

Budget Adopted for 2016-2017

<i>Affil</i> <i>Contri</i>	<i>Dedicated</i> <i>Funds</i>	<i>Interest</i>	<i>Fees</i>	<i>Dues</i>	OREGON STATE GRANGE BUDGETS & ACTUALS 2015-2017	Adopted Budget 2015	Actual Y/E 2015	Adopted Budget 2016	Proposed Budget 2017
					Membership Number	5,100		5,000	4,800
					INCOME				
					Acct				
					3005				
					3000				
					TRANSFER FROM EMERGENCY FUND				
					Dues & Fees				
					3000 01				
				67,200.00	Dues Allocation - National	71,400.00	61,515.50	70,000.00	67,200.00
				1,920.00	Dues Allocation - Pomona	2,040.00	1,866.40	2,000.00	1,920.00
				7,200.00	Dues Allocation - Convention Fund	7,650.00	5,776.28	7,500.00	7,200.00
				125,760.00	Dues Allocation - General	133,620.00	121,827.11	131,000.00	125,760.00
				4,800.00	Emergency Fund Allocation			5,000.00	4,800.00
			400.00		3000 06	500.00	416.00	500.00	400.00
					3000 07	60.00	-	-	-
			150.00		3000 08	250.00	70.00	200.00	150.00
				100.00	3001-01	85.00	104.50	88.00	100.00
				21.00	3001-02	21.00		21.00	21.00
		25,000.00			3010 04	27,000.00	18,423.06	37,000.00	25,000.00
		30.00			3010 05	30.00	23.57	30.00	30.00
4,800.00					3100	5,100.00	4,482.91	5,000.00	4,800.00
	19,650.00				3007	7,175.00	-	7,975.00	19,650.00
			2,200.00		3002	2,500.00	2,125.00	2,200.00	2,200.00
	500.00				3009	500.00	-	500.00	500.00
			4,000.00		3200	4,000.00	3,428.70	5,000.00	4,000.00
					3170	-	-	-	-
					3510		683.12	-	-
					Building Income				
			20,400.00		3800	19,200.00	18,012.00	20,400.00	20,400.00
		5,500.00			3850	8,000.00	4,181.12	7,500.00	5,500.00
					Bulletin Income				
				9,120.00	3000 03	9,690.00	8,894.19	9,500.00	9,120.00
					3900 02				
4,800.00	20,150.00	30,530.00	27,150.00	216,121.00	TOTAL INCOME	298,821.00	251,829.46	311,414.00	298,751.00

Budget Adopted for 2016-2017

[illegible]

Budget Adopted for 2016-2017

[illegible]

Budget Adopted for 2016-2017

[illegible]

[illegible]

Budget Adopted for 2016-2017

[illegible]

Schedule of Support and Revenue, Expenses and Changes in Restricted Funds

Nat'l Convention Fund	Leadership Membership Fund	Directors Fund	Building Maintenance Fund	Designated Funds Subtotal	Emergency Fund	Dormant Grange Fund	Other	Undesignated Funds		Plant Property Equipment
								Subtotal		
	\$ 21,480.00	\$ 7,439.70		\$ 28,919.70		\$ 166,452.34		\$ 166,452.34		
\$ 632.79	\$ 4,136.58	\$ -	\$ -	\$ 4,769.37	\$ 3,444.00					
					\$ 2,873.34			\$ 2,873.34		
\$ 632.79	\$ 25,616.58	\$ 7,439.70	\$ -	\$ 33,689.07	\$ 6,317.34	\$ 166,452.34		\$ 172,769.68		
	\$ 6,751.19	\$ 8,663.91		\$ 15,415.10		\$ 33,938.50		\$ 33,938.50		
\$ 632.79	\$ 18,865.39	\$ (1,224.21)	\$ -	\$ 18,273.97	\$ 6,317.34	\$ 132,513.84		\$ 138,831.18		
\$ 27,659.09	\$ 171,603.22	\$ 13,476.86	\$ 184,252.79	\$ 396,991.96	\$ 123,773.91	\$ 309,510.54		\$ 433,284.45	\$ 314,206.50	
\$ -	\$ -			\$ -	\$ -	\$ 2,665.95		\$ 2,665.95		
\$ 28,291.88	\$ 190,468.61	\$ 12,252.65	\$ 184,252.79	\$ 415,265.93	\$ 130,091.25	\$ 444,690.33	\$ -	\$ 574,781.58	\$ 314,206.50	

Dormant Fund Schedule

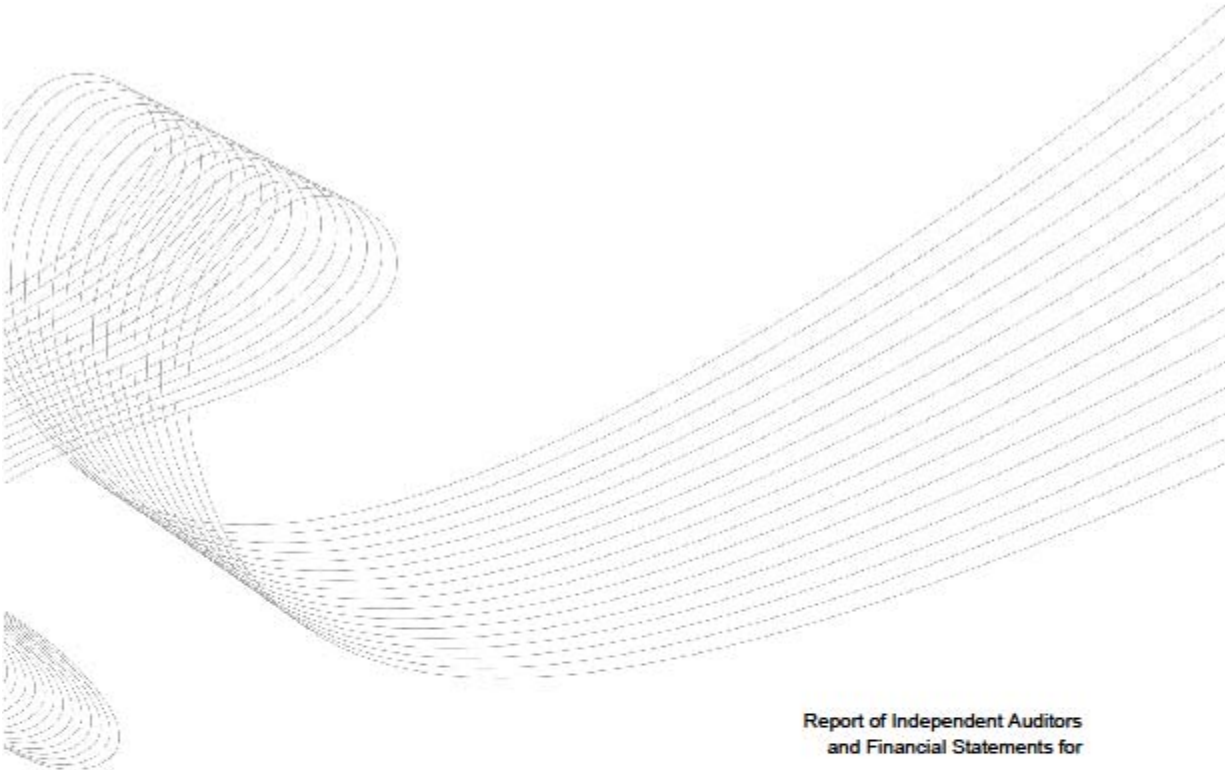
Year ending December 31, 2015	#679 Rockwall	#591 Chenoweth	#702 Bandon	#950 St. Johns Community	#961 Carver Mtn.	#528 Four Oaks	#498 Willakenzie	#672 Willows	Reorg 2013 #273 Fairview
Open Date	2008	2008	2008	2009	2009	2010	2010	2010	2011
December '10 Audit Balance	\$ -	\$ (693.79)	\$ -	\$ -	\$ (6,709.09)	\$ 97,118.23	\$ 1,025.05	\$ 23,986.08	Reorg 2013 \$ (1,972.16)
New Additions	\$ -	\$ -	\$ -				\$ -		
Income	\$ -	\$ -	\$ -		\$166,428.63		\$ -	\$ -	\$ -
Expenses	\$ -		\$ -		\$ (20,708.89)			\$ -	
Reorganized	\$ -		\$ -					\$ -	\$ 1,972.16
Reversion to "Reverted Grange Fund"		\$ 693.79							
Withdrawn from Fund									
Year End Balance	\$ -	\$ -	\$ -	\$ -	\$139,010.65	\$ 97,118.23	\$ 1,025.05	\$ 23,986.08	\$ -

