

BENTON COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2004

Prepared by:

Finance Division

Mary K. Otley
Finance Division Manager

BENTON COUNTY, OREGON

June 30, 2004

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INTRODUCTORY SECTION



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January 12, 2004

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

The Finance Division of the Administrative Services Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of Benton County (the County) for the fiscal year ended June 30, 2004.

This report is published to provide the Board of Commissioners, county staff, citizens, and other readers with detailed information concerning the financial position and activities of the County. County management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

INTRODUCTION

State statutes and local charter provisions require that Benton County (the County) prepare a complete set of year-end financial statements and have them audited in accordance with generally accepted auditing standards by an independent certified public accounting firm licensed to perform municipal audits in Oregon. Pursuant to this requirement, we hereby issue the 2003-04 Comprehensive Annual Financial Report, which is presented in conformance with generally accepted accounting principles (GAAP). This report incorporates the new Government-wide Financial Reporting model, including retroactive infrastructure reporting, as promulgated by the Governmental Accounting Standards Board.

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rest with Benton County. It is believed that the data, as presented, is accurate in all material aspects, and is presented in a manner designed to present fairly, the financial position and results of operations of Benton County as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of Benton County's financial affairs have been included.

To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the presentation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Benton County's financial statements have been audited by Koontz & Perdue, P.C. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2004 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Koontz & Perdue, P.C. has concluded, based upon the audit, that there was a reasonable basis for rendering an

unqualified opinion that Benton County's financial statements are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

As a recipient of federal funds, the independent audit of the financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements involving the administration of federal awards. These reports are included in the back of the County's Comprehensive Annual Audit Report.

GAAP require that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Benton County's MD&A can be found immediately following the report of the independent auditors.

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 80,500, and has a true cash value of \$6,054,453,366.

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 I 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 fiscal year. Additional resources and corresponding appropriations may be added to the budget during the fiscal year through a supplemental budget process. Original and supplemental budgets may be modified during the fiscal year by the use of appropriation transfers between categories. Appropriation transfers must be approved by the Board of Commissioners in public meetings. During the fiscal year, twenty-two supplemental budgets were adopted.

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget was adopted. For the General, Debt Service, Block Grant, and Capital Projects Funds, this comparison is provided in Note III-A as part of the basic financial statements for the governmental funds. For all other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report.

ECONOMIC CONDITIONS AND OUTLOOK

A. Recent Economic Performance

With 41% of revenue dependent on resources from state government, state fiscal condition is a critical issue for county government. As the state has cut back the resources it provides to county programs, the County has made reductions 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 percent (10.3%) of its population age 65 and older and a large percentage (16.3%) of its population aged 16 to 21 years. The large student population at Oregon State University affects the County's population of 16 to 21 year olds.

The Benton County employment base is one of the most stable in the state. The presence of Oregon State University and the continual increase in high-tech employment, due to Hewlett-Packard expansions in Corvallis, influence the economic well-being of the area. Benton County generally records the second lowest jobless rate in the state. The unemployment rate at June 30, 2004 was 3.4%.

State and local education make up the County's largest industry, accounting for approximately 9,794 jobs or 24% of the total workforce. State and local education includes the local public school districts as well as Oregon State University. Other federal, state, and local public administration employment total approximately 1,410 jobs or 4% of the total workforce.

Hewlett-Packard, now ranked the 20th largest private employer in Oregon, is responsible for about 90% of the increase in Benton County's manufacturing sector. As of June 2004, Hewlett-Packard employed 4,300, 11% of the total workforce.

B. Outlook

Throughout the last year, the state of Oregon has struggled with quarter after quarter of declining revenues. With 41% of the County's budget dependent on state resources, the state's fiscal condition is a critical issue for Benton County. As the state cuts back the resources it provides to county programs, the County will make reductions in staff and services.

C. Major County Achievements

Some of the County's achievements are listed below.

- Opened Fitton Green Natural Area.
- In November 2003, Benton County was recognized as the number one county in the state for Child Well-Being. Child well-being is measured from a variety of perspectives including the rates of child abuse, teen pregnancy, eighth grade students using alcohol and tobacco, and prenatal care.
- The voters passed a County Charter change that allows appointment rather than election of the Assessor.
- The voters approved a local option levy to fund the rental of jail beds. The five-year levy is for \$0.29 per \$1,000 of assessed value, a decrease of two cents per thousand from the expired local option levy.
- County staff obtained over \$5 million in grants to help fill service gaps and fund public works projects.
- Completed construction of South Third Street sanitary sewer system.
- Crystal Lake Cemetery was placed on the National Register of Historic Places.

D. Current Initiatives

Current initiatives for the year 2004-05 are listed below.

- Voters rejected the renewal of the Health & Safety Local Option Property Tax Levy which expired in June 2004. This results in a decrease of \$0.35 per \$1,000 of assessed value in property taxes. This is a decrease of approximately \$1.7 million per year.
- The County opened the Benton County Community Health Center in September 2004. The center will provide medical service through clinics in Monroe, Lincoln School, and at the Health Department in Corvallis for the uninsured, low income, and migrant workers, although the clinic will be open to everyone. The County will receive \$1.95 million in federal grant funds over the three years to fund the clinics. With the addition of the grant funding, the clinics should be self-supporting.

E. Future 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 and state government. Some of the future initiatives include:

- Limitation on property tax growth and the impact on revenues affected by the recession, which will limit the County's ability to continue to provide the historical levels of service.
- The Federal Forest Safety Net dollars which may expire in 2006, should the federal government decide not to renew these payments to the counties. This revenue source is approximately \$4 million per year.
- Reform of the Public Employees Retirement System (PERS) to control costs and reduce future projected deficits.
- Reform of health care costs to employers and employees.
- Deterioration of the transportation infrastructure system, which remains a significant challenge.
- Implementation of biennial budgeting for 2005-2007.

OTHER FINANCIAL INFORMATION

A. Accounting System and Budgetary Control

The County's accounting system supports an adequate internal control structure. This structure helps to safeguard the County's assets against loss, theft, and misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable assurance that the County's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

The County is required by state law to budget all funds with the exception of certain trust and agency funds. The budgeting process includes citizen input through various stages of preparation, public hearings, and approval of the original budget adopted by the Board of Commissioners. Additional resources not anticipated in the adopted budget must be added through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers, and approval by the Board of Commissioners. Adopted and supplemental

budgets may be modified by the use of appropriation transfers between the major cost categories. Such transfers require approval by the Board of Commissioners.

Budgetary control is maintained through monitoring of the following programs at the fund level:

- General government
- Public safety
- Public works
- Health programs
- Justice service
- Community service
- Cultural and educational
- Animal control

Total expenditures may not legally exceed total appropriations in each of the above program areas.

B. Debt Administration

The County issues various types of debt. The County currently has \$19,080,552 of outstanding bonded indebtedness. In addition to this debt, the County has entered into a number of other financing arrangements with financial institutions for equipment purchases. See Note IV-F for further details of the County's outstanding debt.

C. Cash Management

Temporary excess cash of all funds is pooled and invested in short-term instruments. Investments are restricted to collateralized time deposits, certain commercial paper, bankers' acceptances, repurchase agreements secured by U.S. Treasury securities, and securities guaranteed by the U.S. government, its agencies, and the State Treasurer's Investment Pool in accordance with Oregon Revised Statutes sections 294.035 and 294.046.

The County's investment policy defines each instrument's maximum percentage of the total portfolio. It further defines their maximum maturity and where each instrument is held for safekeeping.

The primary objective of the investment policy is to establish a conservative set of investment criteria that will prudently protect the County's principal sums and enable the County to generate a fair rate of return from its investment activities. The investment policy applies to all funds on deposit at the County's Treasury.

D. Risk Management

Risk management's function is to prevent and mitigate losses to the County's assets: property, personnel, and finances. Risk management purchases commercial insurance for worker's compensation, liability, employee benefits, and property coverage. Departments pay for the cost related to worker's compensation and liability and property coverage through a cost allocation formula based on exposure and loss experience.

OTHER INFORMATION

A. Independent Audit

The State of Oregon requires an annual audit of the County's financial records. These records, represented in the Comprehensive Annual Financial Report (CAFR), have been audited by the County's independent certified public accountants, Koontz & Perdue, P.C. This audit included the County's Single Audit for the fiscal year 2003-04 pursuant to OMB Circular A-133.

B. 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 fifteen 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 the GFOA to determine its eligibility for another certificate.

C. Acknowledgments

I would like to express my sincere gratitude to the County personnel who contributed to this report, especially to Sandy Barney, Accounting Functions Supervisor and Leroy Fenn, Budget/Accounting Specialist, for all of their assistance in preparing this report.

Respectfully submitted,

Mary K. Otley
Finance Manager

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, 2003

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.



Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

BENTON COUNTY, OREGON

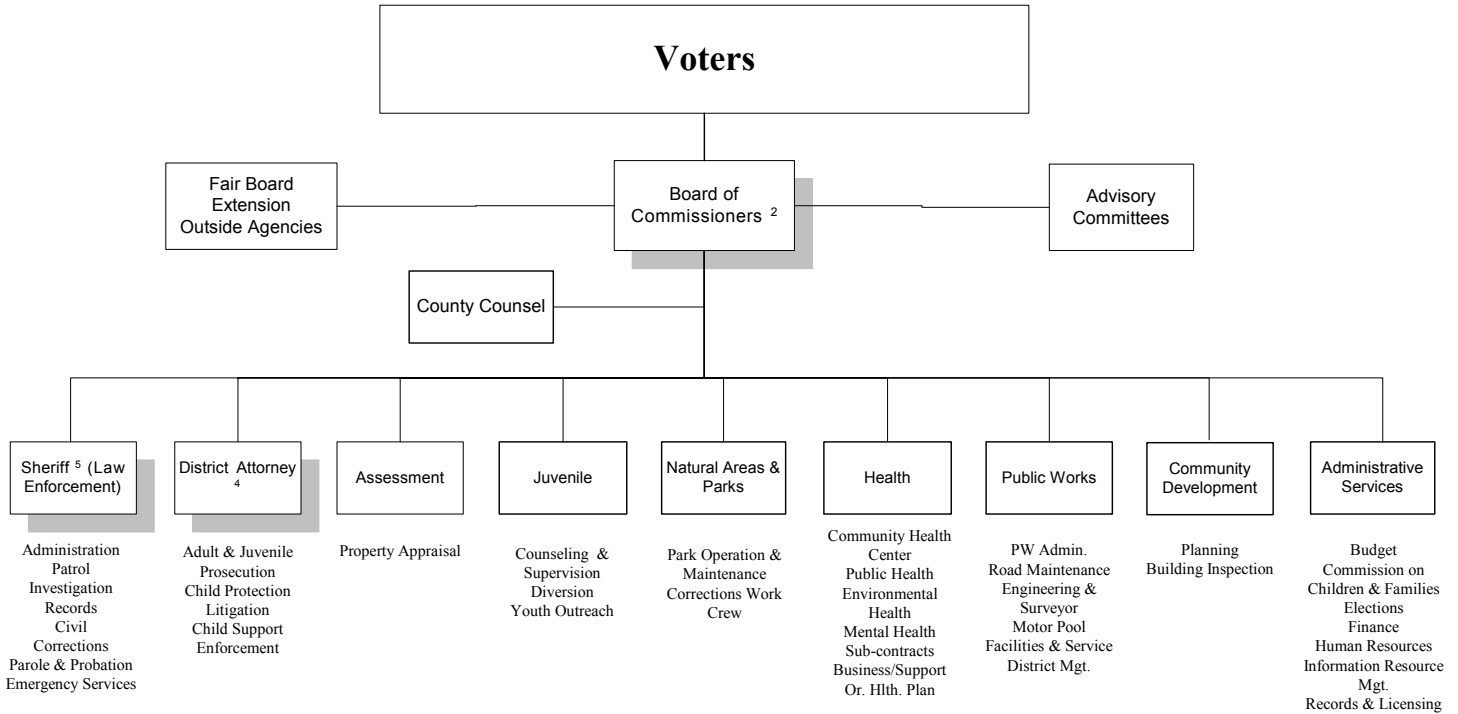
June 30, 2004

ELECTED OFFICIALS

| <u>Official</u> | <u>Office</u> | <u>Address</u> |
|---------------------|--------------------|--|
| Jay Dixon | Commissioner/Chair | 110 SW 4 th Street Corvallis, OR 97333 |
| Annabelle Jaramillo | Commissioner | 110 SW 4 th Street Corvallis, OR 97333 |
| Linda Modrell | Commissioner | 110 SW 4 th Street Corvallis, OR 97333 |
| Jim Swinyard | Sheriff | 180 NW 5 th Street Corvallis, OR 97330 |
| Scott Heiser | District Attorney | 120 NW 4 th Street Corvallis, OR 97330 |

Benton County, Oregon

Functional Organization Chart - August 2004



Elected Official

Notes:

¹ Functional reflects the flow of decisions concerning adoption of ordinances, and finance, personnel and budget matters.

² Board of Commissioners are partisan positions

⁴ District Attorney position is a state constitutional non-partisan office

⁵ Sheriff is non-partisan office

FINANCIAL SECTION



Koontz & Perdue, P.C.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Benton County, 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 as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Benton County's management. Our responsibility is to express an opinion 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 *Governmental 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 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 Benton County, Oregon as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the major special revenue funds 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 November 16, 2004, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, not to provide an opinion on the internal control over financial reporting or on compliance. That report 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.

The management's discussion and analysis and budgetary comparison information on pages 3 through 11 and 65 through 130 are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Benton County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, capital assets schedules, other financial schedules, and statistical tables are presented for purposes of additional analysis and are not required parts of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of Benton County. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, capital assets schedules, other financial schedules, and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Koontz & Perdue, P.C.

By

A handwritten signature in black ink, appearing to be "D. Koontz", written over a horizontal line.

Albany, Oregon
November 16, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2004. 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 12.

Financial Highlights:

- Benton County's assets exceeded its liabilities at the close of the fiscal year by \$180,590,130 (*net assets*). Of this amount, \$234,522 is restricted for capital improvement projects and \$954,043 is restricted for future years' debt service. Note that with the new financial reporting model, the total net assets figure includes capital assets, net of accumulated depreciation.
- The County's total net assets increased by \$2,220,589. This increase is largely due to an increase in current assets of \$11,782,935 along with depreciation in the amount of \$5,939,540 and an increase in long-term debt of \$6,858,980. Without the depreciation charge, the net assets increased by \$8,160,129.
- At the close of the fiscal year, the County's governmental funds reported combined ending fund balances of \$16,733,440, an increase of \$3,545,692 from the prior year. Of this amount, \$15,431,192 is available for spending at the County's discretion (*unreserved fund balance*).
- At the end of the fiscal year, unreserved fund balance for the General Fund was \$9,666,476 or 26% of total general fund expenditures plus transfers to other funds.
- Total debt increased by \$7,576,310 during the year. This increase is a result of issuance of pension obligation bonds in the amount of \$7,490,000, issuance of \$239,000 in revenue bonds by South Third County Service District, and scheduled payments on bonded debt to pay down the debt.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Benton County's basic financial statements. Under the new reporting model, which was implemented last year, 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 other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are a new 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 new *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 flow 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, and animal control. Business-type activities include water and sewer services and rental of county-owned properties.

The government-wide financial statements can be found on pages 12 and 13 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 nineteen individual governmental funds (one general fund; fourteen special revenue funds; two debt service funds and two 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, Road, Block Grant, and Debt Service Funds. 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 an annual appropriation budget for all governmental funds. Budgetary comparison statements 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 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 five 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 basic proprietary fund financial statements can be found on pages 22 through 26 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements 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 27 and 28.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 50.

Other information. Combining and individual fund statements and schedules can be found starting on page 65 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 \$180,599,130 at the close of the most recent fiscal year.

The largest portion of the County's net assets (91%) 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

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|-----------------------------------|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
| | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> | <u>2004</u> | <u>2003</u> |
| Current and other assets | \$ 41,394,799 | \$ 29,702,569 | \$ 223,615 | \$ 132,910 | \$ 41,618,414 | \$ 29,835,479 |
| Capital assets | 162,011,194 | 165,292,235 | 2,552,777 | 1,053,159 | 164,563,971 | 166,345,394 |
| Total assets | <u>203,405,993</u> | <u>194,994,804</u> | <u>2,776,392</u> | <u>1,186,069</u> | <u>206,182,385</u> | <u>196,180,873</u> |
| Long-term liabilities outstanding | 22,238,493 | 15,617,190 | 267,620 | 29,943 | 22,506,113 | 15,647,133 |
| Other liabilities | 3,490,528 | 2,126,559 | 119,614 | 28,640 | 3,610,142 | 2,155,199 |
| Total liabilities | <u>25,729,021</u> | <u>17,743,749</u> | <u>387,234</u> | <u>58,583</u> | <u>26,116,255</u> | <u>17,802,332</u> |
| Net assets: | | | | | | |
| Invested in capital assets, net | | | | | | |
| of related debt | 161,985,887 | 165,292,235 | 2,168,351 | 1,023,216 | 164,154,238 | 166,315,451 |
| Restricted | 1,188,565 | 739,237 | - | - | 1,188,565 | 739,237 |
| Unrestricted | <u>15,035,520</u> | <u>11,219,583</u> | <u>220,807</u> | <u>104,270</u> | <u>15,256,327</u> | <u>11,323,853</u> |
| Total net assets | <u>\$ 178,209,972</u> | <u>\$ 177,251,055</u> | <u>\$ 2,389,158</u> | <u>\$ 1,127,486</u> | <u>\$ 180,599,130</u> | <u>\$ 178,378,541</u> |

Of the County's net assets, \$1,188,565 is restricted for capital projects and debt service. This amount represents resources that are subject to external restrictions on how they may be used. The remaining balance is unrestricted net assets of \$15,256,327, which 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 \$958,917, thereby accounting for 43% of the total increase in the net assets of the County. Key elements of this increase are as follows:

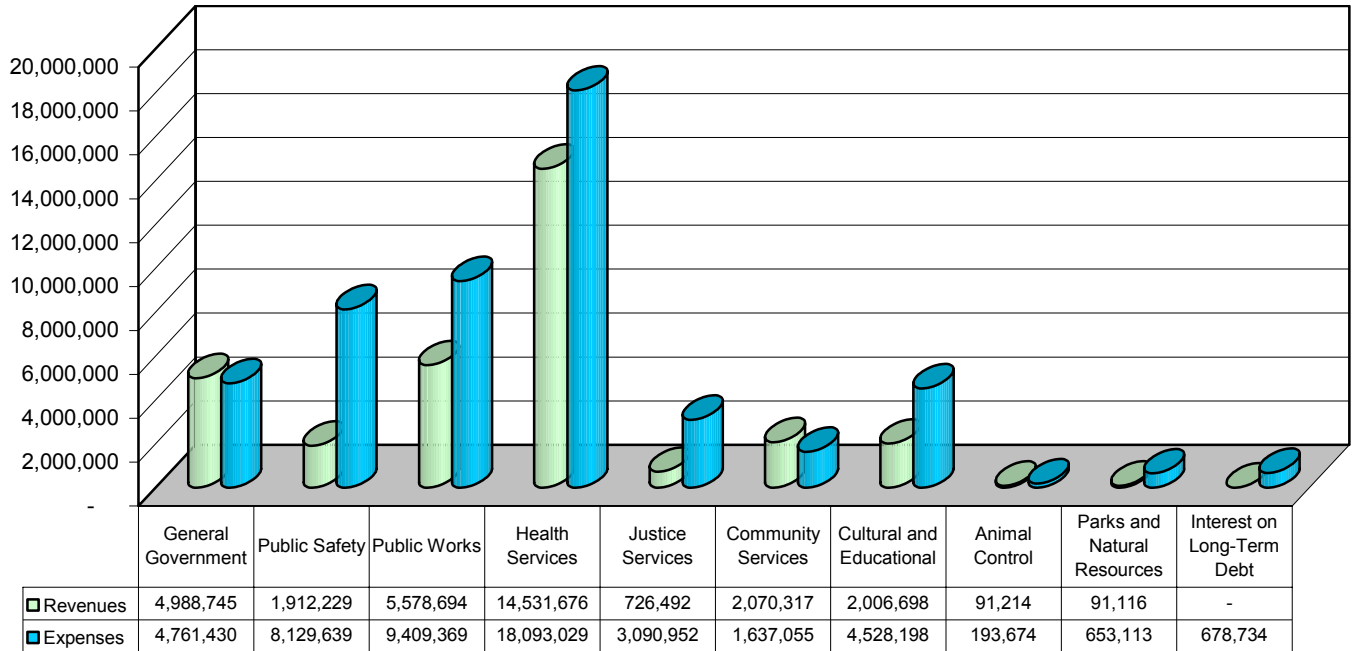
Benton County's Changes in Net Assets

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------|--------------------------|--------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 5,367,818 | \$ 5,526,099 | \$ 132,562 | \$ 129,142 | \$ 5,500,380 | \$ 5,655,241 |
| Operating grants and contributions | 24,684,220 | 27,316,981 | - | - | 24,684,220 | 27,316,981 |
| Capital grants and contributions | 1,945,143 | 394,935 | 1,325,372 | 73,948 | 3,270,515 | 468,883 |
| General revenues: | | | | | | |
| Property taxes | 15,927,184 | 12,297,606 | - | - | 15,927,184 | 12,297,606 |
| Interest and investment earnings | 194,279 | 161,235 | 2,446 | 2,662 | 196,725 | 163,897 |
| Fines | 1,467 | 1,186 | - | - | 1,467 | 1,186 |
| Gain on sale of capital assets | 13,949 | 32,532 | - | - | 13,949 | 32,532 |
| Grants and contributions not restricted to specific programs | 3,961,188 | 4,320,537 | - | - | 3,961,188 | 4,320,537 |
| Total revenues | 52,095,248 | 50,051,111 | 1,460,380 | 205,752 | 53,555,628 | 50,256,863 |
| Expenses: | | | | | | |
| General government | 4,761,430 | 4,800,836 | - | - | 4,761,430 | 4,800,836 |
| Public safety | 8,129,639 | 8,062,852 | - | - | 8,129,639 | 8,062,852 |
| Public works | 9,409,369 | 18,780,138 | - | - | 9,409,369 | 18,780,138 |
| Health services | 18,093,029 | 18,117,473 | - | - | 18,093,029 | 18,117,473 |
| Justice services | 3,090,952 | 3,092,211 | - | - | 3,090,952 | 3,092,211 |
| Community services | 1,637,055 | 1,739,717 | - | - | 1,637,055 | 1,739,717 |
| Cultural and educational | 4,528,198 | 4,528,003 | - | - | 4,528,198 | 4,528,003 |
| Animal control | 193,674 | 191,991 | - | - | 193,674 | 191,991 |
| Parks and natural resources | 653,113 | - | - | - | 653,113 | - |
| Interest on long-term debt | 678,734 | 712,000 | - | - | 678,734 | 712,000 |
| Water and sewer | - | - | 152,270 | 129,132 | 152,270 | 129,132 |
| Real estate rental | - | - | 7,576 | 6,625 | 7,576 | 6,625 |
| Total expenses | 51,175,193 | 60,025,221 | 159,846 | 135,757 | 51,335,039 | 60,160,978 |
| Decrease in net assets before transfers | 920,055 | (9,974,110) | 1,300,534 | 69,995 | 2,220,589 | (9,904,115) |
| Transfers | 38,862 | (71,083) | (38,862) | (51,355) | - | (122,438) |
| Decrease in net assets | 958,917 | (10,045,193) | 1,261,672 | 18,640 | 2,220,589 | (10,026,553) |
| Net assets - beginning | 177,251,055 | 187,296,248 | 1,127,486 | 1,108,846 | 178,378,541 | 188,405,094 |
| Net assets - ending | \$ 178,209,972 | \$ 177,251,055 | \$ 2,389,158 | \$ 1,127,486 | \$ 180,599,130 | \$ 178,378,541 |

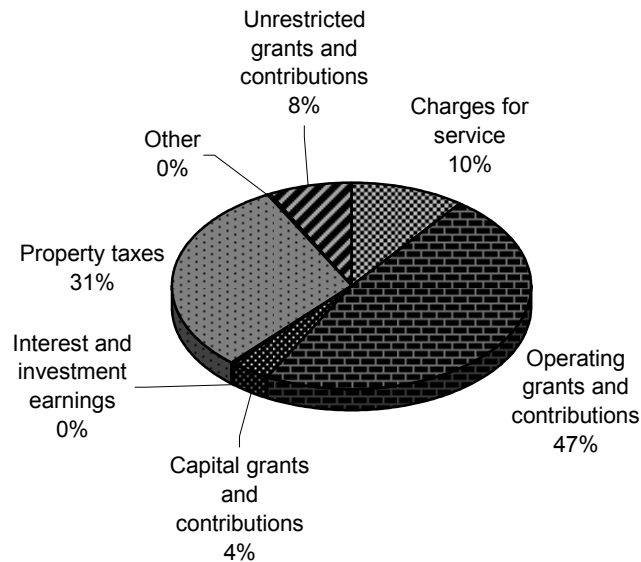
A major factor in the change in Benton County's net assets was the inclusion of \$5,939,540 in depreciation expense.

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

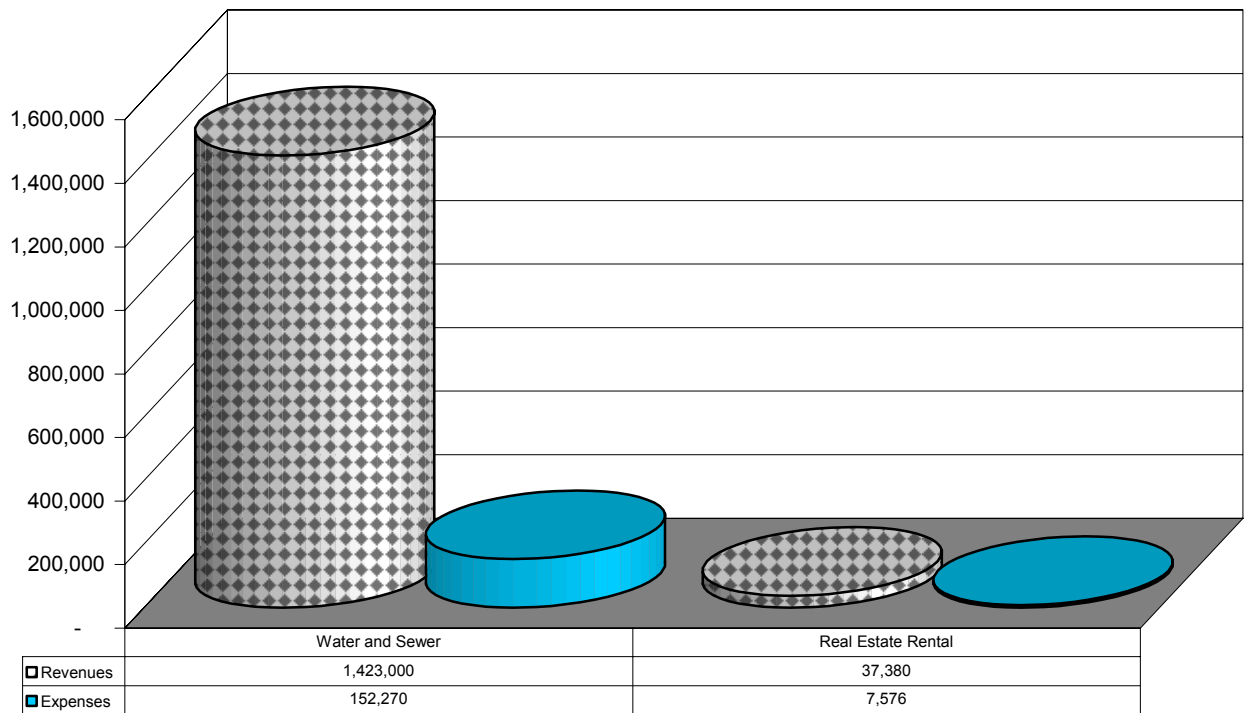


Business-type activities. Business-type activities increased the County’s net assets by \$1,261,672, accounting for 57% of the total growth in the County’s net assets. A key element of this increase is as follows:

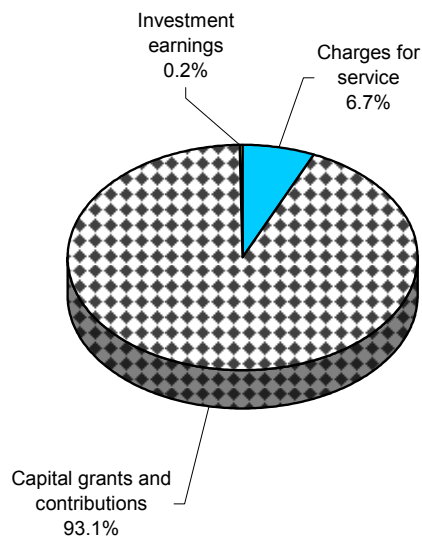
- Receipt of capital grants in the amount of \$1,325,372 to construct a sewer system for the South Third County Service District.

The following graphs show the County's business-type activities expenses and revenues by program and revenue by sources.

Revenues and Expenses by Program



Revenue Sources



Financial Analysis of County Funds

As noted earlier, Benton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$16,733,440, an increase of \$3,545,692 compared to the prior year. \$15,431,192 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to: 1) future liabilities of the Debt Service Fund (\$651,552); 2) inventories in the Road Fund (\$272,249); and a variety of other restricted purposes.

The General Fund is the operating fund of the County, utilizing assets not otherwise restricted as to use. It is a major operating fund of the County as are the Road, Block Grant, and Debt Service Funds, all of which utilize restricted assets. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$9,644,976, while the total fund balance was \$9,666,476. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures plus transfers to other funds. Unreserved fund balance represents 26.5% 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 and O&C replacement funds, which are not available until October and November. The amount of the fund balance that was budgeted as *unappropriated ending fund balance*, thereby making it unavailable until the subsequent year, was \$648,000. The County also budgeted \$4,419,677 in reserves.

The fund balance of the General Fund increased by \$2,836,328 during the current fiscal year. Key factors were as follows:

- A determined effort on the part of the County to build up its reserves in an effort to maintain service stability over the next five years.
- Staff reductions; since July of 2002, the County has eliminated the equivalent of 36 full time positions.

The fund balance of the Road Fund decreased by \$1,266 or (0.01%). This negligible decrease is result of steady funding and expenditures.

The fund balance of the Block Grant Fund increased by \$271,478 or (42.5%). This increase is due to new loans being made to low-income homeowners and the payoff of outstanding loans.

The fund balance of the Debt Service Fund increased by \$276,328 or (159.0%). This increase is due to the deliberate building up of funds needed to pay off the pension bonds in the future.

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

General Fund Budgetary Highlights

Differences between the original expenditure budget and the final amended budget were relatively minor and represented an increase of \$1,339,777 or 3.2%. The major component of the increase was availability of resources from state and federal agencies that were not originally budgeted.

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 \$164,563,971 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, roads, and bridges.

