,276	976
	<u>505,649</u>	<u>445,889</u>	<u>(59,760)</u>
Total revenues			
EXPENDITURES:			
Community Services Department	1,441,365	1,269,466	171,899
OTHER FINANCING SOURCES (USES):			
Transfers in	920,716	836,710	(84,006)
Net change in fund balance	(15,000)	13,133	28,133
FUND BALANCE - beginning	15,000	19,396	4,396
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 32,529</u>	<u>\$ 32,529</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 57,121	\$ 58,160	\$ 1,039
Intergovernmental	1,676,081	1,637,483	(38,598)
Charges for services	1,486,137	1,376,438	(109,699)
Interest	-	5,070	5,070
Other	81,292	92,329	11,037
	<u>3,300,631</u>	<u>3,169,480</u>	<u>(131,151)</u>
EXPENDITURES:			
Sheriff's Office	3,699,052	3,293,912	405,140
Contingency	434,296	-	434,296
	<u>4,133,348</u>	<u>3,293,912</u>	<u>839,436</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	214,392	103,670	(110,722)
Transfers out	(14,162)	(14,162)	-
	<u>200,230</u>	<u>89,508</u>	<u>(110,722)</u>
Net change in fund balance	(632,487)	(34,924)	597,563
FUND BALANCE - beginning	<u>872,166</u>	<u>872,166</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 239,679</u>	<u>\$ 837,242</u>	<u>\$ 597,563</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 272,160	\$ 300,421	\$ 28,261
Interest	1,300	8,590	7,290
Other	200	9	(191)
	<u>273,660</u>	<u>309,020</u>	<u>35,360</u>
Total revenues			
EXPENDITURES:			
Legal Department	279,885	254,056	25,829
Contingency	27,989	-	27,989
	<u>307,874</u>	<u>254,056</u>	<u>53,818</u>
Total expenditures			
Net change in fund balance	(34,214)	54,964	89,178
FUND BALANCE - beginning	<u>667,918</u>	<u>652,625</u>	<u>(15,293)</u>
FUND BALANCE - ending	<u>\$ 633,704</u>	<u>\$ 707,589</u>	<u>\$ 73,885</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 50,500	\$ 53,167	\$ 2,667
Charges for services	203,560	256,754	53,194
Interest	200	1,517	1,317
Other	39,400	37,915	(1,485)
	<u>293,660</u>	<u>349,353</u>	<u>55,693</u>
EXPENDITURES:			
Community Services Department	479,964	435,695	44,269
Contingency	44,812	-	44,812
	<u>524,776</u>	<u>435,695</u>	<u>89,081</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	117,557	135,702	18,145
Transfers out	(47,557)	(47,557)	-
	<u>70,000</u>	<u>88,145</u>	<u>18,145</u>
Net change in fund balance	(161,116)	1,803	162,919
FUND BALANCE - beginning	<u>161,116</u>	<u>161,116</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 162,919</u>	<u>\$ 162,919</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 973,436	\$ 899,634	\$ (73,802)
Charges for services	179,969	159,957	(20,012)
Fines and forfeitures	3,000	1,027	(1,973)
Interest	540	1,187	647
Other	10,000	28,216	18,216
	<u>1,166,945</u>	<u>1,090,021</u>	<u>(76,924)</u>
EXPENDITURES:			
District Attorney's Office	1,385,127	1,224,821	160,306
Contingency	244,473	-	244,473
	<u>1,629,600</u>	<u>1,224,821</u>	<u>404,779</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	124,084	101,109	(22,975)
	<u>(338,571)</u>	<u>(33,691)</u>	<u>304,880</u>
Net change in fund balance			
FUND BALANCE - beginning	<u>338,571</u>	<u>338,571</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 304,880</u>	<u>\$ 304,880</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 206,500	\$ 320,108	\$ 113,608
Interest	700	1,816	1,116
Total revenues	<u>207,200</u>	<u>321,924</u>	<u>114,724</u>
EXPENDITURES:			
Public Works Department	<u>1,066,518</u>	<u>951,571</u>	<u>114,947</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>859,318</u>	<u>629,647</u>	<u>(229,671)</u>
Net change in fund balance	-	-	-
FUND BALANCE - beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 270,000	\$ 308,992	\$ 38,992
Charges for services	27,000	71,662	44,662
Interest	1,300	3,806	2,506
Other	-	480	480
	<u>298,300</u>	<u>384,940</u>	<u>86,640</u>
Total revenues			
EXPENDITURES:			
Public Works Department	627,505	576,658	50,847
Contingency	35,050	-	35,050
	<u>662,555</u>	<u>576,658</u>	<u>85,897</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>238,480</u>	<u>214,397</u>	<u>(24,083)</u>
Net change in fund balance	(125,775)	22,679	148,454
FUND BALANCE - beginning	<u>433,438</u>	<u>433,438</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 307,663</u>	<u>\$ 456,117</u>	<u>\$ 148,454</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 555,300	\$ 602,664	\$ 47,364
Interest	9,000	22,337	13,337
Total revenues	<u>564,300</u>	<u>625,001</u>	<u>60,701</u>
EXPENDITURES:			
Public Works Department	553,626	446,663	106,963
Contingency	49,000	-	49,000
Total expenditures	<u>602,626</u>	<u>446,663</u>	<u>155,963</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>101,659</u>	<u>101,659</u>	<u>-</u>
Net change in fund balance	63,333	279,997	216,664
FUND BALANCE - beginning	<u>1,828,137</u>	<u>1,828,137</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,891,470</u>	<u>\$ 2,108,134</u>	<u>\$ 216,664</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 2,575,000	\$ 3,229,389	\$ 654,389
Interest	10,000	32,934	22,934
Total revenues	<u>2,585,000</u>	<u>3,262,323</u>	<u>677,323</u>
EXPENDITURES:			
Public Works Department	2,925,613	2,618,238	307,375
Contingency	<u>259,000</u>	<u>-</u>	<u>259,000</u>
Total expenditures	<u>3,184,613</u>	<u>2,618,238</u>	<u>566,375</u>
Net change in fund balance	(599,613)	644,085	1,243,698
FUND BALANCE - beginning	<u>2,737,300</u>	<u>2,737,300</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 2,137,687</u>	<u>\$ 3,381,385</u>	<u>\$ 1,243,698</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 1,141,373	\$ 1,141,578	\$ 205
Intergovernmental	3,000	4,288	1,288
Interest	6,000	12,121	6,121
	<u>1,150,373</u>	<u>1,157,987</u>	<u>7,614</u>
Total revenues			
EXPENDITURES:			
Marion County Extension & 4H Service District	1,171,443	1,114,838	56,605
Contingency	269,697	-	269,697
	<u>1,441,140</u>	<u>1,114,838</u>	<u>326,302</u>
Total expenditures			
Net change in fund balance	(290,767)	43,149	333,916
FUND BALANCE - beginning	<u>681,767</u>	<u>681,274</u>	<u>(493)</u>
FUND BALANCE - ending	<u>\$ 391,000</u>	<u>\$ 724,423</u>	<u>\$ 333,423</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 3,956,620	\$ 4,758,866	\$ 802,246
Interest	7,000	16,605	9,605
Total revenues	<u>3,963,620</u>	<u>4,775,471</u>	<u>811,851</u>
EXPENDITURES:			
Non-Departmental:			
Debt service - principal	4,678,326	4,446,522	231,804
Debt service - interest	<u>3,229,645</u>	<u>3,173,770</u>	<u>55,875</u>
Total expenditures	<u>7,907,971</u>	<u>7,620,292</u>	<u>287,679</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>3,506,469</u>	<u>3,218,782</u>	<u>(287,687)</u>
Net change in fund balance	(437,882)	373,961	811,843
FUND BALANCE - beginning	<u>1,219,699</u>	<u>1,219,698</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ 781,817</u>	<u>\$ 1,593,659</u>	<u>\$ 811,842</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, 2018