Dormant Fund Schedule

#492 North Fork	#906		Reorg 2012		#684 Fair Oaks	North Lincoln	Gold Hill	#274 North Howell	#792 Roxy Ann	Fund Total
	Winchester Bay	2011	#289 Myrtle	2011						
2011		2011	2011			2013	2014	2014		
\$ (1,173.84)	\$ 573.64	\$ -	\$ -	\$ (1,755.12)	\$201,211.45	\$ (779.83)	\$ (392.07)	\$ (928.01)	\$ 309,510.54	
					\$ -				\$ -	
\$ -	\$ -	\$ -	\$ -	\$ 22.71	\$ -	\$ 1.00	\$ -	\$ -	\$ 166,452.34	
\$ (337.26)	\$ -	\$ -	\$ -	\$ (8,594.72)		\$ (1,112.18)	-355.36	\$ (2,830.09)	\$ (33,938.50)	
			\$ -	\$ -					\$ 1,972.16	
									\$ 693.79	
									\$ -	
\$ (1,511.10)	\$ 573.64	\$ -	\$ -	\$ (10,327.13)	\$201,211.45	\$ (1,891.01)	\$ (747.43)	\$ (3,758.10)	\$ 444,690.33	

Report of Independent Auditors

December 31, 2015 and 2014

An abstract graphic consisting of numerous thin, curved lines that flow from the left side of the page towards the right, creating a sense of movement and depth.

Report of Independent Auditors
and Financial Statements for

Oregon State Grange

December 31, 2015 and 2014

MOSS ADAMS LLP

Certified Public Accountants | Business Consultants

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Report of Independent Auditors

December 31, 2015 and 2014

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Report of Independent Auditors

December 31, 2015 and 2014

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REPORT OF INDEPENDENT AUDITORS

The Board of Directors
Oregon State Grange

Report on the Financial Statements

We have audited the accompanying financial statements of Oregon State Grange, which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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 an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 opinion.

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Report of Independent Auditors

December 31, 2015 and 2014

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oregon State Grange as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Moss Adams LLP

Eugene, Oregon

May 19, 2016

Report of Independent Auditors

December 31, 2015 and 2014

**OREGON STATE GRANGE
STATEMENTS OF FINANCIAL POSITION**

	DECEMBER 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 125,509	\$ 63,059
Investments	2,664,673	2,602,947
Contracts receivable, current portion	39,358	41,648
Total current assets	<u>2,829,540</u>	<u>2,707,654</u>
PROPERTY AND EQUIPMENT, net	<u>245,684</u>	<u>254,987</u>
OTHER ASSETS		
Contracts receivable, long-term portion	<u>381,926</u>	<u>392,428</u>
Total assets	<u>\$ 3,457,150</u>	<u>\$ 3,355,069</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 33,031	\$ 37,281
Dormant Grange funds	444,690	309,511
Other liabilities	2,855	35,811
Total current liabilities	<u>480,576</u>	<u>382,603</u>
NET ASSETS		
Unrestricted	318,499	380,073
Designated	545,357	518,839
Total unrestricted	<u>863,856</u>	<u>898,912</u>
Temporarily restricted	1,904,193	1,867,474
Permanently restricted	<u>208,525</u>	<u>206,080</u>
Total net assets	<u>2,976,574</u>	<u>2,972,466</u>
Total liabilities and net assets	<u>\$ 3,457,150</u>	<u>\$ 3,355,069</u>

See accompanying notes.

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Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE STATEMENTS OF ACTIVITIES YEAR ENDED DECEMBER 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 27,701	\$ 366,307	\$ 2,445	\$ 396,453
Membership dues	193,814	5,776	-	199,590
Bulletin	8,894	-	-	8,894
Rental income	18,012	-	-	18,012
Investment income, net	30,438	37,113	-	67,551
Realized/unrealized loss on investments	(56,400)	-	-	(56,400)
Other revenue	6,874	-	-	6,874
Net assets released from restrictions	372,477	(372,477)	-	-
Total support and revenue	601,810	36,719	2,445	640,974
EXPENSES				
Building costs	15,763	-	-	15,763
Bulletin	16,478	-	-	16,478
Committee	21,863	-	-	21,863
Program costs	95,555	-	-	95,555
Trust funds	243,308	-	-	243,308
General and administrative	243,899	-	-	243,899
Total expenses	636,866	-	-	636,866
CHANGE IN NET ASSETS	(35,056)	36,719	2,445	4,108
NET ASSETS, beginning of year	898,912	1,867,474	206,080	2,972,466
NET ASSETS, end of year	\$ 863,856	\$ 1,904,193	\$ 208,525	\$ 2,976,574

See accompanying notes.

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Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE
STATEMENTS OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 25,919	\$ 230,922	\$ 2,750	\$ 259,591
Membership dues	183,006	2,337	-	185,343
Bulletin	8,884	-	-	8,884
Rental income	19,513	-	-	19,513
Investment income, net	85,170	100,542	-	185,712
Realized/unrealized loss on investments	(80,014)	-	-	(80,014)
Other revenue	8,304	-	-	8,304
Net assets released from restrictions	256,219	(256,219)	-	-
Total support and revenue	507,001	77,582	2,750	587,333
EXPENSES				
Building costs	17,154	-	-	17,154
Bulletin	15,036	-	-	15,036
Committee	19,335	-	-	19,335
Program costs	59,931	-	-	59,931
Trust funds	200,091	-	-	200,091
General and administrative	270,639	-	-	270,639
Total expenses	582,186	-	-	582,186
CHANGE IN NET ASSETS	(75,185)	77,582	2,750	5,147
NET ASSETS, beginning of year	974,097	1,789,892	203,330	2,967,319
NET ASSETS, end of year	\$ 898,912	\$ 1,867,474	\$ 206,080	\$ 2,972,466

See accompanying notes.

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Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 4,108	\$ 5,147
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	9,303	9,303
Realized/unrealized loss on investments	56,400	80,014
Increase (decrease) in:		
Accounts payable	(4,250)	8,030
Dormant grange funds	135,179	(7,259)
Other liabilities	(32,956)	(1,201)
Net cash from operating activities	<u>167,784</u>	<u>94,034</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(121,933)	(1,663,862)
Proceeds from sale of investments	3,807	1,561,966
Loans to subordinate granges	(30,000)	(309,900)
Collections on contracts receivable	42,792	23,288
Net cash used by investing activities	<u>(105,334)</u>	<u>(388,508)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	62,450	(294,474)
CASH AND CASH EQUIVALENTS, beginning of year	<u>63,059</u>	<u>357,533</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 125,509</u></u>	<u><u>\$ 63,059</u></u>

Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of organization - On September 24, 1873, the masters of the thirty-seven subordinate granges, together with masters of four subordinate granges from Washington territory, organized the Oregon State Grange ("Grange" or the "Organization"). Subsequently, in 1933, the Oregon State Grange was incorporated in the State of Oregon without capital stock. The Oregon State Grange was organized for the primary purpose of advancing the interests of agriculture. The Oregon State Grange is subject to and governed by the constitution and regulations of the National Grange.

Basis of presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues and expenses are recognized in the period in which they are incurred. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Organization had temporarily restricted net assets of \$1,904,193 and \$1,867,474 as of December 31, 2015 and 2014, respectively.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. The Organization had permanently restricted net assets related to its life income memberships of \$208,525 and \$206,080 as of December 31, 2015 and 2014, respectively.