Major capital asset events during the current fiscal year included the following:

- Infrastructure – implementation of the new government-wide financial reporting model, including retroactive infrastructure reporting requirements.

Benton County's Capital Assets (net of depreciation)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|-------------------------|-----------------------|--------------------------|---------------------|-----------------------|-----------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Land | \$ 7,018,742 | \$ 7,018,742 | \$ 33,848 | \$ 33,848 | \$ 7,052,590 | \$ 7,052,590 |
| Construction in progress | 207,128 | 366,901 | - | 74,428 | 207,128 | 441,329 |
| Land improvements | 802,359 | 821,604 | - | - | 802,359 | 821,604 |
| Buildings | 8,136,581 | 7,960,021 | 101,507 | 107,676 | 8,238,088 | 8,067,697 |
| Machinery and equipment | 4,292,956 | 3,839,901 | 5,239 | 5,613 | 4,298,195 | 3,845,514 |
| Infrastructure | 141,553,428 | 145,285,066 | 2,412,183 | 831,594 | 143,965,611 | 146,116,660 |
| Total | <u>\$ 162,011,194</u> | <u>\$ 165,292,235</u> | <u>\$ 2,552,777</u> | <u>\$ 1,053,159</u> | <u>\$ 164,563,971</u> | <u>\$ 166,345,394</u> |

Additional information of the County's capital assets can be found in Note IV-C on pages 41 through 42.

Long-term debt. At the end of the current fiscal year, the County had total debt outstanding of \$19,988,474. Of this amount, \$833,959 comprises debt backed by the general obligation bonds; \$19,080,552 represents debt backed by the full faith and credit bonds; \$73,963 comprises long-term lease and note obligations; and the remainder of the County's debt represents bonds secured solely by specified sources (revenue bonds). Both general obligation bonds and full faith and credit bonds are direct obligations pledging the full faith and credit of the County.

Additional information of the County's long-term debt can be found in Note IV-F on pages 43 through 45.

Benton County's Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------|-------------------------|----------------------|--------------------------|------------------|----------------------|----------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| General obligation bonds | \$ 833,959 | \$ 959,347 | \$ - | \$ - | \$ 833,959 | \$ 959,347 |
| Full faith and credit bonds | 19,080,552 | 11,617,907 | - | - | 19,080,552 | 11,617,907 |
| Revenue bonds | - | - | 268,270 | 29,943 | 268,270 | 29,943 |
| Capital leases | 39,180 | 42,674 | - | - | 39,180 | 42,674 |
| Notes | 34,783 | 62,374 | - | - | 34,783 | 62,374 |
| Total | <u>\$ 19,988,474</u> | <u>\$ 12,682,302</u> | <u>\$ 268,270</u> | <u>\$ 29,943</u> | <u>\$ 20,256,744</u> | <u>\$ 12,712,245</u> |

A significant source of the County's General Fund revenue is the federal Rural Schools and Community Self-Determination Act, which became law on October 30, 2000. This act provides funds to replace the former Oregon

& California Railroads Act funds (O&C funds) which had been in place, with modifications, since 1937. For Benton County, \$2,649,253 was available for the 2003-04 fiscal year and is reflected in the General Fund. These funds will be available through fiscal year 2006-07. Continuation of this funding will require future congressional action. In addition, the County expects to receive \$233,758 in "Title III" funds specifically for forest and forest interface projects.

The County's property tax rate will decrease by \$0.37 per \$1,000 of assessed value due to the expiration of the Health & Safety Levy as of June 30, 2004. This is a decrease of 12.9% in property tax rates.

A significant impact across all county funds with personnel costs is the sharp increase in costs for Oregon Public Employees Retirement System (PERS). PERS in Oregon is operated by the state through legislatively approved benefit programs, administrative rules, and PERS management decisions. Following sharp declines in the stock market, the PERS Fund has experienced major losses. Employers now are being called upon to fund these significant losses in addition to previous current funding obligations.

The State of Oregon is experiencing significant revenue reductions. Cuts in the state budget will most directly affect the areas of health, parole and probation, and juvenile.

Key Economic Factors and Budget Information

- The unemployment rate for Benton County at the close of the fiscal year was 3.4%. At the time of preparation of this report, the unemployment rate had dropped to 3.3%. The rate is not expected to significantly improve before the end of the next fiscal year.
- It is anticipated that the cost of providing medical insurance coverage to employees will continue to rise, by approximately 10-12% in the next fiscal year.
- During the 2003 legislative process, the State of Oregon enacted major reforms to the PERS system. However, the reforms have been challenged by various labor groups and the economic effect to the legislation will not be known for 18 to 24 months.

All of these factors were considered in preparing the County's budget for the fiscal year 2004-05.

The County's budget is \$77,918,834 for all budgeted funds, an increase of 11.7%. Budgeted funds included the General, Special Revenue, Capital Projects, Debt Service, Fiduciary, Enterprise, and Internal Service Funds. The General Fund budget is \$45,764,234, an increase of 9.7%. The increase is primarily due to two factors: an increase in employee benefits costs and a reduction in the workforce. In Oregon, the total amount of the fund balance is budgeted as a resource; therefore, a reduction in fund balance results in a corresponding reduction in the following year's budget regardless of the amount of the fund balance that is actually appropriated for expenditure.

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
110 SW 4th Street
Corvallis, OR 97333

BASIC FINANCIAL STATEMENTS

BENTON COUNTY, OREGON

STATEMENT OF NET ASSETS

June 30, 2004

| | Governmental Activities | Business-type Activities | Total |
|---|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 18,416,608 | \$ 90,496 | \$ 18,507,104 |
| Receivable | | | |
| Accounts | 1,047,531 | 9,526 | 1,057,057 |
| Taxes and assessments | 592,432 | 7,106 | 599,538 |
| Intergovernmental | 1,187,518 | 114,898 | 1,302,416 |
| Deposits | 7,702 | - | 7,702 |
| Loans receivable | 1,106,344 | - | 1,106,344 |
| Inventory | 379,480 | - | 379,480 |
| Prepays | 177,225 | 1,589 | 178,814 |
| Net pension asset | 19,012,959 | | 19,012,959 |
| Capital assets (See notes): | | | |
| Land and construction in progress | 7,225,870 | 33,848 | 7,259,718 |
| Other capital assets (net of accumulated depreciation) | <u>154,785,324</u> | <u>2,518,929</u> | <u>157,304,253</u> |
| Total assets | <u>203,938,993</u> | <u>2,776,392</u> | <u>206,715,385</u> |
| LIABILITIES | | | |
| Accounts payable | 1,367,463 | 117,403 | 1,484,866 |
| Accrued payroll costs | 844,878 | - | 844,878 |
| Due to other governments | 102,228 | - | 102,228 |
| Other accrued liabilities | 52,594 | 750 | 53,344 |
| Interest payable | 16,794 | - | 16,794 |
| Unearned revenue | 389,891 | 811 | 390,702 |
| Noncurrent liabilities: | | | |
| Due within one year | 727,584 | 4,709 | 732,293 |
| Due in more than one year | | | |
| Accrued compensated absences | 2,460,926 | - | 2,460,926 |
| Bond payable | <u>19,766,663</u> | <u>263,561</u> | <u>20,030,224</u> |
| Total liabilities | <u>25,729,021</u> | <u>387,234</u> | <u>26,116,255</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 161,985,887 | 2,168,351 | 164,154,238 |
| Restricted for: | | | |
| Capital projects | 234,522 | - | 234,522 |
| Debt service | 954,043 | - | 954,043 |
| Unrestricted | <u>15,035,520</u> | <u>220,807</u> | <u>15,256,327</u> |
| Total net assets | <u>\$ 178,209,972</u> | <u>\$ 2,389,158</u> | <u>\$ 180,599,130</u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2004

| | Expenses | Program Revenues | | |
|--------------------------------|---------------|----------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 4,761,430 | \$ 2,880,559 | \$ 2,108,186 | \$ - |
| Public safety | 8,129,639 | 171,870 | 1,740,359 | - |
| Public works | 9,409,369 | 456,008 | 3,673,832 | 1,448,854 |
| Health services | 18,093,029 | 716,156 | 13,815,520 | - |
| Justice services | 3,090,952 | 142,492 | 584,000 | - |
| Community services | 1,637,055 | 355,974 | 1,218,054 | 496,289 |
| Cultural and educational | 4,528,198 | 535,551 | 1,471,147 | - |
| Animal control | 193,674 | 91,214 | - | - |
| Parks and natural resources | 653,113 | 17,994 | 73,122 | - |
| Interest on long-term debt | 678,734 | - | - | - |
| Total governmental activities | 51,175,193 | 5,367,818 | 24,684,220 | 1,945,143 |
| Business-type activities | | | | |
| Water and sewer | 152,270 | 95,464 | - | 1,325,372 |
| Real estate rental | 7,576 | 37,098 | - | - |
| Total business-type activities | 159,846 | 132,562 | - | 1,325,372 |
| Total primary government | \$ 51,335,039 | \$ 5,500,380 | \$ 24,684,220 | \$ 3,270,515 |

General revenues:

- Property taxes
- Unrestricted investment earnings
- Fines
- Gain on sale of capital assets
- Grants and contributions not restricted to specific programs
- Transfers

Total general revenues and transfers

Change in net assets

Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and
Change in Net Assets

| Governmental Activities | Business-type Activities | Total |
|----------------------------|-----------------------------|----------------------|
| \$ 227,315 | \$ - | \$ 227,315 |
| (6,217,410) | - | (6,217,410) |
| (3,830,675) | - | (3,830,675) |
| (3,561,353) | - | (3,561,353) |
| (2,364,460) | - | (2,364,460) |
| 433,262 | - | 433,262 |
| (2,521,500) | - | (2,521,500) |
| (102,460) | - | (102,460) |
| (561,997) | - | (561,997) |
| (678,734) | - | (678,734) |
| <u>(19,178,012)</u> | <u>-</u> | <u>(19,178,012)</u> |
| - | 1,268,566 | 1,268,566 |
| - | 29,522 | 29,522 |
| <u>-</u> | <u>1,298,088</u> | <u>1,298,088</u> |
| <u>(19,178,012)</u> | <u>1,298,088</u> | <u>(17,879,924)</u> |
| 15,927,184 | - | 15,927,184 |
| 194,279 | 2,446 | 196,725 |
| 1,467 | - | 1,467 |
| 13,949 | - | 13,949 |
| 3,961,188 | - | 3,961,188 |
| 38,862 | (38,862) | - |
| <u>20,136,929</u> | <u>(36,416)</u> | <u>20,100,513</u> |
| 958,917 | 1,261,672 | 2,220,589 |
| <u>177,251,055</u> | <u>1,127,486</u> | <u>178,378,541</u> |
| <u>\$178,209,972</u> | <u>\$ 2,389,158</u> | <u>\$180,599,130</u> |

BENTON COUNTY, OREGON

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2004

| | General | Road | Block Grant | Debt Service |
|--------------------------------------|----------------------|---------------------|---------------------|-------------------|
| ASSETS | | | | |
| Cash and investments | \$ 9,873,887 | \$ 1,613,330 | \$ 541,137 | \$ 450,075 |
| Receivable: | | | | |
| Accounts | 753,604 | 141,961 | 20,245 | - |
| Taxes and assessments | 471,399 | - | - | - |
| Intergovernmental | 433,877 | 603,836 | 106,625 | - |
| Deposits | 7,702 | - | - | - |
| Due from other funds | - | - | 220,000 | - |
| Loans receivable | - | 11,184 | 1,054,495 | - |
| Inventory | - | 261,235 | - | - |
| Prepays | 21,500 | 694 | - | - |
| | <u>\$ 11,561,969</u> | <u>\$ 2,632,240</u> | <u>\$ 1,942,502</u> | <u>\$ 450,075</u> |
| Total assets | | | | |
| | <u>\$ 11,561,969</u> | <u>\$ 2,632,240</u> | <u>\$ 1,942,502</u> | <u>\$ 450,075</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 445,528 | \$ 376,463 | \$ 2,319 | \$ - |
| Accrued payroll costs | 595,161 | 103,568 | - | - |
| Due to other funds | - | - | - | - |
| Due to other governments | 52,028 | - | - | - |
| Other accrued liabilities | 39,178 | 12,856 | - | - |
| Interest payable | - | - | - | - |
| Deferred revenue | 763,598 | 11,184 | 1,029,250 | - |
| | <u>1,895,493</u> | <u>504,071</u> | <u>1,031,569</u> | <u>-</u> |
| Total liabilities | | | | |
| | <u>1,895,493</u> | <u>504,071</u> | <u>1,031,569</u> | <u>-</u> |
| Fund balances: | | | | |
| Reserved for inventory | - | 261,235 | - | - |
| Reserved for Oregon Health Plan | - | - | - | - |
| Reserved for prepaids | 21,500 | 694 | - | - |
| Reserved for debt service | - | - | - | 450,075 |
| Reserved for capital projects | - | - | - | - |
| Unreserved, reported in | | | | |
| General Fund | 9,644,976 | - | - | - |
| Special revenue funds | - | 1,866,240 | 910,933 | - |
| | <u>9,666,476</u> | <u>2,128,169</u> | <u>910,933</u> | <u>450,075</u> |
| Total fund balances | | | | |
| | <u>9,666,476</u> | <u>2,128,169</u> | <u>910,933</u> | <u>450,075</u> |
| Total liabilities and fund balances | <u>\$ 11,561,969</u> | <u>\$ 2,632,240</u> | <u>\$ 1,942,502</u> | <u>\$ 450,075</u> |

The accompanying notes are an integral part of these financial statements.

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 4,036,832 | \$ 16,515,261 |
| 44,344 | 960,154 |
| 121,033 | 592,432 |
| 43,180 | 1,187,518 |
| - | 7,702 |
| 75,000 | 295,000 |
| - | 1,065,679 |
| 11,014 | 272,249 |
| <u>121,731</u> | <u>143,925</u> |
| <u>\$ 4,453,134</u> | <u>\$ 21,039,920</u> |

| | |
|----------------|------------------|
| \$ 344,520 | \$ 1,168,830 |
| 57,280 | 756,009 |
| 295,000 | 295,000 |
| 50,200 | 102,228 |
| - | 52,034 |
| 16,794 | 16,794 |
| <u>111,553</u> | <u>1,915,585</u> |
| <u>875,347</u> | <u>4,306,480</u> |

| | |
|---------------------|-------------------|
| 11,014 | 272,249 |
| - | - |
| 121,731 | 143,925 |
| 201,477 | 651,552 |
| 234,522 | 234,522 |
| - | 9,644,976 |
| <u>3,009,043</u> | <u>5,786,216</u> |
| <u>3,577,787</u> | <u>16,733,440</u> |
| <u>\$ 4,453,134</u> | <u>21,039,920</u> |

BENTON COUNTY, OREGON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2004

| | |
|--|-----------------------------|
| Total fund balance | \$ 16,733,440 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$94,867,892. | 152,981,274 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported in the funds. | 1,525,694 |
| The pension assets resulting from contributions in excess of annual required contribution in 2004 are not financial resources and therefore are not reported in the funds. (See Note V-F). | 17,111,663 |
| 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. | 10,483,780 |
| Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds. | (2,605,550) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | <u>(18,020,329)</u> |
| Net assets of governmental activities | <u><u>\$178,209,972</u></u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2004

| | <u>General</u> | <u>Road</u> | <u>Block Grant</u> | <u>Debt Service</u> |
|--|---------------------|---------------------|------------------------|-------------------------|
| REVENUES | | | | |
| Taxes and assessments | \$ 12,577,180 | \$ 7,301 | \$ - | \$ 10 |
| Licenses and permits | 1,456,837 | - | - | - |
| Intergovernmental | 20,489,042 | 5,051,075 | 189,290 | - |
| Fines | 1,467 | - | - | - |
| Charges for services | 3,872,066 | 594,910 | - | 23,382 |
| Interest | 139,376 | 16,895 | 5,056 | 3,126 |
| Miscellaneous | <u>519,523</u> | <u>55,709</u> | <u>226,410</u> | <u>-</u> |
| Total revenues | <u>39,055,491</u> | <u>5,725,890</u> | <u>420,756</u> | <u>26,518</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 4,443,861 | - | - | 141,542 |
| Public works | - | 5,830,387 | - | - |
| Public safety | 7,163,075 | - | - | - |
| Health services | 17,743,251 | - | - | - |
| Justice services | 2,894,083 | - | - | - |
| Community services | 815,849 | - | 224,476 | - |
| Cultural and educational services | 496,786 | - | - | - |
| Animal control | 214,596 | - | - | - |
| Parks and natural resources | 612,551 | - | - | - |
| Debt service: | | | | |
| Principal | - | - | - | 7,142,991 |
| Interest | - | - | - | 632,458 |
| Capital outlay | - | - | - | - |
| Total expenditures | <u>34,384,052</u> | <u>5,830,387</u> | <u>224,476</u> | <u>7,916,991</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,671,439</u> | <u>(104,497)</u> | <u>196,280</u> | <u>(7,890,473)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Loans/bond sales/leases | - | - | 75,198 | 7,490,000 |
| Sale of capital assets | - | - | - | - |
| Transfers in | 142,301 | 178,800 | - | 711,075 |
| Transfers out | <u>(1,977,412)</u> | <u>(75,569)</u> | <u>-</u> | <u>(34,274)</u> |
| Total other financing sources and (uses) | <u>(1,835,111)</u> | <u>103,231</u> | <u>75,198</u> | <u>8,166,801</u> |
| Net change in fund balance | 2,836,328 | (1,266) | 271,478 | 276,328 |
| Fund balances - beginning | <u>6,830,148</u> | <u>2,129,435</u> | <u>639,455</u> | <u>173,747</u> |
| Fund balances - ending | <u>\$ 9,666,476</u> | <u>\$ 2,128,169</u> | <u>\$ 910,933</u> | <u>\$ 450,075</u> |

The accompanying notes are an integral part of these financial statements.

| Other Governmental Funds | Total Governmental Funds |
|--------------------------------|--------------------------------|
| \$ 3,449,275 | \$ 16,033,766 |
| - | 1,456,837 |
| 3,130,877 | 28,860,284 |
| - | 1,467 |
| 1,122,628 | 5,612,986 |
| 43,428 | 207,881 |
| 176,410 | 978,052 |
| <u>7,922,618</u> | <u>53,151,273</u> |
| 357,494 | 4,942,897 |
| 176,198 | 6,006,585 |
| 1,297,826 | 8,460,901 |
| 902,957 | 18,646,208 |
| 377,978 | 3,272,061 |
| 911,619 | 1,951,944 |
| 4,061,587 | 4,558,373 |
| - | 214,596 |
| - | 612,551 |
| 125,387 | 7,268,378 |
| 41,626 | 674,084 |
| 475,681 | 475,681 |
| <u>8,728,353</u> | <u>57,084,259</u> |
| <u>(805,735)</u> | <u>(3,932,986)</u> |
| 11,410 | 7,576,608 |
| - | - |
| 1,007,990 | 2,040,166 |
| <u>(50,841)</u> | <u>(2,138,096)</u> |
| <u>968,559</u> | <u>7,478,678</u> |
| 162,824 | 3,545,692 |
| <u>3,414,963</u> | <u>13,187,748</u> |
| <u>\$ 3,577,787</u> | <u>\$ 16,733,440</u> |

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, 2004

Amounts reported for governmental activities in the statement of activities (page 13) are different because:

| | |
|--|-------------------|
| Net change in fund balances - total governmental funds (page 16) | \$ 3,545,692 |
| 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. | (2,116,499) |
| 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. | 443,221 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 130,209 |
| 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. | 114,158 |
| The net effect of various miscellaneous transactions involving capital assets (for example: sales, trade-ins, and donations) is to increase net assets. | (1,092,527) |
| 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>(65,337)</u> |
| Change in net assets of governmental activities | <u>\$ 958,917</u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

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

GENERAL FUND

For the Year Ended June 30, 2004

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | Final Budget - Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ 12,366,090 | \$ 12,366,090 | \$ 12,577,180 | \$ 211,090 |
| Licenses and permits | 1,126,303 | 1,126,303 | 1,456,837 | 330,534 |
| Intergovernmental | 18,686,462 | 20,009,632 | 20,489,042 | 479,410 |
| Charges for services | 4,207,393 | 4,172,195 | 4,282,814 | 110,619 |
| Fines and forfeitures | 1,700 | 1,700 | 1,467 | (233) |
| Miscellaneous | 476,238 | 478,938 | 633,293 | 154,355 |
| Total revenues | <u>36,864,186</u> | <u>38,154,858</u> | <u>39,440,633</u> | <u>1,285,775</u> |
| EXPENDITURES | | | | |
| General government | 5,570,560 | 5,498,564 | 4,531,529 | 967,035 |
| Public safety | 7,460,184 | 7,644,798 | 7,322,852 | 321,946 |
| Health services | 17,937,058 | 18,533,063 | 17,898,605 | 634,458 |
| Justice services | 3,270,447 | 3,206,833 | 2,952,006 | 254,827 |
| Community services | 565,334 | 963,818 | 819,591 | 144,227 |
| Cultural and educational services | 503,700 | 503,700 | 497,653 | 6,047 |
| Animal control | 239,244 | 236,163 | 218,820 | 17,343 |
| Parks and natural resources | 623,545 | 616,610 | 610,659 | 5,951 |
| Total expenditures | <u>36,170,072</u> | <u>37,203,549</u> | <u>34,851,715</u> | <u>2,351,834</u> |
| Excess (deficiency) of revenues over expenditures | <u>694,114</u> | <u>951,309</u> | <u>4,588,918</u> | <u>3,637,609</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 156,802 | 156,802 | 162,501 | 5,699 |
| Transfers out | (1,553,502) | (1,644,204) | (1,460,558) | 183,646 |
| Interfund loans | (289,000) | (289,000) | (239,000) | 50,000 |
| Loan repayments | 437,700 | 437,700 | 437,351 | (349) |
| Total other financing sources (uses) | <u>(1,248,000)</u> | <u>(1,338,702)</u> | <u>(1,099,706)</u> | <u>238,996</u> |
| Net change in fund balances | (553,886) | (387,393) | 3,489,212 | 3,876,605 |
| Fund balance - beginning | <u>4,267,444</u> | <u>4,316,549</u> | <u>6,429,234</u> | <u>2,112,685</u> |
| Fund balance - ending | <u>\$ 3,713,558</u> | <u>\$ 3,929,156</u> | <u>\$ 9,918,446</u> | <u>\$ 5,989,290</u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

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

ROAD FUND

For the Year Ended June 30, 2004

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|-------------------|-------------------|---------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes and assessments | \$ 3,468 | \$ 3,468 | \$ 7,301 | \$ 3,833 |
| Intergovernmental | 5,252,058 | 5,252,058 | 5,051,075 | (200,983) |
| Charges for services | 896,992 | 896,992 | 594,910 | (302,082) |
| Miscellaneous | 24,700 | 24,700 | 72,604 | 47,904 |
| Total revenues | <u>6,177,218</u> | <u>6,177,218</u> | <u>5,725,890</u> | <u>(451,328)</u> |
| EXPENDITURES | | | | |
| Public works | | | | |
| Personal services | 2,540,887 | 2,446,222 | 2,421,097 | 25,125 |
| Materials and services | 2,360,780 | 2,360,780 | 2,370,354 | (9,574) |
| Capital outlay | 2,648,647 | 2,648,647 | 1,221,931 | 1,426,716 |
| Other | 150,000 | 150,000 | - | 150,000 |
| Total expenditures | <u>7,700,314</u> | <u>7,605,649</u> | <u>6,013,382</u> | <u>1,592,267</u> |
| Excess (deficiency) of revenues over expenditures | (1,523,096) | (1,428,431) | (287,492) | 1,140,939 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 178,800 | 178,800 | 178,800 | - |
| Net change in fund balances | (1,344,296) | (1,249,631) | (108,692) | 1,140,939 |
| Fund balance - beginning | <u>1,543,859</u> | <u>1,543,859</u> | <u>2,079,194</u> | <u>535,335</u> |
| Fund balance - ending | <u>\$ 199,563</u> | <u>\$ 294,228</u> | <u>\$ 1,970,502</u> | <u>\$ 1,676,274</u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

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

BLOCK GRANT FUND

For the Year Ended June 30, 2004

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget - Positive (Negative) |
|--|------------------|------------------|-------------------|---|
| | Original | Final | | |
| REVENUES | | | | |
| Intergovernmental | \$ 1,325,000 | \$ 1,325,000 | \$ 189,290 | \$ (1,135,710) |
| Donations | - | - | 226,410 | 226,410 |
| Miscellaneous | <u>3,500</u> | <u>3,500</u> | <u>5,056</u> | <u>1,556</u> |
| Total revenues | <u>1,328,500</u> | <u>1,328,500</u> | <u>420,756</u> | <u>(907,744)</u> |
| EXPENDITURES | | | | |
| Community services | | | | |
| Materials and services | 1,175,867 | 1,175,867 | 224,476 | 951,391 |
| Capital outlay | <u>300,000</u> | <u>300,000</u> | <u>-</u> | <u>300,000</u> |
| Total expenditures | <u>1,475,867</u> | <u>1,475,867</u> | <u>224,476</u> | <u>1,251,391</u> |
| Excess (deficiency) of revenues over expenditures | <u>(147,367)</u> | <u>(147,367)</u> | <u>196,280</u> | <u>343,647</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Loans made | (182,633) | (182,633) | - | 182,633 |
| Loan repayments | <u>151,000</u> | <u>151,000</u> | <u>75,198</u> | <u>(75,802)</u> |
| Total other financing sources (uses) | <u>(31,633)</u> | <u>(31,633)</u> | <u>75,198</u> | <u>106,831</u> |
| Net change in fund balances | (179,000) | (179,000) | 271,478 | 450,478 |
| Fund balance - beginning | <u>179,000</u> | <u>179,000</u> | <u>404,517</u> | <u>225,517</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 675,995</u> | <u>\$ 675,995</u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

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

DEBT SERVICE FUND

For the Year Ended June 30, 2004

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------|--------------------|--------------------|--|
| | Original | Final | | Final Budget - Positive (Negative) |
| REVENUES | | | | |
| Taxes | \$ - | \$ - | \$ 10 | \$ 10 |
| Charges for services | 720,000 | 720,000 | 734,457 | 14,457 |
| Miscellaneous | <u>5,000</u> | <u>5,000</u> | <u>3,605</u> | <u>(1,395)</u> |
| Total revenues | <u>725,000</u> | <u>725,000</u> | <u>738,072</u> | <u>13,072</u> |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Materials and services | - | 140,432 | 139,380 | 1,052 |
| Principal and interest | <u>660,000</u> | <u>7,778,373</u> | <u>7,778,185</u> | <u>188</u> |
| Total expenditures | <u>660,000</u> | <u>7,918,805</u> | <u>7,917,565</u> | <u>1,240</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>65,000</u> | <u>(7,193,805)</u> | <u>(7,179,493)</u> | <u>14,312</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond sales | - | 7,490,000 | 7,490,000 | - |
| Transfers out | <u>(33,700)</u> | <u>(33,700)</u> | <u>(33,700)</u> | <u>-</u> |
| Total other finances sources (uses) | <u>(33,700)</u> | <u>7,456,300</u> | <u>7,456,300</u> | <u>-</u> |
| Net change in fund balances | 31,300 | 262,495 | 276,807 | 14,312 |
| Fund balance - beginning | <u>131,700</u> | <u>131,700</u> | <u>173,268</u> | <u>41,568</u> |
| Fund balance - ending | <u>\$ 163,000</u> | <u>\$ 394,195</u> | <u>\$ 450,075</u> | <u>\$ 55,880</u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

COMBINING STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

June 30, 2004

| | Business-type Activities - Enterprise Funds | | | |
|--|---|---------------|---------------------|--------------------|
| | Alsea CSD | Alpine CSD | Cascade View CSD | South Third CSD |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 58,432 | \$ 15,136 | \$ 543 | \$ - |
| Accounts receivable | 4,162 | 1,769 | 1,955 | 1,640 |
| Inventories | - | - | - | - |
| Prepaid expenses | 775 | 814 | - | - |
| Due from other governments | - | - | - | 114,898 |
| Other receivables | - | - | - | - |
| Restricted | | | | |
| Cash and investments | 3,291 | - | - | - |
| Assessments receivable | 7,106 | - | - | - |
| Total current assets | 73,766 | 17,719 | 2,498 | 116,538 |
| Noncurrent assets: | | | | |
| Prepaid pension assets | - | - | - | - |
| Accumulated amortization | - | - | - | - |
| Net prepaid pension assets | - | - | - | - |
| Capital assets: | | | | |
| Land | - | 33,848 | - | - |
| Buildings | - | - | - | - |
| Machinery and equipment | 3,742 | 1,871 | 1,871 | - |
| Utility system | 860,796 | 437,341 | 250,000 | 1,638,274 |
| Construction in progress | - | - | - | - |
| Less accumulated depreciation | (509,542) | (172,157) | (90,561) | (5,461) |
| Total capital assets (net of accumulated depreciation) | 354,996 | 300,903 | 161,310 | 1,632,813 |
| Total noncurrent assets | 354,996 | 300,903 | 161,310 | 1,632,813 |
| Total assets | 428,762 | 318,622 | 163,808 | 1,749,351 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | 585 | 174 | 488 | 116,156 |
| Accrued payroll | - | - | - | - |
| Loans payable | - | - | - | 239,000 |
| Other accrued liabilities | - | - | - | - |
| Deferred revenue | 211 | 396 | 124 | 80 |
| Total current liabilities | 796 | 570 | 612 | 355,236 |

The accompanying notes are an integral part of these financial statements.

| Business-type Activities - Enterprise Funds | | Governmental Activities - Internal Service Funds |
|--|------------------------|--|
| Enterprise Operations | Totals Current Year | |
| \$ 13,094 | \$ 87,205 | \$ 1,901,347 |
| - | 9,526 | 87,377 |
| - | - | 107,231 |
| - | 1,589 | 33,300 |
| - | 114,898 | - |
| - | - | 40,665 |
| - | 3,291 | - |
| - | 7,106 | - |
| <u>13,094</u> | <u>223,615</u> | <u>2,169,920</u> |
| - | - | 1,915,275 |
| - | - | (13,979) |
| <u>-</u> | <u>-</u> | <u>1,901,296</u> |
| - | 33,848 | 412,579 |
| 129,267 | 129,267 | 10,297,518 |
| - | 7,484 | 6,142,597 |
| - | 3,186,411 | - |
| - | - | 14,948 |
| <u>(26,512)</u> | <u>(804,233)</u> | <u>(7,837,722)</u> |
| <u>102,755</u> | <u>2,552,777</u> | <u>9,029,920</u> |
| <u>102,755</u> | <u>2,552,777</u> | <u>10,931,216</u> |
| <u>115,849</u> | <u>2,776,392</u> | <u>13,101,136</u> |
| - | 117,403 | 198,633 |
| - | - | 88,869 |
| - | 239,000 | - |
| - | - | 560 |
| - | 811 | - |
| <u>-</u> | <u>357,214</u> | <u>288,062</u> |

(Continued)