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 3,260	\$ 3,162	\$ (98)
EXPENDITURES:			
Non-Departmental:			
Reserves	<u>134,265</u>	<u>-</u>	<u>134,265</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(162,400)</u>	<u>(162,400)</u>	<u>-</u>
Net change in fund balance	(293,405)	(159,238)	134,167
FUND BALANCE - beginning	<u>293,405</u>	<u>293,669</u>	<u>264</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 134,431</u>	<u>\$ 134,431</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 393,326	\$ 394,826	\$ 1,500
Interest	-	33,526	33,526
Total revenues	<u>393,326</u>	<u>428,352</u>	<u>35,026</u>
EXPENDITURES:			
Non-Departmental:			
Capital outlay	5,232,068	1,180,158	4,051,910
Contingency	655,351	-	655,351
Reserves	1,191,137	-	1,191,137
Total expenditures	<u>7,078,556</u>	<u>1,180,158</u>	<u>5,898,398</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	3,455,768	3,393,949	(61,819)
Transfers out	(74,130)	(16,834)	57,296
Total other financing sources (uses)	<u>3,381,638</u>	<u>3,377,115</u>	<u>(4,523)</u>
Net change in fund balance	(3,303,592)	2,625,309	5,928,901
FUND BALANCE - beginning	<u>3,303,592</u>	<u>3,303,591</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 5,928,900</u>	<u>\$ 5,928,900</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, 2018

	Stormwater Management	Sewer and Lighting Service Districts				Illahe Hills	Totals
		Brooks Community	East Salem	Labish Village	Fargo Interchange		
ASSETS							
Current assets:							
Cash and investments	\$ 993,679	\$ 128,751	\$ 1,112,857	\$ 61,781	\$ 109,690	\$ 16,299	\$ 2,423,057
Receivables:							
Accounts	228	42,292	191,743	10,758	43,802	-	288,823
Property taxes	-	922	41,138	-	1,730	-	43,790
Interest	3,269	482	3,850	207	376	55	8,239
Total current assets	997,176	172,447	1,349,588	72,746	155,598	16,354	2,763,909
Capital assets:							
Land	-	140,335	87,014	-	-	-	227,349
Buildings and improvements	131,613	3,230,468	5,081,921	322,448	1,963,025	-	10,729,475
Equipment	-	11,514	-	-	-	-	11,514
Less accumulated depreciation	(7,080)	(3,233,921)	(4,488,815)	(322,448)	(1,192,611)	-	(9,244,875)
Total assets	1,121,709	320,843	2,029,708	72,746	926,012	16,354	4,487,372
DEFERRED OUTFLOWS OF RESOURCES							
Pension-related deferred outflows	51,512	-	-	-	-	-	51,512
LIABILITIES							
Current liabilities:							
Accounts payable	16,082	3,213	161,303	4,432	10,675	626	196,331
Payroll related liabilities	13,406	-	-	-	-	-	13,406
Accrued interest	-	-	-	-	9,292	-	9,292
Advances, current	-	-	-	-	17,143	-	17,143
Notes payable, current	-	-	-	-	17,844	-	17,844
Compensated absences, current	7,569	-	-	-	-	-	7,569
Total current liabilities	37,057	3,213	161,303	4,432	54,954	626	261,585
Noncurrent liabilities, net of current portion:							
Advances	-	-	-	-	51,428	-	51,428
Notes payable	-	-	-	-	367,620	-	367,620
Compensated absences	6,750	-	-	-	-	-	6,750
Net pension liability	150,790	-	-	-	-	-	150,790
Total OPEB liability	67,944	-	-	-	-	-	67,944
Total liabilities	262,541	3,213	161,303	4,432	474,002	626	906,117
DEFERRED INFLOWS OF RESOURCES							
Pension-related deferred inflows	4,215	-	-	-	-	-	4,215
NET POSITION							
Net investment in capital assets	124,533	148,396	680,120	-	316,379	-	1,269,428
Unrestricted	781,932	169,234	1,188,285	68,314	135,631	15,728	2,359,124
Total net position	\$ 906,465	\$ 317,630	\$ 1,868,405	\$ 68,314	\$ 452,010	\$ 15,728	\$ 3,628,552

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Ilaha Hills	
Operating revenues:							
Charges for services	\$ 941,764	\$ 204,106	\$ 940,047	\$ 7,587	\$ 255,866	\$ 8,420	\$ 2,357,790
Other	-	-	-	-	-	-	-
Total operating revenues	<u>941,764</u>	<u>204,106</u>	<u>940,047</u>	<u>7,587</u>	<u>255,866</u>	<u>8,420</u>	<u>2,357,790</u>
Operating expenses:							
Salaries and wages	509,183	-	-	-	-	-	509,183
Repairs and maintenance	12,025	43,244	-	-	134,317	-	189,586
Utilities	6,145	4,993	210,952	-	1,675	7,631	231,396
Building and equipment rentals	11,495	-	-	-	-	-	11,495
Professional services	166,650	200,313	728,835	4,493	42,669	42	1,143,002
Communication	1,069	5,399	-	-	-	-	6,468
Fuel and operating supplies	23,173	14,519	106	11	131	-	37,940
Insurance claims and premiums	1,743	1,683	11,954	911	1,030	100	17,421
Administrative expenses	38,756	-	-	-	-	-	38,756
Depreciation	5,264	1,324	95,270	-	79,383	-	181,241
Other	5,191	3,335	1,029	173	422	38	10,188
Total operating expenses	<u>780,694</u>	<u>274,810</u>	<u>1,048,146</u>	<u>5,588</u>	<u>259,627</u>	<u>7,811</u>	<u>2,376,676</u>
Operating income (loss)	<u>161,070</u>	<u>(70,704)</u>	<u>(108,099)</u>	<u>1,999</u>	<u>(3,761)</u>	<u>609</u>	<u>(18,886)</u>
Nonoperating revenues (expenses):							
Interest revenue	8,685	2,004	13,199	650	1,166	177	25,881
Interest expense	-	-	-	-	(18,944)	-	(18,944)
Debt principal reduction	-	-	-	-	37,860	-	37,860
Total nonoperating revenues (expenses)	<u>8,685</u>	<u>2,004</u>	<u>13,199</u>	<u>650</u>	<u>20,082</u>	<u>177</u>	<u>44,797</u>
Change in net position	169,755	(68,700)	(94,900)	2,649	16,321	786	25,911
Total net position - beginning, as restated	<u>736,710</u>	<u>386,330</u>	<u>1,963,305</u>	<u>65,665</u>	<u>435,689</u>	<u>14,942</u>	<u>3,602,641</u>
Total net position - ending	<u>\$ 906,465</u>	<u>\$ 317,630</u>	<u>\$ 1,868,405</u>	<u>\$ 68,314</u>	<u>\$ 452,010</u>	<u>\$ 15,728</u>	<u>\$ 3,628,552</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2018