Cash and cash equivalents - The Organization considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Organization may maintain cash and money market funds in accounts which exceed amounts insured by government agencies. The Organization does not believe it is exposed to any significant credit risk on cash, and has not experienced any losses on such accounts.

Investments - Investments are primarily comprised of interest bearing cash, mutual funds, U.S. government securities, and corporate and municipal bonds and are carried at fair value. Interest, dividends and gains and losses (both realized and unrealized) on investments are included in the statement of activities in revenues and other support. Investment income is reported net of investment fees which totaled \$20,566 and \$16,537 for 2015 and 2014, respectively. While the majority of investments are held on behalf of the Grange by a financial service company, individual investment decisions are made by the Grange's Executive Committee.

Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment decisions by the Grange's Executive Committee are guided by a conservative investment policy that is designed to protect capital and guard against inflation. However, since the Grange's investments are primarily comprised of interest bearing cash, mutual funds, U.S. government securities, and corporate and municipal bonds, significant changes in prevailing interest rates and market conditions may adversely affect the timing and amount of cash flows on such investments and their related values. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible, although remote, that changes in values in the near term could materially affect the Grange's financial position and the amounts reported in the statements of activities.

Contracts receivable - The Grange's contracts receivable reflect amounts due from subordinate granges under promissory note agreements. The Grange charges interest on these contracts at rates varying from 5.0% to 8.0%. Contracts receivable are evaluated for collectability based on credit history of the borrowers and their current financial condition. Provisions for losses on contracts receivable are determined on the basis of loss experience, known and inherent risks in the loan portfolio, the estimated value of underlying collateral, and current economic conditions. No provision for loss was considered necessary by management at December 31, 2015 and 2014, as all borrowers are paying in accordance with terms.

Property and equipment - Property and equipment in excess of \$500 is capitalized at cost. Major renewals and betterments are capitalized, while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are charged to expense currently. Contributed property and equipment is capitalized at its fair market value at the date of the donation. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is computed using the straight-line method at rates based on the estimated useful life of the property.

Dormant grange funds - Dormant grange funds consist of funds received from dormant granges that are held in trust by the Grange. Once a subordinate grange is declared dormant by the State Master, the building is taken under control by the Grange, as well as any assets including checking and savings accounts. Any retrieved funds are deposited into the Grange's investment account and recorded as dormant grange funds. The Grange's by-laws require that these funds be held in trust for a period of seven years, after which time they revert to the Oregon State Grange to be used for organizing new subordinate grange, junior granges, or as a source of funds to provide training to Grange leaders. The dormant grange fund liability consisted of \$444,690 and \$309,511 as of December 31, 2015 and 2014, respectively.

Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition - The Grange records revenues and expenses on the accrual basis of accounting. Membership dues are recorded when received due to uncertainty of collection. Contributions received are recorded at their estimated fair value at the date of donation as unrestricted or temporarily restricted support depending upon the nature and/or existence of any donor restrictions.

The Grange records property including cash, investments and buildings received from subordinate granges that have been dormant for a period longer than 7 years and have failed to reorganize as temporarily restricted contributions for financial statement reporting purposes. Donor-restricted support is recorded as an increase in temporarily restricted net assets, depending upon the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of a restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net asset and reported in the statement of activities as net assets released from restrictions.

Fair value of financial instruments - The Grange has adopted Financial Accounting Standards Board ("FASB") authoritative guidance that defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. There are three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2015 and 2014.

Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest-bearing cash (money market accounts): Money market accounts are valued using \$1 for the net asset value (NAV).

Registered investment companies (mutual funds): Shares of registered investment company funds (or mutual funds) are valued at the NAV of shares held by the Organization and are valued at the closing price reported on the active market on which the individual securities are traded.

U.S. government securities, corporate and municipal bonds: Valued at the closing price reported on the major market on which the individual securities are traded or have reported broker trades which may be considered indicative of an active market. Where quoted prices are available in an active market, the investments are classified within level 1 of the valuation hierarchy. If quoted market prices are not available for the specific security, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, discounted cash flows and other observable inputs. Such securities are classified within level 2 of the valuation hierarchy.

Functional expenses - Expenses for the Grange are summarized according to the function classification of program services and support services. Certain expenses are allocated among functions based on a variety of methods. Program services include building, bulletin, committee, trust fund and other program expenses. Supporting services include general and administrative expenses.

Program services

Building - Building costs include normal repair and maintenance of the building and the associated grounds, as well as utility, security and insurance expenses. Property taxes are included for the rental of Suite 200.

Bulletin - The Bulletin is a bi-monthly publication going out to each Grange household. Approximately 3,600 copies are distributed with each publication and expense costs include printing and mailing as well as the per issue salary of the Editor.

Committee - The State Grange has 12 appointed committees with various duties. Each committee is represented by a Director and a district chair for each of the 6 distinct districts. Also included in committee expense are the expenses incurred by the Executive Committee of the State Grange.

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December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Trust funds - State and National by-laws require that any real property sold by a Subordinate or Pomona Grange must come to the State Grange to be held in trust for that Subordinate or Pomona Grange. These sales include the sale of buildings from consolidated Granges as well as the sale of portions of an existing Grange property. These trust funds are accessible by the Subordinate or Pomona at any time via the Executive Committee.

Program costs - Fund raising for outside charities as well as for State Grange activities takes place within many of the committees and is considered part of program costs. Program costs also include expenses for the annual State Convention and travel to the National convention for Grange delegates.

General and administrative - These expenses are related to the administrative, fiscal, personnel, accounting, and organization-wide functions necessary for the Grange to operate.

Income taxes - The Grange is a not-for-profit organization as described in Section 501(c)(8) of the Internal Revenue Code and is exempt from federal income taxes. The Organization has also been classified as an entity that is not a private foundation within the meaning of the Internal Revenue Code. Accordingly, no provision has been made for income taxes in the financial statements pursuant to Accounting Standards Codification (ASC) 740, Income Taxes. The Organization generally evaluates any uncertain tax positions consistent with the accounting and disclosure requirements of ASC 450, Contingencies. The Grange did not have any uncertain tax positions in connection with these financial statements. Generally, the Grange is subject to examination by U.S. federal, state, and local income tax authorities for three years from the filing of a tax return.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent events - Subsequent events are events or transactions that occur after the statement of financial position date but before the financial statements are available to be issued. The Grange recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Grange's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before the financial statements are available to be issued.

Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Grange has evaluated subsequent events through May 19, 2016 which is the date the financial statements were available to be issued.

NOTE 2 - FAIR VALUE MEASUREMENTS

The following table discloses, by level, the fair value hierarchy as of December 31:

INVESTMENT ASSETS AT FAIR VALUE AS OF December 31, 2015				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 72,224	\$ -	\$ -	\$ 72,224
Registered investment companies:				
Domestic equity - blended funds	999,507	-	-	999,507
International equity - growth funds	414,250	-	-	414,250
Corporate bonds	-	563,903	-	563,903
Municipal bonds	-	614,789	-	614,789
	<u>\$ 1,485,981</u>	<u>\$ 1,178,692</u>	<u>\$ -</u>	<u>\$ 2,664,673</u>
INVESTMENT ASSETS AT FAIR VALUE AS OF December 31, 2014				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 31,632	\$ -	\$ -	\$ 31,632
Registered investment companies:				
Domestic equity - growth funds	89,065	-	-	89,065
Domestic equity - value funds	3,817	-	-	3,817
Domestic equity - blended funds	718,870	-	-	718,870
International equity - growth funds	567,314	-	-	567,314
U.S. government securities	-	151,905	-	151,905
Corporate bonds	-	418,132	-	418,132
Municipal bonds	-	622,212	-	622,212
	<u>\$ 1,410,698</u>	<u>\$ 1,192,249</u>	<u>\$ -</u>	<u>\$ 2,602,947</u>

Report of Independent Auditors

December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	DECEMBER 31,	
	2015	2014
Land	\$ 97,360	\$ 97,360
Building	311,676	311,676
Furniture and fixtures	22,741	22,741
	431,777	431,777
Less accumulated depreciation	(186,093)	(176,790)
	<u>\$ 245,684</u>	<u>\$ 254,987</u>

Real property owned by the Grange consists of an office building and parking area and a log cabin constructed at the State Fairgrounds in Salem. A portion of the office building is leased to a tenant on a month-to-month basis at approximately \$1,500 per month.

