

For Year Ended June 30, 2019



O R E G O N

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

MARION COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2019

Marion County Finance Department

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INTRODUCTORY SECTION



Marion County

OREGON

FINANCE DEPARTMENT

BOARD OF COMMISSIONERS

Sam Brentano
Kevin Cameron
Colm Willis

CHIEF ADMINISTRATIVE OFFICER

Jan Fritz

CHIEF FINANCIAL OFFICER

Jeff White

Telephone:
(503) 589-3290

Fax:
(503) 373-4379

November 27, 2019

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, 2019 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 Moss Adams LLP, 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, 2019 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, 2019 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 347,760. 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, vice chair and second 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. Low-income housing, 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 department or by fund and category. 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, 129 state agencies are located in Marion County, providing employment to approximately 19,400 employees. Marion County employs about 1,500 workers, the City of Salem employs about 1,300 workers, and the County's ten public school districts employ about 7,300 workers. As of August 2019, the seasonally adjusted unemployment rate in Marion County was 4.3%, a slight increase from 4.2% last year, comparable to the state average of 4.0% and higher than the national average of 3.7%.

Long-Term Financial Planning – The County heads into fiscal year 2020 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 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: rural economic development and infrastructure needs; construction projects for the juvenile administration building and the jail; redesign and rewiring 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, the jail management system, and the property assessment and taxation system.

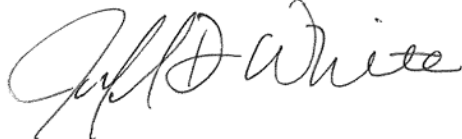
AWARDS AND ACKNOWLEDGMENTS

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, 2018. This was the 18th 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, 2018, making this the 8th 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, Chief Administrative Officer, elected officials 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, 2019

Board of Commissioners

Kevin Cameron	Chair
Sam Brentano	Vice Chair
Colm Willis	Second Vice Chair

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

Other Elected Officials

Tom Rohlfig	Assessor
Bill Burgess	County Clerk
Paige Clarkson	District Attorney
Janice Zyryanoff	Justice of the Peace
Joe Kast	Sheriff
Laurie Steele	Treasurer

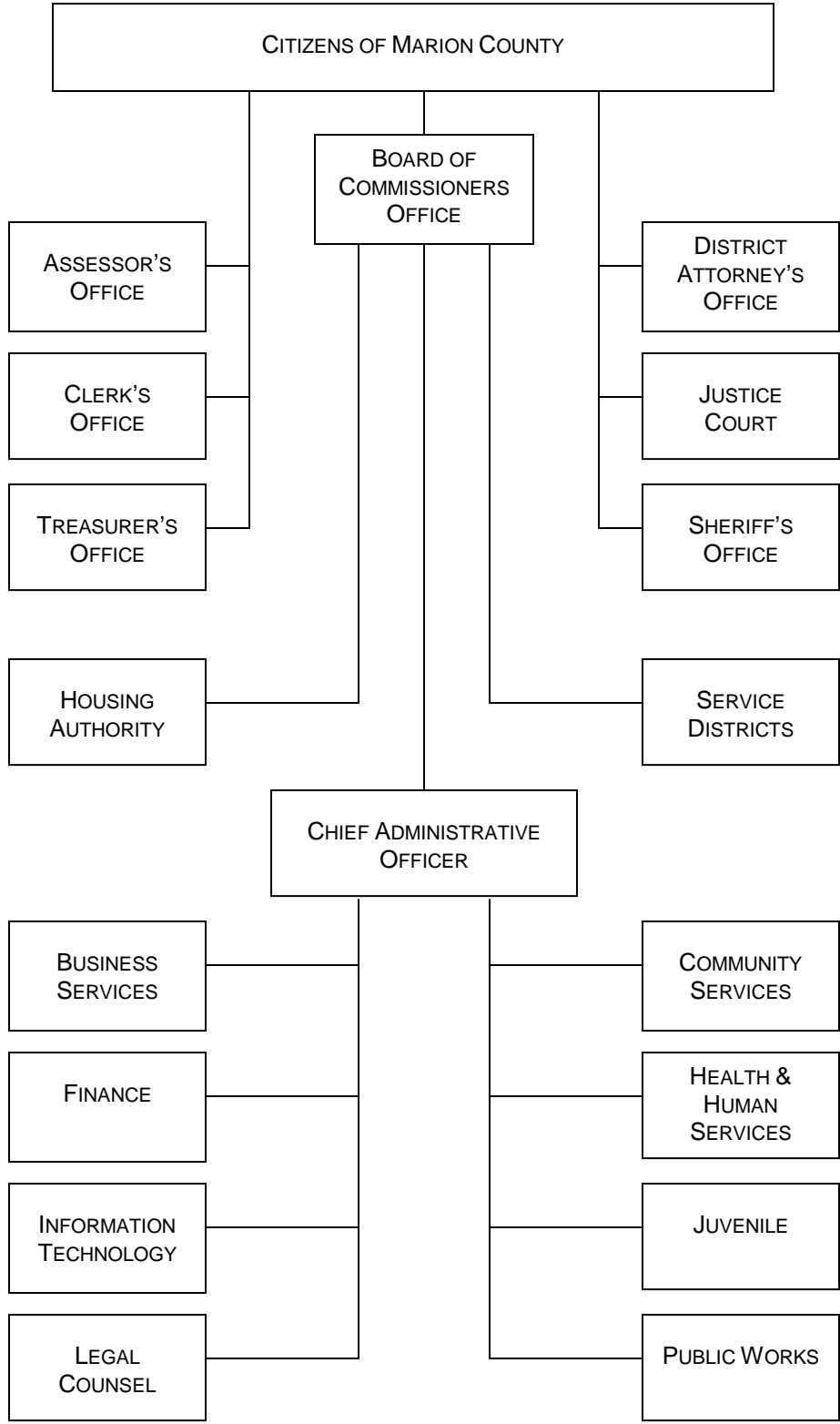
Chief Administrative Officer

Jan Fritz

Legal Counsel

Jane Vetto

MARION COUNTY, OREGON
 Organization Chart
 June 30, 2019





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, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

Report of Independent Auditors

Board of Commissioners
Marion County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and remaining fund information, and each major fund of Marion County, Oregon (the "County") as of and for the year ended June 30, 2019, 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 did not audit the financial statements of Marion County Housing Authority, a component unit of the County, which represents 16%, 24%, and 8%, respectively, of the assets, net position/fund balances, and revenues of the aggregate discretely presented component unit and remaining fund information. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Marion County Housing Authority, is based solely on the report of the other auditors. 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 entity'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 entity'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, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit and remaining fund information, and each major fund of the County as of June 30, 2019, 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 on pages 4 through 11, the schedules of revenues, expenditures and changes in fund balances – budget and actual (“the budgetary schedules”) on pages 47 through 50, schedule of the County's proportionate share of the net pension liability on page 51, the schedule of County contributions on page 52, and the schedule of changes in the County's total OPEB liability and related ratios on page 53, 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 management's discussion and analysis, the schedule of the County's proportionate share of the net pension liability, the schedule of County contributions, the schedule of changes in the County's total OPEB liability and related ratios 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The budgetary schedules described above are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules have 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 budgetary schedules are 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 combining statements, individual budgetary comparison schedules, and other schedules collectively referred to as supplementary information on pages 54 – 106 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.

Other 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 introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory section and statistical section 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.

Reports of Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also separately issued our report dated November 27, 2019 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 solely 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 the effectiveness of the County's 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.

Other Reporting Required by Minimum Standards for Audits of Oregon Municipal Corporations

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 27, 2019, 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.



For Moss Adams LLP
Eugene, Oregon
November 27, 2019

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, 2019. 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 \$185,784,262 (*net position*). Of this amount, \$192,509,126 reflects the County's net investment in capital assets, and \$30,270,503 represents resources that are subject to external restrictions, resulting in a negative unrestricted balance of \$36,995,367.
- The County's financial position improved from the prior fiscal year with an increase in total net position of \$3,929,281, primarily due to increased gas tax revenues, increased tipping fees collected for waste disposal, and reduced leachate disposal costs.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$111,852,479, an increase of \$3,073,047 from the prior year. Of this amount, \$933,908 is nonspendable, and \$24,163,776 is subject to external restrictions. The remaining amount of \$86,754,795 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 \$15,839,043, equal to 21% of total General Operating Fund expenditures.
- The County's total debt decreased \$4,290,399 during the current fiscal year due to the repayment of outstanding principal.

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-nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Operating Fund, Public Works Fund, Health & Human Services Fund, and Lottery & Economic Development 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 54-104 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 \$185,784,262 at the end of fiscal year 2019.

The largest portion of the County's net position (104%) 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 (16%) represents resources that are subject to external restrictions on how they may be used. The County had a negative unrestricted net position (-20%) at the end of fiscal year 2019.

The County's financial position improved from the prior fiscal year with an increase in total net position of \$3,929,281, primarily due to increased gas tax revenues, increased tipping fees collected for waste disposal, and reduced leachate disposal costs.

Marion County's Net Position (thousands)

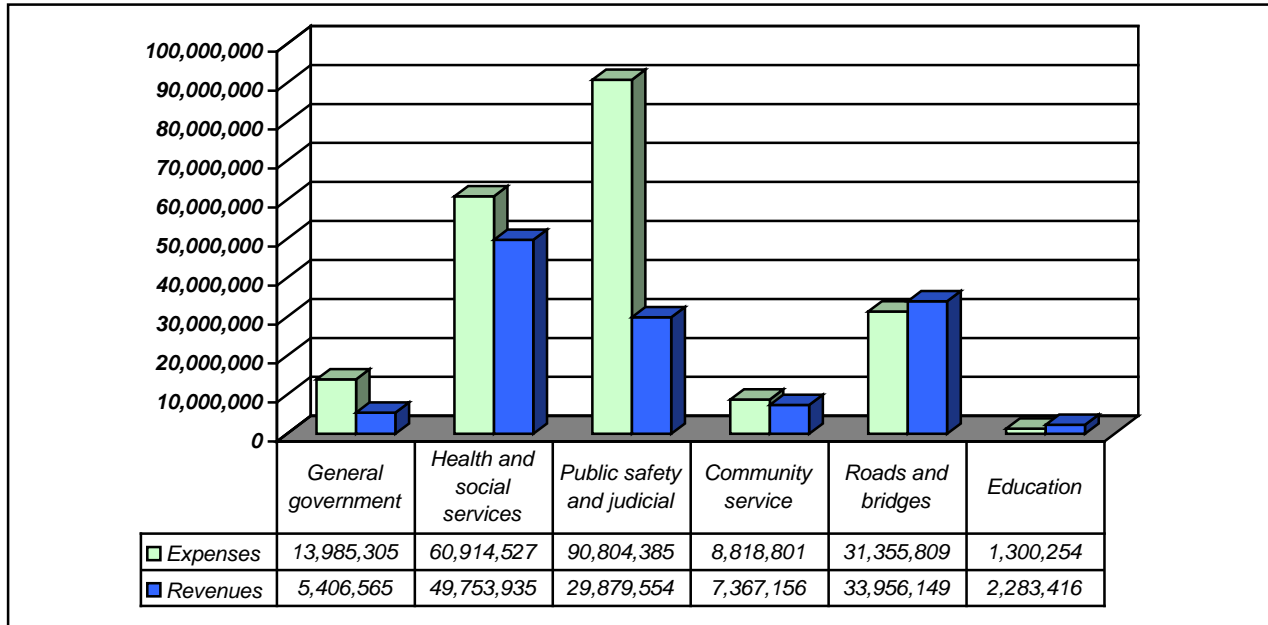
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 150,770	\$ 148,078	\$ 19,544	\$ 18,176	\$ 170,314	\$ 166,254
Capital assets	209,578	203,664	7,016	7,417	216,594	211,081
Total assets	360,348	351,742	26,560	25,593	386,908	377,335
Deferred outflows of resources	41,133	36,172	795	602	41,928	36,774
Long-term liabilities outstanding	205,915	199,117	10,599	10,548	216,514	209,665
Other liabilities	14,534	15,473	2,519	4,107	17,053	19,580
Total liabilities	220,449	214,590	13,118	14,655	233,567	229,245
Deferred inflows of resources	9,305	2,960	180	49	9,485	3,009
Net position:						
Net investment in capital assets	185,913	180,410	6,596	6,963	192,509	187,373
Restricted	30,270	34,648	-	-	30,270	34,648
Unrestricted	(44,456)	(44,694)	7,461	4,528	(36,995)	(40,166)
Total net position	\$ 171,727	\$ 170,364	\$ 14,057	\$ 11,491	\$ 185,784	\$ 181,855

Marion County's Changes in Net Position (thousands)

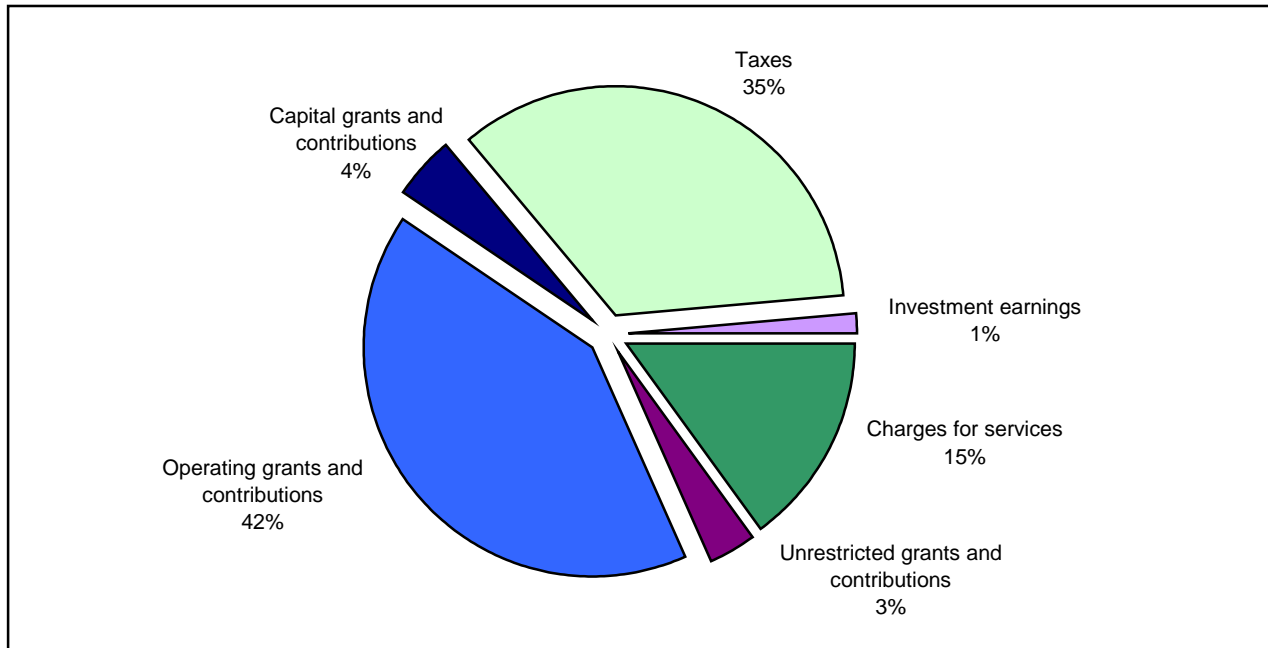
	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 31,693	\$ 29,217	\$ 30,331	\$ 28,059	\$ 62,024	\$ 57,276
Operating grants and contributions	87,624	85,787	-	-	87,624	85,787
Capital grants and contributions	9,329	7,468	-	-	9,329	7,468
General revenues:						
Property taxes	73,916	72,290	-	-	73,916	72,290
Other taxes	348	352	414	389	762	741
Unrestricted grants and contributions	7,079	5,410	-	-	7,079	5,410
Unrestricted investment earnings	2,701	1,948	295	166	2,996	2,114
Debt principal reduction	-	-	-	38	-	38
Total revenues	212,690	202,472	31,040	28,652	243,730	231,124
Expenses:						
General government	13,985	13,542	-	-	13,985	13,542
Health and social services	60,915	56,607	-	-	60,915	56,607
Public safety and judicial	90,804	89,299	-	-	90,804	89,299
Community service	8,819	8,195	-	-	8,819	8,195
Roads and bridges	31,356	31,550	-	-	31,356	31,550
Education	1,300	422	-	-	1,300	422
Interest on long-term debt	4,149	4,025	-	-	4,149	4,025
Environmental services	-	-	24,216	22,938	24,216	22,938
Stormwater services	-	-	907	778	907	778
Sewer and lighting services	-	-	3,350	1,615	3,350	1,615
Total expenses	211,328	203,640	28,473	25,331	239,801	228,971
Change in net position before transfers	1,362	(1,168)	2,567	3,321	3,929	2,153
Transfers	1	-	(1)	-	-	-
Change in net position	1,363	(1,168)	2,566	3,321	3,929	2,153
Net position - beginning of year	170,364	167,727	11,491	8,062	181,855	175,789
Restatement of beginning net position	-	3,805	-	108	-	3,913
Net position - end of year	\$ 171,727	\$ 170,364	\$ 14,057	\$ 11,491	\$ 185,784	\$ 181,855

Governmental Activities – Governmental activities increased the County's net position by \$1,363,254 primarily due to increased gas tax revenues.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



Business-type Activities – Business-type activities increased the County’s net position by \$2,566,027 due to increased revenues for tipping fees and reduced leachate disposal costs. 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 \$24,216,533 with program revenues of \$26,251,618. For stormwater services, expenses were \$906,534 and program revenues were \$983,992, and for sewer and lighting services, expenses were \$3,350,011 and program revenues were \$3,095,358.

Charges for services are the primary source of revenue for business-type activities, comprising 98% of total revenues for fiscal 2019. 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 \$111,852,479, an increase of 3% in comparison with the prior year. \$933,908 (1%) of this amount is nonspendable in the form of inventory and prepaid items. \$24,163,776 (22%) is subject to restrictions imposed by creditors, grantors, contributors, laws or regulations. \$86,754,795 (77%) 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 \$19,815,543, of which \$15,522 is nonspendable for inventories and prepaid items, \$2,299,308 is committed, \$1,661,670 is assigned, and \$15,839,043 is unassigned. Fund balance increased \$586,265 during the current year primarily due to increased property tax revenues and state timber receipts. As a measure of the General Operating Fund’s liquidity, it may be useful to note that unassigned fund balance represents 18% of revenues and 21% of expenditures for fiscal 2019.

The Public Works Fund has a total fund balance of \$31,557,155, of which \$895,744 is nonspendable, \$4,398,792 is committed, and \$26,262,619 is assigned. Fund balance increased \$2,870,618 during the current year primarily due to increased gas tax revenues.

The Health & Human Services Fund has a total fund balance of \$16,946,723, of which \$9,542,076 is restricted, and \$7,404,647 is assigned. Fund balance decreased \$6,885,086 during the current year primarily due to reduced funding for mental health services and increased costs for personnel and rented space.

The Lottery & Economic Development Fund has a total fund balance of \$2,491,806, all of which is restricted. Fund balance increased \$218,734 during the current year.

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 \$6,503,657 at the end of the fiscal year. Net position increased \$2,758,392 in fiscal 2019 primarily due to increased revenues for tipping fees and a reduction in costs accrued for leachate disposal.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total appropriations in the General Fund's final amended budget were \$2,718,406 higher than the original adopted budget (includes expenditures and transfers out); the most significant change was an increase of \$2,811,611 for transfers to other funds. Intergovernmental revenue was 33% higher than anticipated, due to unusually high state timber receipts. Expenditures for non-departmental materials and services were 43% 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, 2019 amounts to \$216,593,977 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, landfills, buildings and improvements, equipment, and infrastructure. The total increase in the County's investment in capital assets for the current fiscal year was 3% (a 3% increase for governmental activities and an 5% decrease for business-type activities).

Major capital projects during the current fiscal year included road and bridge improvements, construction of new public safety and juvenile administration buildings, replacement of the transition center roof, and redesign of the county's computing network. Construction in progress at the end of the year was approximately \$3,000,000 for roads and bridges, \$3,391,000 for facility construction and renovation projects, \$1,811,000 for information technology projects, and \$1,166,000 for various other projects.

Marion County's Capital Assets (thousands)

(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 12,153	\$ 12,153	\$ 3,035	\$ 3,035	\$ 15,188	\$ 15,188
Construction in progress	9,331	15,211	37	-	9,368	15,211
Buildings and improvements	97,857	86,529	3,169	3,233	101,026	89,762
Equipment	16,278	16,196	775	1,149	17,053	17,345
Infrastructure	73,959	73,575	-	-	73,959	73,575
Total	\$ 209,578	\$ 203,664	\$ 7,016	\$ 7,417	\$ 216,594	\$ 211,081

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 \$60,255,404, including \$5,888,039 in refunding bonds (Courthouse Square), \$19,773,691 in capital financing agreements, \$34,226,054 in limited tax pension obligations (PERS) and \$367,620 in notes payable (service districts). The County currently has no outstanding general obligation bonds. Outstanding debt decreased 7% from the previous fiscal year due to the repayment of outstanding principal.