	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	\$ 942,196	\$ 187,052	\$ 930,070	\$ 6,773	\$ 246,472	\$ 8,420	\$ 2,320,983
Cash payments to suppliers for goods and services	(263,483)	(275,650)	(956,867)	(5,065)	(184,560)	(7,185)	(1,692,810)
Cash payments to employees for services	(412,501)	-	-	-	-	-	(412,501)
Net cash from operating activities	<u>266,212</u>	<u>(88,598)</u>	<u>(26,797)</u>	<u>1,708</u>	<u>61,912</u>	<u>1,235</u>	<u>215,672</u>
Cash flows from capital and related financing activities:							
Purchase of capital assets	(81,804)	-	-	-	(9,468)	-	(91,272)
Debt principal payments	-	-	-	-	(35,207)	-	(35,207)
Debt interest payments	-	-	-	-	(22,539)	-	(22,539)
Net cash from capital and related financing activities	<u>(81,804)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(67,214)</u>	<u>-</u>	<u>(149,018)</u>
Cash flows from investing activities:							
Interest on investments	<u>7,647</u>	<u>2,209</u>	<u>12,818</u>	<u>618</u>	<u>1,133</u>	<u>166</u>	<u>24,591</u>
Net change in cash and investments	192,055	(86,389)	(13,979)	2,326	(4,169)	1,401	91,245
Cash and investments - beginning	<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>
Cash and investments - ending	<u>\$ 993,679</u>	<u>\$ 128,751</u>	<u>\$ 1,112,857</u>	<u>\$ 61,781</u>	<u>\$ 109,690</u>	<u>\$ 16,299</u>	<u>\$ 2,423,057</u>
Reconciliation of operating income (loss) to net cash from operating activities:							
Operating income (loss)	\$ 161,070	\$ (70,704)	\$ (108,099)	\$ 1,999	\$ (3,761)	\$ 609	\$ (18,886)
Depreciation	5,264	1,324	95,270	-	79,383	-	181,241
Change in:							
Accounts receivable	432	(17,054)	(9,977)	(814)	(9,394)	-	(36,807)
Accounts payable	2,764	(2,164)	(3,991)	523	(4,316)	626	(6,558)
Payroll liabilities	1,241	-	-	-	-	-	1,241
Compensated absences	3,974	-	-	-	-	-	3,974
Net pension liability and deferred pension outflows and inflows	57,799	-	-	-	-	-	57,799
Total OPEB liability	<u>33,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,668</u>
Net cash from operating activities	<u>\$ 266,212</u>	<u>\$ (88,598)</u>	<u>\$ (26,797)</u>	<u>\$ 1,708</u>	<u>\$ 61,912</u>	<u>\$ 1,235</u>	<u>\$ 215,672</u>
Schedule of non-cash capital and related financing activities:							
Debt principal reduction due to refinancing of loan payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,860</u>	<u>\$ -</u>	<u>\$ 37,860</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 350,000	\$ 389,749	\$ 39,749
Intergovernmental	-	62,747	62,747
Charges for services	23,980,754	25,638,173	1,657,419
Interest	70,000	139,913	69,913
Other	325	244	(81)
	<u>24,401,079</u>	<u>26,230,826</u>	<u>1,829,747</u>
Total revenues			
EXPENDITURES:			
Public Works Department	23,769,129	22,355,096	1,414,033
Debt service - principal	85,000	85,000	-
Debt service - interest	6,630	6,630	-
Contingency	1,958,519	-	1,958,519
	<u>25,819,278</u>	<u>22,446,726</u>	<u>3,372,552</u>
Total expenditures			
Net change in fund balance	(1,418,199)	3,784,100	5,202,299
FUND BALANCE - beginning	<u>10,809,805</u>	<u>10,809,805</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 9,391,606</u>	<u>\$ 14,593,905</u>	<u>\$ 5,202,299</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 969,422	\$ 941,764	\$ (27,658)
Interest	2,500	8,685	6,185
Total revenues	<u>971,922</u>	<u>950,449</u>	<u>(21,473)</u>
EXPENDITURES:			
Public Works Department	930,881	761,793	169,088
Contingency	67,500	-	67,500
Total expenditures	<u>998,381</u>	<u>761,793</u>	<u>236,588</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(41,000)</u>	-	<u>41,000</u>
Net change in fund balance	(67,459)	188,656	256,115
FUND BALANCE - beginning	<u>779,032</u>	<u>779,032</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 711,573</u>	<u>\$ 967,688</u>	<u>\$ 256,115</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 246,800	\$ 204,106	\$ (42,694)
Interest	1,900	2,004	104
Total revenues	<u>248,700</u>	<u>206,110</u>	<u>(42,590)</u>
EXPENDITURES:			
Materials and services	299,665	273,486	26,179
Capital outlay	25,000	-	25,000
Contingency	18,610	-	18,610
Total expenditures	<u>343,275</u>	<u>273,486</u>	<u>69,789</u>
Net change in fund balance	(94,575)	(67,376)	27,199
FUND BALANCE - beginning	<u>236,610</u>	<u>236,610</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 142,035</u>	<u>\$ 169,234</u>	<u>\$ 27,199</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 910,552	\$ 940,047	\$ 29,495
Interest	8,900	13,199	4,299
Total revenues	<u>919,452</u>	<u>953,246</u>	<u>33,794</u>
EXPENDITURES:			
Materials and services	981,066	952,876	28,190
Contingency	81,000	-	81,000
Total expenditures	<u>1,062,066</u>	<u>952,876</u>	<u>109,190</u>
Net change in fund balance	(142,614)	370	142,984
FUND BALANCE - beginning	<u>1,095,515</u>	<u>1,187,915</u>	<u>92,400</u>
FUND BALANCE - ending	<u>\$ 952,901</u>	<u>\$ 1,188,285</u>	<u>\$ 235,384</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 6,700	\$ 7,587	\$ 887
Interest	400	650	250
Total revenues	<u>7,100</u>	<u>8,237</u>	<u>1,137</u>
EXPENDITURES:			
Materials and services	6,105	5,588	517
Contingency	<u>57,995</u>	<u>-</u>	<u>57,995</u>
Total expenditures	<u>64,100</u>	<u>5,588</u>	<u>58,512</u>
Net change in fund balance	(57,000)	2,649	59,649
FUND BALANCE - beginning	<u>57,000</u>	<u>65,665</u>	<u>8,665</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 68,314</u>	<u>\$ 68,314</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 252,000	\$ 255,866	\$ 3,866
Interest	700	1,166	466
Total revenues	<u>252,700</u>	<u>257,032</u>	<u>4,332</u>
EXPENDITURES:			
Materials and services	188,780	180,244	8,536
Capital outlay	16,000	9,468	6,532
Debt service - principal	35,207	35,207	-
Debt service - interest	22,540	22,539	1
Contingency	64,640	-	64,640
Total expenditures	<u>327,167</u>	<u>247,458</u>	<u>79,709</u>
Net change in fund balance	(74,467)	9,574	84,041
FUND BALANCE - beginning	<u>135,349</u>	<u>135,349</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 60,882</u>	<u>\$ 144,923</u>	<u>\$ 84,041</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, 2018

	Central Services	Self- Insurance	Fleet Management	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 709,730	\$ 9,495,779	\$ 1,678,682	\$ 11,884,191
Receivables:				
Accounts	16,293	510	581	17,384
Interest	-	25,367	-	25,367
Inventories and prepaid expenses	205,902	1,997,199	-	2,203,101
Total current assets	931,925	11,518,855	1,679,263	14,130,043
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	4,733,221	-	-	4,733,221
LIABILITIES				
Current liabilities:				
Accounts payable	341,504	82,169	38,822	462,495
Payroll related liabilities	590,421	-	-	590,421
Accrued claims liability, current	-	1,102,829	-	1,102,829
Compensated absences, current	614,811	-	-	614,811
Total current liabilities	1,546,736	1,184,998	38,822	2,770,556
Noncurrent liabilities, net of current portion:				
Accrued claims liability	-	5,064,973	-	5,064,973
Compensated absences	74,496	-	-	74,496
Net pension liability	13,855,008	-	-	13,855,008
Total OPEB liability	2,058,545	-	-	2,058,545
Total noncurrent liabilities	15,988,049	5,064,973	-	21,053,022
Total liabilities	17,534,785	6,249,971	38,822	23,823,578
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	387,314	-	-	387,314
NET POSITION				
Unrestricted	\$ (12,256,953)	\$ 5,268,884	\$ 1,640,441	\$ (5,347,628)