NOTE 4 - CONTRACTS RECEIVABLE

	DECEMBER 31,	
	2015	2014
The Oregon State Grange loaned \$30,000 to the Triangle Grange, monthly payments of \$500 including interest at 5%. The note matures January 2021 and is unsecured.	\$ 27,546	\$ -
The Oregon State Grange loaned \$250,000 to the National Grange, interest only payments at 6% thru 2016, then monthly payments of \$8,357 including interest at 6%. The note matures December 2025 and is unsecured.	250,000	250,000
The Oregon State Grange loaned \$36,836 to the Warner Grange, monthly payments of \$424 including interest at 5%. The note matures May 2023 and is unsecured.	32,190	35,026
The Oregon State Grange loaned \$23,064 to the Lowell Grange, quarterly payments of \$600 including interest at 5%. Balloon payment made in March 2015. The note matures March 2017 and is unsecured.	2,784	22,289

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OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CONTRACTS RECEIVABLE (Continued)

	DECEMBER 31,	
	2015	2014
The Oregon State Grange loaned \$15,000 to the Beaver Homes Grange, monthly payments of \$125 including interest at 5%. The note matures August 2016 and is unsecured.	1,456	2,946
The Oregon State Grange loaned \$53,000 to the Coburg West Point Grange, annual payments of \$5,000 including interest at 5%. The note matures September 2018 and is unsecured.	14,823	18,904
The Oregon State Grange loaned \$14,731 to the Beavercreek Grange, monthly payments of \$200 including interest at 5%. The note matures November 2017 and is unsecured.	4,232	6,362
The Oregon State Grange sold the Poison Creek property located in Burns, OR to an individual for \$40,000 with monthly payments of \$415 including interest at 6%. The note matures November 2020 and is secured by the property.	20,793	24,511
The Oregon State Grange loaned \$23,400 to the Crow Grange, quarterly payments of \$375 including interest at 5%. The note matures March 2039 and is unsecured.	20,592	21,046
The Oregon State Grange sold the Holley Grange property for the sum of \$30,000 with monthly payments of \$245 including interest at 8%, with a balloon payment due at maturity. The note matures April 2021 and is secured by property.	26,684	27,451
The Oregon State Grange loaned \$10,000 to the Warner Grange, monthly payments of \$189 including interest at 5%. The note matures October 2016 and is unsecured.	2,390	4,138

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OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 4 - CONTRACTS RECEIVABLE (Continued)

	DECEMBER 31,	
	2015	2014
The Oregon State Grange loaned \$4,055 to the Elmira Grange, quarterly payments of \$188 including interest at 5%. The note matures February 2019 and is unsecured.	3,497	3,497
The Oregon State Grange loaned \$20,300 to the Scotts Mills Grange, monthly payments of \$198 including interest at 5%. The note matures January 2023 and is unsecured.	14,297	17,906
	421,284	434,076
Less current portion	(39,358)	(41,648)
Contracts receivable, long-term portion	<u>\$ 381,926</u>	<u>\$ 392,428</u>

NOTE 5 - BOARD AND MEMBERSHIP DESIGNATED NET ASSETS

As of December 31, unrestricted net assets have been Board and Membership Designated as being available for the following purposes:

	DECEMBER 31,	
	2015	2014
Building Fund	\$ 184,253	\$ 182,326
National Convention Fund	28,292	27,659
Leadership Fund	190,469	171,603
Directors' Fund	12,253	13,477
Emergency Fund	130,090	123,774
	<u>\$ 545,357</u>	<u>\$ 518,839</u>

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December 31, 2015 and 2014

OREGON STATE GRANGE NOTES TO FINANCIAL STATEMENTS

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS

As of December 31, temporarily restricted net assets are available for the following purposes:

	DECEMBER 31,	
	2015	2014
Spence Memorial	\$ 12,243	\$ 12,464
Youth Activities	5,157	5,957
State Convention	16,712	13,734
Reverted Dormant Grange Funds	392,903	500,344
Subordinate Trust Funds	1,474,148	1,322,735
Various	3,030	12,240
	<u>\$ 1,904,193</u>	<u>\$ 1,867,474</u>

Resolutions Approved at the 2016 State Session

Agriculture (AG)

AG #3: Support for Cross Breeding

- Whereas: Natural cross breeding is not the same as gene splicing. Therefore be it
- Resolved: The Oregon State Grange advocates for improvement of agriculture products as a result of cross breeding.

AG #4: Oppose Passage of the Trans-Pacific Partnership Trade Agreement

- Whereas: The 2015 State Session adopted resolution AG #3 opposing non-transparent, non-amendable fast-track trade pacts, which do not allow open debate by our legislative bodies; and
- Whereas: No public reviews or debates have been offered to elucidate on the impacts to American and Oregonian concerns regarding the Trans-Pacific Partnership International Trade Agreement; and
- Whereas: The Trans-Pacific Partnership allows private corporations to disregard, circumvent and/or challenge laws of sovereign countries, thereby destroying their autonomy and ability to regulate their trade and financial markets; and
- Whereas: The TPP if passed will allow international corporations to sue the no longer sovereign nations for “damages,” and even if a lawsuit is unsuccessful, massive court costs would be incurred; and
- Whereas: The TPP would give 9,200 foreign firms the right to circumvent our courts and attack the laws we rely on for a clean environment, safe food, and decent jobs; and
- Whereas: The TPP would encourage fracking and more outsourcing of American jobs to foreign countries, make medicines more expensive and could destabilize global finance; and
- Whereas: In Oregon the TPP would negate laws passed to protect farms and farmers, as well as limit legislation to restore agricultural sovereignty authority to Oregon counties. Therefore be it
- Resolved: That the Oregon State Grange oppose the passage of the Transpacific Partnership and direct its lobbyists to actively fight against the passage of this non-transparent international agreement at all state and federal levels.

By-Laws (BL)

BL #1: Raising Mileage Reimbursement Rate

- Whereas: The Oregon State Grange provides a reimbursement rate to those who travel on official business for the State Grange; and

- Whereas: The current mileage reimbursement rate that the Oregon State Grange pays is \$.22 per mile and has been the State Grange reimbursement rate for the past 20+ years; and
- Whereas: The cost to operate a personal vehicle has increased greatly over the past 20 years, and the current State of Oregon Mileage Rate of Reimbursement is \$.56 per mile; and
- Whereas: Those who travel on official Oregon State Grange business should receive fair compensation that will help offset the personal expense incurred by those who travel. Therefore be it
- Resolved: The mileage reimbursement rate for the Oregon State Grange be \$.40 per mile effective July 1, 2016.

BL #2: Preferential Election Ballot for State Grange Officers

- Whereas: In 2016 none of those nominated for the officers of Lecturer and Secretary accepted nomination; and
- Whereas: The certified election report to be completed by the Community Grange Secretary and signed by the Master made clear that these offices would be elected at the State Grange Convention, but the Preferential Election Ballot listed both offices with a blank line for write-in votes and for Secretary included the words "(Vote for one)"; and
- Whereas: This caused confusion as some members concluded that the member who received a majority of write-in votes cast would "win" and have their name listed on the Final Delegate Election Ballot. Therefore be it
- Resolved: That section 1.8.1(g) be added to the Oregon State Grange By-laws and read: If no members are nominated for an office or if none of those nominated accept nomination, that office will not appear on the Preferential Election Ballot. Nominations for that office will be accepted from the floor of the State Session and appear on the Final Delegate Ballot.