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 2019, the current limitation is \$928 million for general obligation bonds, \$2.3 billion for limited tax pension obligations, and \$464 million for other limited tax obligations. As of June 30, 2019, the County's total outstanding debt represents 0.13% 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	
	2019	2018	2019	2018	2019	2018
Refunding bonds	\$ 5,888	\$ 7,181	\$ -	\$ -	\$ 5,888	\$ 7,181
Capital financing agreements	19,774	21,514	-	-	19,774	21,514
Limited tax pension obligations	34,226	35,465	-	-	34,226	35,465
Notes payable	-	-	367	386	367	386
Total	\$ 59,888	\$ 64,160	\$ 367	\$ 386	\$ 60,255	\$ 64,546

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 4.3%, a slight increase from 4.2% a year ago. The County's unemployment rate is comparable to the state average of 4.0% and higher than the national average of 3.7%.
- For the six months ending July 2019, the University of Oregon Index of Economic Indicators fell 0.9%; comparable national indices showed an increase of 0.7%.
- As of September 2019, forecasted revenues for the State of Oregon's general fund in the 2019-2021 biennium were \$92 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 2020.

During the current fiscal year, fund balance in the General Operating Fund increased from \$19,229,278 to \$19,815,543. The County has appropriated \$6,947,307 of this amount for spending in fiscal year 2020.

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Marion County Housing Authority
ASSETS				
Cash and investments	\$ 126,812,620	\$ 18,858,158	\$ 145,670,778	\$ 3,950,553
Receivables	21,207,825	2,371,701	23,579,526	3,789,449
Internal balances	1,685,422	(1,685,422)	-	-
Inventories and prepaids	1,064,289	-	1,064,289	48,916
Restricted cash	-	-	-	1,183,646
Capital assets not being depreciated:				
Land	12,152,955	3,034,916	15,187,871	1,131,858
Construction in progress	9,330,891	37,132	9,368,023	-
Capital assets being depreciated:				
Landfills	-	6,430,703	6,430,703	-
Buildings and improvements	141,368,414	14,425,792	155,794,206	16,499,724
Equipment	39,430,414	3,257,937	42,688,351	966,340
Infrastructure	598,578,905	-	598,578,905	-
Less accumulated depreciation	(591,283,240)	(20,170,842)	(611,454,082)	(10,639,318)
Total assets	<u>360,348,495</u>	<u>26,560,075</u>	<u>386,908,570</u>	<u>16,931,168</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	41,133,329	795,154	41,928,483	262,879
Total deferred outflows of resources	<u>41,133,329</u>	<u>795,154</u>	<u>41,928,483</u>	<u>262,879</u>
LIABILITIES				
Accounts payable and other current liabilities	14,251,906	2,507,295	16,759,201	408,149
Accrued interest payable	282,202	11,410	293,612	-
Long-term obligations:				
Due within one year	11,243,747	108,918	11,352,665	634,341
Due in more than one year	194,671,483	10,490,567	205,162,050	2,044,307
Total liabilities	<u>220,449,338</u>	<u>13,118,190</u>	<u>233,567,528</u>	<u>3,086,797</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	9,305,379	179,884	9,485,263	59,486
Homebuyer notes receivable	-	-	-	2,042,370
Total deferred inflows of resources	<u>9,305,379</u>	<u>179,884</u>	<u>9,485,263</u>	<u>2,101,856</u>
NET POSITION				
Net investment in capital assets	185,912,537	6,596,589	192,509,126	4,929,755
Restricted for:				
General government	1,670,292	-	1,670,292	-
Health and social services	9,542,076	-	9,542,076	-
Public safety and judicial	3,967,133	-	3,967,133	-
Community service	9,459,017	-	9,459,017	-
Roads and bridges	2,224,539	-	2,224,539	-
Education	1,411,518	-	1,411,518	-
Capital projects	1,995,928	-	1,995,928	-
Housing	-	-	-	712,303
Unrestricted	(44,455,933)	7,460,566	(36,995,367)	6,363,336
Total net position	<u>\$ 171,727,107</u>	<u>\$ 14,057,155</u>	<u>\$ 185,784,262</u>	<u>\$ 12,005,394</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, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit Housing Authority
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 13,985,305	\$ 5,334,904	\$ -	\$ 71,661	\$ (8,578,740)	\$ -	\$ (8,578,740)	
Health and social services	60,914,527	7,478,905	42,135,501	139,529	(11,160,592)	-	(11,160,592)	
Public safety and judicial	90,804,385	10,047,320	19,778,575	53,659	(60,924,831)	-	(60,924,831)	
Community service	8,818,801	4,670,770	2,693,347	3,039	(1,451,645)	-	(1,451,645)	
Roads and bridges	31,355,809	4,161,669	20,733,251	9,061,229	2,600,340	-	2,600,340	
Education	1,300,254	-	2,283,416	-	983,162	-	983,162	
Interest on long-term debt	4,149,190	-	-	-	(4,149,190)	-	(4,149,190)	
Total governmental activities	<u>211,328,271</u>	<u>31,693,568</u>	<u>87,624,090</u>	<u>9,329,117</u>	<u>(82,681,496)</u>	<u>-</u>	<u>(82,681,496)</u>	
Business-type activities:								
Environmental services	24,216,533	26,251,618	-	-	-	2,035,085	2,035,085	
Stormwater services	906,534	983,992	-	-	-	77,458	77,458	
Sewer and lighting services	3,350,011	3,095,358	-	-	-	(254,653)	(254,653)	
Total business-type activities	<u>28,473,078</u>	<u>30,330,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,857,890</u>	<u>1,857,890</u>	
Total primary government	<u>\$ 239,801,349</u>	<u>\$ 62,024,536</u>	<u>\$ 87,624,090</u>	<u>\$ 9,329,117</u>	<u>(82,681,496)</u>	<u>1,857,890</u>	<u>(80,823,606)</u>	
Component unit:								
Marion County Housing Authority	<u>\$ 9,057,730</u>	<u>\$ 1,860,751</u>	<u>\$ 7,399,505</u>	<u>\$ -</u>				<u>\$ 202,526</u>
General revenues:								
Property taxes					73,915,675	-	73,915,675	-
Franchise taxes					348,070	414,299	762,369	-
Unrestricted grants and contributions					7,079,276	-	7,079,276	-
Unrestricted investment earnings					2,700,729	294,838	2,995,567	-
Transfers					1,000	(1,000)	-	-
Total general revenues and transfers					<u>84,044,750</u>	<u>708,137</u>	<u>84,752,887</u>	<u>-</u>
Change in net position					1,363,254	2,566,027	3,929,281	202,526
Net position - beginning					170,363,853	11,491,128	181,854,981	11,802,868
Net position - ending					<u>\$ 171,727,107</u>	<u>\$ 14,057,155</u>	<u>\$ 185,784,262</u>	<u>\$ 12,005,394</u>

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

MARION COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS

June 30, 2019

	General Operating Fund	Public Works Fund	Health & Human Services Fund	Lottery & Economic Development Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 20,648,175	\$ 30,443,477	\$ 15,940,131	\$ 2,534,546	\$ 41,288,382	\$ 110,854,711
Receivables	4,478,864	3,833,853	4,000,810	5,220,988	3,495,205	21,029,720
Advances to other funds	-	391,429	-	-	-	391,429
Inventories and prepaids	15,522	895,744	-	-	22,642	933,908
Total assets	<u>\$ 25,142,561</u>	<u>\$ 35,564,503</u>	<u>\$ 19,940,941</u>	<u>\$ 7,755,534</u>	<u>\$ 44,806,229</u>	<u>\$ 133,209,768</u>
LIABILITIES						
Accounts payable	\$ 764,824	\$ 2,355,009	\$ 1,043,965	\$ 38,236	\$ 2,034,631	\$ 6,236,665
Payroll related liabilities	2,109,100	481,522	1,436,310	12,373	754,362	4,793,667
Deposits	20,269	1,170,817	-	-	81,078	1,272,164
Unearned revenue	-	-	513,943	-	1,298	515,241
Total liabilities	<u>2,894,193</u>	<u>4,007,348</u>	<u>2,994,218</u>	<u>50,609</u>	<u>2,871,369</u>	<u>12,817,737</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	2,432,825	-	-	5,213,119	893,608	8,539,552
FUND BALANCES						
Nonspendable	15,522	895,744	-	-	22,642	933,908
Restricted	-	-	9,542,076	2,491,806	12,129,894	24,163,776
Committed	2,299,308	4,398,792	-	-	290,352	6,988,452
Assigned	1,661,670	26,262,619	7,404,647	-	28,598,364	63,927,300
Unassigned	15,839,043	-	-	-	-	15,839,043
Total fund balances	<u>19,815,543</u>	<u>31,557,155</u>	<u>16,946,723</u>	<u>2,491,806</u>	<u>41,041,252</u>	<u>111,852,479</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 25,142,561</u>	<u>\$ 35,564,503</u>	<u>\$ 19,940,941</u>	<u>\$ 7,755,534</u>	<u>\$ 44,806,229</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.	209,578,339
Deferred amounts related to pensions are not reported in the funds:	
Pension-related deferred outflows of resources	35,899,100
Pension-related deferred inflows of resources	(8,121,267)
Other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the funds.	8,539,552
Internal service funds assets and liabilities are included in governmental activities in the statement of net position.	(4,203,898)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	59,887,784
Accrued interest payable	282,202
Compensated absences	4,100,061
Net pension liability	100,343,726
Total OPEB liability	<u>17,203,425</u>
	<u>(181,817,198)</u>

Net position of governmental activities

\$ 171,727,107

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, 2019

	General Operating Fund	Public Works Fund	Health & Human Services Fund	Lottery & Economic Development Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes	\$ 74,642,136	\$ -	\$ -	\$ -	\$ 1,202,263	\$ 75,844,399
Licenses and permits	58,700	250,805	-	-	4,283,705	4,593,210
Intergovernmental	7,155,888	29,794,480	40,982,734	1,775,603	24,323,778	104,032,483
Charges for services	4,612,467	3,226,270	7,392,091	50	13,675,969	28,906,847
Fines and forfeitures	2,194,529	11,332	-	-	687,260	2,893,121
Interest	1,162,768	406,790	333,015	39,637	612,555	2,554,765
Other	35,992	92,430	67,508	121,403	285,792	603,125
Total revenues	89,862,480	33,782,107	48,775,348	1,936,693	45,071,322	219,427,950
Expenditures:						
Current:						
General government	10,667,318	-	-	-	400,814	11,068,132
Health and social services	-	-	57,692,392	-	1,691,323	59,383,715
Public safety and judicial	65,023,643	-	-	-	21,110,300	86,133,943
Community service	735,629	-	-	1,378,959	6,391,281	8,505,869
Roads and bridges	-	21,914,007	-	-	485,820	22,399,827
Education	-	-	-	-	1,300,254	1,300,254
Debt service:						
Principal	-	-	-	-	5,250,544	5,250,544
Interest	-	-	-	-	3,176,622	3,176,622
Capital outlay	17,455	9,061,229	758,997	-	8,436,465	18,274,146
Total expenditures	76,444,045	30,975,236	58,451,389	1,378,959	48,243,423	215,493,052
Excess (deficiency) of revenues over (under) expenditures	13,418,435	2,806,871	(9,676,041)	557,734	(3,172,101)	3,934,898
Other financing sources (uses):						
Transfers in	4,428,770	148,366	3,604,588	-	14,635,235	22,816,959
Transfers out	(17,260,940)	(84,619)	(813,633)	(339,000)	(5,180,618)	(23,678,810)
Total other financing sources (uses)	(12,832,170)	63,747	2,790,955	(339,000)	9,454,617	(861,851)
Net change in fund balances	586,265	2,870,618	(6,885,086)	218,734	6,282,516	3,073,047
Fund balances - beginning	19,229,278	28,686,537	23,831,809	2,273,072	34,758,736	108,779,432
Fund balances - ending	\$ 19,815,543	\$ 31,557,155	\$ 16,946,723	\$ 2,491,806	\$ 41,041,252	\$ 111,852,479

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, 2019

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)		\$ 3,073,047
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation during the year.</p>		
Capital outlay	\$ 19,418,876	
Depreciation expense	<u>(13,216,085)</u>	6,202,791
<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>		
		(288,957)
<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	(1,580,654)	
Loans receivable	<u>326,753</u>	(1,253,901)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while repayment of long-term debt principal consumes current financial resources. However, neither transaction has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences.</p>		
Repayment of long-term debt principal	5,250,544	
Amortization of premium issued on refunding bonds	102,761	
Amortization of deferred interest bonds	<u>(1,080,750)</u>	4,272,555
<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	5,421	
Compensated absences	(123,118)	
Net pension liability and related deferrals	(9,405,306)	
Total OPEB liability	<u>(1,020,905)</u>	(10,543,908)
<p>Adjustment to reflect the consolidation of internal service fund activities related to governmental activities.</p>		
		<u>(98,373)</u>
Change in net position of governmental activities (page 13)		<u>\$ 1,363,254</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, 2019

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Nonmajor	Total	Internal
		Enterprise Funds		Service Funds
ASSETS				
Current assets:				
Cash and investments	\$ 16,401,947	\$ 2,456,211	\$ 18,858,158	\$ 15,957,909
Receivables	1,981,078	390,623	2,371,701	178,105
Advances to other funds	40,984	-	40,984	-
Inventories and prepaid items	-	-	-	130,381
Total current assets	<u>18,424,009</u>	<u>2,846,834</u>	<u>21,270,843</u>	<u>16,266,395</u>
Capital assets:				
Land	2,807,567	227,349	3,034,916	-
Construction in progress	6,812	30,320	37,132	-
Landfills	6,430,703	-	6,430,703	-
Buildings and improvements	3,696,317	10,729,475	14,425,792	-
Equipment	3,153,635	104,302	3,257,937	-
Less accumulated depreciation	(10,735,620)	(9,435,222)	(20,170,842)	-
Total capital assets	<u>5,359,414</u>	<u>1,656,224</u>	<u>7,015,638</u>	<u>-</u>
Total assets	<u>23,783,423</u>	<u>4,503,058</u>	<u>28,286,481</u>	<u>16,266,395</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension-related deferred outflows	<u>683,874</u>	<u>111,280</u>	<u>795,154</u>	<u>5,234,229</u>
LIABILITIES				
Current liabilities:				
Accounts payable	1,520,216	221,705	1,741,921	727,108
Payroll related liabilities	103,380	14,068	117,448	707,061
Landfill leachate disposal liability	647,926	-	647,926	-
Accrued interest	-	11,410	11,410	-
Advances, current	85,000	19,875	104,875	-
Notes payable, current	-	17,966	17,966	-
Accrued claims liability, current	-	-	-	1,084,839
Compensated absences, current	80,028	10,924	90,952	644,407
Total current liabilities	<u>2,436,550</u>	<u>295,948</u>	<u>2,732,498</u>	<u>3,163,415</u>
Noncurrent liabilities, net of current portion:				
Advances	255,000	72,538	327,538	-
Notes payable	-	349,654	349,654	-
Accrued claims liability	-	-	-	5,816,562
Landfill closure and postclosure liability	7,430,413	-	7,430,413	-
Compensated absences	22,611	-	22,611	13,053
Net pension liability	1,911,537	311,045	2,222,582	14,630,506
Total OPEB liability	393,405	71,902	465,307	2,190,867
Total noncurrent liabilities	<u>10,012,966</u>	<u>805,139</u>	<u>10,818,105</u>	<u>22,650,988</u>
Total liabilities	<u>12,449,516</u>	<u>1,101,087</u>	<u>13,550,603</u>	<u>25,814,403</u>
DEFERRED INFLOWS OF RESOURCES				
Pension-related deferred inflows	<u>154,710</u>	<u>25,174</u>	<u>179,884</u>	<u>1,184,112</u>
NET POSITION				
Net investment in capital assets	5,359,414	1,237,175	6,596,589	-
Unrestricted	6,503,657	2,250,902	8,754,559	(5,497,891)
Total net position	<u>\$ 11,863,071</u>	<u>\$ 3,488,077</u>	<u>15,351,148</u>	<u>\$ (5,497,891)</u>
Adjustment to reflect consolidation of internal service fund activities			(1,293,993)	
Net position of business-type activities			<u>\$ 14,057,155</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, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Nonmajor Enterprise Funds	Total	Internal Service Funds
Operating revenues:				
Charges for services	\$ 26,242,911	\$ 4,079,251	\$ 30,322,162	\$ 53,587,273
Other	8,707	99	8,806	267,259
Total operating revenues	<u>26,251,618</u>	<u>4,079,350</u>	<u>30,330,968</u>	<u>53,854,532</u>
Operating expenses:				
Salaries and wages	3,078,224	569,456	3,647,680	19,351,187
Repairs and maintenance	285,045	205,634	490,679	2,169,507
Utilities	40,797	253,721	294,518	119,706
Building and equipment rentals	67,233	11,495	78,728	197,946
Professional services	18,457,176	2,833,655	21,290,831	1,435,567
Communication	15,476	6,472	21,948	317,429
Fuel and operating supplies	130,815	61,985	192,800	815,483
Insurance claims and premiums	2,847	40,280	43,127	26,960,380
Administrative expenses	1,197,851	58,679	1,256,530	2,091,511
Depreciation	366,756	190,347	557,103	-
Other	386,628	12,281	398,909	350,791
Total operating expenses	<u>24,028,848</u>	<u>4,244,005</u>	<u>28,272,853</u>	<u>53,809,507</u>
Operating income (loss)	<u>2,222,770</u>	<u>(164,655)</u>	<u>2,058,115</u>	<u>45,025</u>
Nonoperating revenues (expenses):				
Franchise taxes	414,299	-	414,299	-
Interest revenue	253,934	40,904	294,838	145,964
Interest expense	(9,563)	(15,724)	(25,287)	-
Gain (loss) on sale of assets	(123,048)	-	(123,048)	-
Reclass to general capital assets	-	-	-	(1,204,103)
Total nonoperating revenues (expenses)	<u>535,622</u>	<u>25,180</u>	<u>560,802</u>	<u>(1,058,139)</u>
Income (loss) before transfers	<u>2,758,392</u>	<u>(139,475)</u>	<u>2,618,917</u>	<u>(1,013,114)</u>
Transfers in	-	-	-	862,851
Transfers out	-	(1,000)	(1,000)	-
Change in net position	<u>2,758,392</u>	<u>(140,475)</u>	<u>2,617,917</u>	<u>(150,263)</u>
Net position - beginning	<u>9,104,679</u>	<u>3,628,552</u>		<u>(5,347,628)</u>
Net position - ending	<u>\$ 11,863,071</u>	<u>\$ 3,488,077</u>		<u>\$ (5,497,891)</u>
Adjustment to reflect consolidation of internal service fund activities			(51,890)	
Change in net position of business-type activities			<u>\$ 2,566,027</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, 2019

	Business-type Activities - Enterprise Funds			Governmental
	Environmental Services	Other	Total	Internal
		Enterprise Funds		Service Funds
Cash flows from operating activities:				
Cash received from customers	\$ 26,114,264	\$ 4,028,981	\$ 30,143,245	\$ 53,732,976
Cash payments to suppliers for goods and services	(22,684,426)	(3,458,828)	(26,143,254)	(31,387,388)
Cash payments to employees for services	(2,709,326)	(446,785)	(3,156,111)	(18,062,784)
Net cash from operating activities	720,512	123,368	843,880	4,282,804
Cash flows from noncapital financing activities:				
Franchise taxes received	414,299	-	414,299	-
Transfers received	-	-	-	862,851
Transfers paid	-	(1,000)	(1,000)	-
Net cash from noncapital financing activities	414,299	(1,000)	413,299	862,851
Cash flows from capital and related financing activities:				
Sale of capital assets	253,269	-	253,269	-
Purchase of capital assets	(409,148)	(123,108)	(532,256)	(1,204,103)
Interfund loan proceeds	-	40,984	40,984	-
Debt principal payments - interfund loans	(85,000)	(17,142)	(102,142)	-
Debt principal payments - notes payable	-	(17,844)	(17,844)	-
Debt interest payments	(9,563)	(13,606)	(23,169)	-
Net cash from capital and related financing activities	(250,442)	(130,716)	(381,158)	(1,204,103)
Cash flows from investing activities:				
Interest on investments	255,126	41,502	296,628	132,166
Interfund loans advanced	(40,984)	-	(40,984)	-
Net cash from investing activities	214,142	41,502	255,644	132,166
Net change in cash and investments	1,098,511	33,154	1,131,665	4,073,718
Cash and investments - beginning	15,303,436	2,423,057	17,726,493	11,884,191
Cash and investments - ending	\$ 16,401,947	\$ 2,456,211	\$ 18,858,158	\$ 15,957,909

(Continued on following page)

MARION COUNTY, OREGON

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities
	Environmental Services	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ 2,222,770	\$ (164,655)	\$ 2,058,115	\$ 45,025
Depreciation	366,756	190,347	557,103	-
Change in:				
Receivables	(137,354)	(50,369)	(187,723)	(121,556)
Inventories and prepaids	-	-	-	2,072,720
Accounts payable	(957,398)	25,374	(932,024)	264,613
Payroll related liabilities	26,547	662	27,209	116,640
Landfill leachate disposal liability	(685,380)	-	(685,380)	-
Accrued claims liability	-	-	-	733,599
Landfill closure and postclosure liability	(457,780)	-	(457,780)	-
Compensated absences	(4,208)	(3,395)	(7,603)	(31,847)
Net pension asset/liability and deferred pension outflows/inflows	276,815	121,446	398,261	1,071,288
Total OPEB liability	69,744	3,958	73,702	132,322
Net cash from operating activities	<u>\$ 720,512</u>	<u>\$ 123,368</u>	<u>\$ 843,880</u>	<u>\$ 4,282,804</u>

Schedule of non-cash capital and related financing activities:

Reclass to general capital assets	\$	-	\$	-	\$	-	\$	1,204,103
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The notes to the financial statements are an integral part of this statement.