BENTON COUNTY, OREGON

COMBINING STATEMENT OF NET ASSETS

ENTERPRISE FUNDS

June 30, 2004

(Continued)

| | Business-type Activities - Enterprise Funds | | | |
|--|---|---------------|---------------------|--------------------|
| | Alesa CSD | Alpine CSD | Cascade View CSD | South Third CSD |
| Current liabilities payable from restricted assets: | | | | |
| Bonds payable | \$ 650 | \$ - | \$ - | \$ - |
| Notes payable | - | - | - | - |
| Leases payable | - | - | - | - |
| Compensated absences | - | - | - | - |
| Customer deposits | 750 | - | - | - |
| Total current liabilities payable from restricted assets | 1,400 | - | - | - |
| Long-term liabilities: | | | | |
| PERS bonds payable | - | - | - | - |
| Notes payable | - | - | - | - |
| Leases payable | - | - | - | - |
| Compensated absences | - | - | - | - |
| Bonds payable | 28,620 | - | - | - |
| Total long-term liabilities | 28,620 | - | - | - |
| Total liabilities | 30,816 | 570 | 612 | 355,236 |
| NET ASSETS | | | | |
| Invested in capital net of related debt | 325,726 | 300,903 | 161,310 | 1,277,657 |
| Unrestricted | 72,220 | 17,149 | 1,886 | 116,458 |
| Total net assets | \$ 397,946 | \$ 318,052 | \$ 163,196 | \$ 1,394,115 |

The accompanying notes are an integral part of these financial statements.

| Business-type Activities - Enterprise Funds | | Governmental Activities - Internal Service Funds |
|--|------------------------|--|
| Enterprise Operations | Totals Current Year | |
| \$ - | \$ 650 | \$ - |
| - | - | 26,164 |
| - | - | 15,690 |
| - | - | 66,487 |
| - | 750 | - |
| - | 1,400 | 108,341 |
| - | - | 1,908,055 |
| - | - | 8,619 |
| - | - | 9,617 |
| - | - | 294,662 |
| - | 28,620 | - |
| - | 28,620 | 2,220,953 |
| - | 387,234 | 2,617,356 |
| 102,755 | 2,168,351 | 9,004,613 |
| 13,094 | 220,807 | 1,479,167 |
| <u>\$ 115,849</u> | <u>\$ 2,389,158</u> | <u>\$ 10,483,780</u> |

BENTON COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

ENTERPRISE FUNDS

For the Year Ended June 30, 2004

| | Business-type Activities - Enterprise Funds | | | |
|---|---|---------------|---------------------|--------------------|
| | Alesa CSD | Alpine CSD | Cascade View CSD | South Third CSD |
| OPERATING REVENUES | | | | |
| Charges for sales and services | | | | |
| Sales | \$ 42,648 | \$ 20,674 | \$ 25,382 | \$ 6,760 |
| Miscellaneous | - | - | - | - |
| Total operating revenues | 42,648 | 20,674 | 25,382 | 6,760 |
| OPERATING EXPENSES | | | | |
| Personal services | - | 1,486 | - | - |
| Materials and services | 37,353 | 16,599 | 28,981 | 6,824 |
| Depreciation | 33,216 | 10,816 | 10,187 | 5,461 |
| Total operating expenses | 70,569 | 28,901 | 39,168 | 12,285 |
| Operating income | (27,921) | (8,227) | (13,786) | (5,525) |
| NONOPERATING REVENUE (EXPENSES) | | | | |
| Interest expense | (1,347) | - | - | - |
| Intergovernmental revenues | - | - | - | 1,325,372 |
| Interest on special assessments | 452 | - | - | - |
| Investment earnings | 796 | 181 | 34 | 701 |
| Income before contributions and transfers | (28,020) | (8,046) | (13,752) | 1,320,548 |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Change in net assets | (28,020) | (8,046) | (13,752) | 1,320,548 |
| Total net assets - beginning | 425,966 | 326,098 | 176,948 | 73,567 |
| Total net assets - ending | \$ 397,946 | \$ 318,052 | \$ 163,196 | \$1,394,115 |

The accompanying notes are an integral part of these financial statements.

| Business-type Activities - Enterprise Funds | | Governmental Activities Internal Service Funds |
|--|--------------------|--|
| Enterprise Operations | Totals | Funds |
| \$ 37,098 | \$ 132,562 | \$ 6,288,668 |
| - | - | 38,411 |
| <u>37,098</u> | <u>132,562</u> | <u>6,327,079</u> |
| - | 1,486 | 2,439,739 |
| 3,030 | 92,787 | 2,886,475 |
| <u>4,546</u> | <u>64,226</u> | <u>700,877</u> |
| <u>7,576</u> | <u>158,499</u> | <u>6,027,091</u> |
| 29,522 | (25,937) | 299,988 |
| - | (1,347) | (5,190) |
| - | 1,325,372 | - |
| - | 452 | - |
| <u>282</u> | <u>1,994</u> | <u>11,629</u> |
| 29,804 | 1,300,534 | 306,427 |
| - | - | 301,505 |
| <u>(38,862)</u> | <u>(38,862)</u> | <u>(164,711)</u> |
| (9,058) | 1,261,672 | 443,221 |
| <u>124,907</u> | <u>1,127,486</u> | <u>10,040,559</u> |
| <u>\$115,849</u> | <u>\$2,389,158</u> | <u>\$10,483,780</u> |

BENTON COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

For the Year Ended June 30, 2004

| | Business-type Activities - Enterprise Funds | | | |
|--|---|---------------|---------------------|--------------------|
| | Alsea CSD | Alpine CSD | Cascade View CSD | South Third CSD |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 41,453 | \$22,332 | \$ 26,803 | \$ 5,200 |
| Payments to suppliers | (37,172) | (16,510) | (29,112) | 84,588 |
| Payroll costs | - | (1,589) | - | - |
| Net cash provided (used) by operating activities | 4,281 | 4,233 | (2,309) | 89,788 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Principal paid on non-capital debt | - | - | - | - |
| Transfers in | - | - | - | - |
| Transfers out | - | - | - | - |
| Net cash provided by noncapital financing activities | - | - | - | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Increase in fixed assets | - | - | - | (1,563,846) |
| Decrease in fixed assets | - | - | - | - |
| Grants/loans received | - | - | - | 1,463,908 |
| Principal paid on capital debt | (673) | - | - | - |
| Interest paid on capital debt | (1,347) | - | - | - |
| Net cash used by capital and related financing activities | (2,020) | - | - | (99,938) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest | 796 | 181 | 34 | 701 |
| Principal received on outstanding loans | 2,437 | - | - | - |
| Net cash from investing activities | 3,233 | 181 | 34 | 701 |
| Net increase (decrease) in cash and cash equivalents | 5,494 | 4,414 | (2,275) | (9,449) |
| Cash and investments - beginning | 56,229 | 10,722 | 2,818 | 9,449 |
| Cash and investments - ending | \$ 61,723 | \$15,136 | \$ 543 | \$ - |
| Reconciliation of cash reported on Statement of Net Assets: | | | | |
| Cash and investments | \$ 58,432 | \$15,136 | \$ 543 | \$ - |
| Restricted cash and investments | 3,291 | - | - | - |
| Cash reported on Statement of Net Assets | \$ 61,723 | \$15,136 | \$ 543 | \$ - |

The accompanying notes are an integral part of these financial statements.

| Business-type Activities - Enterprise Funds | | Governmental Activities - Internal Service Funds |
|--|------------------|--|
| Enterprise Operations | Totals | |
| \$ 37,098 | \$ 132,886 | \$ 6,286,634 |
| (3,030) | (1,236) | (2,930,668) |
| - | (1,589) | (2,415,878) |
| <u>34,068</u> | <u>130,061</u> | <u>940,088</u> |
| - | - | (45,052) |
| - | - | 301,505 |
| <u>(38,862)</u> | <u>(38,862)</u> | <u>(164,711)</u> |
| <u>(38,862)</u> | <u>(38,862)</u> | <u>91,742</u> |
| - | (1,563,846) | (660,682) |
| - | - | 41,317 |
| - | 1,463,908 | - |
| - | (673) | - |
| <u>-</u> | <u>(1,347)</u> | <u>(5,190)</u> |
| <u>-</u> | <u>(101,958)</u> | <u>(624,555)</u> |
| 282 | 1,994 | 11,629 |
| - | 2,437 | 26,164 |
| <u>282</u> | <u>4,431</u> | <u>37,793</u> |
| (4,512) | (6,328) | 445,068 |
| <u>17,606</u> | <u>96,824</u> | <u>1,456,279</u> |
| <u>\$ 13,094</u> | <u>\$ 90,496</u> | <u>\$ 1,901,347</u> |
| \$ 13,094 | \$ 87,205 | \$ 1,901,347 |
| - | 3,291 | - |
| <u>\$ 13,094</u> | <u>\$ 90,496</u> | <u>\$ 1,901,347</u> |

(Continued)

BENTON COUNTY, OREGON
COMBINING STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS

For the Year Ended June 30, 2004

(Continued)

| | Business-type Activities - Enterprise Funds | | | |
|---|---|---------------|---------------------|--------------------|
| | Alsea CSD | Alpine CSD | Cascade View CSD | South Third CSD |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ (27,921) | \$ (8,227) | \$ (13,786) | \$ (5,525) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation expense | 33,216 | 10,816 | 10,187 | 5,461 |
| Change in assets and liabilities: | | | | |
| Receivables | 464 | 1,453 | 1,297 | (1,640) |
| Prepays | (150) | 23 | - | - |
| Inventories | - | - | - | - |
| Deferred revenues | (1,289) | 205 | 124 | 80 |
| Compensated absences | - | - | - | - |
| Payables | (39) | (37) | (131) | 91,412 |
| Net cash provided (used) by operating activities | \$ 4,281 | \$ 4,233 | \$ (2,309) | \$ 89,788 |

The accompanying notes are an integral part of these financial statements.

| Business-type Activities - Enterprise Funds | | Governmental Activities - Internal Service Funds |
|--|-------------------|--|
| Enterprise Operations | Totals | |
| \$ 29,522 | \$ (25,937) | \$ 299,988 |
| 4,546 | 64,226 | 700,877 |
| - | 1,574 | (40,445) |
| - | (127) | (28,557) |
| - | - | (14,829) |
| - | (880) | - |
| - | - | 27,306 |
| - | 91,205 | (4,252) |
| <u>\$ 34,068</u> | <u>\$ 130,061</u> | <u>\$ 940,088</u> |

BENTON COUNTY, OREGON

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

June 30, 2004

| | Trust Funds | Agency Funds |
|--------------------------|-------------------|------------------|
| ASSETS | | |
| Cash and investments | \$ 503,191 | \$ 2,402,355 |
| Receivables | | |
| Accounts | 2,210 | 168,502 |
| Contracts | 5,564 | - |
| Property taxes | - | 2,246,980 |
| Accrued interest | - | 33,739 |
| Prepays | 750 | - |
| Other assets | - | 22,472 |
| | <u>511,715</u> | <u>4,874,048</u> |
| Total assets | | |
| LIABILITIES | | |
| Accounts payable | 16,142 | 618,762 |
| Accrued payroll | - | 15,103 |
| Due to other governments | - | 4,240,183 |
| Other liabilities | 12,719 | - |
| Deferred revenue | 5,564 | - |
| | <u>34,425</u> | <u>4,874,048</u> |
| Total liabilities | | |
| NET ASSETS | | |
| Held in trust | <u>\$ 477,290</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

For the Year Ended June 30, 2004

| | <u>Trust Fund</u> |
|------------------------|--------------------------|
| ADDITIONS | |
| Contributions: | |
| Private donations | \$ 12,264 |
| Intergovernmental | 107,757 |
| Charges for services | 48,176 |
| Sale of assets | 103,070 |
| Interest earnings | 5,775 |
| Operating transfer in | 2,161 |
| Miscellaneous | <u>1,327</u> |
| Total additions | <u>280,530</u> |
| DEDUCTIONS | |
| Materials and services | 129,561 |
| Capital outlay | 23,827 |
| Transfer out | <u>20,200</u> |
| Total deductions | <u>173,588</u> |
| Change in net assets | 106,942 |
| Net assets - beginning | <u>370,348</u> |
| Net assets - ending | <u><u>\$ 477,290</u></u> |

The accompanying notes are an integral part of these financial statements.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2004

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 County implemented the new government-wide financial reporting model for the year ended June 30, 2003. In addition, the County is also providing the retroactive infrastructure reporting information associated with the new reporting model. 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
- 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 government and its component units, entities for which the government 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:

- North Albany County Service District (a debt service fund)
- Alsea County Service District (an enterprise fund)
- Alpine County Service District (an enterprise fund)
- Cascade View County Service District (an enterprise fund)
- West Lewellyn 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.

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 primary government 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.

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 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.

Debt Service Fund – This fund accounts for the resources accumulated and payments made for principal and interest on long-term debt.

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 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.

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. Disbursements from these funds are made in accordance with the trust agreement or applicable legislative enactment for each particular fund. Benton County currently has two fiduciary funds: the Tax Title Land Fund and the Trust Fund.

Agency Funds – These funds are used to account for the collection and distribution of property taxes to the various taxing units within the County’s jurisdiction, including cities, schools, fire, road, cemetery, and other special 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. 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.

The County applies all applicable Governmental Accounting Standards Board (GASB) pronouncements, as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict 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 current assets.

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, 2004 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.

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.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 nonoperating revenues and expenses.

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 and Investments

Cash 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 or Oregon Local Government Investment Pool, savings accounts, certificates of deposit, and U.S. Government securities held under repurchase agreements, 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 with a remaining maturity at time of purchase of more than three months are valued at fair value.

Investments for the government, 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.

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 income 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 15 of the same year. Under the partial payment schedule, the first one-third of taxes is due November 15, the second one-third on February 15, and the remaining one-third on May 15. 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 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 remains the property of, and will be returned to, the County.

3. Due from Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds.”

4. Loans Receivable

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

5. Inventories

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.

6. Prepaids

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

7. Capital Assets

Capital assets, which include property, plant, equipment, 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 two years. 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.

Property, plant, and equipment of the primary government, 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 | 100 |
| Vehicles | 5 to 7 |
| Heavy equipment | 10 |
| Office equipment | 5 |
| Computer equipment | 5 |

8. Compensated Absences

Accumulated vested compensated absences are accrued in the government-wide and proprietary fund financial statements as earned by employees. In governmental funds only, the amounts, if any, expected to be liquidated with expendable available resources are accrued as liabilities of the funds. Typically governmental funds with personnel are responsible for liquidating this liability. (i.e. General, Road, and Internal Service Funds).

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-F.

10. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

11. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented only for individual enterprise funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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 a 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 \$161,476,532 difference are as follows:

| | |
|--|-----------------------|
| Capital assets, not reported in the funds | \$ 152,981,274 |
| Long-term liabilities | (18,020,329) |
| Deferred revenues | 1,525,694 |
| Prepaid pension assets | 17,111,663 |
| Internal service fund net assets | 10,483,780 |
| Compensated absences | <u>(2,605,550)</u> |
| Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ 161,476,532</u> |

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 \$(2,116,499) difference are as follows:

| | |
|--|-----------------------|
| Additions to capital assets | \$ 2,183,090 |
| Capital outlay expenditures, not capitalized | 1,639,951 |
| Depreciation expense | <u>(5,939,540)</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>\$ (2,116,499)</u> |

Another element of that reconciliation states, "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this \$(1,092,527) difference are as follows:

| | |
|---|-----------------------|
| In the statement of activities, only the gain on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold or retired. | \$ (1,185,222) |
| Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. | 78,746 |
| The statement of activities reports losses arising from the trade-in of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a trade-in of capital assets. | <u>13,949</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>\$ (1,092,527)</u> |

Another element of that reconciliation states, “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.” The details of this \$(114,158) difference are as follows:

Principal repayments:

| | |
|--|---------------------|
| General obligation debt | \$ (125,568) |
| Principal received by the County on outstanding debt | <u>11,410</u> |
| Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ (114,158)</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 \$(65,337) difference are as follows:

| | |
|--|--------------------|
| Amortization of pre-paid pension asset | (60,837) |
| Compensated absences | <u>(4,500)</u> |
| Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ (65,337)</u> |

III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The County budgets all governmental, proprietary, and expendable trust funds as required by state law. No budgets were adopted for the West Lewellyn County Service District Special Revenue Fund and the North Albany Assessment Special Revenue Fund as no activity was originally anticipated in these funds. 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 for the proprietary funds. The eight major programs of the County are as follows:

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

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 the 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 shown in the basic financial statements reflect the original budget amounts and 43 appropriation transfers, including 22 supplemental budgets. Revised appropriations are noted below. Total appropriations by fund are too numerous to list and are presented in each individual fund's Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual.

| Appropriation Category | Original Appropriation Amount | Increase | Decrease | Amended Appropriation Amount |
|---|--|-----------------|-----------------|---|
| General Fund | | | | |
| General government | \$ 10,935,326 | \$ 1,662,120 | \$ 1,389,816 | \$ 11,207,630 |
| Public safety | 7,591,280 | 265,539 | 80,925 | 7,775,894 |
| Health | 17,937,058 | 1,210,569 | 614,564 | 18,533,063 |
| Justice services | 3,272,645 | 63,614 | 127,228 | 3,209,031 |
| Community services | 623,334 | 651,620 | 291,136 | 983,818 |
| Cultural and educational program | 503,700 | - | - | 503,700 |
| Animal control | 239,244 | 3,081 | 6,162 | 236,163 |
| Parks and natural resources | 623,545 | 22,035 | 28,970 | 616,610 |
| Road Fund | | | | |
| Public works | 7,899,877 | 189,330 | 189,330 | 7,899,877 |
| Fair Fund | | | | |
| Cultural and educational program | 694,247 | 97,921 | 43,921 | 748,247 |
| Health and Safety Enhancement Fund | | | | |
| General government | 257 | - | - | 257 |
| Public safety | 233,439 | - | - | 233,439 |
| Health | 281,982 | - | 10,123 | 271,859 |
| Justice services | 320,105 | - | 12,031 | 308,074 |
| Corner Preservation Fund | | | | |
| Public works | 331,000 | 4,479 | 4,479 | 331,000 |
| Oregon Health Plan Fund | | | | |
| Health | 1,586,250 | 3,420 | 3,420 | 1,586,250 |
| Court Security Fund | | | | |
| Justice services | 242,500 | 65,000 | 65,000 | 242,500 |
| Adult Corrections Fund | | | | |
| Public safety | 1,569,561 | 10,049 | 10,049 | 1,569,561 |
| Debt Service Fund | | | | |
| Debt service | 823,000 | 14,980,000 | 7,490,000 | 8,313,000 |
| General Capital Improvements Fund | | | | |
| Capital improvements | 367,140 | 309,418 | 90,750 | 585,808 |
| Management Services Fund | | | | |
| General government | 2,203,441 | 247,826 | 188,970 | 2,262,297 |
| Internal Service Fund | | | | |
| General government | 4,729,339 | 42,105 | 42,105 | 4,729,339 |
| Enterprise Operations Fund | | | | |
| Parks and natural resources | 54,456 | 4,900 | 4,900 | 54,456 |
| Trust Fund | | | | |
| Expendable trust | 399,992 | 50,757 | 50,757 | 399,992 |

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 | Debt Service Fund | Nonmajor Special Revenue Funds |
|--------------------------------|---------------------|---------------------|---------------------|-------------------------|--------------------------------------|
| Fund balance - budgetary basis | \$ 9,918,446 | \$ 1,970,502 | \$ 675,995 | \$ 450,075 | \$ 3,113,054 |
| Reserved fund balances | - | 261,235 | - | - | 11,014 |
| Accrued payroll | (592,685) | (103,568) | - | - | (57,280) |
| Loans outstanding | - | - | 234,938 | - | 75,000 |
| Health billings receivable | 340,715 | - | - | - | - |
| Fund balance - GAAP basis | <u>\$ 9,666,476</u> | <u>\$ 2,128,169</u> | <u>\$ 910,933</u> | <u>\$ 450,075</u> | <u>\$ 3,141,788</u> |

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2004, expenditures exceeded appropriations in the following funds:

| Fund | Appropriation | Amount |
|------------------------|--------------------|----------|
| Cemetery Operations | General government | \$ 4,880 |
| Corner Preservation | Public works | 12,050 |
| Special Transportation | Community service | 26,794 |

These overexpenditures were funded by available fund balance.

D. Deficit Fund Equity

At June 30, 2004, there were deficits in the following funds:

| | |
|------------------------------------|-------------|
| Fair Fund | \$ (12,294) |
| General Capital Improvement Fund | (222,764) |
| Health and Safety Enhancement Fund | (26,966) |

The accumulated deficit in the Fair Fund is due to timing of expenditures for the annual fair in August, funds were expended prior to fiscal year end. The deficit in the Health and Safety Enhancement Fund is a result of accrued payroll liabilities, which were not budgeted for until the subsequent year. The deficit in the General Capital Improvements Fund is the result of interfund borrowing that was not repaid at year-end. All deficits will be eliminated in 2004-05.

IV. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

At year-end, the County's carrying amount of deposits was \$2,016,888 and the bank balance was \$3,253,861. Of the bank balance, \$3,253,861 was covered by federal depository insurance or by collateral held by the County's agent in the County's name.

| | | | |
|--|----|-------------------|--------------------------|
| Cash on hand | | \$ | 5,125 |
| Deposits with financial institutions | | | 2,016,888 |
| Investments: | | | |
| Certificates of deposit | \$ | 1,006,962 | |
| U.S. government and agency securities | | 3,492,046 | |
| Local government investment pool | | <u>14,891,629</u> | |
| Total investments | | | <u>19,390,637</u> |
| | | | |
| Total cash and investments | \$ | | <u><u>21,412,650</u></u> |
| | | | |
| Cash and investments on government-wide Statement of Net Assets | \$ | | 18,507,104 |
| Cash and investments on Statement of Fiduciary Net Assets | | | <u>2,905,546</u> |
| | \$ | | <u><u>21,412,650</u></u> |

Investments are categorized into these three categories of credit risk:

- (1) Insured or registered, or securities held by the government or its agent in the County's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the County's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the County's name.

At year-end, the County's investment balances were as follows:

| | Category | | | Carrying Amount | Fair Value |
|---|-------------|---------------------|-------------|----------------------|----------------------|
| | 1 | 2 | 3 | | |
| U.S. government agency securities | \$ - | \$ 3,492,046 | \$ - | \$ 3,492,046 | \$ 3,554,500 |
| Certificates of deposit | - | <u>1,006,962</u> | - | <u>1,006,962</u> | <u>1,022,066</u> |
| | <u>\$ -</u> | <u>\$ 4,499,008</u> | <u>\$ -</u> | 4,499,008 | 4,576,566 |
| | | | | | |
| Investment in State Treasurer's Investment Pool | | | | <u>14,891,629</u> | <u>14,903,951</u> |
| | | | | | |
| Total investments | | | | <u>\$ 19,390,637</u> | <u>\$ 19,480,517</u> |

The County participates in the Oregon State Treasurer's Local Government Investment Pool (LGIP), an open-ended, no-load diversified portfolio created under ORS 294.805 to 294.895. The LGIP is administered by the State Treasurer and the Oregon Investment Council with the advice of the Oregon Short Term Fund Board. The Oregon State Treasurer's Office has calculated the fair value of the underlying investments of the LGIP. The County's investments in LGIP are reported at amortized cost of \$14,891,629; the fair value is \$14,903,951. The fair value of the County's position in the pool is the same as the value of the pool shares. The LGIP reflects gains and losses on sales through adjustments to the rate of interest earned on deposits.

Investments have been recorded at cost value, as the difference in the market value of \$89,880 is immaterial.

B. Receivables

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

| | Property taxes/ Assessments | Accounts | Inter- governmental | Deposits | Total |
|----------------------------------|--------------------------------|---------------------|------------------------|-----------------|---------------------|
| Governmental activities: | | | | | |
| General Fund | \$ 471,399 | \$ 753,604 | \$ 433,877 | \$ 7,702 | \$ 1,666,582 |
| Road Fund | - | 141,961 | 603,836 | - | 745,797 |
| Block Grant Fund | - | 20,245 | 106,625 | - | 126,870 |
| Nonmajor governmental funds | 121,033 | 44,344 | 43,180 | - | 208,557 |
| Internal service funds | - | 87,377 | - | - | 87,377 |
| | <u>592,432</u> | <u>1,047,531</u> | <u>1,187,518</u> | <u>7,702</u> | <u>2,835,183</u> |
| Business-type activities: | | | | | |
| County service districts | 7,106 | 9,526 | 114,898 | - | 131,530 |
| | <u>\$ 599,538</u> | <u>\$ 1,057,057</u> | <u>\$ 1,302,416</u> | <u>\$ 7,702</u> | <u>\$ 2,966,713</u> |

There are no significant receivable balances not expected to be collected within one year. The allowance for uncollectible accounts is not significant.

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 | Unearned Revenue | Special Assessments | Loans Receivable | Total |
|----------------------------------|-------------------|---------------------|------------------------|---------------------|---------------------|
| Governmental activities: | | | | | |
| General Fund | \$ 386,007 | \$ 377,591 | \$ - | \$ - | \$ 763,598 |
| Road Fund | - | - | 11,184 | - | 11,184 |
| Block Grant Fund | - | - | - | 1,029,250 | 1,029,250 |
| Nonmajor governmental funds | 99,253 | 12,300 | - | - | 111,553 |
| | <u>485,260</u> | <u>389,891</u> | <u>11,184</u> | <u>1,029,250</u> | <u>1,915,585</u> |
| Business-type activities: | | | | | |
| County service districts | - | 811 | - | - | 811 |
| | <u>\$ 485,260</u> | <u>\$ 390,702</u> | <u>\$ 11,184</u> | <u>\$ 1,029,250</u> | <u>\$ 1,916,396</u> |

C. Capital Assets

Capital asset activity for the year ended June 30, 2004 was as follows:

| | Balance July 1, 2003 | Increases | Decreases | Balance June 30, 2004 |
|--|-------------------------|-----------------------|---------------------|--------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 7,018,742 | \$ - | \$ - | \$ 7,018,742 |
| Construction in progress | 366,961 | 108,760 | (268,593) | 207,128 |
| Total capital assets, not being depreciated | <u>7,385,703</u> | <u>108,760</u> | <u>(268,593)</u> | <u>7,225,870</u> |
| Capital assets, being depreciated: | | | | |
| Land improvements | 1,296,275 | 23,647 | - | 1,319,922 |
| Buildings | 12,230,373 | 461,603 | - | 12,691,976 |
| Machinery and equipment | 8,781,369 | 1,184,772 | (295,455) | 9,670,686 |
| Infrastructure | 231,950,727 | 1,856,335 | - | 233,807,062 |
| Total capital assets, being depreciated | <u>254,258,744</u> | <u>3,526,357</u> | <u>(295,455)</u> | <u>257,489,646</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | (474,671) | (41,601) | - | (516,272) |
| Buildings | (4,269,975) | (286,713) | - | (4,556,688) |
| Machinery and equipment | (4,941,905) | (713,341) | 277,519 | (5,377,727) |
| Infrastructure | (86,665,661) | (5,587,974) | - | (92,253,635) |
| Total accumulated depreciation | <u>(96,352,212)</u> | <u>(6,629,629)</u> | <u>277,519</u> | <u>(102,704,322)</u> |
| Total capital assets, being depreciated, net | <u>157,906,532</u> | <u>(3,103,272)</u> | <u>(17,936)</u> | <u>154,785,324</u> |
| Governmental activities capital assets, net | <u>\$ 165,292,235</u> | <u>\$ (2,994,512)</u> | <u>\$ (286,529)</u> | <u>\$ 162,011,194</u> |
| | Balance July 1, 2003 | Increases | Decreases | Balance June 30, 2004 |
| Business-type activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 33,848 | \$ - | \$ - | \$ 33,848 |
| Construction in progress | 74,428 | - | (74,428) | - |
| Total capital assets, not being depreciated | <u>108,276</u> | <u>-</u> | <u>(74,428)</u> | <u>33,848</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 129,267 | - | - | 129,267 |
| Machinery and equipment | 7,484 | - | - | 7,484 |
| Infrastructure | 1,548,137 | 1,638,275 | - | 3,186,412 |
| Total capital assets, being depreciated | <u>1,684,888</u> | <u>1,638,275</u> | <u>-</u> | <u>3,323,163</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (21,591) | (4,546) | - | (26,137) |
| Machinery and equipment | (1,871) | (748) | - | (2,619) |
| Infrastructure | (716,543) | (58,935) | - | (775,478) |
| Total accumulated depreciation | <u>(740,005)</u> | <u>(64,229)</u> | <u>-</u> | <u>(804,234)</u> |
| Total capital assets, being depreciated, net | <u>944,883</u> | <u>1,574,046</u> | <u>-</u> | <u>2,518,929</u> |
| Business-type activities capital assets, net | <u>\$ 1,053,159</u> | <u>\$ 1,574,046</u> | <u>\$ (74,428)</u> | <u>\$ 2,552,777</u> |

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

| | | |
|--|--|---------------------|
| Governmental activities: | | |
| General government | | \$ 116,747 |
| Public safety | | 61,694 |
| Public works, including infrastructure | | 5,603,766 |
| Health services | | 3,741 |
| Justice services | | 666 |
| Community services | | 76,030 |
| Cultural and recreational services | | 31,222 |
| Parks and natural resources | | 45,675 |
| Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets | | <u>691,380</u> |
| Total depreciation expense - governmental activities | | <u>\$ 6,630,921</u> |
| Business-type activities: | | |
| Water and sewer | | \$ 59,680 |
| Rental properties | | <u>4,546</u> |
| Total depreciation expense - business-type activities | | <u>\$ 64,226</u> |

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2004 is as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-------------------------|----------------------------------|-------------------|
| Oregon Health Plan Fund | General Capital Improvement Fund | \$ 75,000 |
| Block Grant Fund | General Capital Improvement Fund | <u>220,000</u> |
| Total | | <u>\$ 295,000</u> |

The \$220,000 payable from the General Capital Improvements Fund was used for the construction of a RV campground at the fairgrounds and will be repaid before September 30, 2007. The \$75,000 payable from the General Capital Improvements Fund was used to remodel the Public Service Building, which houses the Health Department, and will be repaid by June 30, 2005.

E. Interfund Transfers:

| | Transfers Out | | | | | | Total |
|-----------------------------|--------------------|------------------|-------------------|-----------------------------|------------------------|--------------------------|---------------------|
| | General Fund | Road Fund | Debt Service Fund | Nonmajor Governmental Funds | Internal Service Funds | Business-type Activities | |
| Transfers In: | | | | | | | |
| General Fund | \$ - | \$ - | \$ 31,539 | \$ 7,862 | \$ 89,038 | \$ 13,862 | \$ 142,301 |
| Road Fund | 178,800 | - | - | - | - | - | 178,800 |
| Debt Service Fund | 516,854 | 75,569 | - | 42,979 | - | 75,673 | 711,075 |
| Nonmajor governmental funds | 982,990 | - | - | - | - | 25,000 | 1,007,990 |
| Internal service funds | 298,768 | - | 2,735 | - | - | - | 301,503 |
| | <u>\$1,977,412</u> | <u>\$ 75,569</u> | <u>\$ 34,274</u> | <u>\$ 50,841</u> | <u>\$ 89,038</u> | <u>\$ 114,535</u> | <u>\$ 2,341,669</u> |

Most of the transfers are regular occurring operational transfers. The exception to the norm includes the transfer of \$25,000 from the Enterprise Operations Fund to the Capital Projects Fund for construction of park infrastructure.