BL #3: Notification of Amendments Made to Subordinate Grange By-Laws

- Whereas: It would be beneficial to add electronic communication as an option for notifying Grange members of By-Laws changes; and
- Whereas: Electronic communication is recognized as an efficient and effective form of communication; and
- Whereas: Group mailings can be a burdensome expense for Subordinate Granges; and
- Whereas: Grangers strive to be environmentally conscientious in their day-to-day dealings. Therefore be it
- Resolved: That the second sentence in Section 4.21.I of the By-Laws of the Oregon State Grange be changed by adding the phrase "or email" in the second sentence.

That sentence would then read "All members shall be notified by mail or email or by publication in the Grange Bulletin at least thirty days before the date of the meeting at which a vote will be taken of such proposed By-Law change."

BL #4: Master's Salary for the Oregon State Grange

- Whereas: The Oregon State Grange Master is the leader and primary representative of the Grange and similar to a CEO in the business world. The Master has day-to-day oversight of all facets of the organization including office operations, communications, employees, supporting volunteers, public relations, legal and financial responsibilities, strategic planning and much more; and
- Whereas: The Oregon State Grange Master's salary has not been increased for over six years and at \$27,876 is significantly lower than the \$45,000 average salary for non-profit program directors and \$60,000 average salary for non-profit executive directors. An increased salary would reflect the value of this position and allow us to attract and retain talented individuals to serve as Master; and
- Whereas: With today's technology the Master's work is being done away from the office plus conferences on weekends and meeting events evenings and can be reached almost anytime, the office being open only three days a week is not an issue. A salary that would attract and retain qualified, talented leaders is the issue. Therefore be it
- Resolved: That the Oregon State Grange By-laws section 1.15.1 be changed to reflect an annual salary of \$34,000 for the Oregon State Grange Master.

BL #7: Amend OSG By-Laws Section 4.17.6 Regarding Inactive (Dormant) Grange Funds

- Whereas: The By-Laws of the National Grange state in section 4.12.1(B) that following the seven-year trust period, the trust is terminated and all property of the Inactive Grange becomes the property of the State Grange to be used "...in accordance with the general purposes of the Order."; and
- Whereas: The By-Laws of the Oregon State Grange (4.17.6) further restrict the use of such property; and
- Whereas: Situations have arisen in modern times that were not anticipated in the original By-Law, such as paying for insurance and utilities for halls of inactive Granges and the possibility of existing Granges relocating to halls of inactive Granges. Therefore be it
- Resolved: That section 4.17.6 of the Oregon State Grange By-Laws be amended by renumbering the final sentence as subsection 4.17.6 (a) and adding the words **"and accounted for in a separate 'reverted trusts' fund limited to the following uses."** And be it further
- Resolved: That the remainder of the original section 4.17.6 be renumbered as follows:
- "4.17.6 (a)
- (i) Organizing new Subordinate/Community Granges and Junior Granges
 - (ii) Improvements to real property

- iii) As a source of capital for making loans to Subordinate/Community Granges
- (iv) As a source of funds for providing training to Grange leaders including officers and deputies.

And be it further

Resolved: That the following new sections be added to 4.17.6 (a)

(v) As a source of funds to pay for the utilities, maintenance, and property taxes of halls of inactive Granges that have become the property of the Oregon State Grange following the seven-year trust period.

(vi) If a 'reverted trust' consists of a building, the Oregon State Grange may convey said building to another active Grange in need of a meeting hall."

The amended section will read as follows:

4.17.6

(a) In the event the Subordinate/Community Grange shall not have been reorganized within a period of seven years, all such property shall become the property of the Oregon State Grange, **and accounted for in a separate 'reverted trusts' fund limited to the following uses:**

- (i) Organizing new Subordinate/Community Granges and Junior Granges
- (ii) Improvements to real property
- (iii) As a source of capital for making loans to Subordinate/Community Granges
- (iv) As a source of funds for providing training to Grange leaders including officers and deputies.

(v) As a source of funds to pay for the utilities maintenance, and property taxes of halls of inactive Granges that have become the property of the Oregon State Grange following the seven-year trust period.

(vi) If a 'reverted trust' consists of a building, the Oregon State Grange may legally convey said building to another active Grange in need of a meeting hall."

Education (ED)

ED #2: Require Civics Course for High School Diploma

Whereas: Civics is not a required course in high school; and

Whereas: A well-informed populace is important for a well-working government and community. Therefore be it

Resolved: The National Grange should advocate for civics classes to be included in high school graduation requirements suggested by the federal Department of Education.

ED #3: Oregon State Grange "Promise of Oregon" Support

- Whereas: This state's children constitute "The Promise of Oregon" (promiseoregon.org) through their potential as thinkers, leaders, and caretakers of their generation and the future; and
- Whereas: We believe funding a strong system of public education is the best investment Oregonians can make to strengthen our economy, create thriving communities and improve the quality of life for every Oregonian; and
- Whereas: We support a well-rounded curriculum that meets the needs of Oregon's students, including: art, music, physical education, career and technical training and co-curricular activities; and
- Whereas: We must ensure that efforts to close the academic achievement gap and supports for students who have been historically underserved are expanded; and
- Whereas: Oregon's public schools have experienced a prolonged period of unstable and inadequate funding that has resulted in dire consequences: teacher and staff layoffs, program cuts, unacceptably large class sizes and one of the shortest school years in the country; and
- Whereas: The Legislature has made progress and reinvestments in K-12, but that funding momentum is fragile due to looming cost increases related to health care and PERS (Public Employees Retirement System); and
- Whereas: Oregon's political leaders have codified an ambitious "40-40-20" goal (40% have a Bachelor's degree or higher, 40% have an Associate's degree or higher, and 20% have at least a high school diploma or equivalent) for our education system to reach by the year 2025, requiring significant financial investment to attain; and
- Whereas: The case must be made to Oregon's voters that the Legislature needs to prioritize investments in a full school year for every student in every district and modern, safe school facilities in every community in our state; and
- Whereas: School Board members need to help shoulder the responsibility for making the case to Oregon's voters that investments must be made so that every child has the opportunity to become a responsible and productive citizen of our state. Therefore be it
- Resolved: That the Oregon State Grange join and support the efforts of "The Promise of Oregon" campaign to ensure that Oregon's lawmakers continue to prioritize investments to improve the educational outcomes for Oregon's greatest natural resource: our children.

Environment and Ecology (EE)

EE #1: The Value of Water

- Whereas: Quality water is necessary for life, native fish survival, farming of all kinds, many economic and industrial processes, proper functioning of our sewage, drainage, and water treatment facilities, and drinking for people and animals; and

- Whereas: All these needs are competing and sometimes incompatible; and
- Whereas: With climate change rainfalls and temperatures are changing and are less predictable. Therefore be it
- Resolved: That the Oregon State Grange promote that water and the water cycle be managed and protected as a resource that is not limited to power production and emphasize its necessity for life.

Federal Affairs (FA)

FA #1: State Supervisory Powers over Public Lands

- Resolved: We petition the U.S. Congress to pass legislation to transfer the ownership of all federally owned lands, except National Parks and military reservations, to the state where the land is located.

FA #2: The U.S. Justice Department is Investigating Climate Skeptics

- Whereas: The United States Attorney General, Loretta Lynch, acknowledged the Department of Justice (DOJ) has asked the Federal Bureau of Investigation (FBI) to look into whether climate skeptics' denial of the theory humans are causing dangerous climate change merits prosecution for fraud; and
- Whereas: The threat of such action to free speech, free inquiry, and debate are central to our Bill of Rights, Amendment 1, which states, "Congress shall make no law respecting an establishment of religion or prohibiting the free exercise of thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the government for a redress of grievances. Therefore be it
- Resolved: That the Oregon State Grange requests that the United States Congress tell the U.S. Attorney General, Loretta Lynch, to concentrate on real crime and not stifle free speech and free inquiry.

