

The Official Newspaper
of the City of Heppner and the County of Morrow

Heppner
GAZETTE-TIMES
U.S.P.S. 240-420

Morrow County's Home-Owned Weekly Newspaper

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David Sykes Publisher
Andrea Di Salvo Editor

All News and Advertising Deadline is Monday at 5 p.m.

For Advertising: advertising deadline is Monday at 5 p.m. Cost for a display ad is \$5 per column inch. Cost for classified ad is 50¢ per word. Cost for Card of Thanks is \$10 up to 100 words. Cost for a classified display ad is \$5.75 per column inch.

For Public/Legal Notices: public/legal notices deadline is Monday at 5 p.m. Dates for publication must be specified. Affidavits must be required at the time of submission. Affidavits require three weeks to process after last date of publication (a sooner return date must be specified if required).

For Obituaries: Obituaries are published in the Heppner GT at no charge and are edited to meet news guidelines. Families wishing to include information not included in the guidelines or who wish to have the obituary written in a certain way must purchase advertising space for the obituary.

For Letters to the Editor: Letters to the Editor MUST be signed by the author. The Heppner GT will not publish unsigned letters. All letters MUST include the author's address and phone number for use by the GT office. The GT reserves the right to edit letters. The GT is not responsible for accuracy of statements made in letters. Any letters expressing thanks will be placed in the classifieds under "Card of Thanks" at a cost of \$10.

Bank of EO reports 2016 earnings

Heppner—BEO Bancorp and its subsidiary, Bank of Eastern Oregon, announced consolidated year-end 2016 earnings of \$3,389,000, an increase of 12.3 percent when compared to \$3,017,000 in 2015. Basic earnings per share were up 13.8 percent from \$2.46 in 2015 to \$2.80 in 2016. Total assets increased seven percent from \$357.3 million to \$382.2 million. Net loans ended 2016 at \$302.3 million, up 6.6 percent year-over-year. Deposits increased seven percent from \$317.7 million to \$340.1 million.

"We are very pleased with the 2016 results. Net income is at an all-time high for BEO Bancorp. The increase in profits was fueled by strong net interest income and provision for loan losses, which was down 51.7 percent year-over-year," said President and CEO, Jeff Bailey.

"As an agricultural-based institution, we are seeing tighter margins for our farmers and ranchers. After a number of years of strong commodity prices, we are seeing the less pleasant part of an agricultural cycle. Increased world wheat stocks and decreased beef demand coupled with a strong dollar have equated to lower prices. We are encouraged by the increased moisture that we are experiencing this winter. As with every year, we will just have to wait and see what materializes," Bailey added.

"Total shareholders' equity increased 6.8 percent year-over-year to \$29.74 million, an all-time high for the bank," said Chief

Financial Officer Mark Lemmon. "2016 Return on Average Assets is 0.92 percent compared to 0.86 percent in 2015. Return on Average Equity is at 11.77 percent compared to 11.43 percent in 2015. Both reflect improved profitability. In December, the Fed increased rates as expected and most experts expect modest, measured increases during 2017."

"In 2016 we saw good growth in both loans and deposits," added Chief Operations Officer Gary Prophet. "This came from all areas of our branch and loan production office network. In 2017 we look forward to opening our new branch in Athena and are pleased with the warm reception from the community as we prepare to open the branch late in first quarter."

"2016 was a good year for the bank. Earnings per share were \$2.80 up 13.8 percent year-over-year. These results are only possible with a dedicated group of employees serving the financial needs of dedicated customers and shareholders. It is rewarding to see our market area and share continue to expand. 2017 is bound to have its own set of unique challenges, but the bank is well positioned to build on prior years' success. We look forward to serving the banking needs of eastern Oregon and Washington for many years to come," concluded Bailey.

For further information on the company, visit the website at <http://www.beobank.com>.

Tax Wise and Otherwise

A periodic column by Daniel Van Schoiack, CPA

Previous articles have discussed the importance of maintaining good records when confronted by the IRS. Disputes often arise as to whether adequate records have been kept. When a taxpayer disagrees with a determination made by the IRS, they can make an appeal to the United States Tax Court. The process doesn't always end there, however. Tax court decisions can be appealed to the Circuit Court of Appeals, and from there, to the Supreme Court.

The tax court system was established by the Revenue Act 1924. One of the earliest and most precedent cases was heard in the 1930s involving a famous entertainer, George M. Cohan. His case was ultimately decided by the Second Circuit Court of Appeals. He did not keep good record of some of his business expenses, which were disallowed by the IRS. The Second Circuit Court recognized Cohan had incurred the expenses and allowed him to deduct them by making a "reasonable estimate." The case set a precedent known as the Cohan Rule.