F. 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. During the year, no new debt was issued.

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

| Bonds Payable | Interest Rate | Balance July 1, 2003 | Bonds Issued | Bond Maturities | Balance June 30, 2004 |
|--|---------------|----------------------|---------------------|-------------------|-----------------------|
| Governmental activities: | | | | | |
| North Albany County Service District bonds | 5.0% | \$ 959,347 | \$ - | \$ 125,388 | \$ 833,959 |
| Pension Obligation PERS bonds | 7.0% | 11,617,907 | - | 27,355 | 11,590,552 |
| Pension Obligation PERS bonds | 4.9 to 6.1 % | - | <u>7,490,000</u> | - | <u>7,490,000</u> |
| | | <u>12,577,254</u> | <u>7,490,000</u> | <u>152,743</u> | <u>19,914,511</u> |
| Business-type activities: | | | | | |
| South Third County Service District bonds | 4.375% | - | 239,000 | - | 239,000 |
| Alsea County Service District bonds | 4.50% | <u>29,943</u> | - | <u>673</u> | <u>29,270</u> |
| | | <u>29,943</u> | <u>239,000</u> | <u>673</u> | <u>268,270</u> |
| | | <u>\$ 12,607,197</u> | <u>\$ 7,729,000</u> | <u>\$ 153,416</u> | <u>\$ 20,182,781</u> |

Bonded debt service requirements at June 30, 2004 (including interest payments of \$25,130,914) have the following maturities:

| Fiscal Year Ending June 30 | North Albany County Service District Bonds | Pension Obligation Bonds | Alsea County Service District Bonds | South Third County Service District Bonds | Total |
|----------------------------------|--|--------------------------------|---|---|----------------------|
| 2005 | \$ 164,592 | \$ 1,144,219 | \$ 2,021 | \$ 14,460 | \$ 1,325,292 |
| 2006 | 164,549 | 1,174,228 | 2,021 | 14,460 | 1,355,258 |
| 2007 | 164,385 | 1,204,228 | 2,021 | 14,460 | 1,385,094 |
| 2008 | 164,254 | 1,239,228 | 2,021 | 14,460 | 1,419,963 |
| 2009 | 163,993 | 1,279,228 | 2,021 | 14,460 | 1,459,702 |
| 2010-2014 | 139,021 | 7,359,945 | 10,105 | 72,300 | 7,581,371 |
| 2015-2019 | - | 9,235,257 | 10,105 | 72,300 | 9,317,662 |
| 2020-2024 | - | 11,560,867 | 10,105 | 72,300 | 11,643,272 |
| 2025-2029 | - | 9,670,278 | 8,012 | 72,300 | 9,750,590 |
| 2030-2034 | - | - | - | 72,150 | 72,150 |
| | <u>\$ 960,794</u> | <u>\$ 43,867,478</u> | <u>\$ 48,432</u> | <u>\$ 433,650</u> | <u>\$ 45,310,354</u> |

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2004 was as follows:

| | Balance July 1, 2003 | Additions | Deletions | Balance June 30, 2004 | Due within one year |
|----------------------------------|-------------------------|----------------------|--------------------|--------------------------|------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation bonds | \$ 12,577,254 | \$ 7,490,000 | \$ 152,743 | \$ 19,914,511 | \$ 176,902 |
| Other liabilities: | | | | | |
| Notes payable | 62,374 | - | 27,591 | 34,783 | 26,164 |
| Capital leases payable | 42,674 | 16,060 | 19,554 | 39,180 | 18,745 |
| Compensated absences | 2,934,888 | 2,966,699 | 2,934,888 | 2,966,699 | 505,773 |
| | <u>15,617,190</u> | <u>10,472,759</u> | <u>3,134,776</u> | <u>22,955,173</u> | <u>727,584</u> |
| Business-type activities: | | | | | |
| South Third County Service | | | | | |
| District bonds | - | 239,000 | - | 239,000 | 4,004 |
| Alsea County Service | | | | | |
| District bonds | 29,943 | - | 673 | 29,270 | 705 |
| | <u>29,943</u> | <u>239,000</u> | <u>673</u> | <u>268,270</u> | <u>4,709</u> |
| | <u>\$ 15,647,133</u> | <u>\$ 10,711,759</u> | <u>\$3,135,449</u> | <u>\$ 23,223,443</u> | <u>\$ 732,293</u> |

Full Faith and Credit Bonds

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 bonds is recorded in the Debt Service Fund.

In March of 2002, Benton County joined with ten 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, 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 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 bonds is recorded in the Debt Service Fund.

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, \$361,149 of internal service funds compensated absences and \$60,090 of other long-term debt 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.

G. Notes and Capital Leases

The County has entered into two notes to secure the financing of a telephone system and computer hardware.

The County has also entered into two capital leases to purchase a tractor and photocopy equipment. At June 30, 2004, notes payable and leases payable consist of the following:

| | |
|---|------------------|
| Note payable to First Security Leasing in monthly installments of \$1,571, including interest at 5.75%, due May 2005, secured by telephone system and voice mail | \$ 15,309 |
| Note payable to First Security Leasing in monthly installments of \$984, including interest at 6.5482%, due December 2004, secured by telephone system and voice mail | <u>19,474</u> |
| Total notes payable | <u>\$ 34,783</u> |
| Lease payable to Fleet Capital Leasing in monthly installments of \$1,404, including interest at 6.36%, due January 2006, secured by photocopying equipment | \$ 25,307 |
| Lease payable to Kubota Leasing in monthly installments of \$310, including interest at 5.25%, due September 2008, secured by a Kubota tractor | <u>13,873</u> |
| Total capital leases payable | <u>\$ 39,180</u> |

The future minimum lease/note obligations and the net present value of these minimum lease/note payments as of June 30, 2004 were as follows:

| Year ending June 30 | Governmental Activities | |
|---|-------------------------|-------------------|
| | Notes Payable | Leases Payable |
| 2005 | \$ 29,096 | \$ 20,567 |
| 2006 | 8,856 | 13,547 |
| 2007 | - | 3,719 |
| 2008 | - | 3,719 |
| 2009 | - | 621 |
| Total minimum lease/note payments | 37,952 | 42,173 |
| Less: amount representing interest | (3,169) | (2,993) |
| Present value of minimum lease/note payment | <u>\$ 34,783</u> | <u>\$ 39,180</u> |

H. Restricted Assets

The balances of the restricted asset accounts in the enterprise funds are as follows:

| | |
|---|------------------|
| Customer deposits - Alsea County Service District | \$ 750 |
| Revenue bond future debt service account - Alsea County Service District | <u>2,541</u> |
| Restricted cash and investments | 3,291 |
| Assessment receivable | <u>7,106</u> |
| Total restricted assets | <u>\$ 10,397</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 kind of clean up or damage control that may be required in the future as a result of landfill operations. As of June 30, 2004 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, 2004, or the five preceding fiscal years.

B. Subsequent Events

In May of 2004, Benton County was awarded Federally Qualified Health Center status by the federal government. Along with this designation come \$1.95 million dollars over the next three fiscal years to operate the Health Center. This will result in a major change in health services provided by the County. The Health Center will provide primary medical services to migrant and low-income populations.

C. 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.

D. Other Post-Employment Benefits

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, provided the employee pays the difference between the prorated benefit and the full benefit.
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 insurance premiums according to years of service as follows:

| | |
|-----------------------------------|----------------------|
| a. 15 through 19 years of service | 25% of premium cost |
| b. 20 through 24 years of service | 50% of premium cost |
| c. 25 through 29 years of service | 75% of premium cost |
| d. 30 or more years of service | 100% of premium cost |

As of June 30, 2004, there were 15 participants currently eligible to receive benefits. For the fiscal year ended June 30, 2004, the County incurred \$30,105 of expenditures. The County funds this benefit on a "pay-as-you-go" basis.

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 the 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:

GASB Statement 27, Accounting for Pension Plans by State and Local Government Employers, establishes standards for the measurement, recognition, and display of pension expenditures/expense and related liabilities, assets, note disclosures, and required supplementary information in the financial reports of state and local governmental employers. Employers that participate in agent multiple-employer defined benefit pension plans (agent employers) measure and disclose an amount for annual pension cost on the accrual basis of accounting, regardless of the amount recognized as pension expenditures/expense on the modified accrual or accrual basis. The Annual Required Contribution (“ARC”) is defined as the employer’s required contributions for the year, calculated in accordance with certain parameters. The parameters include requirement for the frequency and timing of actuarial valuations, as well as for the actuarial methods and assumptions that are acceptable for financial reporting. When the methods and assumptions used in determining a plan’s funding requirements meet the parameters, the same methods and assumptions are required for financial reporting by both a plan and its participating employers. A Net Pension Obligation (“NPO”), which may be either positive (liability) or negative (asset), is defined as the cumulative difference between annual pension cost and the employer’s contributions to a plan, including the pension liability or asset at transition, if any. Starting fiscal year 2003, the County began reporting a negative NPO, or net pension asset, on the statement of net assets as the result of a supplemental employer payment made April 1, 2002 against the estimated unfunded actuarial liability with Oregon Public Employee Retirement System (“OPERS”).

| | |
|---|----------------------|
| June 30, 2003 net pension asset | \$ 11,617,907 |
| Additional net pension asset acquired | 7,490,000 |
| Amortization for the year ended June 30, 2004 | <u>(94,948)</u> |
| June 30, 2004 net pension asset | <u>\$ 19,012,959</u> |

Plan Description

The County is a participating employer in the Oregon Public Employees Retirement System (OPERS), an agent multiple-employer public employee retirement system, established under Oregon Revised Statutes 238.600 that acts as a common investment and administrative agent for public employers in the State of Oregon. OPERS is a defined benefit pension plan that provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and their beneficiaries. All county employees are eligible to participate in OPERS after six months of employment. Benefits are established by state statute. OPERS is a component unit of the State of Oregon and issues a comprehensive annual financial report which may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700 or by calling (503) 598-7377.

Funding Policy

Employer contributions are required by state statute and made at actuarially determined rates as adopted by the Oregon Public Employees Retirement Board (OPERB). Covered employees are required by state statute to contribute 6% of their annual salary to the system, but the employer is allowed to pay any or all of the employees' contribution in addition to the required employers' contribution. The County has elected to contribute the 6% "pick-up" or \$797,918 (5.19% of covered payroll), of the employees' contribution as an outcome of labor negotiations.

In addition to the 6% "pick-up", the County contributed \$1,146,090 to OPERS for the fiscal year ended June 30, 2004. This contribution rate was determined as part of the December 31, 2002 actuarial evaluation that was recalculated to reflect the impact of recently passed legislation (House Bills 2001, 2003, and 2004).

Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the Public Employees Retirement Board. PERS members are required to contribute 6% of their annual covered salary. The County "picks up" this 6% employee contribution for all employee groups. The County's annual required contribution rate, originally 11.81% based on a December 31, 1999 actuarial valuation was reduced by the Retirement Board to 7.24% effective April 1, 2002 upon the issuance of a pension bond to finance an estimated unfunded actuarial liability of \$10,542,805. Effective July 1, 2003, the County's rate increased to 8.51% due to the 2003 Legislative Assembly's adoption of a number of amendments to the benefits structure of OPERS which resulted in decreasing the rate and the County's unfunded actuarial liability as of December 31, 2002. In May 2004, the County issued another pension bond to finance an estimated unfunded actuarial liability of \$7,118,373. As a result of this issuance, the County's rate decreased from 6.88% to 4.13% effective June 1, 2004.

Beginning in 2000, local government employers had the option of remaining individually rated or joining a local government employer's rate pool. Beginning January 1, 2002, local governments could elect to join the State and Local Government rating pool. The County made the election to join this pool effective January 1, 2002. Beginning July 1, 2003, the County's contribution rate will consist of the group rate plus an amount required to pay the amortized unfunded liability.

The Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700.

Three-Year Trend Information

| Year Ended June 30 | Employer Contributions | | |
|--------------------------|---------------------------------|-------------------------------------|------------------------------|
| | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
| 2003 | \$ 1,380,906 | 100% | - |
| 2002 | \$ 2,161,420 | 100% | - |
| 2001 | \$ 2,028,802 | 100% | - |

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, 2004, the County's annual pension expenditures/expense exclusive of the 6% "pick-up" was \$1,241,038. This amount consisted of \$1,146,090 (7.46% of the annual covered payroll) and \$94,948 in amortization of pension assets. The County's contributions were equal to the annual required contributions, which were less than the annual pension cost as a result of the pension obligation bond amortization.

| | |
|-----------------------------------|----------------------|
| Annual pension cost | \$ 1,241,038 |
| Contributions made | <u>1,146,090</u> |
| Decrease in pension assets | (94,948) |
| Pension assets, beginning of year | 11,617,907 |
| Pension assets added | <u>7,490,000</u> |
| Pension assets, end of year | <u>\$ 19,012,959</u> |

The County's pension liability and required contribution rate was determined using the entry age cost method. The unfunded actuarial liability created by this method, including gains and losses, is amortized as a level percentage of salary over a period commencing on the valuation date and ending on December 31, 2007. The actuarial assumptions include an investment return of 8.0% per year, projected salary increases of 4.25%, health cost inflation, graded from 9% in 2003 to 5% in 2011, and a consumer price inflation component of 3.25%.

The actuarial value of OPERS assets are reported at fair market value, less a reserve equal to a pro-rata portion of the investment gains (losses) over the four-year period ending on the valuation date. Investment gains (losses), effective January 1, 2000, are recognized at the rate of 25% per year. The actuarial value of assets is limited to a 10% corridor above and below the fair market value.

The Oregon Legislative Assembly created a second level or "Tier" of OPERS benefits that modifies service and disability retirement allowances payable to persons who established PERS membership on or after January 1, 1996 ("Tier Two" members). Future interest credits are assumed at 8.5% for Tire One.

Effective August 29, 2003, the Oregon Legislative Assembly passed HB 2020 which created a successor retirement plan to PERS, effective for all new hires after passage of the bill, and to any inactive PERS Tier One or Tier Two members who return to employment following a six month or greater break in service. The new plan, named the Oregon Public Service Retirement Plan (OPSRP), is administered by the PERS Board and incorporates both a defined benefit and a defined contribution portion within the same plan. The contribution rates for OPSRP are 8.04% and 11.65% of covered payroll for general service employees and for police and fire employees respectively.

The ultimate resolution of the legislative changes is currently being challenged in court. The trial court made a number of determinations that favored public employers, and ordered PERS to change certain of its operations. However, PERS has not yet complied with the court's order, and the case is on appeal.

Annual pension cost (APC) for the years ending June 30, 2003, 2001, and 1999 is as follows:

| Actuarial Valuation Date | Actuarial Valuation of Assets | Actuarial Accrued Liability | Unfunded Actuarial Accrued Liability | Funded Percent | Covered Payroll | Unfunded Actuarial Liability as a Percentage of Covered Payroll |
|--------------------------|-------------------------------|-----------------------------|--------------------------------------|----------------|-----------------|---|
| 12/31/2001 | \$87,633,816 | \$ 91,484,325 | \$ 3,850,509 | 84% | \$14,107,101 | 27% |
| 12/31/1999 | \$ 76,402,426 | \$ 81,729,880 | \$ 5,327,454 | 93% | \$ 12,765,261 | 42% |
| 12/31/1997 | \$41,607,121 | \$ 45,829,789 | \$ 4,222,668 | 91% | \$ 11,520,049 | 37% |

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 and others are unrestricted.

Debt Service Fund – To account for repayment of bonded debt.

BENTON COUNTY, OREGON

COMPARATIVE BALANCE SHEETS

GENERAL FUND

June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|----------------------|---------------------|
| ASSETS | | |
| Cash and investments | \$ 9,873,887 | \$ 6,134,417 |
| Accounts receivable (net of uncollectibles) | 753,604 | 1,142,622 |
| Property taxes receivable | 471,399 | 566,466 |
| Due from other governmental agencies | 433,877 | 396,851 |
| Deposits | 7,702 | 4,281 |
| Due from other funds | - | 212,945 |
| Prepaid expenses | <u>21,500</u> | <u>31,091</u> |
| | | |
| Total assets | <u>\$ 11,561,969</u> | <u>\$ 8,488,673</u> |
| | | |
| LIABILITIES | | |
| Accounts payable | \$ 445,528 | \$ 447,787 |
| Accrued payroll and payroll taxes | 595,161 | 563,737 |
| Due to other governmental agencies | 52,028 | 97,695 |
| Other accrued liabilities | 39,178 | 42,336 |
| Deferred revenue | <u>763,598</u> | <u>506,970</u> |
| | | |
| Total liabilities | <u>1,895,493</u> | <u>1,658,525</u> |
| | | |
| FUND BALANCE | | |
| Reserved for prepaid expenses | 21,500 | 30,891 |
| Unreserved, undesignated | <u>9,644,976</u> | <u>6,799,257</u> |
| | | |
| Total fund balance | <u>9,666,476</u> | <u>6,830,148</u> |
| | | |
| Total liabilities and fund balance | <u>\$ 11,561,969</u> | <u>\$ 8,488,673</u> |

BENTON COUNTY, OREGON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GENERAL FUND

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|---------------------|---------------------|
| REVENUES | | |
| Taxes | \$ 12,577,180 | \$ 12,235,308 |
| Licenses and permits | 1,456,837 | 1,203,517 |
| Intergovernmental | 20,489,042 | 19,633,937 |
| Fines and forfeitures | 1,467 | 1,186 |
| Charges for services | 3,872,066 | 5,320,394 |
| Miscellaneous | <u>658,899</u> | <u>599,323</u> |
| Total revenues | <u>39,055,491</u> | <u>38,993,665</u> |
| EXPENDITURES | | |
| General government | 4,443,861 | 4,422,971 |
| Public safety | 7,163,075 | 7,192,408 |
| Health services | 17,743,251 | 18,239,578 |
| Justice services | 2,894,083 | 2,898,608 |
| Community services | 815,849 | 1,085,301 |
| Cultural services | 496,786 | 1,106,818 |
| Animal control | 214,596 | 194,819 |
| Parks and natural resources | <u>612,551</u> | <u>-</u> |
| Total expenditures | <u>34,384,052</u> | <u>35,140,503</u> |
| Excess (deficiency) of revenues over expenditures | <u>4,671,439</u> | <u>3,853,162</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 142,301 | 13,912 |
| Transfers out | <u>(1,977,412)</u> | <u>(2,038,016)</u> |
| Total other financing sources (uses) | <u>(1,835,111)</u> | <u>(2,024,104)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 2,836,328 | 1,829,058 |
| Fund balance - beginning | 6,830,148 | 5,592,210 |
| Prior period adjustment | <u>-</u> | <u>(591,120)</u> |
| Fund balance - ending | <u>\$ 9,666,476</u> | <u>\$ 6,830,148</u> |

BENTON COUNTY, OREGON

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

GENERAL FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|---------------------|--|---------------------|---------------------|---------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Taxes | \$ 12,366,090 | \$ 211,090 | \$ 12,577,180 | \$ - | \$ 12,577,180 |
| Licenses and permits | 1,126,303 | 330,534 | 1,456,837 | - | 1,456,837 |
| Intergovernmental | 20,009,632 | 479,410 | 20,489,042 | - | 20,489,042 |
| Fines and forfeitures | 1,700 | (233) | 1,467 | - | 1,467 |
| Charges for services | 4,172,195 | 110,619 | 4,282,814 | (410,748) | 3,872,066 |
| Miscellaneous | 478,938 | 154,355 | 633,293 | 25,606 | 658,899 |
| Total revenues | <u>38,154,858</u> | <u>1,285,775</u> | <u>39,440,633</u> | <u>(385,142)</u> | <u>39,055,491</u> |
| EXPENDITURES | | | | | |
| General government | 5,498,564 | 967,035 | 4,531,529 | (87,668) | 4,443,861 |
| Public safety | 7,644,798 | 321,946 | 7,322,852 | (159,777) | 7,163,075 |
| Health services | 18,533,063 | 634,458 | 17,898,605 | (155,354) | 17,743,251 |
| Justice services | 3,206,833 | 254,827 | 2,952,006 | (57,923) | 2,894,083 |
| Community services | 963,818 | 144,227 | 819,591 | (3,742) | 815,849 |
| Cultural and educational services | 503,700 | 6,047 | 497,653 | (867) | 496,786 |
| Animal control | 236,163 | 17,343 | 218,820 | (4,224) | 214,596 |
| Parks and natural resources | 616,610 | 5,951 | 610,659 | 1,892 | 612,551 |
| Total expenditures | <u>37,203,549</u> | <u>2,351,834</u> | <u>34,851,715</u> | <u>(467,663)</u> | <u>34,384,052</u> |
| Excess (deficiency) of revenues over expenditures | <u>951,309</u> | <u>3,637,609</u> | <u>4,588,918</u> | <u>82,521</u> | <u>4,671,439</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Operating transfers in | 156,802 | 5,699 | 162,501 | (20,200) | 142,301 |
| Operating transfers out | (1,644,204) | 183,646 | (1,460,558) | (516,854) | (1,977,412) |
| Interfund loans | (289,000) | 50,000 | (239,000) | 239,000 | - |
| Loan repayments | 437,700 | (349) | 437,351 | (437,351) | - |
| Total other financing sources (uses) | <u>(1,338,702)</u> | <u>238,996</u> | <u>(1,099,706)</u> | <u>(735,405)</u> | <u>(1,835,111)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(387,393)</u> | <u>3,876,605</u> | <u>3,489,212</u> | <u>(652,884)</u> | <u>2,836,328</u> |
| Fund balance - beginning | 4,316,549 | 2,112,685 | 6,429,234 | 400,914 | 6,830,148 |
| Prior period adjustment | - | - | - | - | - |
| Fund balance - ending | <u>\$ 3,929,156</u> | <u>\$ 5,989,290</u> | <u>\$ 9,918,446</u> | <u>\$ (251,970)</u> | <u>\$ 9,666,476</u> |

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--------------------------|---------------|--|-----------------|---------------------|---------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| General government | | | | | |
| Personal services | \$ 3,067,220 | \$ 228,042 | \$ 2,839,178 | \$ (107,668) | \$ 2,731,510 |
| Materials and services | 1,923,037 | 240,108 | 1,682,929 | 20,000 | 1,702,929 |
| Capital outlay | 38,025 | 28,603 | 9,422 | - | 9,422 |
| Other | 6,179,348 | 4,499,790 | 1,679,558 | 277,854 | 1,957,412 |
| Total general government | ** 11,207,630 | 4,996,543 | 6,211,087 | 190,186 | 6,401,273 |
| Public safety | | | | | |
| Personal services | 5,115,484 | 16,792 | 5,098,692 | (159,777) | 4,938,915 |
| Materials and services | 2,473,709 | 270,881 | 2,202,828 | - | 2,202,828 |
| Capital outlay | 55,605 | 34,273 | 21,332 | - | 21,332 |
| Other | 131,096 | 131,096 | - | - | - |
| Total public safety | ** 7,775,894 | 453,042 | 7,322,852 | (159,777) | 7,163,075 |
| Health services | | | | | |
| Personal services | 6,066,233 | 221,375 | 5,844,858 | (155,354) | 5,689,504 |
| Materials and services | 12,461,830 | 414,883 | 12,046,947 | - | 12,046,947 |
| Capital outlay | 5,000 | (1,800) | 6,800 | - | 6,800 |
| Total health services | ** 18,533,063 | 634,458 | 17,898,605 | (155,354) | 17,743,251 |
| Justice services | | | | | |
| Personal services | 1,919,791 | 132,042 | 1,787,749 | (57,923) | 1,729,826 |
| Materials and services | 1,285,940 | 121,683 | 1,164,257 | - | 1,164,257 |
| Capital outlay | 1,102 | 1,102 | - | - | - |
| Other | 2,198 | 2,198 | - | - | - |
| Total justice services | ** 3,209,031 | 257,025 | 2,952,006 | (57,923) | 2,894,083 |
| Community services | | | | | |
| Personal services | 208,930 | 47,978 | 160,952 | (3,742) | 157,210 |
| Materials and services | 754,888 | 96,249 | 658,639 | - | 658,639 |
| Other | 20,000 | - | 20,000 | - | 20,000 |
| Total community services | ** 983,818 | 144,227 | 839,591 | (3,742) | 835,849 |

(Continued)

**Legal appropriation level

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended June 30, 2004

(Continued)

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|----------------------|--|----------------------|---------------------|----------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| Cultural and educational services | | | | | |
| Personal services | \$ - | \$ - | \$ - | \$ (867) | \$ (867) |
| Materials and services | <u>503,700</u> | <u>6,047</u> | <u>497,653</u> | <u>-</u> | <u>497,653</u> |
| Total cultural and educational services | ** <u>503,700</u> | <u>6,047</u> | <u>497,653</u> | <u>(867)</u> | <u>496,786</u> |
| Animal control | | | | | |
| Personal services | 84,054 | (3,594) | 87,648 | (4,224) | 83,424 |
| Materials and services | <u>152,109</u> | <u>20,937</u> | <u>131,172</u> | <u>-</u> | <u>131,172</u> |
| Total animal control | ** <u>236,163</u> | <u>17,343</u> | <u>218,820</u> | <u>(4,224)</u> | <u>214,596</u> |
| Parks and natural resources | | | | | |
| Personal services | 446,123 | (7,806) | 453,929 | 1,892 | 455,821 |
| Materials and services | 156,387 | 9,721 | 146,666 | - | 146,666 |
| Capital outlay | <u>14,100</u> | <u>4,036</u> | <u>10,064</u> | <u>-</u> | <u>10,064</u> |
| Total parks and natural resources | ** <u>616,610</u> | <u>5,951</u> | <u>610,659</u> | <u>1,892</u> | <u>612,551</u> |
| Total expenditures | <u>\$ 43,065,909</u> | <u>\$ 6,514,636</u> | <u>\$ 36,551,273</u> | <u>\$ (189,809)</u> | <u>\$ 36,361,464</u> |

**Legal appropriation level

BENTON COUNTY, OREGON
COMPARATIVE BALANCE SHEETS

ROAD FUND

June 30, 2004 and 2003

| | 2004 | 2003 |
|--------------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and investments | \$ 1,613,330 | \$ 1,640,330 |
| Accounts receivable | 141,961 | 363,960 |
| Due from other governmental agencies | 603,836 | 301,026 |
| Loans receivable | 11,184 | 17,189 |
| Inventories | 261,235 | 134,420 |
| Prepaid expenses | 694 | 1,261 |
| Total assets | \$ 2,632,240 | \$ 2,458,186 |
| LIABILITIES | | |
| Accounts payable | \$ 376,463 | \$ 222,422 |
| Accrued payroll and payroll taxes | 103,568 | 84,179 |
| Customer deposits | 12,856 | 4,961 |
| Deferred revenue | 11,184 | 17,189 |
| Total liabilities | 504,071 | 328,751 |
| FUND EQUITY (DEFICIT) | | |
| Fund balance | | |
| Reserved for inventory | 261,235 | 134,420 |
| Reserved for prepaid expenses | 694 | 1,261 |
| Unreserved | 1,866,240 | 1,993,754 |
| Total fund equity (deficit) | 2,128,169 | 2,129,435 |
| Total liabilities and fund equity | \$ 2,632,240 | \$ 2,458,186 |

BENTON COUNTY, OREGON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ROAD FUND

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|--|---------------------|---------------------|
| REVENUES | | |
| Taxes and special assessments | \$ 7,301 | \$ 6,948 |
| Intergovernmental | 5,051,075 | 3,761,300 |
| Charges for services | 594,910 | 1,165,490 |
| Miscellaneous | <u>72,604</u> | <u>51,753</u> |
| Total revenues | <u>5,725,890</u> | <u>4,985,491</u> |
| EXPENDITURES | | |
| Public works | | |
| Personal services | 2,364,917 | 2,159,262 |
| Materials and services | 2,370,354 | 2,231,322 |
| Capital outlay | <u>1,221,931</u> | <u>551,756</u> |
| Total expenditures | <u>5,957,202</u> | <u>4,942,340</u> |
| Excess of revenues over (under) expenditures | <u>(231,312)</u> | <u>43,151</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers out | (75,569) | (68,175) |
| Transfers in | <u>178,800</u> | <u>154,871</u> |
| Total other financing sources (uses) | <u>103,231</u> | <u>86,696</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (128,081) | 129,847 |
| Fund balance (deficits) - beginning | 2,129,435 | 2,284,093 |
| Prior period adjustment | - | (72,598) |
| Increase (decrease) in reserve for inventory | <u>126,815</u> | <u>(211,907)</u> |
| Fund balance (deficits) - ending | <u>\$ 2,128,169</u> | <u>\$ 2,129,435</u> |

BENTON COUNTY, OREGON

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

ROAD FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Budget Basis | GAAP Adjustments | GAAP Basis |
|--|--------------------|--|---------------------|---------------------|---------------------|
| REVENUES | | | | | |
| Taxes and assessments | \$ 3,468 | \$ 3,833 | \$ 7,301 | \$ - | \$ 7,301 |
| Intergovernmental | 5,252,058 | (200,983) | 5,051,075 | - | 5,051,075 |
| Charges for services | 896,992 | (302,082) | 594,910 | - | 594,910 |
| Miscellaneous | <u>24,700</u> | <u>47,904</u> | <u>72,604</u> | - | <u>72,604</u> |
| Total revenues | <u>6,177,218</u> | <u>(451,328)</u> | <u>5,725,890</u> | <u>-</u> | <u>5,725,890</u> |
| EXPENDITURES | | | | | |
| Public works | | | | | |
| Personal services | 2,446,222 | 25,125 | 2,421,097 | (56,180) | 2,364,917 |
| Materials and services | 2,360,780 | (9,574) | 2,370,354 | - | 2,370,354 |
| Capital outlay | 2,648,647 | 1,426,716 | 1,221,931 | - | 1,221,931 |
| Contingency | <u>150,000</u> | <u>150,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>7,605,649</u> | <u>1,592,267</u> | <u>6,013,382</u> | <u>(56,180)</u> | <u>5,957,202</u> |
| Excess (deficiency) of revenues over expenditures | <u>(1,428,431)</u> | <u>1,140,939</u> | <u>(287,492)</u> | <u>56,180</u> | <u>(231,312)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | - | - | - | (75,569) | (75,569) |
| Transfers in | <u>178,800</u> | <u>-</u> | <u>178,800</u> | <u>-</u> | <u>178,800</u> |
| Total other financing sources (uses) | <u>178,800</u> | <u>-</u> | <u>178,800</u> | <u>(75,569)</u> | <u>103,231</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(1,249,631)</u> | <u>1,140,939</u> | <u>(108,692)</u> | <u>(19,389)</u> | <u>(128,081)</u> |
| Fund balance - beginning | 1,543,859 | 535,335 | 2,079,194 | 50,241 | 2,129,435 |
| Prior period adjustment | - | - | - | - | - |
| Increase in reserve for inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>126,815</u> | <u>126,815</u> |
| Fund balance - ending | <u>\$ 294,228</u> | <u>\$ 1,676,274</u> | <u>\$ 1,970,502</u> | <u>\$ 157,667</u> | <u>\$ 2,128,169</u> |

