

BENTON COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

Prepared by:

Finance Division

Mary K. Otley, CPA
Finance Director



BENTON COUNTY, OREGON

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December 20, 2012

To the Honorable Members of the Board of Commissioners
and Citizens of Benton County, Oregon

The Finance Department of Benton County is pleased to submit the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012, together with the report thereon of Benton County's independent auditors. This report is published to provide the Board of County Commissioners, our citizens, County staff, and other readers with detailed information about the financial position and results of operations of the County, and to demonstrate fiscal and operational accountability in the use of County resources. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with Benton County management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard County assets against loss, theft, or misappropriation, and to compile sufficient, reliable information for the preparation of the County's financial statements. 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 REPORT

In accordance with Oregon law, Talbot, Korvola & Warwick, LLP has audited the County's basic financial statements. The objective of the audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2012, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Governmental Auditing Standards issued by the comptroller General of the United States, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State, State of Oregon. The unqualified opinion rendered in this report indicates that the financial statements were prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States of America and meet the standards prescribed by the Secretary of State. The auditor's report on these financial statements is located in the Financial Section of this report.

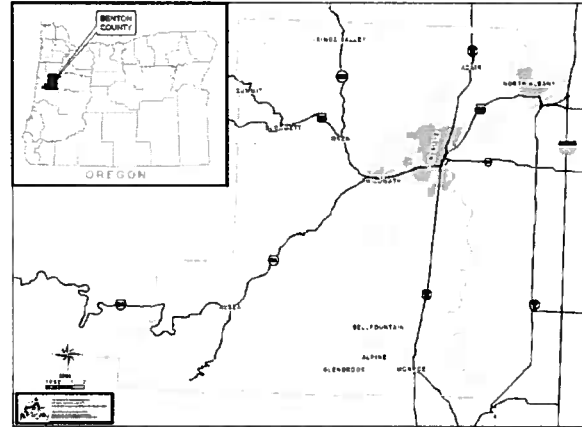
The independent audit of the financial statements was complemented by a federally mandated "Single Audit". The Single Audit standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the County's internal controls and legal requirements involving the administration of federal grant awards. Those reports are included in the Compliance Section.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF BENTON COUNTY, OREGON

Benton County was incorporated December 23, 1847, and is located along the Willamette River, approximately 40 miles from the Pacific Ocean. The County includes an area of 679 square miles, has a population of 85,300 and a true cash value of \$9,435,565,562.

Benton County is governed according to its Home Rule Charter, which became effective January 1973. The County's charter adopted in 1973 has had several subsequent amendments. The County is governed by a Board of Commissioners, consisting of three full-time commissioners, who are elected to four-year terms. The Board of Commissioners conducts all legislative business of the County



Benton County provides a full range of services including public safety, health services, park facilities, public works, assessment and tax collection for all county taxing districts, juvenile services, corrections and probation, community development and internal administrative support. Alsea, Alpine, Cascade View and South Third County Service Districts provide sewer and water services as legally separate County Service Districts, which function, in essence, as departments of the County and therefore have been included as integral parts of the County's financial statements. These "blended component units" are reported within the Business-Type portion of the financial statements. Benton County Library Services District is a legally separate taxing entity which functions as a department of Benton County and is also included in the County's financial reports. This "blended component unit" is reported as a part of the Special Revenue Funds. Additional information on these five entities can be found in Note 1 of the notes to the financial statements.

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County's budget is adopted by the Board of Commissioners by fund and by program. The expenditure appropriations lapse at the end of the biennium. Additional resources and corresponding appropriations may be added to the budget during the biennium through a supplemental budget process. Original and supplemental budgets may be modified during the biennium by the use of appropriation transfers between categories. Appropriation transfers must be approved by the Board of Commissioners in public meetings. During the first year of the biennium, 8 supplemental budgets were adopted.

Budget to actual comparisons are provided in this report for each individual fund for which an appropriated budget was adopted. For the General, Road Fund, Local Option Levy Fund and Block Grant Fund, this comparison is provided in the Required Supplementary Information. For all other funds with appropriated budgets, this comparison is presented in the other supplementary section of this report.

ECONOMIC CONDITIONS AND OUTLOOK

With 52% of the revenue dependent on resources from state and federal governments, state fiscal condition is a critical issue for county government. As the state has increased and/or cut back the resources it provides to county programs, the County has made adjustments in staff and services.

In Oregon, the issue is further compounded by the fact that voters approved three property tax reform measures that reduced local district's ability to raise funds through local property tax increases.

Benton County, unlike any other area in the region shows a small percentage (12%) of its population aged 65 and older and a large percentage (24.9%) of its population aged 15 to 24 years. The large student population at Oregon State University affects the percentage of 15 to 24 year olds.

The Benton County employment base is one of the most stable in the state. Benton County generally records the second lowest jobless rate in the state. The unemployment rate at June 30, 2012 was 6.4%, down from 6.6% at the same time last year. One of the factors contributing to the relatively low unemployment rate is that a high percentage of the working force has college degrees.

State and local education make up the County's largest industry, accounting for approximately 11,160 jobs or 29% of the total work force. State and local education includes the local public school districts as well as Oregon State University (OSU). OSU is one of only two universities in the country designated as a combined land, space, sea, and sun grant university. OSU enrolls approximately 21,000 students and employs approximately 9,800 people. OSU serves as Oregon's leading source of basic applied research in forestry, agriculture, fisheries, engineering, electronics, home economics and sciences for the development of human, land, atmospheric and oceanic resources and receives more than \$150 million in annual funded research, making OSU one of the nation's leading research universities. Other federal and state and local public administration employment totals approximately 3,770 jobs or 10% of the total work force.

Outlook

Benton County is in sound fiscal position due to years of conservative financial management. In November of 2007, voters passed a Health and Safety five year local option levy. This levy was renewed in November of 2012 for another 5 years.

With the passage of the 2007 Health and Safety local option levy, the commissioners promised to reduce the levy based on projected revenue from federal forest county payments. The maximum tax rate that could be levied is 90 cents per thousand dollars of assessed value. The rates levied were: 59 cents in 2009, 67 cents in 2010, 75 cents in 2011 and 85 cents in 2012. The levy funding has provided for increased resources for the District Attorney's Office to stay on top of a large caseload, restored 24-7 coverage by the Benton County Sheriff's office, supported Health Department initiatives and continued the operation of the Benton County Drug Treatment Court.

The 2012 levy approved a maximum of 90 cents per thousand dollars of assessed value.

County general revenues have remained unchanged for the last three fiscal years; however expenditures have increased by 3% over the same time period.

MAJOR INITIATIVES

The County will continue to be challenged by the effects of the regional recession, which has impacted the flow of resources used to support programs. The County will also have to respond to increased pension costs, citizen-based initiatives and the actions of other agencies such as the federal government and the State of Oregon. Some of the future initiatives include the:

Cost of Public Employee Retirement:

- Given the complex history of public employee retirement costs in Oregon it is important to understand some key points as it affects current and future payroll costs to Benton County.

Employer payroll rates are set every two years based on the financial performance of markets and actuarial analysis at a point in time. Average employer rates for Benton County declined significantly for the 2009-11 biennium because the rates are based on market performance and analysis as of the end of 2007. The decline in general service category employer rates benefitted all budgets and funds significantly. However, police & fire category rates did increase which did help drive up law enforcement personnel budgets. Overall, the cost of retirement payments declined from the prior biennium and that served to reduce pressure to further draw down reserves to maintain staff and services.

Effective July 1, 2011, there was a significant increase in employer contribution rates. Contribution rates for Tier 1/Tier 2 General Service, Tier 1/Tier 2 Police & Fire, OPSRP General Service, and OPSRP Police and Fire are 7.30%, 14.58%, 5.40% and 8.11% respectively.

Effective July 1, 2013, there is another significant increase in employer contribution rates. Contribution rates for Tier 1/Tier 2 General Service, Tier 1/Tier 2 Police & Fire, OPSRP General Service, and OPSRP Police and Fire are 12.95%, 19.60%, 10.67% and 13.40% respectively.

- Limitation on property tax growth and the impact on revenues, which will limit the County's ability to continue to provide the historical levels of service.
- Reform of health care costs to employers and employees.

RELEVANT FINANCIAL POLICIES

Contingency & Reserve Policies:

- Budget Contingency: Each operating fund shall strive to budget a contingency total of not less than one-twenty fourth (1/24) of budgeted operating expense for the biennium.
- Working Capital Reserves: All Fund budgets shall reserve resources to cover its annual working capital requirements. Each Fund shall budget a combination of total contingency and unappropriated fund balance sufficient to meet its annual requirements for working capital based on an analysis of historical trends, or that fiscal period revenue and expenditure plan.

Indirect Cost Allocation Plan(s):

The Budget Officer shall annually prepare an indirect cost plan allocating the cost of central services to all cost centers consistent with Federal Office of Management and Budget (OMB) Circular A-87 requirements. The following services are included in the Indirect Cost Allocation Plan:

- Human resources
- Budget preparation, monitoring & planning
- Payroll services
- Accounts payable
- Cash receipting, investments and treasury management
- General accounting & audit services
- Data system operations
- Acquisition and replacement of central computer services
- Legal counsel
- General property and liability insurance
- Administrative Services Department administration
- Retirement liability
- Interdepartmental delivery/courier and mail processing

LONG-TERM FINANCIAL PLANNING

Benton County budgets on a biennial basis. In preparing the budget, departments are asked to project budgets for two additional biennia (six years total). The County uses these projections to develop the current budget and strategically plan for the future. The County also prepares a ten year Capital Project Plan which is updated biennially in conjunction with the preparation of the budget.

AWARDS AND ACKNOWLEDGEMENTS

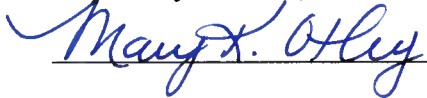
Certificate of Achievement

The Government Finance Officer's Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to Benton County, Oregon for its CAFR for the last twenty-three consecutive fiscal years. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgments

I would like to express my sincere gratitude to the County personnel who contributed to this report, especially to Debbie Parsons, Assistant Finance Director for all of her assistance in preparing this report.

Respectfully submitted,

A handwritten signature in blue ink, reading "Mary K. Otley", is written over a horizontal line.

Mary K. Otley, CPA
Finance Director



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Benton County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danison

President

Jeffrey R. Enen

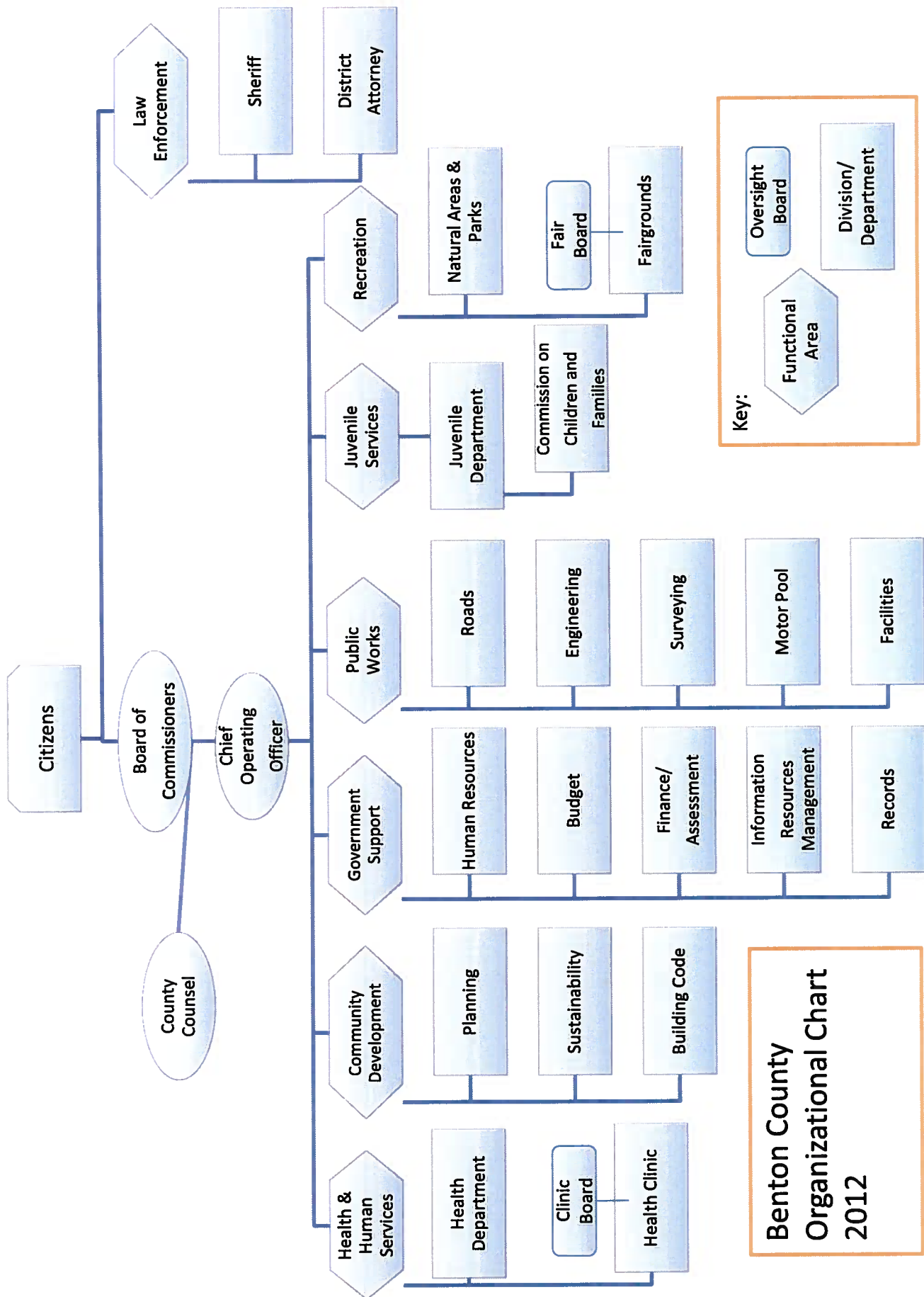
Executive Director

Benton County, Oregon

ELECTED OFFICIALS

June 30, 2012

| <u>Official</u> | <u>Office</u> | <u>Address</u> |
|---------------------|--------------------|--|
| Jay Dixon | Commissioner/Chair | 205 NW 5 th Street Corvallis, OR 97333 |
| Annabelle Jaramillo | Commissioner | 205 NW 5 th Street Corvallis, OR 97333 |
| Linda Modrell | Commissioner | 205 NW 5 th Street Corvallis, OR 97333 |
| Diana Simpson | Sheriff | 180 NW 5 th Street Corvallis, OR 97330 |
| John Haroldson | District Attorney | 120 NW 4 th Street Corvallis, OR 97330 |





FINANCIAL SECTION





**Talbot, Korvola
& Warwick, LLP**

Certified Public Accountants
& Consultants

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INDEPENDENT AUDITOR'S REPORT

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Benton County, Oregon, (the County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements, as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2012, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report

INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Benton County
December 19, 2012

is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Schedules of Funding Progress related to the County's other postemployment benefits, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information 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 accompanying budgetary comparison information for the General, Road, Block Grant, and Local Option Levy Funds, listed in the Table of Contents as Required Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements and is presented for purposes of additional analysis as required by the Governmental Accounting Standards Board, who considers it to be an essential part of basic financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements, schedules and other schedules, collectively presented as Other Supplementary Information, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The

INDEPENDENT AUDITOR'S REPORT (Continued)

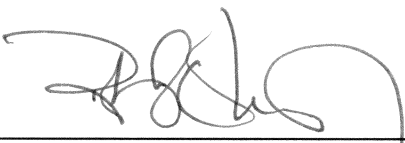
Board of Commissioners
Benton County
December 19, 2012

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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the County's financial statements. The accompanying Schedule of Expenditures of Federal Awards as listed in the Table of Contents is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statements as a whole.

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 and Statistical Sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements by us or other auditors, and accordingly, we do not express an opinion or provide any assurance on it.

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By 
Robert G. Moody, Jr., Partner



Management's Discussion and Analysis

We offer readers of Benton County's financial statements the following narrative and analysis of the County's financial activities for the fiscal year ended June 30, 2012. We encourage readers to consider this information in conjunction with the letter of transmittal, which begins on page i, and financial statements, which begin on page 14.

Financial Highlights:

- Benton County's assets exceeded its liabilities at the close of the fiscal year by \$180,782,717 (*net assets*). Of this amount \$1,904,560 is restricted for capital improvement projects, \$957,535 is restricted for public works, \$337,159 is restricted for health services, \$1,571,860 is restricted for debt service and \$1,633,682 is restricted for community services. Note that with the financial reporting model, the total net assets figure includes capital assets net of accumulated depreciation, and related debt.
- The County's total net assets increased by \$1,689,550. Accumulated depreciation increased in the amount of \$5,232,543. Without the depreciation charge of \$5,232,543, the net assets increased by \$6,922,093.
- At the close of the year, the County's governmental funds reported combined ending fund balances of \$24,741,251, an increase of \$680,690 from the prior year.
- At the end of the year, unassigned fund balance for the General Fund was \$11,641,085 or 38% of total General Fund expenditures plus transfers to other funds.
- The County's total liabilities decreased by \$354,498. This decrease was due to an increase in long term debt of \$81,195, an increase of \$523,025 in net OPEB obligations, a decrease of \$871,196 in accounts payable, and a decrease of \$87,522 in all other liabilities combined.

Overview of the Financial Statements

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

Government-wide financial statements. The *government-wide financial statements* are a component of the County's comprehensive annual financial report. These statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to private-sector business reporting. One of the strengths of the *government-wide financial statements* is that they eliminate what has had the appearance of double counting of internal service fund (charge-back) operations. These statements reflect the charged expenses in the programs for which services were provided, but do not reflect the expenses a second time as the costs that comprise these charges.

The *statement of net assets*, a component of the government-wide financial statements, presents information on all of the County's assets and liabilities, with the difference between the two reported as *net assets*. The County's capital assets (land, buildings, equipment and infrastructure) are included in this statement and reported net of their accumulated depreciation. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents revenue and expense information showing how the County's net assets changed during the fiscal year. All changes in net assets 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 that may result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property taxes (*governmental activities*) from other functions which are designed 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, public safety, public works, health services, justice services, community services, cultural and educational, animal control and parks and natural resources. Business-type activities include water and sewer services, county health clinics, and rental of county-owned properties.

The government-wide financial statements can be found on pages 14 and 15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts (revenues, expenses, assets and liabilities) that is used to control resources that have been segregated for specific activities. Benton County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by 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 the balances of spendable resources available at fiscal year-end. 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 maintains eighteen individual governmental funds (1 general fund, 14 special revenue funds, 1 debt service fund and 2 capital project 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 Fund, the Road Fund, Local Option Levy, and the Block Grant Fund. These are considered to be major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

Benton County adopts a biennial appropriation budget for all governmental funds. Budgetary comparison schedules have been provided to demonstrate budgetary compliance.

Proprietary funds. The 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 water and sewer, health clinics, and real estate rental operations. *Internal service funds* are an accounting tool used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its motorpool, facilities, mail, photocopy, worker's compensation, central administration, telephones and computer replacement operations. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary fund financial statements provide separate information for each of the two enterprise funds. Internal service fund operations are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The major proprietary fund financial statements can be found on pages 20 through 22 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 statement, because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 23 and 24.

Notes to the basic 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 beginning on page 24.

Other information. Required supplementary information and other supplementary information including combining and individual fund statements and schedules can be found starting on page 52 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$180,782,717 at the close of the most recent fiscal year.

The largest portion of the County's net assets (87%) reflects investment in capital assets (land, buildings, work in progress, improvements, machinery and equipment, bridges and infrastructure) less any related debt to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its 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 resources needed to repay this debt must be provided from other sources, as the capital assets themselves can not be used to liquidate these liabilities.

BENTON COUNTY'S Net Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|----------------------|-----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current and other assets | \$ 47,799,933 | \$ 46,557,724 | \$ 3,113,807 | \$ 2,669,168 | \$ 50,913,740 | \$ 49,226,892 |
| Capital assets | 155,571,784 | 155,942,732 | 4,238,826 | 4,219,673 | 159,810,610 | 160,162,405 |
| Total assets | 203,371,717 | 202,500,456 | 7,352,633 | 6,888,841 | 210,724,350 | 209,389,297 |
| Long-term liabilities | 22,536,621 | 22,101,052 | 2,361,841 | 2,330,310 | 24,898,462 | 24,431,362 |
| Other liabilities | 4,458,286 | 5,252,540 | 584,885 | 612,229 | 5,043,171 | 5,864,769 |
| Total liabilities | 26,994,907 | 27,353,592 | 2,946,726 | 2,942,539 | 29,941,633 | 30,296,131 |
| Net assets: | | | | | | |
| Invested in capital assets, net | | | | | | |
| of related debt | 153,090,589 | 152,679,953 | 3,836,999 | 3,791,252 | 156,927,588 | 156,471,205 |
| Restricted | 6,404,796 | 6,466,464 | 158,864 | - | 6,563,660 | 6,466,464 |
| Unrestricted | 16,881,425 | 16,000,448 | 410,044 | 155,050 | 17,291,469 | 16,155,498 |
| Total net assets | <u>\$ 176,376,810</u> | <u>\$ 175,146,865</u> | <u>\$ 4,405,907</u> | <u>\$ 3,946,302</u> | <u>\$180,782,717</u> | <u>\$ 179,093,167</u> |

Of the County's net assets, \$6,404,796 is restricted for various purposes. The amount represents resources that are subject to external restrictions on how they may be used. The remaining balance is the unrestricted net assets or \$17,450,333 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities increased the County's net assets by \$1,229,945, thereby accounting for 73% of the total increase in the net assets of the County. Key elements of this increase are as follows:

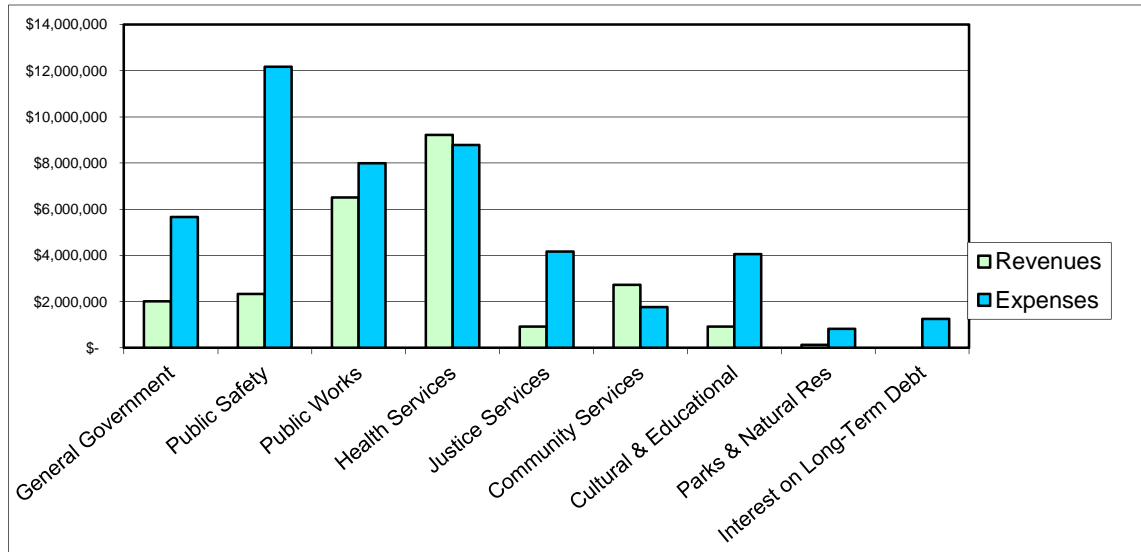
BENTON COUNTY'S Changes in Net Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|--|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,181,626 | \$ 4,128,391 | \$ 5,976,448 | \$ 5,703,747 | \$ 10,158,074 | \$ 9,832,138 |
| Operating grants and contributions | 18,317,824 | 16,553,564 | 3,833,903 | 3,283,512 | 22,151,727 | 19,837,076 |
| Capital grants and contributions | 2,253,077 | 1,687,754 | - | - | 2,253,077 | 1,687,754 |
| General revenues: | | | | | | |
| Property taxes | 21,627,730 | 20,739,324 | - | - | 21,627,730 | 20,739,324 |
| Interest and investment earnings | 340,985 | 149,574 | 6,758 | 6,553 | 347,743 | 156,127 |
| Grants and contributions not restricted to specific programs | 2,413,947 | 4,017,614 | 310,827 | - | 2,724,774 | 4,017,614 |
| Total revenue | <u>49,135,189</u> | <u>47,276,221</u> | <u>10,127,936</u> | <u>8,993,812</u> | <u>59,263,125</u> | <u>56,270,033</u> |
| Expenses: | | | | | | |
| General government | 5,660,555 | 5,974,241 | - | - | 5,660,555 | 5,974,241 |
| Public safety | 12,168,468 | 13,460,495 | - | - | 12,168,468 | 13,460,495 |
| Public works | 7,985,526 | 7,200,818 | - | - | 7,985,526 | 7,200,818 |
| Health services | 8,781,340 | 8,661,889 | - | - | 8,781,340 | 8,661,889 |
| Justice services | 4,169,027 | 4,438,804 | - | - | 4,169,027 | 4,438,804 |
| Community services | 1,758,078 | 1,889,082 | - | - | 1,758,078 | 1,889,082 |
| Cultural & educational | 4,061,012 | 4,129,899 | - | - | 4,061,012 | 4,129,899 |
| Parks & natural resources | 821,451 | 997,588 | - | - | 821,451 | 997,588 |
| Interest on long-term debt | 1,251,396 | 1,259,880 | - | - | 1,251,396 | 1,259,880 |
| Water and sewer | - | - | 207,315 | 204,597 | 207,315 | 204,597 |
| Health services | - | - | 10,540,489 | 9,919,857 | 10,540,489 | 9,919,857 |
| Real estate rental | - | - | 168,918 | 175,949 | 168,918 | 175,949 |
| Total expenses | <u>46,656,853</u> | <u>48,012,696</u> | <u>10,916,722</u> | <u>10,300,403</u> | <u>57,573,575</u> | <u>58,313,099</u> |
| Change in net assets before transfers | 2,478,336 | (736,475) | (788,786) | (1,306,591) | 1,689,550 | (2,043,066) |
| Transfers | <u>(1,248,391)</u> | <u>(1,227,089)</u> | 1,248,391 | 1,227,089 | - | - |
| Change in net assets | 1,229,945 | (1,963,564) | 459,605 | (79,502) | 1,689,550 | (2,043,066) |
| Beginning net assets | 175,146,865 | 177,110,429 | 3,946,302 | 4,025,804 | 179,093,167 | 181,136,233 |
| Ending net assets | <u>\$ 176,376,810</u> | <u>\$ 175,146,865</u> | <u>\$ 4,405,907</u> | <u>\$ 3,946,302</u> | <u>\$ 180,782,717</u> | <u>\$ 179,093,167</u> |

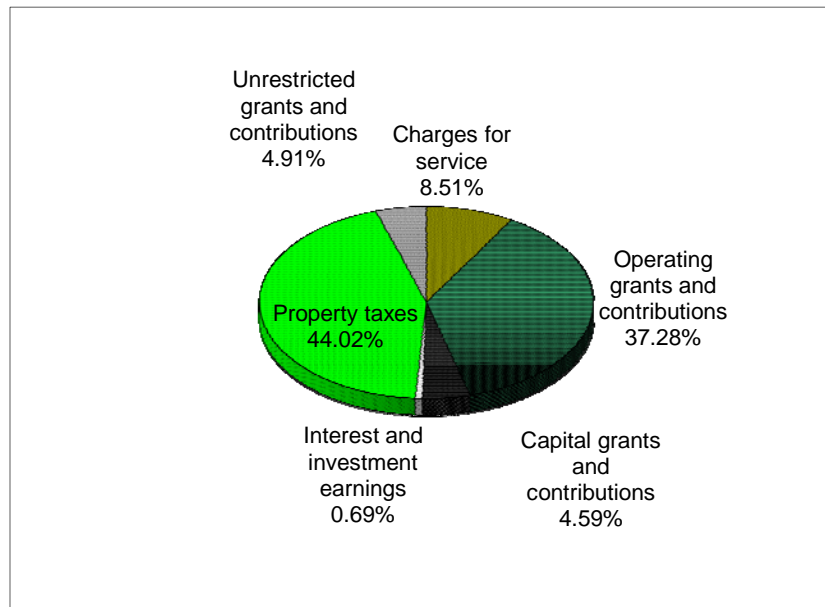
A major factor in the change in Benton County's net assets was the inclusion of \$5,232,543 in depreciation expense.

The following graphs show the County's Governmental Activities expenses and revenues by program and revenue by sources.

Revenues and expenses by program



Revenue sources

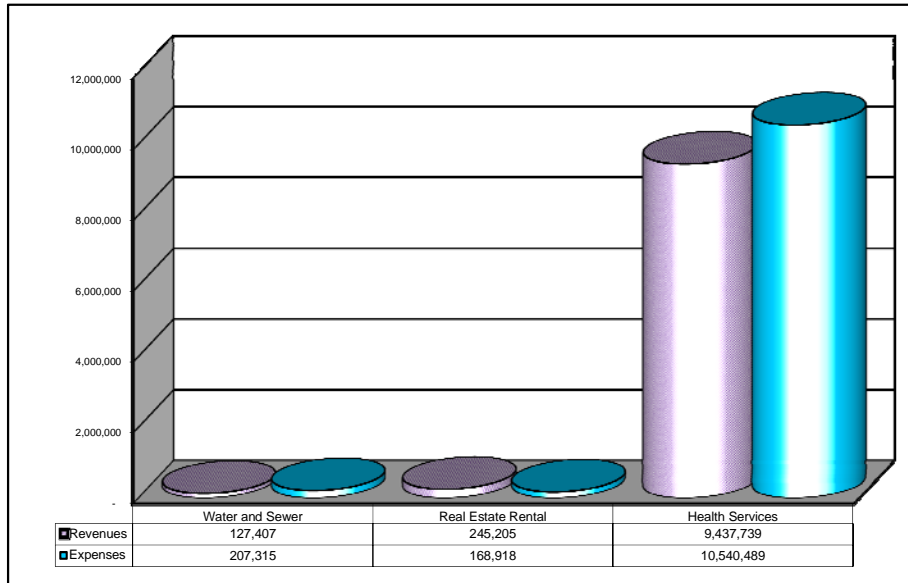


Business-type activities. Business-type activities increased the County's net assets by \$459,605. Key elements of this decrease are as follows:

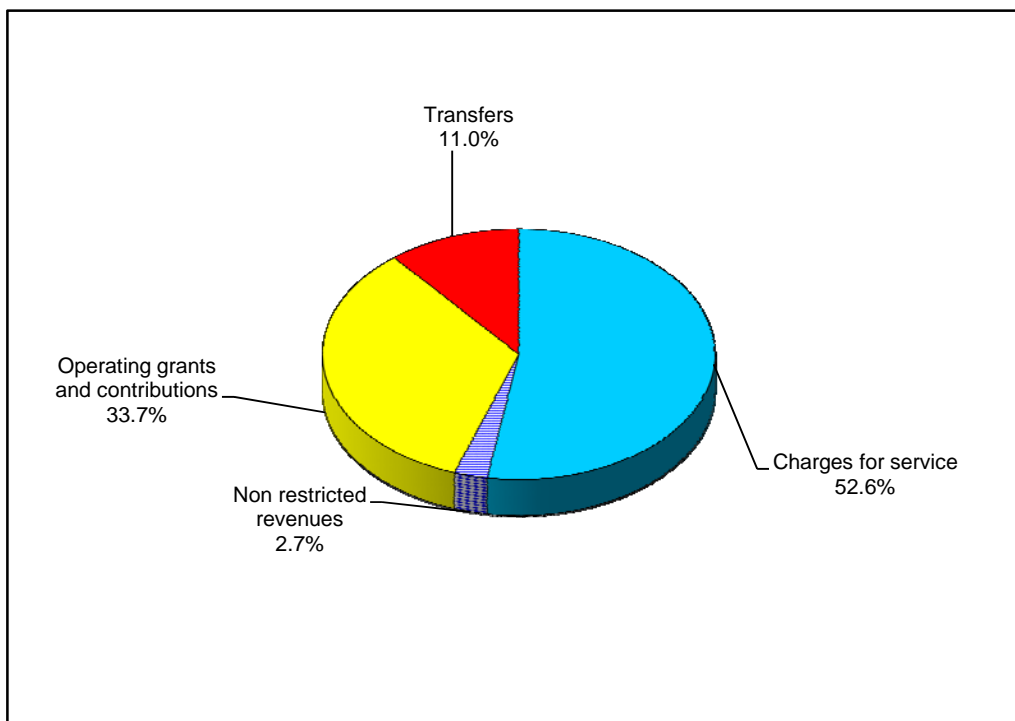
- Increase in accounts receivable of \$242,157.
- Decrease in internal balances of \$120,634

The following graphs show the County's Business-type Activities expenses and revenues by program area and revenue by sources.

Revenues and expenses



Revenue Sources



Financial Analysis of County Funds

As noted earlier, Benton County uses fund accounting to ensure and to 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.

Under GASB 54, the General Fund is the only fund type that should have an unassigned fund balance. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. See Footnote IV-H for more information on the details behind each fund balance category.

At June 30, 2012 and 2011, the County's governmental funds reported ending fund balance by category of:

| | 2012 | 2011 |
|---------------|----------------------|----------------------|
| Non-spendable | \$ 1,894,668 | \$ 1,954,970 |
| Restricted | 2,725,606 | 1,956,446 |
| Committed | 8,605,498 | 10,458,847 |
| Assigned | 899 | 895 |
| Unassigned | 11,514,580 | 9,689,403 |
| Total | <u>\$ 24,741,251</u> | <u>\$ 24,060,561</u> |

Total combined ending fund balances of \$24,741,251 represents an increase of \$680,690 in comparison with the prior year.

The *General Fund* is the chief operating fund of the County utilizing assets not otherwise restricted as to use. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,641,085 while the total fund balance was \$11,668,346. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures plus transfers to other funds. Unassigned fund balance represents 38% of total general fund expenditures and transfers to other funds.

Although not reflected in the County's financial reports as a designation of fund balance, the County anticipates that the first three months of expenditures in the subsequent fiscal year will be substantially covered by the ending fund balance. This is made necessary by the timing of the General Fund's major revenue sources, property taxes, which are not available until October and November. The amount of the fund balance that was identified as *unappropriated ending fund balance*, thereby making it unavailable until the subsequent year, was \$5,000,000.

The fund balance of the General Fund increased by \$1,940,551 (20%) during the current fiscal year. Key factors were as follows:

- A 3% increase in property tax revenue as a result of a 3% increase in assessed property value.
- A 7 % increase in grant income, in particular grants from the State of Oregon.

Road Fund – fund balance decreased by \$120,139 or (7%). This decrease was due largely in part to an increase in infrastructure improvements..

Block Grant Fund – fund balance increased by \$1,011,808 or (229%). This increase is due to receipt of funds for the construction of a library in the City of Monroe. The construction is scheduled for completion in 2013.

Local Option Levy Fund – fund balance decreased by \$2,015,563 or (34%). The Local Option Levy Fund was a new major fund in 2008-09. This fund was established to account for a five year local option levy to fund selected county services. The decrease is a result of planned transfers to the General Fund.

Proprietary funds. The County's proprietary funds provide the same type of information found in the government-wide financial statements for its enterprise funds plus a column for the internal service funds.

General Fund Budgetary Highlights

Differences between the original expenditure budget and the mid-biennium amended budget total increases of \$3,740,855 or 6%. The County did not know the amount of funds to be received from the state of Oregon at the time of budget adoption. As a result, state revenues and related expenditures were not included in the original budget. Major components of these increases were a result of grant funds, in particular:

- Criminal justice - \$457,301.
- Various health related grants - \$3,191,282.
- Drug treatment grant - \$92,272

Capital Asset and Debt Administration

Capital assets. The County's investment in capital assets for its governmental and business type activities at year-end amounts to \$159,810,610 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, roads, and bridges.

Benton County's Capital Assets (Net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Land | \$ 8,970,955 | \$ 8,627,750 | \$ 295,298 | \$ 295,298 | \$ 9,266,253 | \$ 8,923,048 |
| Construction in progress | 1,093,378 | 1,555,013 | - | - | 1,093,378 | 1,555,013 |
| Land improvements | 1,162,602 | 1,223,081 | - | - | 1,162,602 | 1,223,081 |
| Buildings | 11,394,103 | 11,171,282 | 1,539,460 | 1,544,494 | 12,933,563 | 12,715,776 |
| Intangibles | 574,587 | 706,621 | 28,000 | 31,200 | 602,587 | 737,821 |
| Machinery and equipment | 3,517,479 | 2,574,440 | 119,219 | 16,178 | 3,636,698 | 2,590,618 |
| Infrastructure | 128,858,680 | 130,084,545 | 2,256,849 | 2,332,503 | 131,115,529 | 132,417,048 |
| Total | \$ 155,571,784 | \$ 155,942,732 | \$ 4,238,826 | \$ 4,219,673 | \$ 159,810,610 | \$ 160,162,405 |

Additional information of the County's capital assets can be found in Note IV.C in the Notes to Financial Statements section of this report.

Long-term debt. At the end of this fiscal year, the County had total debt outstanding of \$19,593,877. \$19,463,114 represents debt backed by the full faith and credit of the County; \$2,335 comprises capital lease obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (revenue bonds).

Benton County's Outstanding Debt

General Obligation, Revenue, and Full Faith and Credit Obligations, and Capital Leases

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| General obligation bond/loan | \$ 2,478,860 | \$ 1,640,000 | \$ 273,399 | \$ 289,357 | \$ 2,752,259 | \$ 1,929,357 |
| Full faith and credit obligations | 15,524,384 | 15,743,424 | 1,186,471 | 1,203,211 | 16,710,855 | 16,946,635 |
| Revenue bonds | - | - | 128,428 | 139,064 | 128,428 | 139,064 |
| Capital leases | 2,335 | 6,838 | - | - | 2,335 | 6,838 |
| Total | \$ 18,005,579 | \$ 17,390,262 | \$ 1,588,298 | \$ 1,631,632 | \$ 19,593,877 | \$ 19,021,894 |

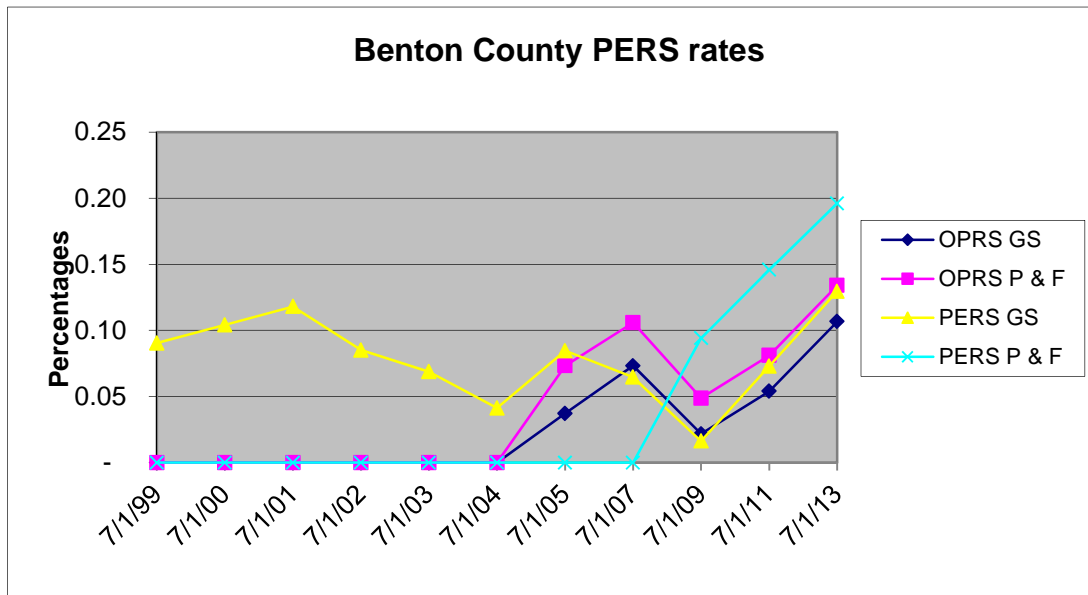
Additional information of the County's long-term debt can be found in Note IV. E. in the Notes to Financial Statements section of this report.

Key Economic Factors and Budget Information

- The unemployment rate for Benton County at the close of the fiscal year was 6.4%. This is down 0.2% from the same time last year. The rate is not expected to significantly improve before the end of the next fiscal year.
- **Key strategies in preparing the 2011-13 biennial budget were:**
 - Define a financially sustainable level of services and staffing that can be achieved by the start of the 2013-15 biennium.
 - Operational goal during the 2011-13 biennium is to achieve the defined sustainable level as soon as practical in the biennium in a cost-effective and orderly manner.
 - In general, there would be no back fill of reduced or lost state, federal or program income with general revenues.
- **Key resource assumptions:**
 - Renewal of Federal forest payments was not assumed.
 - Taxable assessed value, on which property taxes are computed, was assumed to grow 3% per year.
 - Non-property tax components of general revenue would be flat or declining. In particular general interest earnings, landfill surcharges and state forest revenues would be significantly below the 2009-11 revenue.

- **Key expenditure assumptions:**

- Other than the deputy sheriff association' bargained COLA of 2% each year, there were no budgeted increases in salaries.
- Health insurance increases were budgeted to increase 15% per year.
- The anticipated increase in the cost of Public Employment Retirement (PERS) was budgeted. The following graph depicts the volatility of the County's PERS rates over time.



All of these factors were considered in preparing the County's budget for biennium 2011-13.

The County's biennial budget for 2011-13 is \$177,119,183 for all budgeted funds. Budgeted funds included the general fund, special revenue, capital projects, debt service, fiduciary, enterprise and internal service funds. The general fund biennial budget is \$71,768,556 as compared to \$71,083,189 for the previous biennium. The increase is primarily due to two factors: (1) a decrease in the amount budgeted for transfers to the other funds, (2) an increase in the amount budgeted for Public Safety.