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Central Services	Self- Insurance	Fleet Management	Totals
Operating revenues:				
Charges for services	\$ 21,867,617	\$ 26,624,327	\$ 1,862,776	\$ 50,354,720
Other	7,213	24,855	-	32,068
Total operating revenues	<u>21,874,830</u>	<u>26,649,182</u>	<u>1,862,776</u>	<u>50,386,788</u>
Operating expenses:				
Salaries and benefits	19,078,502	-	-	19,078,502
Repairs and maintenance	1,436,348	-	381,802	1,818,150
Utilities	105,779	-	-	105,779
Building and equipment rentals	220,070	-	3,300	223,370
Professional services	581,696	141,501	47,272	770,469
Communication	193,025	-	39,787	232,812
Fuel and operating supplies	404,497	11,060	12,899	428,456
Insurance claims and premiums	-	26,144,020	1,030	26,145,050
Administrative expenses	1,705,979	157,471	43,177	1,906,627
Other	293,403	12,679	5,673	311,755
Total operating expenses	<u>24,019,299</u>	<u>26,466,731</u>	<u>534,940</u>	<u>51,020,970</u>
Operating income (loss)	<u>(2,144,469)</u>	<u>182,451</u>	<u>1,327,836</u>	<u>(634,182)</u>
Nonoperating revenues (expenses):				
Interest revenue	-	94,903	-	94,903
Income (loss) before transfers	<u>(2,144,469)</u>	<u>277,354</u>	<u>1,327,836</u>	<u>(539,279)</u>
Transfers in	540,494	-	-	540,494
Transfers out	-	(25,000)	-	(25,000)
Transfer to general capital assets	-	-	(1,373,988)	(1,373,988)
Change in net position	<u>(1,603,975)</u>	<u>252,354</u>	<u>(46,152)</u>	<u>(1,397,773)</u>
Total net position - beginning, as restated	<u>(10,652,978)</u>	<u>5,016,530</u>	<u>1,686,593</u>	<u>(3,949,855)</u>
Total net position - ending	<u>\$ (12,256,953)</u>	<u>\$ 5,268,884</u>	<u>\$ 1,640,441</u>	<u>\$ (5,347,628)</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2018

	Central Services	Self- Insurance	Fleet Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 21,898,844	\$ 26,648,672	\$ 1,865,052	\$ 50,412,568
Cash payments to suppliers for goods and services	(4,950,644)	(26,156,219)	(616,943)	(31,723,806)
Cash payments to employees for services	(17,421,866)	-	-	(17,421,866)
Net cash from operating activities	(473,666)	492,453	1,248,109	1,266,896
Cash flows from noncapital financing activities:				
Transfers received	540,494	-	-	540,494
Transfers paid	-	(25,000)	-	(25,000)
Net cash from noncapital financing activities	540,494	(25,000)	-	515,494
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	-	(1,373,988)	(1,373,988)
Cash flows from investing activities:				
Interest on investments	-	90,644	-	90,644
Net change in cash and investments	66,828	558,097	(125,879)	499,046
Cash and investments - beginning	642,902	8,937,682	1,804,561	11,385,145
Cash and investments - ending	\$ 709,730	\$ 9,495,779	\$ 1,678,682	\$ 11,884,191
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (2,144,469)	\$ 182,451	\$ 1,327,836	\$ (634,182)
Change in:				
Receivables	24,014	(510)	2,276	25,780
Inventories and prepaids	(102,095)	(73,586)	-	(175,681)
Accounts payable	92,248	(95,710)	(82,003)	(85,465)
Payroll related liabilities	52,661	-	-	52,661
Accrued claims liability	-	479,808	-	479,808
Compensated absences	(16,874)	-	-	(16,874)
Net pension asset/liability and deferred pension outflows/inflows	1,495,517	-	-	1,495,517
Total OPEB liability	125,332	-	-	125,332
Net cash from operating activities	\$ (473,666)	\$ 492,453	\$ 1,248,109	\$ 1,266,896
Schedule of non-cash capital and related financing activities:				
Transfer to general capital assets	\$ -	\$ -	\$ 1,373,988	\$ 1,373,988

MARION COUNTY, OREGON

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

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 23,829,935	\$ 21,867,617	\$ (1,962,318)
Other	-	7,213	7,213
	<u>23,829,935</u>	<u>21,874,830</u>	<u>(1,955,105)</u>
Total revenues			
EXPENDITURES:			
Board of Commissioners	2,675,600	2,449,090	226,510
Business Services	7,281,813	6,882,747	399,066
Finance	2,702,903	2,471,087	231,816
Information Technology	10,120,501	9,002,262	1,118,239
Legal Counsel	1,652,252	1,564,529	87,723
Non-Departmental:			
Materials and services	303,712	45,609	258,103
	<u>24,736,781</u>	<u>22,415,324</u>	<u>2,321,457</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	906,846	540,494	(366,352)
	<u>-</u>	<u>-</u>	<u>-</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
SELF-INSURANCE FUND

For the year ended June 30, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 27,232,214	\$ 26,624,327	\$ (607,887)
Interest	46,450	94,903	48,453
Other	5,000	24,855	19,855
	<u>27,283,664</u>	<u>26,744,085</u>	<u>(539,579)</u>
Total revenues			
EXPENDITURES:			
Non-Departmental:			
Materials and services	27,212,214	25,986,923	1,225,291
Contingency	3,699,223	-	3,699,223
	<u>30,911,437</u>	<u>25,986,923</u>	<u>4,924,514</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change in fund balance	(3,652,773)	732,162	4,384,935
FUND BALANCE - beginning	<u>10,704,525</u>	<u>10,704,524</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ 7,051,752</u>	<u>\$ 11,436,686</u>	<u>\$ 4,384,934</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, 2018

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,858,229	\$ 1,862,776	\$ 4,547
Other	25,000	-	(25,000)
Total revenues	<u>1,883,229</u>	<u>1,862,776</u>	<u>(20,453)</u>
EXPENDITURES:			
Public Works Department	2,227,482	1,908,928	318,554
Contingency	18,780	-	18,780
Total expenditures	<u>2,246,262</u>	<u>1,908,928</u>	<u>337,334</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	121,000	-	(121,000)
Net change in fund balance	(242,033)	(46,152)	195,881
FUND BALANCE - beginning	<u>1,686,593</u>	<u>1,686,593</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,444,560</u>	<u>\$ 1,640,441</u>	<u>\$ 195,881</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, 2018

	Treasurer's Trust	Due Subdivisions	Totals
ASSETS:			
Cash and investments	\$ 2,407,872	\$ 6,616,517	\$ 9,024,389
Receivables:			
Accounts and interest	467,900	314,713	782,613
Property taxes	-	19,601,011	19,601,011
	<u>\$ 2,875,772</u>	<u>\$ 26,532,241</u>	<u>\$ 29,408,013</u>
LIABILITIES:			
Accounts payable	\$ 2,342,269	\$ 109,787	\$ 2,452,056
Due to other agencies	533,503	26,422,454	26,955,957
	<u>\$ 2,875,772</u>	<u>\$ 26,532,241</u>	<u>\$ 29,408,013</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2018

	Balance, July 1, 2017	Additions	Deductions	Balance, June 30, 2018
Treasurer's Trust				
Assets:				
Cash and investments	\$ 1,931,168	\$ 3,574,704	\$ 3,098,000	\$ 2,407,872
Receivables:				
Accounts and interest	885,668	472,095	889,863	467,900
Total assets	<u>\$ 2,816,836</u>	<u>\$ 4,046,799</u>	<u>\$ 3,987,863</u>	<u>\$ 2,875,772</u>
Liabilities:				
Accounts payable	\$ 1,923,760	\$ 1,952,694	\$ 1,534,185	\$ 2,342,269
Due to other agencies	893,076	2,094,105	2,453,678	533,503
Total liabilities	<u>\$ 2,816,836</u>	<u>\$ 4,046,799</u>	<u>\$ 3,987,863</u>	<u>\$ 2,875,772</u>
Due Subdivisions				
Assets:				
Cash and investments	\$ 23,936,443	\$ 447,207,496	\$ 464,527,422	\$ 6,616,517
Receivables:				
Accounts and interest	1,038,540	495,584	1,219,411	314,713
Property taxes	12,722,365	6,878,646	-	19,601,011
Total assets	<u>\$ 37,697,348</u>	<u>\$ 454,581,726</u>	<u>\$ 465,746,833</u>	<u>\$ 26,532,241</u>
Liabilities:				
Accounts payable	\$ 2,689,972	\$ 44,258,084	\$ 46,838,269	\$ 109,787
Due to other agencies	35,007,376	410,323,642	418,908,564	26,422,454
Total liabilities	<u>\$ 37,697,348</u>	<u>\$ 454,581,726</u>	<u>\$ 465,746,833</u>	<u>\$ 26,532,241</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 25,867,611	\$ 450,782,200	\$ 467,625,422	\$ 9,024,389
Receivables:				
Accounts and interest	1,924,208	967,679	2,109,274	782,613
Property taxes	12,722,365	6,878,646	-	19,601,011
Total assets	<u>\$ 40,514,184</u>	<u>\$ 458,628,525</u>	<u>\$ 469,734,696</u>	<u>\$ 29,408,013</u>
Liabilities:				
Accounts payable	\$ 4,613,732	\$ 46,210,778	\$ 48,372,454	\$ 2,452,056
Due to other agencies	35,900,452	412,417,747	421,362,242	26,955,957
Total liabilities	<u>\$ 40,514,184</u>	<u>\$ 458,628,525</u>	<u>\$ 469,734,696</u>	<u>\$ 29,408,013</u>