BENTON COUNTY, OREGON

COMPARATIVE BALANCE SHEETS

BLOCK GRANT FUND

June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Cash and investments | \$ 541,137 | \$ 394,210 |
| Accounts receivable | 20,245 | - |
| Due from other governmental agencies | 106,625 | - |
| Due from other funds | 220,000 | 220,000 |
| Loans receivable | <u>1,054,495</u> | <u>819,010</u> |
| Total assets | <u>\$ 1,942,502</u> | <u>\$ 1,433,220</u> |
| LIABILITIES | | |
| Accounts payable | \$ 2,319 | \$ - |
| Deferred revenue | <u>1,029,250</u> | <u>793,765</u> |
| Total liabilities | <u>1,031,569</u> | <u>793,765</u> |
| FUND EQUITY (DEFICIT) | | |
| Fund balance | | |
| Unreserved | <u>910,933</u> | <u>639,455</u> |
| Total fund equity (deficit) | <u>910,933</u> | <u>639,455</u> |
| Total liabilities and fund equity | <u>\$ 1,942,502</u> | <u>\$ 1,433,220</u> |

BENTON COUNTY, OREGON

**COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE**

BLOCK GRANT FUND

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|--|-------------------|-------------------|
| REVENUES | | |
| Intergovernmental | \$ 189,290 | \$ - |
| Interest | 5,056 | 19,325 |
| Donations | 226,410 | - |
| Total revenues | <u>420,756</u> | <u>19,325</u> |
| EXPENDITURES | | |
| Community services | | |
| Materials and services | <u>224,476</u> | <u>3,854</u> |
| Total expenditures | <u>224,476</u> | <u>3,854</u> |
| Excess of revenues over (under) expenditures | <u>196,280</u> | <u>15,471</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Sale of assets | - | 24,913 |
| Loans | <u>75,198</u> | <u>121,551</u> |
| Total other financing sources (uses) | <u>75,198</u> | <u>146,464</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 271,478 | 161,935 |
| Fund balance (deficits) - beginning | <u>639,455</u> | <u>477,520</u> |
| Fund balance (deficits) - ending | <u>\$ 910,933</u> | <u>\$ 639,455</u> |

BENTON COUNTY, OREGON

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

BLOCK GRANT FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|--------------|--|-----------------|---------------------|---------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Intergovernmental | \$ 1,325,000 | \$(1,135,710) | \$ 189,290 | \$ - | \$ 189,290 |
| Donations | - | 226,410 | 226,410 | - | 226,410 |
| Miscellaneous | 3,500 | 1,556 | 5,056 | - | 5,056 |
| Total revenues | 1,328,500 | (907,744) | 420,756 | - | 420,756 |
| EXPENDITURES | | | | | |
| Community services | | | | | |
| Materials and services | 1,175,867 | 951,391 | 224,476 | - | 224,476 |
| Capital outlay | 300,000 | 300,000 | - | - | - |
| Total expenditures | 1,475,867 | 1,251,391 | 224,476 | - | 224,476 |
| Excess (deficiency) of revenues over expenditures | (147,367) | 343,647 | 196,280 | - | 196,280 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Loans made | (182,633) | 182,633 | - | - | - |
| Loan repayments | 151,000 | (75,802) | 75,198 | - | 75,198 |
| Total other financing sources (uses) | (31,633) | 106,831 | 75,198 | - | 75,198 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (179,000) | 450,478 | 271,478 | - | 271,478 |
| Fund balance - beginning | 179,000 | 225,517 | 404,517 | 234,938 | 639,455 |
| Fund balance - ending | \$ - | \$ 675,995 | \$ 675,995 | \$ 234,938 | \$ 910,933 |

BENTON COUNTY, OREGON

COMPARATIVE BALANCE SHEETS

DEBT SERVICE FUND

June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Cash and investments | \$ 450,075 | \$ 173,267 |
| Assessments receivable | <u>-</u> | <u>480</u> |
| Total assets | <u>\$ 450,075</u> | <u>\$ 173,747</u> |
| | | |
| LIABILITIES | | |
| Accounts payable | \$ - | \$ - |
| Due to other funds | <u>-</u> | <u>-</u> |
| Total liabilities | <u>-</u> | <u>-</u> |
| | | |
| FUND BALANCE (DEFICIT) | | |
| Restricted for debt service | <u>450,075</u> | <u>173,747</u> |
| Total fund balance | <u>450,075</u> | <u>173,747</u> |
| Total liabilities and fund balance | <u>\$ 450,075</u> | <u>\$ 173,747</u> |

BENTON COUNTY, OREGON

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

DEBT SERVICE FUND

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|--|--------------------|--------------------|
| REVENUES | | |
| Taxes | \$ 10 | \$ 35 |
| Charges for services | 23,382 | 24,985 |
| Interest | <u>3,126</u> | <u>4,218</u> |
| Total revenues | <u>26,518</u> | <u>29,238</u> |
| EXPENDITURES | | |
| Current: | | |
| General government | 141,542 | 855 |
| Debt service: | | |
| Principal | 7,142,991 | 591,304 |
| Interest | <u>632,458</u> | <u>648,702</u> |
| Total expenditures | <u>7,916,991</u> | <u>1,240,861</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(7,890,473)</u> | <u>(1,211,623)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Bond sales | 7,490,000 | - |
| Transfers in | 711,075 | 1,296,307 |
| Transfers out | <u>(34,274)</u> | <u>-</u> |
| Total other finances sources | <u>8,166,801</u> | <u>1,296,307</u> |
| Excess (deficiency) of revenues and other financial sources over (under) expenditures and other financial uses | 276,328 | 84,684 |
| Fund balance - beginning | <u>173,747</u> | <u>89,063</u> |
| Fund balance - ending | <u>\$ 450,075</u> | <u>\$ 173,747</u> |

BENTON COUNTY, OREGON

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

DEBT SERVICE FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|--------------------|--|--------------------|---------------------|--------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Taxes and special assessments | \$ - | \$ 10 | \$ 10 | \$ - | \$ 10 |
| Charges for services | 720,000 | 14,457 | 734,457 | (711,075) | 23,382 |
| Miscellaneous | 5,000 | (1,395) | 3,605 | (479) | 3,126 |
| Total revenues | <u>725,000</u> | <u>13,072</u> | <u>738,072</u> | <u>(711,554)</u> | <u>26,518</u> |
| EXPENDITURES | | | | | |
| Debt service: | | | | | |
| Materials and services | 140,432 | 1,052 | 139,380 | 2,162 | 141,542 |
| Principal and interest | <u>7,778,373</u> | <u>188</u> | <u>7,778,185</u> | <u>(2,736)</u> | <u>7,775,449</u> |
| Total expenditures | <u>7,918,805</u> | <u>1,240</u> | <u>7,917,565</u> | <u>(574)</u> | <u>7,916,991</u> |
| Excess (deficiency) of revenues over expenditures | <u>(7,193,805)</u> | <u>14,312</u> | <u>(7,179,493)</u> | <u>(710,980)</u> | <u>(7,890,473)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Bond sales | 7,490,000 | - | 7,490,000 | - | 7,490,000 |
| Transfers in | - | - | - | 711,075 | 711,075 |
| Transfers out | <u>(33,700)</u> | <u>-</u> | <u>(33,700)</u> | <u>(574)</u> | <u>(34,274)</u> |
| Total other financing sources (uses) | <u>7,456,300</u> | <u>-</u> | <u>7,456,300</u> | <u>710,501</u> | <u>8,166,801</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 262,495 | 14,312 | 276,807 | (479) | 276,328 |
| Fund balance - beginning | <u>131,700</u> | <u>41,568</u> | <u>173,268</u> | <u>479</u> | <u>173,747</u> |
| Fund balance - ending | <u>\$ 394,195</u> | <u>\$ 55,880</u> | <u>\$ 450,075</u> | <u>\$ -</u> | <u>\$ 450,075</u> |

NONMAJOR GOVERNMENTAL FUNDS

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.

Health and Safety Enhancement Fund - To account for the property revenues received from a five-year local option tax levy.

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.

VALIANT Drug Enforcement Fund (Valley Interagency Narcotics Team) - To account for forfeited assets and other revenues dedicated to enforcement of narcotics laws, and to account for distribution of assets to member agencies as outlined, by interagency agreement and state statute.

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.

North Albany County Service District Special Assessment Fund - To account for collection of assessments for waterlines to residents of North Albany County Service District.

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

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2004

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Projects Funds | Total |
|-------------------------------------|---|--|--|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 3,242,641 | \$ 216,948 | \$ 577,243 | \$ 4,036,832 |
| Receivable | | | - | |
| Accounts | 42,067 | 2,277 | - | 44,344 |
| Taxes | 115,825 | 5,208 | - | 121,033 |
| Intergovernmental | 43,180 | - | - | 43,180 |
| Due from other funds | 75,000 | - | - | 75,000 |
| Inventory | 11,014 | - | - | 11,014 |
| Prepays | 121,731 | - | - | 121,731 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 3,651,458</u> | <u>\$ 224,433</u> | <u>\$ 577,243</u> | <u>\$ 4,453,134</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 294,934 | \$ 1,865 | \$ 47,721 | \$ 344,520 |
| Accrued payroll costs | 57,280 | - | - | 57,280 |
| Due to other funds | - | - | 295,000 | 295,000 |
| Due to other governments | 50,200 | - | - | 50,200 |
| Interest payable | - | 16,794 | - | 16,794 |
| Deferred revenue | 107,256 | 4,297 | - | 111,553 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>509,670</u> | <u>22,956</u> | <u>342,721</u> | <u>875,347</u> |
| FUND BALANCES | | | | |
| Reserved for inventory | 11,014 | - | - | 11,014 |
| Reserved for Oregon Health Plan | - | - | - | - |
| Reserved for prepaids | 121,731 | - | - | 121,731 |
| Reserved for debt service | - | 201,477 | - | 201,477 |
| Reserved for capital projects | - | - | 234,522 | 234,522 |
| Unreserved | 3,009,043 | - | - | 3,009,043 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>3,141,788</u> | <u>201,477</u> | <u>234,522</u> | <u>3,577,787</u> |
| | | | | |
| Total liabilities and fund balances | <u>\$ 3,651,458</u> | <u>\$ 224,433</u> | <u>\$ 577,243</u> | <u>\$ 4,453,134</u> |

BENTON COUNTY, OREGON

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

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended June 30, 2004

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Projects Funds | Total |
|--|---|--|--|--------------|
| REVENUES | | | | |
| Taxes | \$ 3,290,326 | \$ 158,949 | \$ - | \$ 3,449,275 |
| Intergovernmental | 3,113,776 | - | 17,101 | 3,130,877 |
| Charges for services | 1,105,838 | - | 16,790 | 1,122,628 |
| Interest | 41,520 | 1,908 | - | 43,428 |
| Miscellaneous | 91,289 | - | 85,121 | 176,410 |
| Total revenues | 7,642,749 | 160,857 | 119,012 | 7,922,618 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 353,852 | 3,642 | - | 357,494 |
| Public safety | 1,297,826 | - | - | 1,297,826 |
| Public works | 178,127 | - | - | 178,127 |
| Health services | 902,957 | - | - | 902,957 |
| Justice services | 377,978 | - | - | 377,978 |
| Community services | 911,619 | - | - | 911,619 |
| Cultural and educational services | 4,061,587 | - | - | 4,061,587 |
| Debt service: | | | | |
| Principal | - | 125,387 | - | 125,387 |
| Interest | - | 41,626 | - | 41,626 |
| Capital outlay | - | - | 475,681 | 475,681 |
| Total expenditures | 8,083,946 | 170,655 | 475,681 | 8,730,282 |
| Excess (deficiency) of revenues over (under) expenditures | (441,197) | (9,798) | (356,669) | (807,664) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 772,990 | - | 235,000 | 1,007,990 |
| Transfers out | (50,841) | - | - | (50,841) |
| Loans/bond sales/leases | 11,410 | - | - | 11,410 |
| Total other financing sources and (uses) | 733,559 | - | 235,000 | 968,559 |
| Net change in fund balances | 292,362 | (9,798) | (121,669) | 160,895 |
| Fund balances - beginning | 2,849,473 | 209,299 | 356,191 | 3,414,963 |
| Residual equity transfer | (1,976) | 1,976 | - | - |
| Change in reserve for inventory | 1,929 | - | - | 1,929 |
| Fund balances - ending | \$ 3,141,788 | \$ 201,477 | \$ 234,522 | \$ 3,577,787 |

BENTON COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2004

| | <u>County School</u> | <u>Fair</u> | <u>Health & Safety Enhancement</u> | <u>Library Services District</u> | <u>Land Corner Preservation</u> | <u>VALIANT Drug Enforcement</u> | <u>Oregon Health Plan</u> |
|-------------------------------------|--------------------------|------------------|--|--|---|---|-----------------------------------|
| ASSETS | | | | | | | |
| Cash and investments | \$ 167,608 | \$ 18,674 | \$ 2,207 | \$ 53,350 | \$ 377,591 | \$ 17,483 | \$1,196,460 |
| Accounts receivable | - | - | - | - | - | - | - |
| Property taxes receivable | - | - | - | 65,565 | - | - | - |
| Due from other funds | - | - | - | - | - | - | 75,000 |
| Due from other governments | - | - | - | - | - | - | - |
| Inventory | - | - | - | - | 11,014 | - | - |
| Prepays | - | 697 | - | - | 48 | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total assets | <u>\$ 167,608</u> | <u>\$ 19,371</u> | <u>\$ 2,207</u> | <u>\$ 118,915</u> | <u>\$ 388,653</u> | <u>\$ 17,483</u> | <u>\$1,271,460</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | \$ 167,608 | \$ 7,071 | \$ 2,207 | \$ 1,432 | \$ 1,420 | \$ 16,850 | \$ 2,752 |
| Accrued payroll costs | - | 12,294 | 26,966 | - | 4,360 | - | 2,706 |
| Due to other funds | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | 50,200 | - | - | - |
| Deferred revenue | - | 12,300 | - | 53,300 | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total liabilities | <u>167,608</u> | <u>31,665</u> | <u>29,173</u> | <u>104,932</u> | <u>5,780</u> | <u>16,850</u> | <u>5,458</u> |
| FUND BALANCES | | | | | | | |
| Reserved for inventory | - | - | - | - | 11,014 | - | - |
| Reserved for Oregon Health Plan | - | - | - | - | - | - | - |
| Reserved for prepaids | - | 697 | - | - | 48 | - | - |
| Unreserved | - | (12,991) | (26,966) | 13,983 | 371,811 | 633 | 1,266,002 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total fund balances | <u>-</u> | <u>(12,294)</u> | <u>(26,966)</u> | <u>13,983</u> | <u>382,873</u> | <u>633</u> | <u>1,266,002</u> |
| Total liabilities and fund balances | <u>\$ 167,608</u> | <u>\$ 19,371</u> | <u>\$ 2,207</u> | <u>\$ 118,915</u> | <u>\$ 388,653</u> | <u>\$ 17,483</u> | <u>\$1,271,460</u> |

| <u>Court Security</u> | <u>Special Transportation</u> | <u>Adult Corrections</u> | <u>North Albany CSD Special Assessment</u> | <u>Title III Projects Fund</u> | <u>Cemetery Operations</u> | <u>West Lewellyn CSD</u> | <u>Total</u> |
|-----------------------|-------------------------------|--------------------------|--|--------------------------------|----------------------------|--------------------------|--------------------|
| \$172,679 | \$ 111,887 | \$ 830,416 | \$ - | \$174,539 | \$ 119,014 | \$ 733 | \$3,242,641 |
| 8,445 | 33,622 | - | - | - | - | - | 42,067 |
| - | - | 50,260 | - | - | - | - | 115,825 |
| - | - | - | - | - | - | - | 75,000 |
| - | 43,180 | - | - | - | - | - | 43,180 |
| - | - | - | - | - | - | - | 11,014 |
| - | 120,986 | - | - | - | - | - | 121,731 |
| <u>\$181,124</u> | <u>\$ 309,675</u> | <u>\$ 880,676</u> | <u>\$ -</u> | <u>\$174,539</u> | <u>\$ 119,014</u> | <u>\$ 733</u> | <u>\$3,651,458</u> |
| \$ - | \$ 34,167 | \$ 61,253 | \$ - | \$ - | \$ 174 | \$ - | \$ 294,934 |
| 466 | - | 10,480 | - | - | 8 | - | 57,280 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 50,200 |
| - | - | 41,656 | - | - | - | - | 107,256 |
| <u>466</u> | <u>34,167</u> | <u>113,389</u> | <u>-</u> | <u>-</u> | <u>182</u> | <u>-</u> | <u>509,670</u> |
| - | - | - | - | - | - | - | 11,014 |
| - | - | - | - | - | - | - | - |
| - | 120,986 | - | - | - | - | - | 121,731 |
| <u>180,658</u> | <u>154,522</u> | <u>767,287</u> | <u>-</u> | <u>174,539</u> | <u>118,832</u> | <u>733</u> | <u>3,009,043</u> |
| <u>180,658</u> | <u>275,508</u> | <u>767,287</u> | <u>-</u> | <u>174,539</u> | <u>118,832</u> | <u>733</u> | <u>3,141,788</u> |
| <u>\$181,124</u> | <u>\$ 309,675</u> | <u>\$ 880,676</u> | <u>\$ -</u> | <u>\$174,539</u> | <u>\$ 119,014</u> | <u>\$ 733</u> | <u>\$3,651,458</u> |

BENTON COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2004

| | County School | Fair | Health & Safety Enhancement | Library Services District | Land Corner Preservation | VALIANT Drug Enforcement | Oregon Health Plan |
|--|------------------|-------------------|-----------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------|
| REVENUES | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$1,798,449 | \$ - | \$ - | \$ - |
| Intergovernmental | 1,320,872 | 39,200 | - | 63,424 | - | - | 839,279 |
| Charges for services | | 535,551 | - | - | 206,554 | - | - |
| Interest | 4,355 | 138 | 1,225 | 2,340 | 4,554 | 102 | 12,830 |
| Miscellaneous | | <u>70,344</u> | <u>-</u> | <u>-</u> | <u>1,042</u> | <u>-</u> | <u>13,623</u> |
| Total revenues | <u>1,325,227</u> | <u>645,233</u> | <u>1,225</u> | <u>1,864,213</u> | <u>212,150</u> | <u>102</u> | <u>865,732</u> |
| EXPENDITURES | | | | | | | |
| Current | | | | | | | |
| General government | - | - | 257 | - | - | - | - |
| Public safety | - | - | 224,762 | - | - | - | - |
| Public works | - | - | - | - | 178,127 | - | - |
| Health services | - | - | 204,943 | - | - | - | 698,014 |
| Justice services | - | - | 294,474 | - | - | - | - |
| Community services | - | - | - | - | - | - | - |
| Cultural and educational | <u>1,325,227</u> | <u>757,160</u> | <u>-</u> | <u>1,979,200</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>1,325,227</u> | <u>757,160</u> | <u>724,436</u> | <u>1,979,200</u> | <u>178,127</u> | <u>-</u> | <u>698,014</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(111,927)</u> | <u>(723,211)</u> | <u>(114,987)</u> | <u>34,023</u> | <u>102</u> | <u>167,718</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers in | - | 112,945 | 660,045 | - | - | - | - |
| Transfers out | - | (4,549) | (23,611) | - | (3,439) | - | (2,478) |
| Leases | - | 16,060 | - | - | - | - | - |
| Loans repaid | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>124,456</u> | <u>636,434</u> | <u>-</u> | <u>(3,439)</u> | <u>-</u> | <u>(2,478)</u> |
| Net change in fund balances | - | 12,529 | (86,777) | (114,987) | 30,584 | 102 | 165,240 |
| Fund balances - beginning | - | (24,823) | 59,811 | 128,970 | 350,360 | 531 | 1,100,762 |
| Residual equity transfer | - | - | - | - | - | - | - |
| Increase (decrease) in reserve for inventory | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,929</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$(12,294)</u> | <u>\$ (26,966)</u> | <u>\$ 13,983</u> | <u>\$ 382,873</u> | <u>\$ 633</u> | <u>\$1,266,002</u> |

| Court Security | Special Transportation | Adult Corrections | North Albany CSD Special Assessment | Title III Projects | Cemetery Operations | West Lewellyn CSD | 2004 Total | 2003 Total |
|------------------|------------------------|-------------------|-------------------------------------|--------------------|---------------------|-------------------|--------------------|--------------------|
| \$ - | \$ - | \$1,491,877 | \$ - | \$ - | \$ - | \$ - | \$3,290,326 | \$3,196,688 |
| 56,408 | 497,394 | - | - | 297,199 | - | - | 3,113,776 | 3,275,373 |
| - | 355,974 | - | - | - | 7,759 | - | 1,105,838 | 1,084,961 |
| 2,289 | 2,460 | 9,638 | - | - | 1,581 | 8 | 41,520 | 57,339 |
| - | 65 | 2,134 | - | 2,981 | 1,100 | - | 91,289 | 35,585 |
| <u>58,697</u> | <u>855,893</u> | <u>1,503,649</u> | <u>-</u> | <u>300,180</u> | <u>10,440</u> | <u>8</u> | <u>7,642,749</u> | <u>7,649,946</u> |
| - | - | - | - | 334,662 | 18,933 | - | 353,852 | 241,084 |
| - | - | 1,073,064 | - | - | - | - | 1,297,826 | 1,457,133 |
| - | - | - | - | - | - | - | 178,127 | 145,324 |
| - | - | - | - | - | - | - | 902,957 | 1,226,130 |
| 83,504 | - | - | - | - | - | - | 377,978 | 263,312 |
| - | 911,619 | - | - | - | - | - | 911,619 | 747,637 |
| - | - | - | - | - | - | - | 4,061,587 | 3,368,942 |
| <u>83,504</u> | <u>911,619</u> | <u>1,073,064</u> | <u>-</u> | <u>334,662</u> | <u>18,933</u> | <u>-</u> | <u>8,083,946</u> | <u>7,449,562</u> |
| <u>(24,807)</u> | <u>(55,726)</u> | <u>430,585</u> | <u>-</u> | <u>(34,482)</u> | <u>(8,493)</u> | <u>8</u> | <u>(441,197)</u> | <u>200,384</u> |
| - | - | - | - | - | - | - | 772,990 | 706,673 |
| (611) | - | (8,291) | - | - | (7,862) | - | (50,841) | (114,738) |
| - | - | - | - | - | - | - | 16,060 | - |
| - | - | (4,650) | - | - | - | - | (4,650) | (13,008) |
| <u>(611)</u> | <u>-</u> | <u>(12,941)</u> | <u>-</u> | <u>-</u> | <u>(7,862)</u> | <u>-</u> | <u>733,559</u> | <u>578,927</u> |
| (25,418) | (55,726) | 417,644 | - | (34,482) | (16,355) | 8 | 292,362 | 779,311 |
| 206,076 | 331,234 | 349,643 | 1,976 | 209,021 | 135,187 | 725 | 2,849,473 | 2,068,250 |
| - | - | - | (1,976) | - | - | - | (1,976) | - |
| - | - | - | - | - | - | - | 1,929 | 1,912 |
| <u>\$180,658</u> | <u>\$ 275,508</u> | <u>\$ 767,287</u> | <u>\$ -</u> | <u>\$174,539</u> | <u>\$ 118,832</u> | <u>\$ 733</u> | <u>\$3,141,788</u> | <u>\$2,849,473</u> |

BENTON COUNTY, OREGON

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

COUNTY SCHOOL FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|------------------|--|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 1,615,300 | (294,428) | 1,320,872 | - | 1,320,872 |
| Interest | <u>15,000</u> | <u>(10,645)</u> | <u>4,355</u> | - | <u>4,355</u> |
| Total revenues | <u>1,630,300</u> | <u>(305,073)</u> | <u>1,325,227</u> | - | <u>1,325,227</u> |
| EXPENDITURES | | | | | |
| Cultural services: | | | | | |
| Other | <u>1,630,300</u> | <u>305,073</u> | <u>1,325,227</u> | - | <u>1,325,227</u> |
| Excess (deficiency) of revenues over expenditures | - | - | - | - | - |
| Fund balance - beginning | - | - | - | - | - |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BENTON COUNTY, OREGON

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

FAIR FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | Actual <u>GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|------------------|--|-------------------------|---------------------------------------|-----------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 38,000 | \$ 1,200 | \$ 39,200 | \$ - | \$ 39,200 |
| Charges for services | 521,247 | 14,304 | 535,551 | - | 535,551 |
| Interest | 500 | (362) | 138 | - | 138 |
| Miscellaneous | <u>40,000</u> | <u>10,344</u> | <u>50,344</u> | <u>20,000</u> | <u>70,344</u> |
| Total revenues | <u>599,747</u> | <u>25,486</u> | <u>625,233</u> | <u>20,000</u> | <u>645,233</u> |
| EXPENDITURES | | | | | |
| Cultural services | | | | | |
| Personal services | 203,125 | (2,813) | 205,938 | (632) | 205,306 |
| Materials and services | 533,730 | 9,847 | 523,883 | - | 523,883 |
| Capital outlay | <u>11,392</u> | <u>(519)</u> | <u>11,911</u> | <u>16,060</u> | <u>27,971</u> |
| Total expenditures | <u>748,247</u> | <u>6,515</u> | <u>741,732</u> | <u>15,428</u> | <u>757,160</u> |
| Excess (deficiency) of revenues over expenditures | <u>(148,500)</u> | <u>32,001</u> | <u>(116,499)</u> | <u>4,572</u> | <u>(111,927)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Leases | - | - | - | 16,060 | 16,060 |
| Transfers out | - | - | - | (4,549) | (4,549) |
| Transfers in | <u>148,500</u> | <u>35,555</u> | <u>112,945</u> | <u>-</u> | <u>112,945</u> |
| Total other financing sources (uses) | <u>148,500</u> | <u>35,555</u> | <u>112,945</u> | <u>11,511</u> | <u>124,456</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | - | 67,556 | (3,554) | 16,083 | 12,529 |
| Fund balance - beginning | <u>-</u> | <u>3,554</u> | <u>3,554</u> | <u>(28,377)</u> | <u>(24,823)</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (12,294)</u> | <u>\$ (12,294)</u> |

BENTON COUNTY, OREGON

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

HEALTH AND SAFETY ENHANCEMENT FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | Actual <u>GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|------------------|--|-------------------------|---------------------------------------|-----------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ - |
| Interest | <u>2,000</u> | <u>(775)</u> | <u>1,225</u> | <u>-</u> | <u>1,225</u> |
| Total revenues | <u>2,000</u> | <u>(775)</u> | <u>1,225</u> | <u>-</u> | <u>1,225</u> |
| EXPENDITURES | | | | | |
| General government | 257 | - | 257 | - | 257 |
| Public safety | 233,439 | 483 | 232,956 | (8,194) | 224,762 |
| Health services | 271,859 | 62,986 | 208,873 | (3,930) | 204,943 |
| Justice services | <u>308,074</u> | <u>4,926</u> | <u>303,148</u> | <u>(8,674)</u> | <u>294,474</u> |
| Total expenditures | <u>813,629</u> | <u>68,395</u> | <u>745,234</u> | <u>(20,798)</u> | <u>724,436</u> |
| Excess (deficiency) of revenues over expenditures | <u>(811,629)</u> | <u>(69,170)</u> | <u>(744,009)</u> | <u>20,798</u> | <u>(723,211)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | - | - | - | (23,611) | (23,611) |
| Transfers in | <u>731,629</u> | <u>71,584</u> | <u>660,045</u> | <u>-</u> | <u>660,045</u> |
| Total other financing sources (uses) | <u>731,629</u> | <u>71,584</u> | <u>660,045</u> | <u>(23,611)</u> | <u>636,434</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (80,000) | 2,414 | (83,964) | (2,813) | (86,777) |
| Fund balance - beginning | <u>80,000</u> | <u>3,964</u> | <u>83,964</u> | <u>(24,153)</u> | <u>59,811</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (26,966)</u> | <u>\$ (26,966)</u> |

BENTON COUNTY, OREGON

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

LIBRARY SERVICES DISTRICT FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|------------------|--|------------------|---------------------|------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Taxes | \$1,781,085 | \$ 17,364 | \$1,798,449 | \$ - | \$1,798,449 |
| Intergovernmental | 65,377 | (1,953) | 63,424 | - | 63,424 |
| Interest | <u>3,000</u> | <u>(660)</u> | <u>2,340</u> | <u>-</u> | <u>2,340</u> |
| Total revenues | <u>1,849,462</u> | <u>14,751</u> | <u>1,864,213</u> | <u>-</u> | <u>1,864,213</u> |
| EXPENDITURES | | | | | |
| Cultural and educational services | | | | | |
| Materials and services | <u>1,979,732</u> | <u>532</u> | <u>1,979,200</u> | <u>-</u> | <u>1,979,200</u> |
| Excess (deficiency) of revenues over expenditures | <u>(130,270)</u> | <u>15,283</u> | <u>(114,987)</u> | <u>-</u> | <u>(114,987)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | <u>1,300</u> | <u>(1,300)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(128,970)</u> | <u>13,983</u> | <u>(114,987)</u> | <u>-</u> | <u>(114,987)</u> |
| Fund balance - beginning | <u>128,970</u> | <u>-</u> | <u>128,970</u> | <u>-</u> | <u>128,970</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 13,983</u> | <u>\$ 13,983</u> | <u>\$ -</u> | <u>\$ 13,983</u> |

BENTON COUNTY, OREGON

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

LAND CORNER PRESERVATION FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Budget Basis | Actual GAAP Adjustments | GAAP Basis |
|--|-------------------|--|-------------------|-------------------------------|-------------------|
| REVENUES | | | | | |
| Intergovernmental services | \$ - | \$ - | \$ - | \$ - | \$ - |
| Charges for services | 126,000 | 80,554 | 206,554 | - | 206,554 |
| Interest | 5,000 | (446) | 4,554 | - | 4,554 |
| Miscellaneous | - | 1,042 | 1,042 | - | 1,042 |
| | <u>131,000</u> | <u>81,150</u> | <u>212,150</u> | <u>-</u> | <u>212,150</u> |
| EXPENDITURES | | | | | |
| Public works | | | | | |
| Personal services | 118,443 | 6,611 | 111,832 | (4,394) | 107,438 |
| Materials and services | 50,028 | 12,834 | 37,194 | - | 37,194 |
| Capital outlay | 2,000 | (31,495) | 33,495 | - | 33,495 |
| Other | - | - | - | - | - |
| | <u>170,471</u> | <u>(12,050)</u> | <u>182,521</u> | <u>(4,394)</u> | <u>178,127</u> |
| Excess (deficiency) of revenues over (under) expenditures | (39,471) | 69,100 | 29,629 | 4,394 | 34,023 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | - | - | - | (3,439) | (3,439) |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (39,471) | 69,100 | 29,629 | 955 | 30,584 |
| Fund balance - beginning | 200,000 | 146,591 | 346,591 | 3,769 | 350,360 |
| Increase (decrease) in Reserve for inventory | - | - | - | 1,929 | 1,929 |
| Fund balance - ending | <u>\$ 160,529</u> | <u>\$ 215,691</u> | <u>\$ 376,220</u> | <u>\$ 6,653</u> | <u>\$ 382,873</u> |