MARION COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2019

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 7,071,344
Receivables:	
Accounts and interest	1,617,863
Property taxes	<u>13,149,816</u>
Total assets	<u>\$ 21,839,023</u>
LIABILITIES	
Accounts payable	\$ 578,774
Due to other agencies	<u>21,260,249</u>
Total liabilities	<u>\$ 21,839,023</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, 2019

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 – 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. 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. 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. All blended component units have a June 30 fiscal year end.

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	

Discretely Presented Component Unit – The Marion County Housing Authority (MCHA) operates low-income and affordable housing programs primarily funded by the US Department of Housing and Urban Development. MCHA is a legally separate organization governed by the County's Board of Commissioners and an appointed resident board member. Although there is no financial benefit or burden relationship between MCHA and the County, MCHA is reported as a discretely presented component unit because its governing body is substantively the same as the County's. The data included in this report is as of MCHA's fiscal year ended December 31, 2018. Complete financial statements for MCHA may be obtained at 2645 Portland Road NE, Suite 200; Salem, Oregon 97301.

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, responsible for monitoring and enforcing the provisions of franchise agreements with a local cable company, and providing cable access for public purposes within the Salem Urban Growth Boundary. In accordance with their franchise agreements, the County and the City remit a portion of cable franchise fees to provide funding for MWVCRC. Separate financial statements for MWVCRC may be obtained at 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 550 Hawthorne Avenue SE, Suite 140; Salem, Oregon 97301.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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, 2019

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.

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. Property taxes are the principal source of revenue.

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.

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, blended 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.

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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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

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 housing rehabilitation loans made with federal funds in the General Operating 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 Prepaids:

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

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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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

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. 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.

N. Fund Balance:

In the fund financial statements, governmental funds report classifications of fund balance based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which those funds can be spent. *Nonspendable fund balance* includes amounts that cannot be spent because they are not in spendable form. *Restricted fund balance* represents amounts for which constraints have been imposed by creditors, grantors, contributors, laws or regulations. *Committed fund balance* represents amounts for which constraints have been imposed by resolution of the Board of Commissioners; committed amounts cannot be used for any other purpose unless the specified use is removed or changed by the same type of action. *Assigned fund balance* represents amounts that are not restricted or committed, but are intended to be used for specific purposes 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

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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

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 \$2,299,308 as of June 30, 2019.

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.

Q. Use of Estimates:

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect the amounts reported in the the basic financial statements and accompanying notes; actual results may differ.

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, 2019:

Cash on hand	\$	16,948
Deposits with financial institutions		3,917,841
Investments		148,807,333
Total cash and investments	\$	152,742,122

Cash and investments consist of \$145,670,778 shown on the government-wide Statement of Net Position and \$7,071,344 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, 2019, the County had total bank balances of \$3,954,305. Of this amount, \$798,247 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, 2019

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, 2019, 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	\$ 35,617,750	\$ 35,467,799	23.8%	12.03
US agency securities	Level 2	67,377,117	67,205,017	45.2%	12.39
Municipal bonds	Level 2	20,545,456	20,483,051	13.8%	13.77
Corporate bonds	Level 2	6,285,957	6,292,326	4.2%	7.03
Certificates of deposit	Level 2	249,238	250,000	0.2%	7.40
State of Oregon local government investment pool (LGIP)	N/A	19,233,349	19,109,140	12.8%	n/a
		<u>\$ 149,308,867</u>	<u>\$ 148,807,333</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 100.65% of the value of the pool shares as of June 30, 2019.

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, 2019, ratings (Moody's unless otherwise noted) for the County's investments were as follows US treasury securities \$32,469,682, Aaa, \$2,998,117, Aa; US agency securities \$64,216,353, Aaa, \$2,988,664, AA- (S&P); municipal bonds \$410,183, Aaa, \$18,068,074, Aa, \$2,004,794, A; corporate bonds \$2,001,256, Aaa, \$4,291,070, Aa. The certificates of deposit and the LGIP are not rated.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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: \$340,000 from the Environmental Services Fund for heavy equipment purchases, \$85,000 due annually plus interest at 2.25%; and \$51,429 from the Fargo Interchange Service District for a sewer pump upgrade, \$17,143 due annually plus interest at 2.70%. The Environmental Services Fund has a \$40,984 advance receivable from the Brooks Community Service District for a water meter and pump upgrade, \$2,732 due annually plus interest at 3.75%.

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.

	Taxes and Assessments	Accounts	Interest	Loans	Total
General Operating Fund	\$ 2,840,989	\$ 1,482,778	\$ 87,231	\$ 67,866	\$ 4,478,864
Public Works Fund	-	3,741,941	91,912	-	3,833,853
Health & Human Services Fund	-	3,953,411	47,399	-	4,000,810
Lottery & Economic Dev Fund	-	-	7,869	5,213,119	5,220,988
Environmental Services	-	1,930,289	50,789	-	1,981,078
Nonmajor governmental funds	42,840	2,469,131	124,978	858,256	3,495,205
Nonmajor enterprise funds	67,124	315,858	7,641	-	390,623
Internal service funds	-	138,940	39,165	-	178,105
Agency funds	13,149,816	1,610,765	7,098	-	14,767,679
	<u>\$ 16,100,769</u>	<u>\$ 15,643,113</u>	<u>\$ 464,082</u>	<u>\$ 6,139,241</u>	<u>\$ 38,347,205</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

NOTE 5 – CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2019 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	15,210,792	11,280,839	17,160,740	9,330,891
Total capital assets not being depreciated	<u>27,363,747</u>	<u>11,280,839</u>	<u>17,160,740</u>	<u>21,483,846</u>
Capital assets being depreciated:				
Buildings and improvements	127,249,312	14,119,102	-	141,368,414
Equipment	38,126,235	3,314,673	2,010,494	39,430,414
Infrastructure	590,713,903	7,865,002	-	598,578,905
Total capital assets being depreciated	<u>756,089,450</u>	<u>25,298,777</u>	<u>2,010,494</u>	<u>779,377,733</u>
Less accumulated depreciation for:				
Buildings and improvements	40,719,996	2,791,750	-	43,511,746
Equipment	21,929,989	2,943,774	1,721,537	23,152,226
Infrastructure	517,138,707	7,480,561	-	524,619,268
Total accumulated depreciation	<u>579,788,692</u>	<u>13,216,085</u>	<u>1,721,537</u>	<u>591,283,240</u>
Total capital assets being depreciated, net	<u>176,300,758</u>	<u>12,082,692</u>	<u>288,957</u>	<u>188,094,493</u>
Governmental activities capital assets, net	<u>\$ 203,664,505</u>	<u>\$ 23,363,531</u>	<u>\$ 17,449,697</u>	<u>\$ 209,578,339</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	300	37,132	300	37,132
Total capital assets not being depreciated	<u>3,035,216</u>	<u>37,132</u>	<u>300</u>	<u>3,072,048</u>
Capital assets being depreciated:				
Landfills	6,430,703	-	-	6,430,703
Buildings and improvements	14,176,990	248,802	-	14,425,792
Equipment	3,716,910	246,622	705,595	3,257,937
Total capital assets being depreciated	<u>24,324,603</u>	<u>495,424</u>	<u>705,595</u>	<u>24,114,432</u>
Less accumulated depreciation for:				
Landfills	6,430,703	-	-	6,430,703
Buildings and improvements	10,944,244	312,559	-	11,256,803
Equipment	2,568,070	244,544	329,278	2,483,336
Total accumulated depreciation	<u>19,943,017</u>	<u>557,103</u>	<u>329,278</u>	<u>20,170,842</u>
Total capital assets being depreciated, net	<u>4,381,586</u>	<u>(61,679)</u>	<u>376,317</u>	<u>3,943,590</u>
Business-type activities capital assets, net	<u>\$ 7,416,802</u>	<u>\$ (24,547)</u>	<u>\$ 376,617</u>	<u>\$ 7,015,638</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

NOTE 5 – CAPITAL ASSETS (Continued):

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

Governmental activities:	
General government	\$ 2,474,197
Health and social services	384,225
Public safety and judicial	1,726,214
Community service	46,848
Roads and bridges	<u>8,584,601</u>
Total depreciation expense, governmental activities	<u>\$ 13,216,085</u>
Business-type activities:	
Environmental services	\$ 366,756
Stormwater management	14,543
Sewer and lighting services	<u>175,804</u>
Total depreciation expense, business-type activities	<u>\$ 557,103</u>

NOTE 6 – LONG-TERM OBLIGATIONS:

Changes in long-term obligations for the year ended June 30, 2019 are as follows:

	Beginning Balances	Additions	Deletions	Ending Balances	Due within One Year
Governmental activities:					
Refunding obligations	\$ 7,180,800	\$ -	\$ 1,292,761	\$ 5,888,039	\$ 1,245,000
Capital financing agreements	21,514,235	-	1,740,544	19,773,691	1,776,419
Limited tax pension obligations	35,465,304	-	1,239,250	34,226,054	2,570,000
Accrued claims liability	6,167,802	1,728,211	994,612	6,901,401	1,084,839
Compensated absences	4,666,250	4,837,769	4,746,498	4,757,521	4,567,489
Net pension liability	105,881,631	105,789,558	96,696,957	114,974,232	-
Total OPEB liability	<u>18,241,065</u>	<u>1,759,563</u>	<u>606,336</u>	<u>19,394,292</u>	<u>-</u>
Governmental activities long-term obligations	<u>\$ 199,117,087</u>	<u>\$ 114,115,101</u>	<u>\$ 107,316,958</u>	<u>\$ 205,915,230</u>	<u>\$ 11,243,747</u>
Business-type activities:					
Notes payable	\$ 385,464	\$ -	\$ 17,844	\$ 367,620	\$ 17,966
Landfill closure and postclosure liability	7,888,193		457,780	7,430,413	-
Compensated absences	121,166	104,039	111,642	113,563	90,952
Net pension liability	1,761,616	2,330,227	1,869,261	2,222,582	-
Total OPEB liability	<u>391,605</u>	<u>88,249</u>	<u>14,547</u>	<u>465,307</u>	<u>-</u>
Business-type activities long-term obligations	<u>\$ 10,548,044</u>	<u>\$ 2,522,515</u>	<u>\$ 2,471,074</u>	<u>\$ 10,599,485</u>	<u>\$ 108,918</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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.

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

Fiscal Year of Maturity	Principal			Future Interest
	Outstanding July 1, 2018	Matured and Paid During Year	Outstanding June 30, 2019	
2019	\$ 1,190,000	\$ 1,190,000	\$ -	\$ -
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
	6,610,000	1,190,000	5,420,000	765,875
Unamortized premium	570,800	102,761	468,039	-
	<u>\$ 7,180,800</u>	<u>\$ 1,292,761</u>	<u>\$ 5,888,039</u>	<u>\$ 765,875</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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, 2018	Paid During Year	Outstanding June 30, 2019	
2019	\$ 645,046	\$ 645,046	\$ -	\$ -
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	753,491	-	753,491	128,786
2025-2029	3,654,988	-	3,654,988	274,135
	<u>\$ 7,843,864</u>	<u>\$ 645,046</u>	<u>\$ 7,198,818</u>	<u>\$ 1,141,690</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, 2018	Paid During Year	Outstanding June 30, 2019	
2019	\$ 648,970	\$ 648,970	\$ -	\$ -
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	716,687	-	716,687	100,000
2025-2029	3,804,818	-	3,804,818	278,619
2030	771,270	-	771,270	9,348
	<u>\$ 8,670,371</u>	<u>\$ 648,970</u>	<u>\$ 8,021,401</u>	<u>\$ 926,090</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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		Outstanding June 30, 2019	Future Interest
	Outstanding July 1, 2018	Paid During Year		
2019	\$ 446,528	\$ 446,528	\$ -	\$ -
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	501,973	-	501,973	80,317
2025-2028	2,172,301	-	2,172,301	156,763
	<u>\$ 5,000,000</u>	<u>\$ 446,528</u>	<u>\$ 4,553,472</u>	<u>\$ 687,042</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		Outstanding June 30, 2019	Future Interest
	Outstanding July 1, 2018	Matured and Paid During Year		
2019	\$ 1,520,000	\$ 1,520,000	\$ -	\$ -
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	2,675,000	-	2,675,000	1,026,030
2025-2028	12,195,000	-	12,195,000	2,008,590
	24,250,000	1,520,000	22,730,000	8,467,680
Less deferred interest	(2,239,696)	(1,080,750)	(1,158,946)	-
	<u>\$ 22,010,304</u>	<u>\$ 439,250</u>	<u>\$ 21,571,054</u>	<u>\$ 8,467,680</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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			Future Interest
	Outstanding July 1, 2018	Matured and Paid During Year	Outstanding June 30, 2019	
2019	\$ 800,000	\$ 800,000	\$ -	\$ -
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	1,490,000	-	1,490,000	498,571
2025-2028	6,690,000	-	6,690,000	973,067
	<u>\$ 13,455,000</u>	<u>\$ 800,000</u>	<u>\$ 12,655,000</u>	<u>\$ 4,179,903</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			Future Interest
	Outstanding July 1, 2018	Paid During Year	Outstanding June 30, 2019	
2019	\$ 17,844	\$ 17,844	\$ -	\$ -
2020	17,966	-	17,966	18,083
2021	18,099	-	18,099	17,349
2022	18,223	-	18,223	16,475
2023	23,385	-	23,385	15,564
2024	23,553	-	23,553	14,395
2025-2029	125,461	-	125,461	54,030
2030-2034	140,933	-	140,933	21,810
	<u>\$ 385,464</u>	<u>\$ 17,844</u>	<u>\$ 367,620</u>	<u>\$ 157,706</u>

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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 16 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 \$7,430,413 reported as landfill closure and postclosure liability at June 30, 2019, represents the cumulative amount reported to date based on the use of 83% of the estimated capacity at the North Marion facility and 76% at Brown's Island. The estimated total closure and postclosure care costs remaining to be recognized are \$1,751,047. These amounts are based on what it would cost to perform all closure and postclosure care in 2019; actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County has also recognized a current liability of \$647,926 for the disposal of leachate stored at the North Marion site as of June 30, 2019.

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, 2018 (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 \$6,901,401 reported in the Self-Insurance Fund at June 30, 2019 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, 2019.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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 2018-19	Fiscal Year 2017-18
Claims liability, beginning of year	\$ 6,167,802	\$ 5,687,994
Current year claims and changes in estimates	1,728,211	1,698,452
Claim payments	(994,612)	(1,218,644)
Claims liability, end of year	\$ 6,901,401	\$ 6,167,802

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, 2019

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 2019 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 \$11,094,819 for fiscal year 2019.

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 2019 were based on the December 31, 2016 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, 2019

NOTE 8 – PENSION PLAN (Continued):

Pension Assets/Liabilities, Pension Expense, and Pension-Related Deferrals – At June 30, 2019, the County reported a net pension liability of \$117,196,814 as its proportionate share of the collective net pension liability for PERS, measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was based on a December 31, 2016 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 0.77% as of the June 30, 2018 measurement date, compared to 0.80% as of June 30, 2017.

For fiscal year 2019, the County recognized a pension expense of \$21,219,782. At June 30, 2019, the County reported the following pension-related deferrals:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,986,685	\$ -
Changes of assumptions	27,248,037	-
Net difference between projected and actual earnings on investments	-	5,204,201
Changes in proportionate share	302,038	2,420,814
Differences between employer contributions and proportionate share of contributions	-	1,860,248
	31,536,760	9,485,263
Contributions made after the measurement date	10,391,723	-
	\$ 41,928,483	\$ 9,485,263

The \$10,391,723 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 2020. Other amounts reported as deferred outflows and inflows of resources will be recognized in pension expense in subsequent years as follows:

Fiscal Year	Amount
2020	\$ 13,243,963
2021	9,276,702
2022	(1,898,171)
2023	853,581
2024	575,422

Actuarial Methods and Assumptions – The total pension liability in the December 31, 2016 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 7.2%, and mortality rates based on the RP-2014 sex-distinct mortality tables, with generational adjustments per the Unisex Social Security Data Scale. These assumptions were based on the results of an actuarial experience study for the four-year period ending December 31, 2016. The assumed investment rate of return reflects a 0.3% reduction from the previous valuation.

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, 2019

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 %	3.49 %
Short-Term Bonds	8.00	3.38
Bank/Leveraged Loans	3.00	5.09
High Yield Bonds	1.00	6.45
Large/Mid Cap US Equities	15.75	6.30
Small/Micro Cap US Equities	2.62	6.74
Developed Foreign Equities	13.13	6.71
Emerging Market Equities	4.12	7.45
Non-US Small Cap Equities	1.88	7.01
Private Equity	17.50	7.82
Real Estate (Property)	10.00	5.51
Real Estate (REITS)	2.50	6.37
Hedge Funds	3.12	4.45
Timber/Farmland	3.75	5.88
Infrastructure	3.75	6.60
Commodities	1.88	3.84
	<u>100.00 %</u>	

The discount rate used to measure the total pension liability was 7.20% compared to 7.50% for the previous measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following chart shows the sensitivity of the net pension liability (asset) to changes in the discount rate, based on calculations using discount rates of 6.20%, 7.20%, and 8.20%.

	1% Decrease 6.20%	Current Rate 7.20%	1% Increase 8.20%
County's proportionate share of the net pension liability (asset)	\$ 195,858,017	\$ 117,196,814	\$ 52,268,429

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

Defined Contribution Plan – PERS-eligible employees are statutorily required to contribute 6% of their annual covered salary to the OPSRP Individual Account Program (IAP), a defined contribution pension plan. Benefits terms, including contribution requirements, are established by the Oregon Legislature. As permitted, the County has opted to pick-up the contributions on behalf of employees; contributions were \$5,252,608 for the year ended June 30, 2019. 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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

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, 2019, the following employees were covered by the benefit terms:

Retirees or beneficiaries currently receiving benefits	79
Retirees entitled to but not receiving benefits	-
Active employees	<u>1,311</u>
	<u>1,390</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, 2019, the actuarially estimated implicit rate subsidy was \$620,883.

Total OPEB Liability and OPEB Expense – As of June 30, 2019, the County reported a total OPEB liability of \$19,859,599, based on a July 1, 2017 actuarial valuation, rolled forward to the measurement date of June 30, 2019. For the year ended June 30, 2019, the County recognized OPEB expense of \$1,847,812.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued):

Total OPEB liability, beginning of year	\$ 18,632,670
Changes for the year:	
Service cost	1,278,961
Interest	568,851
Benefit payments	(620,883)
Net changes	1,226,929
Total OPEB liability, end of year	\$ 19,859,599

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	\$ 21,672,432	\$ 19,859,599	\$ 18,175,474

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	\$ 17,092,097	\$ 19,859,599	\$ 23,200,998

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

NOTE 10 – FUND BALANCE CLASSIFICATIONS:

	General Operating	Public Works	Health & Human Svcs	Lottery & Econ Dev	Other Governmental	Total Governmental
Restricted for:						
Capitated health services	\$ -	\$ -	\$ 1,454,306	\$ -	\$ -	\$ 1,454,306
Health programs	-	-	8,087,770	-	-	8,087,770
Economic development	-	-	-	2,491,806	-	2,491,806
Public safety programs	-	-	-	-	2,488,522	2,488,522
Court security	-	-	-	-	703,352	703,352
Law library	-	-	-	-	775,259	775,259
Forest & wildfire programs	-	-	-	-	798,673	798,673
Extension services	-	-	-	-	899,437	899,437
Corner restoration	-	-	-	-	2,224,539	2,224,539
Education	-	-	-	-	1,411,518	1,411,518
Capital projects	-	-	-	-	1,995,928	1,995,928
Other purposes	-	-	-	-	832,666	832,666
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,542,076</u>	<u>\$ 2,491,806</u>	<u>\$ 12,129,894</u>	<u>\$ 24,163,776</u>
Committed to:						
Financial stabilization	\$ 2,299,308	\$ -	\$ -	\$ -	\$ -	\$ 2,299,308
Road improvements	-	4,398,792	-	-	-	4,398,792
Other purposes	-	-	-	-	290,352	290,352
	<u>\$ 2,299,308</u>	<u>\$ 4,398,792</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 290,352</u>	<u>\$ 6,988,452</u>
Assigned to:						
Health programs	\$ -	\$ -	\$ 7,404,647	\$ -	\$ -	\$ 7,404,647
Public safety programs	1,661,670	-	-	-	2,257,219	3,918,889
Roads & bridges	-	26,262,619	-	-	117,081	26,379,700
Building inspection	-	-	-	-	4,531,629	4,531,629
Debt service	-	-	-	-	2,932,013	2,932,013
Capital projects	-	-	-	-	18,177,110	18,177,110
Other purposes	-	-	-	-	583,312	583,312
	<u>\$ 1,661,670</u>	<u>\$ 26,262,619</u>	<u>\$ 7,404,647</u>	<u>\$ -</u>	<u>\$ 28,598,364</u>	<u>\$ 63,927,300</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	Nonmajor funds	
Governmental Funds:							
General Operating Fund	\$ -	\$ -	\$ -	\$ -	\$ 4,428,770	\$ -	\$ 4,428,770
Public Works Fund	145,534	-	-	-	2,832	-	148,366
Health & Human Svcs Fund	3,604,588	-	-	-	-	-	3,604,588
Nonmajor funds	12,980,840	51,991	726,799	339,000	535,605	1,000	14,635,235
Proprietary Funds:							
Internal service funds	529,978	32,628	86,834	-	213,411	-	862,851
Total	<u>\$ 17,260,940</u>	<u>\$ 84,619</u>	<u>\$ 813,633</u>	<u>\$ 339,000</u>	<u>\$ 5,180,618</u>	<u>\$ 1,000</u>	<u>\$ 23,679,810</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, 2019

NOTE 12 – TAX ABATEMENTS:

County property taxes were reduced \$339,587 in fiscal 2019 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)	\$ 42,064
City of Salem	Multiple Unit Housing (ORS 307.600 to 637)	50,140
City of Salem	Low Income Housing (ORS 307.541)	13,878
Salem Enterprise Zone (City of Salem)	Enterprise Zone (ORS 285C)	197,966
North Marion Enterprise Zone (Cities of Aurora, Donald & Hubbard)	Enterprise Zone (ORS 285C)	15,105
North Santiam Enterprise Zone (City of Stayton)	Enterprise Zone (ORS 285C)	14,568
Silverton-Mt. Angel Enterprise Zone (Cities of Mt. Angel & Silverton)	Enterprise Zone (ORS 285C)	3,058
Woodburn-Gervais Enterprise Zone (Cities of Gervais & Woodburn)	Enterprise Zone (ORS 285C)	2,808
		<u>\$ 339,587</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 2019, monthly service fees were approximately \$858,000. These costs are recorded in the Environmental Services Fund, an Enterprise Fund.