OTHER SCHEDULES

MARION COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS

For the year ended June 30, 2018

	Cash	Receipts	Turnovers to			Cash
	Balance July 1, 2017		Treasurer	State	Other	Balance June 30, 2018
Assessor	\$ -	\$ 473,464	\$ 473,464	\$ -	\$ -	\$ -
Clerk	-	2,709,196	2,709,196	-	-	-
District Attorney	-	229,498	229,498	-	-	-
Justice of the Peace	-	4,287,921	2,942,119	1,143,107	202,695	-
Sheriff	-	2,226,212	2,226,212	-	-	-
Treasurer	155,774,266	1,017,126,259	-	-	1,024,665,272	148,235,253

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, 2018

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-AT5	68608D-DA9	569127-BB8
56913R-AU2	68608D-DF8	569127-BC6
56913R-BV9		569127-BD4
56913R-BW7		569127-BE2
56913R-BX5		569127-BF9
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, and does not anticipate issuing additional long-term debt 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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
Net investment in capital assets	\$ 180,410,612	\$ 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
Restricted	34,647,411	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
Unrestricted	(44,694,170)	(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
Total net position, governmental activities	\$ 170,363,853	\$ 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
Business-Type Activities:										
Net investment in capital assets	\$ 6,962,767	\$ 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
Restricted	-	-	-	-	-	-	-	-	479,960	240,146
Unrestricted	4,528,361	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
Total net position, business-type activities	\$ 11,491,128	\$ 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
Primary Government:										
Net investment in capital assets	\$ 187,373,379	\$ 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
Restricted	34,647,411	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
Unrestricted	(40,165,809)	(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
Total net position, primary government	\$ 181,854,981	\$ 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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
EXPENSES										
Governmental activities:										
General government	\$ 13,542,099	\$ 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
Health and social services	56,607,135	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
Public safety and judicial	89,299,260	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
Community service	8,194,952	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
Roads and bridges	31,549,398	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
Education	421,456	614,068	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640	1,418,857
Interest on long-term debt	4,025,185	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
Total governmental activities	<u>203,639,485</u>	<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>
Business-type activities:										
Environmental services	22,937,752	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
Stormwater services	778,361	620,010	388,073	-	-	-	-	-	-	-
Sewer and lighting services	1,614,926	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
Housing authority	-	-	-	-	-	-	-	-	7,605,742	7,395,830
Total business-type activities	<u>25,331,039</u>	<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>
Total primary government	<u>\$ 228,970,524</u>	<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>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 4,584,860	\$ 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
Health and social services	8,064,125	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
Public safety and judicial	8,418,656	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
Community service	3,953,309	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
Roads and bridges	4,195,579	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
Education	-	-	-	-	-	-	2,574	1,304	401	511
Operating grants and contributions	85,787,071	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
Capital grants and contributions	7,467,729	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
Total governmental activities	<u>122,471,329</u>	<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>
Business-type activities:										
Charges for services:										
Environmental services	25,701,164	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
Stormwater services	941,764	899,614	853,911	-	-	-	-	-	-	-
Sewer and lighting services	1,416,026	1,448,868	1,455,443	654,696	668,401	611,170	607,512	607,358	602,653	553,017
Housing authority	-	-	-	-	-	-	-	-	1,142,907	573,475
Operating grants and contributions	-	-	-	-	-	-	-	-	6,545,388	5,576,677
Total business-type activities	<u>28,058,954</u>	<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>
Total primary government	<u>\$ 150,530,283</u>	<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>

(Continued on following page)

MARION COUNTY, OREGON

CHANGES IN NET POSITION (Continued)
(accrual basis of accounting)

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
NET (EXPENSE) REVENUE										
Governmental activities	\$ (81,168,156)	\$ (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)
Business-type activities	2,727,915	(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
Total primary government	<u>\$ (78,440,241)</u>	<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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 72,290,111	\$ 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
Franchise taxes	351,542	354,709	337,375	265,819	295,802	275,249	258,296	300,159	259,905	239,042
Unrestricted grants and contribution:	5,410,195	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
Unrestricted investment earnings	1,948,510	1,585,348	1,197,108	912,040	744,491	677,621	752,181	751,126	1,276,223	2,143,463
Extraordinary items	-	-	-	-	-	8,733,901	(4,400,068)	(4,603,041)	-	-
Transfers	-	25,000	-	-	-	-	37,800	35,046	7,000,000	(73,030)
Total governmental activities	<u>80,000,358</u>	<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>
Business-type activities:										
Property taxes	-	-	-	243,556	248,431	250,562	248,113	246,700	248,965	311,797
Franchise taxes	389,749	374,695	347,208	324,940	298,364	294,357	289,719	277,716	263,019	301,997
Unrestricted investment earnings	165,794	102,407	88,842	78,453	63,339	71,561	118,265	145,817	359,510	727,773
Debt principal reduction	37,860	-	-	-	-	-	-	-	-	-
Transfers	-	(25,000)	-	-	-	-	(37,800)	(35,046)	(7,000,000)	73,030
Total business-type activities	<u>593,403</u>	<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>
Total primary government	<u>\$ 80,593,761</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	\$ (1,167,798)	\$ (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)
Business-type activities	3,321,318	(110,684)	(4,393,943)	42,150	(663,964)	(4,257,259)	(5,405,053)	(4,342,940)	(5,030,528)	3,148,658
Total primary government	<u>\$ 2,153,520</u>	<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>

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Operating Fund										
Nonspendable	\$ 20,044	\$ 20,932	\$ 20,842	\$ 19,960	\$ 18,079	\$ 20,148	\$ 19,284	\$ 21,690		
Restricted	1,138	-	-	-	-	2,000,000	2,000,000	3,000,000		
Committed	2,264,231	2,240,114	2,222,672	2,209,138	2,198,063	2,197,214	2,193,729	4,033,217		
Assigned	1,451,645	1,393,096	1,288,139	1,332,565	1,458,046	3,769,816	2,100,988	4,034,160		
Unassigned	15,492,220	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	19,229,278	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
Total General Fund									6,446,160	5,967,914
Other governmental funds										
Nonspendable	929,325	943,113	824,956	935,994	1,343,328	1,142,098	1,029,240	887,094		
Restricted	28,914,042	34,951,886	26,644,329	29,692,731	26,577,497	13,823,969	13,106,572	11,556,896		
Committed	4,296,873	3,281,890	2,995,478	2,962,942	4,201,351	4,383,458	4,823,398	3,972,412		
Assigned	55,413,772	48,101,868	51,057,117	41,437,261	31,772,956	32,471,409	31,542,606	22,502,444		
Unassigned	(3,858)	(4,607)	(3,181)	(3,761)	-	(1,060)	-	-		
Reserved									772,461	213,509
Unreserved, reported in:										
Special revenue funds									45,763,228	41,441,267
Capital projects funds									1,039,434	1,297,058
Total other governmental funds	89,550,154	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
Total governmental funds	\$108,779,432	\$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