Requests for Information

This financial report is designed to provide to citizens, customers, investors, creditors and others with an interest in Benton County, a general overview of the County's finances and to demonstrate accountability for the funds it receives. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to:

Benton County Finance
4077 SW Research Way
Corvallis, OR 97333

BENTON COUNTY, OREGON

STATEMENT OF NET ASSETS

June 30, 2012

| | <i>Governmental Activities</i> | <i>Business-type Activities</i> | <i>Total</i> |
|---|---|--|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 28,312,461 | \$ 557,086 | \$ 28,869,547 |
| Receivables: | | | |
| Accounts | 681,930 | 1,567,646 | 2,249,576 |
| Taxes and assessments | 1,103,418 | 51,263 | 1,154,681 |
| Intergovernmental | 1,310,671 | - | 1,310,671 |
| Interest | 21,261 | - | 21,261 |
| Internal balances | 321,201 | (321,201) | - |
| Loans receivable | 447,925 | - | 447,925 |
| Inventory | 494,132 | 94,002 | 588,134 |
| Prepays | 95,043 | 16,452 | 111,495 |
| Net pension asset | 15,011,891 | 1,148,559 | 16,160,450 |
| Capital assets | | | |
| Land and construction in progress | 10,064,333 | 295,298 | 10,359,631 |
| Other capital assets (net of accumulated depreciation) | 145,507,451 | 3,943,528 | 149,450,979 |
| Total assets | 203,371,717 | 7,352,633 | 210,724,350 |
| LIABILITIES | | | |
| Accounts payable | 2,011,314 | 175,049 | 2,186,363 |
| Accrued payroll costs | 1,103,706 | 237,548 | 1,341,254 |
| Other accrued liabilities | 7,148 | 2,762 | 9,910 |
| Unearned revenue | 30,941 | - | 30,941 |
| Accrued interest | 98,882 | - | 98,882 |
| Noncurrent liabilities: | | | |
| Due within one year | 1,206,295 | 169,526 | 1,375,821 |
| Due in more than one year: | | | |
| Accrued compensated absences | 2,820,395 | 332,586 | 3,152,981 |
| Notes payable | 1,320,000 | 257,119 | 1,577,119 |
| Loans payable | 854,010 | - | 854,010 |
| Net OPEB obligation | 2,271,240 | 487,425 | 2,758,665 |
| Bonds payable | 15,270,976 | 1,284,711 | 16,555,687 |
| Total liabilities | 26,994,907 | 2,946,726 | 29,941,633 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 153,090,589 | 3,836,999 | 156,927,588 |
| Restricted for: | | | |
| Capital projects | 1,904,560 | - | 1,904,560 |
| Public works | 957,535 | - | 957,535 |
| Community services | 1,633,682 | - | 1,633,682 |
| Health services | 337,159 | 158,864 | 496,023 |
| Debt service | 1,571,860 | - | 1,571,860 |
| Unrestricted | 16,881,425 | 410,044 | 17,291,469 |
| Total net assets | \$ 176,376,810 | \$ 4,405,907 | \$ 180,782,717 |

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

BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

| | Program Revenues | | | | Net (Expense) Revenue and Change in Net Assets | | |
|---|----------------------|---------------------------|--|--|---|-----------------------------|-----------------------|
| | Expenses | Charges for Service | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| General government | \$ 5,660,555 | \$ 639,669 | \$ 1,129,628 | \$ 236,203 | \$ (3,655,055) | \$ - | \$ (3,655,055) |
| Public safety | 12,168,468 | 333,937 | 1,998,707 | - | (9,835,824) | - | (9,835,824) |
| Public works | 7,985,526 | 1,220,387 | 4,456,402 | 835,967 | (1,472,770) | - | (1,472,770) |
| Health services | 8,781,340 | 755,497 | 8,464,284 | - | 438,441 | - | 438,441 |
| Justice services | 4,169,027 | 333,626 | 577,669 | - | (3,257,732) | - | (3,257,732) |
| Community services | 1,758,078 | 263,332 | 1,280,311 | 1,180,907 | 966,472 | - | 966,472 |
| Cultural & educational | 4,061,012 | 603,482 | 318,045 | - | (3,139,485) | - | (3,139,485) |
| Parks & natural resources | 821,451 | 31,696 | 92,778 | - | (696,977) | - | (696,977) |
| Interest on long-term debt | 1,251,396 | - | - | - | (1,251,396) | - | (1,251,396) |
| Total governmental activities | 46,656,853 | 4,181,626 | 18,317,824 | 2,253,077 | (21,904,326) | - | (21,904,326) |
| Business-type activities | | | | | | | |
| Water and sewer | 207,315 | 127,407 | - | - | - | (79,908) | (79,908) |
| Health services | 10,540,489 | 5,603,836 | 3,833,903 | - | - | (1,102,750) | (1,102,750) |
| Real estate rental | 168,918 | 245,205 | - | - | - | 76,287 | 76,287 |
| Total business-type activities | 10,916,722 | 5,976,448 | 3,833,903 | - | - | (1,106,371) | (1,106,371) |
| Total primary government | \$ 57,573,575 | \$ 10,158,074 | \$ 22,151,727 | \$ 2,253,077 | (21,904,326) | (1,106,371) | (23,010,697) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 21,627,730 | - | 21,627,730 |
| Unrestricted investment earnings | | | | | 340,985 | 6,758 | 347,743 |
| Grants and contributions not restricted to specific programs | | | | | 2,413,947 | 310,827 | 2,724,774 |
| Transfers | | | | | (1,248,391) | 1,248,391 | - |
| Total general revenues and transfers | | | | | 23,134,271 | 1,565,976 | 24,700,247 |
| Changes in net assets | | | | | 1,229,945 | 459,605 | 1,689,550 |
| Net assets - beginning | | | | | 175,146,865 | 3,946,302 | 179,093,167 |
| Net assets - ending | | | | | \$ 176,376,810 | \$ 4,405,907 | \$ 180,782,717 |

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

BENTON COUNTY, OREGON**GOVERNMENTAL FUNDS****BALANCE SHEET**

June 30, 2012

| | <i>General</i> | <i>Road</i> | <i>Block Grant</i> | <i>Local Option Levy</i> | <i>Nonmajor Governmental Funds</i> | <i>Total Governmental Funds</i> |
|--|----------------------|---------------------|------------------------|------------------------------|--|---|
| ASSETS | | | | | | |
| Cash and investments | \$ 11,631,523 | \$ 1,932,164 | \$ 1,247,643 | \$ 4,011,249 | \$ 5,422,191 | \$ 24,244,770 |
| Receivables: | | | | | | |
| Accounts | 486,122 | 40,259 | - | - | - | 526,381 |
| Taxes and assessments | 743,465 | - | - | 238,528 | 121,425 | 1,103,418 |
| Intergovernmental | 765,502 | 402,801 | - | - | 142,368 | 1,310,671 |
| Due from other funds | 456,713 | - | - | - | - | 456,713 |
| Advances to other funds | - | - | 258,723 | - | 1,207,376 | 1,466,099 |
| Loans receivable | - | - | 447,926 | - | - | 447,926 |
| Inventory | - | 372,880 | - | - | 3,458 | 376,338 |
| Prepaids | 27,261 | 7,602 | - | - | 17,368 | 52,231 |
| Total assets | \$ 14,110,586 | \$ 2,755,706 | \$ 1,954,292 | \$ 4,249,777 | \$ 6,914,186 | \$ 29,984,547 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 1,061,312 | \$ 165,150 | \$ 56,784 | \$ 27,028 | \$ 450,948 | \$ 1,761,222 |
| Accrued payroll costs | 689,462 | 98,118 | - | 69,131 | 36,022 | 892,733 |
| Due to other funds | - | - | - | - | 135,512 | 135,512 |
| Other accrued liabilities | 6,588 | - | - | - | - | 6,588 |
| Loans payable | - | 998,860 | - | - | - | 998,860 |
| Deferred/unearned revenue | 684,878 | - | 443,534 | 213,360 | 106,609 | 1,448,381 |
| Total liabilities | <u>2,442,240</u> | <u>1,262,128</u> | <u>500,318</u> | <u>309,519</u> | <u>729,091</u> | <u>5,243,296</u> |
| Fund balances: | | | | | | |
| Nonspendable | 27,261 | 380,482 | 258,723 | - | 1,228,202 | 1,894,668 |
| Restricted | - | 1,113,096 | - | - | 1,612,510 | 2,725,606 |
| Committed | - | - | 1,195,251 | 3,940,258 | 3,469,989 | 8,605,498 |
| Assigned | - | - | - | - | 899 | 899 |
| Unassigned | 11,641,085 | - | - | - | (150,767) | 11,490,318 |
| Total fund balances | <u>11,668,346</u> | <u>1,493,578</u> | <u>1,453,974</u> | <u>3,940,258</u> | <u>6,160,833</u> | <u>24,716,989</u> |
| Total liabilities and fund balances | \$ 14,110,586 | \$ 2,755,706 | \$ 1,954,292 | \$ 4,249,777 | \$ 6,889,924 | \$ 29,960,285 |

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

BENTON COUNTY, OREGON

17

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
June 30, 2012**

| | |
|--|------------------------------|
| Total fund balance (page 16) | \$ 24,716,989 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$128,276,590 | 144,120,350 |
| The Statement of Net Assets reports receivables at their net realizable value; however, receivables not available to pay for current period expenditures are deferred in governmental funds. | 1,417,440 |
| The pension assets resulting from contributions in excess of the annual required contribution are not financial resources and therefore are not reported in the funds. (See Note IV - G) | 12,534,859 |
| Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets. | 11,582,650 |
| Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds. | (2,795,296) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | <u>(15,224,444)</u> |
| Net assets of governmental activities (page 14) | <u>\$ 176,352,548</u> |

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

BENTON COUNTY, OREGON**GOVERNMENTAL FUNDS****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES***For the Year Ended June 30, 2012*

| | <i>General</i> | <i>Road</i> | <i>Block Grant</i> | <i>Local Option Levy</i> | <i>Nonmajor Governmental Funds</i> | <i>Total Governmental Funds</i> |
|--|----------------------|---------------------|------------------------|------------------------------|--|---|
| REVENUES | | | | | | |
| Taxes and assessments | \$ 14,759,828 | \$ - | \$ - | \$ 4,484,234 | \$ 2,404,415 | \$ 21,648,477 |
| Licenses and permits | 1,269,629 | - | - | - | - | 1,269,629 |
| Intergovernmental | 11,307,609 | 5,009,872 | 20,944 | 224,880 | 3,345,690 | 19,908,995 |
| Fines | 150 | - | - | - | - | 150 |
| Charges for services | 3,253,640 | 1,115,675 | - | - | 1,034,816 | 5,404,131 |
| Interest | 60,619 | 5,807 | 2,706 | 23,556 | 25,487 | 118,175 |
| Miscellaneous | 404,524 | 282,497 | 1,126,159 | - | 71,145 | 1,884,325 |
| Total revenues | <u>31,055,999</u> | <u>6,413,851</u> | <u>1,149,809</u> | <u>4,732,670</u> | <u>6,881,553</u> | <u>50,233,882</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 6,069,838 | - | - | 1,999 | 143,428 | 6,215,265 |
| Public works | - | 4,679,792 | - | - | 62,047 | 4,741,839 |
| Public safety | 9,367,014 | - | - | 1,166,820 | 1,953,170 | 12,487,004 |
| Health services | 8,000,227 | - | - | 283,182 | 1,392,608 | 9,676,017 |
| Justice services | 3,651,545 | - | - | 654,156 | 27,693 | 4,333,394 |
| Community services | 679,863 | - | 138,001 | - | 1,015,689 | 1,833,553 |
| Cultural and educational services | 481,374 | - | - | - | 3,611,533 | 4,092,907 |
| Parks and natural resources | 849,876 | - | - | - | - | 849,876 |
| Debt service: | | | | | | |
| Principal | - | - | - | - | 235,781 | 235,781 |
| Interest | - | 3,242 | - | - | 1,147,831 | 1,151,073 |
| Capital outlay | - | 1,752,125 | - | - | 1,036,015 | 2,788,140 |
| Total expenditures | <u>29,099,737</u> | <u>6,435,159</u> | <u>138,001</u> | <u>2,106,157</u> | <u>10,625,795</u> | <u>48,404,849</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,956,262</u> | <u>(21,308)</u> | <u>1,011,808</u> | <u>2,626,513</u> | <u>(3,744,242)</u> | <u>1,829,033</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 1,781,071 | 14,000 | - | - | 3,850,999 | 5,646,070 |
| Transfers out | (1,796,782) | (112,831) | - | (4,642,076) | (242,723) | (6,794,412) |
| Total other financing sources (uses) | <u>(15,711)</u> | <u>(98,831)</u> | <u>-</u> | <u>(4,642,076)</u> | <u>3,608,276</u> | <u>(1,148,342)</u> |
| Net change in fund balances | 1,940,551 | (120,139) | 1,011,808 | (2,015,563) | (135,966) | 680,691 |
| Fund balances - beginning | <u>9,727,795</u> | <u>1,613,717</u> | <u>442,166</u> | <u>5,955,821</u> | <u>6,321,061</u> | <u>24,060,560</u> |
| Fund balances - ending | <u>\$ 11,668,346</u> | <u>\$ 1,493,578</u> | <u>\$ 1,453,974</u> | <u>\$ 3,940,258</u> | <u>\$ 6,185,095</u> | <u>\$ 24,741,251</u> |

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

BENTON 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, 2012

Amounts reported for governmental activities in the statement of activities (page 15) are different because:

| | |
|--|----------------------------|
| <i>Net change in fund balances - total governmental funds (page 18)</i> | \$ 680,691 |
| 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 depreciation exceeds capital outlay in the current period. | (299,420) |
| Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The net revenue of the internal service funds is reported with governmental activities. | 1,509,995 |
| Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. | (70,795) |
| The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, 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 in the treatment of long-term debt and related items. | 182,631 |
| The net effect of various miscellaneous transactions involving capital assets (for example: sales, trade-ins, and donations) is to decrease net assets. | (467,251) |
| 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. | <u>(305,906)</u> |
| <i>Change in net assets of governmental activities (page 15)</i> | <u>\$ 1,229,945</u> |

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

BENTON COUNTY, OREGON**PROPRIETARY FUNDS****STATEMENT OF NET ASSETS**

June 30, 2012

| | | | | <i>Governmental Activities - Internal Service Funds</i> |
|--|--------------------------|-----------------------------------|---------------------|---|
| | <i>Health Center</i> | <i>Non-major Enter. Funds</i> | <i>Totals</i> | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ - | \$ 557,086 | \$ 557,086 | \$ 4,067,691 |
| Accounts receivable | 1,419,617 | 148,029 | 1,567,646 | 155,549 |
| Interest receivable | - | - | - | 21,263 |
| Inventory | 84,732 | 9,270 | 94,002 | 117,794 |
| Prepays | 13,440 | 3,012 | 16,452 | 42,812 |
| Total current assets | 1,517,789 | 717,397 | 2,235,186 | 4,405,109 |
| Noncurrent assets: | | | | |
| Assessments receivable | - | 51,263 | 51,263 | - |
| Prepaid pension assets | 1,351,086 | - | 1,351,086 | 2,947,414 |
| Accumulated amortization | (202,527) | - | (202,527) | (470,382) |
| Net noncurrent assets | 1,148,559 | 51,263 | 1,199,822 | 2,477,032 |
| Capital assets: | | | | |
| Land and non-depreciable assets | - | 295,298 | 295,298 | 1,441,174 |
| Buildings | 896,994 | 923,423 | 1,820,417 | 13,543,928 |
| Intangibles | 32,000 | - | 32,000 | 1,229,380 |
| Machinery and equipment | 119,918 | 22,230 | 142,148 | 7,045,839 |
| Utility system | - | 3,652,636 | 3,652,636 | - |
| Less accumulated depreciation | (98,489) | (1,605,184) | (1,703,673) | (11,808,889) |
| Total capital assets (net of accumulated depreciation) | 950,423 | 3,288,403 | 4,238,826 | 11,451,432 |
| Total noncurrent assets | 2,098,982 | 3,339,666 | 5,438,648 | 13,928,464 |
| Total assets | 3,616,771 | 4,057,063 | 7,673,834 | 18,333,573 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 153,890 | 21,159 | 175,049 | 250,653 |
| Accrued payroll | 208,871 | 28,677 | 237,548 | 210,973 |
| Due to other funds | 321,201 | - | 321,201 | 159,843 |
| Compensated absences | 107,968 | 15,090 | 123,058 | 119,244 |
| Bonds payable | - | 27,101 | 27,101 | - |
| Leases payable | - | - | - | 2,335 |
| Notes/loans payable | - | - | - | 160,000 |
| Customer deposits | - | 2,762 | 2,762 | - |
| Total current liabilities | 791,930 | 94,789 | 886,719 | 903,048 |
| Non-current liabilities: | | | | |
| PERS bonds payable | 1,186,471 | - | 1,186,471 | 2,670,062 |
| Compensated absences | 309,991 | 22,595 | 332,586 | 551,557 |
| Net OPEB obligation | 422,470 | 64,955 | 487,425 | - |
| Advances from other funds | - | - | - | 1,306,257 |
| Notes/loans payable | - | - | - | 1,320,000 |
| Bonds payable | - | 374,726 | 374,726 | - |
| Total non-current liabilities | 1,918,932 | 462,276 | 2,381,208 | 5,847,876 |
| Total liabilities | 2,710,862 | 557,065 | 3,267,927 | 6,750,924 |
| NET ASSETS | | | | |
| Invested in capital assets net of related debt | 950,423 | 2,886,576 | 3,836,999 | 9,969,097 |
| Unrestricted | (44,514) | 613,422 | 568,908 | 1,613,552 |
| Total net assets | \$ 905,909 | \$ 3,499,998 | \$ 4,405,907 | \$ 11,582,649 |

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

BENTON COUNTY, OREGON**PROPRIETARY FUNDS****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS***For the Year Ended June 30, 2012*

| | <i>Health Center</i> | <i>Non-major Enter. Funds</i> | <i>Totals</i> | <i>Governmental Activities Internal Service Funds</i> |
|--|--------------------------|-----------------------------------|---------------------|---|
| Operating Revenues | | | | |
| Charges for services | \$ 5,028,942 | \$ 947,506 | \$ 5,976,448 | \$ 13,049,446 |
| Intergovernmental | 3,085,396 | 748,507 | 3,833,903 | 826,869 |
| Miscellaneous | 234,746 | 76,081 | 310,827 | 52,870 |
| Total operating revenues | 8,349,084 | 1,772,094 | 10,121,178 | 13,929,185 |
| Operating Expenses | | | | |
| Personnel services | 5,336,171 | 791,533 | 6,127,704 | 5,948,408 |
| Materials and services | 3,945,191 | 680,308 | 4,625,499 | 5,591,161 |
| Depreciation/amortization | 49,808 | 98,821 | 148,629 | 927,006 |
| Total operating expenses | 9,331,170 | 1,570,662 | 10,901,832 | 12,466,575 |
| Operating income (loss) | (982,086) | 201,432 | (780,654) | 1,462,610 |
| Nonoperating revenue (expenses) | | | | |
| Interest expense | (3,403) | (11,487) | (14,890) | (101,638) |
| Assessments received | - | - | - | - |
| Investment earnings | 1,807 | 4,951 | 6,758 | 226,898 |
| Income (loss) before transfers | (983,682) | 194,896 | (788,786) | 1,587,870 |
| Transfers in | 1,583,225 | - | 1,583,225 | 147,327 |
| Transfers out | (232,424) | (102,410) | (334,834) | (247,376) |
| Change in net assets | 367,119 | 92,486 | 459,605 | 1,487,821 |
| Total net assets - beginning | 538,790 | 3,407,512 | 3,946,302 | 10,094,828 |
| Total net assets - ending | \$ 905,909 | \$ 3,499,998 | \$ 4,405,907 | \$ 11,582,649 |

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

BENTON COUNTY, OREGON**PROPRIETARY FUNDS****STATEMENT OF CASH FLOWS***For the Year Ended June 30, 2012*

| | | | | <i>Governmental Activities - Internal Service Funds</i> |
|---|--------------------------|-----------------------------------|---------------------|---|
| | <i>Health Center</i> | <i>Non-major Enter. Funds</i> | <i>Totals</i> | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 4,810,188 | \$ 925,162 | \$ 5,735,350 | \$ 13,327,408 |
| Grants | 3,085,396 | 748,507 | 3,833,903 | 826,868 |
| Miscellaneous donations | 234,746 | 76,081 | 310,827 | - |
| Interest earnings distributed | - | - | - | (169,307) |
| Payments to suppliers | (3,980,964) | (745,088) | (4,726,052) | (5,462,801) |
| Paid to employees | (5,254,931) | (729,826) | (5,984,757) | (5,987,554) |
| Net cash provided (used) by operating activities | <u>(1,105,565)</u> | <u>274,836</u> | <u>(830,729)</u> | <u>2,534,614</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Principal paid on noncapital debt | (16,740) | - | (16,740) | (37,725) |
| Interest expense | (3,403) | - | (3,403) | - |
| Operating borrowing | (120,634) | - | (120,634) | - |
| Transfers in | 1,583,225 | - | 1,583,225 | 147,327 |
| Transfers out | (232,424) | (102,410) | (334,834) | (247,376) |
| Net cash provided (used) by noncapital financing activities | <u>1,210,024</u> | <u>(102,410)</u> | <u>1,107,614</u> | <u>(137,774)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of capital assets | (106,266) | - | (106,266) | (1,372,680) |
| Disposiont of capital assets | - | - | - | 111,365 |
| Assessments received | - | 5,804 | 5,804 | - |
| Principal paid on capital debt | - | (26,595) | (26,595) | (316,679) |
| Interest paid on capital debt | - | (34,266) | (34,266) | (101,638) |
| Net cash provided (used) by capital and related financing activities | <u>(106,266)</u> | <u>(55,057)</u> | <u>(161,323)</u> | <u>(1,679,632)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received | 1,807 | 4,951 | 6,758 | 227,974 |
| Net cash provided by investing activities | <u>1,807</u> | <u>4,951</u> | <u>6,758</u> | <u>227,974</u> |
| Net increase (decrease) in cash and cash equivalents | - | 110,833 | 122,320 | 945,182 |
| <i>Cash and cash equivalents - beginning</i> | - | 446,253 | 446,253 | 3,122,509 |
| <i>Cash and cash equivalents - ending</i> | <u>\$ -</u> | <u>\$ 557,086</u> | <u>\$ 568,573</u> | <u>\$ 4,067,691</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (982,086) | \$ 201,432 | \$ (780,654) | \$ 1,462,610 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation/amortization expense | 49,808 | 98,821 | 148,629 | 927,006 |
| Change in assets and liabilities: | | | | |
| Receivables | (218,754) | (23,466) | (242,220) | 220,093 |
| Prepays | (2,421) | 6,804 | 4,383 | 5,971 |
| Inventory | (7,436) | (952) | (8,388) | 27,341 |
| Deposits | - | - | - | 5,000 |
| Due to cusomers | - | 1,121 | 1,121 | - |
| Compensated absences | (19,044) | (10,228) | (29,272) | (48,218) |
| OPEB | 85,545 | 13,449 | 98,994 | - |
| Payables | (11,177) | (12,145) | (23,322) | (65,189) |
| <i>Net cash provided (used) by operating activities</i> | <u>\$ (1,105,565)</u> | <u>\$ 274,836</u> | <u>\$ (830,729)</u> | <u>\$ 2,534,614</u> |

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

BENTON COUNTY, OREGON**FIDUCIARY FUNDS****STATEMENT OF FIDUCIARY NET ASSETS***June 30, 2012*

| | <i>Private-purpose Trust Funds</i> | <i>Investment Trust Fund</i> | <i>Agency Fund</i> |
|------------------------------------|--|--------------------------------------|------------------------|
| ASSETS | | | |
| Cash and investments | \$ 601,492 | \$ 7,664,124 | \$ 226,429 |
| Receivables: | | | |
| Notes | 19,030 | - | - |
| Accounts | - | - | 47,801 |
| Accrued interest | - | - | - |
| Property taxes | - | - | 4,340,590 |
| Total assets | 620,522 | 7,664,124 | \$ 4,614,820 |
| LIABILITIES | | | |
| Accounts payable | 5,886 | - | \$ 158,078 |
| Due to other governmental agencies | - | - | 4,456,742 |
| Other liabilities | 6,788 | - | - |
| Total liabilities | 12,674 | - | \$ 4,614,820 |
| NET ASSETS | | | |
| <i>Held in trust</i> | \$ 607,848 | \$ 7,664,124 | |

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

BENTON COUNTY, OREGON

TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2012

| | <i>Private-purpose Trust Funds</i> | <i>Investment Trust Fund</i> |
|-------------------------------|---|---|
| ADDITIONS | | |
| Contributions: | | |
| Private donations | \$ 14,537 | \$ 68,998,522 |
| Deposits | | |
| Intergovernmental | 40,479 | - |
| Charges for services | 90,812 | - |
| Tax foreclosure sales | 21,233 | - |
| Interest earnings | 3,581 | 39,654 |
| Total additions | 170,642 | 69,038,176 |
| DEDUCTIONS | | |
| Personal services | 24,353 | - |
| Materials and services | 160,630 | - |
| Capital outlay | 2,760 | - |
| Withdrawals | - | 69,283,623 |
| Total deductions | 187,743 | 69,283,623 |
| Change in net assets | (17,101) | (245,447) |
| Net assets - beginning | 624,949 | 7,909,571 |
| Net assets - ending | \$ 607,848 | \$ 7,664,124 |

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

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2012

I. Summary of significant accounting policies

The financial statements of Benton County, Oregon (the County) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The more significant of the County's accounting policies are described below:

A. Organization and Operation: Benton County, Oregon is governed by the Board of Commissioners, which is composed of three members elected at large.

In January 1973, voters approved an amendment to the County charter to operate on a home rule basis. The current county departments are:

- Administrative Services Department – within this department are the functions prescribed by state law for the county treasurer, tax collector, and county clerk
- Health Department – performs the functions of the county health officer
- Health Center Department-this is a federally qualified health center
- Public Works Department – performs the functions of the county surveyor and the county engineer
- Law Enforcement Department – performs the functions of the county sheriff
- Juvenile Department
- Community Development
- Natural Areas and Parks Department
- District Attorney
- Department of Assessment – performs the functions of the county assessor

The County provides a number of services for the public including: public safety, highway maintenance, sanitation, health and social services, public improvements, planning, zoning and general administrative services.

B. Description of the Reporting Entity: The accompanying financial statements present the County and its component units, entities for which the County is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the County's operations.

Blended component units:

- Alsea County Service District (an enterprise fund)
- Alpine County Service District (an enterprise fund)
- Cascade View County Service District (an enterprise fund)
- West Llewellyn County Service District (a special revenue fund)
- South Third County Service District (an enterprise fund)
- Library Services District (a special revenue fund)

Activities of all component units are included in these financial statements on a blended basis because the County Commissioners serve as the governing body of these Districts. Separately issued financial statements of the following component units are available from Benton County Finance.

- Library Services District

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

I. Summary of significant accounting policies (continued)

C. Government-wide and Fund Financial Statements

Government-wide financial statements: The Statement of Net Assets and the Statement of Activities report information on all of the nonfiduciary activities of the County and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Eliminations have been made to minimize the double-counting of internal activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided are not eliminated in the process of consolidation.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Fund financial statements: Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major individual governmental funds and major individual enterprise funds. Each is reported as separate columns in the fund financial statements. Remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

General Fund – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Road Fund – The expenditures of the road fund are restricted under Article IX of the Constitution of the State of Oregon for construction, reconstruction, improvement, repair, maintenance, operation, use and policing of public highways, roads and streets within the County.

Block Grant Fund – This fund accounts for residual funds from low-income loans made through HUD’s Block Grant program, restricted for either low income housing re-hab or economic development projects.

Local Option Levy Fund – This fund accounts for a five-year local option property tax levy, restricted for health and safety functions.

The County reports the following enterprise fund as major funds.

Health Center Fund – This fund reports the activities of County’s Federally Qualified Health Centers.

Additionally, the government reports the following fund types:

Special Revenue Funds – These funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted or committed to finance particular functions or activities.

Debt Service Funds – These funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital Projects Funds – These funds account for expenditures on major construction projects or equipment acquisition. The principal source of revenues is transfers from the General Fund or grants.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

I. Summary of significant accounting policies (continued)

C. Government-wide and Fund Financial Statements (continued)

Proprietary Funds - These funds account for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis. Internal service funds account for central administrative “overhead” services, rental of County space, costs of fleet services, personal computer support, mail and photocopy services, and worker’s compensation coverage provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

Fiduciary Funds - These funds are used to account for resources received and held by the County in a fiduciary capacity.

Private Purpose Trust Funds account for all trust agreement transactions, under which all principal and income benefit individuals, private organizations, or other governments. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund.

Agency Funds are used to account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the applicable legislative enactment for each particular fund. Accordingly, all assets reported in an Agency Fund are offset by a liability to the party on whose behalf they are held. The Agency Fund is the property tax distribution fund-which accounts for the collection of property taxes for all taxing districts;

D. Measurement focus, basis of accounting, and financial statement presentation

Government-wide, Proprietary Fund, and Fiduciary Fund Financial Statements - The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus, but use the accrual basis of accounting to recognize receivables and payables. 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the various enterprise funds and of the County’s internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The County applies all applicable GASB pronouncements, as well as Financial Accounting Standards Board (FASB) guidance, issued on or before November 30, 1989, unless that guidance conflicts with or contradicts GASB pronouncements, and does not apply FASB guidance issued subsequent to November 30, 1989 unless specifically adopted by the GASB.

Governmental Fund Financial Statements – All governmental fund types are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net fund balance.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

I. Summary of significant accounting policies (continued)

D. Measurement focus, basis of accounting, and financial statement presentation (continued)

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. All transactions occurring in the governmental fund financial statements are recorded using the modified accrual basis of accounting, except for:

- Revenues from grants, which are recorded as earned.
- Principal and interest on general long-term debt which are recorded when due.

Significant revenues that were measurable and available at June 30, 2012 under the modified accrual basis of accounting were as follows:

- Federal and state grants (to the extent that revenues are recorded as eligible expenditures are incurred).
- State, County and local shared revenues.
- Property taxes collected within 60 days of year-end.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; however, interfund services provided are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

E. Assets, liabilities, and net assets or equity

1. Cash, cash equivalents and investments

Cash and cash equivalents includes amounts in demand deposits, cash on hand and amounts in investment pools that have the general characteristics of demand deposit accounts.

The County's investments consist of investments in the State of Oregon Local Government Investment Pool, savings accounts, and U.S. Government securities, all of which are authorized by Oregon Revised Statutes. Interest earned from pooled investments is allocated to each fund based on each fund's portions of the total investment balance calculated on a monthly basis.

As allowed by GASB Statement No. 31, the County reports all short-term, highly liquid money market investments and participating interest-earning investment contracts with a remaining maturity at time of purchase of three months or less at amortized cost.

Investments for the County, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

I. Summary of significant accounting policies (continued)

E. Assets, liabilities, and net assets or equity (continued)

2. Receivables

Accounts receivable – Receivables in governmental funds and proprietary funds are recorded as revenue when earned.

Taxes and assessments – Property taxes receivable in governmental funds, which have been collected within 60 days of year-end, are considered measurable and available, and are recognized as revenues in the funds. All other property taxes receivable in the governmental funds are offset by deferred revenues and, accordingly, have not been recorded as revenues. Assessments receivable, which represent minor improvements benefiting specific property owners, are financed by and recorded in governmental funds. The receivables are offset by a deferred revenue account and are recorded as revenue as they become measurable and available.

Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary.

Property taxes are levied and become a lien on July 1. Property taxes are assessed in October and tax payments are due November 15th of the same year. Under the partial payment schedule, the first one-third of taxes is due November 15th, the second one-third on February 15th, and the remaining one-third on May 15th. A three percent discount is allowed if full payment is made by November 15 and a two percent discount is allowed if two-thirds payment is made by November 15. Taxes become delinquent if not paid by the due date and interest accrues after each trimester at a rate of one and one third percent per month. Property foreclosure proceedings are initiated four years after the tax due date.

Intergovernmental – Receivables for federal and state grants and shared revenues are recorded as revenue in all funds as earned.

Deposits – Deposits represent amounts held by others as agents of the County, which remain the property of, and will be returned to, the County.

3. Interfund transactions

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as advances to/from other funds. Noncurrent portions of interfund receivables are offset by nonspendable fund balance, which indicates that the amount is not an available current financial resource.

4. Loans receivable

Loans receivable are amounts due from entities outside of the County. The amounts are offset by a deferred revenue account in the governmental financial statements.

5. Inventory

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

I. Summary of significant accounting policies (continued)

E. Assets, liabilities, and net assets or equity (continued)

6. Prepays

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

7. Capital assets

Capital assets, which include property, plant, equipment, intangibles and easements, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no construction period interest this fiscal year.

Capital assets of the County, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

| <u>Assets</u> | <u>Years</u> |
|------------------------------|--------------|
| Buildings | 75 |
| Land improvements | 25 |
| Public domain infrastructure | 50 |
| Roads | 40 to 100 |
| Vehicles | 5 to 7 |
| Heavy equipment | 10 |
| Office equipment | 5 |
| Computer equipment | 5 |
| Intangibles | 10 |

8. Compensated absences

Accumulated vested compensated absences are accrued in the government-wide and proprietary fund financial statements as earned by employees. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement). Typically governmental funds with personnel are responsible for liquidating this liability. (i.e. General, Road, and Internal Service Funds).

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

I. Summary of significant accounting policies (continued)

E. Assets, liabilities, and net assets or equity (continued)

9. Long-term obligations

All County 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. Unmatured long-term debt information is shown in Note IV.E.

10. Deficit fund equity

At June 30, 2012, there was a deficit in the following fund:

| | |
|-----------|-------------|
| Fair Fund | \$(150,203) |
|-----------|-------------|

The deficit in the Fair Fund is partly due to the timing of the annual fair. The fair is held in early August, while many of the expenditures are realized in the prior year.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. The details of this \$151,635,559 difference are as follows:

| | |
|---|----------------------|
| Capital assets, not reported in the funds | \$144,120,350 |
| Long-term liabilities | (15,224,444) |
| Deferred revenues | 1,417,440 |
| Prepaid pension assets | 12,534,859 |
| Internal service fund net assets | 11,582,650 |
| Compensated absences | <u>(2,795,296)</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$151,635,559</u> |

An element of that reconciliation states "Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$(15,244,444) difference are as follows:

| | |
|---|-----------------------|
| Pension bonds | \$(12,854,322) |
| Accrued interest on long term debt | (98,882) |
| Net OPEB obligation | <u>(2,271,240)</u> |
| Net adjustment to long-term liabilities | <u>\$(15,224,444)</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

II. Reconciliation of government-wide and fund financial statements (continued)

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "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." The details of this \$(299,420) difference are as follows:

| | |
|--|--------------------|
| Additions to capital assets | \$4,112,684 |
| Depreciation expense | <u>(4,412,104)</u> |
| Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$(299,420)</u> |

Another element of that reconciliation states, "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." The details of this \$ (305,906) difference are as follows:

| | |
|---|--------------------|
| Amortization of pre-paid pension asset | \$ (295,143) |
| Change in OPEB obligation | (424,061) |
| Change in compensated absences | <u>413,298</u> |
| Net adjustment to <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$(305,906)</u> |

III. Stewardship, compliance, and accountability

A. Budgetary information

The County budgets all governmental, proprietary and private purpose trust funds as required by state law. No budgets were adopted for the West Lewellyn County Service District Special Revenue Fund as no activity was originally anticipated in this fund. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The County adopts its budget on a program basis, within each fund, using the modified accrual basis of accounting for governmental funds and fiduciary funds and the accrual basis of accounting, except for OPEB and depreciation, for the proprietary funds. The eight major programs of the County are as follows:

- General government
- Public safety
- Public works
- Health services
- Justice services
- Community services
- Cultural and educational services
- Parks and natural resources

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2012

III. Stewardship, compliance, and accountability (continued)

A. Budgetary information (continued)

Additionally, the County budgets for the following other activities within each fund:

- Capital outlay
- Debt service
- Interfund transfers and loans

For administrative purposes, the County allocates the program budget among its various funds and uses more detailed information for the programs mentioned above.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance or by Board authorization of unanticipated revenues received. Original and supplemental budgets require hearings before the public, publication in newspapers, and approval by the County Commissioners. Once approved, budgets may be modified by transfers of appropriations between the levels of control. During the year, there were numerous resolutions and supplemental budgets approved by the County Commissioners modifying the original budget as adopted. Budget appropriations lapse at year-end.

Budget amounts reflect the original budget amounts and 29 appropriation transfers and 8 supplemental budgets.

B. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

The budget of the County, as required by Oregon Local Budget Law, is prepared differently, in some respects, from generally accepted accounting principles. The following is a reconciliation of fund balances prepared on a budgetary basis and fund balances as prepared in accordance with generally accepted accounting principles (GAAP).

| | General Fund | Road Fund | Block Grant Fund | Local Option Fund | Nonmajor Funds |
|--------------------------------|---------------------|---------------------|---------------------|----------------------|---------------------|
| Fund balance - budgetary basis | \$12,252,631 | \$ 2,217,676 | \$ 1,190,859 | \$ 4,009,389 | \$ 5,010,283 |
| Inventory | - | 372,880 | - | - | 3,458 |
| Accrued payroll | (684,624) | (98,118) | - | (69,131) | (36,022) |
| Intergovernmental receivable | 100,339 | - | 258,723 | - | 1,207,376 |
| Loans outstanding | - | (998,860) | 4,392 | - | - |
| Fund balance - GAAP basis | <u>\$11,668,346</u> | <u>\$ 1,493,578</u> | <u>\$ 1,453,974</u> | <u>\$ 3,940,258</u> | <u>\$ 6,185,095</u> |

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2012

III. Stewardship, compliance, and accountability (continued)

C. Excess of expenditures over appropriations

For the first year of the biennium ended June 30, 2013, there were no instances of expenditures in excess of appropriations.

IV. Detailed notes on all funds

A. Cash and investments

At year-end, the County's carrying amount of deposits was \$6,769,422 and the bank balance was \$7,490,277. The County manages custodial risk for deposits and investments in accordance with Oregon Revised Statutes.

Effective July 1, 2008, House Bill 2901 significantly revised ORS 295. The changes create a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. Of the County's bank deposits, \$2,007,613 was covered by FDIC and the remainder was subject to the State of Oregon collateral pool program.

| | |
|---|----------------------|
| Cash on hand | \$ 30,890 |
| Deposits with financial institutions | 6,769,442 |
| Investments | 30,561,260 |
| Total cash and investments | <u>\$ 37,361,592</u> |
| Cash and investments on government-wide Statement of Net Assets | \$ 28,869,547 |
| Cash and investments on Statement of Fiduciary Net Assets | 8,492,045 |
| | <u>\$ 37,361,592</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

IV. Detailed notes on all funds (continued)

A. Cash and investments (continued)

Credit Risk

The County's policy, which adheres to State of Oregon law, is to limit its Corporate and Municipal investments to the following: Issuers within Oregon must be rated "A" (bonds) or A-2 / P-2 (commercial paper) or better by Standard and Poor's, Moody's Investors Services or any other nationally recognized statistical rating organization. Issuer's not in Oregon must be rated A-1 / P-1 (commercial paper) or better.

At year-end, the County held \$30,561,260 of investments.

| Investment Type | Weighted Avg. to Maturity | % of Portfolio | Reported Amount |
|------------------------------------|--------------------------------------|-----------------------|----------------------------|
| Local Government Investment Pool | Ave. 3 months | 81.7% | \$ 24,957,511 |
| Corporate Notes | Ave. 16.3 months | 5.0% | 1,525,020 |
| Municipalities | Ave 2 years | 8.4% | 2,580,354 |
| US Agency Securities | Ave. 4.5 months | 4.9% | 1,498,375 |
| Subtotal for Portfolio Percentages | | 100.0% | <u>\$ 30,561,260</u> |

The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by the OSTF Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2012 the fair value of the County's deposits with the LGIP approximates cost. The OSTF financial statements are available at www.ost.state.or.us.

The LGIP's portfolio concentration of credit risk at June 30, 2012 included: Commercial Paper (3.3%), Corporate Notes (47.3%), Municipal Bonds (1.3%), U.S. Agency securities (41.5%) and Temporary Liquidity Guarantee (5.7%), Non US Gov't (0.9%). The credit risk associated with the investments was AA rating (36.3%), A rating (33.9%), BBB rating (7.1%) and not rated (22.7%).

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 90 days.

Concentration of Credit Risk

The County's investment policy allows for 100% of investments in the LGIP and U.S. Government obligations. There are lesser limits on other investment types. At June 30, 2012, 5 % of the County's portfolio was invested in Corporate Notes (5.0%), Municipal Bonds (8.4%) and US Agencies (4.9%).

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2012****IV. Detailed notes on all funds (continued)****B. Receivables**

Receivables as of year-end for the County's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, are as follows:

| | Prop. taxes/ Assessments | Accounts | Inter- gov't | Interest | Loans | Total |
|--------------------------------|-----------------------------|--------------|-----------------|-----------|------------|--------------|
| Governmental activities | | | | | | |
| General Fund | \$ 743,465 | \$ 486,122 | \$ 765,502 | \$ - | \$ - | \$ 1,995,089 |
| Road Fund | - | 40,259 | 402,801 | - | - | 443,060 |
| Local Option Levy Fund | 238,528 | - | - | - | - | 238,528 |
| Block Grant Fund | - | - | - | - | 447,925 | 447,925 |
| Nonmajor governmental funds | 121,425 | - | 142,368 | - | - | 263,793 |
| Internal service funds | - | 155,549 | - | 21,261 | - | 176,810 |
| Total governmental activities | 1,103,418 | 681,930 | 1,310,671 | 21,261 | 447,925 | 3,565,205 |
| Business-type activities: | | | | | | |
| County health centers | - | 1,419,617 | - | - | - | 1,419,617 |
| Nonmajor enterprise funds | 51,263 | 148,029 | - | - | - | 199,292 |
| Total business type activities | 51,263 | 1,567,646 | - | - | - | 1,618,909 |
| Grand total | \$ 1,154,681 | \$ 2,249,576 | \$ 1,310,671 | \$ 21,261 | \$ 447,925 | \$ 5,184,114 |

In the governmental funds there are no significant receivable balances not expected to be collected within one year, accordingly, there is no allowance for doubtful accounts. There is an allowance of \$263,801 in the business-type county health center funds.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue and unearned revenue* reported in the governmental funds were as follows:

| | Property Taxes | Loans Receivable | Total Deferred | Unearned Revenue | Total |
|-----------------------------|-------------------|---------------------|-------------------|---------------------|--------------|
| Governmental Funds: | | | | | |
| General Fund | \$ 653,937 | \$ - | \$ 653,937 | \$ 30,941 | \$ 684,878 |
| Road Fund | - | - | - | - | - |
| Block Grant Fund | - | 443,534 | 443,534 | - | 443,534 |
| Local Option Levy Fund | 213,360 | - | 213,360 | - | 213,360 |
| Nonmajor governmental funds | 106,609 | - | 106,609 | - | 106,609 |
| Total | \$ 973,906 | \$ 443,534 | \$ 1,417,440 | \$ 30,941 | \$ 1,448,381 |
| Business-type activities: | | | | | |
| Nonmajor enterprise funds | \$ - | \$ - | \$ - | \$ 2,762 | \$ 2,762 |

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2012****IV. Detailed notes on all funds (continued)****C. Capital assets**

Capital asset activity for the year ended June 30, 2012 was as follows:

| | Balance July 1, 2011 | Increases | Decreases | Balance June 30, 2012 |
|--|-------------------------|-------------|--------------|--------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 8,627,750 | \$ 343,205 | \$ - | \$ 8,970,955 |
| Construction in progress | 1,555,013 | 112,480 | (574,115) | 1,093,378 |
| Total capital assets, not being depreciated | 10,182,763 | 455,685 | (574,115) | 10,064,333 |
| Capital assets, being depreciated: | | | | |
| Improvements, other than buildings | 2,112,653 | 33,587 | - | 2,146,240 |
| Intangibles | 2,631,965 | 47,673 | - | 2,679,638 |
| Buildings | 17,677,973 | 640,406 | - | 18,318,379 |
| Machinery and equipment | 9,183,101 | 1,567,035 | (171,030) | 10,579,106 |
| Infrastructure | 249,128,586 | 2,740,981 | - | 251,869,567 |
| Total capital assets, being depreciated | 280,734,278 | 5,029,682 | (171,030) | 285,592,930 |
| Less accumulated depreciation for: | | | | |
| Improvements, other than buildings | (917,717) | (65,921) | - | (983,638) |
| Intangibles | (1,907,537) | (197,514) | - | (2,105,051) |
| Buildings | (6,506,691) | (417,585) | - | (6,924,276) |
| Machinery and equipment | (6,598,323) | (629,834) | 166,530 | (7,061,627) |
| Infrastructure | (119,044,041) | (3,966,846) | - | (123,010,887) |
| Total accumulated depreciation | (134,974,309) | (5,277,700) | 166,530 | (140,085,479) |
| Total capital assets, being depreciated, net | 145,759,969 | (248,018) | (4,500) | 145,507,451 |
| Governmental activities capital assets, net | \$ 155,942,732 | \$ 207,667 | \$ (578,615) | \$ 155,571,784 |
| Business-type activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 295,298 | \$ - | \$ - | \$ 295,298 |
| Construction in progress | - | - | - | - |
| Total capital assets, not being depreciated | 295,298 | - | - | 295,298 |
| Capital assets, being depreciated: | | | | |
| Buildings | 1,786,151 | 34,266 | - | 1,820,417 |
| Machinery and equipment | 35,882 | 106,266 | - | 142,148 |
| Intangibles | 32,000 | - | - | 32,000 |
| Infrastructure | 3,652,636 | - | - | 3,652,636 |
| Total capital assets, being depreciated | 5,506,669 | 140,532 | - | 5,647,201 |
| Less accumulated depreciation for: | | | | |
| Buildings | (241,657) | (39,300) | - | (280,957) |
| Machinery and equipment | (19,704) | (5,634) | - | (25,338) |
| Intangibles | (800) | (3,200) | - | (4,000) |
| Infrastructure | (1,320,133) | (73,245) | - | (1,393,378) |
| Total accumulated depreciation | (1,582,294) | (121,379) | - | (1,703,673) |
| Total capital assets, being depreciated, net | 3,924,375 | 19,153 | - | 3,943,528 |
| Business-type activities capital assets, net | \$ 4,219,673 | \$ 19,153 | \$ - | \$ 4,238,826 |

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2012****IV. Detailed notes on all funds (continued)****C. Capital assets (continued)**

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

Governmental activities:

| | |
|--|---------------------|
| General government | \$ 36,227 |
| Public safety | 106,388 |
| Public works, including infrastructure | 3,994,333 |
| Health services | 945 |
| Justice services | 5,337 |
| Community services | 122,803 |
| Cultural and educational services | 66,969 |
| Parks & natural resources | 79,102 |
| Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets | 865,596 |
| Total depreciation expense - governmental activities | <u>\$ 5,277,700</u> |

Business-type activities:

| | |
|---|-------------------|
| Water and sewer | \$ 73,246 |
| Health services | 22,558 |
| Rental properties | 25,575 |
| Total depreciation expense - business-type activities | <u>\$ 121,379</u> |

D. Interfund transfers:

| | Transfers In: | | | | | Total |
|------------------------|----------------------|-----------------------------|----------------------------|--------------------------|-------------------------|---------------------|
| | General Fund | Nonmajor Gov't Funds | Internal Svc. Funds | Other Major Funds | Enterprise Funds | |
| Transfers Out: | | | | | | |
| General Fund | \$ - | \$ 1,627,937 | \$ 138,104 | \$ 14,000 | \$ 16,741 | \$ 1,796,782 |
| Other major funds | 1,564,585 | 1,614,615 | 9,223 | - | 1,566,484 | 4,754,907 |
| Nonmajor gov't funds | 189,766 | 52,957 | - | - | - | 242,723 |
| Enterprise funds | 26,720 | 308,114 | - | - | - | 334,834 |
| Internal service funds | - | 247,376 | - | - | - | 247,376 |
| | <u>\$ 1,781,071</u> | <u>\$ 3,850,999</u> | <u>\$ 147,327</u> | <u>\$ 14,000</u> | <u>\$ 1,583,225</u> | <u>\$ 7,376,622</u> |

\$1,466,684 of the transfers into the non-major governmental funds are to fund the payment of the PERS pension bonds from those funds having payroll expenditures. The Local Option Levy fund transferred \$1,566,484 to the Health Clinic fund to cover operating expenditures. The Local Option Levy fund transferred \$1,437,020 to the Adult Corrections fund for safety expenditures.

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2012****IV. Detailed notes on all funds (continued)****E. Long-term debt**General Obligation Bonds

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities and to refinance the cost of future pension obligations. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and pledge the full faith and credit of the County. General obligation bonds currently outstanding and bond payable transactions during the year are as follows:

| Bonds/Notes Payable | Original Amount | Interest Rate | Balance July 1, 2011 | Debt Incurred | Bond Maturities | Balance June 30, 2012 |
|----------------------------|----------------------------|--------------------------|---------------------------------|--------------------------|----------------------------|----------------------------------|
| Pension Obligation | | | | | | |
| PERS bonds-2002 | \$ 11,662,750 | 7.0% | \$ 9,531,636 | \$ - | \$ 160,781 | \$ 9,370,855 |
| Pension Obligation | | | | | | |
| PERS bonds-2004 | \$ 7,490,000 | 4.9 to 6.1 % | 7,415,000 | - | 75,000 | 7,340,000 |
| Note payable | \$ 305,000 | 2.0% | 289,357 | - | 15,958 | 273,399 |
| Bond payable | | | | | | |
| Sunset Bldg. | \$ 1,700,000 | 2.0 to 5.6% | 1,640,000 | - | 160,000 | 1,480,000 |
| ODOT | \$ 1,189,408 | 2.10% | - | 1,189,408 | 190,548 | 998,860 |
| South Third County Service | | | | | | |
| District bonds | \$ 239,000 | 4.375% | 115,561 | - | 9,625 | 105,936 |
| Alsea County Service | | | | | | |
| District bonds | \$ 32,900 | 4.50% | 23,502 | - | 1,010 | 22,492 |
| Grand total | | | <u>\$ 19,015,056</u> | <u>\$ 1,189,408</u> | <u>\$ 612,922</u> | <u>\$19,591,542</u> |

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2012****IV. Detailed notes on all funds (continued)****E. Long-term debt (continued)**

Bonded debt service requirements at June 30, 2012 (including interest payments of \$ 14,958,008) have the following maturities:

| Fiscal Year Ending June 30, | Pension Obligation Bonds | Alsea County Service District Revenue Bonds | South Third CSD Revenue Bonds | Sunset Building Bond | Note Payable | ODOT Bond | Total |
|-----------------------------------|--------------------------------|---|-------------------------------------|----------------------------|-------------------|---------------------|----------------------|
| 2013 | \$ 1,449,675 | \$ 2,021 | \$ 14,460 | \$ 227,010 | \$ 21,600 | \$ 167,865 | \$ 1,882,631 |
| 2014 | 1,524,060 | 2,021 | 14,460 | 227,690 | 21,600 | 167,865 | 1,957,696 |
| 2015 | 1,596,258 | 2,021 | 14,460 | 231,833 | 21,600 | 167,865 | 2,034,037 |
| 2016 | 1,676,331 | 2,021 | 14,460 | 230,183 | 21,600 | 167,865 | 2,112,460 |
| 2017 | 1,753,926 | 2,021 | 14,460 | 227,443 | 21,600 | 167,865 | 2,187,315 |
| 2018-2022 | 10,141,594 | 10,105 | 58,268 | 684,102 | 198,374 | 242,490 | 11,334,933 |
| 2023-2027 | 11,621,732 | 10,105 | - | - | - | - | 11,631,837 |
| 2028 | 1,406,868 | 1,773 | - | - | - | - | 1,408,641 |
| | <u>\$ 31,170,444</u> | <u>\$ 32,088</u> | <u>\$ 130,568</u> | <u>\$ 1,828,261</u> | <u>\$ 306,374</u> | <u>\$ 1,081,815</u> | <u>\$ 34,549,550</u> |

Annual debt service requirements to maturity are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|-----------------------------------|----------------------|----------------------|----------------------|
| 2013 | \$ 604,725 | \$ 1,277,906 | \$ 1,882,631 |
| 2014 | 657,834 | 1,299,862 | 1,957,696 |
| 2015 | 709,939 | 1,324,098 | 2,034,037 |
| 2016 | 762,916 | 1,349,544 | 2,112,460 |
| 2017 | 815,186 | 1,372,129 | 2,187,315 |
| 2018-2022 | 5,490,749 | 5,844,184 | 11,334,933 |
| 2023-2027 | 9,228,503 | 2,403,334 | 11,631,837 |
| 2028 | 1,321,690 | 86,951 | 1,408,641 |
| | <u>\$ 19,591,542</u> | <u>\$ 14,958,008</u> | <u>\$ 34,549,550</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

IV. Detailed notes on all funds (continued)

E. Long-term debt (continued)

Full Faith and Credit Obligations

In May of 2004, Benton County joined with nine other local governments in a joint pension bond sale. The sale took advantage of low interest rates to refinance the County's unfunded actuarial liability (UAAL) accumulated as of December 31, 2002. The County issued \$7,490,000 in debt. The County estimates that by funding the actuarial liability, the County will save approximately \$53,000 per year for twenty-four years between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Debt service for these obligations is recorded in the Debt Service Fund.