The County has long-term agreements to lease space for storage and various offices. Rent for these facilities was \$1,453,693 for the year ended June 30, 2019. Future obligations under these agreements are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2020	\$ 1,965,584
2021	1,918,689
2022	1,463,460
2023	1,508,063
2024	1,515,520
2025-2028	4,846,494

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

NOTE 14 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY:

The County budgets all funds except agency funds, and the Illahe Hills Street Lighting District, which is exempt from Oregon Local Budget Law (ORS 294). In accordance with Oregon Local Budget Law, the County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In May or early June, the County's Budget Officer submits a proposed budget to the County Budget Committee for the ensuing fiscal year starting July 1. The budget includes recommended expenditure category levels and the estimated revenues that will finance them.
2. The Budget Committee holds public hearings on the proposed budget and approves a budget which is published at least one week prior to the adoption of the budget resolution by the County's Board of Commissioners at a public meeting.
3. The Board of Commissioners, after a public hearing and prior to July 1, adopts the budget, makes appropriations and imposes taxes by resolution. If not adopted prior to July, the County has no authority to expend monies until a budget is adopted. The budget must be balanced in accordance with Oregon Local Budget Law.
4. Funds are appropriated by department, including amounts for personnel services, materials and services, and capital outlay; non-departmental activity is appropriated by the following categories: personnel services, materials and services, capital outlay, debt service, special payments, transfers and contingency. Departments are authorized to transfer appropriations between line items within a category but transfers between categories or departments must be approved by the Board of Commissioners. Revisions that alter the total appropriations of any fund, other than the receipt of new, designated grants, must be made using a supplemental budget. This process requires a public hearing and enactment by the Board of Commissioners.
5. Budgets for the General Operating, Special Revenue, Debt Service and Capital Projects Funds are adopted on a modified accrual basis. Budgets for the Enterprise and Internal Service Funds are adopted on a basis consistent with GAAP, except that depreciation and vacation pay are not recognized.
6. Appropriations lapse at the end of the fiscal year.

The County adopted three supplemental budgets during the year ended June 30, 2019.

The Environmental Services Fund, an Enterprise Fund, was overexpended in the Debt Service category by \$4,038.

The Central Services Fund, an Internal Service Fund, reported a deficit net position of \$13,428,716 as of June 30, 2019, due to the recognition of long-term liabilities for pensions and other postemployment benefits.

NOTE 15 – NEW PRONOUNCEMENTS:

The GASB has 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.

MARION COUNTY, OREGON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2019

NOTE 16 – DISCRETELY PRESENTED COMPONENT UNIT – MARION COUNTY HOUSING AUTHORITY:

Cash and investments as of December 31, 2018 are comprised of the following:

Deposits with financial institutions	\$ 5,033,397
Investment in joint venture, Hazedel Seniors LP	<u>100,802</u>
Total cash and investments	<u><u>\$ 5,134,199</u></u>

\$1,183,646 of the balance is restricted for housing assistance payments, tenant deposits, escrow loan deposits, and capital replacement reserves.

Receivables as of December 31, 2018 are comprised of the following:

Accounts receivable	\$ 250,752
Note receivable from Hazedel Seniors LP	1,496,327
Notes receivable from homebuyers	<u>2,042,370</u>
Total receivables	<u><u>\$ 3,789,449</u></u>

Notes receivable from homebuyers are part of the Section 32 homeownership program. No payments are required as long as the homebuyer remains the principal owner. Accordingly, these deferred loan repayments are reported as deferred inflows that will be recognized as revenue when the loans are repaid.

Capital asset activity for the year ended December 31, 2018:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 1,236,037	\$ -	\$ 104,179	\$ 1,131,858
Capital assets being depreciated:				
Buildings and improvements	16,767,683	50,720	318,679	16,499,724
Equipment	<u>960,511</u>	<u>5,829</u>	<u>-</u>	<u>966,340</u>
Total capital assets being depreciated	<u>17,728,194</u>	<u>56,549</u>	<u>318,679</u>	<u>17,466,064</u>
Less accumulated depreciation for:				
Buildings and improvements	9,570,829	571,110	236,315	9,905,624
Equipment	<u>714,159</u>	<u>19,535</u>	<u>-</u>	<u>733,694</u>
Total accumulated depreciation	<u>10,284,988</u>	<u>590,645</u>	<u>236,315</u>	<u>10,639,318</u>
Capital assets, net	<u><u>\$ 8,679,243</u></u>	<u><u>\$ (534,096)</u></u>	<u><u>\$ 186,543</u></u>	<u><u>\$ 7,958,604</u></u>

Depreciation expense for the year ended December 31, 2018 was \$590,645.

Long-term debt activity for the year ended December 31, 2018:

	Beginning Balances	Additions	Deletions	Ending Balances	Due within One Year
Notes payable	\$ 2,395,961	\$ -	\$ 152,341	\$ 2,243,620	\$ 625,079
Compensated absences	48,040	8,026	-	56,066	9,262
Net pension liability	67,054	566,200	283,853	349,401	-
Total OPEB liability	<u>28,569</u>	<u>4,607</u>	<u>3,615</u>	<u>29,561</u>	<u>-</u>
Total long-term obligations	<u><u>\$ 2,539,624</u></u>	<u><u>\$ 578,833</u></u>	<u><u>\$ 439,809</u></u>	<u><u>\$ 2,678,648</u></u>	<u><u>\$ 634,341</u></u>

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, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 72,673,750	\$ 73,638,050	\$ 74,294,066	\$ 656,016
Franchise	337,530	337,530	348,070	10,540
Licenses and permits	65,000	65,000	58,700	(6,300)
Intergovernmental	4,912,648	5,362,648	7,116,360	1,753,712
Charges for services	4,046,856	4,046,856	4,301,233	254,377
Fines and forfeitures	210,000	210,000	261,086	51,086
Interest	762,790	762,790	1,103,006	340,216
Other	30,000	35,838	35,194	(644)
Total revenues	83,038,574	84,458,712	87,517,715	3,059,003
EXPENDITURES:				
Assessor's Office	6,312,170	6,312,170	5,887,496	424,674
Clerk's Office	2,909,751	2,909,751	2,757,408	152,343
Community Services Department	886,388	886,388	735,629	150,759
District Attorney's Office	9,503,889	9,503,889	8,736,724	767,165
Justice Court	1,001,279	1,001,279	926,622	74,657
Juvenile Department	12,232,477	12,389,185	11,666,225	722,960
Sheriff's Office	43,272,416	43,340,607	41,710,726	1,629,881
Treasurer's Office	477,242	477,242	443,435	33,807
Non-Departmental:				
Materials and services	2,789,024	2,791,207	1,578,979	1,212,228
Contingency	1,313,770	993,483	-	993,483
Total expenditures	80,698,406	80,605,201	74,443,244	6,161,957
OTHER FINANCING SOURCES (USES):				
Transfers in	4,498,766	4,531,320	4,528,770	(2,550)
Transfers out	(15,822,895)	(18,634,506)	(17,260,940)	1,373,566
Total other financing sources (uses)	(11,324,129)	(14,103,186)	(12,732,170)	1,371,016
Net change in fund balance	(8,983,961)	(10,249,675)	342,301	10,591,976
FUND BALANCE - beginning	14,246,550	15,512,264	15,512,264	-
FUND BALANCE - ending	\$ 5,262,589	\$ 5,262,589	15,854,565	\$ 10,591,976
Reconciliation to generally accepted accounting principles (GAAP) basis:				
Funds budgeted separately:				
Traffic Safety Team Fund			1,139,351	
Inmate Welfare Fund			522,319	
Rainy Day Fund			2,299,308	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances - General Operating Fund			\$ 19,815,543	

MARION COUNTY, OREGON

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

For the year ended June 30, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 187,450	\$ 187,450	\$ 250,805	\$ 63,355
Intergovernmental	31,907,159	32,167,623	29,794,480	(2,373,143)
Charges for services	3,085,226	3,085,226	3,226,270	141,044
Fines and forfeitures	15,000	15,000	11,332	(3,668)
Interest	183,576	183,576	406,790	223,214
Other	113,988	123,988	194,572	70,584
Total revenues	35,492,399	35,762,863	33,884,249	(1,878,614)
EXPENDITURES:				
Public Works Department	40,854,555	43,451,730	30,975,236	12,476,494
Contingency	3,679,375	3,202,191	-	3,202,191
Total expenditures	44,533,930	46,653,921	30,975,236	15,678,685
OTHER FINANCING SOURCES (USES):				
Transfers in	419,708	444,121	148,366	(295,755)
Transfers out	(34,700)	(86,691)	(84,619)	2,072
Total other financing sources (uses)	385,008	357,430	63,747	(293,683)
Net change in fund balance	(8,656,523)	(10,533,628)	2,972,760	13,506,388
FUND BALANCE - beginning	24,443,600	28,192,966	28,192,966	-
FUND BALANCE - ending	\$ 15,787,077	\$ 17,659,338	31,165,726	\$ 13,506,388
Add interfund loan receivable			391,429	
FUND BALANCE - ending, as reported in the Statement of Revenues, Expenditures and Changes in Fund Balances			\$ 31,557,155	

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, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 42,024,319	\$ 41,819,464	\$ 40,982,734	\$ (836,730)
Charges for services	8,192,862	8,307,482	7,392,091	(915,391)
Interest	205,050	305,050	333,015	27,965
Other	20,000	20,000	67,508	47,508
Total revenues	<u>50,442,231</u>	<u>50,451,996</u>	<u>48,775,348</u>	<u>(1,676,648)</u>
EXPENDITURES:				
Health & Human Services Department	61,648,828	62,071,041	58,451,389	3,619,652
Contingency	<u>4,592,952</u>	<u>4,192,373</u>	-	<u>4,192,373</u>
Total expenditures	<u>66,241,780</u>	<u>66,263,414</u>	<u>58,451,389</u>	<u>7,812,025</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	3,795,298	3,795,298	3,604,588	(190,710)
Transfers out	<u>(3,731,885)</u>	<u>(4,208,609)</u>	<u>(813,633)</u>	<u>3,394,976</u>
Total other financing sources (uses)	<u>63,413</u>	<u>(413,311)</u>	<u>2,790,955</u>	<u>3,204,266</u>
Net change in fund balance	(15,736,136)	(16,224,729)	(6,885,086)	9,339,643
FUND BALANCE - beginning	<u>21,707,867</u>	<u>23,831,809</u>	<u>23,831,809</u>	-
FUND BALANCE - ending	<u>\$ 5,971,731</u>	<u>\$ 7,607,080</u>	<u>\$ 16,946,723</u>	<u>\$ 9,339,643</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, 2019

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,922,147	\$ 1,925,836	\$ 1,775,603	\$ (150,233)
Charges for services	-	-	50	50
Interest	25,000	25,000	39,637	14,637
Other	-	121,403	121,403	-
Total revenues	<u>1,947,147</u>	<u>2,072,239</u>	<u>1,936,693</u>	<u>(135,546)</u>
EXPENDITURES:				
Community Services Department	3,221,402	3,455,779	1,378,959	2,076,820
Non-Departmental:				
Contingency	<u>438,593</u>	<u>144,996</u>	<u>-</u>	<u>144,996</u>
Total expenditures	<u>3,659,995</u>	<u>3,600,775</u>	<u>1,378,959</u>	<u>2,221,816</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(324,000)</u>	<u>(339,000)</u>	<u>(339,000)</u>	<u>-</u>
Net change in fund balance	(2,036,848)	(1,867,536)	218,734	2,086,270
FUND BALANCE - beginning	<u>2,442,384</u>	<u>2,273,072</u>	<u>2,273,072</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 405,536</u>	<u>\$ 405,536</u>	<u>\$ 2,491,806</u>	<u>\$ 2,086,270</u>

MARION COUNTY, OREGON

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

	<u>Measurement Date</u>	<u>County's Proportion of Net Pension Liability (Asset)</u>	<u>County's Proportionate Share of Net Pension Liability (Asset)</u>	<u>County's Covered 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>
2019	6/30/2018	0.77%	\$ 117,196,814	\$ 85,352,985	137.31%	82.07%
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 Payroll</u>	<u>Contributions as % of Payroll</u>
2019	\$ 11,094,819	\$ 11,094,819	\$ -	\$ 87,543,406	12.67%
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>2019</u>	<u>2018</u>
Total OPEB liability, beginning of year	\$ 18,632,670	\$ 17,351,009
Changes for the year:		
Service cost	1,278,961	1,278,961
Interest	568,851	531,779
Benefit payments	<u>(620,883)</u>	<u>(529,079)</u>
Net changes	<u>1,226,929</u>	<u>1,281,661</u>
Total OPEB liability, end of year	<u>\$ 19,859,599</u>	<u>\$ 18,632,670</u>
Covered payroll	\$ 90,453,479	\$ 87,148,750
Total OPEB liability as a percentage of covered payroll	21.96%	21.38%
Discount rate	3.00%	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.

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. Closed in fiscal 2019.
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.
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 Services	License and adoption fees, transfers from the General Fund.	Animal control activities and dog shelter operations.

<u>Fund</u>	<u>Principal Resources</u>	<u>Description of Operations</u>
Enhanced Public Safety ESSD	Charges for services.	Dedicated 24/7 public safety services provided to East Salem Service District.
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.
Facility Renovation	Capital financing proceeds, interfund transfers.	Various facility renovation projects.
Capital Improvement Projects	Transfers from the General Fund and other funds.	Various capital projects and acquisitions.

MARION COUNTY, OREGON

COMBINING BALANCE SHEET
BUDGETARY FUNDS REPORTED AS GENERAL OPERATING FUND

June 30, 2019

	Budgetary Funds				Total General Operating Fund
	General Fund	Traffic Safety Team	Inmate Welfare	Rainy Day	
ASSETS:					
Cash and investments	\$ 16,706,928	\$ 1,164,033	\$ 484,974	\$ 2,292,240	\$ 20,648,175
Receivables:					
Accounts	1,413,203	24,831	44,744	-	1,482,778
Interest	74,933	3,747	1,483	7,068	87,231
Loans	67,866	-	-	-	67,866
Taxes	2,840,989	-	-	-	2,840,989
Inventories and prepaids	15,522	-	-	-	15,522
Total assets	\$ 21,119,441	\$ 1,192,611	\$ 531,201	\$ 2,299,308	\$ 25,142,561
LIABILITIES:					
Accounts payable	\$ 752,754	\$ 9,572	\$ 2,498	\$ -	\$ 764,824
Payroll related liabilities	2,059,283	43,688	6,129	-	2,109,100
Deposits	20,014	-	255	-	20,269
Total liabilities	2,832,051	53,260	8,882	-	2,894,193
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	2,432,825	-	-	-	2,432,825
FUND BALANCES:					
Nonspendable	15,522	-	-	-	15,522
Committed	-	-	-	2,299,308	2,299,308
Assigned	-	1,139,351	522,319	-	1,661,670
Unassigned	15,839,043	-	-	-	15,839,043
Total fund balances	15,854,565	1,139,351	522,319	2,299,308	19,815,543
Total liabilities, deferred inflows of resources, and fund balances	\$ 21,119,441	\$ 1,192,611	\$ 531,201	\$ 2,299,308	\$ 25,142,561

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, 2019

	Budgetary Funds				Eliminate Interfund Activity	Total General Operating Fund
	General Fund	Traffic Safety Team	Inmate Welfare	Rainy Day		
REVENUES:						
Taxes	\$ 74,642,136	\$ -	\$ -	\$ -	\$ -	\$ 74,642,136
Licenses and permits	58,700	-	-	-	-	58,700
Intergovernmental	7,116,360	39,528	-	-	-	7,155,888
Charges for services	4,301,233	6,137	305,097	-	-	4,612,467
Fines and forfeitures	261,086	1,933,443	-	-	-	2,194,529
Interest	1,103,006	18,238	6,447	35,077	-	1,162,768
Other	35,194	490	308	-	-	35,992
Total revenues	87,517,715	1,997,836	311,852	35,077	-	89,862,480
EXPENDITURES:						
Current:						
General government	10,667,318	-	-	-	-	10,667,318
Public safety and judicial	63,040,297	1,775,572	207,774	-	-	65,023,643
Community service	735,629	-	-	-	-	735,629
Capital outlay	-	17,455	-	-	-	17,455
Total expenditures	74,443,244	1,793,027	207,774	-	-	76,444,045
OTHER FINANCING SOURCES (USES):						
Transfers in	4,528,770	-	-	-	(100,000)	4,428,770
Transfers out	(17,260,940)	(100,000)	-	-	100,000	(17,260,940)
Total other financing sources (uses)	(12,732,170)	(100,000)	-	-	-	(12,832,170)
Net change in fund balances	342,301	104,809	104,078	35,077	-	586,265
FUND BALANCE - beginning	15,512,264	1,034,542	418,241	2,264,231	-	19,229,278
FUND BALANCE - ending	\$ 15,854,565	\$ 1,139,351	\$ 522,319	\$ 2,299,308	\$ -	\$ 19,815,543

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

June 30, 2019

Special Revenue Funds

	Non- Departmental Grants	County Clerk Records	Juvenile Grants	Tax Title Land Sales	Community Services Grants	Community Corrections	Criminal Justice Assessment	County Schools	Child Support	Dog Services	Enhanced Public Safety ESSD	Sheriff Grants
ASSETS:												
Cash and investments	\$ 842,082	\$ 113,183	\$ 358,547	\$ 713,888	\$ 3,407	\$ 1,935,190	\$ 718,632	\$ 1,122,071	\$ -	\$ 91,390	\$ 1,325,530	\$ 421,943
Receivables:												
Accounts	54,943	-	715,138	-	30,000	79,918	26,964	285,987	353,700	-	-	485,596
Interest	2,594	341	950	2,202	126	5,756	2,336	3,460	-	548	4,235	932
Loans	-	-	-	858,256	-	-	-	-	-	-	-	-
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Inventories and prepaids	-	-	21,217	-	-	-	-	-	-	-	-	1,425
Total assets	\$ 899,619	\$ 113,524	\$ 1,095,852	\$ 1,574,346	\$ 33,533	\$ 2,020,864	\$ 747,932	\$ 1,411,518	\$ 353,700	\$ 91,938	\$ 1,329,765	\$ 909,896
LIABILITIES:												
Accounts payable	\$ 100,946	\$ 975	\$ 145,324	\$ 13,868	\$ 8,396	\$ 191,683	\$ 44,580	\$ -	\$ 293,347	\$ 12,705	\$ 1,005	\$ 8,530
Payroll related liabilities	-	2,735	69,433	-	-	297,869	-	-	60,353	33,074	33,195	74,711
Deposits	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	1,298	-	-
Total liabilities	100,946	3,710	214,757	13,868	8,396	489,552	44,580	-	353,700	47,077	34,200	83,241
DEFERRED INFLOWS OF RESOURCES:												
Unavailable revenue	-	-	-	858,256	-	-	-	-	-	-	-	-
FUND BALANCES:												
Nonspendable	-	-	21,217	-	-	-	-	-	-	-	-	1,425
Restricted	798,673	109,814	672,135	702,222	20,630	194,094	703,352	1,411,518	-	44,861	1,295,565	163,382
Committed	-	-	-	-	-	-	-	-	-	-	-	92,033
Assigned	-	-	187,743	-	4,507	1,337,218	-	-	-	-	-	569,815
Total fund balances	798,673	109,814	881,095	702,222	25,137	1,531,312	703,352	1,411,518	-	44,861	1,295,565	826,655
Total liabilities, deferred inflows of resources, and fund balances	\$ 899,619	\$ 113,524	\$ 1,095,852	\$ 1,574,346	\$ 33,533	\$ 2,020,864	\$ 747,932	\$ 1,411,518	\$ 353,700	\$ 91,938	\$ 1,329,765	\$ 909,896