FA #3: Stop HR 2546 — Mandatory Gun Owner Liability Insurance or \$10,000 Fine

- Whereas: H.R. Resolution #2546 introduced by U.S. Congresswoman Carolyn Maloney mandates all gun owners to purchase liability insurance or face a fine of up to \$10,000.00; and
- Whereas: This house resolution #2546 is a direct assault on our Second Amendment – Right to Keep and Bear Arms; and
- Whereas: Congresswoman Maloney has received over \$569,000.00 in contributions from the insurance industry; and

- Whereas: "The right of the people to keep and bear arms shall not be infringed. A well-regulated militia composed of the body of the people, trained to arms, is the best and most natural defense of a free country..." – **James Madison**; and
- Whereas: "The constitution shall never be construed...to prevent the people of the United States who are peaceable citizens from keeping their own arms." – **Samuel Adams**; and
- Whereas: The best we can hope for concerning the people at large is that they are properly armed." – **Alexander Hamilton**; and
- Whereas: The great object is that every man be armed. Everyone who is able may have a gun." - **Patrick Henry**; and
- Whereas: "The right of the citizen to keep and bear arms has justly been considered as the palladium of the liberties of a republic; since it offers a strong moral check against the usurpation and arbitrary power of rulers." – **Joseph Story**; and
- Whereas: Americans have the right and advantage of being armed – unlike the citizens of other countries whose governments are afraid to trust the people with arms." – **James Madison**; and
- Whereas: "Our safety, our liberty depends upon preserving the Constitution of the United States as our fathers made it inviolate. The people of the United States are the rightful masters of both Congress and the Courts, not to overthrow the Constitution, but to overthrow the men who pervert the Constitution." – **Abraham Lincoln**. Therefore be it resolved
- Resolved: That the Oregon State Grange is opposed to any legislation to require mandatory gun owner liability insurance or possible fine (as a penalty on an uninsured gun owner).

FA #4: Oppose Religious Law Inclusion into Civil Law of US

- Resolved: That the Oregon State Grange oppose the addition of any religious law, dogma, or religiously mandated penalties to the civil laws of the United States or any state or territory thereof.

FA#5: Oppose Owyhee Canyonlands Monument

- Whereas: The proposed Owyhee Canyonlands Monument would put an additional 2.5 million acres of Eastern Oregon under federal control, including 50 miles of the Owyhee drainage; and
- Whereas: An advisory vote taken in Malheur County in March 2016 had a record turnout of voters and a 90% disapproval rate for the proposed Owyhee Canyonlands Monument; and
- Whereas: Oregon already has many acres under federal protection and that has raised many issues regarding local control and use. Therefore be it

- Resolved: That the Oregon State Grange oppose the creation of the Owyhee Canyonlands Monument. And be it further
- Resolved: That the Oregon State Grange oppose the creation of the Owyhee Canyonland Monument by Presidential Executive Order. And be it further
- Resolved: That copies of this resolution be sent to Oregon's Senators Wyden and Merkley, Representative Greg Walden, and Oregon Governor Kate Brown.

Good of the Order (GO)

GO #1: Must be Physically Present to Vote in Grange Meeting

- Whereas: The Master of the National Grange has recently issued a ruling that allows Grange members to be considered present at Grange meetings by electronic means; and
- Whereas: The term 'electronic means' is not well-defined; and
- Whereas: Many Granges are not served by broadband and some do not even have land-line telephones or cell service, so this ruling cannot be uniformly applied to all Granges; and
- Whereas: This ruling includes allowing those members attending electronically the right to vote in the Grange meeting; and
- Whereas: Members attending by electronic means would not be able to fully participate in debate, which is one of the central reasons for gathering in a community meeting. Therefore be it
- Resolved: That only members who are physically present at a Grange meeting may count as a quorum or vote on issues before that Grange.

GO #3: Digest Amendment: Voting

- Whereas: 4.7.1 clearly reads that "...All questions and business at every meeting of a Grange, Executive Committee or Special or Standing Committee at which a quorum is present, shall be determined by a majority vote of members or Delegates present and voting at such meeting unless a different vote on any specific matter is required by state or federal law; and
- Whereas: The National Master issued a ruling that changes the definition of present to include people not physically present; and
- Whereas: Some Granges and Grange committees are seeking the option of attending and voting via electronic means while others are not. Therefore be it
- Resolved: That attendance by electronic means is an option that may be accepted or rejected by any Pomona or Subordinate Grange.

GO #4: Removal of Oregon Grange Policies Opposing Same-Sex Marriage

- Whereas: The Oregon State Grange has always been a family organization; and
- Whereas: Almost all families have a brother, sister, son, daughter, grandson, granddaughter, cousin, niece, or nephew who might be in a same-sex relationship; and
- Whereas: The Supreme Court of the United States has ruled that same-sex couples nationwide have a right to marry; and
- Whereas: The Oregon State Grange is a non-denominational organization, unaffiliated with any specific religion or sect; and
- Whereas: The Oregon State Grange in no way restricts the rights of Grangers to act on and support the beliefs of their religion outside of the official activities of the Grange; and
- Whereas: The Oregon State Grange wishes to remain a welcoming family-oriented fraternal organization, not known for its outdated conservative policies. Therefore be it
- Resolved: That the Oregon State Grange should remove those policies that contradict the Supreme Court ruling, which affirmed the right of same sex couples to marry nationwide, specifically FA02.04 and LE06.05, both of which are in the "Define Marriage" section of the 2015 OSG Legislative Handbook.

GO #6: Publicize State Grange Resolutions by Issuing a Post-Session Press Release

- Whereas: Oregon Granges and their delegates work hard to create, study, and refine resolutions each year; and
- Whereas: Resolutions passed at OSG Sessions determine the policies and direction of Oregon State Grange; and
- Whereas: Currently, unless a resolution directs our lobbyist to act on it, the public rarely hears about it. Therefore be it
- Resolved: That the Oregon State Grange office will prepare a news release mailing list, including the major news outlets in the state, and other outlets suggested by members, prior to the OSG session. And be it further
- Resolved: When the annual Oregon State Grange Session has ended, members of the Communications Committee will meet as soon as possible to prepare and distribute a news release announcing the major public policy resolutions that were approved during the Session and likely to be of interest to the general public.

GO #8: Reporting Insurance Policy for Grange Halls

- Whereas: The Oregon State Grange By-laws require that each Subordinate/Community and Pomona Grange list the Oregon State Grange as an "additional named insured" on their liability and/or property insurance and on fidelity bonding policies; and
- Whereas: With the decision of Grange Insurance Association to discontinue writing insurance for Subordinate/Community and Pomona Granges, Subordinate/Community and Pomona Granges have been required to secure liability and/or property policies from several other insurance companies; and
- Whereas: With the variety of insurance companies used by Subordinate/Community and Pomona Granges, it difficult to verify the policies of the Granges; and
- Whereas: Failure by a Subordinate/Community or Pomona Grange to provide for proper insurance jeopardizes the organization at all levels. Therefore be it
- Resolved: That Oregon State Grange modify the quarterly report to include a place for the name of the insurance company, policy number, type, and expiration date similar to the request for corporation and IRS filing.

GO #10: Video Webcasting Grange Meetings

- Whereas: As members become limited in mobility due to aging, sickness, or infirmity or they move away from their local areas to attend college or serve in the military; many members can no longer drive to attend meetings, move into retirement homes far away from their local Granges or due to sickness cannot leave their homes for a meeting. There are few options for them to be able to keep continuing to be involved in their Granges. Our Grange members can feel unwanted and abandoned by the Grange organization since there are no alternatives to them to be involved; and
- Whereas: Technology is now available to easily allow members to attend Grange meetings in a "non-traditional" manner and easily have active input and fellowship with their respective Granges; and
- Whereas: With the ease of availability to the internet through cell phones, computers, and other media devices, video broadcasting has become a standard option for conducting meetings across the United States, with options to make it secure and private webcasting; and
- Whereas: The Grange needs to keep exploring and creating new ways to retain members who wish to stay active and involved in their Granges and not just dismissing them due to age, disability, health or location; and
- Whereas: Through the ease of webcasting and now virtual reality that is being developed, any member no matter their health or location can attend meetings, hold their office, give reports and be counted as attending. Therefore be it
- Resolved: The Oregon State Grange for the Granges who choose to, allow video webcasting for those members who cannot attend the meeting through

traditional ways to attend through the use of video webcasting and be counted in attendance.