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
REVENUES										
Taxes	\$71,140,679	\$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
Licenses and permits	3,852,093	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
Intergovernmental	98,664,995	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
Charges for services	26,297,150	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
Fines and forfeitures	2,906,801	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
Interest	1,853,607	1,520,366	1,147,879	871,704	711,155	646,852	711,839	711,757	1,192,044	1,995,736
Other	949,432	1,220,426	1,275,304	1,227,905	455,083	625,066	531,180	389,652	358,888	177,591
Total revenues	<u>205,664,757</u>	<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>
EXPENDITURES										
General government	10,438,965	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
Health and social services	54,730,212	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
Public safety and judicial	83,113,499	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
Community service	7,792,705	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
Roads and bridges	21,306,177	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
Education	421,456	614,068	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640	1,418,857
Debt service:										
Principal	4,717,613	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
Interest	3,178,602	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
Capital outlay	21,309,294	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
Total expenditures	<u>207,008,523</u>	<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>
Excess (deficiency) of revenues over expenditures	<u>(1,343,766)</u>	<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>
OTHER FINANCING SOURCES (USES)										
Insurance recoveries	-	-	-	-	-	8,733,901	-	-	-	-
Issuance of long-term debt	5,000,000	9,950,000	-	-	9,950,000	-	-	-	-	-
Transfers in	19,603,617	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
Transfers out	(20,119,111)	(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)
Total other financing sources (uses)	<u>4,484,506</u>	<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>
Net change in fund balance	<u>\$ 3,140,740</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>4.28%</u>	<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>

MARION COUNTY, OREGON

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

Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property			Public Utilities (thousands)	Personal Property (thousands)	Total Taxable Assessed Value (AV) (thousands)	Total Direct Tax Rate	Estimated Actual Value of Taxable Property (thousands)	Real Market Value (RMV) (thousands)	AV as a % of RMV
	Residential (thousands)	Commercial (thousands)	Other (thousands)							
2018	\$ 12,613,473	\$ 5,317,338	\$ 4,850,490	\$ 817,229	\$ 621,382	\$ 24,219,912	\$ 3.03	\$ 33,048,596	\$ 42,213,950	57.4%
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%

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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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	0.28 - 8.09	0.43 - 8.09	0.43 - 8.09	0.43 - 8.09
School Districts & ESD's	0.30 - 8.12	0.30 - 8.34	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
Chemeketa Community College	0.90	0.90	0.92	0.89	0.86	0.90	0.88	0.79	0.89	0.71
Sewer & Service Districts	0.05	0.05	0.05	0.00	0.00	0.00	0.00	0.00	0.00	1.10
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 - 1.00	0.05 - 1.03	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00
Rural Fire Protection Districts	0.53 - 2.92	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
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	2018			2009		
	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	\$ 285,829,420	1.18%	1	\$ 211,083,790	1.15%
Northwest Natural Gas Co	2	152,199,000	0.63%	2	119,123,900	0.65%
Winco Foods LLC	3	94,363,645	0.39%	3	82,178,100	0.45%
Woodburn Premium Outlets LLC	4	64,310,695	0.27%			
CenturyLink (Qwest Corporation)	5	70,604,500	0.29%	4	82,405,860	0.45%
Norpac Foods Inc	6	66,930,189	0.28%	7	56,550,426	0.31%
Lancaster Development Company	7	56,532,220	0.23%	5	55,056,770	0.30%
Wal-Mart Real Estate	8	52,342,870	0.22%	9	39,568,540	0.22%
Donahue Schriber Realty Group	9	61,182,830	0.25%	8	50,432,430	0.28%
Metropolitan Life Insurance Co	10	46,887,770	0.19%	10	36,457,810	0.20%
Craig Realty Group Woodburn				6	42,483,190	0.23%
Total for principal taxpayers		<u>\$ 951,183,139</u>	<u>3.93%</u>		<u>\$ 775,340,816</u>	<u>4.24%</u>
Total taxable assessed value		<u>\$ 24,219,912,095</u>			<u>\$ 18,283,315,517</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
2018	\$ 73,878,931	\$ 70,307,020	95.17%	\$ -	\$ 70,307,020	95.17%
2017	71,431,215	67,750,167	94.85%	832,139	68,582,306	96.01%
2016	68,645,892	65,123,214	94.87%	1,218,098	66,341,312	96.64%
2015	63,937,929	60,400,930	94.47%	1,439,257	61,840,187	96.72%
2014	61,192,469	57,656,513	94.22%	1,719,895	59,376,408	97.03%
2013	59,269,340	55,486,634	93.62%	1,942,219	57,428,853	96.89%
2012	58,696,510	54,896,065	93.53%	1,924,471	56,820,536	96.80%
2011	57,538,690	53,606,948	93.17%	1,990,033	55,596,981	96.63%
2010	56,220,810	52,312,753	93.05%	2,102,858	54,415,611	96.79%
2009	54,128,189	50,344,904	93.01%	2,170,238	52,515,142	97.02%

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			
2018	\$ -	\$ 7,180,800	\$ 21,514,235	\$ 35,465,304	\$ 385,464	\$ 64,545,803	0.46%	\$ 188
2017	271,091	8,375,789	17,775,756	36,595,471	441,388	63,459,495	0.48%	187
2016	794,059	9,538,188	9,075,343	37,614,562	459,334	57,481,486	0.46%	172
2015	1,292,413	10,640,837	9,662,966	38,535,195	541,932	60,673,343	0.52%	184
2014	1,767,312	11,683,737	9,950,000	39,369,217	620,468	63,390,734	0.58%	194
2013	2,219,860	12,688,614	-	40,118,810	695,201	55,722,485	0.52%	173
2012	2,651,109	13,655,469	-	40,783,125	761,360	57,851,063	0.56%	181
2011	3,062,062	14,589,733	-	41,362,745	824,172	59,838,712	0.60%	188
2010	3,453,673	15,485,975	-	41,865,334	2,327,785	63,132,767	0.65%	200
2009	3,826,853	16,355,058	-	42,288,832	2,448,584	64,919,327	0.66%	204

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							
2018	\$ 7,180,800	\$ 35,465,304	\$ 42,646,104	0.13%	\$ 124	\$ -	\$ 2,353	\$ 122,702	0%	1.92%
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%

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, 2018

<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	\$ 1,892,753	100.0000%	\$ 1,892,753
City of Aurora	2,075,996	100.0000%	2,075,996
City of Detroit	1,244,647	100.0000%	1,244,647
City of Donald	159,294	100.0000%	159,294
City of Gates	473,816	86.3436%	409,110
City of Gervais	381,749	100.0000%	381,749
City of Idanha	18,812	55.1669%	10,378
City of Jefferson	2,533,724	100.0000%	2,533,724
City of Mill City	4,458,992	23.0750%	1,028,912
City of St. Paul	640,489	100.0000%	640,489
City of Salem	142,607,562	83.9154%	119,669,706
City of Silverton	3,650,335	100.0000%	3,650,335
City of Stayton	11,638,069	100.0000%	11,638,069
City of Woodburn	12,391,219	100.0000%	12,391,219
<u>School Districts & ESD's:</u>			
Marion County SD 1 (Gervais)	9,337,328	100.0000%	9,337,328
Marion County SD 4J (Silver Falls)	45,360,316	91.2699%	41,400,315
Marion County SD 5 (Cascade)	22,550,221	100.0000%	22,550,221
Marion County SD 14J (Jefferson)	19,474,842	93.1933%	18,149,248
Marion County SD 15 (N. Marion)	50,383,730	100.0000%	50,383,730
Marion County SD 24J (Salem-Keizer)	373,278,963	88.0640%	328,724,386
Marion County SD 29J (N. Santiam)	32,543,195	79.2049%	25,775,805
Marion County SD 45 (St. Paul)	7,830,000	100.0000%	7,830,000
Marion County SD 91 (Mt. Angel)	11,359,791	100.0000%	11,359,791
Marion County SD 103 (Woodburn)	60,984,071	100.0000%	60,984,071
Linn County SD 129J (Santiam Canyon)	3,942,217	52.4569%	2,067,965
Polk County SD 13J (Central)	73,073,066	1.2932%	944,981
Willamette ESD	9,309,144	61.4841%	5,723,643
Chemeketa Community College	73,078,244	68.5563%	50,099,740
<u>Rural Fire Districts:</u>			
Aumsville Rural Fire District	1,570,000	100.0000%	1,570,000
Idanha-Detroit Rural Fire District	65,000	91.9431%	59,763
Jefferson Rural Fire District	170,000	57.4877%	97,729
Keizer Rural Fire District	3,445,000	100.0000%	3,445,000
Marion County Rural Fire District 1	4,110,990	100.0000%	4,110,990
Mt. Angel Rural Fire District	505,000	100.0000%	505,000
Silverton Rural Fire District	4,012,907	94.9122%	3,808,738
Stayton Rural Fire District	450,308	89.4230%	402,679
Sublimity Rural Fire District	930,000	100.0000%	930,000
Woodburn Rural Fire District	1,455,000	100.0000%	1,455,000
Polk County Rural Fire District	1,680,000	2.2346%	37,541
<u>Water Districts:</u>			
Lyons-Mehama Water District	430,000	28.0686%	120,695
Subtotal, overlapping debt	<u>\$ 995,496,790</u>		809,600,740
Marion County direct debt			<u>64,160,339</u>
Total direct and overlapping debt			<u><u>\$ 873,761,079</u></u>