(Continued on following page)

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

June 30, 2019

	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	Facility Renovation		Capital Improvement Projects
ASSETS:													
Cash and investments	\$ 782,508	\$ 218,261	\$ 110,241	\$ 30,585	\$ 382,317	\$ 2,436,871	\$ 4,516,279	\$ 1,188,086	\$ 2,923,042	\$ 136,266	\$ 10,241,577	\$ 10,676,486	\$ 41,288,382
Receivables:													
Accounts	-	-	211,375	629	75,678	35,000	109,540	4,663	-	-	-	-	2,469,131
Interest	2,397	581	66	509	747	7,465	13,742	3,927	8,971	420	31,581	31,092	124,978
Loans	-	-	-	-	-	-	-	-	-	-	-	-	858,256
Taxes	-	-	-	-	-	-	-	42,840	-	-	-	-	42,840
Inventories and prepaids	-	-	-	-	-	-	-	-	-	-	-	-	22,642
Total assets	\$ 784,905	\$ 218,842	\$ 321,682	\$ 31,723	\$ 458,742	\$ 2,479,336	\$ 4,639,561	\$ 1,239,516	\$ 2,932,013	\$ 136,686	\$ 10,273,158	\$ 10,707,578	\$ 44,806,229
LIABILITIES:													
Accounts payable	\$ 3,860	\$ 13,053	\$ 3,622	\$ 4,593	\$ 8,263	\$ 42,743	\$ 24,713	\$ 304,727	\$ -	\$ -	\$ 555,951	\$ 251,747	\$ 2,034,631
Payroll related liabilities	5,786	926	37,132	27,130	14,904	13,895	83,219	-	-	-	-	-	754,362
Deposits	-	-	-	-	-	81,078	-	-	-	-	-	-	81,078
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	1,298
Total liabilities	9,646	13,979	40,754	31,723	23,167	137,716	107,932	304,727	-	-	555,951	251,747	2,871,369
DEFERRED INFLOWS OF RESOURCES:													
Unavailable revenue	-	-	-	-	-	-	-	35,352	-	-	-	-	893,608
FUND BALANCES:													
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	-	22,642
Restricted	775,259	-	118,485	-	-	2,224,539	-	899,437	-	-	1,995,928	-	12,129,894
Committed	-	-	-	-	61,633	-	-	-	-	136,686	-	-	290,352
Assigned	-	204,863	162,443	-	373,942	117,081	4,531,629	-	2,932,013	-	7,721,279	10,455,831	28,598,364
Total fund balances	775,259	204,863	280,928	-	435,575	2,341,620	4,531,629	899,437	2,932,013	136,686	9,717,207	10,455,831	41,041,252
Total liabilities, deferred inflows of resources, and fund balances	\$ 784,905	\$ 218,842	\$ 321,682	\$ 31,723	\$ 458,742	\$ 2,479,336	\$ 4,639,561	\$ 1,239,516	\$ 2,932,013	\$ 136,686	\$ 10,273,158	\$ 10,707,578	\$ 44,806,229

MARION COUNTY, OREGON

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

For the year ended June 30, 2019

	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 Services	Enhanced Public Safety ESSD	Sheriff Grants
REVENUES:													
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-	-	285,273	-	56,324
Intergovernmental	524,642	-	1,591,680	-	-	-	15,669,899	-	2,283,416	1,292,296	9,084	-	1,594,952
Charges for services	-	134,182	741,352	401,432	-	-	913,186	-	-	19,306	146,898	1,639,269	1,394,030
Fines and forfeitures	-	-	-	-	-	-	-	681,485	-	-	4,703	-	-
Interest	11,939	1,617	6,048	23,137	1,400	43	80,413	11,974	9,277	-	2,887	14,673	7,721
Other	-	-	8,898	104,586	48,599	-	56	-	-	-	23,657	-	29,710
Total revenues	536,581	135,799	2,347,978	529,155	49,999	43	16,663,554	693,459	2,292,693	1,311,602	472,502	1,653,942	3,082,737
EXPENDITURES:													
Current:													
General government	-	119,750	-	281,064	-	-	-	-	-	-	-	-	-
Health and social services	-	-	-	-	-	-	-	-	-	1,691,323	-	-	-
Public safety and judicial	-	-	2,587,833	-	-	-	12,033,008	293,889	-	-	1,392,275	228,495	3,074,122
Community service	462,927	-	-	-	84,789	-	-	-	-	-	-	-	-
Roads and bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	1,300,254	-	-	-	-
Debt service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	80,930	-	-	-	-	-	-	-	-	2,994	74,900
Total expenditures	462,927	119,750	2,668,763	281,064	84,789	-	12,033,008	293,889	1,300,254	1,691,323	1,392,275	231,489	3,149,022
OTHER FINANCING SOURCES (USES):													
Transfers in	4,200	-	255,791	-	3,000	-	209,549	-	-	379,721	932,105	-	55,698
Transfers out	(17,073)	-	(22,075)	(39,399)	(34,753)	(4,170)	(4,381,689)	(524,388)	-	-	-	(126,888)	-
Total other financing sources (uses)	(12,873)	-	233,716	(39,399)	(31,753)	(4,170)	(4,172,140)	(524,388)	-	379,721	932,105	(126,888)	55,698
Net change in fund balances	60,781	16,049	(87,069)	208,692	(66,543)	(4,127)	458,406	(124,818)	992,439	-	12,332	1,295,565	(10,587)
FUND BALANCE - beginning	737,892	93,765	968,164	493,530	91,680	4,127	1,072,906	828,170	419,079	-	32,529	-	837,242
FUND BALANCE - ending	\$ 798,673	\$ 109,814	\$ 881,095	\$ 702,222	\$ 25,137	\$ -	\$ 1,531,312	\$ 703,352	\$ 1,411,518	\$ -	\$ 44,861	\$ 1,295,565	\$ 826,655

(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, 2019

	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	Facility Renovation		Capital Improvement Projects
REVENUES:													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,202,263	\$ -	\$ -	\$ -	\$ 1,202,263	
Licenses and permits	-	-	-	-	-	-	3,942,108	-	-	-	-	4,283,705	
Intergovernmental	-	53,167	890,007	-	307,269	-	3,039	32,666	-	71,661	-	24,323,778	
Charges for services	300,569	222,652	185,149	323,152	85,640	580,832	-	-	5,906,609	1,381	680,330	13,675,969	
Fines and forfeitures	-	-	1,072	-	-	-	-	-	-	-	-	687,260	
Interest	13,193	1,428	1,947	2,068	5,181	36,815	59,688	19,841	27,085	2,255	179,513	612,555	
Other	9	45,204	21,708	-	3,315	-	50	-	-	-	-	285,792	
Total revenues	313,771	322,451	1,099,883	325,220	401,405	617,647	4,004,885	1,254,770	5,933,694	2,255	252,555	772,742	45,071,322
EXPENDITURES:													
Current:													
General government	-	-	-	-	-	-	-	-	-	-	-	-	400,814
Health and social services	-	-	-	-	-	-	-	-	-	-	-	-	1,691,323
Public safety and judicial	246,101	-	1,254,577	-	-	-	-	-	-	-	-	-	21,110,300
Community service	-	410,447	-	1,025,715	510,020	-	2,817,627	1,079,756	-	-	-	-	6,391,281
Roads and bridges	-	-	-	-	-	485,820	-	-	-	-	-	-	485,820
Education	-	-	-	-	-	-	-	-	-	-	-	-	1,300,254
Debt service:													
Principal	-	-	-	-	-	-	-	-	5,250,544	-	-	-	5,250,544
Interest	-	-	-	-	-	-	-	-	3,176,622	-	-	-	3,176,622
Capital outlay	-	-	-	-	133,522	-	9,663	-	-	-	5,212,563	2,921,893	8,436,465
Total expenditures	246,101	410,447	1,254,577	1,025,715	643,542	485,820	2,827,290	1,079,756	8,427,166	-	5,212,563	2,921,893	48,243,423
OTHER FINANCING SOURCES (USES):													
Transfers in	-	129,940	130,742	700,495	221,595	101,659	-	-	3,831,826	-	1,000,000	6,678,914	14,635,235
Transfers out	-	-	-	-	-	-	(27,351)	-	-	-	-	(2,832)	(5,180,618)
Total other financing sources (uses)	-	129,940	130,742	700,495	221,595	101,659	(27,351)	-	3,831,826	-	1,000,000	6,676,082	9,454,617
Net change in fund balances	67,670	41,944	(23,952)	-	(20,542)	233,486	1,150,244	175,014	1,338,354	2,255	(3,960,008)	4,526,931	6,282,516
FUND BALANCE - beginning	707,589	162,919	304,880	-	456,117	2,108,134	3,381,385	724,423	1,593,659	134,431	13,677,215	5,928,900	34,758,736
FUND BALANCE - ending	\$ 775,259	\$ 204,863	\$ 280,928	\$ -	\$ 435,575	\$ 2,341,620	\$ 4,531,629	\$ 899,437	\$ 2,932,013	\$ 136,686	\$ 9,717,207	\$ 10,455,831	\$ 41,041,252

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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 74,000	\$ 39,528	\$ (34,472)
Charges for services	-	6,137	6,137
Fines and forfeitures	1,815,822	1,933,443	117,621
Interest	10,948	18,238	7,290
Other	-	490	490
	<u>1,900,770</u>	<u>1,997,836</u>	<u>97,066</u>
Total revenues			
EXPENDITURES:			
Sheriff's Office	2,468,357	1,793,027	675,330
Contingency	293,417	-	293,417
	<u>2,761,774</u>	<u>1,793,027</u>	<u>968,747</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(100,000)	(100,000)	-
	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Net change in fund balance	(961,004)	104,809	1,065,813
FUND BALANCE - beginning	1,033,404	1,034,542	1,138
	<u>1,033,404</u>	<u>1,034,542</u>	<u>1,138</u>
FUND BALANCE - ending, budgetary basis	\$ 72,400	1,139,351	\$ 1,066,951
	<u>\$ 72,400</u>	<u>1,139,351</u>	<u>\$ 1,066,951</u>
Combined with General Fund		(1,139,351)	
		<u>(1,139,351)</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 160,084	\$ 305,097	\$ 145,013
Interest	-	6,447	6,447
Other	-	308	308
	<u>160,084</u>	<u>311,852</u>	<u>151,768</u>
Total revenues			
EXPENDITURES:			
Sheriff's Office	236,266	207,774	28,492
Contingency	46,426	-	46,426
	<u>282,692</u>	<u>207,774</u>	<u>74,918</u>
Total expenditures			
Net change in fund balance	(122,608)	104,078	226,686
FUND BALANCE - beginning	<u>418,241</u>	<u>418,241</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	<u>\$ 295,633</u>	522,319	<u>\$ 226,686</u>
Combined with General Fund		<u>(522,319)</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	<u>\$ 17,400</u>	<u>\$ 35,077</u>	<u>\$ 17,677</u>
EXPENDITURES:			
Non-Departmental:			
Reserves	<u>2,281,631</u>	<u>-</u>	<u>2,281,631</u>
Net change in fund balance	(2,264,231)	35,077	2,299,308
FUND BALANCE - beginning	<u>2,264,231</u>	<u>2,264,231</u>	<u>-</u>
FUND BALANCE - ending, budgetary basis	<u>\$ -</u>	<u>2,299,308</u>	<u>\$ 2,299,308</u>
Combined with General Fund		<u>(2,299,308)</u>	
FUND BALANCE - ending, GAAP basis		<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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 517,224	\$ 524,642	\$ 7,418
Interest	7,930	11,939	4,009
Total revenues	<u>525,154</u>	<u>536,581</u>	<u>11,427</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	492,813	462,927	29,886
Contingency	97,153	-	97,153
Total expenditures	<u>589,966</u>	<u>462,927</u>	<u>127,039</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	4,200	4,200	-
Transfers out	(187,639)	(17,073)	170,566
Total other financing sources (uses)	<u>(183,439)</u>	<u>(12,873)</u>	<u>170,566</u>
Net change in fund balance	(248,251)	60,781	309,032
FUND BALANCE - beginning	<u>737,893</u>	<u>737,892</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ 489,642</u>	<u>\$ 798,673</u>	<u>\$ 309,031</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 150,000	\$ 134,182	\$ (15,818)
Interest	765	1,617	852
Total revenues	<u>150,765</u>	<u>135,799</u>	<u>(14,966)</u>
EXPENDITURES:			
Clerk's Office	196,443	119,750	76,693
Contingency	<u>22,030</u>	<u>-</u>	<u>22,030</u>
Total expenditures	<u>218,473</u>	<u>119,750</u>	<u>98,723</u>
Net change in fund balance	(67,708)	16,049	83,757
FUND BALANCE - beginning	<u>94,541</u>	<u>93,765</u>	<u>(776)</u>
FUND BALANCE - ending	<u>\$ 26,833</u>	<u>\$ 109,814</u>	<u>\$ 82,981</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,637,360	\$ 1,591,680	\$ (45,680)
Charges for services	785,853	741,352	(44,501)
Interest	-	6,048	6,048
Other	7,000	8,898	1,898
	<u>2,430,213</u>	<u>2,347,978</u>	<u>(82,235)</u>
Total revenues			
EXPENDITURES:			
Juvenile Department	2,854,324	2,668,763	185,561
Contingency	269,835	-	269,835
	<u>3,124,159</u>	<u>2,668,763</u>	<u>455,396</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	261,421	255,791	(5,630)
Transfers out	(22,075)	(22,075)	-
	<u>239,346</u>	<u>233,716</u>	<u>(5,630)</u>
Total other financing sources (uses)			
Net change in fund balance	(454,600)	(87,069)	367,531
FUND BALANCE - beginning	<u>968,036</u>	<u>968,164</u>	<u>128</u>
FUND BALANCE - ending	<u>\$ 513,436</u>	<u>\$ 881,095</u>	<u>\$ 367,659</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 200,000	\$ 401,432	\$ 201,432
Interest	20,200	23,137	2,937
Other	32,600	104,586	71,986
Total revenues	<u>252,800</u>	<u>529,155</u>	<u>276,355</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	226,956	131,064	95,892
Special payments	383,622	150,000	233,622
Total expenditures	<u>610,578</u>	<u>281,064</u>	<u>329,514</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(39,399)</u>	<u>(39,399)</u>	<u>-</u>
Net change in fund balance	(397,177)	208,692	605,869
FUND BALANCE - beginning	<u>493,530</u>	<u>493,530</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 96,353</u>	<u>\$ 702,222</u>	<u>\$ 605,869</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 110,000	\$ -	\$ (110,000)
Interest	900	1,400	500
Other	53,500	48,599	(4,901)
	<u>164,400</u>	<u>49,999</u>	<u>(114,401)</u>
Total revenues			
EXPENDITURES:			
Community Services Department	264,327	84,789	179,538
	<u>264,327</u>	<u>84,789</u>	<u>179,538</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	43,000	3,000	(40,000)
Transfers out	(34,753)	(34,753)	-
	<u>8,247</u>	<u>(31,753)</u>	<u>(40,000)</u>
Total other financing sources (uses)			
Net change in fund balance	(91,680)	(66,543)	25,137
FUND BALANCE - beginning	91,680	91,680	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 25,137</u>	<u>\$ 25,137</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 56	\$ 43	\$ (13)
OTHER FINANCING SOURCES (USES):			
Transfers out	(4,183)	(4,170)	13
Net change in fund balance	(4,127)	(4,127)	-
FUND BALANCE - beginning	4,127	4,127	-
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 15,616,266	\$ 15,669,899	\$ 53,633
Charges for services	863,050	913,186	50,136
Interest	-	80,413	80,413
Other	-	56	56
	<u>16,479,316</u>	<u>16,663,554</u>	<u>184,238</u>
Total revenues			
EXPENDITURES:			
Sheriff's Office	13,496,648	12,033,008	1,463,640
Contingency	166,518	-	166,518
	<u>13,663,166</u>	<u>12,033,008</u>	<u>1,630,158</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	492,632	209,549	(283,083)
Transfers out	(4,381,690)	(4,381,689)	1
	<u>(3,889,058)</u>	<u>(4,172,140)</u>	<u>(283,082)</u>
Total other financing sources (uses)			
Net change in fund balance	(1,072,908)	458,406	1,531,314
FUND BALANCE - beginning	<u>1,072,908</u>	<u>1,072,906</u>	<u>(2)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 1,531,312</u>	<u>\$ 1,531,312</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Fines and forfeitures	\$ 693,569	\$ 681,485	\$ (12,084)
Interest	10,200	11,974	1,774
Total revenues	<u>703,769</u>	<u>693,459</u>	<u>(10,310)</u>
EXPENDITURES:			
Non-Departmental:			
Materials and services	307,487	293,889	13,598
Contingency	61,978	-	61,978
Total expenditures	<u>369,465</u>	<u>293,889</u>	<u>75,576</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(532,001)</u>	<u>(524,388)</u>	<u>7,613</u>
Net change in fund balance	(197,697)	(124,818)	72,879
FUND BALANCE - beginning	<u>828,171</u>	<u>828,170</u>	<u>(1)</u>
FUND BALANCE - ending	<u>\$ 630,474</u>	<u>\$ 703,352</u>	<u>\$ 72,878</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 918,250	\$ 2,283,416	\$ 1,365,166
Interest	1,500	9,277	7,777
Total revenues	<u>919,750</u>	<u>2,292,693</u>	<u>1,372,943</u>
EXPENDITURES:			
Non-Departmental:			
Special payments	<u>1,338,829</u>	<u>1,300,254</u>	<u>38,575</u>
Net change in fund balance	(419,079)	992,439	1,411,518
FUND BALANCE - beginning	<u>419,079</u>	<u>419,079</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 1,411,518</u>	<u>\$ 1,411,518</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 1,457,609	\$ 1,292,296	\$ (165,313)
Charges for services	22,398	19,306	(3,092)
Total revenues	<u>1,480,007</u>	<u>1,311,602</u>	<u>(168,405)</u>
EXPENDITURES:			
District Attorney's Office	<u>1,892,740</u>	<u>1,691,323</u>	<u>201,417</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>412,733</u>	<u>379,721</u>	<u>(33,012)</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 SERVICES FUND

For the year ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 372,649	\$ 285,273	\$ (87,376)
Intergovernmental	-	9,084	9,084
Charges for services	110,800	146,898	36,098
Fines and forfeitures	6,000	4,703	(1,297)
Interest	500	2,887	2,387
Other	22,650	23,657	1,007
	<u>512,599</u>	<u>472,502</u>	<u>(40,097)</u>
Total revenues			
EXPENDITURES:			
Community Services Department	1,549,551	1,392,275	157,276
OTHER FINANCING SOURCES (USES):			
Transfers in	1,029,423	932,105	(97,318)
Net change in fund balance	(7,529)	12,332	19,861
FUND BALANCE - beginning	32,529	32,529	-
FUND BALANCE - ending	<u>\$ 25,000</u>	<u>\$ 44,861</u>	<u>\$ 19,861</u>

MARION COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ENHANCED PUBLIC SAFETY ESSD FUND

For the year ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,664,315	\$ 1,639,269	\$ (25,046)
Interest	-	14,673	14,673
Total revenues	<u>1,664,315</u>	<u>1,653,942</u>	<u>(10,373)</u>
EXPENDITURES:			
Sheriff's Office	917,245	231,489	685,756
Contingency	<u>166,432</u>	<u>-</u>	<u>166,432</u>
Total expenditures	<u>1,083,677</u>	<u>231,489</u>	<u>852,188</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(126,888)</u>	<u>(126,888)</u>	<u>-</u>
Net change in fund balance	453,750	1,295,565	841,815
FUND BALANCE - beginning	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 453,750</u>	<u>\$ 1,295,565</u>	<u>\$ 841,815</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 58,000	\$ 56,324	\$ (1,676)
Intergovernmental	1,592,796	1,594,952	2,156
Charges for services	1,393,926	1,394,030	104
Interest	-	7,721	7,721
Other	24,256	29,710	5,454
	<u>3,068,978</u>	<u>3,082,737</u>	<u>13,759</u>
EXPENDITURES:			
Sheriff's Office	3,648,251	3,149,022	499,229
Contingency	405,908	-	405,908
	<u>4,054,159</u>	<u>3,149,022</u>	<u>905,137</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	267,680	55,698	(211,982)
Net change in fund balance	(717,501)	(10,587)	706,914
FUND BALANCE - beginning	837,245	837,242	(3)
FUND BALANCE - ending	<u>\$ 119,744</u>	<u>\$ 826,655</u>	<u>\$ 706,911</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 300,229	\$ 300,569	\$ 340
Interest	8,246	13,193	4,947
Other	-	9	9
	<u>308,475</u>	<u>313,771</u>	<u>5,296</u>
Total revenues			
EXPENDITURES:			
Legal Department	282,409	246,101	36,308
Contingency	30,641	-	30,641
	<u>313,050</u>	<u>246,101</u>	<u>66,949</u>
Total expenditures			
Net change in fund balance	(4,575)	67,670	72,245
FUND BALANCE - beginning	<u>707,589</u>	<u>707,589</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 703,014</u>	<u>\$ 775,259</u>	<u>\$ 72,245</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 53,167	\$ 53,167	\$ -
Charges for services	237,579	222,652	(14,927)
Interest	700	1,428	728
Other	41,900	45,204	3,304
Total revenues	333,346	322,451	(10,895)
EXPENDITURES:			
Community Services Department	569,839	410,447	159,392
Contingency	56,426	-	56,426
Total expenditures	626,265	410,447	215,818
OTHER FINANCING SOURCES (USES):			
Transfers in	130,000	129,940	(60)
Net change in fund balance	(162,919)	41,944	204,863
FUND BALANCE - beginning	162,919	162,919	-
FUND BALANCE - ending	\$ -	\$ 204,863	\$ 204,863