BENTON COUNTY, OREGON

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

VALIANT DRUG ENFORCEMENT FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|--------------------|--|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fines and forfeitures | - | - | - | - | - |
| Interest | <u>-</u> | <u>102</u> | <u>102</u> | <u>-</u> | <u>102</u> |
| Total revenues | <u>-</u> | <u>102</u> | <u>102</u> | <u>-</u> | <u>102</u> |
| EXPENDITURES | | | | | |
| Public safety: | | | | | |
| Materials and services | - | - | - | - | - |
| Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | - | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | - | 102 | 102 | - | 102 |
| Fund balance - beginning | <u>-</u> | <u>531</u> | <u>531</u> | <u>-</u> | <u>531</u> |
| Fund balance - ending | <u><u>\$ -</u></u> | <u><u>\$ 633</u></u> | <u><u>\$ 633</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 633</u></u> |

BENTON COUNTY, OREGON

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

OREGON HEALTH PLAN FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|------------------|--|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 895,705 | \$ (56,426) | \$ 839,279 | \$ - | \$ 839,279 |
| Interest | 13,000 | (170) | 12,830 | - | 12,830 |
| Miscellaneous | <u>50,000</u> | <u>(36,377)</u> | <u>13,623</u> | - | <u>13,623</u> |
| Total revenues | <u>958,705</u> | <u>(92,973)</u> | <u>865,732</u> | <u>-</u> | <u>865,732</u> |
| EXPENDITURES | | | | | |
| Public health | | | | | |
| Personal services | 77,315 | 1,716 | 75,599 | (2,437) | 73,162 |
| Materials and services | 1,505,797 | 880,945 | 624,852 | - | 624,852 |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>1,583,112</u> | <u>882,661</u> | <u>700,451</u> | <u>(2,437)</u> | <u>698,014</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(624,407)</u> | <u>789,688</u> | <u>165,281</u> | <u>2,437</u> | <u>167,718</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,478)</u> | <u>(2,478)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,478)</u> | <u>(2,478)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(624,407)</u> | <u>789,688</u> | <u>165,281</u> | <u>(41)</u> | <u>165,240</u> |
| Fund balance - beginning | <u>627,545</u> | <u>400,882</u> | <u>1,028,427</u> | <u>72,335</u> | <u>1,100,762</u> |
| Fund balance - ending | <u>\$ 3,138</u> | <u>\$ 1,190,570</u> | <u>\$1,193,708</u> | <u>\$ 72,294</u> | <u>\$1,266,002</u> |

BENTON COUNTY, OREGON

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

COURT SECURITY FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|----------------|--|-------------------|---------------------|-------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Intergovernmental | \$ 50,000 | \$ 6,408 | \$ 56,408 | \$ - | \$ 56,408 |
| Interest | <u>2,500</u> | <u>(211)</u> | <u>2,289</u> | <u>-</u> | <u>2,289</u> |
| Total revenues | <u>52,500</u> | <u>6,197</u> | <u>58,697</u> | <u>-</u> | <u>58,697</u> |
| EXPENDITURES | | | | | |
| Justice services | | | | | |
| Personal services | 58,205 | 7,466 | 50,739 | (1,954) | 48,785 |
| Materials and services | 6,127 | 2,999 | 3,128 | - | 3,128 |
| Capital outlay | 60,000 | 28,409 | 31,591 | - | 31,591 |
| Other | <u>118,168</u> | <u>118,168</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>242,500</u> | <u>157,042</u> | <u>85,458</u> | <u>(1,954)</u> | <u>83,504</u> |
| Excess (deficiency) of revenues over (under) expenditures | (190,000) | 163,239 | (26,761) | 1,954 | (24,807) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>(611)</u> | <u>(611)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (190,000) | 163,239 | (26,761) | 1,343 | (25,418) |
| Fund balance - beginning | <u>190,000</u> | <u>17,884</u> | <u>207,884</u> | <u>(1,808)</u> | <u>206,076</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 181,123</u> | <u>\$ 181,123</u> | <u>\$ (465)</u> | <u>\$ 180,658</u> |

BENTON COUNTY, OREGON

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

SPECIAL TRANSPORTATION FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Budget Basis | Actual GAAP Adjustments | GAAP Basis |
|--|-------------------|--|-------------------|-------------------------------|-------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 763,930 | \$ (266,536) | \$ 497,394 | \$ - | \$ 497,394 |
| Charges for services | 41,098 | 314,876 | 355,974 | - | 355,974 |
| Interest | - | 2,460 | 2,460 | - | 2,460 |
| Miscellaneous | - | 65 | 65 | - | 65 |
| | <u>805,028</u> | <u>50,865</u> | <u>855,893</u> | <u>-</u> | <u>855,893</u> |
| EXPENDITURES | | | | | |
| Community services: | | | | | |
| Materials and services | 613,325 | 39,491 | 573,834 | - | 573,834 |
| Capital outlay | <u>220,000</u> | <u>(117,785)</u> | <u>337,785</u> | <u>-</u> | <u>337,785</u> |
| | <u>833,325</u> | <u>(78,294)</u> | <u>911,619</u> | <u>-</u> | <u>911,619</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(28,297)</u> | <u>(27,429)</u> | <u>(55,726)</u> | <u>-</u> | <u>(55,726)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Loan | 50,000 | (50,000) | - | - | - |
| Loan repayment | <u>(51,500)</u> | <u>51,500</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>(1,500)</u> | <u>1,500</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(29,797)</u> | <u>(25,929)</u> | <u>(55,726)</u> | <u>-</u> | <u>(55,726)</u> |
| Fund balance - beginning | <u>133,104</u> | <u>198,130</u> | <u>331,234</u> | <u>-</u> | <u>331,234</u> |
| Fund balance - ending | <u>\$ 103,307</u> | <u>\$ 172,201</u> | <u>\$ 275,508</u> | <u>\$ -</u> | <u>\$ 275,508</u> |

BENTON COUNTY, OREGON

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

ADULT CORRECTIONS FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|------------------|--|-------------------|---------------------|-------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Taxes | \$ 1,474,640 | \$ 17,237 | \$1,491,877 | \$ - | \$1,491,877 |
| Interest | 12,000 | (2,362) | 9,638 | - | 9,638 |
| Miscellaneous | - | 2,134 | 2,134 | - | 2,134 |
| Total revenues | <u>1,486,640</u> | <u>17,009</u> | <u>1,503,649</u> | <u>-</u> | <u>1,503,649</u> |
| EXPENDITURES | | | | | |
| Public safety | | | | | |
| Personal services | 270,925 | (2,931) | 273,856 | (6,806) | 267,050 |
| Materials and services | 973,751 | 170,586 | 803,165 | - | 803,165 |
| Capital outlay | - | (2,849) | 2,849 | - | 2,849 |
| Contingency | <u>166,136</u> | <u>166,136</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>1,410,812</u> | <u>330,942</u> | <u>1,079,870</u> | <u>(6,806)</u> | <u>1,073,064</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>75,828</u> | <u>347,951</u> | <u>423,779</u> | <u>6,806</u> | <u>430,585</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfer out | - | - | - | (8,291) | (8,291) |
| Loan repayment | <u>(148,700)</u> | <u>1,105</u> | <u>(147,595)</u> | <u>142,945</u> | <u>(4,650)</u> |
| Total other financing sources (uses) | <u>(148,700)</u> | <u>1,105</u> | <u>(147,595)</u> | <u>134,654</u> | <u>(12,941)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(72,872)</u> | <u>349,056</u> | <u>276,184</u> | <u>141,460</u> | <u>417,644</u> |
| Fund balance - beginning | <u>82,921</u> | <u>418,662</u> | <u>501,583</u> | <u>(151,940)</u> | <u>349,643</u> |
| Fund balance - ending | <u>\$ 10,049</u> | <u>\$ 767,718</u> | <u>\$ 777,767</u> | <u>\$ (10,480)</u> | <u>\$ 767,287</u> |

BENTON COUNTY, OREGON

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

NORTH ALBANY COUNTY SERVICE DISTRICT
SPECIAL ASSESSMENT FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--------------------------|---------------|---|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | - | - | - | - | - |
| Fund balance - beginning | - | 1,976 | 1,976 | - | 1,976 |
| Residual equity transfer | - | (1,976) | (1,976) | - | (1,976) |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

BENTON COUNTY, OREGON

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

TITLE III PROJECTS FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|----------------|--|-------------------|---------------------|-------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Intergovernmental | \$ 295,140 | \$ 2,059 | \$ 297,199 | \$ - | \$ 297,199 |
| Miscellaneous | 3,000 | (19) | 2,981 | - | 2,981 |
| Total revenues | <u>298,140</u> | <u>2,040</u> | <u>300,180</u> | <u>-</u> | <u>300,180</u> |
| EXPENDITURES | | | | | |
| General government | | | | | |
| Materials and services | 250,783 | (83,879) | 334,662 | - | 334,662 |
| Capital outlay | 250,000 | 250,000 | - | - | - |
| Other | 5,634 | 5,634 | - | - | - |
| Total expenditures | <u>506,417</u> | <u>171,755</u> | <u>334,662</u> | <u>-</u> | <u>334,662</u> |
| Excess (deficiency) of revenues over (under) expenditures | (208,277) | 173,795 | (34,482) | - | (34,482) |
| Fund balance - beginning | <u>208,277</u> | <u>744</u> | <u>209,021</u> | <u>-</u> | <u>209,021</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 174,539</u> | <u>\$ 174,539</u> | <u>\$ -</u> | <u>\$ 174,539</u> |

BENTON COUNTY, OREGON

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

CEMETERY OPERATIONS FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|-------------------|--|-------------------|---------------------|-------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Charges for services | \$ 8,400 | \$ (641) | \$ 7,759 | \$ - | \$ 7,759 |
| Interest | 2,808 | (1,227) | 1,581 | - | 1,581 |
| Miscellaneous | <u>-</u> | <u>1,100</u> | <u>1,100</u> | <u>-</u> | <u>1,100</u> |
| Total revenues | <u>11,208</u> | <u>(768)</u> | <u>10,440</u> | <u>-</u> | <u>10,440</u> |
| EXPENDITURES | | | | | |
| General government: | | | | | |
| Personnel services | - | (1,083) | 1,083 | 8 | 1,091 |
| Materials and services | 9,045 | (4,658) | 13,703 | - | 13,703 |
| Capital outlay | <u>5,000</u> | <u>861</u> | <u>4,139</u> | <u>-</u> | <u>4,139</u> |
| Total expenditures | 14,045 | (4,880) | 18,925 | 8 | 18,933 |
| Excess (deficiency) of revenues over (under) expenditures | (2,837) | (5,648) | (8,485) | (8) | (8,493) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | <u>(7,862)</u> | <u>-</u> | <u>(7,862)</u> | <u>-</u> | <u>(7,862)</u> |
| Total other financing sources (uses) | <u>(7,862)</u> | <u>-</u> | <u>(7,862)</u> | <u>-</u> | <u>(7,862)</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (10,699) | (5,648) | (16,347) | (8) | (16,355) |
| Fund balance - beginning | <u>129,369</u> | <u>5,818</u> | <u>135,187</u> | <u>-</u> | <u>135,187</u> |
| Fund balance - ending | <u>\$ 118,670</u> | <u>\$ 170</u> | <u>\$ 118,840</u> | <u>\$ (8)</u> | <u>\$ 118,832</u> |

BENTON COUNTY, OREGON

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

WEST LEWELLYN COUNTY SERVICE DISTRICT FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--------------------------|---------------|--|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Interest | \$ - | \$ 8 | \$ 8 | \$ - | \$ 8 |
| Fund balance - beginning | <u>-</u> | <u>725</u> | <u>725</u> | <u>-</u> | <u>725</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 733</u> | <u>\$ 733</u> | <u>\$ -</u> | <u>\$ 733</u> |

CAPITAL PROJECTS FUNDS

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

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

BENTON COUNTY, OREGON

NONMAJOR CAPITAL PROJECTS FUND

COMBINING BALANCE SHEET

June 30, 2004

| | <u>General Capital Improvements</u> | <u>Building Development</u> | <u>Total</u> |
|------------------------------------|---|---------------------------------|-------------------|
| ASSETS | | | |
| Cash and investments | <u>\$ 119,957</u> | <u>\$ 457,286</u> | <u>\$ 577,243</u> |
| Total assets | <u>\$ 119,957</u> | <u>\$ 457,286</u> | <u>\$ 577,243</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 47,721 | \$ - | \$ 47,721 |
| Due to other funds | <u>295,000</u> | <u>-</u> | <u>295,000</u> |
| Total liabilities | <u>342,721</u> | <u>-</u> | <u>342,721</u> |
| FUND BALANCES | | | |
| Unreserved | <u>(222,764)</u> | <u>457,286</u> | <u>234,522</u> |
| Total liabilities and fund balance | <u>\$ 119,957</u> | <u>\$ 457,286</u> | <u>\$ 577,243</u> |

BENTON COUNTY, OREGON

NONMAJOR CAPITAL PROJECTS FUND

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

For the Year Ended June 30, 2004

| | <u>General Capital Improvements</u> | <u>Building Development</u> | <u>Total</u> |
|--|---|---------------------------------|-------------------|
| REVENUES | | | |
| Intergovernmental | \$ 17,101 | \$ - | \$ 17,101 |
| Charges for services | 16,790 | - | 16,790 |
| Miscellaneous | <u>78,859</u> | <u>6,262</u> | <u>85,121</u> |
| Total revenues | <u>112,750</u> | <u>6,262</u> | <u>119,012</u> |
| EXPENDITURES | | | |
| Capital outlay | <u>475,681</u> | <u>-</u> | <u>475,681</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(362,931)</u> | <u>6,262</u> | <u>(356,669)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | <u>185,500</u> | <u>49,500</u> | <u>235,000</u> |
| Net change in fund balances | (177,431) | 55,762 | (121,669) |
| Fund balances - beginning | <u>(45,333)</u> | <u>401,524</u> | <u>356,191</u> |
| Fund balances - ending | <u>\$ (222,764)</u> | <u>\$ 457,286</u> | <u>\$ 234,522</u> |

BENTON COUNTY, OREGON

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

GENERAL CAPITAL IMPROVEMENTS FUND

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | |
|--|------------------|--|------------------|---------------------|---------------------|
| | | | Budget Basis | GAAP Adjustments | GAAP Basis |
| REVENUES | | | | | |
| Intergovernmental | \$ 28,250 | \$ (11,149) | \$ 17,101 | \$ - | \$ 17,101 |
| Charges for services | 16,790 | - | 16,790 | - | 16,790 |
| Miscellaneous | <u>77,589</u> | <u>1,270</u> | <u>78,859</u> | <u>-</u> | <u>78,859</u> |
| Total revenues | <u>122,629</u> | <u>(9,879)</u> | <u>112,750</u> | <u>-</u> | <u>112,750</u> |
| EXPENDITURES | | | | | |
| Materials and services | 144,705 | (125,450) | 270,155 | - | 270,155 |
| Capital outlay | <u>441,103</u> | <u>235,577</u> | <u>205,526</u> | <u>-</u> | <u>205,526</u> |
| Total expenditures | <u>585,808</u> | <u>110,127</u> | <u>475,681</u> | <u>-</u> | <u>475,681</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(463,179)</u> | <u>100,248</u> | <u>(362,931)</u> | <u>-</u> | <u>(362,931)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | <u>183,600</u> | <u>1,900</u> | <u>185,500</u> | <u>-</u> | <u>185,500</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | <u>(279,579)</u> | <u>102,148</u> | <u>(177,431)</u> | <u>-</u> | <u>(177,431)</u> |
| Fund balance - beginning | <u>279,579</u> | <u>(29,912)</u> | <u>249,667</u> | <u>(295,000)</u> | <u>(45,333)</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 72,236</u> | <u>\$ 72,236</u> | <u>\$ (295,000)</u> | <u>\$ (222,764)</u> |

BENTON COUNTY, OREGON

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

BUILDING DEVELOPMENT RESERVE FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|-------------------|---|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Miscellaneous | \$ 5,000 | \$ 1,262 | \$ 6,262 | \$ - | \$ 6,262 |
| EXPENDITURES | - | - | - | - | - |
| Excess (deficiency) of revenues over (under) expenditures | <u>5,000</u> | <u>1,262</u> | <u>6,262</u> | <u>-</u> | <u>6,262</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | <u>100,000</u> | <u>(50,500)</u> | <u>49,500</u> | <u>-</u> | <u>49,500</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | 105,000 | (49,238) | 55,762 | - | 55,762 |
| Fund balance - beginning | <u>410,000</u> | <u>(8,476)</u> | <u>401,524</u> | <u>-</u> | <u>401,524</u> |
| Fund balance - ending | <u>\$ 515,000</u> | <u>\$ (57,714)</u> | <u>\$ 457,286</u> | <u>\$ -</u> | <u>\$ 457,286</u> |

DEBT SERVICE FUND

North Albany County Service District Fund – To account for the repayment of bonded debt for North Albany County Service District.

BENTON COUNTY, OREGON

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

NORTH ALBANY COUNTY SERVICE DISTRICT FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Actual</u> | | |
|--|-------------------|--|-------------------------|-----------------------------|-----------------------|
| | | | <u>Budget Basis</u> | <u>GAAP Adjustments</u> | <u>GAAP Basis</u> |
| REVENUES | | | | | |
| Taxes | \$ 164,370 | \$ (5,421) | \$ 158,949 | \$ - | \$ 158,949 |
| Miscellaneous | <u>2,500</u> | <u>(592)</u> | <u>1,908</u> | <u>-</u> | <u>1,908</u> |
| Total revenues | <u>166,870</u> | <u>(6,013)</u> | <u>160,857</u> | <u>-</u> | <u>160,857</u> |
| EXPENDITURES | | | | | |
| Debt service: | | | | | |
| Materials and services | 4,500 | 858 | 3,642 | - | 3,642 |
| Principal and interest | <u>170,000</u> | <u>2,987</u> | <u>167,013</u> | <u>-</u> | <u>167,013</u> |
| Total expenditures | <u>174,500</u> | <u>3,845</u> | <u>170,655</u> | <u>-</u> | <u>170,655</u> |
| Excess (deficiency) of revenues over (under) expenditures | (7,630) | (2,168) | (9,798) | - | (9,798) |
| Fund balance - beginning | 230,000 | 7,961 | 237,961 | (28,662) | 209,299 |
| Residual equity transfer in | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,976</u> | <u>1,976</u> |
| Fund balance - ending | <u>\$ 222,370</u> | <u>\$ 5,793</u> | <u>\$ 228,163</u> | <u>\$ (26,686)</u> | <u>\$ 201,477</u> |

ENTERPRISE FUNDS

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.

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

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

| | 2004 | 2003 |
|--|------------|------------|
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 58,432 | \$ 52,799 |
| Prepays | 775 | 625 |
| Accounts receivable | 4,162 | 4,626 |
| Total current assets | 63,369 | 58,050 |
| Restricted assets: | | |
| Cash and investments | 3,291 | 3,430 |
| Assessments receivable | 7,106 | 9,091 |
| Total restricted assets | 10,397 | 12,521 |
| Noncurrent assets: | | |
| Capital assets | | |
| Utility system | 860,796 | 860,796 |
| Equipment | 3,742 | 3,742 |
| Less accumulated depreciation | (509,542) | (476,326) |
| Total capital assets (net of accumulated depreciation) | 354,996 | 388,212 |
| Total assets | 428,762 | 458,783 |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 585 | 254 |
| Deferred revenue | 211 | 1,500 |
| Total current liabilities | 796 | 1,754 |
| Liabilities payable from restricted assets: | | |
| Bonds payable, current portion | 650 | 650 |
| Customer deposits | 750 | 1,120 |
| Total liabilities payable from restricted assets | 1,400 | 1,770 |
| Noncurrent liabilities | | |
| Bonds payable, net of current portion | 28,620 | 29,293 |
| Total noncurrent liabilities | 28,620 | 29,293 |
| Total liabilities | 30,816 | 32,817 |
| NET ASSETS | | |
| Invested in capital assets net of related debt | 325,726 | 358,269 |
| Unrestricted | 72,220 | 67,697 |
| Total net assets | \$ 397,946 | \$ 425,966 |

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS
For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 42,648 | \$ 40,718 |
| OPERATING EXPENSES | | |
| Materials and services | 37,353 | 29,013 |
| Capital outlay (depreciation) | <u>33,216</u> | <u>33,216</u> |
| Total operating expenses | <u>70,569</u> | <u>62,229</u> |
| Operating loss | (27,921) | (21,511) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest expense | (1,347) | (1,376) |
| Interest on special assessments | 452 | 567 |
| Interest earned | <u>796</u> | <u>991</u> |
| Income before contributions and transfers | <u>(28,020)</u> | <u>(21,329)</u> |
| Change in net assets | (28,020) | (21,329) |
| Net assets - beginning | <u>425,966</u> | <u>447,295</u> |
| Net assets - ending | <u>\$ 397,946</u> | <u>\$ 425,966</u> |

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 41,453 | \$ 42,989 |
| Payments to suppliers | <u>(37,172)</u> | <u>(33,192)</u> |
| Net cash provided by operating activities | <u>4,281</u> | <u>9,797</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Payments received on special assessments | 2,437 | 1,793 |
| Payment to redeem bonds | (673) | (645) |
| Payment for interest | <u>(1,347)</u> | <u>(1,376)</u> |
| Net cash provided by (used for) capital and related financing activities | <u>417</u> | <u>(228)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>796</u> | <u>1,557</u> |
| Net increase | 5,494 | 11,126 |
| Cash and investments - beginning | <u>56,229</u> | <u>45,103</u> |
| Cash and investments - ending | <u><u>\$ 61,723</u></u> | <u><u>\$ 56,229</u></u> |
| Reconciliation of cash reported on Statement of Net Assets: | | |
| Cash and investments | \$ 58,432 | \$ 52,799 |
| Restricted cash and investments | 3,291 | 3,430 |
| Cash reported on Statement of Net Assets | <u><u>\$ 61,723</u></u> | <u><u>\$ 56,229</u></u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (27,921) | \$ (21,511) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 33,216 | 33,216 |
| Change in assets and liabilities: | | |
| Receivables | 464 | 2,229 |
| Prepays | (150) | (569) |
| Deferred revenues | (1,289) | - |
| Payables | <u>(39)</u> | <u>(1,775)</u> |
| Net cash provided (used) by operating activities | <u><u>\$ 4,281</u></u> | <u><u>\$ 11,590</u></u> |

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|-----------------|--|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Special assessments | \$ 1,400 | \$ 1,037 | \$ 2,437 | \$ (1,985) | \$ 452 |
| Charges for services | 41,936 | 712 | 42,648 | - | 42,648 |
| Miscellaneous | <u>1,050</u> | <u>(254)</u> | <u>796</u> | <u>-</u> | <u>796</u> |
| Total revenues | <u>44,386</u> | <u>1,495</u> | <u>45,881</u> | <u>(1,985)</u> | <u>43,896</u> |
| EXPENSES | | | | | |
| Utility services | 43,613 | 6,260 | 37,353 | - | 37,353 |
| Debt service | 2,577 | 556 | 2,021 | (674) | 1,347 |
| Capital outlay (depreciation) | 3,000 | 3,000 | - | 33,216 | 33,216 |
| Other - contingency | <u>33,196</u> | <u>33,196</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenses | <u>82,386</u> | <u>43,012</u> | <u>39,374</u> | <u>32,542</u> | <u>71,916</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>(38,000)</u> | <u>44,507</u> | <u>6,507</u> | <u>(34,527)</u> | <u>(28,020)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 2,355 | - | 2,355 | (2,355) | - |
| Transfers out | <u>(7,355)</u> | <u>5,000</u> | <u>(2,355)</u> | <u>2,355</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(5,000)</u> | <u>5,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenses and other financing sources (uses) | <u>(43,000)</u> | <u>49,507</u> | <u>6,507</u> | <u>(34,527)</u> | <u>(28,020)</u> |
| Net assets - beginning | <u>44,498</u> | <u>14,825</u> | <u>59,323</u> | <u>366,643</u> | <u>425,966</u> |
| Net assets - ending | <u>\$ 1,498</u> | <u>\$ 64,332</u> | <u>\$ 65,830</u> | <u>\$ 332,116</u> | <u>\$ 397,946</u> |

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

| ASSETS | <u>2004</u> | <u>2003</u> |
|--|-------------------|-------------------|
| Current assets: | | |
| Cash and investments | \$ 15,136 | \$ 10,722 |
| Prepaid expenses | 814 | 837 |
| Accounts receivable | <u>1,769</u> | <u>3,221</u> |
| Total current assets | <u>17,719</u> | <u>14,780</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 33,848 | 33,848 |
| Utility system | 437,341 | 437,341 |
| Equipment | 1,871 | 1,871 |
| Less accumulated depreciation | <u>(172,157)</u> | <u>(161,339)</u> |
| Total capital assets (net of accumulated depreciation) | <u>300,903</u> | <u>311,721</u> |
| Total assets | <u>318,622</u> | <u>326,501</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 174 | 108 |
| Accrued payroll | - | 103 |
| Deferred revenue | <u>396</u> | <u>192</u> |
| Total current liabilities | <u>570</u> | <u>403</u> |
| NET ASSETS | | |
| Invested in capital assets | 300,903 | 311,721 |
| Unrestricted | <u>17,149</u> | <u>14,377</u> |
| Total net assets | <u>\$ 318,052</u> | <u>\$ 326,098</u> |

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS**

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|-------------------------------|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 20,674 | \$ 24,509 |
| OPERATING EXPENSES | | |
| Personal services | 1,486 | 2,801 |
| Materials and services | 16,599 | 15,937 |
| Capital outlay (depreciation) | <u>10,816</u> | <u>10,816</u> |
| Total operating expenses | <u>28,901</u> | <u>29,554</u> |
| Operating loss | (8,227) | (5,045) |
| NONOPERATING REVENUES | | |
| Interest earned | <u>181</u> | <u>234</u> |
| Change in net assets | (8,046) | (4,811) |
| Net assets - beginning | <u>326,098</u> | <u>330,909</u> |
| Net assets - ending | <u>\$ 318,052</u> | <u>\$ 326,098</u> |

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 22,332 | \$ 22,991 |
| Payments to suppliers | (16,510) | (16,862) |
| Payroll costs | <u>(1,589)</u> | <u>(2,801)</u> |
| Net cash provided by operating activities | <u>4,233</u> | <u>3,328</u> |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>181</u> | <u>234</u> |
| | | |
| Net increase | 4,414 | 3,562 |
| Cash and investments - beginning | <u>10,722</u> | <u>7,160</u> |
| Cash and investments - ending | <u>\$ 15,136</u> | <u>\$ 10,722</u> |
| | | |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (8,227) | \$ (5,045) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 10,816 | 10,816 |
| Change in assets and liabilities: | | |
| Receivables | 1,453 | (1,654) |
| Prepays | 23 | (837) |
| Deferred revenues | 205 | 136 |
| Payables | <u>(37)</u> | <u>(88)</u> |
| Net cash provided (used) by operating activities | <u>\$ 4,233</u> | <u>\$ 3,328</u> |

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
(ACCUMULATED DEFICIT)

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|---------------|--|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 23,190 | \$ (2,516) | \$ 20,674 | \$ - | \$ 20,674 |
| Miscellaneous | <u>500</u> | <u>(319)</u> | <u>181</u> | <u>-</u> | <u>181</u> |
| Total revenues | <u>23,690</u> | <u>(2,835)</u> | <u>20,855</u> | <u>-</u> | <u>20,855</u> |
| EXPENSES | | | | | |
| Personal services | 3,151 | 1,563 | 1,588 | (102) | 1,486 |
| Materials and services | 20,102 | 3,503 | 16,599 | - | 16,599 |
| Capital outlay (depreciation) | - | - | - | 10,816 | 10,816 |
| Other - contingency | <u>14,007</u> | <u>14,007</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenses | <u>37,260</u> | <u>19,073</u> | <u>18,187</u> | <u>10,714</u> | <u>28,901</u> |
| Excess (deficiency) of revenues over expenses | (13,570) | 16,238 | 2,668 | (10,714) | (8,046) |
| Net assets - beginning | <u>13,570</u> | <u>808</u> | <u>14,378</u> | <u>311,720</u> | <u>326,098</u> |
| Net assets - ending | <u>\$ -</u> | <u>\$ 17,046</u> | <u>\$ 17,046</u> | <u>\$ 301,006</u> | <u>\$ 318,052</u> |

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

| ASSETS | <u>2004</u> | <u>2003</u> |
|--|-------------------|-------------------|
| Current assets: | | |
| Cash and investments | \$ 543 | \$ 2,818 |
| Accounts receivable | <u>1,955</u> | <u>3,252</u> |
| Total current assets | <u>2,498</u> | <u>6,070</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Utility system | 250,000 | 250,000 |
| Equipment | 1,871 | 1,871 |
| Less accumulated depreciation | <u>(90,561)</u> | <u>(80,374)</u> |
| Total capital assets (net of accumulated depreciation) | <u>161,310</u> | <u>171,497</u> |
| Total assets | <u>163,808</u> | <u>177,567</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 488 | 619 |
| Deferred revenue | <u>124</u> | <u>-</u> |
| Total current liabilities | <u>612</u> | <u>619</u> |
| NET ASSETS | | |
| Invested in capital assets | 161,310 | 171,497 |
| Unrestricted | <u>1,886</u> | <u>5,451</u> |
| Total net assets | <u>\$ 163,196</u> | <u>\$ 176,948</u> |

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS**

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|-------------------------------|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 25,382 | \$ 26,145 |
| OPERATING EXPENSES | | |
| Materials and services | 28,981 | 25,364 |
| Capital outlay (depreciation) | <u>10,187</u> | <u>10,187</u> |
| Total operating expenses | <u>39,168</u> | <u>35,551</u> |
| Operating loss | <u>(13,786)</u> | <u>(9,406)</u> |
| NONOPERATING REVENUES | | |
| Interest income | <u>34</u> | <u>104</u> |
| Change in net assets | (13,752) | (9,302) |
| Net assets - beginning | <u>176,948</u> | <u>186,250</u> |
| Net assets - ending | <u>\$ 163,196</u> | <u>\$ 176,948</u> |