While the Cohan Rule is still used as a basis for estimating some tax deductions, certain deductions require strict substantiation under section 274(d) of the tax code. Deductions for meals, entertainment and personal vehicles expenses fall under that section. In a recent case, Garza vs. Commissioner, the taxpayer was disallowed \$20,086 for use of his Ford F-150. His records did not indicate the date, purpose and the number of miles for each business trip. Instead, he just kept track of the beginning and ending mileage for each month.

In another case, Reiff vs. Com, the taxpayer prevailed against the IRS, which had disallowed his standard mileage deduction for lack of adequate records. Reiff was a disc jockey who contracted to provide music at events. For each event, he wrote the mileage on a piece of paper and later entered that information on a spreadsheet along with the time, date, and location of each event. The tax court overruled the IRS and determined that his records were adequate and met the strict substantiation test. In this case, the taxpayer could have saved the trouble of going to Tax Court if he had kept a current mileage log in his vehicle.

This week, the Oregon Senate Finance and Revenue Committee is expected to release plans to deal with a \$1.8 billion deficit over the next two years. It sounds like a "broad based business tax" might be in the works. That will be discussed more in the next article.

Please feel free to contact me if you have any questions about this article.

Daniel Van Schoiack CPA, can be contacted at 541-676-9971 or danielrvan@yahoo.com. Recent articles can be viewed at danielcpapro.com.

'Asher's Army' dinner, auction this Saturday

An "Asher's Army" benefit dinner and auction for Asher Schonbachler is planned for this Saturday, Feb. 11, at 6 p.m. at the Heppner Elk's Lodge. Dinner will be \$20 for adults, or \$10 for children 10 years and younger.

Asher has been diagnosed with leukodystrophy, also known as Vanishing White Matter Disease. The family has asked that proceeds go to research to find a cure.

The evening will include dinner, music, and silent and live auctions. Auction items are being added continually, but items will include Trailblazer tickets, several canvas prints and framed art, Pendleton Roundup tickets, Roundup Museum tickets, Happy Canyon tickets, Hamley's gift certificate, half a butchered pig, steer, custom trout

fishing rod, Chris Stapleton concert tickets, various quilts, Pendleton blanket,



Asher Schonbachler

50" TV, LuLaRoe outfit, Usborne books, Valentine's gift basket, gift certificate for 100 homemade peanut butter cups, gift certificates for Italian ice cream, Coil Fabrication headache rack, and much more.

Anyone who would like more information or who would like to donate may contact Juli at 541-350-3974.

County parks subcommittee to meet

The Morrow County Parks plan subcommittee will hold a regular meeting at 1 p.m. at the Morrow County Bartholomew Building, 110 Court Street, Heppner on Feb. 13.

The meeting will cover topics for the Morrow County Parks Master Plan, bylaws and resolution regarding parks committee members.

The meeting location is accessible to persons with disabilities.

A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to the Morrow County Parks Department at 541-989-9500.

For more information please contact the Morrow County Parks Department at 541-989-9500 or by email at mcparks@co.morrow.or.us.

Little League registration this month

Little League registration will continue on Feb. 9 and Feb. 15 from 5:30 - 7:30 p.m. at Columbia Basin Electric in Heppner. The deadline for registration is March 1.

Boys ages five to 14 and girls ages five to 16 are eligible to play T-ball, Minors, Majors and Juniors baseball and softball.

Community lunch menu

Christian Life Center volunteers will serve lunch on Wednesday, Feb. 15, at St. Patrick's Senior Center.

Lunch will include pot roast with potatoes, carrots, onions, celery and sliced tomatoes, French bread, and apple cobbler for dessert.

Milk is served at each meal. Suggested donation is \$3.50 per meal. Menu is subject to change.

FIND A CURE for Asher
VANISHING WHITE MATTER DISEASE

Please Join Us.... **Asher's Army**

Benefit Dinner for Asher Schonbachler

Saturday February 11 @ 6pm
at the Elks Lodge in Heppner
Dinner - Music
Silent & Live Auction

If you wish to donate or would like more information contact Juli at 541-350-3974

Some of the Auction Items:
Trailblazer Tickets - Art - Roundup Tickets
- Gift Certificates - 1/2 Butcher Pig -
Steer - Quilts - Saddle - Concert Tickets
Pendleton Blanket Champion 1500 Watt
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Bit - Beats headset - 50" Screen TV -
Coil Fab Headache Rack

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Heppner Gazette
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Valentine's Dinner \$14.95
Choice of Potato or Rice Pilaf,
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