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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 929,766	\$ 890,007	\$ (39,759)
Charges for services	185,817	185,149	(668)
Fines and forfeitures	-	1,072	1,072
Interest	645	1,947	1,302
Other	18,000	21,708	3,708
	<u>1,134,228</u>	<u>1,099,883</u>	<u>(34,345)</u>
EXPENDITURES:			
District Attorney's Office	1,440,492	1,254,577	185,915
Contingency	139,244	-	139,244
	<u>1,579,736</u>	<u>1,254,577</u>	<u>325,159</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	140,784	130,742	(10,042)
	<u>(304,724)</u>	<u>(23,952)</u>	<u>280,772</u>
Net change in fund balance			
FUND BALANCE - beginning	304,724	304,880	156
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 280,928</u>	<u>\$ 280,928</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 225,000	\$ 323,152	\$ 98,152
Interest	900	2,068	1,168
Total revenues	<u>225,900</u>	<u>325,220</u>	<u>99,320</u>
EXPENDITURES:			
Public Works Department	<u>1,094,488</u>	<u>1,025,715</u>	<u>68,773</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>868,588</u>	<u>700,495</u>	<u>(168,093)</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ 295,000	\$ 307,269	\$ 12,269
Charges for services	69,000	85,640	16,640
Interest	3,250	5,181	1,931
Other	-	3,315	3,315
	<u>367,250</u>	<u>401,405</u>	<u>34,155</u>
Total revenues			
EXPENDITURES:			
Public Works Department	744,270	643,542	100,728
Contingency	65,000	-	65,000
	<u>809,270</u>	<u>643,542</u>	<u>165,728</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>229,817</u>	<u>221,595</u>	<u>(8,222)</u>
Net change in fund balance	(212,203)	(20,542)	191,661
FUND BALANCE - beginning	<u>456,117</u>	<u>456,117</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 243,914</u>	<u>\$ 435,575</u>	<u>\$ 191,661</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 585,300	\$ 580,832	\$ (4,468)
Interest	15,000	36,815	21,815
Total revenues	<u>600,300</u>	<u>617,647</u>	<u>17,347</u>
EXPENDITURES:			
Public Works Department	543,551	485,820	57,731
Contingency	19,299	-	19,299
Total expenditures	<u>562,850</u>	<u>485,820</u>	<u>77,030</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>101,659</u>	<u>101,659</u>	<u>-</u>
Net change in fund balance	139,109	233,486	94,377
FUND BALANCE - beginning	<u>2,108,134</u>	<u>2,108,134</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 2,247,243</u>	<u>\$ 2,341,620</u>	<u>\$ 94,377</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Licenses and permits	\$ 3,050,000	\$ 3,942,108	\$ 892,108
Intergovernmental	-	3,039	3,039
Interest	20,000	59,688	39,688
Other	-	50	50
	<u>3,070,000</u>	<u>4,004,885</u>	<u>934,885</u>
Total revenues			
EXPENDITURES:			
Public Works Department	3,113,434	2,827,290	286,144
Contingency	249,879	-	249,879
	<u>3,363,313</u>	<u>2,827,290</u>	<u>536,023</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Transfers out	(28,683)	(27,351)	1,332
	<u>(28,683)</u>	<u>(27,351)</u>	<u>1,332</u>
Net change in fund balance	(321,996)	1,150,244	1,472,240
FUND BALANCE - beginning	<u>3,381,385</u>	<u>3,381,385</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 3,059,389</u>	<u>\$ 4,531,629</u>	<u>\$ 1,472,240</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 1,177,406	\$ 1,202,263	\$ 24,857
Intergovernmental	3,000	32,666	29,666
Interest	9,000	19,841	10,841
	<u>1,189,406</u>	<u>1,254,770</u>	<u>65,364</u>
Total revenues			
EXPENDITURES:			
Marion County Extension & 4H Service District	1,308,033	1,079,756	228,277
Contingency	128,306	-	128,306
	<u>1,436,339</u>	<u>1,079,756</u>	<u>356,583</u>
Total expenditures			
Net change in fund balance	(246,933)	175,014	421,947
FUND BALANCE - beginning	<u>743,657</u>	<u>724,423</u>	<u>(19,234)</u>
FUND BALANCE - ending	<u>\$ 496,724</u>	<u>\$ 899,437</u>	<u>\$ 402,713</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 5,361,980	\$ 5,906,609	\$ 544,629
Interest	10,500	27,085	16,585
Total revenues	<u>5,372,480</u>	<u>5,933,694</u>	<u>561,214</u>
EXPENDITURES:			
Non-Departmental:			
Debt service - principal	5,255,120	5,250,544	4,576
Debt service - interest	<u>3,193,161</u>	<u>3,176,622</u>	<u>16,539</u>
Total expenditures	<u>8,448,281</u>	<u>8,427,166</u>	<u>21,115</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>3,853,069</u>	<u>3,831,826</u>	<u>(21,243)</u>
Net change in fund balance	777,268	1,338,354	561,086
FUND BALANCE - beginning	<u>1,593,659</u>	<u>1,593,659</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 2,370,927</u>	<u>\$ 2,932,013</u>	<u>\$ 561,086</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, 2019

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES:			
Interest	\$ 1,678	\$ 2,255	\$ 577
EXPENDITURES:			
Non-Departmental:			
Reserves	<u>135,994</u>	<u>-</u>	<u>135,994</u>
Net change in fund balance	(134,316)	2,255	136,571
FUND BALANCE - beginning	<u>134,316</u>	<u>134,431</u>	<u>115</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 136,686</u>	<u>\$ 136,686</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Intergovernmental	\$ -	\$ 71,661	\$ 71,661
Charges for services	-	1,381	1,381
Interest	103,709	179,513	75,804
	<u>103,709</u>	<u>179,513</u>	<u>75,804</u>
Total revenues	<u>103,709</u>	<u>252,555</u>	<u>148,846</u>
EXPENDITURES:			
Non-Departmental:			
Capital outlay	14,658,340	5,212,563	9,445,777
Contingency	122,586	-	122,586
	<u>14,780,926</u>	<u>5,212,563</u>	<u>9,568,363</u>
Total expenditures	<u>14,780,926</u>	<u>5,212,563</u>	<u>9,568,363</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>
Net change in fund balance	(13,677,217)	(3,960,008)	9,717,209
FUND BALANCE - beginning	<u>13,677,217</u>	<u>13,677,215</u>	<u>(2)</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 9,717,207</u>	<u>\$ 9,717,207</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 680,333	\$ 680,330	\$ (3)
Interest	13,880	92,412	78,532
Total revenues	<u>694,213</u>	<u>772,742</u>	<u>78,529</u>
EXPENDITURES:			
Non-Departmental:			
Capital outlay	10,527,507	2,921,893	7,605,614
Contingency	707,615	-	707,615
Reserves	5,266,067	-	5,266,067
Total expenditures	<u>16,501,189</u>	<u>2,921,893</u>	<u>13,579,296</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	10,019,018	6,678,914	(3,340,104)
Transfers out	(140,942)	(2,832)	138,110
Total other financing sources (uses)	<u>9,878,076</u>	<u>6,676,082</u>	<u>(3,201,994)</u>
Net change in fund balance	(5,928,900)	4,526,931	10,455,831
FUND BALANCE - beginning	<u>5,928,900</u>	<u>5,928,900</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 10,455,831</u>	<u>\$ 10,455,831</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	Public safety, stormwater, sewer and lighting fees.	Accounts for public safety, stormwater, 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, 2019

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Iliahe Hills	
ASSETS							
Current assets:							
Cash and investments	\$ 1,093,622	\$ 93,751	\$ 1,057,771	\$ 65,930	\$ 127,974	\$ 17,163	\$ 2,456,211
Receivables:							
Accounts	3,116	61,775	192,718	7,283	50,966	-	315,858
Assessments	-	458	65,755	-	911	-	67,124
Interest	3,249	210	3,527	204	398	53	7,641
Total current assets	1,099,987	156,194	1,319,771	73,417	180,249	17,216	2,846,834
Capital assets:							
Land	-	140,335	87,014	-	-	-	227,349
Construction in progress	26,612	-	-	-	3,708	-	30,320
Buildings and improvements	131,613	3,230,468	5,081,921	322,448	1,963,025	-	10,729,475
Equipment	92,788	11,514	-	-	-	-	104,302
Less accumulated depreciation	(21,623)	(3,235,072)	(4,584,085)	(322,448)	(1,271,994)	-	(9,435,222)
Total capital assets	229,390	147,245	584,850	-	694,739	-	1,656,224
Total assets	1,329,377	303,439	1,904,621	73,417	874,988	17,216	4,503,058
DEFERRED OUTFLOWS OF RESOURCES							
Pension-related deferred outflows	111,280	-	-	-	-	-	111,280
LIABILITIES							
Current liabilities:							
Accounts payable	12,039	45,108	146,900	1,856	15,159	643	221,705
Payroll related liabilities	14,068	-	-	-	-	-	14,068
Accrued interest	-	-	-	-	11,410	-	11,410
Advances, current	-	2,732	-	-	17,143	-	19,875
Notes payable, current	-	-	-	-	17,966	-	17,966
Compensated absences, current	10,924	-	-	-	-	-	10,924
Total current liabilities	37,031	47,840	146,900	1,856	61,678	643	295,948
Noncurrent liabilities, net of current portion:							
Advances	-	38,252	-	-	34,286	-	72,538
Notes payable	-	-	-	-	349,654	-	349,654
Net pension liability	311,045	-	-	-	-	-	311,045
Total OPEB liability	71,902	-	-	-	-	-	71,902
Total noncurrent liabilities	382,947	38,252	-	-	383,940	-	805,139
Total liabilities	419,978	86,092	146,900	1,856	445,618	643	1,101,087
DEFERRED INFLOWS OF RESOURCES							
Pension-related deferred inflows	25,174	-	-	-	-	-	25,174
NET POSITION							
Net investment in capital assets	229,390	147,245	584,850	-	275,690	-	1,237,175
Unrestricted	766,115	70,102	1,172,871	71,561	153,680	16,573	2,250,902
Total net position	\$ 995,505	\$ 217,347	\$ 1,757,721	\$ 71,561	\$ 429,370	\$ 16,573	\$ 3,488,077

MARION COUNTY, OREGON

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

For the year ended June 30, 2019

	Sewer and Lighting Service Districts						Totals
	Stormwater Management	Brooks Community	East Salem	Labish Village	Fargo Interchange	Illahe Hills	
Operating revenues:							
Charges for services	\$ 983,992	\$ 249,754	\$ 2,593,966	\$ 6,167	\$ 236,801	\$ 8,571	\$ 4,079,251
Other	-	73	26	-	-	-	99
Total operating revenues	<u>983,992</u>	<u>249,827</u>	<u>2,593,992</u>	<u>6,167</u>	<u>236,801</u>	<u>8,571</u>	<u>4,079,350</u>
Operating expenses:							
Salaries and wages	569,456	-	-	-	-	-	569,456
Repairs and maintenance	32,728	43,752	-	-	129,154	-	205,634
Utilities	17,107	5,852	221,709	-	1,441	7,612	253,721
Building and equipment rentals	11,495	-	-	-	-	-	11,495
Professional services	160,612	266,637	2,370,510	2,798	32,852	246	2,833,655
Communication	1,657	4,815	-	-	-	-	6,472
Fuel and operating supplies	37,062	23,856	38	-	1,029	-	61,985
Insurance claims and premiums	-	1,873	36,226	933	1,148	100	40,280
Administrative expenses	58,679	-	-	-	-	-	58,679
Depreciation	14,543	1,151	95,270	-	79,383	-	190,347
Other	6,379	3,952	1,061	174	676	39	12,281
Total operating expenses	<u>909,718</u>	<u>351,888</u>	<u>2,724,814</u>	<u>3,905</u>	<u>245,683</u>	<u>7,997</u>	<u>4,244,005</u>
Operating income (loss)	<u>74,274</u>	<u>(102,061)</u>	<u>(130,822)</u>	<u>2,262</u>	<u>(8,882)</u>	<u>574</u>	<u>(164,655)</u>
Nonoperating revenues (expenses):							
Interest revenue	15,766	1,778	20,138	985	1,966	271	40,904
Interest expense	-	-	-	-	(15,724)	-	(15,724)
Total nonoperating revenues (expenses)	<u>15,766</u>	<u>1,778</u>	<u>20,138</u>	<u>985</u>	<u>(13,758)</u>	<u>271</u>	<u>25,180</u>
Income (loss) before transfers	90,040	(100,283)	(110,684)	3,247	(22,640)	845	(139,475)
Transfers out	(1,000)	-	-	-	-	-	(1,000)
Change in net position	89,040	(100,283)	(110,684)	3,247	(22,640)	845	(140,475)
Total net position - beginning	<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>
Total net position - ending	<u>\$ 995,505</u>	<u>\$ 217,347</u>	<u>\$ 1,757,721</u>	<u>\$ 71,561</u>	<u>\$ 429,370</u>	<u>\$ 16,573</u>	<u>\$ 3,488,077</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS

For the year ended June 30, 2019

	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	\$ 981,104	\$ 230,808	\$ 2,568,400	\$ 9,642	\$ 230,456	\$ 8,571	\$ 4,028,981
Cash payments to suppliers for goods and services	(329,762)	(308,842)	(2,643,947)	(6,481)	(161,816)	(7,980)	(3,458,828)
Cash payments to employees for services	(446,785)	-	-	-	-	-	(446,785)
Net cash from operating activities	<u>204,557</u>	<u>(78,034)</u>	<u>(75,547)</u>	<u>3,161</u>	<u>68,640</u>	<u>591</u>	<u>123,368</u>
Cash flows from noncapital financing activities:							
Transfers paid	(1,000)	-	-	-	-	-	(1,000)
Cash flows from capital and related financing activities:							
Purchase of capital assets	(119,400)	-	-	-	(3,708)	-	(123,108)
Interfund loan proceeds	-	40,984	-	-	-	-	40,984
Debt principal - interfund loans	-	-	-	-	(17,142)	-	(17,142)
Debt principal - notes payable	-	-	-	-	(17,844)	-	(17,844)
Debt interest payments	-	-	-	-	(13,606)	-	(13,606)
Net cash from capital and related financing activities	<u>(119,400)</u>	<u>40,984</u>	<u>-</u>	<u>-</u>	<u>(52,300)</u>	<u>-</u>	<u>(130,716)</u>
Cash flows from investing activities:							
Interest on investments	15,786	2,050	20,461	988	1,944	273	41,502
Net change in cash and investments	99,943	(35,000)	(55,086)	4,149	18,284	864	33,154
Cash and investments - beginning	993,679	128,751	1,112,857	61,781	109,690	16,299	2,423,057
Cash and investments - ending	<u>\$ 1,093,622</u>	<u>\$ 93,751</u>	<u>\$ 1,057,771</u>	<u>\$ 65,930</u>	<u>\$ 127,974</u>	<u>\$ 17,163</u>	<u>\$ 2,456,211</u>
Reconciliation of operating income (loss) to net cash from operating activities:							
Operating income (loss)	\$ 74,274	\$ (102,061)	\$ (130,822)	\$ 2,262	\$ (8,882)	\$ 574	\$ (164,655)
Depreciation	14,543	1,151	95,270	-	79,383	-	190,347
Change in:							
Accounts receivable	(2,888)	(19,019)	(25,592)	3,475	(6,345)	-	(50,369)
Accounts payable	(4,043)	41,895	(14,403)	(2,576)	4,484	17	25,374
Payroll liabilities	662	-	-	-	-	-	662
Compensated absences	(3,395)	-	-	-	-	-	(3,395)
Net pension liability and deferred pension outflows and inflows	121,446	-	-	-	-	-	121,446
Total OPEB liability	3,958	-	-	-	-	-	3,958
Net cash from operating activities	<u>\$ 204,557</u>	<u>\$ (78,034)</u>	<u>\$ (75,547)</u>	<u>\$ 3,161</u>	<u>\$ 68,640</u>	<u>\$ 591</u>	<u>\$ 123,368</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Taxes	\$ 400,000	\$ 414,299	\$ 14,299
Intergovernmental	-	5,500	5,500
Charges for services	25,531,414	26,496,180	964,766
Interest	120,000	253,934	133,934
Other	350	3,207	2,857
	<u>26,051,764</u>	<u>27,173,120</u>	<u>1,121,356</u>
EXPENDITURES:			
Public Works Department	25,906,566	24,872,049	1,034,517
Debt service - principal	85,000	85,000	-
Debt service - interest	5,525	9,563	(4,038)
Special payments	50,000	40,984	9,016
Contingency	4,981,281	-	4,981,281
	<u>31,028,372</u>	<u>25,007,596</u>	<u>6,020,776</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	(58,800)	-	58,800
Net change in fund balance	(5,035,408)	2,165,524	7,200,932
FUND BALANCE - beginning	<u>14,593,905</u>	<u>14,593,905</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 9,558,497</u>	16,759,429	<u>\$ 7,200,932</u>
Capital assets, net of accumulated depreciation		5,359,414	
Interfund loans receivable		40,984	
Interfund loans payable		(340,000)	
Landfill leachate disposal liability		(647,926)	
Landfill closure and postclosure liability		(7,430,413)	
Compensated absences		(102,639)	
Net pension liability		(1,911,537)	
Pension-related deferred inflows		(154,710)	
Pension-related deferred outflows		683,874	
Total OPEB liability		<u>(393,405)</u>	
NET POSITION - ending, as reported in the Statement of Net Position		<u>\$ 11,863,071</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,107,582	\$ 983,992	\$ (123,590)
Interest	4,000	15,766	11,766
Total revenues	<u>1,111,582</u>	<u>999,758</u>	<u>(111,824)</u>
EXPENDITURES:			
Public Works Department	1,254,847	892,566	362,281
Contingency	25,651	-	25,651
Total expenditures	<u>1,280,498</u>	<u>892,566</u>	<u>387,932</u>
OTHER FINANCING SOURCES (USES):			
Transfers out	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net change in fund balance	(169,916)	106,192	276,108
FUND BALANCE - beginning	<u>967,688</u>	<u>967,688</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 797,772</u>	1,073,880	<u>\$ 276,108</u>
Capital assets, net of accumulated depreciation		229,390	
Compensated absences		(10,924)	
Net pension liability		(311,045)	
Pension-related deferred inflows		(25,174)	
Pension-related deferred outflows		111,280	
Total OPEB liability		<u>(71,902)</u>	
NET POSITION - ending, as reported in the Statement of Net Position		<u>\$ 995,505</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 267,600	\$ 249,754	\$ (17,846)
Interest	1,900	1,778	(122)
Other	-	73	73
	<u>269,500</u>	<u>251,605</u>	<u>(17,895)</u>
Total revenues			
EXPENDITURES:			
Materials and services	363,030	350,737	12,293
Capital outlay	25,000	-	25,000
Contingency	91,704	-	91,704
	<u>479,734</u>	<u>350,737</u>	<u>128,997</u>
Total expenditures			
OTHER FINANCING SOURCES (USES):			
Interfund loan proceeds	41,000	40,984	(16)
	<u>41,000</u>	<u>40,984</u>	<u>(16)</u>
Net change in fund balance	(169,234)	(58,148)	111,086
FUND BALANCE - beginning	169,234	169,234	-
	<u>169,234</u>	<u>169,234</u>	<u>-</u>
FUND BALANCE - ending	\$ -	111,086	\$ 111,086
	<u>-</u>	<u>111,086</u>	<u>111,086</u>
Capital assets, net of accumulated depreciation		147,245	
Interfund loans payable		(40,984)	
		<u>147,245</u>	
NET POSITION - ending, as reported in the Statement of Net Position		<u>\$ 217,347</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 2,634,892	\$ 2,593,966	\$ (40,926)
Interest	13,000	20,138	7,138
Other	75	26	(49)
	<u>2,647,967</u>	<u>2,614,130</u>	<u>(33,837)</u>
Total revenues			
EXPENDITURES:			
Materials and services	2,694,965	2,629,544	65,421
Contingency	86,857	-	86,857
	<u>2,781,822</u>	<u>2,629,544</u>	<u>152,278</u>
Total expenditures			
Net change in fund balance	(133,855)	(15,414)	118,441
FUND BALANCE - beginning	<u>1,188,285</u>	<u>1,188,285</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,054,430</u>	1,172,871	<u>\$ 118,441</u>
Capital assets, net of accumulated depreciation		<u>584,850</u>	
NET POSITION - ending, as reported in the Statement of Net Position		<u>\$ 1,757,721</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 7,400	\$ 6,167	\$ (1,233)
Interest	650	985	335
Total revenues	<u>8,050</u>	<u>7,152</u>	<u>(898)</u>
EXPENDITURES:			
Materials and services	5,630	3,905	1,725
Contingency	<u>70,734</u>	<u>-</u>	<u>70,734</u>
Total expenditures	<u>76,364</u>	<u>3,905</u>	<u>72,459</u>
Net change in fund balance	(68,314)	3,247	71,561
FUND BALANCE - beginning	<u>68,314</u>	<u>68,314</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ -</u>	<u>\$ 71,561</u>	<u>\$ 71,561</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 233,519	\$ 236,801	\$ 3,282
Interest	1,000	1,966	966
Total revenues	234,519	238,767	4,248
EXPENDITURES:			
Materials and services	183,065	166,300	16,765
Capital outlay	30,000	3,708	26,292
Debt service - principal	34,987	34,986	1
Debt service - interest	15,878	13,606	2,272
Contingency	75,469	-	75,469
Total expenditures	339,399	218,600	120,799
Net change in fund balance	(104,880)	20,167	125,047
FUND BALANCE - beginning	144,923	144,923	-
FUND BALANCE - ending	<u>\$ 40,043</u>	165,090	<u>\$ 125,047</u>
Capital assets, net of accumulated depreciation		694,739	
Interfund loans payable		(51,429)	
Accrued interest payable		(11,410)	
Notes payable		<u>(367,620)</u>	
NET POSITION - ending, as reported in the Statement of Net Position		<u>\$ 429,370</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, 2019