In March of 2002, Benton County joined with ten other local governments in a joint pension obligation sale. The sale took advantage of low interest rates to refinance the County's unfunded actuarial liability (UAAL) accumulated as of December 31, 2001. The County issued \$11,662,750 in debt. The County estimates that by funding the actuarial liability, the County will save approximately \$70,000 per year for twenty-eight years (total \$1,960,000) between the amount calculated by the Oregon Public Employees Retirement System (PERS) to retire the UAAL and the amount of the debt repayment. Debt service for these obligations is recorded in the Debt Service Fund.

On December 23, 2010, Benton County purchased the Sunset Building on Research Way in Corvallis, Oregon. The building was purchased with the intention of moving county offices from currently leased space throughout the city. The purchase price of the building was \$3,300,000 financed by issuing \$1,700,000 full faith and credit obligations and through internal borrowing.

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2012, was as follows:

| | Balance July 1, 2011 | Additions | Deletions | Balance June 30, 2012 | Due within one year |
|----------------------------|-------------------------|---------------------|---------------------|--------------------------|------------------------|
| Governmental activities | | | | | |
| Bonds payable: | | | | | |
| Pension | \$ 15,743,424 | \$ - | \$ 219,040 | \$ 15,524,384 | \$ 253,408 |
| Sunset bldg. bonds payable | 1,640,000 | - | 160,000 | 1,480,000 | 160,000 |
| ODOT bonds payable | - | 1,189,408 | 190,548 | 998,860 | 144,850 |
| Other liabilities: | | | | | |
| Capital leases payable | 6,838 | - | 4,503 | 2,335 | 2,335 |
| Net OPEB obligation | 1,847,179 | 424,061 | - | 2,271,240 | n/a |
| Compensated absences | 3,927,613 | 2,147,906 | 2,609,422 | 3,466,097 | 645,702 |
| | <u>23,165,054</u> | <u>3,761,375</u> | <u>3,183,513</u> | <u>23,742,916</u> | <u>1,206,295</u> |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| Pension bonds | 1,203,211 | - | 16,740 | 1,186,471 | 19,367 |
| South Third County Service | | | | | |
| District bonds | 115,562 | - | 9,626 | 105,936 | 9,820 |
| Alsea County Service | | | | | |
| District bonds | 23,502 | - | 1,010 | 22,492 | 1,001 |
| Other liabilities: | | | | | |
| Note payable | 289,357 | - | 15,958 | 273,399 | 16,280 |
| Net OPEB obligation | 388,431 | 98,994 | - | 487,425 | n/a |
| Compensated absences | 484,915 | 391,136 | 420,407 | 455,644 | 123,058 |
| | <u>2,504,978</u> | <u>490,130</u> | <u>463,741</u> | <u>2,531,367</u> | <u>169,526</u> |
| | <u>\$ 25,670,032</u> | <u>\$ 4,251,505</u> | <u>\$ 3,647,254</u> | <u>\$ 26,274,283</u> | <u>\$ 1,375,821</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

IV. Detailed notes on all funds (continued)

E. Long-term debt (continued)

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$670,801 of internal service funds compensated absences and \$2,670,062 of PERS bonds payable are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the funds that incur the costs (General, Road, Fair, Corner Preservation, Oregon Health Plan, Court Security, Adult Corrections and Health Clinic Funds) .

Notes and Capital Leases:

The County has entered into a capital lease to purchase equipment. At June 30, 2012, the lease payable consists of the following:

Lease payable to Key Equipment leasing in monthly installments of
\$401, including interest at 6.5%, due December 2012,
secured by two photocopiers, original lease amount \$16,898,
Purchase price of copiers was \$16,898, current book value
is \$5,069. \$ 2,335

The future minimum lease/note obligations and the net present value of these minimum lease/note payments as of June 30, 2012 were as follows:

| Year ending June 30, | Governmental Activities |
|--|-------------------------|
| | Leases Payable |
| 2013 | 2,379 |
| Total minimum lease payments | 2,379 |
| Less: amount representing interest | (44) |
| Present value of minimum lease payment | \$ 2,335 |

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2012****IV. Detailed notes on all funds (continued)****F. Interfund payables and receivables**

The composition of interfund balances as of June 30, 2012 is as follows.

| Receivable Fund | Payable Fund | Amount |
|---------------------------|-----------------------------|---------------------|
| Block Grant Fund | Internal Service Fund | \$ 258,723 |
| Building Development Fund | Internal Service Fund | 1,207,376 |
| General Fund | Health Clinic Fund | 321,201 |
| General Fund | Nonmajor governmental funds | 135,512 |
| | | <u>\$ 1,922,812</u> |

The payables from the Intergovernmental Service Fund are a result of a long-term loan from the Block Grant Fund and the Building Development Fund to the Intergovernmental Service Fund. This is a 10 year loan, payable monthly with a 2% interest rate. The loan was used to purchase the Sunset Building. The receivables in the General Fund, are a result of cash deficits at year end.

G. Prepaid Pension Asset

In 2002 and 2004, Benton County joined with other local governments in joint pension bond sales. The proceeds of these sales were deposited with the Oregon Public Retirement System (PERS). These funds are used by PERS to reduce employer rates for pension liability and are being amortized over the life of the pension bonds. Pursuant to the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Government Employers, these contributions in excess of the annual required contributions were recorded as prepaid pension assets and are reported on the Statement of Net Assets and in the proprietary fund statements as prepaid pension obligations. These prepaid pension assets are being amortized over 28 years.

Amortization of Prepaid Pension Asset

The following table details the future amortization of the prepaid pension asset(s).

| Fiscal Year Ending June 30, | 2002 Issue | 2004 Issue | Total |
|-----------------------------------|---------------------|---------------------|----------------------|
| 2013 | \$ 282,248 | \$ 152,059 | \$ 434,307 |
| 2014 | 316,004 | 172,781 | 488,785 |
| 2015 | 352,385 | 195,155 | 547,540 |
| 2016 | 391,586 | 219,300 | 610,886 |
| 2017 | 433,819 | 245,361 | 679,180 |
| 2018-2022 | 2,926,941 | 1,695,868 | 4,622,809 |
| 2023-2027 | 3,708,117 | 2,742,921 | 6,451,038 |
| 2028 | 895,790 | 1,430,118 | 2,325,908 |
| | <u>\$ 9,306,890</u> | <u>\$ 6,853,563</u> | <u>\$ 16,160,453</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

IV. Detailed notes on all funds (continued)

H. Fund balance

The County reports fund balance classifications that comprise a hierarchy based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources reported in governmental funds. These classifications are as follows:

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories, prepaid items, and long-term interfund advances.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The Board of Commissioners may commit fund balance by resolution. The Board of Commissioners may also modify or rescind commitments by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. By adoption of the Financial Policies, both the Finance Director and the Budget Manager have been given this authority by the Board of Commissioners.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The Board of Commissioners has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and lastly, unassigned fund balance.

To preserve a sound financial system and to provide a stable financial base, the Board of Commissioners has adopted a minimum ending fund balance policy to be:

- The amount determined necessary for unappropriated fund balance including funds to be specifically reserved for use in a future fiscal period.
- The amount determined necessary for a contingency.
- Capital outlays for real or personal property, or one time costs or projects.
- Support for the operating budget as part of a multi-year financial plan.

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2012****IV. Detailed notes on all funds (continued)****H. Fund equity (continued)**

Below is a schedule of ending fund balances, based on GASB Statement No. 54 implementation:

| | General Fund | Road Fund | Block Grant Fund | Local Option Levy Fund | Non-major Funds | Total |
|--|-------------------------|----------------------|---------------------------------|---------------------------------------|----------------------------|----------------------|
| Fund Balances: | | | | | | |
| Nonspendable in form | \$ 27,261 | \$ 380,482 | \$ 258,723 | \$ - | \$ 1,228,202 | \$ 1,894,668 |
| Restricted for: | | | | | | |
| Road construction & maintenance | - | 1,113,096 | - | - | - | 1,113,096 |
| Special transportation | - | - | - | - | 189,386 | 189,386 |
| Land corner preservation | - | - | - | - | 140,059 | 140,059 |
| Library services | - | - | - | - | 15,403 | 15,403 |
| Adult correctons | - | - | - | - | 1,032,804 | 1,032,804 |
| Title III funds | - | - | - | - | 234,858 | 234,858 |
| | - | 1,113,096 | - | - | 1,612,510 | 2,725,606 |
| Committed to: | | | | | | |
| Housing/economic development | - | - | 1,195,251 | - | - | 1,195,251 |
| Health & safety | - | - | - | 3,940,258 | - | 3,940,258 |
| Capital projects | - | - | - | - | 681,120 | 681,120 |
| Debt service | - | - | - | - | 1,571,860 | 1,571,860 |
| Oregon health plan | - | - | - | - | 1,091,443 | 1,091,443 |
| Cemetery operations | - | - | - | - | 125,566 | 125,566 |
| Adult corrections | - | - | - | - | - | - |
| | - | - | 1,195,251 | 3,940,258 | 3,469,989 | 8,605,498 |
| Assigned to a special district: | - | - | - | - | 899 | 899 |
| Unassigned: | 11,641,085 | - | - | - | (126,505) | 11,514,580 |
| Total Fund Balances | <u>\$ 11,668,346</u> | <u>\$ 1,493,578</u> | <u>\$ 1,453,974</u> | <u>\$ 3,940,258</u> | <u>\$ 6,185,095</u> | <u>\$ 24,741,251</u> |

V. Other information**A. Risk management**

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County has set up a joint trust fund with Valley Landfills, Inc. to be used for any future environmental clean up or damage control that may be required in the future as a result of landfill operations. As of June 30, 2012 the County was not liable for any closure or post closure care for the landfill operation.

There have been no settlements in excess of insurance coverage for the year ended June 30, 2012, or the five preceding fiscal years.

V. Other information (continued)

B. Other post employment benefits (OPEB)

The County administers a single-employer defined benefit healthcare plan. The plan provides the opportunity for postretirement healthcare insurance for eligible retirees and their spouses through the County's group health insurance plans, which cover both active and retired participants.

Implicit subsidy:

The County has not established a trust fund to supplement the costs for the net OPEB Obligation. The County does not pay any portion of the health insurance premium for retirees who stay on the County's health insurance plans; however, the retired employees receive an implicit benefit of lower healthcare premiums. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2012, there were 11 retirees that were receiving the post-employment medical and 9 retirees receiving the post-employment dental benefit.

The County has the authority to establish and amend contribution requirements. The required contribution is based on the projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2012, the County's combined plan contributions were \$136,259.

Explicit subsidy:

As the result of union negotiations, the County has agreed to provide medical, dental, and vision insurance to qualified retirees as follows:

1. Only full-time regular employees are eligible for full benefits in accordance with this agreement. Regular part-time employees who work at least 20 hours per week are eligible for prorated benefits.
2. The retiree must have completed a minimum of fifteen (15) continuous years of employment with the County and must be eligible for retirement from PERS, even if less than 58 years of age.
3. The retiree must be fully eligible for and either receiving or have applied for retirement benefits from the Public Employee Retirement System (PERS).
4. Insurance coverage is limited to the employee and spouse for AFSCME and ONA members, non-represented employees hired prior to March 1, 2000 and deputies are limited to employee only, the coverage is for a period not to exceed seven years, retirees can elect when coverage begins.
5. The County's share of insurance premiums is fixed according to premium rates, which are current on the day of retirement. Premium increases occurring during retirement are the responsibility of the retiree.
6. The County will pay a prorated share of the insurance premiums according to years of service.

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2012

V. Other information (continued)

B. Other post employment benefits (OPEB) (continued)

As of June 30, 2012, there were 18 participants currently eligible to receive benefits. For the fiscal year ended June 30, 2012, the County incurred \$97,919 of expenditures. The County funds this benefit on a "pay-as-you-go" basis.

Funding policy

The County funds the plan only to the extent of current year insurance premium requirement on a pay-as-you-go basis. Retiree healthcare premiums are paid directly to the insurance provider. The County has not established an irrevocable trust to accumulate assets to fund the cost of the OPEB liabilities that arise from either the implicit or explicit subsidy. OPEB liabilities are primarily liquidated by the General Fund and the Health Clinic Fund.

Annual OPEB Cost and Net OPEB Obligation

The County's annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County's annual OPEB cost for the fiscal year ending June 30, 2012, the amount actually contributed to the plans, and the changes in the County's net OPEB obligation:

There is no separate, audited GAAP-basis postemployment benefit plan report available.

Determination of Annual Required Contribution

| | |
|--|-------------------|
| (1) Normal Cost at year end | \$ 449,757 |
| (2) Amortization of UAAL | 363,269 |
| (3) Annual Required Contribution (ARC) | <u>\$ 813,026</u> |

Determination of Net OPEB Obligation

| | |
|--|---------------------|
| Annual Required Contribution (ARC) | \$ 813,026 |
| Interest on prior year Net OPEB Obligation | 89,424 |
| Adjustment to ARC | <u>(151,930)</u> |
| Annual OPEB Cost | 750,520 |
| Explicit Benefits Payment | (120,558) |
| Implicit Benefit Payments | <u>(106,908)</u> |
| Increase in Net OPEB Obligation | 523,054 |
| Net OPEB Obligation - beginning of year | 2,235,610 |
| Net OPEB Obligation - end of year* | <u>\$ 2,758,664</u> |

***Reported as follows:**

| | |
|-------------------------|---------------------|
| Governmental activities | \$ 2,271,239 |
| Business activities | 487,425 |
| Total | <u>\$ 2,758,664</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

V. Other information (continued)

B. Other post employment benefits (OPEB) (continued)

The County's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Contribution | Percentage of OPEB Cost Contributed | Net OPEB Obligation |
|------------------------------|-----------------------------|---------------------|--|--------------------------------|
| 6/30/2008 | \$ 861,857 | \$ 215,998 | 26% | \$ 645,859 * |
| 6/30/2009 | 901,391 | 249,179 | 28% | 1,298,071 |
| 6/30/2010 | 641,172 | 180,804 | 28% | 1,758,439 |
| 6/30/2011 | 677,117 | 199,946 | 30% | 2,235,610 |
| 6/30/2012 | 750,520 | 227,466 | 30% | 2,758,664 |

* Annual OPEB Costs are not available for fiscal years prior to the fiscal year ending June 30, 2008.

Funded Status and Funding Progress

As of August 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$4,970,251, and actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,970,251. The covered payroll (annual payroll of active employees covered by the plans) was \$22,274,626, and the ratio of UAAL to the covered payroll was 23.0 %.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information, following the notes to the financial statements, presents trend information about the actuarial value of plan assets.

The actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Beneficiaries do not contribute to the plans, as a result, there is no sharing of benefit costs.

Actuarial Methods and Assumptions

With any valuation of future benefits, assumptions of anticipated future events are required. The assumptions are generally based upon those for valuing pension benefits under Oregon PERS, and were developed in consultation with the County's actuary, Milliman. The actuarial cost method used is the Projected Unit Credit Cost Method.

Discount Rate: A discount rate of 4.50% based on long term expectations of investment return for the Oregon Local Government Investment Pool or similar investments was used.

Health Cost Trend: It has been assumed that health care costs will increase 8.0% in the first year, 7.0% in the second year, 6.5% in the third year, 6.0% for the 4th through 14th year, 5.5% for the 15th through 29th year, and 5.0% thereafter.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

V. Other information (continued)

B. Other post employment benefits (OPEB) (continued)

Retirement and Withdrawal Rates: The rates used are similar to the rates adopted by the Oregon PERS for its December 31, 2009 actuarial valuation of retirement benefits.

UAAL Amortization: The amortization of The UAAL has been calculated as a level percentage of payroll over an open period of 15 years. Amortization amounts are expected to increase at the same rate as payroll increases each year. It is assumed that payroll will increase 3.75% per year for this purpose.

C. Retirement health insurance account

As a member of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA resides with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700.

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed year by OPERS, currently .59% of annual covered OPERF payroll and .50% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2012, 2011 and 2010 respectively were \$123,173, \$54,657, and \$54,221, which equaled the required contributions each year. These rates and contributions are included in the PERS rates listed in Note V-F.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

V. Other information (continued)

D. Retirement health saving plan

Benton County provides a Retirement Health Savings Plan (RHS) (a defined contribution plan) for those employees who are not eligible for the previously described plan. The plan was established as a result of negotiations with labor unions. Any changes to the plan would be a result of negotiations. The County makes monthly deposits into the RHS for each eligible employee according to the following schedule based on years of completed continuous service: The amount actually contributed in fiscal year 2012 was \$267,975.

| <u>Years of Service</u> | <u>Annual Contribution</u> |
|-------------------------|----------------------------|
| a. 4 to 5 | \$ 504 |
| b. 6 to 10 | \$1,008 |
| c. 11 to 15 | \$1,512 |
| d. 16 to 19 | \$2,016 |
| e. 20 plus | \$2,520 |

E. Deferred compensation plan

Benton County has a deferred compensation plan available to its employees wherein they may execute an individual agreement with the County for amounts earned by them to not be paid until a future date when they are terminated by reason of death, permanent disability, retirement or separation. The deferred compensation plan is qualified under IRC Section 457 and has been approved by the Internal Revenue Service.

Monies accumulated by the County under its deferred compensation plan have been deposited with the International City Management Association Retirement Corporation (ICMA) and Nationwide Retirement Solutions. These deposits are not subject to the collateral requirements of Oregon law.

Amounts accumulated by the County under an approved deferred compensation plan are, under Oregon law, excluded from resources for budgetary purposes. According to the County's interpretation of GASB issued Statement No. 32, Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans, the plan assets were removed from the balance sheet of the County as of June 30, 2001.

F. Employee retirement systems and pension plans

Defined Benefit Pension Plan

Accounting and Reporting Standards:

The County is a participating employer in the Oregon Public Employees Retirement System ("OPERS"), a cost-sharing multiple-employer defined benefit pension plan. The 2003 legislature adopted certain changes in the Oregon Public Employee Retirement System, and created a new system for all people hired after August 29, 2003. The Public Employees Retirement System (PERS), which was established under Oregon Revised Statute (ORS) 238.600, applies to all employees who had established membership prior to August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP), which was established under ORS 238A and went into effect on January 1, 2004, applies to all people who are first employed with a public employer after August 29, 2003. The Public Employees Retirement Board (PERB) governs and acts as a common investment and administrative agent for both plans which are retirement plans for most public employers in the State of Oregon. Benefits are established by state statute, and employer contributions are

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

made at the actuarially determined rate for each system as adopted by the PERB. The Oregon Public Employees Retirement System, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700.

Both PERS and OPSRP plans provide retirement and disability benefits, post-employment healthcare benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

Funding Status

Covered employees are required by state statute to contribute 6.0 percent of their salary to the plan which is invested in the Individual Account Program (IAP), a defined contribution pension plan. Employers are permitted to pay employee contributions to the fund. During fiscal year 2012, the County contributed \$1,336,479 on behalf of its employees.

The County is required by statute to contribute actuarially computed amounts, to a defined benefit pension plan, as determined by OPERS. OPERS completes an actuarial valuation as of December 31 of odd numbered years for new rates to be implemented July 1 of the next odd numbered year. Rates are subject to change as a result of subsequent actuarial valuations and the proportion of the system that is funded for each local government employer.

For OPSRP, all employees are included in a single pool, with separate rates assigned for police and fire participants and general service participants. Beginning January 1, 2011 OPSRP rates were set at 8.11% for police and fire and 5.40% for general service employees.

Following is a history of OPERS and OPSRP rate changes, including rates for RHIA:

| Effective Date | OPSRP Rates | | OPERS | |
|----------------|-----------------|---------------|-----------------|---------------|
| | General Service | Police & Fire | General Service | Police & Fire |
| 7/1/2011 | 5.40% | 8.11% | 7.30% | 14.58% |
| 7/1/2009 | 2.17% | 4.88% | 1.63% | 9.41% |
| 7/1/2007 | 7.32% | 10.59% | 6.46% | n/a |
| 7/1/2005 | 3.72% | 7.33% | 8.46% | n/a |
| 7/1/2004 | n/a | n/a | 4.13% | n/a |
| 7/1/2003 | n/a | n/a | 6.88% | n/a |
| 7/1/2002 | n/a | n/a | 8.51% | n/a |
| 7/1/2001 | n/a | n/a | 11.81% | n/a |
| 7/1/2000 | n/a | n/a | 10.42% | n/a |
| 7/1/1999 | n/a | n/a | 9.04% | n/a |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2012

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

Annual Pension Cost

All OPERS participating employers are required by law to submit the contributions as adopted by the Retirement Board. For the fiscal year ended June 30, 2012, the County's annual pension expenditures/expense exclusive of the 6% "pick-up" was \$1,810,706. The County's actual contributions are the required contributions. The following table details required and actual contribution history:

| Effective Date | OPSRP Contribution | | OPERS Contribution | | Total Contribution |
|----------------|--------------------|---------------|--------------------|---------------|--------------------|
| | General Service | Police & Fire | Tier 1/ Tier 2 | Police & Fire | |
| 2011-12 | \$ 422,167 | \$ 172,924 | \$ 838,111 | \$ 377,504 | \$ 1,810,706 |
| 2010-11 | 153,294 | 83,456 | 207,376 | 263,108 | 707,234 |
| 2009-10 | 130,463 | 73,656 | 219,041 | 262,615 | 685,775 |
| 2008-09 | 358,963 | 108,234 | 906,314 | n/a | 1,373,511 |
| 2007-08 | 262,566 | 56,376 | 908,676 | n/a | 1,227,618 |
| 2006-07 | 116,486 | 32,946 | 1,222,440 | n/a | 1,371,872 |
| 2005-06 | 138,724 | 30,598 | 1,274,741 | n/a | 1,444,063 |

G. Prior year reclassifications

Certain amounts for prior years were reclassified to conform to current year classifications.

H. Contingent liabilities

The County is party to various legal proceedings generally incidental to its business. Although the ultimate disposition of these proceedings is not presently determinable, management is vigorously defending the claims and does not believe that adverse determination in any or all of such proceedings will have a material adverse effect upon the financial condition of the County.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.



REQUIRED SUPPLEMENTARY INFORMATION



BENTON COUNTY, OREGON**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium ending June 30, 2013

As of June 30, 2012

| | Budgeted Amounts | | | Variance with |
|--|------------------|---------------|-----------------|-----------------|
| | Original | Final | 1st Year Actual | Final Budget |
| REVENUES | | | | |
| Taxes | \$ 29,416,000 | \$ 29,416,000 | \$ 14,759,828 | \$ (14,656,172) |
| Licenses and permits | 2,819,810 | 2,819,810 | 1,269,629 | (1,550,181) |
| Intergovernmental | 18,630,080 | 21,613,447 | 11,307,609 | (10,305,838) |
| Charges for services | 6,401,849 | 6,495,597 | 3,253,640 | (3,241,957) |
| Fines | 950 | 950 | 150 | (800) |
| Interest | 400,000 | 400,000 | 60,619 | (339,381) |
| Miscellaneous | 340,800 | 403,985 | 335,837 | (68,148) |
| Total revenues | 58,009,489 | 61,149,789 | 30,987,312 | (30,162,477) |
| EXPENDITURES | | | | |
| General government | 17,190,132 | 17,439,927 | 6,301,794 | 11,138,133 |
| Public safety | 20,372,160 | 20,829,461 | 9,651,231 | 11,178,230 |
| Health services | 14,831,594 | 17,465,198 | 8,125,779 | 9,339,419 |
| Justice services | 8,571,004 | 8,565,399 | 3,757,484 | 4,807,915 |
| Community services | 1,127,894 | 1,119,144 | 690,033 | 429,111 |
| Cultural and educational services | 961,632 | 961,632 | 481,374 | 480,258 |
| Parks and natural resources | 1,907,618 | 1,907,618 | 882,069 | 1,025,549 |
| Total expenditures | 64,962,034 | 68,288,379 | 29,889,764 | 38,398,615 |
| Excess (deficiency) of revenues over (under) expenditures | (6,952,545) | (7,138,590) | 1,097,548 | 8,236,138 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating transfers in | 3,478,709 | 3,478,709 | 1,817,119 | (1,661,590) |
| Operating transfers out | (1,806,522) | (1,565,477) | (1,021,720) | 543,757 |
| Total other financing sources (uses) | 1,672,187 | 1,913,232 | 795,399 | (1,117,833) |
| Net change in fund balance | (5,280,358) | (5,225,358) | 1,892,947 | 7,118,305 |
| Fund balances - beginning | 10,280,358 | 10,225,358 | 10,359,684 | 134,326 |
| Fund balances - ending | \$ 5,000,000 | \$ 5,000,000 | \$ 12,252,631 | \$ 7,252,631 |

BENTON COUNTY, OREGON**GENERAL FUND****SCHEDULE OF EXPENDITURES (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Budgeted Amounts | | 1st Year Actual | Variance with Final Budget |
|---|-------------------------|----------------------|----------------------------|---------------------------------------|
| | Original | Final | | |
| General government | | | | |
| Personnel services | \$ 8,278,516 | \$ 8,729,489 | \$ 4,174,651 | \$ 4,554,838 |
| Materials and services | 5,560,031 | 5,421,753 | 2,120,443 | 3,301,310 |
| Capital outlay | 68,800 | 68,800 | 6,699 | 62,101 |
| Other | 9,825,463 | 9,507,518 | 845,798 | 8,661,720 |
| Total general government | ** 23,732,810 | 23,727,560 | 7,147,591 | 16,579,969 |
| Public safety | | | | |
| Personnel services | 13,700,134 | 13,993,619 | 6,841,488 | 7,152,131 |
| Materials and services | 6,665,035 | 6,828,851 | 2,808,414 | 4,020,437 |
| Capital outlay | 6,991 | 6,991 | 1,330 | 5,661 |
| Other | 147,844 | 147,844 | 73,922 | 73,922 |
| Total public safety | ** 20,520,004 | 20,977,305 | 9,725,154 | 11,252,151 |
| Health services | | | | |
| Personnel services | 6,329,216 | 6,727,890 | 3,285,410 | 3,442,480 |
| Materials and services | 8,502,378 | 10,737,308 | 4,840,369 | 5,896,939 |
| Total health services | ** 14,831,594 | 17,465,198 | 8,125,779 | 9,339,419 |
| Justice services | | | | |
| Personnel services | 5,843,409 | 5,843,409 | 2,656,151 | 3,187,258 |
| Materials and services | 2,704,909 | 2,699,304 | 1,101,333 | 1,597,971 |
| Contingency | 22,686 | 22,686 | - | 22,686 |
| Total justice services | ** 8,571,004 | 8,565,399 | 3,757,484 | 4,807,915 |
| Community services | | | | |
| Personnel services | 345,154 | 345,154 | 84,913 | 260,241 |
| Materials and services | 717,054 | 708,304 | 605,120 | 103,184 |
| Other | 181,686 | 195,686 | 102,000 | 93,686 |
| Total community services | ** 1,243,894 | 1,249,144 | 792,033 | 457,111 |
| Cultural and educational services | | | | |
| Materials and services | 961,632 | 961,632 | 481,374 | 480,258 |
| Total cultural and educational services | ** 961,632 | 961,632 | 481,374 | 480,258 |
| Parks and natural resources | | | | |
| Personnel services | 1,341,125 | 1,341,125 | 654,885 | 686,240 |
| Materials and services | 533,843 | 533,843 | 224,173 | 309,670 |
| Capital outlay | 32,650 | 32,650 | 3,011 | 29,639 |
| Total parks and natural resources | ** 1,907,618 | 1,907,618 | 882,069 | 1,025,549 |
| Total expenditures | \$ 71,768,556 | \$ 74,853,856 | \$ 30,911,484 | \$ 43,942,372 |

**Legal appropriation level

BENTON COUNTY, OREGON**ROAD FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ending June 30, 2013

As of June 30, 2012

| | Biennium | | |
|---|-------------------------|----------------------------|---------------------------------|
| | Total Budget | 1st Year Actual | Variance with Budget |
| REVENUES | | | |
| Intergovernmental | \$ 12,532,086 | \$ 5,009,872 | \$ (7,522,214) |
| Charges for services | 2,277,146 | 1,115,675 | (1,161,471) |
| Interest | 16,240 | 5,807 | (10,433) |
| Miscellaneous | 1,609,600 | 282,497 | (1,327,103) |
| Total revenues | 16,435,072 | 6,413,851 | (10,021,221) |
| EXPENDITURES | | | |
| Public Works | | | |
| Personal services | 6,204,170 | 2,929,599 | 3,274,571 |
| Materials and services | 4,545,382 | 1,953,663 | 2,591,719 |
| Capital outlay | 7,007,379 | 1,752,125 | 5,255,254 |
| Debt service | 357,000 | 193,790 | 163,210 |
| Contingency | 956,822 | - | 956,822 |
| Total expenditures | 19,070,753 | 6,829,177 | 12,241,576 |
| Excess of revenues over (under) expenditures | (2,635,681) | (415,326) | 2,220,355 |
| OTHER FINANCING SOURCES | | | |
| Loan proceeds | 1,502,120 | 1,189,408 | (312,712) |
| Transfers in | 14,000 | 14,000 | - |
| Net other financing sources | 1,516,120 | 1,203,408 | (312,712) |
| Net change in fund balance | (1,119,561) | 788,082 | 1,907,643 |
| Fund balances - beginning | 1,119,561 | 1,429,594 | 310,033 |
| Fund balances - ending | \$ - | \$ 2,217,676 | \$ 2,217,676 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 2,217,676 | |
| Accrued payroll | | (98,118) | |
| Loan payable | - | (998,860) | |
| Inventory | | 372,880 | |
| GAAP ending fund balance | | \$ 1,493,578 | |

BENTON COUNTY, OREGON**BLOCK GRANT FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Budgeted Amounts | | 1st Year | Variance |
|---|-------------------------|--------------|-----------------------|--------------------------|
| | Original | Final | Actual Amounts | With Final Budget |
| REVENUES | | | | |
| Intergovernmental | \$ 2,000,000 | \$ 2,000,000 | \$ 20,944 | \$ (1,979,056) |
| Interest | 2,000 | 2,000 | 2,706 | 706 |
| Miscellaneous | 1,120,000 | 1,120,000 | 1,070,636 | (49,364) |
| Total revenues | 3,122,000 | 3,122,000 | 1,094,286 | (2,027,714) |
| EXPENDITURES | | | | |
| Community services: | | | | |
| Materials and services | 1,135,250 | 1,135,250 | 129,625 | 1,005,625 |
| Capital outlay | 2,200,000 | 2,200,000 | 8,376 | 2,191,624 |
| Total expenditures | 3,335,250 | 3,335,250 | 138,001 | 3,197,249 |
| Excess (deficiency) of revenues over (under) expenditures | (213,250) | (213,250) | 956,285 | 1,169,535 |
| OTHER FINANCING SOURCES | | | | |
| Loan principal | 66,250 | 66,250 | 83,173 | 16,923 |
| Total other financing sources | 66,250 | 66,250 | 83,173 | 16,923 |
| Net change in fund balance | (147,000) | (147,000) | 1,039,458 | 1,186,458 |
| Fund balances - beginning | 147,000 | 147,000 | 151,401 | 4,401 |
| Fund balances - ending | \$ - | \$ - | \$ 1,190,859 | \$ 1,190,859 |

BENTON COUNTY, OREGON**LOCAL OPTION LEVY FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Budgeted Amounts</i> | | <i>1st Year</i> | <i>Variance with</i> |
|--|-------------------------|-------------------|-----------------------|----------------------|
| | <i>Original</i> | <i>Final</i> | <i>Actual Amounts</i> | <i>Final Budget</i> |
| <i>Revenues</i> | | | | |
| Taxes | \$ 10,185,000 | \$ 10,185,000 | \$ 4,484,233 | \$ (5,700,767) |
| Intergovernmental | 376,000 | 376,000 | 224,880 | (151,120) |
| Interest | 100,000 | 100,000 | 23,556 | (76,444) |
| Total revenues | 10,661,000 | 10,661,000 | 4,732,669 | (5,928,331) |
| <i>Expenditures</i> | | | | |
| General government | 1,706,892 | 1,706,892 | 1,999 | 1,704,893 |
| Public safety | 2,703,230 | 2,703,230 | 1,170,508 | 1,532,722 |
| Health services | 631,220 | 631,220 | 285,629 | 345,591 |
| Justice services | 1,291,543 | 1,291,543 | 663,574 | 627,969 |
| Total expenditures | 6,332,885 | 6,332,885 | 2,121,710 | 4,211,175 |
| Excess (deficiency) of revenues over (under) expenditures | 4,328,115 | 4,328,115 | 2,610,959 | (1,717,156) |
| <i>Other financing sources (uses)</i> | | | | |
| Operating transfers out | (9,152,115) | (9,152,115) | (4,576,057) | 4,576,058 |
| Total other financing sources (uses) | (9,152,115) | (9,152,115) | (4,576,057) | 4,576,058 |
| Net change in fund balance | (4,824,000) | (4,824,000) | (1,965,098) | 2,858,902 |
| <i>Fund balances - beginning</i> | <i>5,724,000</i> | <i>5,724,000</i> | <i>5,974,487</i> | <i>250,487</i> |
| <i>Fund balances - ending</i> | <i>\$ 900,000</i> | <i>\$ 900,000</i> | <i>\$ 4,009,389</i> | <i>\$ 3,109,389</i> |

BENTON COUNTY, OREGON

LOCAL OPTION LEVY FUND

SCHEDULE OF EXPENDITURES (BUDGET AND ACTUAL)

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | | Budgeted Amounts | | 1st Year Actual | Variance with Final Budget |
|---------------------------|----|-------------------------|----------------------|----------------------------|---------------------------------------|
| | | Original | Final | | |
| General government | | | | | |
| Materials and services | | \$ 10,000 | \$ 10,000 | \$ 1,999 | \$ 8,001 |
| Other | | 10,833,073 | 10,833,073 | 4,568,090 | 6,264,983 |
| Total general government | ** | 10,843,073 | 10,843,073 | 4,570,089 | 6,272,984 |
| Public safety | | | | | |
| Personnel services | | 1,858,209 | 1,858,209 | 834,587 | 1,023,622 |
| Materials and services | | 845,021 | 845,021 | 335,921 | 509,100 |
| Other | | 15,934 | 15,934 | 7,967 | 7,967 |
| Total public safety | ** | 2,719,164 | 2,719,164 | 1,178,475 | 1,540,689 |
| Health services | | | | | |
| Personnel services | | 478,129 | 478,129 | 223,930 | 254,199 |
| Materials and services | | 153,091 | 153,091 | 61,699 | 91,392 |
| Total health services | ** | 631,220 | 631,220 | 285,629 | 345,591 |
| Justice services | | | | | |
| Personnel services | | 1,040,655 | 1,040,655 | 537,916 | 502,739 |
| Materials and services | | 250,888 | 250,888 | 125,658 | 125,230 |
| Total justice services | ** | 1,291,543 | 1,291,543 | 663,574 | 627,969 |
| Total Expenditures | | \$ 15,485,000 | \$ 15,485,000 | \$ 6,697,767 | \$ 8,787,233 |

**Legal appropriation level

BENTON COUNTY, OREGON**Required Supplementary Information****Schedule of Funding Progress - Other Postemployment Benefits***June 30, 2012*

| Actuarial Valuation Date | Actuarial Value of Assets | AAL | Unfunded Accrued Liability (UAAL) | Funded Ratio | Covered Payroll | UAAL as a % of Covered Payroll |
|--------------------------------|---------------------------------|--------------|---|-----------------|--------------------|---|
| 8/1/2010 | \$ - | \$ 4,970,251 | \$ 4,970,251 | 0.0% | \$ 21,654,531 | 23.0% |
| 8/1/2008 | \$ - | \$ 3,850,973 | \$ 3,850,973 | 0.0% | \$ 19,961,941 | 19.3% |
| 8/1/2006 | \$ - | \$ 5,833,656 | \$ 5,833,656 | 0.0% | \$ 18,162,741 | 32.1% |

The County's other post employment benefits include retiree healthcare and a retirement health premium plan.

BENTON COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2012

1. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

The budget of the County, as required by Oregon Local Budget Law, is prepared differently, in some respects, from generally accepted accounting principles. The following is a reconciliation of fund balances prepared on a budgetary basis and fund balances as prepared in accordance with generally accepted accounting principles (GAAP).

| | General Fund | Road Fund | Block Grant Fund | Local Option Fund |
|--------------------------------|----------------------|---------------------|---------------------|----------------------|
| Fund balance - budgetary basis | \$ 12,252,631 | \$ 2,217,676 | \$ 1,190,859 | \$ 4,009,389 |
| Inventory | - | 372,880 | - | - |
| Accrued payroll | (684,624) | (98,118) | - | (69,131) |
| Intergovernmental receivable | 100,339 | - | 258,723 | - |
| Loans outstanding | - | (998,860) | 4,392 | - |
| Fund balance - GAAP basis | <u>\$ 11,668,346</u> | <u>\$ 1,493,578</u> | <u>\$ 1,453,974</u> | <u>\$ 3,940,258</u> |

OTHER SUPPLEMENTARY INFORMATION



MAJOR GOVERNMENTAL FUNDS

General Fund - To account for resources traditionally associated with governments, which are not required to be accounted for in another fund.

Road Fund – To account for the maintenance of highways, roads and streets within the County. Financing is provided by the State of Oregon highway tax apportionment and federal forest reserves revenues.

Block Grant Fund – To account for the residual funds from low-income loans through HUD's Block Grant program. Some funds are restricted to use in future low-income housing programs, others are unrestricted.

Local Option Levy Fund – To account for the proceeds of a five-year local option levy.



BENTON COUNTY, OREGON**GENERAL FUND****BALANCE SHEET***June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|--|-----------------------------|-----------------------------|
| ASSETS | | |
| Cash and investments | \$ 11,631,523 | \$ 9,808,397 |
| Property taxes receivable | 743,465 | 789,479 |
| Accounts receivable | 486,122 | 382,515 |
| Due from other funds | 456,713 | 540,829 |
| Deposits | - | 1,202 |
| Intergovernmental receivables | 765,502 | 936,195 |
| Prepays | 27,261 | 38,392 |
| | <u> </u> | <u> </u> |
| Total assets | <u>\$ 14,110,586</u> | <u>\$ 12,497,009</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | \$ 1,002,033 | \$ 1,236,968 |
| Accrued payroll and payroll taxes | 689,462 | 708,080 |
| Other accrued liabilities | 6,588 | 5,501 |
| Due to other governmental agencies | 59,279 | - |
| Deferred revenue | 684,878 | 818,665 |
| | <u> </u> | <u> </u> |
| Total liabilities | <u>2,442,240</u> | <u>2,769,214</u> |
| Fund balances: | | |
| Nonspendable in form | 27,261 | 38,392 |
| Unassigned | 11,641,085 | 9,689,403 |
| | <u> </u> | <u> </u> |
| Total fund balances | <u>11,668,346</u> | <u>9,727,795</u> |
| Total liabilities and fund balances | <u>\$ 14,110,586</u> | <u>\$ 12,497,009</u> |

BENTON COUNTY, OREGON**GENERAL FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|-----------------------------|----------------------------|
| REVENUES | | |
| Taxes | \$ 14,759,828 | \$ 14,272,906 |
| Licenses and permits | 1,269,629 | 1,234,550 |
| Intergovernmental | 11,307,609 | 10,532,645 |
| Charges for services | 3,253,640 | 3,174,017 |
| Fines | 150 | 204 |
| Miscellaneous | 465,143 | 393,296 |
| Total revenues | <u>31,055,999</u> | <u>29,607,618</u> |
| EXPENDITURES | | |
| General government | 6,069,838 | 5,845,613 |
| Public safety | 9,367,014 | 9,033,465 |
| Health services | 8,000,227 | 7,685,014 |
| Justice services | 3,651,545 | 3,700,208 |
| Community services | 679,863 | 881,323 |
| Cultural and educational services | 481,374 | 461,777 |
| Parks and natural resources | 849,876 | 895,829 |
| Total expenditures | <u>29,099,737</u> | <u>28,503,229</u> |
| Excess of revenues over expenditures | <u>1,956,262</u> | <u>1,104,389</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 1,781,071 | 2,605,042 |
| Transfers out | <u>(1,796,782)</u> | <u>(3,355,052)</u> |
| Total other financing sources (uses) | <u>(15,711)</u> | <u>(750,010)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 1,940,551 | 354,379 |
| Fund balance - beginning | <u>9,727,795</u> | <u>9,373,416</u> |
| Fund balance - ending | <u><u>\$ 11,668,346</u></u> | <u><u>\$ 9,727,795</u></u> |

BENTON COUNTY, OREGON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

For the Biennium Ending June 30, 2013

As of June 30, 2012

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|--|-------------------------|-----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actuals</i> | |
| Revenues | | | |
| Taxes | \$ 29,416,000 | \$ 14,759,828 | \$ (14,656,172) |
| Licenses and permits | 2,819,810 | 1,269,629 | (1,550,181) |
| Intergovernmental | 21,613,447 | 11,307,609 | (10,305,838) |
| Charges for services | 6,495,597 | 3,253,640 | (3,241,957) |
| Fines | 950 | 150 | (800) |
| Interest | 400,000 | 60,619 | (339,381) |
| Miscellaneous | 403,985 | 335,837 | (68,148) |
| Total revenues | 61,149,789 | 30,987,312 | (30,162,477) |
| Expenditures | | | |
| General government | 17,439,927 | 6,301,794 | 11,138,133 |
| Public safety | 20,829,461 | 9,651,231 | 11,178,230 |
| Health services | 17,465,198 | 8,125,779 | 9,339,419 |
| Justice services | 8,565,399 | 3,757,484 | 4,807,915 |
| Community services | 1,119,144 | 690,033 | 429,111 |
| Cultural and educational services | 961,632 | 481,374 | 480,258 |
| Parks and natural resources | 1,907,618 | 882,069 | 1,025,549 |
| Total expenditures | 68,288,379 | 29,889,764 | 38,398,615 |
| Excess (deficiency) of revenues over (under) expenditures | (7,138,590) | 1,097,548 | 8,236,138 |
| Other financing sources (uses) | | | |
| Transfers in | 3,478,709 | 1,817,119 | (1,661,590) |
| Transfers out | (1,565,477) | (1,021,720) | 543,757 |
| Total other financing sources (uses) | 1,913,232 | 795,399 | (1,117,833) |
| Net change in fund balance | (5,225,358) | 1,892,947 | 7,118,305 |
| Fund balance - beginning | 10,225,358 | 10,359,684 | 134,326 |
| Fund balance - ending | \$ 5,000,000 | \$ 12,252,631 | \$ 7,252,631 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 12,252,631 | |
| Intergovernmental receivable | | 100,339 | |
| Accrued payroll | | (684,624) | |
| GAAP ending fund balance | | \$ 11,668,346 | |

BENTON COUNTY, OREGON**GENERAL FUND****SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | |
| General government | | | |
| Personnel services | \$ 8,729,489 | \$ 4,174,651 | \$ 4,554,838 |
| Materials and services | 5,421,753 | 2,120,443 | 3,301,310 |
| Capital outlay | 68,800 | 6,699 | 62,101 |
| Other | 9,507,518 | 845,798 | 8,661,720 |
| Total general government | ** 23,727,560 | 7,147,591 | 16,579,969 |
| Public safety | | | |
| Personnel services | 13,993,619 | 6,841,488 | 7,152,131 |
| Materials and services | 6,828,851 | 2,808,414 | 4,020,437 |
| Capital outlay | 6,991 | 1,330 | 5,661 |
| Other | 147,844 | 73,922 | 73,922 |
| Total public safety | ** 20,977,305 | 9,725,154 | 11,252,151 |
| Health services | | | |
| Personnel services | 6,727,890 | 3,285,410 | 3,442,480 |
| Materials and services | 10,737,308 | 4,840,369 | 5,896,939 |
| Total health services | ** 17,465,198 | 8,125,779 | 9,339,419 |
| Justice services | | | |
| Personnel services | 5,843,409 | 2,656,151 | 3,187,258 |
| Materials and services | 2,699,304 | 1,101,333 | 1,597,971 |
| Other | 22,686 | - | 22,686 |
| Total justice services | ** 8,565,399 | 3,757,484 | 4,807,915 |
| Community services | | | |
| Personnel services | 345,154 | 84,913 | 260,241 |
| Materials and services | 708,304 | 605,120 | 103,184 |
| Other | 195,686 | 102,000 | 93,686 |
| Total community services | ** 1,249,144 | 792,033 | 457,111 |
| Cultural and educational services | | | |
| Materials and services | 961,632 | 481,374 | 480,258 |
| Total cultural and educational services | ** 961,632 | 481,374 | 480,258 |
| Parks and natural resources | | | |
| Personnel services | 1,341,125 | 654,885 | 686,240 |
| Materials and services | 533,843 | 224,173 | 309,670 |
| Capital outlay | 32,650 | 3,011 | 29,639 |
| Total parks and natural resources | ** 1,907,618 | 882,069 | 1,025,549 |
| Total expenditures | 74,853,856 | 30,911,484 | 43,942,372 |
| Transfers out | (1,565,477) | (1,021,720) | 543,757 |
| Net expenditures | \$ 73,288,379 | \$ 29,889,764 | \$ 44,486,129 |

****Legal appropriation level**

BENTON COUNTY, OREGON**ROAD FUND****BALANCE SHEET***June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and investments | \$ 1,932,164 | \$ 1,402,946 |
| Accounts receivable | 40,259 | 23,917 |
| Intergovernmental receivables | 402,801 | 501,179 |
| Prepays | 7,602 | 1,676 |
| Inventories | <u>372,880</u> | <u>285,569</u> |
| Total assets | <u>\$ 2,755,706</u> | <u>\$ 2,215,287</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | \$ 165,150 | \$ 500,124 |
| Accrued payroll and payroll taxes | 98,118 | 101,446 |
| Loans payable | <u>998,860</u> | <u>-</u> |
| Total liabilities | <u>1,262,128</u> | <u>601,570</u> |
| Fund balances: | | |
| Nonspendable in form | 380,482 | 287,245 |
| Restricted for road maintenance & improvement | <u>1,113,096</u> | <u>1,326,472</u> |
| Total fund balances | <u>1,493,578</u> | <u>1,613,717</u> |
| Total liabilities and fund balances | <u>\$ 2,755,706</u> | <u>\$ 2,215,287</u> |