GO#11: Policy Sunset after Ten Years

- Whereas: The policies of OSG are intended to reflect current goals and positions to be pursued in our Grange work, including that of our Grange Lobbyist; and
- Whereas: Our policies are published and available to the public on the OSG website; and
- Whereas: Many policies remain in effect long after the situations that gave rise to them have resolved. Therefore be it
- Resolved: That beginning July 1, 2017, all policies of the OSG Legislative Handbook that are over ten years old shall expire unless they are affirmatively considered and reapproved at State Session. And be it further
- Resolved: That State Session committees be advised of any policies due to sunset in the next year.

Grange Programs and Activities (GPA)

GPA #1: Support for Age Division of the Grange Youth

- Whereas: The Oregon State Grange Youth from age 14 to age 35 has a vast spread of experiences and interests; and
- Whereas: A division, for example, into Youth from age 14 to age 18, and Young Adult from age 19 to age 35 would encourage activities more closely tailored to the interests of these ages; and
- Whereas: The Youth Committee could continue to oversee both age divisions; and
- Whereas: The Youth Committee currently plans activities with for both younger and older Grange Youth; and
- Whereas: Oregon State Grange should acknowledge the substantial difference in the interests and experiences of the two extremes of the Youth Age Span. Therefore be it
- Resolved: That the Oregon State Grange Youth and Young Adult Committee increase focus on activities for young adults starting in their 2017 program.

Health and Welfare (HW)

HW #1: Wapato Facility

- Whereas: The loss of mental health services in communities has turned the prison system into one of the state's largest mental health providers; and

- Whereas: In 2004, a task force recommended setting up separate treatment units or even a new prison to serve as a mental hospital; and
- Whereas: Prisons were never designed as facilities for the mentally ill; and
- Whereas: According to the Bureau of Justice Statistics, 56 percent of state prisoners and 45 percent of federal prisoners have symptoms or a recent history of mental health problems; and
- Whereas: 8 to 19 percent of prisoners have psychiatric disorders that result in significant functional disabilities, and another 15 to 20 percent will require some form of psychiatric intervention during their incarceration; and
- Whereas: Our prisons are populated by people in desperate need of caring and sensitive psychiatric care; and
- Whereas: Mental health treatment can help some prisoners recover from their illness; and
- Whereas: By helping individual prisoners regain health and improve coping skills, mental health treatment promotes safety and order within the prison environment and enhances community safety when prisoners are ultimately released. Therefore, be it
- Resolved: The Oregon State Grange go on record to support 14355 North Bybee Lake Court, Portland, Oregon, Wapato Facility, to be considered as a hospital and/or transition facility for the mentally ill, with trained and licensed staff for the care, treatment, and stabilization of the mentally ill.

HW #3: Control Costs of Medicare Drug Benefits (Part D) to Low-Income Beneficiaries

- Whereas: Many older Americans struggle to afford basic costs of living, which is often compounded by medical expenses, including the cost of medications; and
- Whereas: Susan Noah, Oregon State Grange Master, in her Annual Address at the 2016 Sessions, appealed to the membership stating, "...we have been contacted several times to join with other organizations in opposition to changes to the Medicare system. These include urging the Medicare Payment Advisory Commission to reject proposals to increase patient out-of-pocket costs and co-pays for low-income beneficiaries under the Medicare Prescription Drug Benefit (Part D) Currently we have very little policy on the Medicare program in any form, and yet I know that this is a program that touches many of us." Therefore be it
- Resolved: Oregon State Grange work with other organizations to urge the Medicare Payment Advisory Commission to reject proposals to increase patient out-of-pocket costs and co-pays for low-income beneficiaries under the Medicare Prescription Drug Benefit (Part D).

L

Legislative (LE)

LE #1: Support for Oregon State Department of Education Matching Bond Program

- Whereas: During the 2015 legislative session SB0447 was passed; and.
- Whereas: SB0447 was passed for the 2015 - 2017 biennium; and
- Whereas: There is a long term for state help in upgrading aging educational buildings.
Therefore be it
- Resolved: The Oregon State Grange lobby in support of the reauthorization of the Oregon School Capital Improvement Matching Program, the matching-grant program managed by The Department of Education.

LE #3: Emergency Clause

- Whereas: The Referendum process is highly valued by the Grange and its members as a citizen control on the actions of the Legislature; and
- Whereas: The Grange has a long history of advocating for and supporting the Referendum process; and
- Whereas: Oregon Legislators are using the Emergency Clause to circumvent the use of the Referendum process. Therefore be it
- Resolved: That the Oregon State Grange hereby reaffirms our support of the Initiative and Referendum process and our belief that the emergency clause is to be used only for true emergencies that cannot wait to go into effect until the 90 days required by statute has passed and that the Oregon State Grange shall support any effort to limit the use of the emergency clause by the Oregon Legislature.

LE #5: Cape Kiwanda Safety

- Whereas: The Cape Kiwanda State Recreation Area has become a very popular and dangerous tourist attraction resulting in two deaths in February 2016 and five deaths in 2015; and
- Whereas: The current barrier fence is aging and easy to go around or through to the cliffs. The "danger do not go beyond this point" sign is not sufficiently preventing people from going around either; and
- Whereas: Local emergency services are being taxed with more frequent needs for rescues and recoveries by individuals who are not realizing the severity of the danger imminent at Cape Kiwanda. Therefore be it
- Resolved: That we support a new or extended fence, barrier or blockade that will prevent people from going around to the dangerous points on Cape Kiwanda which will save lives and protect this beautiful and natural resource, that signage at Cape Kiwanda State Recreation Area more appropriately reflect the significant dangers of the cliffs including a memorial for those who have lost their lives on

the cape, and that information published on the Oregon State Parks website and other travel websites about Cape Kiwanda include appropriate safety warnings.

LE #6: Minimum Wage

- Whereas: The minimum wage has historically been an entry level wage; and
- Whereas: A high minimum wage, such as adopted by the 2016 Oregon Legislature, will reduce the employability of the young person just entering the workforce; and
- Whereas: A high minimum wage will encourage and incentivize employers to use technology and machines to replace employees as a cost savings mechanism; and
- Whereas: One of the principles of economics is that the consumer (the market) is far smarter in setting prices than a small group of individuals such as legislative bodies; and
- Whereas: The undefined and vague term “living wage” has little to do with a minimum wage as entry level positions are not normally taken by family breadwinners, except in periods of economic stagnation; and
- Whereas: The Oregon Legislature deemed the passage of SB 1532 an emergency, which prevented the citizens of Oregon from exercising their oversight of the legislative process. Therefore be it
- Resolved: That the Oregon State Grange oppose any further increases in the minimum wage until these increases have been in effect for a minimum of three years. And be it further
- Resolved: That the Oregon State Grange Legislative Committee prepare a report to the delegates on the economic impact of HB 1532 no later than 2020, which will include the labor participation rate, the youth labor participation rate, rate of growth in the economy in the different regions of the state and other information to allow the delegates to revisit this issue with facts and information.

LE#7: Opposition to Sales Taxes

- Whereas: The Oregon State Grange has had a policy against sales taxes. The proposed Gross Receipt Sales taxes is targeted at a segment of Oregon businesses with gross sales at \$25 million; and
- Whereas: This tax may reduce a firm’s profitability by taxing pre-profit sales; and
- Whereas: Some businesses (such as farms, fuel, and grocery businesses) rely on large sales volumes and low margins. They will be unfairly taxed. Therefore be it
- Resolved: The Oregon State Grange is against all taxes based on sales of products or services.

Natural Resources (NR)

NR #1: Protect Livelihood from Wolves

- Whereas: Farmers and ranchers cannot protect their livelihood from damage done by wolves. Therefore be it
- Resolved: The Oregon State Grange supports policy that a farmer or rancher may shoot a wolf if it is chasing, biting or harassing the livestock (cow, sheep, horse, etc.) or any domestic pet such as dog or cat.