	Central Services	Self- Insurance	Fleet Management	Totals
ASSETS				
Current assets:				
Cash and investments	\$ 982,600	\$ 12,697,368	\$ 2,277,941	\$ 15,957,909
Receivables:				
Accounts	46,406	73,397	19,137	138,940
Interest	-	39,165	-	39,165
Inventories and prepaid expenses	40,381	90,000	-	130,381
Total current assets	1,069,387	12,899,930	2,297,078	16,266,395
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	5,234,229	-	-	5,234,229
LIABILITIES				
Current liabilities:				
Accounts payable	362,326	264,568	100,214	727,108
Payroll related liabilities	707,061	-	-	707,061
Accrued claims liability, current	-	1,084,839	-	1,084,839
Compensated absences, current	644,407	-	-	644,407
Total current liabilities	1,713,794	1,349,407	100,214	3,163,415
Noncurrent liabilities, net of current portion:				
Accrued claims liability	-	5,816,562	-	5,816,562
Compensated absences	13,053	-	-	13,053
Net pension liability	14,630,506	-	-	14,630,506
Total OPEB liability	2,190,867	-	-	2,190,867
Total noncurrent liabilities	16,834,426	5,816,562	-	22,650,988
Total liabilities	18,548,220	7,165,969	100,214	25,814,403
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	1,184,112	-	-	1,184,112
NET POSITION				
Unrestricted	<u>\$ (13,428,716)</u>	<u>\$ 5,733,961</u>	<u>\$ 2,196,864</u>	<u>\$ (5,497,891)</u>

MARION COUNTY, OREGON

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

For the year ended June 30, 2019

	Central Services	Self- Insurance	Fleet Management	Totals
Operating revenues:				
Charges for services	\$ 24,195,788	\$ 27,444,566	\$ 1,946,919	\$ 53,587,273
Other	200	226,316	40,743	267,259
Total operating revenues	<u>24,195,988</u>	<u>27,670,882</u>	<u>1,987,662</u>	<u>53,854,532</u>
Operating expenses:				
Salaries and benefits	19,351,187	-	-	19,351,187
Repairs and maintenance	1,736,958	-	432,549	2,169,507
Utilities	119,706	-	-	119,706
Building and equipment rentals	194,646	-	3,300	197,946
Professional services	1,227,315	154,444	53,808	1,435,567
Communication	287,887	-	29,542	317,429
Fuel and operating supplies	799,452	3,400	12,631	815,483
Insurance claims and premiums	40	26,959,756	584	26,960,380
Administrative expenses	1,828,742	222,989	39,780	2,091,511
Other	334,849	11,180	4,762	350,791
Total operating expenses	<u>25,880,782</u>	<u>27,351,769</u>	<u>576,956</u>	<u>53,809,507</u>
Operating income (loss)	<u>(1,684,794)</u>	<u>319,113</u>	<u>1,410,706</u>	<u>45,025</u>
Nonoperating revenues (expenses):				
Interest revenue	-	145,964	-	145,964
Reclass to general capital assets	-	-	(1,204,103)	(1,204,103)
Total nonoperating revenues (expenses)	<u>-</u>	<u>145,964</u>	<u>(1,204,103)</u>	<u>(1,058,139)</u>
Income (loss) before transfers	(1,684,794)	465,077	206,603	(1,013,114)
Transfers in	<u>513,031</u>	<u>-</u>	<u>349,820</u>	<u>862,851</u>
Change in net position	(1,171,763)	465,077	556,423	(150,263)
Total net position - beginning,	<u>(12,256,953)</u>	<u>5,268,884</u>	<u>1,640,441</u>	<u>(5,347,628)</u>
Total net position - ending	<u>\$ (13,428,716)</u>	<u>\$ 5,733,961</u>	<u>\$ 2,196,864</u>	<u>\$ (5,497,891)</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

For the year ended June 30, 2019

	Central Services	Self- Insurance	Fleet Management	Totals
Cash flows from operating activities:				
Cash received from customers	\$ 24,165,875	\$ 27,597,995	\$ 1,969,106	\$ 53,732,976
Cash payments to suppliers for goods and services	(6,343,252)	(24,528,572)	(515,564)	(31,387,388)
Cash payments to employees for services	(18,062,784)	-	-	(18,062,784)
Net cash from operating activities	(240,161)	3,069,423	1,453,542	4,282,804
Cash flows from noncapital financing activities:				
Transfers received	513,031	-	349,820	862,851
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	-	(1,204,103)	(1,204,103)
Cash flows from investing activities:				
Interest on investments	-	132,166	-	132,166
Net change in cash and investments	272,870	3,201,589	599,259	4,073,718
Cash and investments - beginning	709,730	9,495,779	1,678,682	11,884,191
Cash and investments - ending	\$ 982,600	\$ 12,697,368	\$ 2,277,941	\$ 15,957,909
Reconciliation of operating income (loss) to net cash from operating activities:				
Operating income (loss)	\$ (1,684,794)	\$ 319,113	\$ 1,410,706	\$ 45,025
Change in:				
Receivables	(30,113)	(72,887)	(18,556)	(121,556)
Inventories and prepaids	165,521	1,907,199	-	2,072,720
Accounts payable	20,822	182,399	61,392	264,613
Payroll related liabilities	116,640	-	-	116,640
Accrued claims liability	-	733,599	-	733,599
Compensated absences	(31,847)	-	-	(31,847)
Net pension asset/liability and deferred pension outflows/inflows	1,071,288	-	-	1,071,288
Total OPEB liability	132,322	-	-	132,322
Net cash from operating activities	\$ (240,161)	\$ 3,069,423	\$ 1,453,542	\$ 4,282,804
Schedule of non-cash capital and related financing activities:				
Reclass to general capital assets	\$ -	\$ -	\$ 1,204,103	\$ 1,204,103

MARION COUNTY, OREGON

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

For the year ended June 30, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 25,413,454	\$ 24,195,788	\$ (1,217,666)
Other	-	200	200
Total revenues	25,413,454	24,195,988	(1,217,466)
EXPENDITURES:			
Board of Commissioners	2,794,951	2,674,644	120,307
Business Services	7,639,163	7,263,889	375,274
Finance	2,766,499	2,666,824	99,675
Information Technology	11,103,062	10,422,357	680,705
Legal Counsel	1,742,193	1,636,186	106,007
Non-Departmental:			
Materials and services	256,758	45,119	211,639
Total expenditures	26,302,626	24,709,019	1,593,607
OTHER FINANCING SOURCES (USES):			
Transfers in	889,172	513,031	(376,141)
Net change in fund balance	-	-	-
FUND BALANCE - beginning	-	-	-
FUND BALANCE - ending	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Compensated absences		(657,460)	
Net pension liability		(14,630,506)	
Pension-related deferred inflows		(1,184,112)	
Pension-related deferred outflows		5,234,229	
Total OPEB liability		<u>(2,190,867)</u>	
NET POSITION - ending, as reported in the Statement of Net Position		<u>\$ (13,428,716)</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 28,798,975	\$ 27,444,566	\$ (1,354,409)
Interest	87,800	145,964	58,164
Other	10,000	226,316	216,316
	<u>28,896,775</u>	<u>27,816,846</u>	<u>(1,079,929)</u>
Total revenues			
EXPENDITURES:			
Non-Departmental:			
Materials and services	28,883,975	26,618,170	2,265,805
Contingency	4,327,734	-	4,327,734
	<u>33,211,709</u>	<u>26,618,170</u>	<u>6,593,539</u>
Total expenditures			
Net change in fund balance	(4,314,934)	1,198,676	5,513,610
FUND BALANCE - beginning	<u>11,436,686</u>	<u>11,436,686</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 7,121,752</u>	12,635,362	<u>\$ 5,513,610</u>
Accrued claims liability		<u>(6,901,401)</u>	
NET POSITION - ending, as reported in the Statement of Net Position		<u>\$ 5,733,961</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, 2019

	Final Budget	Actual	Variance with Final Budget
REVENUES:			
Charges for services	\$ 1,902,941	\$ 1,946,919	\$ 43,978
Other	42,152	40,743	(1,409)
Total revenues	<u>1,945,093</u>	<u>1,987,662</u>	<u>42,569</u>
EXPENDITURES:			
Public Works Department	2,024,765	1,781,059	243,706
Contingency	97,517	-	97,517
Total expenditures	<u>2,122,282</u>	<u>1,781,059</u>	<u>341,223</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	412,924	349,820	(63,104)
Net change in fund balance	235,735	556,423	320,688
FUND BALANCE - beginning	<u>1,640,441</u>	<u>1,640,441</u>	<u>-</u>
FUND BALANCE - ending	<u>\$ 1,876,176</u>	<u>\$ 2,196,864</u>	<u>\$ 320,688</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 agencies within the County.

MARION COUNTY, OREGON
 COMBINING BALANCE SHEET
 AGENCY FUNDS

June 30, 2019

	Treasurer's Trust	Due Subdivisions	Totals
ASSETS:			
Cash and investments	\$ 248,048	\$ 6,823,296	\$ 7,071,344
Receivables:			
Accounts and interest	1,270,880	346,983	1,617,863
Property taxes	-	13,149,816	13,149,816
	<u>\$ 1,518,928</u>	<u>\$ 20,320,095</u>	<u>\$ 21,839,023</u>
Total assets	<u>\$ 1,518,928</u>	<u>\$ 20,320,095</u>	<u>\$ 21,839,023</u>
LIABILITIES:			
Accounts payable	\$ 240,544	\$ 338,230	\$ 578,774
Due to other agencies	1,278,384	19,981,865	21,260,249
	<u>\$ 1,518,928</u>	<u>\$ 20,320,095</u>	<u>\$ 21,839,023</u>
Total liabilities	<u>\$ 1,518,928</u>	<u>\$ 20,320,095</u>	<u>\$ 21,839,023</u>

MARION COUNTY, OREGON

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS

For the year ended June 30, 2019

	Balance, July 1, 2018	Additions	Deductions	Balance, June 30, 2019
Treasurer's Trust				
Assets:				
Cash and investments	\$ 2,407,872	\$ 5,918,495	\$ 8,078,319	\$ 248,048
Receivables:				
Accounts and interest	467,900	4,592,434	3,789,454	1,270,880
Total assets	<u>\$ 2,875,772</u>	<u>\$ 10,510,929</u>	<u>\$ 11,867,773</u>	<u>\$ 1,518,928</u>
Liabilities:				
Accounts payable	\$ 2,342,269	\$ 1,431,765	\$ 3,533,490	\$ 240,544
Due to other agencies	533,503	9,079,164	8,334,283	1,278,384
Total liabilities	<u>\$ 2,875,772</u>	<u>\$ 10,510,929</u>	<u>\$ 11,867,773</u>	<u>\$ 1,518,928</u>
Due Subdivisions				
Assets:				
Cash and investments	\$ 6,616,517	\$ 372,453,565	\$ 372,246,786	\$ 6,823,296
Receivables:				
Accounts and interest	314,713	438,580	406,310	346,983
Property taxes	19,601,011	-	6,451,195	13,149,816
Total assets	<u>\$ 26,532,241</u>	<u>\$ 372,892,145</u>	<u>\$ 379,104,291</u>	<u>\$ 20,320,095</u>
Liabilities:				
Accounts payable	\$ 109,787	\$ 3,274,716	\$ 3,046,273	\$ 338,230
Due to other agencies	26,422,454	369,617,429	376,058,018	19,981,865
Total liabilities	<u>\$ 26,532,241</u>	<u>\$ 372,892,145</u>	<u>\$ 379,104,291</u>	<u>\$ 20,320,095</u>
Total - All Agency Funds				
Assets:				
Cash and investments	\$ 9,024,389	\$ 378,372,060	\$ 380,325,105	\$ 7,071,344
Receivables:				
Accounts and interest	782,613	5,031,014	4,195,764	1,617,863
Property taxes	19,601,011	-	6,451,195	13,149,816
Total assets	<u>\$ 29,408,013</u>	<u>\$ 383,403,074</u>	<u>\$ 390,972,064</u>	<u>\$ 21,839,023</u>
Liabilities:				
Accounts payable	\$ 2,452,056	\$ 4,706,481	\$ 6,579,763	\$ 578,774
Due to other agencies	26,955,957	378,696,593	384,392,301	21,260,249
Total liabilities	<u>\$ 29,408,013</u>	<u>\$ 383,403,074</u>	<u>\$ 390,972,064</u>	<u>\$ 21,839,023</u>

OTHER SCHEDULES

MARION COUNTY, OREGON

SCHEDULE OF RECEIPTS, DISBURSEMENTS AND BALANCES
ELECTED OFFICIALS

For the year ended June 30, 2019

	Cash	Receipts	Turnovers to			Cash
	Balance		Treasurer	State	Other	Balance
	July 1, 2018					June 30, 2019
Assessor	\$ -	\$ 465,458	\$ 465,458	\$ -	\$ -	\$ -
Clerk	-	2,228,559	2,228,559	-	-	-
District Attorney	-	229,773	229,773	-	-	-
Justice of the Peace	-	4,142,460	2,859,537	1,051,842	231,081	-
Sheriff	-	2,392,893	2,392,893	-	-	-
Treasurer	148,235,253	1,153,341,135	-	-	1,150,614,541	150,961,847

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, 2019

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-AU2	68608D-DA9	569127-BC6
56913R-BW7	68608D-DF8	569127-BD4
56913R-BX5		569127-BE2
56913R-BY3		569127-BF9
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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Net investment in capital assets	\$ 185,912,537	\$ 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
Restricted	30,270,503	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
Unrestricted	(44,455,933)	(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
Total net position, governmental activities	\$ 171,727,107	\$ 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
Business-Type Activities:										
Net investment in capital assets	\$ 6,596,589	\$ 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
Restricted	-	-	-	-	-	-	-	-	-	479,960
Unrestricted	7,460,566	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
Total net position, business-type activities	\$ 14,057,155	\$ 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
Primary Government:										
Net investment in capital assets	\$ 192,509,126	\$ 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
Restricted	30,270,503	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
Unrestricted	(36,995,367)	(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
Total net position, primary government	\$ 185,784,262	\$ 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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
EXPENSES										
Governmental activities:										
General government	\$ 13,985,305	\$ 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
Health and social services	60,914,527	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
Public safety and judicial	90,804,385	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
Community service	8,818,801	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
Roads and bridges	31,355,809	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
Education	1,300,254	421,456	614,068	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640
Interest on long-term debt	4,149,190	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
Total governmental activities	<u>211,328,271</u>	<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>
Business-type activities:										
Environmental services	24,216,533	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
Stormwater services	906,534	778,361	620,010	388,073	-	-	-	-	-	-
Sewer and lighting services	3,350,011	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
Housing authority	-	-	-	-	-	-	-	-	-	7,605,742
Total business-type activities	<u>28,473,078</u>	<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>
Total primary government	<u>\$ 239,801,349</u>	<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>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 5,334,904	\$ 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
Health and social services	7,478,905	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
Public safety and judicial	10,047,320	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
Community service	4,670,770	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
Roads and bridges	4,161,669	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
Education	-	-	-	-	-	-	-	2,574	1,304	401
Operating grants and contributions	87,624,090	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
Capital grants and contributions	9,329,117	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
Total governmental activities	<u>128,646,775</u>	<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>
Business-type activities:										
Charges for services:										
Environmental services	26,251,618	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
Stormwater services	983,992	941,764	899,614	853,911	-	-	-	-	-	-
Sewer and lighting services	3,095,358	1,416,026	1,448,868	1,455,443	654,696	668,401	611,170	607,512	607,358	602,653
Housing authority	-	-	-	-	-	-	-	-	-	1,142,907
Operating grants and contributions	-	-	-	-	-	-	-	-	-	6,545,388
Total business-type activities	<u>30,330,968</u>	<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>
Total primary government	<u>\$ 158,977,743</u>	<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>

(Continued on following page)

MARION COUNTY, OREGON

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

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
NET (EXPENSE) REVENUE										
Governmental activities	\$ (82,681,496)	\$ (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)
Business-type activities	1,857,890	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
Total primary government	<u>\$ (80,823,606)</u>	<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>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 73,915,675	\$ 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
Franchise taxes	348,070	351,542	354,709	337,375	265,819	295,802	275,249	258,296	300,159	259,905
Unrestricted grants and contribution:	7,079,276	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
Unrestricted investment earnings	2,700,729	1,948,510	1,585,348	1,197,108	912,040	744,491	677,621	752,181	751,126	1,276,223
Extraordinary items	-	-	-	-	-	-	8,733,901	(4,400,068)	(4,603,041)	-
Transfers	1,000	-	25,000	-	-	-	-	37,800	35,046	7,000,000
Total governmental activities	<u>84,044,750</u>	<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>
Business-type activities:										
Property taxes	-	-	-	-	243,556	248,431	250,562	248,113	246,700	248,965
Franchise taxes	414,299	389,749	374,695	347,208	324,940	298,364	294,357	289,719	277,716	263,019
Unrestricted investment earnings	294,838	165,794	102,407	88,842	78,453	63,339	71,561	118,265	145,817	359,510
Debt principal reduction	-	37,860	-	-	-	-	-	-	-	-
Transfers	(1,000)	-	(25,000)	-	-	-	-	(37,800)	(35,046)	(7,000,000)
Total business-type activities	<u>708,137</u>	<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>
Total primary government	<u>\$ 84,752,887</u>	<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>
CHANGE IN NET POSITION										
Governmental activities	\$ 1,363,254	\$ (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)
Business-type activities	2,566,027	3,321,318	(110,684)	(4,393,943)	42,150	(663,964)	(4,257,259)	(5,405,053)	(4,342,940)	(5,030,528)
Total primary government	<u>\$ 3,929,281</u>	<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>

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Operating Fund										
Nonspendable	\$ 15,522	\$ 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	2,299,308	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	1,661,670	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	15,839,043	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	19,815,543	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
Total General Fund										6,446,160
Other governmental funds										
Nonspendable	918,386	929,325	943,113	824,956	935,994	1,343,328	1,142,098	1,029,240	887,094	
Restricted	24,163,776	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	4,689,144	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	62,265,630	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
Unreserved, reported in:										
Special revenue funds										45,763,228
Capital projects funds										1,039,434
Total other governmental funds	92,036,936	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
Total governmental funds	\$111,852,479	\$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

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
REVENUES										
Taxes	\$75,844,399	\$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
Licenses and permits	4,593,210	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
Intergovernmental	104,032,483	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
Charges for services	28,906,847	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
Fines and forfeitures	2,893,121	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
Interest	2,554,765	1,853,607	1,520,366	1,147,879	871,704	711,155	646,852	711,839	711,757	1,192,044
Other	603,125	949,432	1,220,426	1,275,304	1,227,905	455,083	625,066	531,180	389,652	358,888
Total revenues	<u>219,427,950</u>	<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>
EXPENDITURES										
General government	11,068,132	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
Health and social services	59,383,715	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
Public safety and judicial	86,133,943	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
Community service	8,505,869	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
Roads and bridges	22,399,827	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
Education	1,300,254	421,456	614,068	578,669	451,903	402,947	506,640	860,305	1,013,928	829,640
Debt service:										
Principal	5,250,544	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
Interest	3,176,622	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
Capital outlay	18,274,146	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
Total expenditures	<u>215,493,052</u>	<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>
Excess (deficiency) of revenues over expenditures	<u>3,934,898</u>	<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>
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	22,816,959	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
Transfers out	(23,678,810)	(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)
Total other financing sources (uses)	<u>(861,851)</u>	<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>
Net change in fund balance	<u>\$ 3,073,047</u>	<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>
Debt service as a percentage of noncapital expenditures	<u>4.30%</u>	<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>

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)							
2019	\$ 13,122,887	\$ 5,571,387	\$ 5,016,858	\$ 1,000,405	\$ 632,476	\$ 25,344,013	\$ 3.03	\$ 36,604,422	\$ 46,399,107	54.6%
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%