BENTON COUNTY, OREGON**ROAD FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE***For the Years Ended June 30, 2012 and 2011*

| | 2012 | 2011 |
|--|---------------------|---------------------|
| REVENUES | | |
| Intergovernmental | \$ 5,009,872 | \$ 4,194,797 |
| Charges for services | 1,115,675 | 796,148 |
| Interest | 5,807 | 7,591 |
| Miscellaneous | 282,497 | 7,665 |
| Total revenues | 6,413,851 | 5,006,201 |
| EXPENDITURES | | |
| Personal Services | 2,813,440 | 2,579,841 |
| Materials and services | 1,866,352 | 1,819,898 |
| Debt service | 3,242 | - |
| Capital outlay | 1,752,125 | 609,521 |
| Total expenditures | 6,435,159 | 5,009,260 |
| Excess of revenues over (under) expenditures | (21,308) | (3,059) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 14,000 | 413,407 |
| Transfers out | (112,831) | (110,231) |
| Net other financing sources | (98,831) | 303,176 |
| Net change in fund balances | (120,139) | 300,117 |
| Fund balances - beginning | 1,613,717 | 1,313,600 |
| Fund balances - ending | \$ 1,493,578 | \$ 1,613,717 |

BENTON COUNTY, OREGON

ROAD FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Budgeted Amounts | | 1st Year | Variance |
|---|-------------------------|---------------|-----------------------|--------------------------|
| | Original | Final | Actual Amounts | with Final Budget |
| REVENUES | | | | |
| Intergovernmental | \$ 12,532,086 | \$ 12,532,086 | \$ 5,009,872 | \$ (7,522,214) |
| Charges for services | 2,277,146 | 2,277,146 | 1,115,675 | (1,161,471) |
| Interest | 16,240 | 16,240 | 5,807 | (10,433) |
| Miscellaneous | 1,609,600 | 1,609,600 | 282,497 | (1,327,103) |
| Total revenues | 16,435,072 | 16,435,072 | 6,413,851 | (10,021,221) |
| EXPENDITURES | | | | |
| Public works: | | | | |
| Personnel services | 6,204,170 | 6,204,170 | 2,929,599 | 3,274,571 |
| Materials and services | 4,531,382 | 4,545,382 | 1,953,663 | 2,591,719 |
| Capital Outlay | 7,007,379 | 7,007,379 | 1,752,125 | 5,255,254 |
| Other | 956,822 | 956,822 | - | 956,822 |
| Total expenditures | 18,699,753 | 18,713,753 | 6,635,387 | 12,078,366 |
| Excess (deficiency) of revenues over (under) expenditures | (2,264,681) | (2,278,681) | (221,536) | 2,057,145 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | - | 14,000 | 14,000 | - |
| Loan proceeds | 1,502,120 | 1,502,120 | 1,189,408 | (312,712) |
| Loan principle | (300,000) | (300,000) | (190,548) | 109,452 |
| Loan interest | (57,000) | (57,000) | (3,242) | 53,758 |
| Net other financing sources (uses) | 1,145,120 | 1,159,120 | 1,009,618 | (149,502) |
| Net change in fund balance | (1,119,561) | (1,119,561) | 788,082 | 1,907,643 |
| Fund balances - beginning | 1,119,561 | 1,119,561 | 1,429,594 | 310,033 |
| Fund balances - ending | \$ - | \$ - | \$ 2,217,676 | \$ 2,217,676 |

BENTON COUNTY, OREGON**BLOCK GRANT FUND****BALANCE SHEET***June 30, 2012 and June 30, 2011*

| | <u>2012</u> | <u>2011</u> |
|--|----------------------------|--------------------------|
| ASSETS | | |
| Cash and investments | \$ 1,247,643 | \$ 151,401 |
| Notes receivable - block grants | 443,534 | 493,582 |
| Due from other governments | - | 13,859 |
| Advances to other funds | 258,723 | 286,373 |
| Loans receivable | <u>4,392</u> | <u>4,392</u> |
| Total assets | <u>\$ 1,954,292</u> | <u>\$ 949,607</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | \$ 56,784 | \$ 13,859.00 |
| Deferred revenues | <u>443,534</u> | <u>493,582</u> |
| Total liabilities | <u>500,318</u> | <u>507,441</u> |
| Fund balance: | | |
| Nonspendable | 258,723 | 286,373 |
| Committed | <u>1,195,251</u> | <u>155,793</u> |
| Total fund balance | <u>1,453,974</u> | <u>442,166</u> |
| Total liabilities and fund equity | <u>\$ 1,954,292</u> | <u>\$ 949,607</u> |

BENTON COUNTY, OREGON**BLOCK GRANT FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE***For the Years Ended June 30, 2012 and 2011*

| | 2012 | 2011 |
|--|----------------------------|--------------------------|
| REVENUES | | |
| Intergovernmental | \$ 20,944 | \$ 106,977 |
| Loan repayments | 55,523 | 3,535 |
| Interest | 2,706 | 1,693 |
| Donations and grants | 1,044,000 | - |
| Miscellaneous | 26,636 | - |
| Total revenues | <u>1,149,809</u> | <u>112,205</u> |
| EXPENDITURES | | |
| Community services: | | |
| Materials and services | 129,625 | 144,584 |
| Capital outlay | 8,376 | - |
| Total expenditures | <u>138,001</u> | <u>144,584</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,011,808</u> | <u>(32,379)</u> |
| Net change in fund balance | 1,011,808 | (32,379) |
| Fund balances - beginning | <u>442,166</u> | <u>474,545</u> |
| Fund balances - ending | <u><u>\$ 1,453,974</u></u> | <u><u>\$ 442,166</u></u> |

BENTON COUNTY, OREGON**BLOCK GRANT FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium</i> | | |
|---|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Intergovernmental | \$ 2,000,000 | \$ 20,944 | \$ (1,979,056) |
| Interest | 2,000 | 2,706 | 706 |
| Miscellaneous | 1,120,000 | 1,070,636 | (49,364) |
| | | | |
| Total revenues | 3,122,000 | 1,094,286 | (2,027,714) |
| | | | |
| EXPENDITURES | | | |
| Community services | | | |
| Materials and services | 1,135,250 | 129,625 | 1,005,625 |
| Capital outlay | 2,200,000 | 8,376 | 2,191,624 |
| | | | |
| Total expenditures | 3,335,250 | 138,001 | 3,197,249 |
| | | | |
| Excess of revenues over (under) expenditures | (213,250) | 956,285 | 1,169,535 |
| | | | |
| OTHER FINANCING SOURCES | | | |
| Loans principal | 66,250 | 83,173 | 16,923 |
| | | | |
| Total other financing sources | 66,250 | 83,173 | 16,923 |
| | | | |
| Net change in fund balance | (147,000) | 1,039,458 | 1,186,458 |
| | | | |
| Fund balances - beginning | 147,000 | 151,401 | 4,401 |
| | | | |
| Fund balances - ending | \$ - | \$ 1,190,859 | \$ 1,190,859 |
| | | | |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 1,190,859 | |
| Loans receivable | | 4,392 | |
| Advances to other funds | | 258,723 | |
| | | | |
| GAAP ending fund balance | | \$ 1,453,974 | |

BENTON COUNTY, OREGON
LOCAL OPTION LEVY FUND
BALANCE SHEET
June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|----------------------------|----------------------------|
| ASSETS | | |
| Cash and investments | \$ 4,011,249 | \$ 5,965,636 |
| Taxes receivable | 238,528 | 234,147 |
| Prepays | <u>-</u> | <u>1,740</u> |
| Total assets | <u>\$ 4,249,777</u> | <u>\$ 6,201,523</u> |
| LIABILITIES AND FUND BALANCES | | |
| Liabilities: | | |
| Accounts payable | \$ 27,028 | \$ 20,399 |
| Accrued payroll and payroll taxes | 69,131 | 18,666 |
| Deferred revenues | <u>213,360</u> | <u>206,637</u> |
| Total liabilities | <u>309,519</u> | <u>245,702</u> |
| Fund balances: | | |
| Nonspendable | - | 1,740 |
| Committed | <u>3,940,258</u> | <u>5,954,081</u> |
| Total fund balances | <u>3,940,258</u> | <u>5,955,821</u> |
| Total liabilities and fund balances | <u>\$ 4,249,777</u> | <u>\$ 6,201,523</u> |

BENTON COUNTY, OREGON**LOCAL OPTION LEVY FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE***For the Years Ended June 30, 2012 and June 30, 2011*

| | <u>2012</u> | <u>2011</u> |
|--|----------------------------|----------------------------|
| REVENUES | | |
| Taxes and special assessments | \$ 4,484,234 | \$ 2,410,999 |
| Intergovernmental | 224,880 | 1,535,002 |
| Interest | <u>23,556</u> | <u>41,711</u> |
| Total revenues | <u>4,732,670</u> | <u>3,987,712</u> |
| EXPENDITURES | | |
| General government | 1,999 | 1,556 |
| Public safety | 1,166,820 | 1,120,373 |
| Health services | 283,182 | 250,748 |
| Justice services | <u>654,156</u> | <u>518,720</u> |
| Total expenditures | <u>2,106,157</u> | <u>1,891,397</u> |
| Excess of revenues over (under) expenditures | <u>2,626,513</u> | <u>2,096,315</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers out | <u>(4,642,076)</u> | <u>(2,760,568)</u> |
| Net other financing sources (uses) | <u>(4,642,076)</u> | <u>(2,760,568)</u> |
| Net change in fund balances | (2,015,563) | (664,253) |
| Fund balances - beginning | <u>5,955,821</u> | <u>6,620,074</u> |
| Fund balances - ending | <u><u>\$ 3,940,258</u></u> | <u><u>\$ 5,955,821</u></u> |

BENTON COUNTY, OREGON**LOCAL OPTION LEVY FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium</i> | | |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Taxes | \$ 10,185,000 | \$ 4,484,233 | \$ (5,700,767) |
| Intergovernmental | 376,000 | 224,880 | (151,120) |
| Interest | 100,000 | 23,556 | (76,444) |
| Total revenues | 10,661,000 | 4,732,669 | (5,928,331) |
| EXPENDITURES | | | |
| General government | 1,706,892 | 1,999 | 1,704,893 |
| Public safety | 2,703,230 | 1,170,508 | 1,532,722 |
| Health services | 631,220 | 285,629 | 345,591 |
| Justice services | 1,291,543 | 663,574 | 627,969 |
| Total expenditures | 6,332,885 | 2,121,710 | 4,211,175 |
| Excess (deficiency) of revenues over (under) expenditures | 4,328,115 | 2,610,959 | (1,717,156) |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers out | (9,152,115) | (4,576,057) | 4,576,058 |
| Total other financing sources (uses) | (9,152,115) | (4,576,057) | 4,576,058 |
| Net change in fund balance | (4,824,000) | (1,965,098) | 2,858,902 |
| Fund balances - beginning | 5,724,000 | 5,974,487 | 250,487 |
| Fund balances - ending | \$ 900,000 | \$ 4,009,389 | \$ 3,109,389 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 4,009,389 | |
| Accrued payroll | | (69,131) | |
| GAAP ending fund balance | | \$ 3,940,258 | |

BENTON COUNTY, OREGON**LOCAL OPTION LEVY FUND****SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | | <i>Biennium Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
|----------------------------------|----|-----------------------------------|-----------------------------------|--|
| General government | | | | |
| Materials and services | | 10,000 | 1,999 | 8,001 |
| Other | | 10,833,073 | 4,568,090 | 6,264,983 |
| Total general government | ** | 10,843,073 | 4,570,089 | 6,272,984 |
| Public safety | | | | |
| Personal services | | 1,858,209 | 834,587 | 1,023,622 |
| Materials and services | | 845,021 | 335,921 | 509,100 |
| Other | | 15,934 | 7,967 | 7,967 |
| Total public safety | ** | 2,719,164 | 1,178,475 | 1,540,689 |
| Health services | | | | |
| Personal services | | 478,129 | 223,930 | 254,199 |
| Materials and services | | 153,091 | 61,699 | 91,392 |
| Total health services | ** | 631,220 | 285,629 | 345,591 |
| Justice services | | | | |
| Personal services | | 1,040,655 | 537,916 | 502,739 |
| Materials and services | | 250,888 | 125,658 | 125,230 |
| Total justice services | ** | 1,291,543 | 663,574 | 627,969 |
| <i>Total Expenditures</i> | | <i>\$ 15,485,000</i> | <i>\$ 6,697,767</i> | <i>\$ 8,787,233</i> |
| Transfers Out | | | (4,576,057) | |
| <i>Net expenditures</i> | | | <i>\$ 2,121,710</i> | |

****Legal appropriation level**

BENTON COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2012

| | <i>Total Nonmajor Special Revenue Funds</i> | <i>Total Nonmajor Debt Service Funds</i> | <i>Total Nonmajor Capital Projects Funds</i> | <i>Total</i> |
|--|--|---|---|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 3,125,953 | \$ 1,571,860 | \$ 724,378 | \$ 5,422,191 |
| Receivables: | | | | |
| Taxes | 121,425 | - | - | 121,425 |
| Intergovernmental | 142,368 | - | - | 142,368 |
| Advances to other funds | - | - | 1,207,376 | 1,207,376 |
| Inventory | 3,458 | - | - | 3,458 |
| Prepays | 1,304 | - | 16,064 | 17,368 |
| Total assets | \$ 3,394,508 | \$ 1,571,860 | \$ 1,947,818 | \$ 6,914,186 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 407,690 | \$ - | \$ 43,258 | \$ 450,948 |
| Accrued payroll costs | 36,022 | - | - | 36,022 |
| Due to other funds | 135,512 | - | - | 135,512 |
| Deferred revenue | 106,609 | - | - | 106,609 |
| Total liabilities | 685,833 | - | 43,258 | 729,091 |
| Fund Balances: | | | | |
| Nonspendable in form | 4,762 | - | 1,223,440 | 1,228,202 |
| Restricted for: | | | | |
| Library services | 15,403 | - | - | 15,403 |
| Land preservation | 140,059 | - | - | 140,059 |
| Transportation service | 189,386 | - | - | 189,386 |
| Public safety | 1,032,804 | - | - | 1,032,804 |
| Title III program | 234,858 | - | - | 234,858 |
| Committed to: | | | | |
| Cemetery operations | 125,566 | - | - | 125,566 |
| Health services | 1,091,443 | - | - | 1,091,443 |
| Debt Service | - | 1,571,860 | - | 1,571,860 |
| Capital projects | - | - | 681,120 | 681,120 |
| Assigned to: | | | | |
| Water services | 899 | - | - | 899 |
| Unassigned | (150,767) | - | - | (150,767) |
| Total fund balances | 2,684,413 | 1,571,860 | 1,904,560 | 6,160,833 |
| Total liabilities and fund balances | \$ 3,370,246 | \$ 1,571,860 | \$ 1,947,818 | \$ 6,889,924 |

BENTON COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2012

| | <i>Total Nonmajor Special Revenue Funds</i> | <i>Total Nonmajor Debt Service Funds</i> | <i>Total Nonmajor Capital Projects Funds</i> | <i>Total</i> |
|--|--|---|---|---------------------|
| REVENUES | | | | |
| Taxes | \$ 2,404,415 | \$ - | \$ - | \$ 2,404,415 |
| Intergovernmental | 3,109,487 | - | 236,203 | 3,345,690 |
| Charges for services | 983,807 | 51,009 | - | 1,034,816 |
| Interest | 15,093 | 7,796 | 2,598 | 25,487 |
| Miscellaneous | 36,543 | - | 34,602 | 71,145 |
| Total revenues | 6,549,345 | 58,805 | 273,403 | 6,881,553 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 142,578 | 850 | - | 143,428 |
| Public works | 62,047 | - | - | 62,047 |
| Public safety | 1,953,170 | - | - | 1,953,170 |
| Health services | 1,392,608 | - | - | 1,392,608 |
| Justice services | 27,693 | - | - | 27,693 |
| Community services | 1,015,689 | - | - | 1,015,689 |
| Cultural and educational services | 3,611,533 | - | - | 3,611,533 |
| Debt service: | | | | |
| Principal | - | 235,781 | - | 235,781 |
| Interest | - | 1,147,831 | - | 1,147,831 |
| Capital outlay | - | - | 1,036,015 | 1,036,015 |
| Total expenditures | 8,205,318 | 1,384,462 | 1,036,015 | 10,625,795 |
| Excess (deficiency) of revenues over (under) expenditures | (1,655,973) | (1,325,657) | (762,612) | (3,744,242) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,711,571 | 1,466,683 | 672,745 | 3,850,999 |
| Transfers out | (242,677) | - | (46) | (242,723) |
| Total other financing sources (uses) | 1,468,894 | 1,466,683 | 672,699 | 3,608,276 |
| Net change in fund balances | (187,079) | 141,026 | (89,913) | (135,966) |
| Fund balances - beginning | 2,895,754 | 1,430,834 | 1,994,473 | 6,321,061 |
| Fund balances - ending | \$ 2,708,675 | \$ 1,571,860 | \$ 1,904,560 | \$ 6,185,095 |

NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

County School Fund - To account for the distribution to the school districts within the County's jurisdiction of State of Oregon Common School Fund and County School Fund monies.

Fair Fund - To account for the operations of the Benton County Fair and the facilities located at the fairgrounds.

Library Services District Fund - To account for the operating costs of the public library jointly supported by the City of Corvallis and by the County.

Land Corner Preservation Fund - To account for revenues from recordings and land title transactions dedicated for use in maintaining markers as set by County ordinance.

Oregon Health Plan Fund - To account for the operations of the Oregon Health Plan administered by the County for the State of Oregon to provide health services to individuals not otherwise covered by health insurance.

Court Security Fund - To account for funds collected to increase courtroom security.

Special Transportation Fund - To account for the proceeds and distributions of a one-cent cigarette tax under ORS 391.800 through 391.830 which funds County programs for transportation of the elderly and handicapped.

Adult Corrections Fund – To account for serial levy to fund rental of jail beds.

Title III Projects Fund – To account for Title III funds of the “Secure Rural Schools and Community Self- Determination Act of 2000”.

Cemetery Operations Fund – To account for the operations of Crystal Lake Cemetery.

West Lewellyn County Service District Fund - To account for the assessment of property taxes to pay for the cost of a study done to determine the feasibility of extending water services.

BENTON COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2012

| | <i>County School</i> | <i>Fair</i> | <i>Library Services District</i> | <i>Land Corner Preservation</i> | <i>Oregon Health Plan</i> | <i>Court Security</i> |
|--|--------------------------|------------------|--|---|-----------------------------------|---------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ - | \$ - | \$ 145,896 | \$ 140,457 | \$ 1,091,443 | \$ 24,581 |
| Property taxes receivable | - | - | 118,565 | - | - | - |
| Intergovernmental receivables | 11,325 | - | - | 9 | - | 1,557 |
| Inventory | - | - | - | 3,458 | - | - |
| Prepays | - | 564 | - | - | - | - |
| Total assets | \$ 11,325 | \$ 564 | \$ 264,461 | \$ 143,924 | \$ 1,091,443 | \$ 26,138 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ - | \$ 12,522 | \$ 145,000 | \$ 407 | \$ - | \$ 1 |
| Accrued payroll costs | - | 14,058 | - | - | - | 1,875 |
| Due to other funds | 11,325 | 124,187 | - | - | - | - |
| Deferred revenue | - | - | 104,058 | - | - | - |
| Total liabilities | 11,325 | 150,767 | 249,058 | 407 | - | 1,876 |
| Fund Balances: | | | | | | |
| Nonspendable in form | | 564 | - | 3,458 | - | - |
| Restricted for: | | | | | | |
| Library services | - | - | 15,403 | - | - | - |
| Land preservation | - | - | - | 140,059 | - | - |
| Public safety | - | - | - | - | - | - |
| Justice services | - | - | - | - | - | 24,262 |
| Transportation service | - | - | - | - | - | - |
| Title III program | - | - | - | - | - | - |
| Committed to: | | | | | | |
| Cemetery operations | - | - | - | - | - | - |
| Health services | - | - | - | - | 1,091,443 | - |
| Assigned to: | | | | | | |
| Water services | - | - | - | - | - | - |
| Unassigned | | (150,767) | - | - | - | - |
| Total fund balances | - | (150,203) | 15,403 | 143,517 | 1,091,443 | 24,262 |
| Total liabilities and fund balances | \$ 11,325 | \$ 564 | \$ 264,461 | \$ 143,924 | \$ 1,091,443 | \$ 26,138 |

| <i>Special Transportation</i> | <i>Adult Corrections</i> | <i>Title III Projects Fund</i> | <i>Cemetery Operations</i> | <i>West Lewellyn CSD</i> | <i>Total</i> |
|--|-------------------------------------|---|---------------------------------------|---|----------------------------|
| \$ 201,750 | \$ 1,147,501 | \$ 247,148 | \$ 126,278 | \$ 899 | \$ 3,125,953 |
| - | 2,860 | - | - | - | 121,425 |
| 129,477 | - | - | - | - | 142,368 |
| - | - | - | - | - | 3,458 |
| - | 740 | - | - | - | 1,304 |
| <u>\$ 331,227</u> | <u>\$ 1,151,101</u> | <u>\$ 247,148</u> | <u>\$ 126,278</u> | <u>\$ 899</u> | <u>\$ 3,394,508</u> |
| | | | | | |
| \$ 141,841 | \$ 94,930 | \$ 12,290 | \$ 699 | \$ - | \$ 407,690 |
| - | 20,076 | - | 13 | - | 36,022 |
| - | - | - | - | - | 135,512 |
| - | 2,551 | - | - | - | 106,609 |
| <u>141,841</u> | <u>117,557</u> | <u>12,290</u> | <u>712</u> | <u>-</u> | <u>685,833</u> |
| | | | | | |
| - | 740 | - | - | - | 4,762 |
| | | | | | |
| - | - | - | - | - | 15,403 |
| - | - | - | - | - | 140,059 |
| - | 1,032,804 | - | - | - | 1,032,804 |
| - | - | - | - | - | 24,262 |
| 189,386 | - | - | - | - | 189,386 |
| - | - | 234,858 | - | - | 234,858 |
| | | | | | |
| - | - | - | 125,566 | - | 125,566 |
| - | - | - | - | - | 1,091,443 |
| | | | | | |
| - | - | - | - | 899 | 899 |
| - | - | - | - | - | (150,767) |
| <u>189,386</u> | <u>1,033,544</u> | <u>234,858</u> | <u>125,566</u> | <u>899</u> | <u>2,708,675</u> |
| <u>\$ 331,227</u> | <u>\$ 1,151,101</u> | <u>\$ 247,148</u> | <u>\$ 126,278</u> | <u>\$ 899</u> | <u>\$ 3,394,508</u> |

BENTON COUNTY, OREGON**NON MAJOR SPECIAL REVENUE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**

For the Year Ended June 30, 2012

| | <i>County School</i> | <i>Fair</i> | <i>Library Services District</i> | <i>Land Corner Preservation</i> | <i>Oregon Health Plan</i> | <i>Court Security</i> |
|--|--------------------------|---------------------|--|---|-----------------------------------|---------------------------|
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$2,402,053 | \$ - | \$ - | \$ - |
| Intergovernmental | 218,951 | 50,002 | 12,569 | - | 2,119,873 | 61,755 |
| Charges for services | - | 603,482 | - | 104,712 | - | - |
| Interest | 295 | - | 1,782 | 541 | 2,827 | 29 |
| Miscellaneous | - | 36,523 | - | - | - | - |
| Total revenues | <u>219,246</u> | <u>690,007</u> | <u>2,416,404</u> | <u>105,253</u> | <u>2,122,700</u> | <u>61,784</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - |
| Public works | - | - | - | 62,047 | - | - |
| Health services | - | - | - | - | 1,392,608 | - |
| Justice services | - | - | - | - | - | 27,693 |
| Community services | - | - | - | - | - | - |
| Cultural and educational | 219,246 | 972,097 | 2,420,190 | - | - | - |
| Total expenditures | <u>219,246</u> | <u>972,097</u> | <u>2,420,190</u> | <u>62,047</u> | <u>1,392,608</u> | <u>27,693</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(282,090)</u> | <u>(3,786)</u> | <u>43,206</u> | <u>730,092</u> | <u>34,091</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | 274,551 | - | - | - | - |
| Transfers out | - | (14,490) | - | - | (180,504) | (2,262) |
| Total other financing sources (uses) | <u>-</u> | <u>260,061</u> | <u>-</u> | <u>-</u> | <u>(180,504)</u> | <u>(2,262)</u> |
| Net change in fund balances | - | (22,029) | (3,786) | 43,206 | 549,588 | 31,829 |
| Fund balances - beginning | <u>-</u> | <u>(128,174)</u> | <u>19,189</u> | <u>100,311</u> | <u>541,855</u> | <u>(7,567)</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ (150,203)</u> | <u>\$ 15,403</u> | <u>\$ 143,517</u> | <u>\$1,091,443</u> | <u>\$ 24,262</u> |

| <i>Special Transportation</i> | <i>Adult Corrections</i> | <i>Title III Projects</i> | <i>Cemetery Operations</i> | <i>West Lewellyn CSD</i> | <i>Total</i> |
|-----------------------------------|------------------------------|-------------------------------|--------------------------------|----------------------------------|---------------------|
| \$ - | \$ 2,362 | \$ - | \$ - | \$ - | \$ 2,404,415 |
| 587,971 | - | 58,366 | - | - | 3,109,487 |
| 261,495 | - | - | 14,118 | - | 983,807 |
| 925 | 6,796 | 1,286 | 608 | 4 | 15,093 |
| - | - | - | 20 | - | 36,543 |
| <u>850,391</u> | <u>9,158</u> | <u>59,652</u> | <u>14,746</u> | <u>4</u> | <u>6,549,345</u> |
| - | - | 120,397 | 22,181 | - | 142,578 |
| - | 1,953,170 | - | - | - | 1,953,170 |
| - | - | - | - | - | 62,047 |
| - | - | - | - | - | 1,392,608 |
| - | - | - | - | - | 27,693 |
| 1,015,689 | - | - | - | - | 1,015,689 |
| - | - | - | - | - | 3,611,533 |
| <u>1,015,689</u> | <u>1,953,170</u> | <u>120,397</u> | <u>22,181</u> | <u>-</u> | <u>8,205,318</u> |
| <u>(165,298)</u> | <u>(1,944,012)</u> | <u>(60,745)</u> | <u>(7,435)</u> | <u>4</u> | <u>(1,655,973)</u> |
| - | 1,437,020 | - | - | - | 1,711,571 |
| - | (35,904) | - | (9,517) | - | (242,677) |
| - | 1,401,116 | - | (9,517) | - | 1,468,894 |
| (165,298) | (542,896) | (60,745) | (16,952) | 4 | (187,079) |
| <u>354,684</u> | <u>1,576,440</u> | <u>295,603</u> | <u>142,518</u> | <u>895</u> | <u>2,895,754</u> |
| <u>\$ 189,386</u> | <u>\$1,033,544</u> | <u>\$ 234,858</u> | <u>\$ 125,566</u> | <u>\$ 899</u> | <u>\$ 2,708,675</u> |

BENTON COUNTY, OREGON**COUNTY SCHOOL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ended June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|------------------------------------|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | |
| REVENUES | | | |
| Intergovernmental | \$ 615,000 | \$ 218,951 | \$ (396,049) |
| Interest | - | 295 | 295 |
| Total revenues | 615,000 | 219,246 | (395,754) |
| EXPENDITURES | | | |
| Cultural and educational services: | | | |
| Other | 615,000 | 219,246 | 395,754 |
| Total expenditures | 615,000 | 219,246 | 395,754 |
| Net change in fund balance | - | - | - |
| <i>Fund balances - beginning</i> | - | - | - |
| <i>Fund balances - ending</i> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BENTON COUNTY, OREGON**FAIR FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium</i> | | |
|---|--------------------------------|-----------------------------------|--|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Intergovernmental | \$ 74,000 | \$ 50,002 | \$ (23,998) |
| Charges for services | 1,292,000 | 603,482 | (688,518) |
| Miscellaneous | 68,000 | 36,523 | (31,477) |
| Total revenues | 1,434,000 | 690,007 | (743,993) |
| EXPENDITURES | | | |
| Cultural and educational services: | | | |
| Personal services | 782,493 | 364,775 | 417,718 |
| Materials and services | 1,191,794 | 619,817 | 571,977 |
| Contingency | 8,815 | - | 8,815 |
| Total expenditures | 1,983,102 | 984,592 | 998,510 |
| Excess (deficiency) of revenues over (under) expenditures | (549,102) | (294,585) | 254,517 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 549,102 | 274,551 | (274,551) |
| Net other financing sources | 549,102 | 274,551 | (274,551) |
| Net change in fund balance | - | (20,034) | (20,034) |
| Fund balances - beginning deficit | - | (116,111) | (116,111) |
| Fund balances - ending deficit | \$ - | \$ (136,145) | \$ (136,145) |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending deficit fund balance | | \$ (136,145) | |
| Accrued Payroll | | (14,058) | |
| GAAP ending deficit fund balance | | \$ (150,203) | |

BENTON COUNTY, OREGON**LIBRARY SERVICE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Biennium | | |
|------------------------------------|--------------------------------|-----------------------------------|--|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Taxes | \$ 4,850,250 | \$ 2,402,053 | \$ (2,448,197) |
| Intergovernmental | 30,500 | 12,569 | (17,931) |
| Interest | 2,000 | 1,782 | (218) |
| Total revenues | <u>4,882,750</u> | <u>2,416,404</u> | <u>(2,466,346)</u> |
| EXPENDITURES | | | |
| Cultural and educational services: | | | |
| Materials and services | <u>4,882,750</u> | <u>2,420,190</u> | <u>2,462,560</u> |
| Total expenditures | <u>4,882,750</u> | <u>2,420,190</u> | <u>2,462,560</u> |
| Net change in fund balance | - | (3,786) | (3,786) |
| Fund balances - beginning | <u>-</u> | <u>19,189</u> | <u>19,189</u> |
| Fund balances - ending | <u><u>\$ -</u></u> | <u><u>\$ 15,403</u></u> | <u><u>\$ 15,403</u></u> |

BENTON COUNTY, OREGON**LAND CORNER PRESERVATION FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Biennium | | |
|--------------------------------------|--------------------------------|-----------------------------------|--|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Charges for services | \$ 231,000 | \$ 104,712 | \$ (126,288) |
| Interest | 1,643 | 541 | (1,102) |
| Total revenues | 232,643 | 105,253 | (127,390) |
| EXPENDITURES | | | |
| Public works: | | | |
| Personal services | 82,960 | 550 | 82,410 |
| Materials and services | 117,560 | 61,404 | 56,156 |
| Capital Outlay | 2,000 | - | 2,000 |
| Contingency | 125,453 | - | 125,453 |
| Total expenditures | 327,973 | 61,954 | 266,019 |
| Net change in fund balance | (95,330) | 43,299 | 138,629 |
| Fund balances - beginning | 95,330 | 96,760 | 1,430 |
| Fund balances - ending | \$ - | \$ 140,059 | \$ 140,059 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 140,059 | |
| Inventory | | 3,458 | |
| GAAP ending fund balance | | \$ 143,517 | |

BENTON COUNTY, OREGON**OREGON HEALTH PLAN FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium</i> | | |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Intergovernmental | \$ 2,651,715 | \$ 2,119,873 | \$ (531,842) |
| Interest | - | 2,827 | 2,827 |
| Total revenues | 2,651,715 | 2,122,700 | (529,015) |
| EXPENDITURES | | | |
| Health services: | | | |
| Materials and services | 2,749,027 | 1,392,608 | 1,356,419 |
| Contingency | 250,000 | - | 250,000 |
| Total expenditures | 2,999,027 | 1,392,608 | 1,606,419 |
| Excess (deficiency) of revenues over (under) expenditures | (347,312) | 730,092 | 1,077,404 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (180,504) | (180,504) | - |
| Net other financing sources (uses) | (180,504) | (180,504) | - |
| Net change in fund balance | (527,816) | 549,588 | 1,077,404 |
| Fund balances - beginning | 527,816 | 541,855 | 14,039 |
| Fund balances - ending | \$ - | \$ 1,091,443 | \$ 1,091,443 |

BENTON COUNTY, OREGON**COURT SECURITY FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Biennium | | |
|--------------------------------------|-------------------------|----------------------------|---------------------------------|
| | Total Budget | 1st Year Actual | Variance with Budget |
| REVENUES | | | |
| Intergovernmental | \$ 84,000 | \$ 61,755 | \$ (22,245) |
| Interest | 200 | 29 | (171) |
| Total revenues | 84,200 | 61,784 | (22,416) |
| EXPENDITURES | | | |
| Justice: | | | |
| Personnel services | 76,158 | 33,109 | 43,049 |
| Materials and services | 8,042 | 2,535 | 5,507 |
| Total expenditures | 84,200 | 35,644 | 48,556 |
| Net change in fund balance | - | 26,140 | 26,140 |
| Fund balances - beginning | - | (3) | (3) |
| Fund balances - ending | \$ - | \$ 26,137 | \$ 26,137 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 26,137 | |
| Accrued payroll | | (1,875) | |
| GAAP ending fund balance | | \$ 24,262 | |

BENTON COUNTY, OREGON**SPECIAL TRANSPORTATION FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
|---|-----------------------------------|-----------------------------------|--|
| REVENUES | | | |
| Intergovernmental | \$ 1,522,440 | \$ 587,971 | \$ (934,469) |
| Charges for services | 693,923 | 261,495 | (432,428) |
| Miscellaneous | 8,000 | - | (8,000) |
| Interest | 3,188 | 925 | (2,263) |
| Total revenues | <u>2,227,551</u> | <u>850,391</u> | <u>(1,377,160)</u> |
| EXPENDITURES | | | |
| Community services: | | | |
| Materials and services | 2,101,730 | 851,583 | 1,250,147 |
| Capital outlay | 250,000 | 164,106 | 85,894 |
| Debt service | 103,000 | - | 103,000 |
| Contingency | 50,727 | - | 50,727 |
| Total expenditures | <u>2,505,457</u> | <u>1,015,689</u> | <u>1,489,768</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(277,906)</u> | <u>(165,298)</u> | <u>112,608</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Loans proceeds | <u>100,000</u> | <u>-</u> | <u>(100,000)</u> |
| Net other financing sources (uses) | <u>100,000</u> | <u>-</u> | <u>(100,000)</u> |
| Net change in fund balance | (177,906) | (165,298) | 12,608 |
| Fund balances - beginning | <u>177,906</u> | <u>354,684</u> | <u>176,778</u> |
| Fund balances - ending | <u><u>\$ -</u></u> | <u><u>\$ 189,386</u></u> | <u><u>\$ 189,386</u></u> |

BENTON COUNTY, OREGON**ADULT CORRECTIONS FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium</i> | | |
|---|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Taxes | \$ 12,000 | \$ 2,362 | \$ (9,638) |
| Interest | - | 6,796 | 6,796 |
| Total revenues | 12,000 | 9,158 | (2,842) |
| EXPENDITURES | | | |
| Public safety: | | | |
| Personal services | 1,732,440 | 887,362 | 845,078 |
| Materials and services | 2,691,670 | 1,120,952 | 1,570,718 |
| Capital Outlay | 14,000 | - | 14,000 |
| Contingency | 32,367 | - | 32,367 |
| Total expenditures | 4,470,477 | 2,008,314 | 2,429,796 |
| Excess (deficiency) of revenues over (under) expenditures | (4,458,477) | (1,999,156) | 2,459,321 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 2,874,041 | 1,437,020 | (1,437,021) |
| Transfers out | (2,512) | (1,256) | 1,256 |
| Net other financing sources (uses) | 2,871,529 | 1,435,764 | (1,435,765) |
| Net change in fund balance | (1,586,948) | (563,392) | 1,023,556 |
| Fund balances - beginning | 1,586,948 | 1,617,012 | 30,064 |
| Fund balances - ending | \$ - | \$ 1,053,620 | \$ 1,053,620 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 1,053,620 | |
| Accrued payroll | | (20,076) | |
| GAAP ending fund balance | | \$ 1,033,544 | |

BENTON COUNTY, OREGON**TITLE III PROJECTS FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Biennium | | |
|----------------------------------|--------------------------------|-----------------------------------|--|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Intergovernmental | \$ 100,000 | \$ 58,366 | \$ (41,634) |
| Interest | 500 | 1,286 | 786 |
| Total revenues | 100,500 | 59,652 | (40,848) |
| EXPENDITURES | | | |
| General government: | | | |
| Materials and services | 350,500 | 120,397 | 230,103 |
| Total expenditures | 350,500 | 120,397 | 230,103 |
| Net change in fund balance | (250,000) | (60,745) | 189,255 |
| Fund balances - beginning | 250,000 | 295,603 | 45,603 |
| Fund balances - ending | \$ - | \$ 234,858 | \$ 234,858 |

BENTON COUNTY, OREGON**CEMETERY OPERATIONS FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | Biennium | | |
|--|-------------------------|----------------------------|---------------------------------|
| | Total Budget | 1st Year Actual | Variance with Budget |
| REVENUES | | | |
| Charges for services | \$ 25,640 | \$ 14,118 | \$ (11,522) |
| Interest | 4,000 | 608 | (3,392) |
| Miscellaneous | - | 20 | 20 |
| Total revenues | 29,640 | 14,746 | (14,894) |
| EXPENDITURES | | | |
| General government: | | | |
| Personnel services | 6,000 | 4,750 | 1,250 |
| Materials and services | 52,745 | 17,922 | 34,823 |
| Contingency | 119,208 | - | 119,208 |
| Total expenditures | 177,953 | 22,672 | 155,281 |
| Excess (deficiency) of revenues over (under) expenditures | (148,313) | (7,926) | 140,387 |
| OTHER FINANCING (USES) | | | |
| Transfers out | (18,524) | (9,262) | 9,262 |
| Net other financing (uses) | (18,524) | (9,262) | 9,262 |
| Net change in fund balance | (166,837) | (17,188) | 149,649 |
| Fund balances - beginning | 166,837 | 142,767 | (24,070) |
| Fund balances - ending | \$ - | \$ 125,579 | \$ 125,579 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 125,579 | |
| Accrued payroll | | (13) | |
| GAAP ending fund balance | | \$ 125,566 | |

BENTON COUNTY, OREGON**WEST LEWELLYN SERVICE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ended June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|--------------------------------------|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | |
| REVENUES | | | |
| Interest | \$ - | \$ 4 | \$ 4 |
| <i>Fund balances - beginning</i> | - | 895 | 895 |
| <i>Fund balances - ending</i> | \$ - | \$ 899 | \$ 899 |

NON-MAJOR DEBT SERVICE FUND

Debt Service Fund – To account for the repayment of bonded debt obligations of the governmental funds of the County.



BENTON COUNTY, OREGON**DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|---------------------------------|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | |
| REVENUES | | | |
| Charges for services | \$ 3,112,956 | \$ 1,517,692 | \$ (1,595,264) |
| Interest | 36,000 | 7,796 | (28,204) |
| Total revenues | 3,148,956 | 1,525,488 | (1,623,468) |
| EXPENDITURES | | | |
| Debt service: | | | |
| Materials and services | 1,700 | 850 | 850 |
| Reserve | 1,657,256 | - | 1,657,256 |
| Principal and interest | 2,834,000 | 1,383,612 | 1,450,388 |
| Total expenditures | 4,492,956 | 1,384,462 | 3,108,494 |
| Net change in fund balance | (1,344,000) | 141,026 | 1,485,026 |
| Fund balance - beginning | 1,344,000 | 1,430,834 | 86,834 |
| Fund balance - ending | \$ - | \$ 1,571,860 | \$ 1,571,860 |



NON-MAJOR CAPITAL PROJECTS FUND

General Capital Improvements Fund - To account for miscellaneous capital improvement projects.

Building Development Reserve Fund – To account for the accumulation of funds for the future purchase or construction of buildings.



BENTON COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 June 30, 2012

| | <i>General Capital Improvements</i> | <i>Building Development Reserve</i> | <i>Total</i> |
|--|---|---|---------------------|
| ASSETS | | | |
| Cash and investments | \$ 27,983 | \$ 696,395 | \$ 724,378 |
| Prepays | 16,064 | - | 16,064 |
| Advances to other funds | - | 1,207,376 | 1,207,376 |
| Total assets | \$ 44,047 | \$ 1,903,771 | \$ 1,947,818 |
| LIABILITIES AND FUND BALANCES | | | |
| Liabilities: | | | |
| Accounts Payable | \$ 43,258 | \$ - | \$ 43,258 |
| Total liabilities | 43,258 | - | 43,258 |
| Fund Balances: | | | |
| Nonspendable in form | 16,064 | - | 16,064 |
| Assigned for capital projects | - | 1,903,771 | 1,903,771 |
| Unassigned | (15,275) | - | (15,275) |
| Total fund balance | 789 | 1,903,771 | 1,904,560 |
| Total liabilities and fund balances | \$ 44,047 | \$ 1,903,771 | \$ 1,947,818 |

BENTON COUNTY, OREGON**NONMAJOR CAPITAL PROJECTS FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE***For the Year Ended June 30, 2012*

| | <i>General Capital Improvements</i> | <i>Building Development Reserve</i> | <i>Total</i> |
|--|--|--|---------------------|
| REVENUES | | | |
| Intergovernmental | \$ 236,203 | \$ - | \$ 236,203 |
| Interest | - | 2,598 | 2,598 |
| Miscellaneous | 9,050 | 25,552 | 34,602 |
| Total revenues | 245,253 | 28,150 | 273,403 |
| EXPENDITURES | | | |
| Materials and services | 292,458 | 92,021 | 384,479 |
| Capital outlay | 651,536 | - | 651,536 |
| Total Expenditures | 943,994 | 92,021 | 1,036,015 |
| Excess (deficiency) of revenues over (under) expenditures | (698,741) | (63,871) | (762,612) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 632,790 | 39,955 | 672,745 |
| Transfers out | (46) | - | (46) |
| Net other financing sources | 632,744 | 39,955 | 672,699 |
| Net change in fund balances | (65,997) | (23,916) | (89,913) |
| Fund balances - beginning | 66,786 | 1,927,687 | 1,994,473 |
| Fund balances - ending | \$ 789 | \$ 1,903,771 | \$ 1,904,560 |

BENTON COUNTY, OREGON**GENERAL CAPITAL IMPROVEMENTS FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
|--|-----------------------------------|-----------------------------------|--|
| REVENUES | | | |
| Intergovernmental | \$ 1,654,675 | \$ 236,203 | \$ (1,418,472) |
| Miscellaneous | 20,000 | 9,050 | (10,950) |
| Total revenues | 1,674,675 | 245,253 | (1,429,422) |
| EXPENDITURES | | | |
| Capital projects | | | |
| Materials and services | 517,779 | 294,120 | 223,659 |
| Capital outlay | 2,068,020 | 651,536 | 1,416,484 |
| Total expenditures | 2,585,799 | 945,656 | 1,640,143 |
| Excess (deficiency) of revenues over (under) expenditures | (911,124) | (700,403) | 210,721 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 744,864 | 632,790 | (112,074) |
| Total other financing sources | 744,864 | 632,790 | (112,074) |
| Net change in fund balance | (166,260) | (67,613) | 98,647 |
| Fund balances - beginning | 166,260 | 68,402 | (97,858) |
| Fund balances - ending | \$ - | \$ 789 | \$ 789 |

BENTON COUNTY, OREGON**BUILDING DEVELOPMENT RESERVE FUND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

For the Biennium Ended June 30, 2013

As of June 30, 2012

| | <i>Biennium Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
|--|-----------------------------------|-----------------------------------|--|
| REVENUES | | | |
| Interest | \$ 20,000 | \$ 2,598 | \$ (17,402) |
| Total revenues | 20,000 | 2,598 | (17,402) |
| EXPENDITURES | | | |
| Capital projects: | | | |
| Materials and services | 102,000 | 92,021 | 9,979 |
| Other - Contingency | 929,423 | - | 929,423 |
| Total expenditures | 1,031,423 | 92,021 | 939,402 |
| Excess (deficiency) of revenues over (under) expenditures | (1,011,423) | (89,423) | 922,000 |
| OTHER FINANCING SOURCES | | | |
| Transfers in | 211,256 | 39,955 | (171,301) |
| Loan principal | 260,666 | 129,031 | (131,635) |
| Loan interest | 48,501 | 25,552 | (22,949) |
| Net other financing sources (uses) | 520,423 | 194,538 | (325,885) |
| Net change in fund balance | (491,000) | 105,115 | 596,115 |
| Fund balances - beginning | 491,000 | 591,280 | 100,280 |
| Fund balances - ending | \$ - | \$ 696,395 | \$ 696,395 |
| Reconciliation to GAAP Basis: | | | |
| Budget basis ending fund balance | | \$ 696,395 | |
| Interfund loan | | 1,207,376 | |
| GAAP ending fund balance | | \$ 1,903,771 | |

ENTERPRISE FUNDS

Major Enterprise Funds

Benton County Health Center Fund – To account for the operations of the County Health Clinic.

Non-major Enterprise Funds

Enterprise Operations Fund – To account for leasing of county owned property to private vendors.

Alsea County Service District – To account for water and sewer utility functions provided by the District, a dependent, but legally separate municipal entity.

Alpine County Service District – To account for sewer utility functions provided by the District, a dependent, but legally separate municipal entity.

Cascade View County Service District – To account for water utility functions provided by the District, a dependent, but legally separate municipal entity.

South Third County Service District – To account for sewer utility functions provided by the District, a dependent, but legally separate municipal entity.

East Linn Clinic Fund – To account for the operations of the East Linn Heath Clinic.



BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2012

| | Business-type Activities - Non-major Enterprise Funds | | | | | | |
|--|---|--------------|---------------|---------------------|--------------------|---------------------|--------------|
| | Enterprise Operations | Alsea CSD | Alpine CSD | Cascade View CSD | South Third CSD | East Linn Clinic | Totals |
| ASSETS | | | | | | | |
| Current assets: | | | | | | | |
| Cash and cash equivalents | \$ 242,498 | \$ 37,574 | \$ 10,203 | \$ 56,427 | \$ 66,075 | \$ 144,309 | \$ 557,086 |
| Accounts receivable | - | 7,515 | 4,228 | - | 3,414 | 132,872 | 148,029 |
| Inventory | - | - | - | - | - | 9,270 | 9,270 |
| Prepays | - | 33 | 84 | 2,821 | 33 | 41 | 3,012 |
| Total current assets | 242,498 | 45,122 | 14,515 | 59,248 | 69,522 | 286,492 | 717,397 |
| Noncurrent assets: | | | | | | | |
| Assessments receivable | - | - | - | - | 51,263 | - | 51,263 |
| Net noncurrent assets | - | - | - | - | 51,263 | - | 51,263 |
| Capital assets: | | | | | | | |
| Land and non-depreciable assets | 261,450 | - | 33,848 | - | - | - | 295,298 |
| Machinery and equipment | 14,746 | 3,742 | 1,871 | 1,871 | - | - | 22,230 |
| Buildings | 923,423 | - | - | - | - | - | 923,423 |
| Utility system | - | 977,423 | 786,939 | 250,000 | 1,638,274 | - | 3,652,636 |
| Less accumulated depreciation | (204,322) | (773,971) | (275,222) | (171,871) | (179,798) | - | (1,605,184) |
| Total capital assets (net of accumulated depreciation) | 995,297 | 207,194 | 547,436 | 80,000 | 1,458,476 | - | 3,288,403 |
| Total noncurrent assets | 995,297 | 207,194 | 547,436 | 80,000 | 1,509,739 | - | 3,339,666 |
| Total assets | 1,237,795 | 252,316 | 561,951 | 139,248 | 1,579,261 | 286,492 | 4,057,063 |
| LIABILITIES | | | | | | | |
| Current liabilities: | | | | | | | |
| Accounts payable | 1,608 | 2,208 | 280 | 613 | 1,334 | 15,116 | 21,159 |
| Accrued payroll | 3,179 | - | - | - | - | 25,498 | 28,677 |
| Compensated absences | 2,127 | - | - | - | - | 12,963 | 15,090 |
| Bonds payable | 16,280 | 1,001 | - | - | 9,820 | - | 27,101 |
| Customer deposits | - | 1,872 | 285 | 405 | 200 | - | 2,762 |
| Total current liabilities | 23,194 | 5,081 | 565 | 1,018 | 11,354 | 53,577 | 94,789 |
| Non-current liabilities: | | | | | | | |
| Compensated absences | 5,719 | - | - | - | - | 16,876 | 22,595 |
| Net OPEB obligation | 7,780 | - | - | - | - | 57,175 | 64,955 |
| Bonds payable | 257,119 | 21,491 | - | - | 96,116 | - | 374,726 |
| Total non-current liabilities | 270,618 | 21,491 | - | - | 96,116 | 74,051 | 462,276 |
| Total liabilities | 293,812 | 26,572 | 565 | 1,018 | 107,470 | 127,628 | 557,065 |
| NET ASSETS | | | | | | | |
| Invested in capital assets net of related debt | 721,898 | 184,702 | 547,436 | 80,000 | 1,352,540 | - | 2,886,576 |
| Unrestricted | 222,085 | 41,042 | 13,950 | 58,230 | 119,251 | 158,864 | 613,422 |
| Total net assets | \$ 943,983 | \$ 225,744 | \$ 561,386 | \$ 138,230 | \$ 1,471,791 | \$ 158,864 | \$ 3,499,998 |

BENTON COUNTY, OREGON**NONMAJOR ENTERPRISE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS***For the Year Ended June 30, 2012*

| | <i>Business-type Activities - Nonmajor Enterprise Funds</i> | | | | | | |
|--|---|----------------------|-----------------------|-----------------------------|----------------------------|-----------------------------|---------------------|
| | <i>Enterprise Operations</i> | <i>Alsea CSD</i> | <i>Alpine CSD</i> | <i>Cascade View CSD</i> | <i>South Third CSD</i> | <i>East Linn Clinic</i> | <i>Totals</i> |
| Operating Revenues | | | | | | | |
| Charges for services | \$ 245,205 | \$ 50,488 | \$ 26,290 | \$ 31,709 | \$ 18,920 | \$ 574,894 | \$ 947,506 |
| Intergovernmental | - | - | - | - | - | 748,507 | 748,507 |
| Miscellaneous | - | - | - | - | - | 76,081 | 76,081 |
| Total operating revenues | 245,205 | 50,488 | 26,290 | 31,709 | 18,920 | 1,399,482 | 1,772,094 |
| Operating Expenses | | | | | | | |
| Personnel services | 97,548 | - | - | - | - | 693,985 | 791,533 |
| Materials and services | 40,153 | 54,190 | 23,947 | 32,240 | 17,847 | 511,931 | 680,308 |
| Depreciation/amortization | 25,575 | 23,471 | 17,980 | 10,000 | 21,795 | - | 98,821 |
| Total operating expenses | 163,276 | 77,661 | 41,927 | 42,240 | 39,642 | 1,205,916 | 1,570,662 |
| Operating income (loss) | 81,929 | (27,173) | (15,637) | (10,531) | (20,722) | 193,566 | 201,432 |
| Nonoperating revenue (expenses) | | | | | | | |
| Interest expense | (5,642) | (1,011) | - | - | (4,834) | - | (11,487) |
| Investment earnings | 1,213 | 136 | 49 | 270 | 3,085 | 198 | 4,951 |
| Income (loss) before transfers | 77,500 | (28,048) | (15,588) | (10,261) | (22,471) | 193,764 | 194,896 |
| Transfers out | (70,955) | - | - | - | - | (31,455) | (102,410) |
| Change in net assets | 6,545 | (28,048) | (15,588) | (10,261) | (22,471) | 162,309 | 92,486 |
| Total net assets - beginning | 937,438 | 253,792 | 576,974 | 148,491 | 1,494,262 | (3,445) | 3,407,512 |
| Total net assets - ending | \$ 943,983 | \$ 225,744 | \$ 561,386 | \$ 138,230 | \$ 1,471,791 | \$ 158,864 | \$ 3,499,998 |

BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2012

| | Business-type Activities - Nonmajor Enterprise Funds | | | | | | |
|---|---|----------------------|-----------------------|-----------------------------|----------------------------|-----------------------------|-------------------|
| | Enterprise Operations | Alsea CSD | Alpine CSD | Cascade View CSD | South Third CSD | East Linn Clinic | Totals |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | |
| Receipts from customers | \$ 256,372 | \$ 50,881 | \$ 26,522 | \$ 31,872 | \$ 17,957 | \$ 541,558 | \$ 925,162 |
| Grants | - | - | - | - | - | 748,507 | 748,507 |
| Miscellaneous donations | - | - | - | - | - | 76,081 | 76,081 |
| Payments to suppliers | (34,286) | (53,153) | (24,057) | (31,969) | (17,566) | (521,840) | (682,871) |
| Paid to employees | (96,503) | - | - | - | - | (695,540) | (792,043) |
| Net cash provided (used) by operating activities | 125,583 | (2,272) | 2,465 | (97) | 391 | 148,766 | 274,836 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | |
| Transfers out | (70,955) | - | - | - | - | (31,455) | (102,410) |
| Net cash provided (used) by noncapital financing activities | (70,955) | - | - | - | - | (31,455) | (102,410) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Assessments received | - | - | - | - | 5,804 | - | 5,804 |
| Principal paid on capital debt | (15,958) | (1,010) | - | - | (9,627) | - | (26,595) |
| Interest paid on capital debt | (5,642) | (1,011) | - | - | (4,834) | - | (11,487) |
| Capital assets purchased | (34,266) | - | - | - | - | - | (34,266) |
| Net cash provided (used) by capital and related financing activities | (55,866) | (2,021) | - | - | (8,657) | - | (66,544) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | |
| Interest received | 1,213 | 136 | 49 | 270 | 3,085 | 198 | 4,951 |
| Net cash provided by investing activities | 1,213 | 136 | 49 | 270 | 3,085 | 198 | 4,951 |
| Net increase (decrease) in cash and cash equivalents | (25) | (4,157) | 2,514 | 173 | (5,181) | 117,509 | 110,833 |
| Cash and cash equivalents - beginning | 242,523 | 41,731 | 7,689 | 56,254 | 71,256 | 26,800 | 446,253 |
| Cash and cash equivalents - ending | \$ 242,498 | \$ 37,574 | \$ 10,203 | \$ 56,427 | \$ 66,075 | \$ 144,309 | \$ 557,086 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| Operating income (loss) | \$ 81,929 | \$ (27,173) | \$ (15,637) | \$ (10,531) | \$ (20,722) | \$ 193,566 | \$ 201,432 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | | | |
| Depreciation/amortization expense | 25,575 | 23,471 | 17,980 | 10,000 | 21,795 | - | 98,821 |
| Change in assets and liabilities: | | | | | | | |
| Receivables | 11,167 | (381) | 110 | (62) | (964) | (33,336) | (23,466) |
| Prepays | 5,831 | (33) | (34) | - | (33) | 1,073 | 6,804 |
| Inventory | - | - | - | - | - | (952) | (952) |
| Customer deposits | - | 774 | 122 | 225 | - | - | 1,121 |
| Compensated absences | (62) | - | - | - | - | (10,166) | (10,228) |
| OPEB | 1,519 | - | - | - | - | 11,930 | 13,449 |
| Payables | (376) | 1,070 | (76) | 271 | 315 | (13,349) | (12,145) |
| Net cash provided (used) by operating activities | \$ 125,583 | \$ (2,272) | \$ 2,465 | \$ (97) | \$ 391 | \$ 148,766 | \$ 274,836 |

BENTON COUNTY, OREGON
BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Accounts receivable (net of doubtful accounts) | \$ 1,419,617 | \$ 1,200,863 |
| Inventory | 84,732 | 77,296 |
| Prepays | 13,440 | 11,019 |
| Total current assets | <u>1,517,789</u> | <u>1,289,178</u> |
| Noncurrent assets: | | |
| Prepaid pension assets | 1,351,086 | 1,351,086 |
| Accumulated amortization | (202,527) | (175,277) |
| Net prepaid pension assets | <u>1,148,559</u> | <u>1,175,809</u> |
| Capital assets: | | |
| Buildings | 896,994 | 896,994 |
| Equipment | 119,918 | 13,652 |
| Intangibles | 32,000 | 32,000 |
| Less accumulated depreciation | (98,489) | (75,931) |
| Total capital assets (net of accumulated depreciation) | <u>950,423</u> | <u>866,715</u> |
| Total assets | <u>3,616,771</u> | <u>3,331,702</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 153,890 | 179,806 |
| Accrued payroll | 208,871 | 194,132 |
| Due to other funds | 321,201 | 441,835 |
| Accrued compensated absences | 107,968 | 113,220 |
| Total current liabilities | <u>791,930</u> | <u>928,993</u> |
| Long-term liabilities: | | |
| Pension bonds payable | 1,186,471 | 1,203,211 |
| Net OPEB obligation | 422,470 | 336,925 |
| Accrued compensated absences | 309,991 | 323,783 |
| Total long-term liabilities | <u>1,918,932</u> | <u>1,863,919</u> |
| Total liabilities | <u>2,710,862</u> | <u>2,792,912</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 950,423 | 866,715 |
| Unrestricted | (44,514) | (327,925) |
| Total net assets | <u><u>\$ 905,909</u></u> | <u><u>\$ 538,790</u></u> |

BENTON COUNTY, OREGON**BENTON COUNTY HEALTH CENTER FUND****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | 2012 | 2011 |
|---|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 5,028,942 | \$ 4,939,587 |
| Intergovernmental | 3,085,396 | 2,525,745 |
| Miscellaneous | 234,746 | 9,944 |
| Total operating revenues | 8,349,084 | 7,475,276 |
| OPERATING EXPENSES | | |
| Personal services | 5,336,171 | 5,337,244 |
| Materials and services | 3,945,191 | 3,349,948 |
| Depreciation | 22,558 | 19,241 |
| Amortization | 27,250 | 23,927 |
| Total operating expenses | 9,331,170 | 8,730,360 |
| Operating loss | (982,086) | (1,255,084) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest expense | (3,403) | (3,969) |
| Investment earnings | 1,807 | 214 |
| Net nonoperating revenues/expenses | (1,596) | (3,755) |
| Loss before transfers | (983,682) | (1,258,839) |
| TRANSFERS | | |
| Transfers out | (232,424) | (221,806) |
| Transfers in | 1,583,225 | 1,548,047 |
| Change in net assets | 367,119 | 67,402 |
| Total net assets - beginning | 538,790 | 471,388 |
| Total net assets - ending | \$ 905,909 | \$ 538,790 |

BENTON COUNTY, OREGON
BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

| | 2012 | 2011 |
|---|-----------------------|-----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 4,810,188 | \$ 4,585,716 |
| Grants | 3,085,396 | 2,525,745 |
| Miscellaneous donations | 234,746 | 9,944 |
| Payments to suppliers | (3,980,964) | (3,758,451) |
| Payroll costs | (5,254,931) | (5,100,205) |
| Net cash (used) by operating activities | (1,105,565) | (1,737,251) |
| CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Capital assets purchased | (106,266) | (12,920) |
| Net cash (used for) capital and related financing activities | (106,266) | (12,920) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers out | (232,424) | (221,806) |
| Principal paid on noncapital debt | (16,740) | (14,150) |
| Interest expense | (3,403) | (3,969) |
| Operating borrowing (repayment) | (120,634) | 441,835 |
| Transfers in | 1,583,225 | 1,548,047 |
| Net cash provided by noncapital financing activities | 1,210,024 | 1,749,957 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment earnings | 1,807 | 214 |
| Net cash provided by investing activities | 1,807 | 214 |
| Net increase (decrease) in cash and cash equivalents | - | - |
| Cash and cash equivalents - beginning | - | - |
| Cash and cash equivalents - ending | \$ - | \$ - |
| Reconciliation of operating (loss) to net cash (used) by operating activities: | | |
| Operating (loss) | \$ (982,086) | \$ (1,255,084) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 49,808 | 43,168 |
| Change in assets and liabilities: | | |
| Receivables | (218,754) | (334,441) |
| Inventory | (7,436) | (36,824) |
| Prepays | (2,421) | 34,596 |
| Compensated absences | (19,044) | 103,157 |
| Deferred revenue | - | (1,199) |
| OPEB | 85,545 | 95,772 |
| Payables | (11,177) | (368,165) |
| Net cash (used) by operating activities | \$ (1,105,565) | \$ (1,719,020) |

BENTON COUNTY, OREGON**BENTON COUNTY HEALTH CENTER FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGET AND ACTUAL)**

For the Biennium Ending June 30, 2013

As of June 30, 2012

| | Biennium | | |
|--|-------------------------|----------------------------|---------------------------------|
| | Total Budget | 1st Year Actual | Variance with Budget |
| REVENUES | | | |
| Charges for services | \$ 9,836,425 | \$ 5,014,226 | \$ (4,822,199) |
| Intergovernmental | 5,657,074 | 3,085,396 | (2,571,678) |
| Interest | - | 1,807 | 1,807 |
| Miscellaneous | 230,204 | 234,746 | 4,542 |
| Total revenue | 15,723,703 | 8,336,175 | (7,387,528) |
| EXPENDITURES | | | |
| Personal services | 11,051,697 | 5,502,092 | 5,549,605 |
| Materials and services | 7,669,334 | 3,939,262 | 3,730,072 |
| Capital outlay | 135,642 | 115,597 | 20,045 |
| Total expenditures | 18,856,673 | 9,556,951 | 9,299,722 |
| Excess (deficiency) of revenues over (under) expenditures | (3,132,970) | (1,220,776) | 1,912,194 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 3,132,970 | 1,566,485 | (1,566,485) |
| Total other financing sources (uses) | 3,132,970 | 1,566,485 | (1,566,485) |
| Change in fund balance | - | 345,709 | 345,709 |
| Fund balance - beginning | - | (86,799) | (86,799) |
| Fund balance - ending | \$ - | \$ 258,910 | \$ 258,910 |

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

| ASSETS | 2012 | 2011 |
|--|--------------------------|--------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 242,498 | \$ 242,523 |
| Prepays | - | 5,831 |
| Accounts receivable | - | 11,167 |
| Total current assets | <u>242,498</u> | <u>259,521</u> |
| Noncurrent assets: | | |
| Capital assets | | |
| Land | 261,450 | 261,450 |
| Buildings | 923,423 | 889,157 |
| Equipment | 14,746 | 14,746 |
| Less accumulated depreciation | <u>(204,322)</u> | <u>(178,747)</u> |
| Total capital assets (net of accumulated depreciation) | <u>995,297</u> | <u>986,606</u> |
| Total assets | <u>1,237,795</u> | <u>1,246,127</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 1,608 | 1,572 |
| Accrued wages | 3,179 | 3,591 |
| Current portion of note payable | 16,280 | 15,968 |
| Accrued compensated absences | <u>2,127</u> | <u>660</u> |
| Total current liabilities | <u>23,194</u> | <u>21,791</u> |
| Long-term liabilities: | | |
| Net OPEB obligation | 7,780 | 6,261 |
| Note payable | 257,119 | 273,389 |
| Accrued compensated absences | <u>5,719</u> | <u>7,248</u> |
| Total long-term liabilities | <u>270,618</u> | <u>286,898</u> |
| Total liabilities | <u>293,812</u> | <u>308,689</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 721,898 | 729,185 |
| Unrestricted | <u>222,085</u> | <u>240,189</u> |
| Total net assets | <u>\$ 943,983</u> | <u>\$ 969,374</u> |

BENTON COUNTY, OREGON**ENTERPRISE OPERATIONS FUND****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | 2012 | 2011 |
|---|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 245,205 | \$ 207,008 |
| Total operating revenues | 245,205 | 207,008 |
| OPERATING EXPENSES | | |
| Personal services | 97,548 | 93,745 |
| Materials and services | 40,153 | 51,098 |
| Depreciation | 25,575 | 25,149 |
| Total operating expenses | 163,276 | 169,992 |
| Operating income | 81,929 | 37,016 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest expense | (5,642) | (5,957) |
| Investment earnings | 1,213 | 1,829 |
| Income before transfers | 77,500 | 32,888 |
| Transfers out | (70,955) | (69,366) |
| Change in net assets | 6,545 | (36,478) |
| Total net assets - beginning | 937,438 | 973,916 |
| Total net assets - ending | \$ 943,983 | \$ 937,438 |

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND

STATEMENT OF CASH FLOWS

For the Years ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 256,372 | \$ 202,729 |
| Grants | - | - |
| Payroll costs | (96,503) | (90,618) |
| Payments to suppliers | (34,286) | (56,653) |
| <i>Net cash provided by operating activities</i> | <u>125,583</u> | <u>55,458</u> |
| CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Principal paid on capital debt | (15,958) | (15,643) |
| Interest paid on capital debt | (5,642) | (5,957) |
| Capital assets purchased | (34,266) | (37,987) |
| Net cash (used for) capital and related financing activities | <u>(55,866)</u> | <u>(59,587)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers out | (70,955) | (69,366) |
| Net cash (used for) noncapital and related financing activities | <u>(70,955)</u> | <u>(69,366)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>1,213</u> | <u>1,829</u> |
| Net increase in cash and cash equivalents | (25) | (71,666) |
| <i>Cash and cash equivalents - beginning</i> | <u>242,523</u> | <u>314,189</u> |
| <i>Cash and cash equivalents - ending</i> | <u><u>\$ 242,498</u></u> | <u><u>\$ 242,523</u></u> |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 81,929 | \$ 37,016 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 25,575 | 25,149 |
| Change in assets and liabilities: | | |
| Receivables | 11,167 | (4,279) |
| Prepays | 5,831 | (5,831) |
| Compensated absences | (62) | 464 |
| OPEB | 1,519 | 2,113 |
| Payables | (376) | 826 |
| <i>Net cash provided by operating activities</i> | <u><u>\$ 125,583</u></u> | <u><u>\$ 55,458</u></u> |

BENTON COUNTY, OREGON**ENTERPRISE OPERATIONS FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | |
| REVENUES | | | |
| Charges for services | \$ 450,871 | \$ 245,205 | \$ (205,666) |
| Interest | 5,500 | 1,213 | (4,287) |
| Total revenues | 456,371 | 246,418 | (209,953) |
| EXPENDITURES | | | |
| Personal services | 167,122 | 100,371 | 66,751 |
| Materials and services | 127,357 | 72,283 | 55,074 |
| Capital outlay | 20,000 | 2,136 | 17,864 |
| Debt service | 43,200 | 21,600 | 21,600 |
| Contingency | 187,126 | - | 187,126 |
| Total expenditures | 544,805 | 196,390 | 348,415 |
| Excess (deficiency) of revenues over (under) expenditures | (88,434) | 50,028 | 138,462 |
| OTHER FINANCING USES | | | |
| Operating transfers out | (189,671) | (66,675) | 122,996 |
| Change in fund balance | (278,105) | (16,647) | 261,458 |
| Fund balance - beginning | 278,105 | 254,358 | (23,747) |
| Fund balance - ending | \$ - | \$ 237,711 | \$ 237,711 |

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENT OF NET ASSETS
June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 37,574 | \$ 41,731 |
| Prepays | 33 | - |
| Accounts receivable | 7,515 | 7,134 |
| Total current assets | <u>45,122</u> | <u>48,865</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Infrastructure | 977,423 | 977,423 |
| Equipment | 3,742 | 3,742 |
| Less accumulated depreciation | (773,971) | (750,500) |
| Total capital assets (net of accumulated depreciation) | <u>207,194</u> | <u>230,665</u> |
| Total assets | <u>252,316</u> | <u>279,530</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 2,208 | 1,138 |
| Bonds payable, current portion | 1,001 | 958 |
| Customer deposits | 1,872 | 1,098 |
| Total current liabilities | <u>5,081</u> | <u>3,194</u> |
| Non-current liabilities: | | |
| Bonds payable, net of current portion | 21,491 | 22,544 |
| Total non-current liabilities | <u>21,491</u> | <u>22,544</u> |
| Total liabilities | <u>26,572</u> | <u>25,738</u> |
| NET ASSETS | | |
| Invested in capital assets net of related debt | 184,702 | 207,163 |
| Unrestricted | 41,042 | 46,629 |
| Total net assets | <u>\$ 225,744</u> | <u>\$ 253,792</u> |

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 50,488 | \$ 51,237 |
| Intergovernmental | <u>-</u> | <u>780</u> |
| Total operating revenues | <u>50,488</u> | <u>52,017</u> |
| OPERATING EXPENSES | | |
| Materials and services | 54,190 | 48,170 |
| Depreciation/amortization | <u>23,471</u> | <u>35,134</u> |
| Total operating expenses | <u>77,661</u> | <u>83,304</u> |
| Operating loss | (27,173) | (31,287) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest expense | (1,011) | (1,118) |
| Investment earnings | <u>136</u> | <u>283</u> |
| Change in net assets | (28,048) | (32,122) |
| Total net assets - beginning | <u>253,792</u> | <u>285,914</u> |
| Total net assets - ending | <u><u>\$ 225,744</u></u> | <u><u>\$ 253,792</u></u> |

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2012 and 2011

| | 2012 | 2011 |
|---|-------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 50,881 | \$ 49,786 |
| Payments to suppliers | (53,153) | (48,033) |
| Grants | - | 780 |
| Net cash provided (used) by operating activities | (2,272) | 2,533 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Principal paid on capital debt | (1,010) | (904) |
| Increase in capital assets | - | - |
| Interest paid on capital debt | (1,011) | (1,118) |
| Net cash provided (used) by capital and related financing activities | (2,021) | (2,022) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 136 | 283 |
| Net cash from investing activities | 136 | 283 |
| Increase (decrease) in cash and cash equivalents | (4,157) | 794 |
| Cash and cash equivalents - beginning | 41,731 | 40,937 |
| Cash and cash equivalents - ending | \$ 37,574 | \$ 41,731 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating (loss) | \$ (27,173) | \$ (31,287) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 23,471 | 35,134 |
| Change in assets and liabilities: | | |
| Receivables | (381) | (2,164) |
| Prepays | (33) | 743 |
| Customer deposits | 774 | 713 |
| Payables | 1,070 | (606) |
| Net cash provided (used) by operating activities | \$ (2,272) | \$ 2,533 |

BENTON COUNTY, OREGON**ALSEA COUNTY SERVICE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Year Ended June 30, 2012*

| | | | <i>Actual</i> | | |
|--|-----------------|---------------------------------|-------------------------|-----------------------------|-----------------------|
| | <i>Budget</i> | <i>Variance with Budget</i> | <i>Budget Basis</i> | <i>GAAP Adjustments</i> | <i>GAAP Basis</i> |
| REVENUES | | | | | |
| Charges for services | \$ 52,700 | \$ (2,212) | \$ 50,488 | \$ - | \$ 50,488 |
| Interest | 750 | (614) | 136 | - | 136 |
| Total revenues | 53,450 | (2,826) | 50,624 | - | 50,624 |
| EXPENDITURES | | | | | |
| Utility services | 53,060 | 470 | 52,590 | 1,600 | 54,190 |
| Debt service | 2,025 | 4 | 2,021 | (1,010) | 1,011 |
| Capital outlay/depreciation | 1,700 | 100 | 1,600 | 21,871 | 23,471 |
| Other - contingency | 37,835 | 37,835 | - | - | - |
| Total expenditures | 94,620 | 38,409 | 56,211 | 22,461 | 78,672 |
| Excess (deficiency) of revenues over (under) expenditures | (41,170) | 35,583 | (5,587) | (22,461) | (28,048) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 6,173 | (3,818) | 2,355 | (2,355) | - |
| Transfers out | (6,173) | 3,818 | (2,355) | 2,355 | - |
| Total other financing sources (uses) | - | - | - | - | - |
| Change in fund balance | (41,170) | 35,583 | (5,587) | (22,461) | (28,048) |
| Fund balance - beginning | 45,840 | 1,503 | 47,343 | 206,449 | 253,792 |
| Fund balance - ending | \$ 4,670 | \$ 37,086 | \$ 41,756 | \$ 183,988 | \$ 225,744 |

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

| ASSETS | 2012 | 2011 |
|--|-------------------|-------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 10,203 | \$ 7,689 |
| Prepaid expenses | 84 | 50 |
| Accounts receivable | 4,228 | 4,338 |
| Total current assets | 14,515 | 12,077 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 33,848 | 33,848 |
| Utility system | 786,939 | 786,939 |
| Equipment | 1,871 | 1,871 |
| Less accumulated depreciation | (275,222) | (257,242) |
| Total capital assets (net of accumulated depreciation) | 547,436 | 565,416 |
| Total assets | 561,951 | 577,493 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 280 | 356 |
| Customer deposits | 285 | 163 |
| Total current liabilities | 565 | 519 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 547,436 | 565,416 |
| Unrestricted | 13,950 | 11,558 |
| Total net assets | \$ 561,386 | \$ 576,974 |

BENTON COUNTY, OREGON**ALPINE COUNTY SERVICE DISTRICT****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|-------------------------------------|--------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 26,290 | \$ 26,359 |
| Total operating revenues | <u>26,290</u> | <u>26,359</u> |
| OPERATING EXPENSES | | |
| Materials and services | 23,947 | 21,241 |
| Depreciation/amortization | <u>17,980</u> | <u>18,167</u> |
| Total operating expenses | <u>41,927</u> | <u>39,408</u> |
| Operating income | (15,637) | (13,049) |
| NONOPERATING REVENUES | | |
| Investment earnings | <u>49</u> | <u>36</u> |
| Change in net assets | (15,588) | (13,013) |
| Total net assets - beginning | <u>576,974</u> | <u>589,987</u> |
| Total net assets - ending | <u><u>\$ 561,386</u></u> | <u><u>\$ 576,974</u></u> |

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 26,522 | \$ 25,632 |
| Payments to suppliers | (24,057) | (20,395) |
| <i>Net cash provided by operating activities</i> | <u>2,465</u> | <u>5,237</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>49</u> | <u>36</u> |
| Net increase cash and cash equivalents | 2,514 | 5,273 |
| <i>Cash and cash equivalents - beginning</i> | <u>7,689</u> | <u>2,416</u> |
| <i>Cash and cash equivalents - ending</i> | <u><u>\$ 10,203</u></u> | <u><u>\$ 7,689</u></u> |
| Reconciliation of operating (loss) to net cash provided by operating activities: | | |
| Operating (loss) | \$ (15,637) | \$ (13,049) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 17,980 | 18,167 |
| Change in assets and liabilities: | | |
| Receivables | 110 | (783) |
| Prepays | (34) | 1,222 |
| Customer deposits | 122 | 55 |
| Payables | (76) | (375) |
| <i>Net cash provided by operating activities</i> | <u><u>\$ 2,465</u></u> | <u><u>\$ 5,237</u></u> |

BENTON COUNTY, OREGON**ALPINE COUNTY SERVICE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Year Ended June 30, 2012*

| | | | <i>Actual</i> | | |
|--|---------------|---------------------------------|-------------------------|-----------------------------|-----------------------|
| | <i>Budget</i> | <i>Variance with Budget</i> | <i>Budget Basis</i> | <i>GAAP Adjustments</i> | <i>GAAP Basis</i> |
| REVENUES | | | | | |
| Charges for services | \$ 25,700 | \$ 590 | \$ 26,290 | \$ - | \$ 26,290 |
| Interest | 100 | (51) | 49 | - | 49 |
| Total revenues | 25,800 | 539 | 26,339 | - | 26,339 |
| EXPENDITURES | | | | | |
| Materials and services | 22,941 | (1,006) | 23,947 | - | 23,947 |
| Capital outlay (depreciation) | 100 | 100 | - | 17,980 | 17,980 |
| Other - contingency | 11,158 | 11,158 | - | - | - |
| Total expenditures | 34,199 | 10,252 | 23,947 | 17,980 | 41,927 |
| Excess (deficiency) of revenues over (under) expenditures | (8,399) | 10,791 | 2,392 | (17,980) | (15,588) |
| Fund balance - beginning | 8,399 | 3,056 | 11,455 | 565,519 | 576,974 |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 13,847</u> | <u>\$ 13,847</u> | <u>\$ 547,539</u> | <u>\$ 561,386</u> |

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
STATEMENT OF NET ASSETS
June 30, 2012 and 2011

| ASSETS | 2012 | 2011 |
|--|-------------------|-------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 56,427 | \$ 56,254 |
| Accounts receivable | 2,821 | 2,759 |
| Total current assets | 59,248 | 59,013 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Infrastructure | 250,000 | 250,000 |
| Equipment | 1,871 | 1,871 |
| Less accumulated depreciation | (171,871) | (161,871) |
| Total capital assets (net of accumulated depreciation) | 80,000 | 90,000 |
| Total assets | 139,248 | 149,013 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 613 | 342 |
| Customer deposits | 405 | 180 |
| Total current liabilities | 1,018 | 522 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 80,000 | 90,000 |
| Unrestricted | 58,230 | 58,491 |
| Total net assets | \$ 138,230 | \$ 148,491 |

BENTON COUNTY, OREGON**CASCADE VIEW COUNTY SERVICE DISTRICT****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | <u>\$ 31,709</u> | <u>\$ 32,349</u> |
| OPERATING EXPENSES | | |
| Materials and services | 32,240 | 24,475 |
| Depreciation/amortization | <u>10,000</u> | <u>10,187</u> |
| Total operating expenses | <u>42,240</u> | <u>34,662</u> |
| Operating (loss) | (10,531) | (2,313) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | <u>270</u> | <u>344</u> |
| Change in net assets | (10,261) | (1,969) |
| Total net assets - beginning | <u>148,491</u> | <u>150,460</u> |
| Total net assets - ending | <u><u>\$ 138,230</u></u> | <u><u>\$ 148,491</u></u> |

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 31,872 | \$ 32,052 |
| Payments to suppliers | (31,969) | (24,073) |
| Net cash provided by operating activities | <u>(97)</u> | <u>7,979</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>270</u> | <u>344</u> |
| Net increase in cash and cash equivalents | 173 | 8,323 |
| Cash and cash equivalents - beginning | <u>56,254</u> | <u>47,931</u> |
| Cash and cash equivalents - ending | <u>\$ 56,427</u> | <u>\$ 56,254</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (10,531) | \$ (2,313) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 10,000 | 10,187 |
| Change in assets and liabilities: | | |
| Receivables | (62) | (429) |
| Customer deposits | 225 | 132 |
| Prepays | - | 95 |
| Payables | 271 | 307 |
| Net cash provided by operating activities | <u>\$ (97)</u> | <u>\$ 7,979</u> |

BENTON COUNTY, OREGON**CASCADE VIEW COUNTY SERVICE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***Year Ended June 30, 2012*

| | | | <i>Actual</i> | | |
|--|---------------|---------------------------------|-------------------------|-----------------------------|-----------------------|
| | <i>Budget</i> | <i>Variance with Budget</i> | <i>Budget Basis</i> | <i>GAAP Adjustments</i> | <i>GAAP Basis</i> |
| REVENUES | | | | | |
| Charges for services | \$ 35,000 | \$ (3,291) | \$ 31,709 | \$ - | \$ 31,709 |
| Interest | 350 | (80) | 270 | - | 270 |
| Total revenues | 35,350 | (3,371) | 31,979 | - | 31,979 |
| EXPENDITURES | | | | | |
| Materials and services | 36,657 | 4,417 | 32,240 | - | 32,240 |
| Capital outlay (depreciation) | 500 | 500 | - | 10,000 | 10,000 |
| Operating contingency | 50,193 | 50,193 | - | - | - |
| Total expenditures | 87,350 | 55,110 | 32,240 | 10,000 | 42,240 |
| Excess (deficiency) of revenues over (under) expenditures | (52,000) | 51,739 | (261) | (10,000) | (10,261) |
| Fund balance - beginning | 52,000 | 6,491 | 58,491 | 90,000 | 148,491 |
| Fund balance - ending | \$ - | \$ 58,230 | \$ 58,230 | \$ 80,000 | \$ 138,230 |

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENT OF NET ASSETS
June 30, 2012 and 2011

| ASSETS | 2012 | 2011 |
|--|---------------------|---------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 66,075 | \$ 71,256 |
| Prepaid expenses | 33 | - |
| Accounts receivables | 3,414 | 2,451 |
| Total current assets | 69,522 | 73,707 |
| Noncurrent assets: | | |
| Assessments receivable | 51,263 | 57,065 |
| Capital assets: | | |
| Sewer system | 1,638,274 | 1,638,274 |
| Less accumulated depreciation | (179,798) | (158,003) |
| Total capital assets (net of accumulated depreciation) | 1,458,476 | 1,480,271 |
| Total noncurrent assets | 1,509,739 | 1,537,336 |
| Total assets | 1,579,261 | 1,611,043 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 1,334 | 1,019 |
| Customer deposits | 200 | 200 |
| Current portion of long term debt | 9,820 | 9,408 |
| Total current liabilities | 11,354 | 10,627 |
| Long-term liabilities: | | |
| Bonds payable | 96,116 | 106,154 |
| Total long-term liabilities | 96,116 | 106,154 |
| Total liabilities | 107,470 | 116,781 |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 1,352,540 | 1,364,709 |
| Unrestricted | 119,251 | 129,553 |
| Total net assets | \$ 1,471,791 | \$ 1,494,262 |

BENTON COUNTY, OREGON**SOUTH THIRD COUNTY SERVICE DISTRICT****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|----------------------------|----------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 18,920 | \$ 18,780 |
| OPERATING EXPENSES | | |
| Materials and services | 17,847 | 18,774 |
| Depreciation | <u>21,795</u> | <u>21,795</u> |
| Total operating expenses | <u>39,642</u> | <u>40,569</u> |
| Operating (loss) | (20,722) | (21,789) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Assessments received | - | 9,178 |
| Miscellaneous revenue | - | 57,065 |
| Investment earnings | 3,085 | 3,527 |
| Interest expense | <u>(4,834)</u> | <u>(5,536)</u> |
| Change in net assets | (22,471) | 42,445 |
| Total net assets - beginning | <u>1,494,262</u> | <u>1,451,817</u> |
| Total net assets - ending | <u><u>\$ 1,471,791</u></u> | <u><u>\$ 1,494,262</u></u> |

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 17,957 | \$ 18,189 |
| Payments to suppliers | <u>(17,566)</u> | <u>(18,767)</u> |
| Net cash provided (used) by operating activities | <u>391</u> | <u>(578)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Assessments received | 5,804 | 9,178 |
| Principal paid on capital debt | (9,627) | (8,924) |
| Interest paid on capital debt | <u>(4,834)</u> | <u>(5,536)</u> |
| Net cash provided (used) by capital and related financing activities | <u>(8,657)</u> | <u>(5,282)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>3,085</u> | <u>3,527</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(5,181)</u> | <u>(2,333)</u> |
| Cash and cash equivalents - beginning | <u>71,256</u> | <u>73,589</u> |
| Cash and cash equivalents - ending | <u><u>\$ 66,075</u></u> | <u><u>\$ 71,256</u></u> |
| Reconciliation of operating (loss) to net cash provided by operating activities: | | |
| Operating (loss) | \$ (20,722) | \$ (21,789) |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: | | |
| Depreciation/amortization expense | 21,795 | 21,795 |
| Change in assets and liabilities: | | |
| Receivables | (964) | (591) |
| Prepaid expenses | (33) | - |
| Payables | <u>315</u> | <u>7</u> |
| Net cash provided (used) by operating activities | <u><u>\$ 391</u></u> | <u><u>\$ (578)</u></u> |

BENTON COUNTY, OREGON**SOUTH THIRD COUNTY SERVICE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Year Ended June 30, 2012*

| | <i>Budget</i> | <i>Variance with Budget</i> | <i>Budget Basis</i> | <i>Actual GAAP Adjustments</i> | <i>GAAP Basis</i> |
|---|----------------------|--|--------------------------------|---|------------------------------|
| REVENUES | | | | | |
| Charges for services | \$ 18,500 | \$ 420 | \$ 18,920 | \$ - | \$ 18,920 |
| Interest | 650 | (315) | 335 | 2,752 | 3,087 |
| Total revenues | 19,150 | 105 | 19,255 | 2,752 | 22,007 |
| EXPENDITURES | | | | | |
| Materials and services | 19,772 | 1,925 | 17,847 | - | 17,847 |
| Depreciation | - | - | - | 21,795 | 21,795 |
| Debt service | 14,700 | 240 | 14,460 | (9,626) | 4,834 |
| Capital outlay | 500 | 500 | - | - | - |
| Operating contingency | 12,878 | 12,878 | - | - | - |
| Total expenditures | 47,850 | 15,543 | 32,307 | 12,169 | 44,476 |
| Excess of revenues over expenditures | (28,700) | 15,648 | (13,052) | (9,417) | (22,469) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 622 | (622) | - | - | - |
| Transfers out | (622) | 622 | - | - | - |
| Assessments received | 7,200 | 1,355 | 8,555 | (8,555) | - |
| Total other financing sources (uses) | 7,200 | 1,355 | 8,555 | (8,555) | - |
| Change in fund balance | (21,500) | 17,003 | (4,497) | (17,972) | (22,469) |
| Fund balance - beginning | 69,800 | 2,686 | 72,486 | 1,421,774 | 1,494,260 |
| Fund balance - ending | \$ 48,300 | \$ 19,689 | \$ 67,989 | \$ 1,403,802 | \$ 1,471,791 |

BENTON COUNTY, OREGON
EAST LINN HEALTH CLINIC FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|------------------------------|------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 144,309 | \$ 26,800 |
| Accounts receivable (net of doubtful accouts) | 132,872 | 99,536 |
| Prepaid expense | 41 | 1,114 |
| Inventory | 9,270 | 8,318 |
| Total current assets | <u>286,492</u> | <u>135,768</u> |
| Total assets | <u>286,492</u> | <u>135,768</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 15,116 | 25,146 |
| Accrued payroll | 25,498 | 28,817 |
| Accrued compensated absences | 12,963 | 17,715 |
| Total current liabilities | <u>53,577</u> | <u>71,678</u> |
| Long-term liabilities: | | |
| Net OPEB obligation | 57,175 | 45,245 |
| Accrued compensated absences | 16,876 | 22,290 |
| Total long-term liabilities | <u>74,051</u> | <u>67,535</u> |
| Total liabilities | <u>127,628</u> | <u>139,213</u> |
| NET ASSETS | | |
| Unrestricted | <u>158,864</u> | <u>(3,445)</u> |
| Total net assets | <u><u>\$ 158,864</u></u> | <u><u>\$ (3,445)</u></u> |

BENTON COUNTY, OREGON
EAST LINN HEALTH CLINIC FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 574,894 | \$ 428,427 |
| Intergovernmental | 748,507 | 637,462 |
| Miscellaneous | 76,081 | 43,338 |
| | <u>1,399,482</u> | <u>1,109,227</u> |
| OPERATING EXPENSES | | |
| Personnel services | 693,985 | 746,222 |
| Materials and services | 511,931 | 439,306 |
| | <u>1,205,916</u> | <u>1,185,528</u> |
| Total operating revenues | | |
| Operating income (loss) | <u>193,566</u> | <u>(76,301)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | <u>198</u> | <u>320</u> |
| Net nonoperating revenues/expenses | <u>198</u> | <u>320</u> |
| Income (loss) before transfers | 193,764 | (75,981) |
| TRANSFERS | | |
| Transfers out | <u>(31,455)</u> | <u>(29,786)</u> |
| Change in net assets | 162,309 | (105,767) |
| Total net assets - beginning | <u>(3,445)</u> | <u>102,322</u> |
| Total net assets - ending | <u><u>\$ 158,864</u></u> | <u><u>\$ (3,445)</u></u> |

BENTON COUNTY, OREGON
EAST LINN HEALTH CLINIC FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

| | 2012 | 2011 |
|---|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 541,558 | \$ 422,918 |
| Grants | 748,507 | 637,462 |
| Miscellaneous donations | 76,081 | 43,338 |
| Payments to suppliers | (521,840) | (433,990) |
| Payroll costs | (695,540) | (717,457) |
| Net cash provided (used) by operating activities | 148,766 | (47,729) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers out | (31,455) | (29,786) |
| Net cash (used) by noncapital financing activities | (31,455) | (29,786) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment earnings | 198 | 320 |
| Net cash provided by investing activities | 198 | 320 |
| Net increase (decrease) in cash and cash equivalents | 117,509 | (77,195) |
| Cash and cash equivalents - beginning | 26,800 | 103,995 |
| Cash and cash equivalents - ending | \$ 144,309 | \$ 26,800 |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income (loss) | \$ 193,566 | \$ (76,301) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Change in assets and liabilities: | | |
| Receivables | (33,336) | (5,509) |
| Inventory | (952) | (3,100) |
| Prepays | 1,073 | (1,114) |
| Compensated absences | (10,166) | 18,615 |
| OPEB | 11,930 | 14,900 |
| Payables | (13,349) | 4,780 |
| Net cash provided by operating activities | \$ 148,766 | \$ (47,729) |

BENTON COUNTY, OREGON
EAST LINN HEALTH CLINIC FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)

For the Biennium Ending June 30, 2013

As of June 30, 2012

| | Biennium | | |
|---------------------------------|--------------------------------|-----------------------------------|--|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Charges for services | \$ 863,004 | \$ 547,471 | \$ (315,533) |
| Intergovernmental | 1,319,902 | 748,507 | (571,395) |
| Interest | 1,000 | 198 | (802) |
| Miscellaneous | 120,838 | 76,082 | (44,756) |
| | | | |
| Total revenue | 2,304,744 | 1,372,258 | (932,486) |
| | | | |
| EXPENDITURES | | | |
| Personnel services | 1,354,463 | 723,676 | 630,787 |
| Materials and services | 950,281 | 511,931 | 438,350 |
| | | | |
| Total expenditures | 2,304,744 | 1,235,607 | 1,069,137 |
| | | | |
| Change in fund balance | - | 136,651 | 136,651 |
| | | | |
| Fund balance - beginning | - | 26,805 | 26,805 |
| | | | |
| Fund balance - ending | \$ - | \$ 163,456 | \$ 163,456 |



INTERNAL SERVICE FUNDS

Intergovernmental Service Fund – To account for the rental of County space, costs of fleet services, personal computer support, mail and photocopy services provided to various operating departments of the County. Charges made to the budgets of the “user” departments support these services.

Management Service Fund – To account for the costs of central administrative “overhead” services. Services include: finance, budget, human resources, information resources and legal counsel. Charges made to the budgets of the “user” departments support these services.

Health Management Services Fund – To account for the administrative services of the County Health Department which are allocated to the different funds of the Health Department.

Employee Benefits Trust Fund – To account for the costs of workers compensation, employee assistance programs, unemployment, and retirement payoffs. Charges made to the budgets of the “user” departments support these services.

Interest Clearing Fund – To account for interest earned on investments and distributed to various funds.



BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2012

| | <i>Intergovernmental Service</i> | <i>Management Service</i> | <i>Health Mgmt Services</i> | <i>Employee Benefits Trust</i> | <i>Interest Clearing</i> | <i>Totals</i> |
|--|--------------------------------------|-------------------------------|---------------------------------|------------------------------------|------------------------------|----------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 1,879,569 | \$ 214,089 | \$ 592,419 | \$ 1,381,614 | \$ - | \$ 4,067,691 |
| Accounts receivable | 139,722 | - | 15,827 | - | - | 155,549 |
| Interest receivable | - | - | - | - | 21,263 | 21,263 |
| Inventory | 113,531 | - | 4,263 | - | - | 117,794 |
| Prepays | 1,545 | 31,280 | 9,987 | - | - | 42,812 |
| Total current assets | 2,134,367 | 245,369 | 622,496 | 1,381,614 | 21,263 | 4,405,109 |
| Noncurrent assets: | | | | | | |
| Prepaid pension assets | 769,302 | 960,231 | 1,217,881 | - | - | 2,947,414 |
| Accumulated amortization | (126,097) | (161,724) | (182,561) | - | - | (470,382) |
| Net prepaid pension assets | 643,205 | 798,507 | 1,035,320 | - | - | 2,477,032 |
| Capital assets: | | | | | | |
| Land | 1,388,651 | - | - | - | - | 1,388,651 |
| Land improvements | 52,523 | - | - | - | - | 52,523 |
| Buildings | 13,500,020 | 43,908 | - | - | - | 13,543,928 |
| Machinery and equipment | 7,014,379 | 5,660 | 7,305 | - | 18,495 | 7,045,839 |
| Intangibles | 54,895 | 610,102 | 564,383 | - | - | 1,229,380 |
| Work in progress | - | - | - | - | - | - |
| Less accumulated depreciation | (10,905,996) | (471,815) | (428,304) | - | (2,774) | (11,808,889) |
| Total capital assets (net of accumulated depreciation) | 11,104,472 | 187,855 | 143,384 | - | 15,721 | 11,451,432 |
| Total noncurrent assets | 11,747,677 | 986,362 | 1,178,704 | - | 15,721 | 13,928,464 |
| Total assets | 13,882,044 | 1,231,731 | 1,801,200 | 1,381,614 | 36,984 | 18,333,573 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 135,525 | 39,580 | 52,271 | 22,501 | 216 | 250,093 |
| Payroll payable | 60,349 | 64,341 | 86,283 | - | - | 210,973 |
| Deposits payable | 560 | - | - | - | - | 560 |
| Due to other funds | 159,843 | - | - | - | - | 159,843 |
| Lease Payable | 2,335 | - | - | - | - | 2,335 |
| Loans & bonds payable | 160,000 | - | - | - | - | 160,000 |
| Accrued compensated absences | 32,019 | 43,869 | 43,356 | - | - | 119,244 |
| Total current liabilities | 550,631 | 147,790 | 181,910 | 22,501 | 216 | 903,048 |
| Long-term liabilities: | | | | | | |
| PERS bonds payable | 695,576 | 904,991 | 1,069,495 | - | - | 2,670,062 |
| Advances from other funds | 1,306,257 | - | - | - | - | 1,306,257 |
| Bonds payable | 1,320,000 | - | - | - | - | 1,320,000 |
| Accrued compensated absences | 261,749 | 125,993 | 163,815 | - | - | 551,557 |
| Total long-term liabilities | 3,583,582 | 1,030,984 | 1,233,310 | - | - | 5,847,876 |
| Total liabilities | 4,134,213 | 1,178,774 | 1,415,220 | 22,501 | 216 | 6,750,924 |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | 9,622,137 | 187,855 | 143,384 | - | 15,721 | 9,969,097 |
| Unrestricted | 125,694 | (134,898) | 242,596 | 1,359,113 | 21,047 | 1,613,552 |
| Total net assets | \$ 9,747,831 | \$ 52,957 | \$ 385,980 | \$ 1,359,113 | \$ 36,768 | \$ 11,582,649 |

BENTON COUNTY, OREGON**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS***For the Year Ended June 30, 2012*

| | <i>Intergovernmental Service</i> | <i>Management Service</i> | <i>Health Mgmt Services</i> | <i>Employee Benefits Trust</i> | <i>Interest Clearing</i> | <i>Totals</i> |
|---|--------------------------------------|-------------------------------|---------------------------------|------------------------------------|------------------------------|----------------------|
| OPERATING REVENUES | | | | | | |
| Charges for sales and services: | | | | | | |
| Charges for services | \$ 3,880,644 | \$ 2,801,512 | \$ 3,170,242 | \$ 734,722 | \$ - | \$ 10,587,120 |
| Intergovernmental | 755,006 | 21,869 | 49,994 | - | - | 826,869 |
| Space rental | 1,480,152 | - | - | - | - | 1,480,152 |
| Sale of materials | 982,174 | - | - | - | - | 982,174 |
| Miscellaneous | 15,539 | 3,265 | 30,681 | - | 3,385 | 52,870 |
| Total operating revenues | <u>7,113,515</u> | <u>2,826,646</u> | <u>3,250,917</u> | <u>734,722</u> | <u>3,385</u> | <u>13,929,185</u> |
| OPERATING EXPENSES | | | | | | |
| Personal services | 1,623,230 | 1,885,658 | 2,304,967 | 134,553 | - | 5,948,408 |
| Materials and services | 3,598,442 | 783,345 | 653,235 | 353,819 | 202,320 | 5,591,161 |
| Depreciation/amortization | 746,779 | 81,975 | 95,478 | - | 2,774 | 927,006 |
| Total operating expenses | <u>5,968,451</u> | <u>2,750,978</u> | <u>3,053,680</u> | <u>488,372</u> | <u>205,094</u> | <u>12,466,575</u> |
| Operating income (loss) | <u>1,145,064</u> | <u>75,668</u> | <u>197,237</u> | <u>246,350</u> | <u>(201,709)</u> | <u>1,462,610</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest expense | (101,638) | - | - | - | - | (101,638) |
| Investment earnings | 2,126 | 379 | 2,289 | 5,801 | 216,303 | 226,898 |
| Net nonoperating revenues/expenses | <u>(99,512)</u> | <u>379</u> | <u>2,289</u> | <u>5,801</u> | <u>216,303</u> | <u>125,260</u> |
| Income (loss) before transfers | 1,045,552 | 76,047 | 199,526 | 252,151 | 14,594 | 1,587,870 |
| Transfers in | 76,258 | 55,979 | 15,090 | - | - | 147,327 |
| Transfers out | (68,769) | (81,332) | (97,239) | (36) | - | (247,376) |
| Change in net assets | <u>1,053,041</u> | <u>50,694</u> | <u>117,377</u> | <u>252,115</u> | <u>14,594</u> | <u>1,487,821</u> |
| Net assets - beginning | <u>8,694,790</u> | <u>2,263</u> | <u>268,603</u> | <u>1,106,998</u> | <u>22,174</u> | <u>10,094,828</u> |
| Net assets - ending | <u>\$ 9,747,831</u> | <u>\$ 52,957</u> | <u>\$ 385,980</u> | <u>\$ 1,359,113</u> | <u>\$ 36,768</u> | <u>\$ 11,582,649</u> |

BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2012

| | <i>Intergovernmental Service</i> | <i>Management Service</i> | <i>Health Mgmt Services</i> | <i>Employee Benefits Trust</i> | <i>Interest Clearing</i> | <i>Totals</i> |
|---|--------------------------------------|-------------------------------|---------------------------------|------------------------------------|------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers | \$ 6,594,529 | \$ 2,804,777 | \$ 3,189,995 | \$ 734,722 | \$ 3,385 | \$ 13,327,408 |
| Grants | 755,005 | 21,869 | 49,994 | - | - | 826,868 |
| Payments to suppliers | (3,602,955) | (798,660) | (661,673) | (366,552) | (32,961) | (5,462,801) |
| Interest earnings distributed | - | - | - | - | (169,307) | (169,307) |
| Payroll costs | (1,654,626) | (1,896,234) | (2,302,141) | (134,553) | - | (5,987,554) |
| Net cash provided (used) by operating activities | 2,091,953 | 131,752 | 276,175 | 233,617 | (198,883) | 2,534,614 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Principal paid on noncapital debt | (9,903) | (12,732) | (15,090) | - | - | (37,725) |
| Transfers out | (68,769) | (81,332) | (97,239) | (36) | - | (247,376) |
| Transfers in | 76,258 | 55,979 | 15,090 | - | - | 147,327 |
| Net cash provided (used) by noncapital financing activities | (2,414) | (38,085) | (97,239) | (36) | - | (137,774) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Principal paid on capital debt | (316,679) | - | - | - | - | (316,679) |
| Interest paid on capital debt | (101,638) | - | - | - | - | (101,638) |
| Acquisition of capital assets | (1,332,316) | (21,869) | - | - | (18,495) | (1,372,680) |
| Disposition of capital assets | 111,365 | - | - | - | - | 111,365 |
| Net cash used by capital and related financing activities | (1,639,268) | (21,869) | - | - | (18,495) | (1,679,632) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received | 2,126 | 379 | 2,290 | 5,801 | 217,378 | 227,974 |
| Net cash provided by investing activities | 2,126 | 379 | 2,290 | 5,801 | 217,378 | 227,974 |
| Net increase (decrease) in cash and cash equivalents | 452,397 | 72,177 | 181,226 | 239,382 | - | 945,182 |
| <i>Cash and cash equivalents - beginning</i> | 1,427,172 | 141,912 | 411,193 | 1,142,232 | - | 3,122,509 |
| <i>Cash and cash equivalents - ending</i> | \$ 1,879,569 | \$ 214,089 | \$ 592,419 | \$ 1,381,614 | \$ - | \$ 4,067,691 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Operating income (loss) | \$ 1,145,064 | \$ 75,668 | \$ 197,237 | \$ 246,350 | \$ (201,709) | \$ 1,462,610 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | | | |
| Depreciation/amortization expense | 746,779 | 81,975 | 95,478 | - | 2,774 | 927,006 |
| Change in assets and liabilities: | | | | | | |
| Receivables | 231,021 | - | (10,928) | - | - | 220,093 |
| Inventory | 28,382 | - | (1,041) | - | - | 27,341 |
| Prepays | 18,379 | (2,905) | (9,503) | - | - | 5,971 |
| Deposits | 5,000 | - | - | - | - | 5,000 |
| Compensated absences | (35,333) | (8,260) | (4,625) | - | - | (48,218) |
| Payables | (47,339) | (14,726) | 9,557 | (12,733) | 52 | (65,189) |
| <i>Net cash provided (used) by operating activities</i> | \$ 2,091,953 | \$ 131,752 | \$ 276,175 | \$ 233,617 | \$ (198,883) | \$ 2,534,614 |

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,879,569 | \$ 1,427,172 |
| Accounts receivable | 139,722 | 370,743 |
| Inventory | 113,531 | 141,913 |
| Prepaid expenses | 1,545 | 19,924 |
| Deposits | - | 5,000 |
| Total current assets | <u>2,134,367</u> | <u>1,964,752</u> |
| Noncurrent assets: | | |
| Prepaid pension assets | 769,302 | 769,302 |
| Accumulated amortization | (126,097) | (109,977) |
| Net prepaid pension assets | <u>643,205</u> | <u>659,325</u> |
| Capital assets: | | |
| Land | 1,388,651 | 1,388,651 |
| Work in process | - | 106,864 |
| Land improvements | 52,523 | 52,523 |
| Intangibles | 54,895 | 54,895 |
| Buildings | 13,500,020 | 12,870,983 |
| Equipment | 7,014,379 | 6,482,129 |
| Less accumulated depreciation | (10,905,996) | (10,341,867) |
| Total capital assets (net of accumulated depreciation) | <u>11,104,472</u> | <u>10,614,178</u> |
| Total noncurrent assets | <u>11,747,677</u> | <u>11,273,503</u> |
| Total assets | <u>13,882,044</u> | <u>13,238,255</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 135,525 | 182,296 |
| Lease payable | 2,335 | 4,503 |
| Accrued payroll | 60,349 | 56,412 |
| Due to other funds | 159,843 | 156,679 |
| Bonds payable | 160,000 | 160,000 |
| Deposits | 560 | 560 |
| Accrued compensated absences | 32,019 | 27,228 |
| Total current liabilities | <u>550,631</u> | <u>587,678</u> |
| Long-term liabilities: | | |
| Pension bonds payable | 695,576 | 705,479 |
| Lease payable | - | 2,335 |
| Advances from other funds | 1,306,257 | 1,466,100 |
| Bonds payable | 1,320,000 | 1,480,000 |
| Accrued compensated absences | 261,749 | 301,873 |
| Total long-term liabilities | <u>3,583,582</u> | <u>3,955,787</u> |
| Total liabilities | <u>4,134,213</u> | <u>4,543,465</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 9,622,137 | 7,351,399 |
| Unrestricted | 125,694 | 1,343,391 |
| Total net assets | <u>\$ 9,747,831</u> | <u>\$ 8,694,790</u> |

BENTON COUNTY, OREGON**INTERGOVERNMENTAL SERVICE FUND****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|----------------------------|----------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 3,880,644 | \$ 3,434,712 |
| Space rental | 1,480,152 | 1,437,460 |
| Intergovernmental | 755,006 | 612,311 |
| Sale of materials | 982,174 | 907,588 |
| Miscellaneous | 15,539 | 32,207 |
| | <u>7,113,515</u> | <u>6,424,278</u> |
| Total operating revenues | | |
| | <u>7,113,515</u> | <u>6,424,278</u> |
| OPERATING EXPENSES | | |
| Personal services | 1,623,230 | 1,600,375 |
| Materials and services | 3,598,442 | 3,967,829 |
| Depreciation | 730,659 | 700,427 |
| Amortization | 16,120 | 14,154 |
| | <u>5,968,451</u> | <u>6,282,785</u> |
| Total operating expenses | | |
| | <u>5,968,451</u> | <u>6,282,785</u> |
| Operating income | <u>1,145,064</u> | <u>141,493</u> |
| | | |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest expense | (101,638) | (42,764) |
| Investment earnings | 2,126 | 2,467 |
| | <u>(99,512)</u> | <u>(40,297)</u> |
| Net nonoperating revenues | | |
| | <u>(99,512)</u> | <u>(40,297)</u> |
| Income before transfers | 1,045,552 | 101,196 |
| | | |
| Transfers in | 76,258 | 215,238 |
| Transfers out | (68,769) | (69,360) |
| | <u>7,053,041</u> | <u>247,074</u> |
| Change in net assets | | |
| | <u>1,053,041</u> | <u>247,074</u> |
| Total net assets - beginning | <u>8,694,790</u> | <u>8,447,716</u> |
| | | |
| Total net assets - ending | <u><u>\$ 9,747,831</u></u> | <u><u>\$ 8,694,790</u></u> |

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 6,594,529 | \$ 5,538,179 |
| Grants | 755,005 | 612,311 |
| Payments to suppliers | (3,602,955) | (4,033,549) |
| Payroll costs | (1,654,626) | (1,583,365) |
| Net cash provided by operating activities | <u>2,091,953</u> | <u>533,576</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on noncapital debt | (9,903) | (8,370) |
| Transfers out | (68,769) | (69,360) |
| Transfers in | 76,258 | 215,238 |
| Net cash used by noncapital financing activities | <u>(2,414)</u> | <u>137,508</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Principal paid on capital debt | (316,679) | (141,440) |
| Acquisition of capital assets | (1,332,316) | (3,996,841) |
| Proceeds from borrowing | - | 3,400,000 |
| Interest paid on capital debt | (101,638) | (42,764) |
| Disposition of capital assets | 111,365 | 16,995 |
| Net cash (used) by capital and related financing activities | <u>(1,639,268)</u> | <u>(764,050)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 2,126 | 2,467 |
| Net cash provided by investing activities | <u>2,126</u> | <u>2,467</u> |
| Net increase (decrease) in cash and cash equivalents | 452,397 | (90,499) |
| Cash and cash equivalents - beginning | <u>1,427,172</u> | <u>1,517,671</u> |
| Cash and cash equivalents - ending | <u>\$ 1,879,569</u> | <u>\$ 1,427,172</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 1,145,064 | \$ 141,493 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 746,779 | 714,581 |
| Change in assets and liabilities: | | |
| Receivables | 231,021 | (273,789) |
| Inventory | 28,382 | (52,109) |
| Prepays | 18,379 | (18,684) |
| Deposits | 5,000 | - |
| Compensated absences | (35,333) | 14,284 |
| Payables | (47,339) | 7,800 |
| Net cash provided by operating activities | <u>\$ 2,091,953</u> | <u>\$ 533,576</u> |

BENTON COUNTY, OREGON**INTERGOVERNMENTAL SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (BUDGET AND ACTUAL)***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st year Actual</i> | |
| REVENUES | | | |
| Charges for services | \$ 10,347,494 | \$ 5,360,796 | \$ (4,986,698) |
| Sale of materials and equipment | 1,878,757 | 982,174 | (896,583) |
| Interest | 6,161 | 2,126 | (4,035) |
| Intergovernmental | - | 20,450 | 20,450 |
| Miscellaneous | - | 15,539 | 15,539 |
| Total revenues | 12,232,412 | 6,381,085 | (5,851,327) |
| EXPENDITURES | | | |
| Personal services | 3,642,339 | 1,727,331 | 1,915,008 |
| Materials and services | 6,724,061 | 3,326,014 | 3,398,047 |
| Capital outlay | 1,761,955 | 763,327 | 998,628 |
| Debt service | 833,035 | 418,317 | 414,718 |
| Operating - contingency | 1,027,592 | - | 1,027,592 |
| Total expenditures | 13,988,982 | 6,234,989 | 7,753,993 |
| Excess (deficiency) of revenues over (under) expenditures | (1,756,570) | 146,096 | 1,902,666 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfer in | 132,710 | 66,355 | (66,355) |
| Total other financing sources (uses) | 132,710 | 66,355 | (66,355) |
| Change in fund balance | (1,623,860) | 212,451 | 1,836,311 |
| Fund balance - beginning | 1,623,860 | 1,769,020 | 145,160 |
| Fund balance - ending | \$ - | \$ 1,981,471 | \$ 1,981,471 |

BENTON COUNTY, OREGON**MANAGEMENT SERVICES FUND****STATEMENT OF NET ASSETS***June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|------------------|------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 214,089 | \$ 141,912 |
| Prepays | 31,280 | 28,375 |
| Total current assets | <u>245,369</u> | <u>170,287</u> |
| Noncurrent assets: | | |
| Prepaid pension assets | 960,231 | 960,231 |
| Accumulated amortization | (161,724) | (140,999) |
| Net prepaid pension assets | <u>798,507</u> | <u>819,232</u> |
| Capital assets: | | |
| Buildings | 43,908 | 43,908 |
| Intangibles | 610,102 | 588,233 |
| Equipment | 5,660 | 5,660 |
| Accumulated depreciation | (471,815) | (410,565) |
| Total capital assets, net of accumulated depreciation | <u>187,855</u> | <u>227,236</u> |
| Total noncurrent assets | <u>986,362</u> | <u>1,046,468</u> |
| Total assets | <u>1,231,731</u> | <u>1,216,755</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 30,202 | 47,204 |
| Accrued payroll | 64,341 | 66,657 |
| Other accrued liabilities | 9,378 | 4,786 |
| Accrued compensated absences | 43,869 | 29,305 |
| Total current liabilities | <u>147,790</u> | <u>147,952</u> |
| Long-term liabilities: | | |
| Pension bonds payable | 904,991 | 917,723 |
| Accrued compensated absences | 125,993 | 148,817 |
| Total long-term liabilities | <u>1,030,984</u> | <u>1,066,540</u> |
| Total liabilities | <u>1,178,774</u> | <u>1,214,492</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 187,855 | 227,236 |
| Unrestricted | (134,898) | (224,973) |
| Total net assets | <u>\$ 52,957</u> | <u>\$ 2,263</u> |

BENTON COUNTY, OREGON**MANAGEMENT SERVICES FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|-------------------------|------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 2,801,512 | \$ 2,674,455 |
| Intergovernmental | 21,869 | 69,027 |
| Miscellaneous | 3,265 | 3,157 |
| | <u>2,826,646</u> | <u>2,746,639</u> |
| OPERATING EXPENSES | | |
| Personal services | 1,885,658 | 1,877,921 |
| Materials and services | 783,345 | 906,057 |
| Amortization | 20,725 | 18,198 |
| Depreciation | 61,250 | 58,861 |
| | <u>2,750,978</u> | <u>2,861,037</u> |
| Total operating expenses | | |
| | <u>2,750,978</u> | <u>2,861,037</u> |
| Operating gain (loss) | 75,668 | (114,398) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 379 | 291 |
| | <u>379</u> | <u>291</u> |
| Income before transfers | 76,047 | (114,107) |
| Transfers out | (81,332) | (75,974) |
| Transfers in | 55,979 | 76,362 |
| | <u>55,979</u> | <u>76,362</u> |
| Change in net assets | 50,694 | (113,719) |
| Net assets - beginning | <u>2,263</u> | <u>115,982</u> |
| Net assets - ending | <u><u>\$ 52,957</u></u> | <u><u>\$ 2,263</u></u> |

BENTON COUNTY, OREGON**MANAGEMENT SERVICES FUND****STATEMENT OF CASH FLOWS***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 2,801,512 | \$ 2,674,455 |
| Grants | 21,869 | 69,027 |
| Miscellaneous revenues | 3,265 | 3,157 |
| Payments to suppliers | (798,660) | (893,283) |
| Payroll costs | (1,896,234) | (1,847,273) |
| Net cash provided (used) by operating activities | <u>131,752</u> | <u>6,083</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on noncapital debt | (12,732) | (10,762) |
| Transfers out | (81,332) | (75,974) |
| Transfers in | 55,979 | 76,362 |
| Net cash provided (used) by noncapital financing activities | <u>(38,085)</u> | <u>(10,374)</u> |
| CASH FLOWS FROM CAPITAL ACTIVITIES | | |
| Acquisition of capital assets | (21,869) | (109,027) |
| Net cash provided by capital activities | <u>(21,869)</u> | <u>(109,027)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 379 | 291 |
| Net cash provided by investing activities | <u>379</u> | <u>291</u> |
| Net increase (decrease) in cash and cash equivalents | 72,177 | (113,027) |
| Cash and cash equivalents - beginning | <u>141,912</u> | <u>254,939</u> |
| Cash and cash equivalents - ending | <u>\$ 214,089</u> | <u>\$ 141,912</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 75,668 | \$ (114,398) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 81,975 | 77,059 |
| Change in assets and liabilities: | | |
| Prepays | (2,905) | 4,145 |
| Compensated absences | (8,260) | 29,377 |
| Payables | (14,726) | 9,900 |
| Net cash provided (used) by operating activities | <u>\$ 131,752</u> | <u>\$ 6,083</u> |

BENTON COUNTY, OREGON**MANAGEMENT SERVICES FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st year Actual</i> | <i>Variance with Budget</i> |
| REVENUES | | | |
| Charges for services | \$ 6,105,074 | \$ 2,801,511 | \$ (3,303,563) |
| Interest earnings | 4,000 | 379 | (3,621) |
| Miscellaneous | 2,000 | 3,266 | 1,266 |
| Total revenues | 6,111,074 | 2,805,156 | (3,305,918) |
| EXPENDITURES | | | |
| Personal services | 4,078,922 | 1,975,249 | 2,103,673 |
| Materials and services | 1,983,399 | 783,345 | 1,200,054 |
| Capital outlay | 2,000 | - | 2,000 |
| Contingency | 195,000 | - | 195,000 |
| Total expenditures | 6,259,321 | 2,758,594 | 3,500,727 |
| Excess (deficiency) of revenues over (under) expenditures | (148,247) | 46,562 | 194,809 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 43,247 | 43,247 | - |
| Total other financing sources (uses) | 43,247 | 43,247 | - |
| Change in fund balance | (105,000) | 89,809 | 194,809 |
| Fund balance - beginning | 105,000 | 99,149 | (5,851) |
| Fund balance - ending | \$ - | \$ 188,958 | \$ 188,958 |

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND
STATEMENT OF NET ASSETS
June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 592,419 | \$ 411,193 |
| Accounts receivable | 15,827 | 4,900 |
| Inventory | 4,263 | 3,222 |
| Prepays | <u>9,987</u> | <u>485</u> |
| Total current assets | <u>622,496</u> | <u>419,800</u> |
| Noncurrent assets: | | |
| Prepaid pension assets | 1,217,881 | 1,217,881 |
| Accumulated amortization | <u>(182,561)</u> | <u>(157,997)</u> |
| Net prepaid pension assets | <u>1,035,320</u> | <u>1,059,884</u> |
| Capital assets: | | |
| Equipment | 7,305 | 7,305 |
| Intangibles | 564,383 | 564,382 |
| Less accumulated depreciation | <u>(428,304)</u> | <u>(357,390)</u> |
| Total capital assets (net of accumulated depreciation) | <u>143,384</u> | <u>214,297</u> |
| Total noncurrent assets | <u>1,178,704</u> | <u>1,274,181</u> |
| Total assets | <u>1,801,200</u> | <u>1,693,981</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 52,271 | 50,166 |
| Accrued payroll | 86,283 | 78,831 |
| Accrued compensated absences | <u>43,356</u> | <u>68,345</u> |
| Total current liabilities | <u>181,910</u> | <u>197,342</u> |
| Long-term liabilities: | | |
| Pension bonds payable | 1,069,495 | 1,084,585 |
| Accrued compensated absences | <u>163,815</u> | <u>143,451</u> |
| Total long-term liabilities | <u>1,233,310</u> | <u>1,228,036</u> |
| Total liabilities | <u>1,415,220</u> | <u>1,425,378</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 143,384 | 214,297 |
| Unrestricted | <u>242,596</u> | <u>54,306</u> |
| Total net assets | <u><u>\$ 385,980</u></u> | <u><u>\$ 268,603</u></u> |

BENTON COUNTY, OREGON**HEALTH MANAGEMENT SERVICES FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | 2012 | 2011 |
|-------------------------------|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 3,170,242 | \$ 3,024,549 |
| Intergovernmental | 49,994 | - |
| Miscellaneous revenues | 30,681 | 9,878 |
| Total operating revenues | 3,250,917 | 3,034,427 |
| OPERATING EXPENSES | | |
| Personal services | 2,304,967 | 2,382,709 |
| Materials and services | 653,235 | 615,755 |
| Depreciation | 70,914 | 74,165 |
| Amortization | 24,564 | 21,567 |
| Total operating expenses | 3,053,680 | 3,094,196 |
| Operating income (loss) | 197,237 | (59,769) |
| NONOPERATING REVENUES | | |
| Investment earnings | 2,289 | 2,627 |
| Income before transfers | 199,526 | (57,142) |
| TRANSFERS | | |
| Operating transfers in | 15,090 | 12,754 |
| Operating transfers out | (97,239) | (98,854) |
| Change in net assets | 117,377 | (143,242) |
| Net assets - beginning | 268,603 | 411,845 |
| Net assets - ending | \$ 385,980 | \$ 268,603 |

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2010</u> |
|---|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 3,159,314 | \$ 3,024,576 |
| Grants | 49,994 | - |
| Miscellaneous receipts | 30,681 | 9,878 |
| Payment to suppliers | (661,673) | (627,336) |
| Payroll costs | (2,302,141) | (2,353,546) |
| Net cash provided by operating activities | <u>276,175</u> | <u>53,572</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on noncapital debt | (15,090) | (12,754) |
| Transfers in | 15,090 | 12,754 |
| Transfers out | (97,239) | (98,854) |
| Net cash used by noncapital financing activities | <u>(97,239)</u> | <u>(98,854)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of capital assets | - | (5,663) |
| Net cash used by capital and related financing activities | <u>-</u> | <u>(5,663)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 2,290 | 2,627 |
| Net cash provided by investing activities | <u>2,290</u> | <u>2,627</u> |
| Net increase in cash and cash equivalents | 181,226 | (48,318) |
| Cash and cash equivalents - beginning | <u>411,193</u> | <u>459,511</u> |
| Cash and cash equivalents - ending | <u><u>\$ 592,419</u></u> | <u><u>\$ 411,193</u></u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income | \$ 197,237 | \$ (59,769) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 95,478 | 95,732 |
| Change in assets and liabilities: | | |
| Receivables | (10,928) | 27 |
| Prepays | (9,503) | 26 |
| Inventory | (1,041) | (952) |
| Compensated absences | (4,625) | 35,789 |
| Payables | 9,557 | (17,281) |
| Net cash provided by operating activities | <u><u>\$ 276,175</u></u> | <u><u>\$ 53,572</u></u> |

BENTON COUNTY, OREGON**HEALTH MANAGEMENT SERVICES FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (BUDGET AND ACTUAL)***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st year Actual</i> | <i>Variance with Budget</i> |
| <i>REVENUES</i> | | | |
| Charges for services | \$ 6,492,881 | \$ 3,170,242 | \$ (3,322,639) |
| Intergovernmental | 50,000 | 49,994 | (6) |
| Interest earnings | - | 2,289 | 2,289 |
| Miscellaneous | 16,000 | 30,680 | 14,680 |
| | | | |
| Total revenues | 6,558,881 | 3,253,205 | (3,305,676) |
| | | | |
| <i>EXPENDITURES</i> | | | |
| Personal services | 5,302,642 | 2,406,830 | 2,895,812 |
| Materials and services | 1,343,568 | 653,125 | 690,443 |
| Capital outlay | 20,000 | 110 | 19,890 |
| Contingency | 382,671 | - | 382,671 |
| | | | |
| Total expenditures | 7,048,881 | 3,060,065 | 3,988,816 |
| | | | |
| Excess (deficiency) of revenues over (under) expenditures | (490,000) | 193,140 | 683,140 |
| | | | |
| <i>Fund balance - beginning</i> | 490,000 | 290,804 | (199,196) |
| | | | |
| <i>Fund balance - ending</i> | \$ - | \$ 483,944 | \$ 483,944 |

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|------------------------------|--------------------------------|--------------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,381,614 | \$ 1,142,232 |
| Total current assets | <u>1,381,614</u> | <u>1,142,232</u> |
| Total assets | <u>1,381,614</u> | <u>1,142,232</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 21,681 | 35,234 |
| Miscellaneous liability | <u>820</u> | <u>-</u> |
| Total current liabilities | <u>22,501</u> | <u>35,234</u> |
| Total liabilities | <u>22,501</u> | <u>35,234</u> |
| NET ASSETS | | |
| Unrestricted | <u>1,359,113</u> | <u>1,106,998</u> |
| Total net assets | <u><u>\$ 1,359,113</u></u> | <u><u>\$ 1,106,998</u></u> |

BENTON COUNTY, OREGON**EMPLOYEE BENEFITS TRUST FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | 2012 | 2011 |
|-------------------------------|---------------------|---------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 734,722 | \$ 871,903 |
| Total operating revenues | 734,722 | 871,903 |
| OPERATING EXPENSES | | |
| Personal services | 134,553 | 96,298 |
| Materials and services | 353,819 | 343,440 |
| Total operating expenses | 488,372 | 439,738 |
| Operating income | 246,350 | 432,165 |
| NONOPERATING REVENUES | | |
| Investment earnings | 5,801 | 5,765 |
| Income before transfers | 252,151 | 437,930 |
| Transfers out | (36) | (42) |
| Change in net assets | 252,115 | 437,888 |
| Net assets - beginning | 1,106,998 | 669,110 |
| Net assets - ending | \$ 1,359,113 | \$ 1,106,998 |

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

| | <u>2012</u> | <u>2011</u> |
|---|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 734,722 | \$ 871,903 |
| Payments to suppliers | (366,552) | (347,331) |
| Payroll costs | (134,553) | (96,469) |
| Net cash provided by operating activities | <u>233,617</u> | <u>428,103</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers out | (36) | (42) |
| Net cash used by noncapital financing activities | <u>(36)</u> | <u>(42)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 5,801 | 5,765 |
| Net cash provided by investing activities | <u>5,801</u> | <u>5,765</u> |
| Net increase (decrease) in cash and cash equivalents | 239,382 | 433,826 |
| Cash and cash equivalents - beginning | <u>1,142,232</u> | <u>708,406</u> |
| Cash and cash equivalents - ending | <u>\$ 1,381,614</u> | <u>\$ 1,142,232</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 246,350 | \$ 432,165 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Payables | (12,733) | (4,062) |
| Net cash provided by operating activities | <u>\$ 233,617</u> | <u>\$ 428,103</u> |

BENTON COUNTY, OREGON**EMPLOYEE BENEFITS TRUST FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | |
| REVENUES | | | |
| Charges for services | \$ 1,097,627 | \$ 734,722 | \$ (362,905) |
| Interest | 8,000 | 5,801 | (2,199) |
| Total revenues | 1,105,627 | 740,523 | (365,104) |
| EXPENDITURES | | | |
| Personal services | 209,340 | 134,589 | 74,751 |
| Materials and services | 1,094,445 | 353,819 | 740,626 |
| Contingency | 533,942 | - | 533,942 |
| Total expenditures | 1,837,727 | 488,408 | 1,349,319 |
| Excess (deficiency) of revenues over (under) expenditures | (732,100) | 252,115 | 984,215 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 90,000 | - | (90,000) |
| Total other financing sources (uses) | 90,000 | - | (90,000) |
| Change in fund balance | (642,100) | 252,115 | 894,215 |
| Fund balance - beginning | 642,100 | 1,106,998 | 464,898 |
| Fund balance - ending | \$ - | \$ 1,359,113 | \$ 1,359,113 |

BENTON COUNTY, OREGON**INTEREST CLEARING FUND****STATEMENT OF NET ASSETS***June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Current assets: | | |
| Interest receivable | <u>\$ 21,263</u> | <u>\$ 22,338</u> |
| Total current assets | <u>21,263</u> | <u>22,338</u> |
| Capital assets: | | |
| Equipment | 18,495 | - |
| Accumulated depreciation | <u>(2,774)</u> | <u>-</u> |
| Total capital assets, net of accumulated depreciation | <u>15,721</u> | <u>-</u> |
| Total assets | <u>36,984</u> | <u>22,338</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | <u>216</u> | <u>164</u> |
| Total liabilities | <u>216</u> | <u>164</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 15,721 | - |
| Unrestricted | <u>21,047</u> | <u>22,174</u> |
| Total net assets | <u><u>\$ 36,768</u></u> | <u><u>\$ 22,174</u></u> |

BENTON COUNTY, OREGON**INTEREST CLEARING FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2012 and 2011*

| | 2012 | 2011 |
|-------------------------------|------------------|------------------|
| OPERATING REVENUES | | |
| Miscellaneous | \$ 3,385 | \$ 777 |
| Total operating revenues | 3,385 | 777 |
| OPERATING EXPENSES | | |
| Materials and services | 202,320 | 253,809 |
| Depreciation | 2,774 | - |
| Total operating expenses | 205,094 | 253,809 |
| Operating income (loss) | (201,709) | (253,032) |
| NONOPERATING REVENUES | | |
| Investment earnings | 216,303 | 228,069 |
| Change in net assets | 14,594 | (24,963) |
| Net assets - beginning | 22,174 | 47,137 |
| Net assets - ending | \$ 36,768 | \$ 22,174 |

BENTON COUNTY, OREGON**INTEREST CLEARING FUND****STATEMENT OF CASH FLOWS***For the Years Ended June 30, 2012 and 2011*

| | <u>2012</u> | <u>2011</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Miscellaneous revenues | \$ 3,385 | \$ 777 |
| Payments to suppliers | (32,961) | (35,009) |
| Interest earnings distributed | (169,307) | (240,974) |
| Net cash provided by operating activities | (198,883) | (275,206) |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | |
| Capital assets purchased | (18,495) | - |
| Net cash used by capital financing activities | (18,495) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 217,378 | 228,069 |
| Net cash provided by investing activities | 217,378 | 228,069 |
| Net increase (decrease) in cash and cash equivalents | - | (47,137) |
| Cash and cash equivalents - beginning | - | 47,137 |
| Cash and cash equivalents - ending | \$ - | \$ - |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (201,709) | \$ (253,032) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 2774 | - |
| Receivables | - | (22,338) |
| Payables | 52 | 164 |
| Net cash provided by operating activities | \$ (198,883) | \$ (275,206) |

BENTON COUNTY, OREGON**INTEREST CLEARING TRUST FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance with Budget</i> |
|--|-------------------------|----------------------------|---------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | |
| REVENUES | | | |
| Miscellaneous | \$ - | \$ 3,385 | \$ 3,385 |
| Interest | 802,000 | 216,303 | (585,697) |
| Total revenues | 802,000 | 219,688 | (582,312) |
| EXPENDITURES | | | |
| Materials and services | 789,000 | 202,320 | 586,680 |
| Capital outlay | 13,000 | 18,495 | (5,495) |
| Total expenditures | 802,000 | 220,815 | 581,185 |
| Excess (deficiency) of revenues over (under) expenditures | - | (1,127) | (1,127) |
| Fund balance - beginning | - | 22,174 | 22,174 |
| Fund balance - ending | \$ - | \$ 21,047 | \$ 21,047 |



FIDUCIARY FUNDS

Trust Fund – Accounts for assets held by the County in a trustee capacity for private organizations and individuals to be used for beautification of the County Courthouse and promotion of open space.

Tax Title Land Fund – Accounts for the management of tax foreclosed properties.

Agency Funds – Accounts for assets held by the County on an interim basis, the County has no management responsibility for these assets.



BENTON COUNTY, OREGON
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2012

| | <i>Trust Fund</i> | <i>Tax Title Land Fund</i> | <i>Totals</i> |
|----------------------|------------------------------|---------------------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 385,599 | \$ 215,893 | \$ 601,492 |
| Receivables: | | | |
| Notes | - | 19,030 | 19,030 |
| Total assets | 385,599 | 234,923 | 620,522 |
| LIABILITIES | | | |
| Accounts payable | 5,805 | 81 | 5,886 |
| Other liabilities | 6,538 | 250 | 6,788 |
| Total liabilities | 12,343 | 331 | 12,674 |
| NET ASSETS | | | |
| <i>Held in trust</i> | \$ 373,256 | \$ 234,592 | \$ 607,848 |

BENTON COUNTY, OREGON**PRIVATE-PURPOSE TRUST FUNDS****COMBINING STATEMENT OF CHANGES IN NET ASSETS***For the Year Ended June 30, 2012*

| | <i>Trust Fund</i> | <i>Tax Title Land Fund</i> | <i>Totals</i> |
|-------------------------------|------------------------------|---------------------------------------|--------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Private donations | \$ 14,536 | \$ - | \$ 14,536 |
| Intergovernmental | 40,479 | - | 40,479 |
| Charges for services | 88,472 | 2,340 | 90,812 |
| Tax foreclosure sales | - | 21,233 | 21,233 |
| Interest earnings | <u>1,872</u> | <u>1,709</u> | <u>3,581</u> |
| Total additions | <u>145,359</u> | <u>25,282</u> | <u>170,641</u> |
| DEDUCTIONS | | | |
| Personal services | 24,353 | - | 24,353 |
| Materials and services | 147,304 | 13,326 | 160,630 |
| Capital outlay | <u>2,760</u> | <u>-</u> | <u>2,760</u> |
| Total deductions | <u>174,417</u> | <u>13,326</u> | <u>187,743</u> |
| Change in net assets | (29,058) | 11,956 | (17,102) |
| <i>Net assets - beginning</i> | <u>402,314</u> | <u>222,636</u> | <u>624,950</u> |
| <i>Net assets - ending</i> | <u>\$ 373,256</u> | <u>\$ 234,592</u> | <u>\$ 607,848</u> |

BENTON COUNTY, OREGON**TRUST FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium ending June 30, 2013**As of June 30, 2012*

| | <i>Biennium</i> | | <i>Variance</i> |
|--|-------------------------|----------------------------|------------------------------------|
| | <i>Total Budget</i> | <i>1st Year Actual</i> | <i>Favorable (Unfavorable)</i> |
| REVENUES | | | |
| Charges for services | \$ 170,880 | \$ 88,472 | \$ (82,408) |
| Intergovernmental | 86,000 | 40,479 | (45,521) |
| Interest | 9,520 | 1,872 | (7,648) |
| Miscellaneous | 91,068 | 14,537 | (76,531) |
| Total revenue | 357,468 | 145,360 | (212,108) |
| EXPENDITURES | | | |
| General government | 2,000 | 2,051 | (51) |
| Public safety | 102,718 | 38,827 | 63,891 |
| Justice services | 244,365 | 29,463 | 214,902 |
| Cultural and educational | 30,100 | 12,343 | 17,757 |
| Trust | 306,516 | 55,685 | 250,831 |
| Total expenditures | 685,699 | 138,369 | 547,330 |
| Excess (deficiency) of revenues over (under) expenditures | (328,231) | 6,991 | 335,222 |
| OTHER FINANCING SOURCES (USES) | | | |
| Operating transfers out | (72,096) | (36,048) | 36,048 |
| Total other financing sources (uses) | (72,096) | (36,048) | 36,048 |
| Change in fund balance | (400,327) | (29,057) | 371,270 |
| Fund balance - beginning | 400,327 | 402,313 | 1,986 |
| Fund balance - ending | \$ - | \$ 373,256 | \$ 373,256 |

BENTON COUNTY, OREGON**TAX TITLE LAND FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium ending June 30, 2013**As of June 30, 2012*

| | Biennium | | Variance Favorable (Unfavorable) |
|--|-------------------------|----------------------------|---|
| | Total Budget | 1st Year Actual | |
| REVENUES | | | |
| Charges for services | \$ 7,800 | \$ 2,340 | \$ (5,460) |
| Interest | 8,000 | 1,709 | (6,291) |
| Tax foreclosure sales | 20,000 | 2,203 | (17,797) |
| Total revenue | 35,800 | 6,252 | (29,548) |
| EXPENDITURES | | | |
| Materials and services | 97,800 | 13,326 | 84,474 |
| Contingency | 178,000 | - | 178,000 |
| Total expenditures | 275,800 | 13,326 | 262,474 |
| Excess (deficiency) of revenues over (under) expenditures | (240,000) | (7,074) | 232,926 |
| Fund balance - beginning | 240,000 | 222,636 | (17,364) |
| Fund balance - ending | \$ - | \$ 215,562 | \$ 215,562 |

BENTON COUNTY, OREGON
PROPERTY TAX DISTRIBUTION AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2012

| | <i>Balance July 1, 2011</i> | <i>Increase</i> | <i>Decrease</i> | <i>Balance June 30, 2012</i> |
|------------------------------------|---------------------------------|------------------------------|------------------------------|----------------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 1,128,682 | \$ 202,230,682 | \$ 203,132,935 | \$ 226,429 |
| Accounts receivable | 4,326 | 47,801 | 4,326 | 47,801 |
| Property taxes receivable | 4,587,172 | 89,634,210 | 89,880,792 | 4,340,590 |
| Accrued interest | 1,043 | - | 1,043 | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <i>Total assets</i> | <u>\$ 5,721,223</u> | <u>\$ 291,912,693</u> | <u>\$ 293,019,096</u> | <u>\$ 4,614,820</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 123,556 | \$ 1,068,667 | \$ 1,103,189 | \$ 158,078 |
| Due to other governmental agencies | 5,597,667 | 289,244,540 | 290,385,465 | 4,456,742 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <i>Total liabilities</i> | <u>\$ 5,721,223</u> | <u>\$ 290,313,207</u> | <u>\$ 291,488,654</u> | <u>\$ 4,614,820</u> |



OTHER FINANCIAL SCHEDULES



BENTON COUNTY, OREGON

SCHEDULE OF BONDS PAYABLE

For the Year Ended June 30, 2012

| | <u><i>Date of Issue</i></u> | <u><i>Amount of Original Issue</i></u> | <u><i>Balance July 1, 2011</i></u> | <u><i>Bond Issuance</i></u> | <u><i>Bond Maturities</i></u> | <u><i>Balance June 30, 2012</i></u> |
|---|-----------------------------|--|--|-----------------------------------|-----------------------------------|---|
| General obligation bonds | | | | | | |
| 2011 Building bonds | 1/6/2001 | \$ 1,700,000 | \$ 1,640,000 | \$ - | \$ 160,000 | \$ 1,480,000 |
| 2012 Department of Transportation | 8/25/2011 | \$ 1,189,408 | - | 1,189,408 | 190,548 | 998,860 |
| Pension obligation bonds | | | | | | |
| 2002 PERS pension bonds | 3/13/2002 | \$ 11,662,750 | 9,531,636 | - | 160,781 | 9,370,855 |
| 2004 PERS pension bonds | 05/27/04 | \$ 7,490,000 | <u>7,415,000</u> | <u>-</u> | <u>75,000</u> | <u>7,340,000</u> |
| Total General | | | <u>18,586,636</u> | <u>1,189,408</u> | <u>586,329</u> | <u>19,189,715</u> |
| Enterprise fund bonds | | | | | | |
| Note payable | 06/15/10 | \$ 305,000 | 289,357 | - | 15,958 | 273,399 |
| Alsea County Service Dist. Bonds Series 1998 | 06/25/98 | \$ 32,900 | 23,502 | - | 1,010 | 22,492 |
| South Third County Service Dist. Bonds Series 2004 | 06/25/04 | \$ 239,000 | <u>115,561</u> | <u>-</u> | <u>9,625</u> | <u>105,936</u> |
| Total enterprise fund bonds | | | <u>428,420</u> | <u>-</u> | <u>26,593</u> | <u>401,827</u> |
| Total all bonds | | | <u><u>\$ 19,015,056</u></u> | <u><u>\$ 1,189,408</u></u> | <u><u>\$ 612,922</u></u> | <u><u>\$ 19,591,542</u></u> |

BENTON COUNTY, OREGON**SCHEDULE OF BOND INTEREST REQUIREMENTS TO MATURITY***For the Year Ended June 30, 2012*

| | <i>Interest Rates</i> | <i>Balance July 1, 2011</i> | <i>New Debt</i> | <i>Coupons Maturing (Early Payoffs)</i> | <i>Balance June 30, 2012</i> |
|---------------------------------------|---------------------------|---------------------------------|---------------------|---|----------------------------------|
| General obligation bonds | | | | | |
| 2011 Sunset Building bonds | 2.0% to 5.6% | \$ 418,870 | \$ - | \$ 70,610 | \$ 348,260 |
| 2012 Department of Transportation | 2.1% | - | 86,197 | 3,242 | 82,955 |
| Pension obligation bonds | | | | | |
| 2002 PERS pension bonds | 7% | 10,354,727 | - | 702,425 | 9,652,302 |
| 2004 PERS pension bonds | 7% | 5,252,695 | - | 445,407 | 4,807,288 |
| Total pension obligation bonds | | 16,026,292 | 86,197 | 1,221,684 | 14,890,805 |
| Enterprise fund bonds | | | | | |
| Note Payable | 2.0% | 38,617 | - | 5,642 | 32,975 |
| Alsea CSD | 4.5% | 10,659 | - | 1,063 | 9,596 |
| South Third CSD | 4.5% | 29,684 | - | 5,052 | 24,632 |
| Total enterprise debt | | 78,960 | 0 | 11,757 | 67,203 |
| Total all bonds | | \$ 16,105,252 | \$ 86,197 | \$ 1,233,441 | \$ 14,958,008 |

BENTON COUNTY, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

June 30, 2012

| Year of Maturity | Enterprise Fund Bonds | | | | | | | | | | | | | | | |
|---------------------|-----------------------|------------------|------------------|-----------------|-----------------------|-------------------|----------------------------|------------------|----------------------|----------------------|------------------------------|------------------|----------------------|----------------------|-----------|----------|
| | S. Third CSD | | Alsea CSD | | Sunset Building Bonds | | Enterprise Operations Fund | | PERS Pension Bonds | | Dept. of Transportation Bond | | Total | | | |
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2013 | \$ 9,820 | \$ 4,640 | \$ 1,001 | \$ 1,020 | \$ 160,000 | \$ 67,010 | \$ 16,280 | \$ 5,320 | \$ 272,774 | \$ 1,176,901 | \$ 144,850 | \$ 23,015 | \$ 604,725 | \$ 1,277,906 | | |
| 2014 | 10,249 | 4,211 | 1,046 | 975 | 165,000 | 62,690 | 16,609 | 4,991 | 315,248 | 1,208,812 | 149,682 | 18,183 | 657,834 | 1,299,862 | | |
| 2015 | 10,698 | 3,762 | 1,093 | 928 | 175,000 | 56,833 | 16,944 | 4,656 | 353,335 | 1,242,923 | 152,869 | 14,996 | 709,939 | 1,324,098 | | |
| 2016 | 11,165 | 3,294 | 1,142 | 879 | 180,000 | 50,182 | 17,286 | 4,314 | 397,200 | 1,279,133 | 156,123 | 11,742 | 762,916 | 1,349,544 | | |
| 2017 | 11,654 | 2,806 | 1,194 | 827 | 185,000 | 42,443 | 17,635 | 3,965 | 440,278 | 1,313,648 | 159,425 | 8,440 | 815,186 | 1,372,129 | | |
| 2018 | 12,164 | 2,296 | 1,247 | 774 | 195,000 | 33,747 | 17,991 | 3,609 | 494,407 | 1,349,548 | 162,842 | 5,023 | 883,651 | 1,394,997 | | |
| 2019 | 12,696 | 1,764 | 1,303 | 718 | 205,000 | 23,315 | 18,354 | 3,246 | 545,727 | 1,385,108 | 73,069 | 1,556 | 856,149 | 1,415,707 | | |
| 2020 | 13,252 | 1,208 | 1,362 | 659 | 215,000 | 12,040 | 152,300 | 2,874 | 656,886 | 1,367,595 | - | - | 1,038,800 | 1,384,376 | | |
| 2021 | 13,832 | 628 | 1,423 | 598 | - | - | - | - | 1,255,000 | 864,683 | - | - | 1,270,255 | 865,909 | | |
| 2022 | 406 | 23 | 1,488 | 533 | - | - | - | - | 1,440,000 | 782,639 | - | - | 1,441,894 | 783,195 | | |
| 2023 | - | - | 1,554 | 467 | - | - | - | - | 1,635,000 | 688,509 | - | - | 1,636,554 | 688,976 | | |
| 2024 | - | - | 1,624 | 397 | - | - | - | - | 1,855,000 | 581,605 | - | - | 1,856,624 | 582,002 | | |
| 2025 | - | - | 1,697 | 324 | - | - | - | - | 770,000 | 459,746 | - | - | 771,697 | 460,070 | | |
| 2026 | - | - | 1,774 | 247 | - | - | - | - | 2,340,000 | 412,815 | - | - | 2,341,774 | 413,062 | | |
| 2027 | - | - | 1,854 | 167 | - | - | - | - | 2,620,000 | 259,057 | - | - | 2,621,854 | 259,224 | | |
| 2028 | - | - | 1,690 | 83 | - | - | - | - | 1,320,000 | 86,868 | - | - | 1,321,690 | 86,951 | | |
| Total | \$ 105,936 | \$ 24,632 | \$ 22,492 | \$ 9,596 | \$ 1,480,000 | \$ 348,260 | \$ 273,399 | \$ 32,975 | \$ 16,710,855 | \$ 14,459,589 | \$ 998,860 | \$ 82,955 | \$ 19,591,542 | \$ 14,958,008 | | |