Sources:

Oregon State Treasury, Debt Management Division.

Notes:

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

MARION COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Real Market Value (RMV) (thousands)	<u>\$ 42,213,950</u>	<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>
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)	\$ 844,279	\$ 780,046	\$ 734,332	\$ 697,552	\$ 642,056	\$ 651,730	\$ 668,254	\$ 699,572	\$ 728,927	\$ 740,054
Total applicable debt (thousands)	-	-	-	-	-	-	-	-	-	-
Legal debt margin (thousands)	<u>\$ 844,279</u>	<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>
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)	\$ 2,110,698	\$ 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
Total applicable debt (thousands)	<u>35,465</u>	<u>36,595</u>	<u>37,615</u>	<u>38,535</u>	<u>39,369</u>	<u>40,119</u>	<u>40,783</u>	<u>41,363</u>	<u>41,865</u>	<u>42,289</u>
Legal debt margin (thousands)	<u>\$ 2,075,233</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>1.7%</u>	<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>
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)	\$ 422,140	\$ 390,023	\$ 367,166	\$ 348,776	\$ 321,028	\$ 325,865	\$ 334,127	\$ 349,786	\$ 364,463	\$ 370,027
Total applicable debt (thousands)	<u>28,124</u>	<u>25,757</u>	<u>18,649</u>	<u>20,750</u>	<u>22,472</u>	<u>13,900</u>	<u>15,221</u>	<u>16,492</u>	<u>17,709</u>	<u>18,882</u>
Legal debt margin (thousands)	<u>\$ 394,016</u>	<u>\$ 364,266</u>	<u>\$ 348,517</u>	<u>\$ 328,026</u>	<u>\$ 298,556</u>	<u>\$ 311,965</u>	<u>\$ 318,906</u>	<u>\$ 333,294</u>	<u>\$ 346,754</u>	<u>\$ 351,145</u>
Total applicable debt as a percentage of the debt limit	<u>6.7%</u>	<u>6.6%</u>	<u>5.1%</u>	<u>5.9%</u>	<u>7.0%</u>	<u>4.3%</u>	<u>4.6%</u>	<u>4.7%</u>	<u>4.9%</u>	<u>5.1%</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	
2018	\$ 1,812,714	\$ -	\$ 1,812,714	\$ 271,091	\$ 4,832	657%
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%

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
2018	344,035	\$ 14,024,346	\$ 41,093	4.3%
2017	339,200	13,307,545	39,633	5.0%
2016	333,950	12,624,373	38,333	6.0%
2015	329,770	11,734,035	36,165	7.4%
2014	326,150	10,900,154	33,913	8.8%
2013	322,880	10,637,512	33,284	10.0%
2012	320,495	10,295,357	32,413	10.5%
2011	318,150	9,898,514	31,333	11.2%
2010	315,900	9,651,093	30,796	11.1%
2009	318,170	9,825,468	31,723	6.6%

Sources:

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

Notes:

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

MARION COUNTY, OREGON

EMPLOYMENT AND WAGES BY INDUSTRY

Current Fiscal Year and Nine Years Ago

	2018				2009			
	Units	Employment	Wages	% of Employment	Units	Employment	Wages	% of Employment
Government Employers:								
Federal government	55	1,253	\$ 85,212,903	0.82%	63	1,500	\$ 85,096,304	1.06%
State government	188	20,625	1,307,272,409	13.55%	200	18,768	912,348,664	13.32%
Local government	319	14,311	715,359,186	9.40%	261	14,828	590,903,894	10.52%
	562	36,189	2,107,844,498	23.78%	524	35,096	1,588,348,862	24.90%
Private Employers:								
Natural resources and mining:								
Crop & animal production	350	5,551	185,756,353	3.65%	303	5,736	132,027,729	4.07%
Agriculture, forestry & mining	159	4,011	122,805,135	2.64%	125	4,741	118,321,611	3.36%
Construction:								
Building construction	415	2,020	98,820,382	1.33%	376	1,525	64,220,055	1.08%
Heavy & civil engineering	81	1,327	98,396,473	0.87%	103	1,593	85,373,860	1.13%
Specialty trade contractors	688	5,691	290,672,714	3.74%	743	4,997	193,603,656	3.55%
Manufacturing:								
Food, beverage & tobacco	81	4,594	162,374,603	3.02%	56	4,315	133,872,139	3.06%
Wood products	36	1,517	66,314,859	1.00%	31	1,847	63,457,827	1.31%
Metal & machinery	101	1,678	84,549,291	1.10%	101	1,627	69,276,002	1.15%
Other manufacturing	180	3,217	168,961,236	2.11%	210	3,478	136,938,461	2.47%
Trade, transportation and utilities:								
Merchant wholesalers	249	3,238	180,521,049	2.13%	241	3,250	145,449,118	2.31%
Motor vehicles, parts & fuel	202	3,204	131,229,333	2.11%	204	2,936	93,033,341	2.08%
Building & garden supplies	78	1,438	49,597,951	0.94%	89	1,402	41,841,524	0.99%
Food & beverages	180	2,940	69,791,888	1.93%	158	2,724	58,558,406	1.93%
Clothing & accessories	157	2,241	43,623,966	1.47%	153	1,849	30,707,540	1.31%
General merchandise	42	3,682	93,987,938	2.42%	36	3,776	83,352,676	2.68%
Other wholesalers & retailers	593	4,071	134,882,544	2.68%	532	3,870	109,652,407	2.75%
Truck & other transportation	185	3,133	163,657,127	2.06%	180	2,081	69,295,139	1.48%
Warehousing & storage	20	1,123	56,435,784	0.74%	13	1,005	49,318,169	0.71%
Utilities	7	196	20,108,153	0.13%	8	287	20,767,763	0.20%
Information services	125	1,123	61,952,846	0.74%	112	1,381	61,269,620	0.98%
Financial activities:								
Credit intermediation	166	2,104	110,198,319	1.38%	183	1,692	74,144,794	1.20%
Insurance	208	1,400	87,571,846	0.92%	219	1,874	88,571,429	1.33%
Real estate	391	1,398	49,973,073	0.92%	409	1,532	37,512,435	1.09%
Other financial activities	145	562	35,046,668	0.37%	122	685	38,688,836	0.49%
Professional and business services:								
Professional & technical	815	4,348	264,835,374	2.86%	738	3,920	190,827,554	2.78%
Management & administrative	621	8,001	287,439,775	5.26%	438	7,677	226,581,812	5.45%
Waste management & remediation	24	438	25,414,178	0.29%	16	298	14,118,553	0.21%
Education and health services:								
Educational services	119	2,398	88,260,724	1.58%	87	1,977	64,965,189	1.40%
Ambulatory services	549	8,128	522,419,605	5.34%	531	5,750	308,793,147	4.08%
Nursing & residential care	250	4,624	128,307,622	3.04%	180	3,511	80,738,114	2.49%
Hospitals & other health services	181	7,317	419,248,108	4.81%	168	5,947	254,665,431	4.22%
Leisure and hospitality:								
Amusement, gambling & recreation	87	1,324	20,124,962	0.87%	73	1,104	15,657,210	0.78%
Food services & drinking places	680	10,755	191,496,864	7.07%	592	9,238	129,734,164	6.55%
Other leisure & hospitality	89	1,188	26,427,579	0.78%	76	999	15,564,448	0.71%
Other services	1,791	6,010	161,949,958	3.95%	1,136	5,233	119,720,470	3.71%
	10,045	115,990	4,703,154,280	76.22%	8,742	105,857	3,420,620,629	75.10%
Total County Employment	10,607	152,179	\$ 6,810,998,778	100.00%	9,266	140,953	\$ 5,008,969,491	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