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	0.28 - 8.09	0.43 - 8.09	0.43 - 8.09
School Districts & ESD's	0.30 - 7.92	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
Chemeketa Community College	0.90	0.90	0.90	0.92	0.89	0.86	0.90	0.88	0.79	0.89
Sewer & Service Districts	0.05	0.05	0.05	0.05	0.00	0.00	0.00	0.00	0.00	0.00
Water & Water Control Districts	0.04 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.00	0.05 - 1.03	0.05 - 1.00	0.05 - 1.00
Rural Fire Protection Districts	0.53 - 2.91	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
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	2019			2010		
	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	\$ 322,487,710	1.27%	1	\$ 214,684,018	1.12%
Northwest Natural Gas Co	2	157,141,000	0.62%	2	128,155,500	0.67%
CenturyLink (Qwest Corporation)	3	130,275,920	0.51%	5	72,081,700	0.38%
Winco Foods LLC	4	96,329,141	0.38%	3	95,027,123	0.50%
Comcast Corporation	5	79,813,300	0.31%	4	92,154,200	0.48%
Woodburn Premium Outlets LLC	6	66,251,511	0.26%			
Donahue Schriber Realty Group	7	67,577,230	0.27%	9	54,306,900	0.28%
Wal-Mart Real Estate	8	53,611,730	0.21%	7	42,423,560	0.22%
Lancaster Development Company	9	52,736,010	0.21%	6	56,708,450	0.30%
Norpac Foods Inc	10	61,955,436	0.24%	10	56,489,459	0.30%
Craig Realty Group Woodburn				8	45,330,540	0.24%
Total for principal taxpayers		<u>\$ 1,088,178,988</u>	<u>4.29%</u>		<u>\$ 857,361,450</u>	<u>4.49%</u>
Total taxable assessed value		<u>\$ 25,344,013,124</u>			<u>\$ 19,115,322,574</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
2019	\$ 78,848,364	\$ 75,009,995	95.13%	\$ -	\$ 75,009,995	95.13%
2018	73,878,931	70,307,020	95.17%	891,382	71,198,402	96.37%
2017	71,431,215	67,750,167	94.85%	1,167,371	68,917,538	96.48%
2016	68,645,892	65,123,214	94.87%	1,551,408	66,674,622	97.13%
2015	63,937,929	60,400,930	94.47%	1,772,373	62,173,303	97.24%
2014	61,192,469	57,656,513	94.22%	1,921,688	59,578,201	97.36%
2013	59,269,340	55,486,634	93.62%	2,134,149	57,620,783	97.22%
2012	58,696,510	54,896,065	93.53%	2,138,251	57,034,316	97.17%
2011	57,538,690	53,606,948	93.17%	2,194,218	55,801,166	96.98%
2010	56,220,810	52,312,753	93.05%	2,292,097	54,604,850	97.13%

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			
2019	\$ -	\$ 5,888,039	\$ 19,773,691	\$ 34,226,054	\$ 367,620	\$ 60,255,404	0.40%	\$ 173
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	0.45%	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

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							
2019	\$ 5,888,039	\$ 34,226,054	\$ 40,114,093	0.11%	\$ 115	\$ -	\$ 3,195	\$ 133,423	0%	2.39%
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%

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, 2019

Overlapping District	Outstanding Net Property Tax Backed Debt	Percent Overlapping	Net Overlapping Debt
Cities:			
City of Aumsville	\$ 1,892,753	100.0000%	\$ 1,892,753
City of Aurora	1,792,184	100.0000%	1,792,184
City of Detroit	1,244,647	100.0000%	1,244,647
City of Donald	144,294	100.0000%	144,294
City of Gates	454,719	85.9291%	390,736
City of Gervais	381,749	100.0000%	381,749
City of Idanha	18,812	53.2479%	10,017
City of Jefferson	2,533,724	100.0000%	2,533,724
City of Mill City	4,343,334	22.3125%	969,106
City of St. Paul	612,506	100.0000%	612,506
City of Salem	132,706,289	84.2079%	111,749,179
City of Silverton	3,391,595	100.0000%	3,391,595
City of Stayton	11,279,460	100.0000%	11,279,460
City of Woodburn	13,607,219	100.0000%	13,607,219
School Districts & ESD's:			
Marion County SD 1 (Gervais)	8,939,186	100.0000%	8,939,186
Marion County SD 4J (Silver Falls)	42,222,914	91.3047%	38,551,505
Marion County SD 5 (Cascade)	20,953,422	100.0000%	20,953,422
Marion County SD 14J (Jefferson)	19,128,692	93.4973%	17,884,811
Marion County SD 15 (N. Marion)	49,967,076	100.0000%	49,967,076
Marion County SD 24J (Salem-Keizer)	726,175,494	88.3167%	641,334,233
Marion County SD 29J (N. Santiam)	31,222,796	78.6173%	24,546,519
Marion County SD 45 (St. Paul)	7,600,000	100.0000%	7,600,000
Marion County SD 91 (Mt. Angel)	10,708,562	100.0000%	10,708,562
Marion County SD 103 (Woodburn)	73,063,651	100.0000%	73,063,651
Linn County SD 129J (Santiam Canyon)	3,694,032	51.7815%	1,912,825
Polk County SD 13J (Central)	69,945,318	1.2463%	871,728
Willamette ESD	8,523,891	61.9307%	5,278,905
Chemeketa Community College	65,383,375	68.8406%	45,010,308
Rural Fire Districts:			
Aumsville Rural Fire District	1,395,000	100.0000%	1,395,000
Idanha-Detroit Rural Fire District	55,000	91.2436%	50,184
Jefferson Rural Fire District	145,000	56.8152%	82,382
Keizer Rural Fire District	3,250,000	100.0000%	3,250,000
Marion County Rural Fire District 1	3,310,990	100.0000%	3,310,990
Mt. Angel Rural Fire District	410,000	100.0000%	410,000
Silverton Rural Fire District	3,730,814	95.0729%	3,546,993
Stayton Rural Fire District	230,572	88.6452%	204,391
Sublimity Rural Fire District	840,000	100.0000%	840,000
Woodburn Rural Fire District	1,125,000	100.0000%	1,125,000
Polk County Rural Fire District	1,580,000	2.0966%	33,126
Water Districts:			
Lyons-Mehama Water District	395,000	28.5742%	112,868
Subtotal, overlapping debt	\$ 1,328,399,070		1,110,982,834
Marion County direct debt			59,887,784
Total direct and overlapping debt			\$ 1,170,870,618

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Real Market Value (RMV) (thousands)	<u>\$ 46,399,107</u>	<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>
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)	\$ 927,982	\$ 844,279	\$ 780,046	\$ 734,332	\$ 697,552	\$ 642,056	\$ 651,730	\$ 668,254	\$ 699,572	\$ 728,927
Total applicable debt (thousands)	-	-	-	-	-	-	-	-	-	-
Legal debt margin (thousands)	<u>\$ 927,982</u>	<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>
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)	\$ 2,319,955	\$ 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
Total applicable debt (thousands)	34,226	35,465	36,595	37,615	38,535	39,369	40,119	40,783	41,363	41,865
Legal debt margin (thousands)	<u>\$ 2,285,729</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>1.5%</u>	<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>
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)	\$ 463,991	\$ 422,140	\$ 390,023	\$ 367,166	\$ 348,776	\$ 321,028	\$ 325,865	\$ 334,127	\$ 349,786	\$ 364,463
Total applicable debt (thousands)	25,194	28,124	25,757	18,649	20,750	22,472	13,900	15,221	16,492	17,709
Legal debt margin (thousands)	<u>\$ 438,797</u>	<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>
Total applicable debt as a percentage of the debt limit	<u>5.4%</u>	<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>

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%

Notes:

(1) The Oregon Garden Revenue Bonds were fully repaid in fiscal year 2018.

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
2019	347,760	\$ 14,929,947	\$ 43,042	4.3%
2018	344,035	14,030,514	41,119	4.3%
2017	339,200	13,344,133	39,736	5.1%
2016	333,950	12,668,929	38,474	6.0%
2015	329,770	11,764,426	36,245	7.4%
2014	326,150	10,918,991	33,955	8.8%
2013	322,880	10,656,270	33,310	10.0%
2012	320,495	10,314,865	32,432	10.5%
2011	318,150	9,914,974	31,381	11.2%
2010	315,900	9,668,749	30,852	11.1%

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

	2019				2010			
	Units	Employment	Wages	% of Employment	Units	Employment	Wages	% of Employment
Government Employers:								
Federal government	54	1,294	\$ 90,771,500	0.83%	65	1,502	\$ 85,932,061	1.12%
State government	180	19,350	1,321,578,738	12.40%	199	19,229	968,860,727	14.35%
Local government	320	14,277	748,648,619	9.15%	260	14,757	605,820,789	11.01%
	554	34,921	2,160,998,857	22.38%	524	35,488	1,660,613,577	26.49%
Private Employers:								
Natural resources and mining:								
Crop & animal production	338	5,474	191,435,455	3.51%	305	5,623	134,520,188	4.20%
Agriculture, forestry & mining	165	4,067	137,974,269	2.61%	123	3,570	88,840,399	2.66%
Construction:								
Building construction	491	2,457	128,028,358	1.57%	310	1,168	49,811,547	0.87%
Heavy & civil engineering	88	1,462	111,857,130	0.94%	97	1,226	69,436,190	0.91%
Specialty trade contractors	723	6,074	325,865,010	3.89%	665	3,657	145,226,704	2.73%
Manufacturing:								
Food, beverage & tobacco	79	4,364	154,686,093	2.80%	59	4,483	133,387,563	3.35%
Wood products	36	1,585	71,394,115	1.02%	30	1,316	46,006,656	0.98%
Metal & machinery	103	1,717	89,551,786	1.10%	94	1,351	57,033,574	1.01%
Other manufacturing	188	3,196	173,105,012	2.05%	201	2,940	116,406,389	2.19%
Trade, transportation and utilities:								
Merchant wholesalers	297	3,461	203,378,057	2.22%	242	2,966	127,669,852	2.21%
Motor vehicles, parts & fuel	203	3,251	137,355,122	2.08%	207	2,547	78,409,499	1.90%
Building & garden supplies	78	1,443	49,593,539	0.92%	85	1,217	35,706,083	0.91%
Food & beverages	184	2,991	72,333,974	1.92%	159	2,619	56,634,176	1.95%
Clothing & accessories	156	2,176	42,591,094	1.39%	149	1,728	28,600,278	1.29%
General merchandise	42	3,682	93,987,938	2.36%	36	3,776	83,352,676	2.82%
Other wholesalers & retailers	562	4,129	142,910,753	2.65%	529	3,506	100,703,102	2.62%
Truck & other transportation	187	3,242	188,668,005	2.08%	163	1,806	63,017,468	1.35%
Warehousing & storage	22	1,190	61,792,786	0.76%	13	1,006	52,512,646	0.75%
Utilities	7	205	21,516,506	0.13%	7	272	21,835,066	0.20%
Information services	130	1,288	69,511,031	0.83%	102	1,241	55,679,781	0.93%
Financial activities:								
Credit intermediation	162	2,179	117,919,983	1.40%	183	1,692	74,144,794	1.26%
Insurance	213	1,462	94,815,206	0.94%	217	1,802	87,027,155	1.34%
Real estate	408	1,504	57,208,428	0.96%	378	1,504	36,085,315	1.12%
Other financial activities	159	568	37,998,255	0.36%	114	464	28,262,072	0.35%
Professional and business services:								
Professional & technical	848	4,484	283,249,614	2.87%	748	3,856	188,973,756	2.88%
Management & administrative	647	8,622	313,495,943	5.53%	435	7,013	209,506,185	5.23%
Waste management & remediation	24	447	26,475,514	0.29%	19	311	15,380,186	0.23%
Education and health services:								
Educational services	122	2,390	90,270,368	1.53%	86	1,959	68,263,211	1.46%
Ambulatory services	576	8,502	545,362,172	5.45%	526	5,788	324,006,216	4.32%
Nursing & residential care	247	4,718	136,460,061	3.02%	192	3,682	84,855,778	2.75%
Hospitals & other health services	199	9,098	473,189,431	5.83%	171	6,366	282,776,908	4.75%
Leisure and hospitality:								
Amusement, gambling & recreation	88	1,359	20,897,817	0.87%	73	1,017	14,573,918	0.76%
Food services & drinking places	710	11,133	208,233,392	7.13%	595	8,860	127,558,188	6.61%
Other leisure & hospitality	91	1,223	34,819,722	0.78%	79	990	15,703,866	0.74%
Other services	1,948	5,972	172,966,145	3.83%	1,188	5,181	118,040,798	3.87%
	10,521	121,115	5,080,898,084	77.62%	8,580	98,503	3,219,948,183	73.51%
Total County Employment	11,075	156,036	\$ 7,241,896,941	100.00%	9,104	133,991	\$ 4,880,561,760	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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Full Time Equivalent (FTE)										
Employees by Function:										
Governmental activities:										
General government	237.8	233.6	231.4	231.3	228.8	220.5	222.0	224.0	223.0	234.8
Health and social services	449.8	449.4	453.8	425.2	407.1	396.3	367.7	349.4	360.3	382.2
Public safety and judicial	587.6	567.2	562.8	561.4	554.0	550.7	546.8	541.3	556.6	555.3
Community service	40.4	39.4	41.3	39.5	35.5	29.7	35.3	27.3	28.0	24.8
Roads and bridges	154.6	153.4	147.4	142.4	141.4	131.4	134.4	133.0	128.3	136.8
Total governmental activities	<u>1,470.2</u>	<u>1,443.0</u>	<u>1,436.7</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>
Business-type activities:										
Environmental services	<u>36.0</u>	<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>
Total FTE budgeted	<u>1,506.2</u>	<u>1,472.0</u>	<u>1,466.0</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>
Number of Employees by Bargaining Unit:										
Marion County Employee Assoc.	847	814	823	790	780	732	718	693	718	764
Marion County Law Enforcement Association	224	209	216	205	213	207	202	198	211	226
Marion County Juvenile Employees Association	34	34	32	32	32	33	34	31	31	35
Federation of Oregon Parole and Probation Officers	39	39	41	38	36	35	37	34	37	41
Oregon Nurses Association	14	16	17	17	19	17	18	20	19	20
Unrepresented:										
Management and other	238	244	250	246	238	233	238	232	234	251
Temporary employees	<u>152</u>	<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>
Total county employees	<u>1,548</u>	<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>

Sources:

Marion County payroll records.

MARION COUNTY, OREGON

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
General Government										
General election information:										
Registered voters	200,437	(1)	182,173	(1)	151,674	(1)	151,426	(1)	142,968	(1)
Votes cast	129,117	(1)	139,563	(1)	105,239	(1)	121,665	(1)	102,281	(1)
Percentage voted	64.42%	(1)	76.61%	(1)	69.38%	(1)	80.35%	(1)	71.54%	(1)
Marriage licenses issued	2,349	2,372	2,573	2,567	2,504	2,335	2,221	2,350	2,334	2,297
Passports issued	4,195	5,173	5,673	1,118	1,039	934	752	677	712	801
Documents recorded	62,055	64,978	65,457	58,714	49,451	48,596	58,630	51,058	53,070	55,756
Property tax accounts:										
Residential	84,363	83,910	83,453	83,175	83,134	82,996	82,822	82,891	82,887	82,511
Commercial	9,860	9,851	9,921	9,908	9,921	9,747	8,876	8,855	8,753	8,604
Industrial	576	545	526	520	533	682	1,663	1,594	1,631	1,686
Farm	27,816	27,826	27,836	27,879	27,897	27,972	28,130	28,134	28,179	28,643
Utilities	2,006	1,863	1,821	1,975	1,911	1,896	1,852	1,841	1,771	1,438
Personal	6,410	6,657	6,720	6,527	6,434	6,359	6,215	6,280	5,953	5,380
Health and Social Services										
Total clinic visits	466,855	434,281	424,126	386,895	404,860	419,676	405,221	421,711	456,385	462,909
Number of clients served:										
Acute	12,107	12,926	12,935	15,408	11,809	5,097	8,061	6,361	6,813	7,680
Alcohol and drug treatment	2,294	2,011	2,020	1,634	2,783	2,413	2,307	2,187	2,114	2,144
Behavioral health (other)	8,060	7,439	6,984	6,391	5,934	5,967	5,578	6,134	6,017	5,889
Developmental disabilities	2,804	2,732	2,689	2,584	2,394	2,206	2,123	2,075	2,044	1,980
IDS & out-of-panel MH providers	-	-	-	-	1,646	6,313	8,283	5,903	5,422	4,750
Immunizations	1,194	1,734	2,656	3,088	3,556	2,567	2,867	2,971	6,270	10,323
Public health (other)	7,533	7,258	5,644	6,911	8,872	9,567	9,531	8,079	9,019	9,901
Women, infants and children (WIC)	8,751	8,808	6,654	7,467	7,923	8,555	9,821	9,648	11,397	12,741
Health inspections	4,748	4,198	3,677	3,207	3,221	3,166	3,027	3,073	3,351	3,066
Food handler cards issued	482	387	1,877	1,810	6,212	5,133	614	614	731	5,054
Birth and death certificates issued	15,848	16,277	17,659	17,640	17,175	16,561	17,118	16,175	17,538	16,294
Public Safety and Judicial										
Sheriff:										
Calls for service	77,084	79,604	74,720	67,791	74,613	68,199	n/a	n/a	n/a	n/a
Number of reports	30,616	30,071	27,756	25,931	26,358	23,737	24,042	23,132	23,024	24,507
Number of arrests	2,327	2,386	2,341	2,293	2,571	2,587	2,269	2,560	2,610	3,248
Number of inmates booked	14,085	15,180	14,141	13,177	13,574	13,696	13,384	13,731	15,197	16,446
Average daily jail population	424	424	416	403	409	414	418	454	542	534
Average length of jail stay (days)	13	14	24	18	17	15	13	11	14	19
Adults on probation and post-prison supervision (monthly average)	3,121	3,226	3,269	3,644	3,583	3,697	3,781	3,940	3,963	4,120
Juvenile:										
Youth served per year (2)	1,122	1,181	1,308	1,428	1,567	1,975	2,012	2,247	2,368	2,459
Community service hours completed (2)	7,082	n/a	7,590	7,056	7,676	8,341	9,334	14,626	15,239	16,966
Youth admitted to detention center (2)	657	729	724	862	900	921	1,020	1,051	1,125	1,128
Average length of stay (days) (2)	14.1	11.5	11.5	12.7	10.4	8.9	9.4	8.0	7.5	8.0
District Attorney:										
Adult criminal cases prosecuted (2)	10,655	10,550	9,646	9,836	9,916	9,513	9,867	9,687	9,600	10,799
Juvenile delinquency petitions filed (2)	356	398	338	433	422	451	612	582	479	694
Juvenile dependency petitions filed (2)	424	476	491	411	414	510	668	875	826	877
Volunteer hours for victim assistance	18,961	19,184	19,430	19,189	19,666	24,731	23,837	18,401	26,003	24,903
Victims served	4,865	5,845	4,371	5,069	4,124	4,017	4,531	5,792	4,294	4,725
Business-Type Activities										
Environmental Services										
Waste generated per capita (pounds)	3,065	3,040	2,878	2,796	2,721	2,641	2,627	2,711	2,612	2,637
Waste recovered per capita (pounds)	1,524	1,484	1,421	1,460	1,463	1,441	1,428	1,482	1,308	1,376
Waste recovery rate	49.7%	48.8%	49.4%	52.2%	53.8%	54.6%	54.4%	54.7%	50.1%	52.2%
Waste recovered (tons)	262,191	251,456	237,150	240,544	238,422	232,540	228,708	235,584	206,398	218,787

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<u>Governmental Activities</u>										
General Government										
Buildings owned:										
Center Street campus	10	10	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	13
Other facilities countywide	13	13	13	13	12	12	12	12	12	12
Community Service										
Parks acreage	610.2	610.2	610.2	610.2	610.2	610.2	610.2	610.2	614.2	614.2
Number of developed facilities	18	18	18	18	18	18	18	18	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	5	6	6
Roads and Bridges										
Roads maintained by county:										
- miles paved	924.3	924.3	924.3	924.3	925.6	925.5	925.5	925.8	925.2	932.0
- miles unpaved	193.2	193.2	193.2	193.2	192.6	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.

**REPORT OF INDEPENDENT AUDITORS
REQUIRED BY MINIMUM STANDARDS FOR
AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Oregon Minimum Audit Standards

Board of Commissioners
Marion County, Oregon

We have audited, in accordance with the 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 and the provision of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Oregon Secretary of State, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit and remaining fund information, and each major fund of Marion County, Oregon (the "County") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 27, 2019. Our report includes a reference to other auditors who audited the financial statements of the Marion County Housing Authority, a component unit of the County, which represents 16%, 24%, and 8%, respectively, of the assets, net position/fund balances, and revenues of the aggregate discretely presented component unit and remaining fund information, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal controls over financial reporting or compliance and other matters that are reported on separately by those auditors.

Compliance

As part of obtaining reasonable assurance about whether the County's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-0000 to 162-10-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

- The use of approved depositories to secure the deposit of public funds.
- The requirements relating to debt.
- The requirements relating to the preparation, adoption and execution of the annual budgets for fiscal years 2019 and 2020.
- The requirements relating to insurance and fidelity bond coverage.
- The appropriate laws, rules and regulations pertaining to programs funded wholly or partially by other governmental agencies.
- The requirements pertaining to the use of revenue from taxes on motor vehicle use fuel funds.
- The statutory requirements pertaining to the investment of public funds.
- The requirements pertaining to the awarding of public contracts and the construction of public improvements.

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. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State.

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 (internal control) 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.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Moss Adams LLP
Eugene, Oregon
November 27, 2019