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|-------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 26,803 | \$ 25,099 |
| Payments to suppliers | <u>(29,112)</u> | <u>(25,699)</u> |
| Net cash provided by operating activities | <u>(2,309)</u> | <u>(600)</u> |
| | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>34</u> | <u>104</u> |
| | | |
| Net increase | (2,275) | (496) |
| | | |
| Cash and investments - beginning | <u>2,818</u> | <u>3,314</u> |
| | | |
| Cash and investments - ending | <u>\$ 543</u> | <u>\$ 2,818</u> |
| | | |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (13,786) | \$ (9,406) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 10,187 | 10,187 |
| Change in assets and liabilities: | | |
| Receivables | 1,297 | (889) |
| Prepays | - | 56 |
| Deferred revenues | 124 | (157) |
| Payables | <u>(131)</u> | <u>(391)</u> |
| | | |
| Net cash provided (used) by operating activities | <u>\$ (2,309)</u> | <u>\$ (600)</u> |

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL

For the Year Ended June 30, 2004

| | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|----------------|---|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 25,356 | \$ 26 | \$ 25,382 | \$ - | \$ 25,382 |
| Miscellaneous | <u>200</u> | <u>(166)</u> | <u>34</u> | <u>-</u> | <u>34</u> |
| Total revenues | <u>25,556</u> | <u>(140)</u> | <u>25,416</u> | <u>-</u> | <u>25,416</u> |
| EXPENSES | | | | | |
| Materials and services | 27,650 | (1,198) | 28,848 | 133 | 28,981 |
| Capital outlay (depreciation) | 1,000 | 867 | 133 | 10,054 | 10,187 |
| Operating - contingency | <u>3,906</u> | <u>3,906</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenses | <u>32,556</u> | <u>3,575</u> | <u>28,981</u> | <u>10,187</u> | <u>39,168</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>(7,000)</u> | <u>3,435</u> | <u>(3,565)</u> | <u>(10,187)</u> | <u>(13,752)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 3,204 | - | 3,204 | (3,204) | - |
| Transfer out | <u>(3,204)</u> | <u>-</u> | <u>(3,204)</u> | <u>3,204</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenses and other financing sources (uses) | <u>(7,000)</u> | <u>3,435</u> | <u>(3,565)</u> | <u>(10,187)</u> | <u>(13,752)</u> |
| Net assets - beginning | <u>7,000</u> | <u>(1,549)</u> | <u>5,451</u> | <u>171,497</u> | <u>176,948</u> |
| Net assets - ending | <u>\$ -</u> | <u>\$ 1,886</u> | <u>\$ 1,886</u> | <u>\$ 161,310</u> | <u>\$ 163,196</u> |

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

| ASSETS | <u>2004</u> | <u>2003</u> |
|---|---------------------|------------------|
| Current assets: | | |
| Cash and investments | \$ - | \$ 9,449 |
| Accounts receivables | 1,640 | - |
| Due from other governments | <u>114,898</u> | <u>14,434</u> |
| Total current assets | <u>116,538</u> | <u>23,883</u> |
| Noncurrent assets: | | |
| Work in progress | - | 74,428 |
| Sewer system | 1,638,274 | - |
| Accumulated depreciation | <u>(5,461)</u> | <u>-</u> |
| Total noncurrent assets | <u>1,632,813</u> | <u>74,428</u> |
| Total assets | <u>1,749,351</u> | <u>98,311</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 116,156 | 24,744 |
| Loans payable | 239,000 | - |
| Deferred revenue | <u>80</u> | <u>-</u> |
| Total liabilities | <u>355,236</u> | <u>24,744</u> |
| NET ASSETS | | |
| Invested in capital assets, net of related debt | 1,277,657 | 49,684 |
| Unrestricted | <u>116,458</u> | <u>23,883</u> |
| Total net assets | <u>\$ 1,394,115</u> | <u>\$ 73,567</u> |

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS**

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|------------------------------|---------------------|------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 6,760 | \$ - |
| OPERATING EXPENSES | | |
| Materials and services | 6,824 | - |
| Depreciation | <u>5,461</u> | <u>-</u> |
| Total operating expenses | <u>12,285</u> | <u>-</u> |
| Operating loss | (5,525) | - |
| NONOPERATING REVENUES | | |
| Intergovernmental | 1,325,372 | 73,948 |
| Interest income | <u>701</u> | <u>41</u> |
| Change in net assets | 1,320,548 | 73,989 |
| Net assets - beginning | <u>73,567</u> | <u>-</u> |
| Net assets - ending | <u>\$ 1,394,115</u> | <u>\$ 73,989</u> |

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|--------------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Charges for services | \$ 5,200 | \$ - |
| Payments to suppliers | <u>84,588</u> | <u>(422)</u> |
| Net cash provided by (used for) operating activities | <u>89,788</u> | <u>(422)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Grant proceeds | 1,224,908 | 59,514 |
| Loans received | 478,000 | - |
| Loans repaid | (239,000) | - |
| Increase in fixed assets | <u>(1,563,846)</u> | <u>(49,684)</u> |
| Net cash used in capital and related financing activities | <u>(99,938)</u> | <u>9,830</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>701</u> | <u>41</u> |
| Net increase (decrease) | (9,449) | 9,449 |
| Cash and investments - beginning | <u>9,449</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ 9,449</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (5,525) | \$ (422) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | 5,461 | - |
| Change in assets and liabilities: | | |
| Receivables | (1,640) | - |
| Deferred revenues | 80 | - |
| Payables | <u>91,412</u> | <u>-</u> |
| Net cash provided (used) by operating activities | <u>\$ 89,788</u> | <u>\$ (422)</u> |

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS -
BUDGET AND ACTUAL

For the Year Ended June 30, 2004

| | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|------------------|---|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 13,973 | \$ (7,213) | \$ 6,760 | \$ - | \$ 6,760 |
| Intergovernmental | 1,359,900 | (34,528) | 1,325,372 | - | 1,325,372 |
| Interest | <u>-</u> | <u>701</u> | <u>701</u> | <u>-</u> | <u>701</u> |
| Total revenues | <u>1,373,873</u> | <u>(41,040)</u> | <u>1,332,833</u> | <u>-</u> | <u>1,332,833</u> |
| EXPENSES | | | | | |
| Materials and services | 213,973 | 72,378 | 141,595 | (134,771) | 6,824 |
| Capital outlay | 1,159,900 | (260,191) | 1,420,091 | (1,420,091) | - |
| Depreciation | - | - | - | 5,461 | 5,461 |
| Operating contingency | <u>53,830</u> | <u>53,830</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenses | <u>1,427,703</u> | <u>(133,983)</u> | <u>1,561,686</u> | <u>(1,549,401)</u> | <u>12,285</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>(53,830)</u> | <u>(175,023)</u> | <u>(228,853)</u> | <u>1,549,401</u> | <u>1,320,548</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Loans received | 300,000 | 178,000 | 478,000 | (478,000) | - |
| Loans repaid | <u>(246,170)</u> | <u>(1,814)</u> | <u>(247,984)</u> | <u>247,984</u> | <u>-</u> |
| Total other financing sources (uses) | <u>53,830</u> | <u>176,186</u> | <u>230,016</u> | <u>(230,016)</u> | <u>-</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | - | 1,163 | 1,163 | 1,319,385 | 1,320,548 |
| Net assets - beginning | <u>-</u> | <u>(861)</u> | <u>(861)</u> | <u>74,428</u> | <u>73,567</u> |
| Net assets - ending | <u>\$ -</u> | <u>\$ 302</u> | <u>\$ 302</u> | <u>\$ 1,393,813</u> | <u>\$1,394,115</u> |

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

| ASSETS | <u>2004</u> | <u>2003</u> |
|--|-------------------|-------------------|
| Current assets: | | |
| Cash and investments | \$ 13,094 | \$ 17,606 |
| Noncurrent assets: | | |
| Capital assets | | |
| Buildings | 90,022 | 90,022 |
| Other improvements | 39,245 | 39,245 |
| Less accumulated depreciation | <u>(26,512)</u> | <u>(21,966)</u> |
| Total capital assets (net of accumulated depreciation) | <u>102,755</u> | <u>107,301</u> |
| Total assets | <u>115,849</u> | <u>124,907</u> |
| NET ASSETS | | |
| Invested in capital assets net of related debt | 102,755 | 107,301 |
| Unrestricted | <u>13,094</u> | <u>17,606</u> |
| Total net assets | <u>\$ 115,849</u> | <u>\$ 124,907</u> |

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS**

For the Year Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 37,098 | \$ 37,770 |
| OPERATING EXPENSES | | |
| Materials and services | 3,030 | 2,028 |
| Depreciation | <u>4,546</u> | <u>4,597</u> |
| Total operating expenses | <u>7,576</u> | <u>6,625</u> |
| Operating income | 29,522 | 31,145 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Donations received | - | - |
| Interest revenue | <u>282</u> | <u>725</u> |
| Income before operating transfers | 29,804 | 31,870 |
| Operating transfers out | <u>(38,862)</u> | <u>(51,355)</u> |
| Change in net assets | (9,058) | (19,485) |
| Net assets - beginning | <u>124,907</u> | <u>144,392</u> |
| Net assets - ending | <u>\$ 115,849</u> | <u>\$ 124,907</u> |

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 37,098 | \$ 37,770 |
| Payments to suppliers | <u>(3,030)</u> | <u>(2,028)</u> |
| Net cash provided by operating activities | <u>34,068</u> | <u>35,742</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating transfers out | <u>(38,862)</u> | <u>(51,355)</u> |
| Net cash provided by (used for) capital and related financing activities | <u>(38,862)</u> | <u>(51,355)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>282</u> | <u>725</u> |
| Net increase | (4,512) | (14,888) |
| Cash and investments - beginning | <u>17,606</u> | <u>32,494</u> |
| Cash and investments - ending | <u>\$ 13,094</u> | <u>\$ 17,606</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 29,522 | \$ 31,145 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation expense | <u>4,546</u> | <u>4,597</u> |
| Net cash provided (used) by operating activities | <u>\$ 34,068</u> | <u>\$ 35,742</u> |

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Actual</u> | | |
|---|------------------|--|-------------------------|-----------------------------|-----------------------|
| | | | <u>Budget Basis</u> | <u>GAAP Adjustments</u> | <u>GAAP Basis</u> |
| REVENUES | | | | | |
| Charges for services | \$ 38,451 | \$ (1,353) | \$ 37,098 | \$ - | \$ 37,098 |
| Miscellaneous | <u>2,000</u> | <u>(1,718)</u> | <u>282</u> | <u>-</u> | <u>282</u> |
| Total revenues | <u>40,451</u> | <u>(3,071)</u> | <u>37,380</u> | <u>-</u> | <u>37,380</u> |
| EXPENSES | | | | | |
| Materials and services | 3,572 | 542 | 3,030 | - | 3,030 |
| Capital outlay (depreciation) | <u>-</u> | <u>-</u> | <u>-</u> | <u>4,546</u> | <u>4,546</u> |
| Total expenses | <u>3,572</u> | <u>542</u> | <u>3,030</u> | <u>4,546</u> | <u>7,576</u> |
| Excess (deficiency) of revenues over (under) expenses | 36,879 | (2,529) | 34,350 | (4,546) | 29,804 |
| OTHER FINANCING (USES) | | | | | |
| Operating transfers out | <u>(38,862)</u> | <u>-</u> | <u>(38,862)</u> | <u>-</u> | <u>(38,862)</u> |
| Excess (deficiency) of revenues over (under) expenses and other uses | (1,983) | (2,529) | (4,512) | (4,546) | (9,058) |
| Net assets - beginning | <u>14,005</u> | <u>3,601</u> | <u>17,606</u> | <u>107,301</u> | <u>124,907</u> |
| Net assets - ending | <u>\$ 12,022</u> | <u>\$ 1,072</u> | <u>\$ 13,094</u> | <u>\$ 102,755</u> | <u>\$ 115,849</u> |

INTERNAL SERVICE FUNDS

Intergovernmental Service Fund – To account for the rental of county space, costs of fleet services, personal computer support, and 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.

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

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

June 30, 2004

| | <u>Intergovernmental Service</u> | <u>Management Service</u> | <u>Employee Benefits Trust</u> | <u>Totals</u> |
|---|--------------------------------------|-------------------------------|------------------------------------|--------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 1,222,594 | \$ 196,260 | \$ 482,493 | \$ 1,901,347 |
| Accounts receivable | 87,377 | - | - | 87,377 |
| Inventories | 107,231 | - | - | 107,231 |
| Deposits receivable | 5,000 | - | - | 5,000 |
| Note receivable | 35,665 | - | - | 35,665 |
| Prepaid expenses | <u>13,298</u> | <u>20,002</u> | - | <u>33,300</u> |
| Total current assets | <u>1,471,165</u> | <u>216,262</u> | <u>482,493</u> | <u>2,169,920</u> |
| Noncurrent assets: | | | | |
| Prepaid pension assets | 861,874 | 1,053,401 | - | 1,915,275 |
| Accumulated amortization | <u>(6,291)</u> | <u>(7,688)</u> | - | <u>(13,979)</u> |
| Net prepaid pension assets | <u>855,583</u> | <u>1,045,713</u> | - | <u>1,901,296</u> |
| Capital assets: | | | | |
| Land | 412,579 | - | - | 412,579 |
| Land improvements | 39,308 | - | - | 39,308 |
| Buildings | 10,258,210 | - | - | 10,258,210 |
| Machinery and equipment | 5,659,917 | 482,680 | - | 6,142,597 |
| Work in progress | 14,948 | - | - | 14,948 |
| Less accumulated depreciation | <u>(7,780,457)</u> | <u>(57,265)</u> | - | <u>(7,837,722)</u> |
| Total capital assets (net of accumulated depreciation) | <u>8,604,505</u> | <u>425,415</u> | - | <u>9,029,920</u> |
| Total noncurrent assets | <u>9,460,088</u> | <u>1,471,128</u> | - | <u>10,931,216</u> |
| Total assets | <u>10,931,253</u> | <u>1,687,390</u> | <u>482,493</u> | <u>13,101,136</u> |

(Continued)

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

June 30, 2004

(Continued)

| | <u>Intergovernmental Service</u> | <u>Management Service</u> | <u>Employee Benefits Trust</u> | <u>Totals</u> |
|---|--------------------------------------|-------------------------------|------------------------------------|----------------------|
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | \$ 145,445 | \$ 24,435 | \$ 28,753 | \$ 198,633 |
| Payroll payable | 37,054 | 51,815 | - | 88,869 |
| Deposits payable | 560 | - | - | 560 |
| Notes payable | 26,164 | - | - | 26,164 |
| Leases payable | 15,690 | - | - | 15,690 |
| Accrued compensated absences | <u>22,922</u> | <u>43,565</u> | - | <u>66,487</u> |
| Total current liabilities | <u>247,835</u> | <u>119,815</u> | <u>28,753</u> | <u>396,403</u> |
| Long-term liabilities: | | | | |
| PERS bonds payable | 858,625 | 1,049,430 | - | 1,908,055 |
| Notes payable | 8,619 | - | - | 8,619 |
| Leases payable | 9,617 | - | - | 9,617 |
| Accrued compensated absences | <u>188,834</u> | <u>105,828</u> | - | <u>294,662</u> |
| Total long-term liabilities | <u>1,065,695</u> | <u>1,155,258</u> | - | <u>2,220,953</u> |
| Total liabilities | <u>1,313,530</u> | <u>1,275,073</u> | <u>28,753</u> | <u>2,617,356</u> |
| NET ASSETS | | | | |
| Invested in capital net of related debt | 8,579,198 | 425,415 | - | 9,004,613 |
| Unrestricted | <u>1,038,525</u> | <u>(13,098)</u> | <u>453,740</u> | <u>1,479,167</u> |
| Total net assets | <u>\$ 9,617,723</u> | <u>\$ 412,317</u> | <u>\$ 453,740</u> | <u>\$ 10,483,780</u> |

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

For the Year Ended June 30, 2004

| | Intergovernmental Service | Management Service | Employee Benefits Trust | Totals |
|--|------------------------------|-----------------------|----------------------------|--------------|
| OPERATING REVENUES | | | | |
| Charges for sales and services | | | | |
| Charges for services | \$ 2,441,380 | \$ 1,849,906 | \$ 486,432 | \$ 4,777,718 |
| Space rental | 1,176,424 | - | - | 1,176,424 |
| Sale of materials | 334,526 | - | - | 334,526 |
| Miscellaneous | 11,207 | 20,466 | 6,738 | 38,411 |
| Total operating revenues | 3,963,537 | 1,870,372 | 493,170 | 6,327,079 |
| OPERATING EXPENSES | | | | |
| Personal services | 1,012,579 | 1,336,441 | 90,719 | 2,439,739 |
| Materials and services | 1,934,467 | 724,100 | 227,908 | 2,886,475 |
| Depreciation/amortization | 647,945 | 52,932 | - | 700,877 |
| Total operating expenses | 3,594,991 | 2,113,473 | 318,627 | 6,027,091 |
| Operating income | 368,546 | (243,101) | 174,543 | 299,988 |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Interest expense | (5,190) | - | - | (5,190) |
| Investment earnings | 4,978 | 1,108 | 5,543 | 11,629 |
| Income before contributions and transfers | 368,334 | (241,993) | 180,086 | 306,427 |
| Transfers in | 1,231 | 251,780 | 48,494 | 301,505 |
| Transfers out | (121,721) | (42,990) | - | (164,711) |
| Change in net assets | 247,844 | (33,203) | 228,580 | 443,221 |
| Net assets - beginning | 9,369,879 | 445,520 | 225,160 | 10,040,559 |
| Net assets - ending | \$ 9,617,723 | \$ 412,317 | \$ 453,740 | \$10,483,780 |

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2004

| | Intergovernmental | Management | Employee | |
|---|---------------------|--------------------|-----------------------|--------------------|
| | <u>Service</u> | <u>Service</u> | <u>Benefits Trust</u> | <u>Totals</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 3,922,001 | \$ 1,870,691 | \$ 493,942 | \$6,286,634 |
| Payments to suppliers | (1,899,435) | (736,898) | (294,335) | (2,930,668) |
| Payroll costs | <u>(1,018,591)</u> | <u>(1,305,024)</u> | <u>(92,263)</u> | <u>(2,415,878)</u> |
| Net cash provided (used) by operating activities | <u>1,003,975</u> | <u>(171,231)</u> | <u>107,344</u> | <u>940,088</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Principal paid on non-capital debt | (43,547) | (1,505) | - | (45,052) |
| Operating transfers out | (121,721) | (42,990) | - | (164,711) |
| Operating transfers in | 1,231 | 251,780 | 48,494 | 301,505 |
| Prior period adjustments | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided (used) by noncapital financing activities | <u>(164,037)</u> | <u>207,285</u> | <u>48,494</u> | <u>91,742</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Decrease in fixed assets | 41,317 | - | - | 41,317 |
| Increase in fixed assets | (651,110) | (9,572) | - | (660,682) |
| Principal paid on capital debt | - | - | - | - |
| Interest paid on capital debt | <u>(5,190)</u> | <u>-</u> | <u>-</u> | <u>(5,190)</u> |
| Net cash (used) by capital and related financing activities | <u>(614,983)</u> | <u>(9,572)</u> | <u>-</u> | <u>(624,555)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest | 4,978 | 1,108 | 5,543 | 11,629 |
| Principal received on outstanding loans | <u>26,164</u> | <u>-</u> | <u>-</u> | <u>26,164</u> |
| Net cash from investing activities | <u>31,142</u> | <u>1,108</u> | <u>5,543</u> | <u>37,793</u> |
| Net increase (decrease) in cash and investments | 256,097 | 27,590 | 161,381 | 445,068 |
| Cash and investments - beginning | <u>966,497</u> | <u>168,670</u> | <u>321,112</u> | <u>1,456,279</u> |
| Cash and investments - ending | <u>\$ 1,222,594</u> | <u>\$ 196,260</u> | <u>\$ 482,493</u> | <u>\$1,901,347</u> |

(Continued)

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2004

(Continued)

| | Internal Service Funds | | | Totals |
|---|------------------------------|-----------------------|----------------------------|------------|
| | Intergovernmental Service | Management Service | Employee Benefits Trust | |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Operating income (loss) | \$ 368,546 | \$ (243,101) | \$ 174,543 | \$ 299,988 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation/amortization expense | 647,945 | 52,932 | - | 700,877 |
| Change in assets and liabilities: | | | | |
| Receivables | (41,536) | 319 | 772 | (40,445) |
| Inventories | (14,829) | - | - | (14,829) |
| Prepays | (11,283) | (17,274) | - | (28,557) |
| Compensated absences | (760) | 28,066 | - | 27,306 |
| Payables | 55,892 | 7,827 | (67,971) | (4,252) |
| Net cash provided (used) by operating activities | \$ 1,003,975 | \$ (171,231) | \$ 107,344 | \$ 940,088 |

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND
COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

| | 2004 | 2003 |
|--|--------------|-------------|
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 1,222,594 | \$ 966,497 |
| Accounts receivable | 87,377 | 45,842 |
| Inventories | 107,231 | 92,402 |
| Prepaid expenses | 13,298 | 2,015 |
| Deposit receivable | 5,000 | 5,000 |
| Note receivable | 35,665 | 61,829 |
| Total current assets | 1,471,165 | 1,173,585 |
| Noncurrent assets: | | |
| Prepaid pension asset | 861,874 | 524,824 |
| Accumulated amortization | (6,291) | (2,018) |
| Net prepaid pension assets | 855,583 | 522,806 |
| Capital assets: | | |
| Land | 412,579 | 412,579 |
| Land improvements | 39,308 | 39,308 |
| Buildings | 10,258,210 | 9,979,961 |
| Equipment | 5,659,917 | 5,496,511 |
| Work in progress | 14,948 | 32,561 |
| Less accumulated depreciation | (7,780,457) | (7,322,537) |
| Total capital assets (net of accumulated depreciation) | 8,604,505 | 8,638,383 |
| Total assets | 10,931,253 | 10,334,774 |

(Continued)

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND
COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

(Continued)

| | 2004 | 2003 |
|---|--------------|--------------|
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | \$ 145,445 | \$ 84,301 |
| Accrued payroll | 37,054 | 42,306 |
| Deposits | 560 | 560 |
| Leases payable | 15,690 | 14,725 |
| Current portion of notes payable | 26,164 | 27,592 |
| Accrued compensated absences | 22,922 | 24,846 |
| Total current liabilities | 247,835 | 194,330 |
| Long-term liabilities: | | |
| Pension bonds payable | 858,625 | 522,806 |
| Leases payable, net of current portion | 9,617 | 25,307 |
| Notes payable, net of current portion | 8,619 | 34,782 |
| Accrued compensated absences | 188,834 | 187,670 |
| Total long-term liabilities | 1,065,695 | 770,565 |
| Total liabilities | 1,313,530 | 964,895 |
| NET ASSETS | | |
| Invested in capital net of related debt | 8,579,198 | 8,598,351 |
| Unrestricted | 1,038,525 | 771,528 |
| Total net assets | \$ 9,617,723 | \$ 9,369,879 |

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS**

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|---------------------|---------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 2,441,380 | \$ 2,199,970 |
| Space rental | 1,176,424 | 1,284,906 |
| Sale of materials | 334,526 | 321,823 |
| Miscellaneous | <u>11,207</u> | <u>1,630</u> |
| Total operating revenue | <u>3,963,537</u> | <u>3,808,329</u> |
| OPERATING EXPENSES | | |
| Personal services | 1,012,579 | 1,064,428 |
| Materials and services | 1,934,467 | 2,048,546 |
| Depreciation | 643,672 | 745,551 |
| Amortization | <u>4,273</u> | <u>2,018</u> |
| Total operating expenses | <u>3,594,991</u> | <u>3,860,543</u> |
| Operating income | <u>368,546</u> | <u>(52,214)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest revenue | 4,978 | 5,941 |
| Interest expense | <u>(5,190)</u> | <u>(7,496)</u> |
| Net nonoperating revenues | <u>(212)</u> | <u>(1,555)</u> |
| Income (loss) before transfers | <u>368,334</u> | <u>(53,769)</u> |
| TRANSFERS | | |
| Transfers in | 1,231 | 8,000 |
| Transfers out | <u>(121,721)</u> | <u>(176,713)</u> |
| Net transfers | <u>(120,490)</u> | <u>(168,713)</u> |
| Change in net assets | 247,844 | (222,482) |
| Net assets - beginning | 9,369,879 | 9,557,361 |
| Prior period adjustments | <u>-</u> | <u>35,000</u> |
| Net assets - ending | <u>\$ 9,617,723</u> | <u>\$ 9,369,879</u> |

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2004 and 2003

| | 2004 | 2003 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 3,922,001 | \$ 3,785,548 |
| Payments to suppliers | (1,899,435) | (2,071,587) |
| Payroll costs | (1,018,591) | (1,010,931) |
| Net cash provided (used) by operating activities | 1,003,975 | 703,030 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on non-capital debt | (43,547) | (25,866) |
| Operating transfers out | (121,721) | (176,713) |
| Operating transfers in | 1,231 | 8,000 |
| Prior period adjustment | - | 35,000 |
| Net cash provided (used) by noncapital financing activities | (164,037) | (159,579) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Decrease in fixed assets | 41,317 | 39,273 |
| Increase in fixed assets | (651,110) | (561,448) |
| Principal paid on capital debt | - | (13,162) |
| Interest paid on capital debt | (5,190) | (7,496) |
| Net cash used by capital and related financing activities | (614,983) | (542,833) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest | 4,978 | 5,941 |
| Principal received on outstanding loans | 26,164 | 26,029 |
| Net cash from investing activities | 31,142 | 31,970 |
| Net increase (decrease) in cash and investments | 256,097 | 32,588 |
| Cash and investments - beginning | 966,497 | 933,909 |
| Cash and investments - ending | \$ 1,222,594 | \$ 966,497 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 368,546 | \$ (52,214) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 647,945 | 747,569 |
| Change in assets and liabilities: | | |
| Receivables | (41,536) | (22,781) |
| Inventories | (14,829) | 19,355 |
| Prepays | (11,283) | 12,793 |
| Compensated absences | (760) | 68,878 |
| Payables | 55,892 | (70,570) |
| Net cash provided (used) by operating activities | \$ 1,003,975 | \$ 703,030 |

BENTON COUNTY, OREGON

INTERNAL SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 2004

| | Budget | Variance Favorable (Unfavorable) | Actual | | GAAP Basis |
|--|------------------|--|------------------|---------------------|------------------|
| | | | Budget Basis | GAAP Adjustments | |
| REVENUES | | | | | |
| Charges for services | \$3,594,423 | \$ 23,381 | \$3,617,804 | \$ - | \$3,617,804 |
| Sale of materials & equipment | 495,700 | (148,029) | 347,671 | (13,145) | 334,526 |
| Miscellaneous | 5,000 | 8,260 | 13,260 | - | 13,260 |
| Total revenues | 4,095,123 | (116,388) | 3,978,735 | (13,145) | 3,965,590 |
| EXPENSES | | | | | |
| Personal services | 1,101,552 | 55,530 | 1,046,022 | (33,443) | 1,012,579 |
| Materials and services | 2,113,937 | 128,942 | 1,984,995 | (50,528) | 1,934,467 |
| Capital outlay | 906,084 | 316,826 | 589,258 | (589,258) | - |
| Depreciation and amortization | - | - | - | 647,945 | 647,945 |
| Debt service | 30,659 | - | 30,659 | (25,469) | 5,190 |
| Operating - contingency | 135,055 | 135,055 | - | - | - |
| Total expenses | 4,287,287 | 636,353 | 3,650,934 | (50,753) | 3,600,181 |
| Excess (deficiency) of revenues over (under) expenses | (192,164) | 519,965 | 327,801 | 37,608 | 365,409 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | (89,040) | 2 | (89,038) | (32,683) | (121,721) |
| Transfers in | - | - | - | 1,231 | 1,231 |
| Loans repayment | 30,659 | (1,571) | 29,088 | (26,163) | 2,925 |
| Total other financing sources (uses) | (58,381) | (1,569) | (59,950) | (57,615) | (117,565) |
| Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses | (250,545) | 518,396 | 267,851 | (20,007) | 247,844 |
| Net assets - beginning | 650,216 | 377,911 | 1,028,127 | 8,341,752 | 9,369,879 |
| Net assets - ending | \$ 399,671 | \$ 896,307 | \$1,295,978 | \$ 8,321,745 | \$9,617,723 |

BENTON COUNTY, OREGON
MANAGEMENT SERVICE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|-------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 196,260 | \$ 168,670 |
| Accounts receivable | - | 319 |
| Prepaid expenses | <u>20,002</u> | <u>2,728</u> |
| Total current assets | <u>216,262</u> | <u>171,717</u> |
| Noncurrent assets: | | |
| Prepaid pension assets | 1,053,401 | 641,451 |
| Accumulated amortization | <u>(7,688)</u> | <u>(2,466)</u> |
| Net prepaid pension assets | <u>1,045,713</u> | <u>638,985</u> |
| Capital assets: | | |
| Equipment | 482,680 | 473,108 |
| Accumulated depreciation | <u>(57,265)</u> | <u>(9,556)</u> |
| Net fixed assets | <u>425,415</u> | <u>463,552</u> |
| Total assets | <u>1,687,390</u> | <u>635,269</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 24,435 | 19,958 |
| Accrued payroll | 51,815 | 48,467 |
| Accrued compensated absences | <u>43,565</u> | <u>27,142</u> |
| Total current liabilities | <u>119,815</u> | <u>95,567</u> |
| Long-term liabilities: | | |
| Pension bonds payable | 1,049,430 | 638,985 |
| Accrued compensated absences | <u>105,828</u> | <u>94,182</u> |
| Total long-term liabilities | <u>1,155,258</u> | <u>733,167</u> |
| Total liabilities | <u>1,275,073</u> | <u>828,734</u> |
| NET ASSETS | | |
| Invested in capital net of related debt | 425,415 | 463,552 |
| Unrestricted | <u>(13,098)</u> | <u>(18,032)</u> |
| Total net assets | <u>\$ 412,317</u> | <u>\$ 445,520</u> |

BENTON COUNTY, OREGON

MANAGEMENT SERVICE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS**

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|------------------------------|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 1,849,906 | \$ 1,771,313 |
| Miscellaneous revenues | <u>20,466</u> | <u>7,066</u> |
| Total operating revenues | <u>1,870,372</u> | <u>1,778,379</u> |
| OPERATING EXPENSES | | |
| Personal services | 1,336,441 | 1,342,855 |
| Materials and services | 724,100 | 762,905 |
| Amortization | 5,222 | - |
| Depreciation | <u>47,710</u> | <u>5,378</u> |
| Total operating expenses | <u>2,113,473</u> | <u>2,111,138</u> |
| Operating loss | <u>(243,101)</u> | <u>(332,759)</u> |
| NONOPERATING REVENUES | | |
| Interest revenue | <u>1,108</u> | <u>1,900</u> |
| Income before transfers | <u>(241,993)</u> | <u>(330,859)</u> |
| TRANSFERS | | |
| Capital transfer in | - | 467,448 |
| Transfers in | 251,780 | 178,281 |
| Transfers out | <u>(42,990)</u> | <u>(40,475)</u> |
| Net transfers | <u>208,790</u> | <u>605,254</u> |
| Change in net assets | (33,203) | 274,395 |
| Net assets - beginning | 445,520 | 214,652 |
| Prior period adjustment | <u>-</u> | <u>(43,527)</u> |
| Net assets - ending | <u>\$ 412,317</u> | <u>\$ 445,520</u> |