BENTON COUNTY, OREGON**2002 PERS PENSION BOND DEBT SERVICE SCHEDULE***June 30, 2012*

| <i>Year of Maturity</i> | <i>Payment Amount</i> | <i>Principal</i> | <i>Interest</i> | <i>Balance</i> |
|------------------------------------|----------------------------------|----------------------------|----------------------------|-----------------------|
| 2012 | | | | \$ 9,370,855 |
| 2013 | \$ 903,205 | \$ 167,774 | \$ 735,431 | 9,203,081 |
| 2014 | 948,205 | 175,248 | 772,957 | 9,027,833 |
| 2015 | 993,205 | 178,335 | 814,870 | 8,849,498 |
| 2016 | 1,043,205 | 182,200 | 861,005 | 8,667,298 |
| 2017 | 1,093,205 | 185,278 | 907,927 | 8,482,020 |
| 2018 | 1,148,205 | 189,407 | 958,798 | 8,292,613 |
| 2019 | 1,203,205 | 190,727 | 1,012,478 | 8,101,886 |
| 2020 | 1,263,205 | 246,886 | 1,016,319 | 7,855,000 |
| 2021 | 1,323,068 | 785,000 | 538,068 | 7,070,000 |
| 2022 | 1,384,295 | 900,000 | 484,295 | 6,170,000 |
| 2023 | 1,447,645 | 1,025,000 | 422,645 | 5,145,000 |
| 2024 | 1,517,433 | 1,165,000 | 352,433 | 3,980,000 |
| 2025 | 272,630 | - | 272,630 | 3,980,000 |
| 2026 | 1,747,630 | 1,475,000 | 272,630 | 2,505,000 |
| 2027 | 1,826,593 | 1,655,000 | 171,593 | 850,000 |
| 2028 | 908,225 | 850,000 | 58,225 | - |
| <i>Total</i> | <i>\$ 19,023,158</i> | <i>\$ 9,370,855</i> | <i>\$ 9,652,303</i> | |

BENTON COUNTY, OREGON**2004 PERS PENSION BOND DEBT SERVICE SCHEDULE***June 30, 2012*

| <i>Year of Maturity</i> | <i>Payment Amount</i> | <i>Principal</i> | <i>Interest</i> | <i>Balance</i> |
|------------------------------------|----------------------------------|----------------------------|----------------------------|-----------------------|
| 2012 | | | | \$ 7,340,000 |
| 2013 | \$ 546,470 | \$ 105,000 | \$ 441,470 | 7,235,000 |
| 2014 | 575,855 | 140,000 | 435,855 | 7,095,000 |
| 2015 | 603,053 | 175,000 | 428,053 | 6,920,000 |
| 2016 | 633,128 | 215,000 | 418,128 | 6,705,000 |
| 2017 | 660,721 | 255,000 | 405,721 | 6,450,000 |
| 2018 | 695,750 | 305,000 | 390,750 | 6,145,000 |
| 2019 | 727,630 | 355,000 | 372,630 | 5,790,000 |
| 2020 | 761,276 | 410,000 | 351,276 | 5,380,000 |
| 2021 | 796,615 | 470,000 | 326,615 | 4,910,000 |
| 2022 | 838,344 | 540,000 | 298,344 | 4,370,000 |
| 2023 | 875,864 | 610,000 | 265,864 | 3,760,000 |
| 2024 | 919,172 | 690,000 | 229,172 | 3,070,000 |
| 2025 | 957,116 | 770,000 | 187,116 | 2,300,000 |
| 2026 | 1,005,185 | 865,000 | 140,185 | 1,435,000 |
| 2027 | 1,052,464 | 965,000 | 87,464 | 470,000 |
| 2028 | 498,645 | 470,000 | 28,645 | - |
| <i>Total</i> | <i>\$ 12,147,288</i> | <i>\$ 7,340,000</i> | <i>\$ 4,807,288</i> | |

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
DEBT SERVICE SCHEDULE
June 30, 2012

| <i>Year of Maturity</i> | <i>Payment Amount</i> | <i>Principal</i> | <i>Interest</i> | <i>Balance</i> |
|------------------------------------|----------------------------------|-------------------------|------------------------|-----------------------|
| 2012 | | | | \$ 105,936 |
| 2013 | 14,460 | 9,820 | 4,640 | 96,116 |
| 2014 | 14,460 | 10,249 | 4,211 | 85,867 |
| 2015 | 14,460 | 10,698 | 3,762 | 75,169 |
| 2016 | 14,459 | 11,165 | 3,294 | 64,004 |
| 2017 | 14,460 | 11,654 | 2,806 | 52,350 |
| 2018 | 14,460 | 12,164 | 2,296 | 40,186 |
| 2019 | 14,460 | 12,696 | 1,764 | 27,490 |
| 2020 | 14,460 | 13,252 | 1,208 | 14,238 |
| 2021 | 14,460 | 13,832 | 628 | 406 |
| 2022 | 429 | 406 | 23 | - |
| Totals | \$ 130,568 | \$ 105,936 | \$ 24,632 | |

BENTON COUNTY, OREGON**SUNSET BUILDING BOND****DEBT SERVICE SCHEDULE***June 30, 2012*

| <i>Year of Maturity</i> | <i>Payment Amount</i> | <i>Principal</i> | <i>Interest</i> | <i>Balance</i> |
|------------------------------------|----------------------------------|-------------------------|------------------------|-----------------------|
| 2012 | | | | \$ 1,480,000 |
| 2013 | \$ 227,010 | \$ 160,000 | \$ 67,010 | 1,320,000 |
| 2014 | 227,690 | 165,000 | 62,690 | 1,155,000 |
| 2015 | 231,833 | 175,000 | 56,833 | 980,000 |
| 2016 | 230,182 | 180,000 | 50,182 | 800,000 |
| 2017 | 227,443 | 185,000 | 42,443 | 615,000 |
| 2018 | 228,748 | 195,000 | 33,747 | 420,000 |
| 2019 | 228,315 | 205,000 | 23,315 | 215,000 |
| 2020 | 227,040 | 215,000 | 12,040 | - |
| Total | \$ 1,828,260 | \$ 1,480,000 | \$ 348,260 | |

BENTON COUNTY, OREGON
OREGON DEPT. OF TRANSPORTATION BOND
DEBT SERVICE SCHEDULE
June 30, 2012

| <i>Year of Maturity</i> | <i>Payment Amount</i> | <i>Principal</i> | <i>Interest</i> | <i>Balance</i> |
|-----------------------------|---------------------------|-------------------|------------------|----------------|
| 2012 | | | | \$ 998,860 |
| 2013 | \$ 167,865 | \$ 144,850 | \$ 23,015 | 854,010 |
| 2014 | 167,865 | 149,682 | 18,183 | 704,328 |
| 2015 | 167,865 | 152,869 | 14,996 | 551,459 |
| 2016 | 167,865 | 156,123 | 11,742 | 395,336 |
| 2017 | 167,865 | 159,425 | 8,440 | 235,911 |
| 2018 | 167,865 | 162,842 | 5,023 | 73,069 |
| 2019 | 74,625 | 73,069 | 1,556 | - |
| Total | \$ 1,081,815 | \$ 998,860 | \$ 82,955 | |

BENTON COUNTY, OREGON

SCHEDULE OF CASH ON HAND AND CASH TRANSACTIONS OF INDEPENDENTLY

ELECTED OFFICIALS

For the Year Ended June 30, 2012

There is no cash on hand or cash transactions of independently elected officials for fiscal year ending June 30, 2012.

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2013

As of June 30, 2012

| Fund | Biennium | | Variance with Budget |
|-----------------------------------|-----------------|------------------------------|---------------------------------|
| | Budget | First Year Actual | |
| General | | | |
| General government | \$ 23,727,560 | \$ 7,147,591 | \$ 16,579,969 |
| Public safety | 21,201,415 | 9,725,154 | 11,476,261 |
| Health services | 17,465,198 | 8,125,779 | 9,339,419 |
| Justice services | 8,565,399 | 3,757,484 | 4,807,915 |
| Community services | 1,249,144 | 792,033 | 457,111 |
| Cultural and educational services | 961,632 | 481,374 | 480,258 |
| Parks & natural resources | 2,098,018 | 882,069 | 1,215,949 |
| Total General | 75,268,366 | 30,911,484 | 44,356,882 |
| Road | | | |
| Public works | 18,713,753 | 6,635,387 | 12,078,366 |
| County school | | | |
| Cultural services | 615,000 | 219,246 | 395,754 |
| Fair | | | |
| Cultural services | 1,983,102 | 984,592 | 998,510 |
| Library | | | |
| Cultural services | 4,882,750 | 2,420,190 | 2,462,560 |
| Land corner preservation | | | |
| Public works | 327,973 | 61,954 | 266,019 |
| Block Grant | | | |
| Community services | 3,335,250 | 138,001 | 3,197,249 |
| Oregon Health Plan | | | |
| Health services | 2,999,027 | 1,392,608 | 1,606,419 |
| Court security fund | | | |
| Public safety | 84,200 | 35,644 | 48,556 |
| Local Option Levy | | | |
| General government | 10,843,073 | 4,570,089 | 6,272,984 |
| Public safety | 2,719,164 | 1,178,475 | 1,540,689 |
| Health services | 631,220 | 285,629 | 345,591 |
| Justice services | 1,291,543 | 663,574 | 627,969 |
| Special transportation | | | |
| Community services | 2,402,457 | 1,015,689 | 1,386,768 |
| Title III Projects | | | |
| General government | 350,500 | 120,397 | 230,103 |
| Adult corrections program | | | |
| Public safety | 4,470,477 | 2,008,314 | 2,462,163 |

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS, continued

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2013

As of June 30, 2012

| <i>Fund</i> | <i>Biennium</i> | | <i>Variance with Budget</i> |
|-------------------------------|------------------------------|-------------------------------------|--|
| | <i>Budget</i> | <i>First Year Actual</i> | |
| Cemetery Operations | | | |
| General government | \$ 177,953 | \$ 22,672 | \$ 155,281 |
| Bonded debt service | | | |
| Debt service | 4,492,956 | 1,384,462 | 3,108,494 |
| General capital improvement | | | |
| Capital projects | 2,585,799 | 945,656 | 1,640,143 |
| Building development | | | |
| Capital projects | 1,031,423 | 92,021 | 939,402 |
| Health center | | | |
| Health services | 18,856,673 | 9,556,951 | 9,299,722 |
| Enterprise operations | | | |
| General government | 512,396 | 224,849 | 287,547 |
| Cultural services | 222,080 | 38,216 | 183,864 |
| East Linn Health Clinic | | | |
| Health services | 2,304,744 | 1,235,607 | 1,069,137 |
| Internal service | | | |
| General government | 13,988,982 | 6,234,989 | 7,753,993 |
| Management services | | | |
| General government | 6,259,321 | 2,758,594 | 3,500,727 |
| Health management services | | | |
| Health services | 7,048,881 | 3,060,065 | 3,988,816 |
| Employee benefits trust fund | | | |
| General government | 1,863,142 | 488,408 | 1,374,734 |
| Interest clearing fund | | | |
| General government | 802,000 | 220,815 | 581,185 |
| Tax title land | | | |
| General government | 275,800 | 13,326 | 262,474 |
| Expendable trust | | | |
| Expendable trusts | 685,699 | 138,369 | 547,330 |
| <i>Biennial Totals</i> | <i>\$ 192,025,704</i> | <i>\$ 79,056,273</i> | <i>\$ 112,969,431</i> |

BENTON COUNTY, OREGON**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES****ALL TAXING DISTRICTS***For the Year Ended June 30, 2012*

| <i>Tax Year</i> | <i>Taxes Receivable June 30, 2011</i> | <i>2011-12 Levy Extension</i> | <i>Additions</i> | <i>Discounts and Adjustments</i> | <i>Net Taxes for Collection</i> | <i>Total Cash Collection</i> | <i>Taxes Receivable June 30, 2012</i> |
|------------------------|--|--|-------------------------|---|--|---|--|
| 2011-12 | \$ - | \$ 111,761,788 | \$ 3,489 | \$ (2,911,074) | \$ 108,854,203 | \$ 106,331,280 | \$ 2,522,923 |
| 2010-11 | 2,606,431 | - | - | (68,868) | 2,537,563 | 1,597,644 | 939,919 |
| 2008-09 | 1,091,108 | - | - | (20,400) | 1,070,708 | 552,720 | 517,988 |
| 2007-08 | 574,786 | - | - | (39,157) | 535,629 | 323,597 | 212,032 |
| 2006-07 | 204,122 | - | - | (8,999) | 195,123 | 135,263 | 59,860 |
| 2005-06 | 61,532 | - | - | (13,131) | 48,401 | 8,297 | 40,104 |
| 2004-05 | 35,382 | - | - | (5,027) | 30,355 | 5,595 | 24,760 |
| 2005 and Prior | 179,243 | - | - | (2,678) | 176,565 | 45,143 | 131,422 |
| Subtotal | 4,752,604 | - | - | (158,260) | 4,594,344 | 2,668,259 | 1,926,085 |
| <i>Total</i> | \$ 4,752,604 | \$ 111,761,788 | \$ 3,489 | \$ (3,069,334) | \$ 113,448,547 | \$ 108,999,539 | \$ 4,449,008 |

SUMMARY BY FUND TYPES

| | |
|--|---------------------|
| General Fund | \$ 743,465 |
| Special Revenue Funds | 359,953 |
| Agency Funds | 4,340,591 |
| | 5,444,009 |
| Cash held per ORS 311.814 -- 1/4 of 1% withheld for appeal | (995,001) |
| | \$ 4,449,008 |

STATISTICAL SECTION

This part of the 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.

| Contents | Page |
|---|-------------|
| Financial Trends | 168-172 |
| <i>These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 173-178 |
| <i>These schedules contain information to help the reader assess the county's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 179-183 |
| <i>These schedules present information to help the reader assess the affordability of the county's current level of outstanding debt and the county's ability to issue debt in the future.</i> | |
| Demographic and Economic Information | 184-185 |
| <i>These schedules present information to help the reader understand the environment within which the county's financial activities take place.</i> | |
| Operating Information | 186-189 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.</i> | |



BENTON COUNTY, OREGON**NET ASSETS BY COMPONENT***Last Ten Fiscal Years*

| | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> | <i>Fiscal Year 2007</i> | <i>2008</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 165,292,235 | \$ 161,985,887 | \$ 160,896,652 | \$ 160,126,842 | \$ 158,763,985 | \$ 156,896,506 | \$ 156,021,588 | \$ 154,462,134 | \$ 152,679,953 | \$ 153,090,589 |
| Restricted | 739,237 | 1,188,565 | 1,121,239 | 1,021,443 | 8,171,405 | 8,378,244 | 7,371,937 | 6,560,693 | 6,466,464 | 6,404,796 |
| Unrestricted | 11,219,583 | 15,035,520 | 15,419,626 | 16,241,912 | 10,929,425 | 11,121,171 | 14,485,428 | 16,087,602 | 16,000,448 | 16,881,425 |
| Total governmental activities net assets | \$ 177,251,055 | \$ 178,209,972 | \$ 177,437,517 | \$ 177,390,197 | \$ 177,864,815 | \$ 176,395,921 | \$ 177,878,953 | \$ 177,110,429 | \$ 175,146,865 | \$ 176,376,810 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 1,023,216 | \$ 2,168,351 | \$ 3,114,196 | \$ 3,518,830 | \$ 3,336,209 | \$ 3,239,364 | \$ 3,173,327 | \$ 3,860,192 | \$ 3,791,252 | \$ 3,836,999 |
| Restricted | - | - | - | - | - | - | - | - | - | 158,864 |
| Unrestricted | 104,270 | 220,807 | (73,856) | 33,980 | 408,774 | 409,936 | 1,128,866 | 165,612 | 155,050 | 568,908 |
| Total business-type activities net assets | \$ 1,127,486 | \$ 2,389,158 | \$ 3,040,340 | \$ 3,552,810 | \$ 3,744,983 | \$ 3,649,300 | \$ 4,302,193 | \$ 4,025,804 | \$ 3,946,302 | \$ 4,564,771 |
| Primary government | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 166,315,451 | \$ 164,154,238 | \$ 164,010,848 | \$ 163,645,672 | \$ 162,100,194 | \$ 160,135,870 | \$ 159,194,915 | \$ 158,322,326 | \$ 156,471,205 | \$ 156,927,588 |
| Restricted | 739,237 | 1,188,565 | 1,121,239 | 1,021,443 | 8,171,405 | 8,378,244 | 7,371,937 | 6,560,693 | 6,466,464 | 6,404,796 |
| Unrestricted | 11,323,853 | 15,256,327 | 15,345,770 | 16,275,892 | 11,338,199 | 11,531,107 | 15,614,294 | 16,253,214 | 16,155,498 | 17,450,333 |
| Total primary government net assets | \$ 178,378,541 | \$ 180,599,130 | \$ 180,477,857 | \$ 180,943,007 | \$ 181,609,798 | \$ 180,045,221 | \$ 182,181,146 | \$ 181,136,233 | \$ 179,093,167 | \$ 180,782,717 |

BENTON COUNTY, OREGON**CHANGES IN NET ASSETS****Last Ten Fiscal Years**

(accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General Government | \$ 4,800,836 | \$ 4,761,430 | \$ 5,143,165 | \$ 5,916,447 | \$ 6,253,902 | \$ 5,995,490 | \$ 6,083,054 | \$ 5,488,294 | \$ 5,974,241 | \$ 5,660,555 |
| Public Safety | 8,062,852 | 8,129,639 | 9,105,331 | 9,111,396 | 8,899,853 | 9,314,042 | 10,338,460 | 11,195,709 | 13,460,495 | 12,168,468 |
| Public Works | 18,780,138 | 9,409,369 | 7,587,964 | 8,233,470 | 6,708,519 | 7,932,117 | 7,612,696 | 7,110,962 | 7,200,818 | 7,985,526 |
| Health Services | 18,117,473 | 18,093,029 | 14,988,561 | 17,581,535 | 16,554,060 | 8,214,487 | 8,448,774 | 8,405,362 | 8,661,889 | 8,781,340 |
| Justice Services | 3,092,211 | 3,090,952 | 3,129,024 | 3,489,811 | 3,491,553 | 3,559,078 | 4,162,405 | 4,625,489 | 4,438,804 | 4,169,027 |
| Community Services | 1,739,717 | 1,637,055 | 1,934,643 | 2,020,802 | 2,138,212 | 2,327,565 | 2,143,131 | 1,618,529 | 1,889,082 | 1,758,078 |
| Cultural & Educational | 4,528,003 | 4,528,198 | 4,630,541 | 3,974,969 | 3,994,969 | 3,875,346 | 3,489,717 | 3,944,696 | 4,129,899 | 4,061,012 |
| Animal Control** | 191,991 | 193,674 | 174,402 | 248,328 | 208,382 | 212,025 | 182,522 | - | - | - |
| Parks and natural resources | - | 653,113 | 658,406 | 575,155 | 839,371 | 841,688 | 1,228,293 | 1,037,999 | 997,588 | 821,451 |
| Interest on long-term debt | 712,000 | 678,734 | 1,131,042 | 1,148,163 | 1,134,285 | 1,058,837 | 1,070,434 | 1,089,561 | 1,259,880 | 1,251,396 |
| Total governmental activities expenses | 60,025,221 | 51,175,193 | 48,483,079 | 52,300,076 | 50,223,106 | 43,330,675 | 44,759,486 | 44,516,601 | 48,012,696 | 46,656,853 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 129,132 | 152,270 | 211,437 | 193,838 | 195,998 | 201,002 | 204,097 | 208,614 | 204,597 | 207,315 |
| Health Services | - | - | 4,397,827 | 4,556,045 | 4,693,128 | 7,212,117 | 7,879,739 | 8,561,927 | 9,919,857 | 10,540,489 |
| Real estate rental | 6,625 | 7,576 | 51,959 | 62,796 | 106,051 | 180,059 | 114,954 | 149,369 | 175,949 | 168,918 |
| Total business-type activities expenses | 135,757 | 159,846 | 4,661,223 | 4,812,679 | 4,995,177 | 7,593,178 | 8,198,790 | 8,919,910 | 10,300,403 | 10,916,722 |
| Total primary government expenses | \$ 60,160,978 | \$ 51,335,039 | \$ 53,144,302 | \$ 57,112,755 | \$ 55,218,283 | \$ 50,923,853 | \$ 52,958,276 | \$ 53,436,511 | \$ 58,313,099 | \$ 57,573,575 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 1,668,574 | \$ 2,880,559 | \$ 1,388,158 | \$ 1,482,083 | \$ 1,497,735 | \$ 2,585,399 | \$ 1,152,423 | \$ 392,662 | \$ 870,803 | \$ 639,669 |
| Public safety | 264,214 | 171,870 | 234,554 | 214,006 | 215,355 | 83,975 | 162,018 | 436,469 | 386,503 | 333,937 |
| Public works | 1,009,266 | 456,008 | 517,834 | 576,784 | 983,336 | 1,168,813 | 885,287 | 1,101,095 | 898,775 | 1,220,387 |
| Health services | 1,451,365 | 716,156 | 372,601 | 1,154,804 | 890,657 | 472,173 | 530,300 | 694,000 | 698,137 | 755,497 |
| Cultural & educational | 535,528 | 535,551 | 567,825 | 593,739 | 606,439 | 613,814 | 584,750 | 589,883 | 616,365 | 603,482 |
| Other activities | 597,152 | 607,674 | 644,243 | 652,259 | 648,333 | 632,023 | 608,067 | 574,378 | 657,808 | 628,654 |
| Operating grants and contributions | 24,120,293 | 24,684,220 | 24,177,852 | 23,631,187 | 23,749,161 | 18,346,695 | 15,466,732 | 15,360,470 | 16,553,564 | 18,317,824 |
| Capital grants and contributions | 394,935 | 1,945,143 | 2,367,755 | 1,670,058 | 1,645,852 | 1,005,203 | 1,389,700 | 1,524,618 | 1,687,754 | 2,253,077 |
| Total governmental activities program revenues | 30,041,327 | 31,997,181 | 30,270,822 | 29,974,920 | 30,236,868 | 24,908,095 | 20,779,277 | 20,673,575 | 22,369,709 | 24,752,527 |
| Business-type activities: | | | | | | | | | | |
| Charges for services | 129,142 | 132,562 | 1,095,464 | 2,067,183 | 1,901,996 | 3,789,311 | 5,005,555 | 3,834,036 | 5,703,747 | 5,976,448 |
| Operating grants and contributions | - | - | 1,735,940 | 2,427,265 | 1,804,110 | 2,656,297 | 2,854,493 | 3,345,381 | 3,283,512 | 3,833,903 |
| Capital grants and contributions | 73,948 | 1,325,372 | 4,696 | - | - | - | 31,602 | 413,417 | - | - |
| Total business-type activities program revenues | 203,090 | 1,457,934 | 2,836,100 | 4,494,448 | 3,706,106 | 6,445,608 | 7,891,650 | 7,592,834 | 8,987,259 | 9,810,351 |
| Total primary government program revenues | \$ 30,244,417 | \$ 33,455,115 | \$ 33,106,922 | \$ 34,469,368 | \$ 33,942,974 | \$ 31,353,703 | \$ 28,670,927 | \$ 28,266,409 | \$ 31,356,968 | \$ 34,562,878 |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental activities | \$ (29,983,894) | \$ (19,178,012) | \$ (18,212,257) | \$ (22,325,156) | \$ (19,986,238) | \$ (18,422,580) | \$ (23,980,209) | \$ (23,843,026) | \$ (25,642,987) | \$ (21,904,326) |
| Business-type activities | 67,333 | 1,298,088 | (1,825,123) | (318,231) | (1,289,071) | (1,147,570) | (307,140) | (1,327,076) | (1,313,144) | (1,106,371) |
| Total primary government net expense | \$ (29,916,561) | \$ (17,879,924) | \$ (20,037,380) | \$ (22,643,387) | \$ (21,275,309) | \$ (19,570,150) | \$ (24,287,349) | \$ (25,170,102) | \$ (26,956,131) | \$ (23,010,697) |

(continued)

(continued)

General Revenues and Other Changes in Net Assets

| | | | | | | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Governmental activities: | | | | | | | | | | |
| Property taxes | \$ 12,297,606 | \$ 15,927,184 | \$ 14,872,817 | \$ 15,426,083 | \$ 15,843,655 | \$ 16,522,469 | \$ 15,777,749 | \$ 19,637,761 | \$ 20,739,324 | \$ 21,627,730 |
| Interest and investment earnings | 161,235 | 194,279 | 469,605 | 869,759 | 837,604 | 1,081,341 | 477,069 | 199,615 | 149,574 | 340,985 |
| Gain on sale of capital assets | 32,532 | 13,949 | 10,160 | 114,600 | 23,333 | - | - | - | - | - |
| Unrestricted grants and contributions | 4,320,537 | 3,961,188 | 4,465,339 | 6,646,776 | 5,181,384 | 335,464 | 10,142,867 | 4,276,211 | 4,017,614 | 2,413,947 |
| Fines | 1,186 | 1,467 | 403 | - | - | - | - | - | - | - |
| Transfers | (71,083) | 38,862 | (2,378,522) | (779,382) | (1,425,120) | (985,589) | (934,444) | (1,039,085) | (1,227,089) | (1,248,391) |
| Total governmental activities | 16,742,013 | 20,136,929 | 17,439,802 | 22,277,836 | 20,460,856 | 16,953,685 | 25,463,241 | 23,074,502 | 23,679,423 | 23,134,271 |

BENTON COUNTY, OREGON**CHANGES IN NET ASSETS****Last Ten Fiscal Years**

(accrual basis of accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--|-------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------|
| Business-type activities: | | | | | | | | | | |
| Property taxes | - | - | - | 28,017 | 25,871 | 35,915 | - | - | - | - |
| Interest and investment earnings | 2,662 | 2,446 | 8,298 | 23,157 | 30,253 | 30,383 | 22,397 | 11,602 | 6,553 | 6,758 |
| Unrestricted grants and contributions | - | - | 89,485 | - | - | - | 3,192 | - | - | 310,827 |
| Transfers | (51,355) | (38,862) | 2,378,522 | 779,382 | 1,425,120 | 985,589 | 934,444 | 1,039,085 | 1,227,089 | 1,248,391 |
| Total business-type activities | <u>(48,693)</u> | <u>(36,416)</u> | <u>2,476,305</u> | <u>830,556</u> | <u>1,481,244</u> | <u>1,051,887</u> | <u>960,033</u> | <u>1,050,687</u> | <u>1,233,642</u> | <u>1,565,976</u> |
| Total primary government general revenues | <u>\$ 16,693,320</u> | <u>\$ 20,100,513</u> | <u>\$ 19,916,107</u> | <u>\$ 23,108,392</u> | <u>\$ 21,942,100</u> | <u>\$ 18,005,572</u> | <u>\$ 26,423,274</u> | <u>\$ 24,125,189</u> | <u>\$ 24,913,065</u> | <u>\$ 24,700,247</u> |
| <i>Change in Net Assets</i> | | | | | | | | | | |
| Governmental activities | \$ (13,241,881) | \$ 958,917 | \$ (772,455) | \$ (47,320) | \$ 474,618 | \$ (1,468,895) | \$ 1,483,032 | \$ (768,524) | \$ (1,963,564) | \$ 1,229,945 |
| Business-type activities | 18,640 | 1,261,672 | 651,182 | 512,325 | 192,173 | (95,683) | 652,893 | (276,389) | (79,502) | 459,605 |
| Total primary government | <u>\$ (13,223,241)</u> | <u>\$ 2,220,589</u> | <u>\$ (121,273)</u> | <u>\$ 465,005</u> | <u>\$ 666,791</u> | <u>\$ (1,564,578)</u> | <u>\$ 2,135,925</u> | <u>\$ (1,044,913)</u> | <u>\$ (2,043,066)</u> | <u>\$ 1,689,550</u> |

** Discontinued program in 2009

BENTON COUNTY, OREGON
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011**</u> | <u>2012</u> |
|---|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 30,891 | \$ 21,500 | \$ 35,372 | \$ 29,935 | \$ 52,980 | \$ 23,589 | \$ 74,810 | \$ 46,367 | \$ - | \$ - |
| Unreserved | 6,799,257 | 9,644,976 | 9,310,030 | 10,593,954 | 9,283,503 | 12,112,411 | 10,580,970 | 9,327,049 | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | 38,392 | 27,261 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Committed | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | 9,689,403 | 11,641,085 |
| Total general fund | <u>\$ 6,830,148</u> | <u>\$ 9,666,476</u> | <u>\$ 9,345,402</u> | <u>\$ 10,623,889</u> | <u>\$ 9,336,483</u> | <u>\$ 12,136,000</u> | <u>\$ 10,655,780</u> | <u>\$ 9,373,416</u> | <u>\$ 9,727,795</u> | <u>\$ 11,668,346</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 532,699 | \$ 394,674 | \$ 317,400 | \$ 177,446 | \$ 2,687,101 | \$ 2,852,175 | \$ 3,094,725 | \$ 3,588,974 | \$ - | \$ - |
| Unreserved reported in: | | | | | | | | | | |
| Special revenue funds | 5,085,664 | 5,786,216 | 5,647,083 | 5,346,314 | 5,903,250 | 5,562,402 | 9,387,243 | 10,961,972 | - | - |
| Capital project funds | 356,192 | 234,522 | 1,141,754 | 1,016,263 | - | - | - | - | - | - |
| Debt service funds | 383,045 | 651,552 | 688,452 | 811,593 | - | - | - | - | - | - |
| Nonspendable | - | - | - | - | - | - | - | - | 1,916,578 | 1,867,407 |
| Restricted | - | - | - | - | - | - | - | - | 3,668,409 | 2,725,606 |
| Committed | - | - | - | - | - | - | - | - | 8,883,147 | 8,605,498 |
| Assigned | - | - | - | - | - | - | - | - | 895 | 899 |
| Unassigned | - | - | - | - | - | - | - | - | (136,263) | (150,767) |
| Total all other governmental funds | <u>\$ 6,357,600</u> | <u>\$ 7,066,964</u> | <u>\$ 7,794,689</u> | <u>\$ 7,351,616</u> | <u>\$ 8,590,351</u> | <u>\$ 8,414,577</u> | <u>\$ 12,481,968</u> | <u>\$ 14,550,946</u> | <u>\$ 14,332,766</u> | <u>\$ 13,048,643</u> |

** GASB 54 implemented for FY 2010-11 - requiring new fund balance categories.

BENTON COUNTY, OREGON
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------------------|---------------------|-------------------|-------------------|--------------------|---------------------|---------------------|-------------------|-------------------|-------------------|
| Revenues | | | | | | | | | | |
| Taxes and assessments | \$ 15,603,958 | \$ 16,033,766 | \$ 14,984,323 | \$ 15,528,155 | \$ 15,839,147 | \$ 16,505,930 | \$ 20,817,693 | \$ 19,448,143 | \$ 20,699,795 | \$ 21,648,477 |
| Licenses and permits | 1,203,517 | 1,456,837 | 1,381,119 | 1,568,871 | 1,471,110 | 1,459,885 | 1,376,143 | 1,449,657 | 1,234,550 | 1,269,629 |
| Fines | 1,186 | 1,467 | 403 | 1,050 | 1,221 | 438 | 350 | 880 | 204 | 150 |
| Charges for services | 7,612,620 | 5,612,986 | 5,093,117 | 7,152,114 | 7,062,564 | 5,336,417 | 5,076,303 | 4,996,002 | 5,068,301 | 5,404,131 |
| Intergovernmental | 26,773,110 | 28,860,284 | 29,495,508 | 28,541,314 | 28,496,020 | 19,146,945 | 19,980,677 | 19,316,038 | 20,428,636 | 19,908,995 |
| Interest earnings ^(a) | 254,250 | 207,881 | 467,108 | 757,029 | 1,197,030 | 1,081,341 | 477,069 | 186,329 | 180,135 | 118,175 |
| Miscellaneous | 613,870 | 978,052 | 270,861 | 756,324 | 288,975 | 570,461 | 253,706 | 377,416 | 472,021 | 1,884,325 |
| Total Revenues | 52,062,511 | 53,151,273 | 51,692,439 | 54,304,857 | 54,356,067 | 44,101,417 | 47,981,941 | 45,774,465 | 48,083,642 | 50,233,882 |
| Expenditures | | | | | | | | | | |
| General government | 4,645,022 | 4,942,897 | 5,146,034 | 6,013,743 | 6,244,460 | 5,652,011 | 5,740,372 | 5,423,514 | 6,036,261 | 6,215,265 |
| Public works | 5,087,664 | 6,006,585 | 7,535,510 | 7,809,356 | 6,980,264 | 6,952,944 | 7,389,515 | 4,649,132 | 4,504,956 | 4,741,839 |
| Public safety | 8,485,629 | 8,460,901 | 8,058,034 | 8,344,913 | 8,233,238 | 7,718,476 | 8,756,196 | 11,010,726 | 11,821,582 | 12,487,004 |
| Health services | 19,272,967 | 18,646,208 | 15,830,619 | 17,764,160 | 17,568,946 | 8,454,002 | 8,585,535 | 8,733,928 | 9,037,982 | 9,676,017 |
| Justice services | 3,103,767 | 3,272,061 | 3,238,465 | 3,631,118 | 3,726,609 | 3,375,050 | 4,105,520 | 4,259,393 | 4,325,385 | 4,333,394 |
| Community services | 1,829,752 | 1,951,944 | 2,636,850 | 2,028,856 | 2,042,067 | 2,412,342 | 2,034,672 | 1,490,571 | 1,876,556 | 1,833,553 |
| Cultural and educational services | 4,461,361 | 4,558,373 | 4,599,675 | 3,969,763 | 4,101,275 | 3,940,814 | 3,955,956 | 3,943,098 | 4,248,516 | 4,092,907 |
| Animal control ^(c) | 192,153 | 214,596 | 184,944 | 253,098 | 234,708 | 213,167 | 182,978 | - | - | - |
| Parks and natural resources ^(b) | - | 612,551 | 603,094 | 672,383 | 891,495 | 918,559 | 1,132,592 | 990,241 | 895,829 | 849,876 |
| Capital Outlay | 854,056 | 475,681 | 381,495 | 962,326 | 214,246 | 376,694 | 652,716 | 2,030,739 | 2,432,855 | 2,788,140 |
| Debt service: | | | | | | | | | | |
| Principal | 696,586 | 7,268,378 | 172,338 | 186,337 | 1,547,889 | 253,376 | 425,949 | 162,877 | 199,292 | 235,781 |
| Interest | 698,691 | 674,084 | 1,131,042 | 1,148,163 | 1,134,285 | 1,058,837 | 1,070,434 | 1,089,561 | 1,116,919 | 1,151,073 |
| Total expenditures | 49,327,648 | 57,084,259 | 49,518,100 | 52,784,216 | 52,919,482 | 41,326,272 | 44,032,435 | 43,783,780 | 46,496,133 | 48,404,849 |
| Excess of revenues over (under) | | | | | | | | | | |
| Expenditures | 2,734,863 | (3,932,986) | 2,174,339 | 1,520,641 | 1,436,585 | 2,775,145 | 3,949,506 | 1,990,685 | 1,587,509 | 1,829,033 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Loans/bond sales/leases | 148,543 | 7,576,608 | 50,452 | 26,336 | - | 10,646 | - | - | - | - |
| Sale of capital assets | 24,913 | - | - | 114,600 | 6,975 | - | - | - | - | - |
| Transfers in | 2,682,103 | 2,040,166 | 1,894,775 | 2,028,090 | 3,586,612 | 2,746,114 | 3,913,716 | 4,166,367 | 4,996,420 | 5,646,070 |
| Transfers out | (2,753,186) | (2,138,096) | (3,712,915) | (2,854,254) | (5,078,845) | (2,908,163) | (5,276,051) | (5,370,438) | (6,283,634) | (6,794,412) |
| Total other financing sources (uses) | 102,373 | 7,478,678 | (1,767,688) | (685,228) | (1,485,258) | (151,403) | (1,362,335) | (1,204,071) | (1,287,214) | (1,148,342) |
| Net change in fund balances | \$ 2,837,236 | \$ 3,545,692 | \$ 406,651 | \$ 835,413 | \$ (48,673) | \$ 2,623,742 | \$ 2,587,171 | \$ 786,614 | \$ 300,295 | \$ 680,691 |
| Debt service as a percentage of noncapital expenditures | 2.95% | 14.47% | 2.80% | 2.67% | 5.37% | 3.38% | 3.73% | 3.08% | 3.21% | 3.23% |
| Addition to capital assets | \$ 2,047,640 | \$ 2,183,090 | \$ 2,910,914 | \$ 2,748,665 | \$ 2,954,122 | \$ 2,542,711 | \$ 3,882,062 | \$ 3,159,048 | \$ 5,452,960 | \$ 5,485,367 |

(a) Interest earnings included in Miscellaneous until the implemetation of GASB 34 in FY 2003

(b) Parks and natural resources created in FY 2004

(c) Animal Control discontinued in FY 2009

BENTON COUNTY, OREGON
PROGRAM REVENUES BY FUNCTION
Last Ten Fiscal Years
(accrual basis of accounting)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General Government | \$ 4,397,263 | \$ 4,988,745 | \$ 3,341,225 | \$ 3,207,169 | \$ 2,953,668 | \$ 7,008,452 | \$ 2,196,798 | \$ 3,073,442 | \$ 3,470,252 | \$ 2,005,500 |
| Public Safety | 1,864,916 | 1,912,229 | 2,256,684 | 2,305,086 | 2,278,124 | 2,016,351 | 1,921,792 | 2,103,203 | 2,087,850 | 2,332,644 |
| Public Works | 4,827,947 | 5,578,694 | 5,228,773 | 5,328,242 | 6,224,785 | 5,014,501 | 5,239,306 | 4,711,365 | 5,100,560 | 6,512,756 |
| Health Services | 14,613,243 | 14,531,676 | 13,926,448 | 15,035,001 | 14,384,758 | 6,300,283 | 6,405,658 | 7,327,179 | 7,544,674 | 9,219,781 |
| Justice Services | 716,929 | 726,492 | 833,968 | 826,664 | 715,281 | 780,943 | 948,190 | 862,897 | 871,661 | 911,295 |
| Community Services | 1,772,454 | 2,070,317 | 2,457,878 | 1,853,326 | 1,981,491 | 2,335,426 | 1,925,399 | 1,435,959 | 2,170,035 | 2,724,550 |
| Cultural & Educational | 1,742,914 | 2,006,698 | 2,006,595 | 1,197,155 | 1,337,308 | 1,045,201 | 1,019,174 | 895,031 | 929,005 | 921,527 |
| Animal Control (c) | 105,661 | 91,214 | 120,788 | 88,626 | 94,829 | 129,525 | 111,586 | - | - | - |
| Parks and Natural Resources (a) | - | 91,116 | 98,463 | 133,651 | 266,624 | 277,413 | 1,011,374 | 264,499 | 195,672 | 124,474 |
| Total governmental activities revenues | <u>30,041,327</u> | <u>31,997,181</u> | <u>30,270,822</u> | <u>29,974,920</u> | <u>30,236,868</u> | <u>24,908,095</u> | <u>20,779,277</u> | <u>20,673,575</u> | <u>22,369,709</u> | <u>24,752,527</u> |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 199,320 | 1,420,836 | 115,325 | 124,978 | 118,463 | 126,465 | 150,665 | 536,575 | 138,683 | 127,407 |
| Health services | - | - | 2,515,270 | 4,142,187 | 3,415,820 (b) | 6,084,184 | 7,429,538 | 6,852,474 | 8,584,503 | 9,437,739 |
| Real estate rental | 3,770 | 37,098 | 205,505 | 227,283 | 171,823 | 234,959 | 311,447 | 203,785 | 207,008 | 245,205 |
| Total business-type activities revenues | <u>203,090</u> | <u>1,457,934</u> | <u>2,836,100</u> | <u>4,494,448</u> | <u>3,706,106</u> | <u>6,445,608</u> | <u>7,891,650</u> | <u>7,592,834</u> | <u>8,930,194</u> | <u>9,810,351</u> |
| Total primary government revenues | <u>\$ 30,244,417</u> | <u>\$ 33,455,115</u> | <u>\$ 33,106,922</u> | <u>\$ 34,469,368</u> | <u>\$ 33,942,974</u> | <u>\$ 31,353,703</u> | <u>\$ 28,670,927</u> | <u>\$ 28,266,409</u> | <u>\$ 31,299,903</u> | <u>\$ 34,562,878</u> |

(a) The Parks and Natural Resources Department was created in FY 2004.

(b) East Linn Health Center was started in January of 2008

(c) Animal Control program discontinued in FY 2009

BENTON COUNTY, OREGON

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY ^{(a) (b)}

Last Ten Fiscal Years

| <i>Fiscal Yr Ended June 30,</i> | <i>Residential Property</i> | <i>Commercial Property</i> | <i>Industrial Property</i> | <i>Tract Property</i> | <i>EFU/Non EFU Farm Property</i> | <i>Forest Property</i> | <i>Miscellaneous Property</i> | <i>Total Taxable Assessed Value</i> | <i>Total Direct Tax Rate</i> | <i>Estimated Actual Taxable Value</i> | <i>Assessed Value ^(c) as a Percentage of Actual Value</i> |
|---|---------------------------------|--------------------------------|--------------------------------|---------------------------|--|----------------------------|-----------------------------------|---|--------------------------------------|---|--|
| 2003 | \$ 2,205,852,603 | \$ 525,633,669 | \$ 589,775,624 | \$ 667,036,694 | \$ 170,236,542 | \$ 138,372,603 | \$ 396,455,294 | \$ 4,693,363,029 | \$ 2.5988 | \$ 5,694,740,231 | 82.42% |
| 2004 | 2,346,515,771 | 561,818,744 | 569,907,253 | 732,524,125 | 210,272,071 | 159,368,999 | 424,426,943 | 5,004,833,906 | 2.8571 | 6,054,453,366 | 82.66% |
| 2005 | 2,493,519,921 | 595,200,207 | 615,176,635 | 768,367,895 | 216,741,145 | 177,805,852 | 413,152,836 | 5,279,964,491 | 2.4929 | 6,806,727,474 | 77.57% |
| 2006 | 2,591,020,171 | 619,229,786 | 603,236,271 | 800,409,216 | 226,352,599 | 185,004,811 | 495,055,367 | 5,520,308,221 | 2.4934 | 7,226,922,269 | 76.39% |
| 2007 | 2,734,528,229 | 782,410,991 | 531,153,091 | 845,826,454 | 238,314,445 | 197,515,307 | 340,299,746 | 5,670,048,263 | 2.4641 | 8,432,112,831 | 67.24% |
| 2008 | 2,889,510,212 | 662,871,751 | 520,092,086 | 881,358,774 | 247,416,012 | 208,803,396 | 513,215,731 | 5,923,267,962 | 2.4652 | 9,125,470,608 | 64.91% |
| 2009 | 3,065,642,070 | 687,221,977 | 487,923,589 | 920,423,064 | 259,908,026 | 224,554,560 | 548,090,430 | 6,193,763,716 | 3.1052 | 9,896,171,431 | 62.59% |
| 2010 | 3,165,722,147 | 751,551,153 | 428,034,526 | 968,859,589 | 271,985,198 | 236,682,116 | 555,723,379 | 6,378,558,108 | 2.7952 | 9,888,538,348 | 64.50% |
| 2011 | 3,194,815,220 | 937,550,543 | 500,531,726 | 979,673,997 | 272,747,621 | 241,438,173 | 557,493,492 | 6,684,250,772 | 2.8452 | 9,475,693,402 | 70.54% |
| 2012 | 3,300,652,684 | 988,582,044 | 504,205,899 | 1,012,248,673 | 281,844,128 | 248,193,954 | 572,464,569 | 6,908,191,951 | 2.8852 | 9,435,565,562 | 73.21% |

(a) Actual Values are established by the County Assessor by July 1 of each year.

(b) The passage of Measure 50 required property values to be rolled back to 1995-96 value less 10%.
Other than new construction, the assessed value can increase by a maximum of 3% annually.

(c) Includes tax-exempt property.