NR #2: Delisting Wolves

- Whereas: The Oregon Department of Fish and Wildlife has delisted the wolves in Eastern Oregon; and
- Whereas: The Oregon State Grange understands the ODFW is helping the agriculture community. Therefore be it
- Resolved: The Oregon State Grange supports the ODFW policy delisting the wolves.

NR #3: Economic Impact to Eastern Oregon

- Whereas: In some areas of Eastern Oregon, farmers are having significant economic decline due to coyotes and wolves invading their ranches/farms. Therefore be it
- Resolved: That the Oregon State Grange policy support allowing farmers/ranchers to be able to shoot a coyote/wolf that is seen chasing, biting, harassing, or harming their farm/ranch animals. And be it further
- Resolved: A coyote/wolf seen within 500 feet of a farmer/rancher dwelling may be shot.

Transportation (TR)

TR #1: Speed Limits in Oregon

- Whereas: You have vehicles traveling at one posted speed, and commercial trucks at another speed. This creates vehicles dangerously trying to pass slower moving trucks or vehicles towing; and
- Whereas: You now have 2 (two) different speed limits posted; this creates possible traffic hazards; and
- Whereas: Making the posted speed limits the same would help with the flow of traffic. Therefore be it
- Resolved: That the Oregon State Grange lobby ODOT to consider posting the same maximum speed limits on our highways for all vehicles, where appropriate.

Utilities (UT)

UT #2: 2016 Oregon Energy Bill (House Bill 4036)

- Whereas: House Bill 4036 has been approved by the Oregon House of Representatives and is currently headed for the Oregon State Senate. A key component of this bill requires that 50% of the utility customers' loads to be served by renewable energy by 2040; and
- Whereas: House Bill 4036 will force Oregonians to purchase expensive less reliable renewable energy generating capacity; and
- Whereas: Oregon and the Pacific Northwest have access to one of the most cost-effective, pollution-free sources of energy in the country, hydro-electric, which is not considered renewable power in Oregon; and
- Whereas: The Public Utility Commission has tried to voice its concerns about House Bill 4036 and has been muzzled by the Governor's office. Therefore be it
- Resolved: Hydro-electric power should be recognized as a renewable energy source in the state of Oregon, as our bordering states do. And be it further
- Resolved: The Public Utility Commission must have significant input in Oregon energy planning.

Veterans (VT)

VT #1: Lottery Funds

- Whereas: Current Oregon State Grange policy supports 2% of lottery funds be designated and made available to the not-for-profit organizations that serve Veterans; and
- Whereas: Initiative petition is currently being circulated that asks that 5% of lottery funds be distributed to finance services to Oregon Veterans; and
- Whereas: The Oregon State Grange cannot support legislation asking for 5% if current Grange policy has a limit of 2%. Therefore be it
- Resolved: That Oregon State Grange policy supports dedicating a portion of Oregon Lottery monies to fund Oregon Veterans programs and or services.

Resolution of Thanks

- Whereas: The success of the 143rd annual session of the Oregon State Grange has been assured due to the efforts, loyalty and determination of all our dedicated members; and
- Whereas: Many people have helped to make this state session a success. Therefore be it
- Resolved: That the delegates, officers and members of the Oregon State Grange assembled in Talent on June 18-23, 2016 express our sincere thanks and gratitude to the following;
- John Plank, Assistant Steward of the National Grange and Master of the Indiana State Grange, and his wife Susan, for representing the National Grange at our session and to Susan Noah, Pomona of the National Grange, for being 'ours';
 - D. Thomas McKern, representing Grange Insurance Association and Nancy Murray, attorney for the Oregon State Grange, for attending our session and informing our members;
 - Sue Westbrook, Myrtle Creek #442, for designing and making the 'welcome' swag bags for this convention with the help of District #1 Grangers. Tammie Phillips for designing the 2016 convention pin;
 - Wayne Cabler and Linda Helm for chairing the host committee and getting us off to a flying start;
 - Phoenix School District and Talent Middle School for use of their facilities and to the school staff for their hard work this week;
 - Phoenix Grange for the use of their stations;
 - Peggy Fine and Ben Boswell and all who participated in the Memorial/Worship Service;
 - Don MacKinnon and his team of officers for the beautiful presentation of the first four degrees;
 - The District #1 Fifth Degree team led by John Fine;
 - Talent City Councilor E.J. McManus for his welcoming remarks;
 - The officers of the Oregon State Grange for a beautiful exemplification of the Degree of Flora and to Rosebud Drill director Linda Helm and her team for a wonderful presentation;
 - Janis Mohr-Tipton and Cookie Trupp for hall decorations, flowers and stage decorations and to Malcolm Trupp for his work as Cookie's transportation and logistics director;

- Connie Suing and her Breakfast Club for a delicious Grange Benefits breakfast, and to Bellview Grange for hosting the meal and mopping up after us;
- The speakers who visited with us and informed us at various committee conferences this week, including the following:
 - Legislative conference--State Representative Sal Esquivel
 - Education conference--Diane Smith, Director of Teaching and Learning at the Business Education Compact
 - Lecturer's/Deaf Awareness and Family Health conference—Jess Reichmuth, Dogs for the Deaf
 - GWA conference--Sue Dumolt and Sally Clute for their workshop on making Grange Emblem bookmarks
 - Agriculture conferences—Ivan Maluski, Policy Director at Friends of Family Farmers; John Stephenson, Wolf Coordinator for Oregon, US Fish and Wildlife (arrangements made by Darrell Witty); Nick Smith, Executive Director of Healthy Forests/Healthy Communities
 - Agriculture table display--Jessica Jansen, Oregon Ag in the Classroom
 - Membership--Jeff Dehne, Orrin Schnetzky and the cast of their membership skit "To Join, or Not To Join"
- The many participants and judges of the Lecturer's, GWA and Community Service contests;
- FFA Prepared Public Speaking contest winner Kourtney Lehman, Baker FFA, for presenting her winning speech;
- Interim Junior Director Liz Dehne, her helpers and all the Junior Grangers for a terrific Junior Session and Degree;
- Youth Directors Scot and Clare Jacobson and all who helped with the youth program all week including operating the concession stand and selling Goodie Basket raffle tickets;
- The Youth Officers and their coach Jim Clute for a wonderful job of opening of the Grange on Wednesday morning;
- All who donated items for the silent and oral auctions and for the Goodie Baskets;
- John Fine and his auction team, especially Mikela Heimuller for amazing work as the auction clerk;
- Linda Helm and her team for the excellent meals all week: Tammy Dockery and Tonya Shreeve of Talent Middle School, and Grangers Qiana Helm, Shala Helm, Tamara Heryford, Alex Coe, Quinton Coe, Maleek Linwood, Chloe Lacrosse, Patty Bunch, Maureen Hunter, Alexa Suing, Elias Utt and Terry Elliott;
- Wayne Marshall and his crew from Lake Creek Grange #697 for cooking tri-tip for the Kickoff Banquet;

- Orrin Schnetzky and his helpers for setting up and operating the Oregon State Grange sound system for this session;
- Marilyn Reiher, Chairman of the Progress Committee, and to Mikela Heimuller and Alexa Suing for their able assistance;
- Claudia Boswell for sharing her beautiful music;
- All the delegates and members who engaged in thoughtful discussion and debate over the many issues considered at this convention;
- Special thanks to all of the members of District 1 Granges under the able leadership of co-chairs Wayne Cabler and Linda Helm-- Ada #570; Azalea #786; Applegate Valley Community #839; Bellview #759; Central Point #698; Deer Creek #371; Fruitdale #379; Illinois Valley #370; Myrtle Creek #442; Phoenix #779; Riversdale #731, and Sunny Valley #916.
- And to all who may have been overlooked, we appreciate all the work you have done to make this session a success, we say

Thank You!

Submitted by Resolution of Thanks committee, Paul Tipton, chairman

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