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Full Time Equivalent (FTE)										
Employees by Function:										
Governmental activities:										
General government	233.6	231.4	231.3	228.8	220.5	222.0	224.0	223.0	234.8	242.3
Health and social services	449.4	453.8	425.2	407.1	396.3	367.7	349.4	360.3	382.2	360.4
Public safety and judicial	567.2	562.8	561.4	554.0	550.7	546.8	541.3	556.6	555.3	582.9
Community service	39.4	41.3	39.5	35.5	29.7	35.3	27.3	28.0	24.8	30.6
Roads and bridges	153.4	147.4	142.4	141.4	131.4	134.4	133.0	128.3	136.8	149.5
Total governmental activities	<u>1,443.0</u>	<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>
Business-type activities:										
Environmental services	<u>29.0</u>	<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>
Total FTE budgeted	<u>1,472.0</u>	<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>
Number of Employees by Bargaining Unit:										
Marion County Employee Assoc.	814	823	790	780	732	718	693	718	764	763
Marion County Law Enforcement Association	209	216	205	213	207	202	198	211	226	227
Marion County Juvenile Employees Association	34	32	32	32	33	34	31	31	35	39
Federation of Oregon Parole and Probation Officers	39	41	38	36	35	37	34	37	41	41
Oregon Nurses Association	16	17	17	19	17	18	20	19	20	23
Unrepresented:										
Management and other	244	250	246	238	233	238	232	234	251	255
Temporary employees	<u>177</u>	<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>
Total county employees	<u>1,533</u>	<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>

Sources:

Marion County payroll records.

MARION COUNTY, OREGON

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities:										
General Government										
General election information:										
Registered voters	(1)	182,173	(1)	151,674	(1)	151,426	(1)	142,968	(1)	150,122
Votes cast	(1)	139,563	(1)	105,239	(1)	121,665	(1)	102,281	(1)	126,583
Percentage voted	(1)	76.61%	(1)	69.38%	(1)	80.35%	(1)	71.54%	(1)	84.32%
Marriage licenses issued	2,372	2,573	2,567	2,504	2,335	2,221	2,350	2,334	2,297	2,456
Passports issued	5,173	5,673	1,118	1,039	934	752	677	712	801	891
Documents recorded	64,978	65,457	58,714	49,451	48,596	58,630	51,058	53,070	55,756	54,747
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	434,281	424,126	386,895	404,860	419,676	405,221	421,711	456,385	462,909	493,094
Number of clients served:										
Acute	12,926	12,935	15,408	11,809	5,097	8,061	6,361	6,813	7,680	6,025
Alcohol and drug treatment	2,011	2,020	1,634	2,783	2,413	2,307	2,187	2,114	2,144	3,371
Behavioral health (other)	7,439	6,984	6,391	5,934	5,967	5,578	6,134	6,017	5,889	4,714
Developmental disabilities	2,732	2,689	2,584	2,394	2,206	2,123	2,075	2,044	1,980	1,946
IDS & out-of-panel MH providers	-	-	-	1,646	6,313	8,283	5,903	5,422	4,750	4,534
Immunizations	1,734	2,656	3,088	3,556	2,567	2,867	2,971	6,270	10,323	8,049
Public health (other)	7,258	5,644	6,911	8,872	9,567	9,531	8,079	9,019	9,901	10,810
Women, infants and children (WIC)	8,808	6,654	7,467	7,923	8,555	9,821	9,648	11,397	12,741	12,558
Health inspections	4,198	3,677	3,207	3,221	3,166	3,027	3,073	3,351	3,066	3,757
Food handler cards issued	387	1,877	1,810	6,212	5,133	614	614	731	5,054	3,173
Birth and death certificates issued	16,277	17,659	17,640	17,175	16,561	17,118	16,175	17,538	16,294	16,094
Public Safety and Judicial										
Sheriff:										
Calls for service	79,604	74,720	67,791	74,613	68,199	n/a	n/a	n/a	n/a	n/a
Number of reports	30,071	27,756	25,931	26,358	23,737	24,042	23,132	23,024	24,507	28,427
Number of arrests	2,386	2,341	2,293	2,571	2,587	2,269	2,560	2,610	3,248	2,983
Number of inmates booked	15,180	14,141	13,177	13,574	13,696	13,384	13,731	15,197	16,446	16,321
Average daily jail population	424	416	403	409	414	418	454	542	534	526
Average length of jail stay (days)	14	24	18	17	15	13	11	14	19	20
Adults on probation and post-prison supervision (monthly average)	3,226	3,269	3,644	3,583	3,697	3,781	3,940	3,963	4,120	4,333
Juvenile:										
Youth served per year (2)	1,181	1,308	1,428	1,567	1,975	2,012	2,247	2,368	2,459	2,918
Community service hours completed (2)	n/a	7,590	7,056	7,676	8,341	9,334	14,626	15,239	16,966	19,552
Youth admitted to detention center (2)	729	724	862	900	921	1,020	1,051	1,125	1,128	1,073
Average length of stay (days) (2)	11.5	11.5	12.7	10.4	8.9	9.4	8.0	7.5	8.0	11.6
District Attorney:										
Adult criminal cases prosecuted (2)	10,550	9,646	9,836	9,916	9,513	9,867	9,687	9,600	10,799	11,071
Juvenile delinquency petitions filed (2)	398	338	433	422	451	612	582	479	694	978
Juvenile dependency petitions filed (2)	476	491	411	414	510	668	875	826	877	974
Volunteer hours for victim assistance	19,184	19,430	19,189	19,666	24,731	23,837	18,401	26,003	24,903	25,878
Victims served	5,845	4,371	5,069	4,124	4,017	4,531	5,792	4,294	4,725	3,668
Business-Type Activities										
Environmental Services										
Waste generated per capita (pounds)	3,025	2,878	2,805	2,721	2,641	2,627	2,711	2,612	2,637	2,902
Waste recovered per capita (pounds)	1,484	1,421	1,460	1,463	1,441	1,428	1,482	1,308	1,376	1,522
Waste recovery rate	49.1%	49.4%	52.0%	53.8%	54.6%	54.4%	54.7%	50.1%	52.2%	52.4%
Waste recovered (tons)	251,669	237,152	240,595	238,422	232,540	228,708	235,584	206,398	218,787	239,441

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.

n/a Data is not available for this fiscal year.

MARION COUNTY, OREGON

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
General Government										
Buildings owned:										
Center Street campus	10	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	13	12
Other facilities countywide	13	13	13	12	12	12	12	12	12	11
Community Service										
Parks acreage	610.2	610.2	610.2	610.2	610.2	610.2	610.2	614.2	614.2	614.2
Number of developed facilities	18	18	18	18	18	18	18	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	5	6	6	6
Roads and Bridges										
Roads maintained by county:										
- miles paved	924.3	924.3	924.3	925.6	925.5	925.5	925.8	925.2	932.0	932.0
- miles unpaved	193.2	193.2	193.2	192.6	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, 2018, and have issued our report thereon dated November 27, 2018.

Compliance and Other Matters

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

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

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

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


Internal Control Over Financial Reporting

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

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 27, 2018