BENTON COUNTY, OREGON

AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS

(per \$1,000 of Assessed Value)

Last Ten Fiscal Years

| | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> | <i>2007</i> | <i>2008</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| County Direct Rates | | | | | | | | | | |
| General | \$ 2.1971 | \$ 2.2029 | \$ 2.2034 | \$ 2.2034 | \$ 2.2041 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 |
| Local Option | 0.6600 | 0.2900 | 0.2900 | 0.2900 | 0.2600 | 0.2600 | 0.9000 | 0.5900 | 0.6400 | 0.6800 |
| Total direct rate | <u>2.8571</u> | <u>2.4929</u> | <u>2.4934</u> | <u>2.4934</u> | <u>2.4641</u> | <u>2.4652</u> | <u>3.1052</u> | <u>2.7952</u> | <u>2.8452</u> | <u>2.8852</u> |
| City and Town Rates | | | | | | | | | | |
| Adair Village | \$ 3.8324 | \$ 2.5894 | \$ 2.5940 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 |
| Albany | 8.1244 | 8.0355 | 7.9573 | 7.9573 | 7.8663 | 7.8618 | 7.1726 | 7.1379 | 7.1222 | 7.5155 |
| Corvallis | 5.6812 | 5.5988 | 5.6485 | 5.6485 | 5.6406 | 5.6219 | 5.6448 | 5.6251 | 5.5939 | 5.5567 |
| Monroe | 5.3346 | 5.0775 | 4.9825 | 4.9825 | 5.0419 | 4.7815 | 4.7864 | 4.6690 | 6.8640 | 7.1100 |
| Philomath | 5.8449 | 5.7701 | 4.8617 | 4.8617 | 4.8221 | 4.8314 | 4.8493 | 4.8518 | 4.8238 | 4.8283 |
| School District Rates | | | | | | | | | | |
| Linn-Benton ESD | 0.8867 | 0.8835 | 0.8825 | 0.3079 | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 |
| Willamette Region ESD | 0.0297 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 |
| Greater Albany SD8 | 4.9785 | 4.9623 | 4.9254 | 4.9254 | 4.8882 | 6.1657 | 6.2036 | 6.2304 | 6.2160 | 6.1893 |
| Alsea SD7 | 5.2941 | 5.2232 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 |
| Central School 13J | 9.2206 | 8.2569 | 8.2807 | 8.2807 | 7.5827 | 8.3134 | 8.2674 | 8.1169 | 8.0909 | 8.0870 |
| Central Linn SD | - | 4.8769 | 5.2550 | 5.2550 | 4.9981 | 5.0361 | 5.2137 | 5.0612 | 5.0345 | 4.6179 |
| Corvallis SD 509J | 7.1268 | 7.0432 | 6.2375 | 6.2375 | 6.1644 | 7.2494 | 7.2183 | 7.6710 | 7.6546 | 7.6457 |
| Harrisburg SD7 | 6.9097 | 6.8023 | 6.2940 | 6.2940 | 6.2797 | 6.2815 | 6.3056 | 6.1016 | 6.1666 | 6.0778 |
| Linn-Benton CC | 1.9708 | 1.9718 | 1.9850 | 0.6858 | 0.6805 | 0.6733 | 0.6767 | 0.6822 | 0.6736 | 0.6814 |
| Lane CC | 0.8790 | 0.8850 | 0.8814 | 0.8814 | 0.8496 | 0.8306 | 0.8705 | 0.8534 | 0.8589 | 0.8782 |
| Monroe UH1J School | 5.5369 | 4.7740 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 |
| Philomath SD17 | 7.8393 | 7.7398 | 7.6883 | 7.6883 | 7.6105 | 7.4906 | 7.5695 | 7.4160 | 7.5726 | 7.4608 |
| Other Special District Rates | | | | | | | | | | |
| Alsea Cemetery | 0.1654 | 0.1654 | 0.1654 | 0.1654 | 0.0786 | 0.1654 | 0.1654 | 0.1654 | 0.0691 | 0.0677 |
| Benton County Library | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 |
| North Albany Service Dist | 0.3888 | 0.3519 | 0.3251 | 0.3251 | 0.3064 | 0.2905 | 0.1803 | - | - | - |
| Vineyard Mountain P&R | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 |
| Benton County Soil & Water | - | - | 0.0956 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Junction City Water | 0.3378 | 0.3200 | 0.2893 | 0.2893 | 0.3111 | 0.3115 | 0.2965 | 0.2859 | 0.2886 | 0.2806 |
| | | | | | | | | Continued | Continued | Continued |

BENTON COUNTY, OREGON**AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS***(per \$1,000 of Assessed Value)**Last Ten Fiscal Years*

| | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> | <i>2007</i> | <i>2008</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Rural Fire District Rates | | | | | | | | | | |
| Adair RFD | 2.0706 | 2.2031 | 2.1560 | 2.1560 | 2.0438 | 2.0085 | 2.0027 | 2.0040 | 1.9675 | 1.7512 |
| N Albany RFD | 1.4071 | 1.4071 | 1.4071 | 1.4071 | 1.4071 | 2.3171 | 1.4071 | 1.4071 | 1.4071 | 1.4071 |
| Albany RFD (Linn) | - | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 0.9100 | 0.9100 | 0.9100 | 0.9100 | 0.9100 |
| Alsea RFD | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 |
| Blod/Summ RFD9 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 |
| Corvallis RFD | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 |
| Halsey Shedd RFD | - | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.9894 |
| Harrisburg Fire and Rescue | - | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 |
| Hosk/Kings RFD8 | 2.8380 | 2.4165 | 2.8713 | 2.8713 | 2.4916 | 2.8484 | 3.3533 | 3.4125 | 2.4893 | 2.6950 |
| Monroe RFPD #5 | 2.1732 | 1.7298 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 |
| Palestine RFD | 2.2358 | 2.0595 | 2.0595 | 2.0595 | 2.0595 | 2.0595 | 2.1500 | 2.1500 | 2.1500 | 2.1500 |
| Philomath RFD | 2.8934 | 2.8834 | 2.8813 | 2.8813 | 2.8698 | 1.5080 | 1.5080 | 1.5080 | 1.5080 | 1.5080 |
| Road District Rates | | | | | | | | | | |
| Brownly-Marshall | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 |
| Country Estates | 0.5606 | 0.5606 | 0.5606 | 0.5606 | 0.5606 | 0.5606 | 0.5606 | 0.6100 | 1.0000 | 1.0000 |
| Chinook Drive | 1.4533 | 1.4533 | 1.4533 | 1.4533 | 1.4533 | 1.8033 | 1.8033 | 1.8033 | 1.8033 | 1.8033 |
| McDonald Forest | 1.1198 | 1.1198 | 1.1198 | 1.1198 | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 |
| Mary's River Estates | 2.9414 | 2.9414 | 2.9414 | 2.9414 | 2.9414 | 2.9414 | 2.9414 | 2.2060 | 2.2060 | 2.2060 |
| North F Street | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 |
| Oakwood Heights | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 |
| Ridgewood | 0.6435 | 0.6435 | 0.6435 | 0.6435 | 0.6435 | 4.0135 | 0.6435 | 0.6435 | 0.6435 | 0.6435 |
| Rosewood Estates | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 |
| Vineyard Mountain | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 |
| Westwood Hills | 0.5396 | 0.3931 | 0.3811 | 0.3811 | 0.1233 | 0.1204 | 0.0575 | 0.0552 | 0.0536 | 0.0522 |

BENTON COUNTY, OREGON
PRINCIPAL PROPERTY TAXPAYERS

Current and Nine Years Ago

| <i>Taxpayer</i> | <i>2011-2012</i> | | | <i>2002-2003</i> | | |
|--|-----------------------|-------------|---|-----------------------|-------------|---|
| | <i>Taxes Assessed</i> | <i>Rank</i> | <i>Percentage of County Total Assessed Amount (a)</i> | <i>Taxes Assessed</i> | <i>Rank</i> | <i>Percentage of County Total Assessed Amount (a)</i> |
| HEWLETT PACKARD CO | \$ 6,663,700 | 1 | 5.96% | \$ 6,918,332 | 1 | 9.81% |
| COMCAST CORPORATION | 651,098 | 2 | 0.58% | | | |
| NORTHWEST NATURAL GAS CO | 490,768 | 3 | 0.44% | 286,511 | 5 | 0.41% |
| PACIFICORP | 484,675 | 4 | 0.43% | 296,797 | 4 | 0.42% |
| EVANITE FIBER, INC | 371,726 | 5 | 0.33% | 358,593 | 3 | 0.51% |
| QWEST CORPORATION (AKA CENTURYLINK) | 317,524 | 6 | 0.28% | 540,363 | 2 | 0.77% |
| AVERY INVESTMENTS LLC (AKA JERRY JONES) | 316,889 | 7 | 0.28% | 208,358 | 8 | 0.30% |
| STARKER FORESTS INC | 265,858 | 8 | 0.24% | 258,027 | 6 | 0.37% |
| WITHAM HILL OAKS APARTMENTS LLC | 263,247 | 9 | 0.24% | 173,419 | 9 | 0.25% |
| SUNCOR PARTNERS LLC | 206,729 | 10 | 0.18% | | | |
| PIONEER TELEPHONE | | | | 240,669 | 7 | 0.34% |
| ATS SYSTEMS | | | | 155,487 | 10 | 0.22% |
| Notes: (a) Benton County Total Taxes Assessed | \$ 111,765,278 | | | \$ 70,529,651 | | |

BENTON COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

| <i>Fiscal Year Ended June 30,</i> | <i>Taxes Levied for the Fiscal Year</i> | | <i>Collected within the Fiscal Year of the Levy</i> | | <i>Collections in Subsequent Years</i> | <i>Total Collections to Date</i> | | | | |
|---|---|------------|---|----------------|--|----------------------------------|---------------|----------------|------------|--------|
| | | | <i>Percentage</i> | | | <i>Percentage</i> | | | | |
| | | | <i>Amount</i> | <i>of Levy</i> | | | <i>Amount</i> | <i>of Levy</i> | | |
| 2003 | \$ | 12,438,235 | \$ | 11,867,286 | 95.41% | \$ | 569,883 | \$ | 12,437,169 | 99.99% |
| 2004 | | 12,782,974 | | 12,322,213 | 96.40% | | 459,445 | | 12,781,658 | 99.99% |
| 2005 | | 13,510,851 | | 13,070,334 | 96.74% | | 438,322 | | 13,508,656 | 99.98% |
| 2006 | | 13,857,171 | | 13,603,845 | 98.17% | | 249,210 | | 13,853,055 | 99.97% |
| 2007 | | 14,068,092 | | 13,776,267 | 97.93% | | 285,507 | | 14,061,774 | 99.96% |
| 2008 | | 14,674,875 | | 14,380,105 | 97.99% | | 283,361 | | 14,663,466 | 99.92% |
| 2009 | | 19,289,036 | | 18,801,697 | 97.47% | | 446,152 | | 19,247,849 | 99.79% |
| 2010 | | 20,128,916 | | 19,648,508 | 97.61% | | 377,623 | | 20,026,131 | 99.49% |
| 2011 | | 21,230,735 | | 20,713,539 | 97.56% | | 330,571 | | 21,044,110 | 99.12% |
| 2012 | | 22,191,531 | | 21,690,593 | 97.74% | | - | | 21,690,593 | 97.74% |

Source:

Data based on the "Summary of Property Tax Collections, Credits, and Additional Taxes, and Outstanding Balances" filed with the Oregon Department of Revenue times the tax distribution ratio for Benton County, including buy -outs.

BENTON COUNTY, OREGON

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | Business-Type Activities | | | Total Primary Government | Percentage of Personal Income ^(a) | Per Capita ^(a) |
|----------------|-------------------------|-----------------------------|-------------|--------------------------|---------|---------------|--------------------------------|--|------------------------------|
| | General | Notes and Capital Leases | South Third | Alsea County | Notes | | | | |
| | Obligation | | CSD | Service District | | | | | |
| | Bonds | | Bonds | Bonds | | | | | |
| 2003 | \$ 12,577,254 | \$ 105,048 | \$ - | \$ 29,943 | \$ - | \$ 12,712,245 | 0.51% | 158 | |
| 2004 | 19,914,511 | 73,963 | 239,000 | 29,270 | - | 20,256,744 | 0.77% | 248 | |
| 2005 | 19,748,173 | 20,435 | 234,996 | 28,565 | - | 20,032,169 | 0.71% | 242 | |
| 2006 | 19,536,019 | 7,597 | 230,817 | 27,830 | - | 19,802,263 | 0.69% | 235 | |
| 2007 | 17,988,130 | 4,199 | 176,456 | 27,061 | - | 18,195,846 | 0.63% | 213 | |
| 2008 | 17,734,754 | 10,689 | 169,716 | 26,258 | - | 17,941,417 | 0.61% | 208 | |
| 2009 | 17,308,805 | 21,192 | 161,623 | 25,250 | - | 17,516,870 | 0.57% | 202 | |
| 2010 | 17,145,928 | 13,541 | 124,486 | 24,406 | 305,000 | 17,613,361 | 0.57% | 203 | |
| 2011 | 18,586,636 | 6,838 | 115,561 | 23,502 | 289,357 | 19,021,894 | 0.61% | 214 | |
| 2012 | 19,189,715 | 2,335 | 105,936 | 22,492 | 273,399 | 19,593,877 | 0.61% | 228 | |

NOTE: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

(a) See Demographic and Economic Statistics for personal

BENTON COUNTY, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

| <i>Fiscal Year</i> | <i>General Bonded Debt Outstanding</i> | | | | | | | <i>Total</i> | <i>Percentage of Actual Taxable Value ^(a) of Property</i> | <i>Per Capita ^(b)</i> |
|------------------------|--|----------------|--------------------|----------------|-----------------|--------------------|--------------|---------------|--|--------------------------------------|
| | <i>Pension</i> | <i>Note</i> | <i>Sunset Bldg</i> | <i>ODOT</i> | <i>N Albany</i> | <i>South Third</i> | <i>Alsea</i> | | | |
| | <i>Obligation</i> | | <i>Bond</i> | <i>Bond</i> | <i>CSD</i> | <i>CSD</i> | <i>CSD</i> | | | |
| | <i>Bonds</i> | <i>Payable</i> | <i>Payable</i> | <i>Payable</i> | <i>Bonds</i> | <i>Bonds</i> | <i>Bonds</i> | | | |
| 2003 | \$ 11,617,907 | \$ - | \$ - | | \$ 959,347 | \$ - | \$ 29,943 | \$ 12,607,197 | 0.22% | 158 |
| 2004 | 19,080,522 | - | - | | 833,959 | 239,000 | 29,270 | 20,182,751 | 0.33% | 251 |
| 2005 | 19,029,387 | - | - | | 718,786 | 234,996 | 28,566 | 20,011,735 | 0.29% | 245 |
| 2006 | 18,953,458 | - | - | | 582,561 | 230,817 | 27,830 | 19,794,666 | 0.27% | 239 |
| 2007 | 17,545,709 | - | - | | 442,421 | 176,456 | 27,061 | 18,191,647 | 0.22% | 216 |
| 2008 | 17,436,163 | - | - | | 298,591 | 169,716 | 26,258 | 17,930,728 | 0.20% | 210 |
| 2009 | 17,308,805 | - | - | | - | 161,623 | 25,250 | 17,495,678 | 0.18% | 203 |
| 2010 | 17,145,928 | 305,000 | - | | - | 124,486 | 24,406 | 17,599,820 | 0.18% | 203 |
| 2011 | 16,946,636 | 289,357 | 1,640,000 | | - | 115,561 | 23,502 | 19,015,056 | 0.20% | 214 |
| 2012 | 16,710,855 | 273,399 | 1,480,000 | 998,860 | - | 105,936 | 22,492 | 19,591,542 | 0.21% | 228 |

NOTE: Details regarding the County's outstanding debt can be found in the notes to the financial statements.
(a) Property values can be found in the schedule for Assessed and Estimated Actual Value of Taxable Property.
(b) See Demographic and Economic Statistics for population data.

BENTON COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^(a)

June 30, 2012

| <i>Governmental Unit</i> | <i>Gross Debt Outstanding</i> | <i>Percentage Applicable to Benton County</i> | <i>Amount Applicable to Benton County</i> |
|--|-----------------------------------|---|---|
| Debt repaid with property taxes | | | |
| City of Corvallis | \$ 38,698,842 | 100.0000% | \$ 38,698,842 |
| City of Monroe | 1,500,000 | 100.0000% | 1,500,000 |
| City of Philomath | 5,985,000 | 100.0000% | 5,985,000 |
| Benton Cty School District # 17J (Philomath) | 38,794,735 | 99.3300% | 38,534,810 |
| Benton Cty School District #509J (Corvallis) | 76,578,360 | 97.7900% | 74,885,978 |
| Benton Cty School District # 1J (Monroe) | 1,565,541 | 95.0100% | 1,487,421 |
| Hoskins-Kings Valley RFD | 115,000 | 83.1800% | 95,657 |
| Linn Benton Community College | 38,785,670 | 49.8100% | 19,319,142 |
| City of Albany | 9,273,557 | 18.7900% | 1,742,501 |
| Linn Cty School District # 8J (Greater Albany) | 79,342,082 | 18.4700% | 14,654,483 |
| Linn Cty School District # 7J (Harrisburg) | 2,780,000 | 0.7900% | 21,962 |
| Lane Community College | 93,542,592 | 0.4200% | 392,879 |
| Polk Cty School District # 13J (Central) | 84,264,824 | 0.3500% | 294,927 |
| Willamette ESD | 21,306,603 | 0.0100% | 2,131 |
| Harrisburg Rural Fire Department 6 | 165,000 | 0.0010% | 2 |
| Subtotal, overlapping debt | | | 197,615,733 |
| County Direct Debt | | | 19,189,715 |
| Total Direct and Overlapping Debt | | | \$ 216,805,448 |

Note: Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping districts's assessed value that is within the County's boundaries and dividing it by the County's total taxable assessed value.

Source:

Overlapping Debt report from Oregon State Treasury Department

BENTON COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

| Legal Debt Margin Calculation for Fiscal Year 2012 | | | | | | | | | | |
|---|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
| | Estimated Real Market value | | | | | | | | | \$ 9,435,565,562 |
| | Debt limit (2% of true cash value) | | | | | | | | | 188,711,311 |
| | Debt applicable to limit: | | | | | | | | | |
| | General obligation bonds | | | | | | | | | 19,591,542 |
| | Less: Amount set aside for | | | | | | | | | |
| | repayment of general | | | | | | | | | |
| | obligation debt | | | | | | | | | (1,584,978) |
| | Total net debt applicable to limit | | | | | | | | | 18,006,564 |
| | Legal debt margin | | | | | | | | | \$ 170,704,747 |
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Debt Limit | \$ 116,844,589 | \$ 121,089,067 | \$ 136,134,549 | \$ 182,509,412 | \$ 182,509,412 | \$ 182,509,412 | \$ 197,923,429 | 197,770,767 | 189,513,868 | 188,711,311 |
| Total net debt applicable to limit | 12,607,197 | 20,182,751 | 20,011,735 | 19,794,666 | 18,191,647 | 17,930,728 | 16,328,092 | 16,273,370 | 17,520,452 | 18,006,564 |
| Legal debt margin | \$ 104,237,392 | \$ 100,906,316 | \$ 116,122,814 | \$ 162,714,746 | \$ 164,317,765 | \$ 164,578,684 | \$ 181,595,337 | \$ 181,497,397 | \$ 171,993,416 | \$ 170,704,747 |
| Total net debt applicable to the limit as a percentage of debt limit | 10.79% | 16.67% | 14.70% | 10.85% | 9.97% | 9.82% | 8.25% | 8.23% | 9.24% | 9.54% |

BENTON COUNTY, OREGON
PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

| <i>Fiscal Year</i> | <i>Special Assessments</i> | | | |
|------------------------|--|---------------------|-----------------|-----------------|
| | <i>Special Assessment Collections*</i> | <i>Debt Service</i> | | <i>Coverage</i> |
| | | <i>Principal</i> | <i>Interest</i> | |
| 2003 | \$ 9,307 | \$ 645 | \$ 1,377 | 4.6028 |
| 2004 | 9,737 | 674 | 1,348 | 4.8155 |
| 2005 | 97,307 | 4,709 | 11,773 | 5.9038 |
| 2006 | 42,970 | 4,915 | 11,566 | 2.6072 |
| 2007 | 42,285 | 54,362 | 10,098 | 0.6560 |
| 2008 | 51,913 | 6,740 | 7,720 | 3.5901 |
| 2009 | 15,795 | 8,093 | 6,367 | 1.0923 |
| 2010 | 15,082 | 37,137 | 7,323 | 0.3392 |
| 2011 | 12,207 | 8,924 | 5,536 | 0.8442 |
| 2012 | 8,555 | 9,626 | 4,834 | 0.5916 |

* Collections include prepayments and foreclosures

BENTON COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

| Year | Population ^(a) | Personal Income ^(c) (thousands of dollars) | Per Capita Personal Income ^(c) | Median Age ^(a) | School Enrollment ^(b) | Civilian Labor Force ^(a) | Unemployment Rate ^(a) | % Change CPI ^(d) |
|-------------|----------------------------------|--|--|--------------------------------------|---|--|---|--|
| 2003 | 79,900 | \$ 2,393,484 | \$ 29,956 | 32.3 | 9,754 | 41,993 | 5.3% | 0.8% |
| 2004 | 80,500 | 2,500,813 | 31,066 | 32.6 | 9,496 | 42,172 | 5.7% | 1.4% |
| 2005 | 81,750 | 2,646,656 | 32,375 | 33.0 | 9,300 | 42,248 | 5.4% | 2.6% |
| 2006 | 82,835 | 2,815,396 | 33,988 | 35.3 | 9,229 | 42,171 | 4.8% | 2.6% |
| 2007 | 84,125 | 2,883,345 | 32,103 | 33.1 | 9,103 | 38,020 | 4.7% | 3.4% |
| 2008 | 85,300 | 2,869,790 | 33,643 | 33.1 | 9,064 | 37,120 | 3.8% | 3.9% |
| 2009 | 86,120 | 2,953,718 | 34,298 | 33.4 | 9,030 | 37,850 | 8.1% | 3.3% |
| 2010 | 86,725 | 3,087,387 | 37,755 | n/a | 8,895 | 37,190 | 7.0% | 0.1% |
| 2011 | 88,735 | 3,132,559 | 37,922 | 31.9 | 8,772 | 36,220 | 6.6% | 1.3% |
| 2012 | 85,995 | 3,193,015 | 37,333 | 32.4 | 8,608 | 38,670 | 6.4% | 2.9% |

Note: Population is based on survey estimates on July 1 for the following fiscal year (July 1, 2011 for FY 2011-12).

n/a Information not available.

Source:

(a) Oregon Employment Department Workforce Analysis

(b) Oregon Department of Education

BENTON COUNTY, OREGON
PRINCIPAL EMPLOYERS

| <i>Employer</i> | <i>2012</i> | | | <i>2007</i> | | |
|---|----------------------|-------------|--|----------------------|-------------|--|
| | <i>Employees</i> | <i>Rank</i> | <i>Percentage of Total County Employment</i> | <i>Employees</i> | <i>Rank</i> | <i>Percentage of Total County Employment</i> |
| OREGON STATE UNIVERSITY | 10,839 | 1 | 28.03% | 7,393 | 1 | 19.45% |
| SAMARITAN HEALTH SERVICES | 2,690 | 2 | 6.96% | 1,300 | 3 | 3.42% |
| HEWLETT-PACKARD | 2,000 | 3 | 5.17% | 3,500 | 2 | 9.21% |
| CORVALLIS SCHOOL DISTRICT 509-J | 700 | 4 | 1.81% | 759 | 4 | 2.00% |
| CORVALLIS CLINIC | 610 | 5 | 1.58% | 580 | 6 | 1.53% |
| CITY OF CORVALLIS | 415 | 6 | 1.07% | 430 | 7 | 1.13% |
| BENTON COUNTY | 412 | 7 | 1.07% | 365 | 8 | 0.96% |
| CH2M HILL | 380 | 8 | 0.98% | 385 | 9 | 1.01% |
| CHILDREN'S FARM HOME | 319 | 9 | 0.82% | - | | 0.00% |
| FISERV | 293 | 10 | 0.76% | - | | 0.00% |
| SUMMIT INFORMATION SYSTEMS | - | | 0.00% | 310 | 10 | 0.80% |
| HOLIDAY TREE FARM | - | | 0.00% | 700 | 5 | 1.84% |
| Notes: Benton County labor force | <u>38,670</u> | | | <u>38,020</u> | | |

Note: Data not available prior to 2007

Source: Mid Valley News "Our Town"

BENTON COUNTY, OREGON**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY PROGRAM/FUNCTION***Last Ten Fiscal Years*

| <u><i>Program/Function</i></u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 83.38 | 85.30 | 66.50 | 92.82 | 88.90 | 96.44 | 97.44 | 95.14 | 94.24 | 91.58 |
| Public safety | 80.00 | 69.90 | 89.15 | 81.21 | 65.50 | 83.91 | 84.91 | 88.64 | 86.64 | 83.38 |
| Public works | 40.65 | 39.90 | 40.15 | 44.16 | 37.90 | 40.28 | 40.28 | 37.99 | 37.99 | 36.10 |
| Health services | 111.34 | 100.65 | 127.10 | 129.49 | 118.99 | 137.21 | 137.21 | 146.22 | 146.15 | 143.02 |
| Justice services | 34.50 | 16.44 | 36.15 | 36.72 | 31.50 | 40.30 | 40.29 | 40.59 | 40.59 | 40.20 |
| Community services | 4.71 | 3.00 | 3.00 | 3.50 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.02 |
| Cultural and educational services | 3.50 | 3.55 | 4.00 | 7.61 | 4.00 | 6.57 | 6.57 | 7.21 | 7.21 | 6.20 |
| Animal control | 1.77 | 1.75 | 1.75 | 1.75 | 1.75 | 1.75 | 0.75 | 0.60 | 0.17 | 0.20 |
| Parks and natural resources | 8.79 | 7.80 | 7.95 | 8.94 | 7.45 | 8.46 | 8.46 | 9.34 | 9.34 | 9.39 |
| Total all programs/functions | 368.64 | 328.29 | 375.75 | 406.20 | 358.99 | 417.92 | 418.91 | 428.73 | 425.33 | 412.09 |

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

| | <i>Fiscal Year Ended June 30,</i> | | | | | | | | | |
|---|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <i>Program/Function</i> | <i>2003</i> | <i>2004</i> | <i>2005</i> | <i>2006</i> | <i>2007</i> | <i>2008</i> | <i>2009</i> | <i>2010</i> | <i>2011</i> | <i>2012</i> |
| General government | | | | | | | | | | |
| Budget | | | | | | | | | | |
| Oregon Budget Law procedural/appropriation violations | 3 | 3 | 0 | 0 | 2 | 5 | 10 | N/A | 1 | 1 |
| County Counsel | | | | | | | | | | |
| Two-day contract turn around | 95% | 100% | 99% | 99% | 100% | 100% | 100% | 100% | 100% | 100% |
| Finance/Tax | | | | | | | | | | |
| Certificate for Excellence in Financial Reporting | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | N/A |
| Percent of monthly finance reports closed within 10 working days of month-end | 75% | 92% | 92% | 92% | 100% | 80% | 92% | 92% | 100% | 100% |
| Properties foreclosed | 1 | 4 | 2 | 3 | 3 | 3 | 0 | 0 | 9 | 5 |
| Human Resources | | | | | | | | | | |
| Applications processed | 60 | 50 | 50 | 62 | 70 | 1374 | 1682 | 1286 | 1283 | 1883 |
| Training events planned and conducted | 14 | 15 | 18 | 11 | 15 | 20 | 31 | 12 | 11 | 5 |
| Information Resource Management | | | | | | | | | | |
| Scheduled computer replacements (% completed) | 91% | 100% | 100% | 100% | 100% | 89% | 100% | 100% | 100% | 91% |
| Operate at 98% of available prime time (M-F 8AM - 5PM) | 98% | 98% | 99% | 99% | 99% | 100% | 100% | 100% | 100% | 100% |
| Records and Elections | | | | | | | | | | |
| Documents processed | 24,622 | 24,654 | 17,563 | 18,526 | 15,485 | 15,680 | 14,123 | 13,451 | 13,299 | 16,009 |
| BOPTA petitions | 205 | 207 | 167 | 96 | 59 | 101 | 101 | 212 | 185 | 123 |
| New voter registrations | 5,244 | 7,568 | 9,000 | 2,581 | 4,570 | 5,000 | 4,678 | 2,536 | 4,349 | 3,204 |
| Average voter turnout | 62.5% | 52.1% | 50.0% | 39.6% | 63.7% | 64.0% | 53.0% | 48.0% | 40.0% | 48.0% |
| Marriage licenses processed | 524 | 364* | 380 | 507 | 531 | 532 | 524 | 439 | 551 | 517 |
| *No licenses issued March to August 2004 | | | | | | | | | | |
| Public works | | | | | | | | | | |
| Corner histories researched and documented | 57 | 48 | 61 | 60 | 57 | 60 | 52 | 46 | 29 | 24 |
| % of bridges in good condition (*Sufficiency rating >70) | 73.0% | 78.0% | 76.5% | 87.0% | 80.0% | 82.0% | 80.0% | 79.0% | 85.0% | 81.0% |
| Miles of pavement sealed | 8.50 | 9.00 | 17.99 | 30.50 | 0.70 | 14.20 | 9.22 | 3.70 | 8.29 | 3.80 |
| Miles of structural pavement overlays | 0.84 | 0.00 | 8.14 | 0.50 | 0.00 | 0.30 | 0.71 | 5.70 | 2.40 | 1.95 |
| Public safety | | | | | | | | | | |
| Fatal Accidents | 0 | 3 | 2 | 6 | N/A | 1 | 4 | 3 | 1 | 6 |
| Inmate escape, suicide, lawsuit | 0,0,0 | 0,0,0 | 0,1,0 | 0,0,0 | 0,0,0 | 0,3,4 | 0,0,2 | 0,0,0 | 0,0,0 | 0,0,3 |

(continued)

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

| | <i>Fiscal Year Ended June 30,</i> | | | | | | | | | |
|---|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <i><u>Program/Function</u></i> | <i><u>2003</u></i> | <i><u>2004</u></i> | <i><u>2005</u></i> | <i><u>2006</u></i> | <i><u>2007</u></i> | <i><u>2008</u></i> | <i><u>2009</u></i> | <i><u>2010</u></i> | <i><u>2011</u></i> | <i><u>2012</u></i> |
| <i>Health services</i> | | | | | | | | | | |
| Communicable disease investigations | 476 | 563 | 523 | 131 | 256 | 393 | 408 | 179 | 474 | 464 |
| Septic site evaluations and permits issued | 214 | 244 | 250 | 270 | N/A | 257 | 139 | 128 | 101 | 112 |
| DD clients served | 347 | 350 | 361 | 418 | 380 | 433 | 481 | 448 | 489 | 537 |
| <i>Community services</i> | | | | | | | | | | |
| CCF meetings in rural communities | 6 | 6 | 6 | 2 | 1 | 0 | N/A | 0 | 0 | 0 |
| <i>Cultural and educational services</i> | | | | | | | | | | |
| Fair receipts | \$ 405,231 | \$ 389,578 | \$ 394,000 | \$ 424,335 | \$ 409,477 | \$ 446,382 | \$ 337,226 | \$ 310,087 | \$ 323,220 | \$ 315,376 |
| Fair attendance | 43,712 | 48,152 | 43,202 | 31,435 | 36,215 | 35,103 | 31,944 | 35,103 | 38,925 | 31,209 |
| <i>Animal control</i> | | | | | | | | | | |
| Dog licenses issued | 4,599 | 4,688 | 4,217 | 5,004 | 4,694 | 4,404 | 4,469 | 3,941 | 4,006 | 3,536 |
| <i>Parks and natural resources</i> | | | | | | | | | | |
| (% rating "good" or "better" on surveys) | | | | | | | | | | |
| Reservation process | 100.0% | 96.0% | 99.0% | 97.0% | 100.0% | 100.0% | 97% | 97% | 96% | N/A |
| Condition of group picnic area | 91.0% | 93.0% | 97.0% | 95.0% | 94.0% | 90.0% | 93% | 98% | 100% | N/A |
| Condition of restrooms | 85.0% | 89.0% | 82.0% | 87.0% | 82.0% | 82.0% | 88% | 94% | 98% | N/A |
| Kitchen shelter/food prep area | 92.0% | 91.0% | 94.0% | 94.0% | 96.0% | 90.0% | 92% | 97% | 100% | N/A |
| Sports fields/play areas | 90.0% | 89.0% | 87.0% | 92.0% | 94.0% | 85.0% | 92% | 92% | 98% | N/A |
| Roadways, paths, parking | 92.0% | 91.0% | 91.0% | 93.0% | 93.0% | 88.0% | 90% | 92% | 98% | N/A |
| Park appearance/maintenance | 96.0% | 91.0% | 94.0% | 98.0% | 95.0% | 88.0% | 95% | 97% | 100% | N/A |

N/A: Information not available for indicators

BENTON COUNTY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

| <u>Program/Function</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|---|-------------|-------------|------------------|-------------|-------------|------------------|-------------|-------------|-------------|-------------|
| <i>Public works</i> | | | | | | | | | | |
| Miles of roads | 466 | 466 | 467 | 467 | 467 | 467 | 460 | 460 | 460 | 460 |
| Luminaries | 12 | 13 | 13 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Bridges | 100 | 98 | 100 | 100 | 104 | 104 | 104 | 104 | 104 | 103 |
| Culverts | 2,037 | 2,037 | 2,037 | 2,037 | 2,037 | 2,037 | 2,002 | 2,003 | 2,003 | 2,003 |
| <i>Public safety</i> | | | | | | | | | | |
| Sheriff Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Patrol Cars | N/A | N/A | N/A | 28 | 28 | 29 | 29 | 25 | 25 | 22 |
| <i>Health services</i> | | | | | | | | | | |
| Clinics in operation | 1 | 1 | 3 ^(a) | 3 | 3 | 4 ^(c) | 4 | 4 | 4 | 4 |
| <i>Parks and natural resources</i> | | | | | | | | | | |
| Number of Parks | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 14 | 14 | 15 |
| Total acreage | 1,417 | 1,417 | 1,417 | 1,417 | 1,417 | 1,417 | 1,417 | 1,360 | 1,414 | 1,440 |
| Number of Playgrounds | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of Sports Fields | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 5 | 5 | 5 |
| Miles of Trails | 14 | 16 | 18 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| <i>Trust Program</i> | | | | | | | | | | |
| Libraries ^(b) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Total Volumes in Collection | 311,281 | 318,010 | 328,381 | 347,616 | 358,130 | 363,398 | 344,557 | 347,465 | 345,279 | 357,917 |
| <i>Cultural and Educational</i> | | | | | | | | | | |
| Fairgrounds acreage | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Number of Buildings | 18 | 19 | 20 | 20 | 20 | 19 | 18 | 19 | 20 | 20 |
| Rental square footage | 97,982 | 97,982 | 97,982 | 97,802 | 101,066 | 101,066 | 101,066 | 96,266 | 108,141 | 108,141 |
| Non-rental square footage | 14,734 | 15,958 | 16,408 | 19,712 | 16,448 | 14,912 | 14,912 | 17,859 | 17,984 | 17,984 |

NOTE:

- (a) Monroe and Lincoln clinics were opened in 2005
(b) Corvallis, Philomath, Monroe and Alsea (remainder mobile)
(c) East Linn Health Center opened in January 2008

COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**





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& Warwick, LLP**

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& Consultants

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Benton County, Oregon, (the County) as of and for the year ended June 30, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 19, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

COMPLIANCE

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

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

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

**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS (Continued)**

COMPLIANCE (Continued)

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

- The County failed to publish notice of a supplemental budget meeting.
- The County had overexpenditures of appropriations as follows:

| | |
|---|----------|
| Trust Fund - General Government | \$ 51 |
| Alpine County Service District - Materials and Services | \$ 1,006 |

OAR 162-10-230 INTERNAL CONTROL

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements in accordance with *Government Auditing Standards* is presented elsewhere in this report as listed in the Table of Contents.

* * * * *

This report is intended solely for the information and use of the Board of Commissioners, the Oregon Secretary of State, Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

BENTON COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

| <i>Federal Grantor/Pass through Grantor</i> | <i>Federal CFDA number</i> | <i>Grant Number</i> | <i>Expenditures</i> |
|--|--------------------------------|---------------------|---------------------|
| U.S. Department of Agriculture | | | |
| Passed through State Department of Admin. Services | | | |
| Schools and Roads Cluster | | | |
| Schools & Roads-Grants to the States (Federal Forest Revenues) | 10.665 | | 135,108 |
| Passed through State Health Department | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | | 235,661 |
| WIC Grants To States (WGS) | 10.578 | | 15,993 |
| Total U.S. Department of Agriculture | | | 386,762 |
| U.S. Department of Housing and Urban Development (HUD) | | | |
| Passed through Economic Development Department | | | |
| CDBG - State-Administered CDBG Cluster | | | |
| Community Development Block Grant/State's Program (Regional Housing) | 14.228 | HR902 | 20,944 |
| Subtotal - CDBG Cluster | | | 20,944 |
| Total Housing and Urban Development | | | 20,944 |
| U.S. Department of the Interior | | | |
| Direct Programs | | | |
| Payments in Lieu of Taxes - Taylor Grazing Act | 15.226 | | 12 |
| Distribution of Receipts to State & Local Gov'ts (O & C) -Title I | 15.227 | | 708,732 |
| Distribution of Receipts to State & Local Gov'ts (O & C) -Title III | 15.227 | | 120,397 |
| Subtotal - Distribution of Receipts to State & Local Governments | | | 829,129 |
| Secure Rural Schools & Community Self-Determination | 15.234 | | 126,626 |
| Fish and Wildlife Service | 15.657 | | 3,644 |
| Total Department of the Interior | | | 959,411 |
| U.S. Department of Justice | | | |
| Passed through the Department of Oregon State Police | | | |
| Juvenile Accountability Block Grant | 16.523 | | 10,000 |
| Passed through State Justice Division | | | |
| Crime Victim Assistance | 16.575 | | 38,143 |
| Edward Byrne Memorial State & Local Law Enforcement | 16.580 | | 6,718 |
| Assistance Discretionary Grants Program | | | |
| Drug Court Discretionary Grant Program | 16.585 | | 43,848 |
| State Criminal Alien Assistance Program | 16.606 | | 14,810 |
| JAG Program Cluster | | | |
| Edward Byrne Memorial Justice Assistance Grant Program-DTC Enhancement | 16.738 | | 152,902 |
| ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States & Territories | 16.803 | | 71,847 |
| ARRA - Edward Byrne Memorial Justice Assistance Grant Program/ Grants to States & Territories-M57 Grant | 16.803 | | 3,513 |
| Subtotal - JAG Program Cluster | | | 228,262 |
| Total US Department of Justice | | | 341,781 |
| U.S. Department of Transportation | | | |
| Federal Highway Administration | | | |
| Passed through State Department of Transportation | | | |
| Highway Planning and Construction Cluster | | | |
| Highway Planning and Construction - Federal Highway Administration | 20.205 | | 128,008 |
| Highway Planning and Construction - Covered Bridge Preservation Program | 20.205 | | 4,276 |
| Highway Planning and Construction - Federal Transportation Enhancement Act | 20.205 | | 22,371 |
| Subtotal - Highway Planning and Construction Cluster | | | 154,655 |

BENTON COUNTY, OREGON**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued**

June 30, 2012

| <i>Federal Grantor/Pass through Grantor</i> | <i>Federal CFDA number</i> | <i>Grant Number</i> | <i>Expenditures</i> |
|--|--------------------------------|---------------------|---------------------|
| Federal Transit Cluster | | | |
| Federal Transit Capital Investment Grants | ARRA 20.500 | | 46,083 |
| Subtotal - Federal Transit Cluster | | | 46,083 |
| Transit Services Programs Cluster | | | |
| Capital Assistance Program for Elderly Persons | 20.513 | | 181,635 |
| Capital Assistance Program for Elderly Persons - Mobility Management Grant | 20.513 | | 3,991 |
| Subtotal - Capital Assistance Program for Elderly Persons & Persons with Disabilities | | | 185,626 |
| New Freedom Grant | 20.521 | | 22,236 |
| Subtotal - Transit Services Programs Cluster | | | 207,862 |
| Highway Safety Cluster | | | |
| State and Community Highway Safety | 20.600 | | 3,546 |
| Subtotal - Highway Safety Cluster | | | 3,546 |
| Total U.S. Department of Transportation | | | 412,146 |
| U.S. Office of Environmental Justice | | | |
| Passed through State Health Department | | | |
| State Public Water System Supervision | 66.432 | | 15,360 |
| Capitalization Grants for Drinking Water State Revolving Funds | ARRA 66.468 | | 2,415 |
| Total U.S. Office of Environmental Justice | | | 17,775 |
| U.S. Department of Energy | | | |
| Passed through State Department of Energy | | | |
| Energy Efficiency & Conservation Block Grant | ARRA 81.128 | | 29,719 |
| Total Department of Energy | | | 29,719 |
| U.S. Department of Education | | | |
| Passed through State Mental Health Division | | | |
| Safe & Drug Free Schools & Communities-State Grants | 84.186 | 127288 | 55,000 |
| Total Department of Education | | | 55,000 |
| U.S. Department of Health and Human Services | | | |
| Direct Programs: | | | |
| Consolidated Health Centers - Federally Qualified Health Center | 93.224 | | 1,506,719 |
| Affordable Care Act Grants for School-Based Health Center Capital Expenditures | 93.501 | | 102,500 |
| Passed through Oregon Department of Human Services | | | |
| Public Health Emergency Response - Bioterrorism | 93.069 | | 98,567 |
| Environmental Public Health & Emergency Response - Climate Change Capacity | 93.070 | | 20,000 |
| Project Grants & Cooperative Agreements for Tuberculosis Control Programs | 93.116 | | 1,149 |
| Family Planning/Services - Title X | 93.217 | | 53,101 |
| Affordable Care Act Abstinence Education Program | 93.235 | | 6,600 |
| PPHF 2012 National Public Health Improvement Initiative | 93.507 | | 49,994 |
| Immunization Cluster | | | |
| Immunization Grants | 93.268 | | 10,332 |
| Subtotal - Immunization Cluster | | | 10,332 |
| Centers for Disease Control & Prevention/Investigations & Technical Assistance | 93.283 | | 195,000 |
| Medicaid Cluster | | | |
| Medicaid Assistance Program - Immunization | 93.778 | | 4,859 |
| Medicaid Assistance Program - Children's Health Equity Outreach | 93.778 | | 32,197 |
| Subtotal - Medicaid Cluster | | | 37,056 |
| HIV Prevention Activities/Health Department Based | 93.940 | | 35,813 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | | 19,105 |
| Maternal and Child Health Services Block Grant to the States - Oregon Mothers Care | 93.994 | | 6,238 |
| Maternal and Child Health Services Block Grant to the States - Title V | 93.994 | | 35,318 |
| Subtotal - Maternal & Child Health Services Block Grant to the States | | | 60,661 |

BENTON COUNTY, OREGON**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued**

June 30, 2012

| <i>Federal Grantor/Pass through Grantor</i> | <i>Federal CFDA number</i> | <i>Grant Number</i> | <i>Expenditures</i> |
|--|--------------------------------|---------------------|---------------------|
| Passed through State Mental Health Division | | | |
| Substance Abuse & Mental Health Services/Projects of Regional & National Significance - Youth Suicide Prevention | 93.243 | | 32,465 |
| Substance Abuse & Mental Health Services/Projects of Regional & National Significance - Strategic Prevention Framework Grant | 93.243 | 134302 | 180,000 |
| Subtotal - Substance Abuse & Mental Health Services/Projects of Regional & National Significance | | | 212,465 |
| Drug-Free Communities Support Program Grants | 93.276 | | 121,395 |
| Block Grants for Community Mental Health Services | 93.958 | 134302 | 100,621 |
| Block Grant for the Prevention & Treatment of Substance Abuse | 93.959 | 134302 | 289,111 |
| Passed through Oregon Health Sciences University | | | |
| Maternal and Child Health Federal Consolidated Programs | 93.110 | | 5,900 |
| Passed through Oregon Youth Services Commission | | | |
| Promoting Safe & Stable Families | 93.556 | | 20,370 |
| Child Support Enforcement | 93.563 | | 87,731 |
| Social Services Block Grant - Youth Investment | 93.667 | | 32,978 |
| Social Services Block Grant - Relief Nursery | 93.667 | | 57,121 |
| Social Services Block Grant - Runaway Homeless Youth | 93.667 | | 12,678 |
| Subtotal - Social Services Block Grant | | | 102,777 |
| Total Department of Health and Human Services | | | 3,117,862 |
| Department of Homeland Security | | | |
| Passed through Oregon State Marine Board | | | |
| Boating Safety Financial Assistance | 97.012 | | 65,241 |
| Passed through the Department of Oregon State Police | | | |
| Emergency Management Performance Grants | 97.042 | | 223,483 |
| Passed through State Emergency Management Division | | | |
| State Homeland Security Program | 97.073 | | 236,203 |
| Total Department of Homeland Security | | | 524,927 |
| Total Federal Financial Assistance | | | 5,866,327 |

Notes:

(1)This schedule is prepared upon the modified accrual basis of accounting.

(2)Per Paragraph 205, OMB Circular A-133, this schedule does not include MEDICAID/MEDICARE payments.





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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Benton County, Oregon, (the County) as of and for the year ended June 30, 2012, and have issued our report thereon dated December 19, 2012. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the County is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

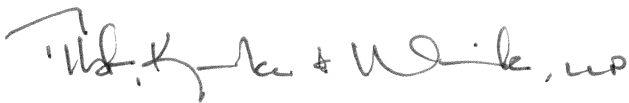
**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (Continued)**

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

* * * * *

This report is intended solely for the information and use of the Board of Commissioners, management, others within the County, federal awarding agencies, pass-through entities, and other specified parties and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

COMPLIANCE

We have audited the compliance of Benton County, Oregon, (the County) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The County's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

As described in item 12-01 in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding Cash Management that are applicable to its Jag Program Cluster - CFDA # 16.738 & 16.803. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 (Continued)**

INTERNAL CONTROL OVER COMPLIANCE

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 12-01 to be a material weakness.

* * * * *

This report is intended solely for the information and use of the Board of Commissioners, management, others within the County, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

BENTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified not
considered to be material weakness(es)? No

Noncompliance material to financial
statements noted? No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified
not considered to be material
weakness(es) ? No

Type of auditor's report issued on
compliance for major programs? Qualified

Any audit findings disclosed that are
required to be reported in accordance
with Section 510 (a) of *Circular A-133*? Yes

Identification of major programs:

CFDA NUMBER(S)

NAME OF PROGRAM OR CLUSTER

CFDA No. 15.227 Distribution of Receipts to State and Local Governments

CFDA Nos. 16.738, 16.803 JAG Program Cluster
CFDA No. 93.959 Block Grant for Prevention and Treatment of Substance Abuse

CFDA No. 93.224 Health Center Cluster
CFDA No. 97.073 State Homeland Security Program

Dollar threshold used to distinguish
between type A and B programs: \$300,000

Auditee qualified as low-risk auditee? No

BENTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2012

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 12-01:

Federal Program: Jag Program Cluster - CFDA # 16.738 & 16.803

Federal Agency: U.S. Department of Justice

Award Year: 2011-12

Pass-Through Entity State of Oregon Criminal Justice Commission

Criteria: The authoritative requirements for cash management are contained in the A-102 Common Rule (§____.21), OMB Circular A-110 (2 CFR section 215.22), Treasury regulations at 31 CFR part 205, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. Consistent with these regulations and in accordance with the terms of the grant agreement with the State, the County is required to expend its own funds prior to request for reimbursement.

Condition: Known and likely questioned costs total \$45,540.

Questioned Costs: Requests for reimbursements under grant were submitted to Federal Agency prior to expending County's own resources. Known questioned costs total \$45,540.

Context: A total of eleven (11) requests for reimbursement were filed by the County under the grant, including one (1) for \$0. Ten (10) were filed where actual reimbursement was requested.

Of the population of ten (10), seven (7) actual reimbursement (non \$0) requests were tested and two occurrences were noted where the County requested reimbursement prior to expending funds under the grant. Respectively, the requests were submitted 1.5 and 2.5 months prior to the County expending their own funds. The sample comprised 98% of the population in terms of requests filed, and tested items comprise 70% of requests for actual reimbursement.

BENTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

YEAR ENDED JUNE 30, 2012

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS (Continued)

Finding 12-01 (Continued):

| | |
|---------------------------------|---|
| Context (Continued): | <p>Given known questioned costs of \$45,540 and the relationship of tested items to the population (98%), estimated likely questioned costs are equal to known questioned costs.</p> <p>Both known and actual questioned costs exceed calculated materiality for the major program, resulting in an instance of material noncompliance.</p> |
| Cause: | <p>It appears that underlying the lack of proper review of reimbursement requests is a lack of familiarity with detail compliance requirements, and insufficient review or oversight by County personnel with respect to reimbursement requests.</p> |
| Effect: | <p>The County's requests for reimbursement prior to expending its own funds as required resulted in known and likely questioned costs of \$45,540. This amount represents a material instance of noncompliance with the cash management requirements under the Federal Program as specified. A material weakness in internal control over compliance with the cash management requirement is also identified, in that procedures were not in place to either prevent or detect and correct the material noncompliance in a timely manner.</p> |
| Recommendation: | <p>We recommend management develop and implement policies and procedures to ensure County funds are spent prior to request for Federal reimbursement in accordance with grant requirements over cash management.</p> |
| Views of Responsible Officials: | <p>The County understands and concurs with this finding.</p> |

BENTON COUNTY, OREGON

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2012

Finding 11-01

Auditor Recommendation:

We recommend that County management develop and implement policies and procedures to provide for timely and effective review of required reporting under federal programs, and document that review in support of the effective application of the control.

Corrective Action Plan:

The County concurs with the recommendation. Existing policies and procedures will be reviewed and followed by staff.

Finding 11-02

Auditor Recommendation:

The County's control as implemented in March, 2011 appears sufficient to mitigate risk of noncompliance in the future.

Corrective Action Plan:

None required.

Finding 11-03

Auditor Recommendation:

We recommend management develop and implement policies and procedures to provide for timely and effective review of required reporting under Federal programs, and document that review in support of the effective application of the control.

Corrective Action Plan:

We concur with this finding. Review processes will be implemented and documented.