BENTON COUNTY, OREGON

MANAGEMENT SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 1,870,691 | \$ 1,778,331 |
| Payments to suppliers | (736,898) | (779,137) |
| Payroll costs | <u>(1,305,024)</u> | <u>(1,293,325)</u> |
| Net cash provided (used) by operating activities | <u>(171,231)</u> | <u>(294,131)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on non-capital debt | (1,505) | - |
| Operating transfers out | (42,990) | (40,475) |
| Operating transfers in | <u>251,780</u> | <u>178,281</u> |
| Net cash provided by noncapital financing activities | <u>207,285</u> | <u>137,806</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Increase in fixed assets | <u>(9,572)</u> | - |
| Net cash used by capital and related financing activities | <u>(9,572)</u> | - |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest | <u>1,108</u> | <u>1,900</u> |
| Net cash from investing activities | <u>1,108</u> | <u>1,900</u> |
| Net increase (decrease) in cash and investments | 27,590 | (154,425) |
| Cash and investments - beginning | <u>168,670</u> | <u>323,095</u> |
| Cash and investments - ending | <u>\$ 196,260</u> | <u>\$ 168,670</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ (243,101) | \$ (332,759) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation/amortization expense | 52,932 | 5,378 |
| Change in assets and liabilities: | | |
| Receivables | 319 | (48) |
| Prepays | (17,274) | (2,251) |
| Compensated absences | 28,066 | 64,238 |
| Payables | <u>7,827</u> | <u>(28,689)</u> |
| Net cash provided (used) by operating activities | <u>\$ (171,231)</u> | <u>\$ (294,131)</u> |

BENTON COUNTY, OREGON

MANAGEMENT SERVICE FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 2004

| | <u>Budget</u> | Variance Favorable (Unfavorable) | <u>Actual</u> | | |
|--|----------------------|--|-------------------------|-----------------------------|-----------------------|
| | | | <u>Budget Basis</u> | <u>GAAP Adjustments</u> | <u>GAAP Basis</u> |
| REVENUES | | | | | |
| Charges for services | \$ 1,910,022 | \$ (60,116) | \$ 1,849,906 | \$ - | \$ 1,849,906 |
| Interest earnings | 2,000 | (892) | 1,108 | - | 1,108 |
| Miscellaneous | - | 20,466 | 20,466 | - | 20,466 |
| Total revenues | <u>1,912,022</u> | <u>(40,542)</u> | <u>1,871,480</u> | <u>-</u> | <u>1,871,480</u> |
| EXPENSES | | | | | |
| Personal services | 1,344,934 | (3,080) | 1,348,014 | (11,573) | 1,336,441 |
| Materials and services | 785,100 | 51,429 | 733,671 | (9,571) | 724,100 |
| Capital outlay | 3,250 | 3,250 | - | - | - |
| Depreciation and amortization | - | - | - | 52,932 | 52,932 |
| Contingency | <u>75,000</u> | <u>75,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>2,208,284</u> | <u>126,599</u> | <u>2,081,685</u> | <u>31,788</u> | <u>2,113,473</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>(296,262)</u> | <u>86,057</u> | <u>(210,205)</u> | <u>(31,788)</u> | <u>(241,993)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 275,275 | (25,000) | 250,275 | 1,505 | 251,780 |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>(42,990)</u> | <u>(42,990)</u> |
| Total other financing sources (uses) | <u>275,275</u> | <u>(25,000)</u> | <u>250,275</u> | <u>(41,485)</u> | <u>208,790</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses | <u>(20,987)</u> | <u>61,057</u> | <u>40,070</u> | <u>(73,273)</u> | <u>(33,203)</u> |
| Net assets - beginning | <u>75,000</u> | <u>76,760</u> | <u>151,760</u> | <u>293,760</u> | <u>445,520</u> |
| Net assets - ending | <u>\$ 54,013</u> | <u>\$ 137,817</u> | <u>\$ 191,830</u> | <u>\$ 220,487</u> | <u>\$ 412,317</u> |

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

COMPARATIVE STATEMENTS OF NET ASSETS

June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|---------------------------|-------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and investments | \$ 482,493 | \$ 321,112 |
| Accounts receivable | <u>-</u> | <u>772</u> |
| Total current assets | <u>482,493</u> | <u>321,884</u> |
| Total assets | <u>482,493</u> | <u>321,884</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 28,753 | 95,180 |
| Accrued payroll taxes | <u>-</u> | <u>1,544</u> |
| Total current liabilities | <u>28,753</u> | <u>96,724</u> |
| Total liabilities | <u>28,753</u> | <u>96,724</u> |
| NET ASSETS | | |
| Unrestricted | <u>453,740</u> | <u>225,160</u> |
| Total net assets | <u>\$ 453,740</u> | <u>\$ 225,160</u> |

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET ASSETS**

For the Years Ended June 30, 2004 and 2003

| | <u>2004</u> | <u>2003</u> |
|------------------------------|-------------------|-------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 486,432 | \$ 340,377 |
| Miscellaneous revenues | <u>6,738</u> | <u>86,774</u> |
| Total revenues | <u>493,170</u> | <u>427,151</u> |
| OPERATING EXPENSES | | |
| Personal services | 90,719 | 179,861 |
| Materials and services | 227,908 | 385,265 |
| Depreciation | <u>-</u> | <u>-</u> |
| Total operating expenses | <u>318,627</u> | <u>565,126</u> |
| Operating income | <u>174,543</u> | <u>(137,975)</u> |
| NONOPERATING REVENUES | | |
| Interest revenue | <u>5,543</u> | <u>5,299</u> |
| Income before transfers | <u>180,086</u> | <u>(132,676)</u> |
| TRANSFERS | | |
| Transfers in | 48,494 | 125,000 |
| Transfers out | <u>-</u> | <u>(2,047)</u> |
| Net transfers | 48,494 | 122,953 |
| Change in net assets | 228,580 | (9,723) |
| Net assets - beginning | <u>225,160</u> | <u>234,883</u> |
| Net assets - ending | <u>\$ 453,740</u> | <u>\$ 225,160</u> |

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Year Ended June 30, 2004 and 2003

| | 2004 | 2003 |
|---|------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 493,942 | \$ 426,379 |
| Payments to suppliers | (294,335) | (328,986) |
| Payroll costs | (92,263) | (179,861) |
| Net cash provided (used) by operating activities | 107,344 | (82,468) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Operating transfers out | - | (2,047) |
| Operating transfers in | 48,494 | 125,000 |
| Net cash provided by noncapital financing activities | 48,494 | 122,953 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest | 5,543 | 5,299 |
| Net cash from investing activities | 5,543 | 5,299 |
| Net increase (decrease) in cash and investments | 161,381 | 45,784 |
| Cash and investments - beginning | 321,112 | 275,328 |
| Cash and investments - ending | \$ 482,493 | \$ 321,112 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 174,543 | \$ (137,975) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Change in assets and liabilities: | | |
| Receivables | 772 | (772) |
| Payables | (67,971) | 56,279 |
| Net cash provided (used) by operating activities | \$ 107,344 | \$ (82,468) |

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

For the Year Ended June 30, 2004

| | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|----------------------|---|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 324,564 | \$ 161,868 | \$ 486,432 | \$ - | \$ 486,432 |
| Miscellaneous | <u>-</u> | <u>12,281</u> | <u>12,281</u> | <u>-</u> | <u>12,281</u> |
| Total revenue | <u>324,564</u> | <u>174,149</u> | <u>498,713</u> | <u>-</u> | <u>498,713</u> |
| EXPENSES | | | | | |
| Personal services | 65,564 | (25,155) | 90,719 | - | 90,719 |
| Materials and services | <u>469,000</u> | <u>241,092</u> | <u>227,908</u> | <u>-</u> | <u>227,908</u> |
| Total expenditures | <u>534,564</u> | <u>215,937</u> | <u>318,627</u> | <u>-</u> | <u>318,627</u> |
| Excess (deficiency) of revenues over (under) expenses | <u>(210,000)</u> | <u>390,086</u> | <u>180,086</u> | <u>-</u> | <u>180,086</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | <u>100,000</u> | <u>(51,506)</u> | <u>48,494</u> | <u>-</u> | <u>48,494</u> |
| Total other financing sources (uses) | <u>100,000</u> | <u>(51,506)</u> | <u>48,494</u> | <u>-</u> | <u>48,494</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenses and other financing uses | <u>(110,000)</u> | <u>338,580</u> | <u>228,580</u> | <u>-</u> | <u>228,580</u> |
| Net assets - beginning | <u>165,000</u> | <u>60,160</u> | <u>225,160</u> | <u>-</u> | <u>225,160</u> |
| Net assets - ending | <u>\$ 55,000</u> | <u>\$ 398,740</u> | <u>\$ 453,740</u> | <u>\$ -</u> | <u>\$ 453,740</u> |

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

BENTON COUNTY, OREGON

FIDUCIARY FUNDS

COMBINING BALANCE SHEET

For the Year Ended June 30, 2004

| | Trust Fund | Tax Title Land Fund | Agency Fund | Totals | |
|------------------------------------|-------------------|------------------------|--------------------|--------------------|--------------------|
| | | | | 2004 | 2003 |
| ASSETS | | | | | |
| Cash and investments | \$ 305,301 | \$ 197,890 | \$2,402,355 | \$2,905,546 | \$2,437,213 |
| Property taxes receivable | - | - | 2,246,980 | 2,246,980 | 2,529,277 |
| Contracts receivable | - | 5,564 | - | 5,564 | 6,891 |
| Accrued interest | - | - | 33,739 | 33,739 | 17,386 |
| Accounts receivable | 2,210 | - | 168,502 | 170,712 | 59,764 |
| Prepaid expenses | 750 | - | 3,957 | 4,707 | 3,390 |
| Fixed assets (net of depreciation) | - | - | 18,515 | 18,515 | 22,226 |
| Total assets | <u>\$ 308,261</u> | <u>\$ 203,454</u> | <u>\$4,874,048</u> | <u>\$5,385,763</u> | <u>\$5,076,147</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 16,043 | \$ 98 | \$ 618,762 | \$ 634,903 | \$ 649,217 |
| Accrued payroll and payroll taxes | - | - | 15,103 | 15,103 | 15,103 |
| Other liabilities | - | 250 | - | 250 | 250 |
| Due to other funds | - | - | - | - | 50,000 |
| Due to other governmental agencies | - | - | 4,240,183 | 4,240,183 | 3,981,067 |
| Deferred revenue | - | 5,564 | - | 5,564 | 6,891 |
| Abandoned property proceeds | 12,469 | - | - | 12,469 | 3,271 |
| Total liabilities | <u>28,512</u> | <u>5,912</u> | <u>4,874,048</u> | <u>4,908,472</u> | <u>4,705,799</u> |
| FUND EQUITY | | | | | |
| Fund balance: | | | | | |
| Reserved for prepaids | 750 | - | - | 750 | - |
| Reserved for trusts | 278,998 | 197,542 | - | 476,540 | 370,348 |
| Total fund equity | <u>279,748</u> | <u>197,542</u> | <u>-</u> | <u>477,290</u> | <u>370,348</u> |
| Total liabilities and fund equity | <u>\$ 308,260</u> | <u>\$ 203,454</u> | <u>\$4,874,048</u> | <u>\$5,385,762</u> | <u>\$5,076,147</u> |

BENTON COUNTY, OREGON

FIDUCIARY FUNDS

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

For the Year Ended June 30, 2004

| | Trust Fund | Tax Title Land Fund | Totals | |
|--|---------------|------------------------|------------|------------|
| | | | 2004 | 2003 |
| REVENUES | | | | |
| Taxes and special assessments | \$ - | \$ - | \$ - | \$ 18,685 |
| Intergovernmental | 106,322 | 1,435 | 107,757 | - |
| Charges for services | 45,228 | 2,948 | 48,176 | 50,028 |
| Miscellaneous | 118,122 | 4,314 | 122,436 | 140,743 |
| Total revenues | 269,672 | 8,697 | 278,369 | 209,456 |
| EXPENDITURES | | | | |
| Justice services | 35,602 | - | 35,602 | - |
| Trust | 96,879 | 20,907 | 117,786 | 250,978 |
| Total expenditures | 132,481 | 20,907 | 153,388 | 250,978 |
| Excess (deficiency) of revenues over (under) expenditures | 137,191 | (12,210) | 124,981 | (41,522) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Close out distributions | - | - | - | (84,622) |
| Transfers in | 2,161 | - | 2,161 | 30,393 |
| Transfers out | - | (20,200) | (20,200) | - |
| Total other financing sources (uses) | 2,161 | (20,200) | (18,039) | (54,229) |
| Excess (deficiency) of revenues and other financing sources over expenditures | 139,352 | (32,410) | 106,942 | (95,751) |
| Fund balance - beginning | 140,396 | 229,952 | 370,348 | 466,099 |
| Fund balance - ending | \$ 279,748 | \$ 197,542 | \$ 477,290 | \$ 370,348 |

BENTON COUNTY, OREGON

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

TRUST FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|---|------------------|---|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 43,600 | \$ 1,628 | \$ 45,228 | \$ - | \$ 45,228 |
| Intergovernmental | - | 106,322 | 106,322 | - | 106,322 |
| Miscellaneous | <u>170,097</u> | <u>(51,975)</u> | <u>118,122</u> | <u>-</u> | <u>118,122</u> |
| Total revenues | <u>213,697</u> | <u>55,975</u> | <u>269,672</u> | <u>-</u> | <u>269,672</u> |
| EXPENDITURES | | | | | |
| Justice services | 50,300 | 14,698 | 35,602 | - | 35,602 |
| Trust | <u>234,852</u> | <u>138,730</u> | <u>96,122</u> | <u>757</u> | <u>96,879</u> |
| Total expenditures | <u>285,152</u> | <u>153,428</u> | <u>131,724</u> | <u>757</u> | <u>132,481</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(71,455)</u> | <u>209,403</u> | <u>137,948</u> | <u>(757)</u> | <u>137,191</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Loans repaid | (50,757) | - | (50,757) | 50,757 | - |
| Transfers in | <u>-</u> | <u>2,161</u> | <u>2,161</u> | <u>-</u> | <u>2,161</u> |
| Total other financing sources (uses) | <u>(50,757)</u> | <u>2,161</u> | <u>(48,596)</u> | <u>50,757</u> | <u>2,161</u> |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures | (122,212) | 211,564 | 89,352 | 50,000 | 139,352 |
| Fund balance - beginning | <u>186,295</u> | <u>4,101</u> | <u>190,396</u> | <u>(50,000)</u> | <u>140,396</u> |
| Fund balance - ending | <u>\$ 64,083</u> | <u>\$ 215,665</u> | <u>\$ 279,748</u> | <u>\$ -</u> | <u>\$ 279,748</u> |

BENTON COUNTY, OREGON

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

TAX TITLE LAND FUND

For the Year Ended June 30, 2004

| | <u>Budget</u> | <u>Variance Favorable (Unfavorable)</u> | <u>Actual</u> | | |
|--|-----------------|---|-------------------------|-----------------------------|-----------------------|
| | | | <u>Budget Basis</u> | <u>GAAP Adjustments</u> | <u>GAAP Basis</u> |
| REVENUES | | | | | |
| Charges for services | \$ 2,500 | \$ 448 | \$ 2,948 | \$ - | \$ 2,948 |
| Intergovernmental | - | 1,435 | 1,435 | - | 1,435 |
| Miscellaneous | 2,500 | 487 | 2,987 | - | 2,987 |
| Tax foreclosure sales | <u>10,000</u> | <u>(8,673)</u> | <u>1,327</u> | <u>-</u> | <u>1,327</u> |
| Total revenues | <u>15,000</u> | <u>(6,303)</u> | <u>8,697</u> | <u>-</u> | <u>8,697</u> |
| EXPENDITURES | | | | | |
| Materials and services | <u>207,000</u> | <u>186,093</u> | <u>20,907</u> | <u>-</u> | <u>20,907</u> |
| Excess (deficiency) of revenues over (under) expenditures | (192,000) | 179,790 | (12,210) | - | (12,210) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | <u>(20,200)</u> | <u>-</u> | <u>(20,200)</u> | <u>-</u> | <u>(20,200)</u> |
| Excess (deficiency) of revenues and other financing sources over expenditures | (212,200) | 179,790 | (32,410) | - | (32,410) |
| Fund balance - beginning | <u>212,200</u> | <u>17,752</u> | <u>229,952</u> | <u>-</u> | <u>229,952</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 197,542</u> | <u>\$ 197,542</u> | <u>\$ -</u> | <u>\$ 197,542</u> |

BENTON COUNTY, OREGON

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

AGENCY FUND

For the Year Ended June 30, 2004

| | Balance July 1, 2003 | Increase | Decrease | Balance June 30, 2004 |
|------------------------------------|-------------------------|-----------------------|-----------------------|--------------------------|
| ASSETS | | | | |
| Cash and investments | \$ 2,003,765 | \$ 160,709,695 | \$ 160,311,105 | \$ 2,402,355 |
| Accounts receivable | 56,615 | 185,594 | 73,707 | 168,502 |
| Property taxes receivable | 2,529,277 | 62,543,421 | 62,825,718 | 2,246,980 |
| Accrued interest | 17,386 | 41,061 | 24,708 | 33,739 |
| Other assets | 25,616 | 9,592 | 12,736 | 22,472 |
| | <u>\$ 4,632,659</u> | <u>\$ 223,489,363</u> | <u>\$ 223,247,974</u> | <u>\$ 4,874,048</u> |
| LIABILITIES | | | | |
| Due to other governmental agencies | \$ 3,980,557 | \$ 218,591,452 | \$ 218,331,826 | \$ 4,240,183 |
| Accounts payable | 636,999 | 9,270,506 | 9,288,743 | 618,762 |
| Accrued payroll costs | 15,103 | 711,832 | 711,832 | 15,103 |
| | <u>\$ 4,632,659</u> | <u>\$ 228,573,790</u> | <u>\$ 228,332,401</u> | <u>\$ 4,874,048</u> |

**CAPITAL ASSETS USED IN THE OPERATIONS OF
GOVERNMENTAL FUNDS**

BENTON COUNTY

CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS

COMPARATIVE SCHEDULES BY SOURCE

June 30, 2004 and 2003

| | 2004 | 2003 |
|---|---------------|---------------|
| Governmental funds capital assets: | | |
| Land | \$ 6,606,162 | \$ 6,606,162 |
| Land improvements | 1,280,615 | 1,256,968 |
| Buildings | 2,433,766 | 2,250,413 |
| Machinery and equipment | 3,528,088 | 2,811,750 |
| Infrastructure | 233,807,062 | 231,950,727 |
| Work in progress | 193,473 | 334,400 |
| Total governmental funds capital assets | \$247,849,166 | \$245,210,420 |
| Investments in governmental funds capital assets by source: | | |
| General Fund | \$ 2,435,349 | \$ 1,935,990 |
| Road Fund | 234,111,900 | 232,211,057 |
| Fair Fund | 1,444,286 | 1,427,683 |
| Court Security Fund | 51,817 | 23,226 |
| Adult Corrections Fund | 9,377 | 6,528 |
| Special Transportation Fund | 895,672 | 594,618 |
| Cemetery Fund | 52,745 | - |
| Capital Projects Fund | 1,512,038 | 1,597,010 |
| Trust Fund | 6,812,267 | 6,893,593 |
| Tax Title Land Fund | 520,715 | 520,715 |
| Total governmental funds capital assets | \$247,846,166 | \$245,210,420 |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

BENTON COUNTY, OREGON

CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS

SCHEDULE BY FUNCTION AND ACTIVITY

June 30, 2004

| | <u>Land</u> | <u>Land Improvements</u> | <u>Buildings</u> | <u>Machinery and Equipment</u> | <u>Infrastructure</u> | <u>Work in Progress</u> | <u>Total</u> |
|--------------------------------|------------------------|------------------------------|------------------------|--|--------------------------|-----------------------------|---------------------------|
| General government | \$ 520,715 | \$ 13,701 | \$ - | \$ 1,275,140 | \$ - | \$ - | \$ 1,809,556 |
| Public safety | - | - | 362,708 | 743,908 | - | 31,591 | 1,138,207 |
| Public works | 44,650 | 91,788 | 12,563 | 227,269 | 233,780,279 | - | 234,156,549 |
| Health services | - | - | - | 337,011 | - | - | 337,011 |
| Justice services | - | 17,028 | 16,699 | 6,191 | - | - | 39,918 |
| Community services | - | - | 52,746 | 895,672 | - | - | 948,418 |
| Cultural services | - | 565,392 | 1,112,819 | 42,896 | 18,494 | - | 1,739,601 |
| Parks and natural resources | <u>6,040,797</u> | <u>592,706</u> | <u>876,232</u> | <u>-</u> | <u>8,289</u> | <u>161,882</u> | <u>7,679,906</u> |
| Total general fixed assets | <u>\$6,606,162</u> | <u>\$ 1,280,615</u> | <u>\$2,433,767</u> | <u>\$3,528,087</u> | <u>\$233,807,062</u> | <u>\$193,473</u> | <u>\$ 247,849,166</u> |

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

BENTON COUNTY, OREGON

CAPITAL ASSETS USED IN THE OPERATIONS OF GOVERNMENTAL FUNDS

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

For the Year Ended June 30, 2004

| | General Fixed Assets <u>July 1, 2003</u> | <u>Increases</u> | <u>Decreases</u> | General Fixed Assets <u>June 30, 2004</u> |
|--------------------------------|--|-------------------------|-------------------------|---|
| General government | \$ 1,809,556 | \$ - | \$ - | \$ 1,809,556 |
| Public safety | 1,041,836 | 168,971 | 72,601 | 1,138,206 |
| Public works | 232,255,707 | 2,832,584 | 931,742 | 234,156,549 |
| Health services | 145,348 | 321,032 | 129,369 | 337,011 |
| Justice services | 39,918 | - | - | 39,918 |
| Community services | 594,618 | 353,800 | - | 948,418 |
| Cultural services | 1,722,997 | 40,563 | 23,959 | 1,739,601 |
| Parks and natural resources | <u>7,600,440</u> | <u>184,837</u> | <u>105,370</u> | <u>7,679,907</u> |
| Total general fixed assets | <u>\$245,210,420</u> | <u>\$ 3,901,787</u> | <u>\$ 1,263,041</u> | <u>\$247,849,166</u> |

Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

OTHER FINANCIAL SCHEDULES

BENTON COUNTY, OREGON

SCHEDULE OF LONG-TERM DEBT

June 30, 2004

| | Benton County | North Albany | Totals | |
|---|----------------------|-------------------|----------------------|----------------------|
| | | | <u>2004</u> | <u>2003</u> |
| Amount available in debt service fund | \$ 88,447 | \$ 227,329 | \$ 315,776 | \$ 315,776 |
| Amount to be provided for retirement of general long-term debt | <u>19,703,474</u> | <u>606,631</u> | <u>20,310,105</u> | <u>14,865,168</u> |
| | <u>\$ 19,791,921</u> | <u>\$ 833,960</u> | <u>\$ 20,625,881</u> | <u>\$ 15,180,944</u> |
| General long-term debt payable | | | | |
| General obligation bonds payable - NACSD | \$ - | \$ 833,960 | \$ 833,960 | \$ 959,347 |
| Pension bonds payable | 17,172,497 | - | 17,172,497 | 11,617,907 |
| Leases payable | 13,873 | - | 13,873 | 2,642 |
| Sick leave | 1,481,621 | - | 1,481,621 | 1,443,347 |
| Vacation leave | 970,865 | - | 970,865 | 1,017,662 |
| Compensation leave | <u>153,065</u> | <u>-</u> | <u>153,065</u> | <u>140,039</u> |
| | <u>\$ 19,791,921</u> | <u>\$ 833,960</u> | <u>\$ 20,625,881</u> | <u>\$ 15,180,944</u> |

BENTON COUNTY, OREGON

SCHEDULE OF BONDS PAYABLE

For the Year Ended June 30, 2004

| | <u>Date of Issue</u> | <u>Amount of Original Issue</u> | <u>Balance July 1, 2003</u> | <u>Bond Issues</u> | <u>Bond Maturities</u> | <u>Balance June 30, 2004</u> |
|---|----------------------|-------------------------------------|---------------------------------|------------------------|----------------------------|----------------------------------|
| General obligation bonds | | | | | | |
| North Albany | | | | | | |
| Water system construction | 09/01/81 | \$ 2,500,000 | <u>\$ 959,347</u> | <u>\$ -</u> | <u>\$ 125,388</u> | <u>\$ 833,959</u> |
| Total general obligation bonds | | | <u>959,347</u> | <u>-</u> | <u>125,388</u> | <u>833,959</u> |
| Pension obligation bonds | | | | | | |
| 2002 PERS pension bonds | 03/13/02 | \$ 11,662,750 | 11,617,907 | - | 27,355 | 11,590,552 |
| 2004 PERS pension bonds | 05/27/04 | \$ 7,490,000 | <u>-</u> | <u>7,490,000</u> | <u>-</u> | <u>7,490,000</u> |
| Total pension bonds | | | <u>11,617,907</u> | <u>7,490,000</u> | <u>27,355</u> | <u>19,080,552</u> |
| Enterprise fund bonds | | | | | | |
| Alsea County Service District Bonds | | | | | | |
| Series 1998 | 06/25/98 | \$ 32,900 | 29,943 | - | 673 | 29,270 |
| Enterprise fund bonds | | | | | | |
| South Third County Service District Bonds | | | | | | |
| Series 2004 | 06/25/04 | \$ 239,000 | <u>239,000</u> | <u>-</u> | <u>-</u> | <u>239,000</u> |
| Total enterprise fund bonds | | | <u>268,943</u> | <u>-</u> | <u>673</u> | <u>268,270</u> |
| Total all bonds | | | <u>\$12,846,197</u> | <u>\$7,490,000</u> | <u>\$ 153,416</u> | <u>\$ 20,182,781</u> |

BENTON COUNTY, OREGON

SCHEDULE OF BOND INTEREST REQUIREMENTS TO MATURITY

For the Year Ended June 30, 2004

| | <u>Interest Rates</u> | <u>Balance July 1, 2003</u> | <u>New Issues</u> | <u>Coupons Maturing (Early Payoffs)</u> | <u>Balance June 30, 2004</u> |
|--------------------------------|---------------------------|---------------------------------|-----------------------|---|----------------------------------|
| General obligation bonds | | | | | |
| North Albany | | | | | |
| Water system construction | 5.0% | \$ 166,415 | \$ - | \$ 36,239 | \$ 130,176 |
| Total general obligation bonds | | <u>166,415</u> | <u>-</u> | <u>36,239</u> | <u>130,176</u> |
| Pension obligation bonds | | | | | |
| 2002 PERS pension bonds | 7.0% | 17,018,477 | - | 632,641 | 16,385,836 |
| 2004 PERS pension bonds | 7.0% | <u>-</u> | <u>8,401,090</u> | <u>-</u> | <u>8,401,090</u> |
| Total pension bonds | | <u>17,018,477</u> | <u>8,401,090</u> | <u>632,641</u> | <u>24,786,926</u> |
| Enterprise fund bonds | | | | | |
| Series 1998 | 4.5% | 20,509 | - | 1,347 | 19,162 |
| Series 2004 | 4.5% | <u>-</u> | <u>194,650</u> | <u>-</u> | <u>194,650</u> |
| Total enterprise fund bonds | | <u>20,509</u> | <u>194,650</u> | <u>1,347</u> | <u>213,812</u> |
| Total all bonds | | <u>\$17,205,401</u> | <u>\$8,595,740</u> | <u>\$ 670,227</u> | <u>\$25,130,914</u> |

BENTON COUNTY, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

June 30, 2004

| Year of Maturity | North Albany | | Enterprise Fund Bonds | | | |
|---------------------|--------------------------|-------------------|-----------------------|-------------------|------------------|------------------|
| | General Obligation Bonds | | South Third CSD | | Alsea CSD | |
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2005 | \$ 125,737 | \$ 38,855 | \$ 4,004 | \$ 10,456 | \$ 705 | \$ 1,317 |
| 2006 | 132,139 | 32,410 | 4,179 | 10,281 | 736 | 1,285 |
| 2007 | 138,746 | 25,639 | 4,362 | 10,098 | 769 | 1,252 |
| 2008 | 145,683 | 18,571 | 4,553 | 9,907 | 803 | 1,218 |
| 2009 | 152,927 | 11,066 | 4,752 | 9,708 | 839 | 1,182 |
| 2010 | 138,727 | 3,635 | 4,960 | 9,500 | 877 | 1,144 |
| 2011 | - | - | 5,177 | 9,283 | 917 | 1,104 |
| 2012 | - | - | 5,403 | 9,057 | 958 | 1,063 |
| 2013 | - | - | 5,639 | 8,821 | 1,001 | 1,020 |
| 2014 | - | - | 5,886 | 8,574 | 1,046 | 975 |
| 2015 | - | - | 6,144 | 8,316 | 1,093 | 928 |
| 2016 | - | - | 6,413 | 8,047 | 1,142 | 879 |
| 2017 | - | - | 6,693 | 7,767 | 1,194 | 827 |
| 2018 | - | - | 6,986 | 7,474 | 1,247 | 774 |
| 2019 | - | - | 7,292 | 7,168 | 1,303 | 718 |
| 2020 | - | - | 7,611 | 6,849 | 1,362 | 659 |
| 2021 | - | - | 7,943 | 6,517 | 1,423 | 598 |
| 2022 | - | - | 8,291 | 6,169 | 1,488 | 533 |
| 2023 | - | - | 8,654 | 5,806 | 1,554 | 467 |
| 2024 | - | - | 9,032 | 5,428 | 1,624 | 397 |
| 2025 | - | - | 9,428 | 5,032 | 1,697 | 324 |
| 2026 | - | - | 9,840 | 4,620 | 1,774 | 247 |
| 2027 | - | - | 10,270 | 4,190 | 1,854 | 167 |
| 2028 | - | - | 10,720 | 3,740 | 1,864 | 84 |
| 2029 | - | - | 11,189 | 3,271 | - | - |
| 2030 | - | - | 11,678 | 2,782 | - | - |
| 2031 | - | - | 12,189 | 2,271 | - | - |
| 2032 | - | - | 12,722 | 1,737 | - | - |
| 2033 | - | - | 13,279 | 1,181 | - | - |
| 2034 | - | - | 13,711 | 600 | - | - |
| Total | \$ 833,959 | \$ 130,176 | \$ 239,000 | \$ 194,650 | \$ 29,270 | \$ 19,162 |

| PERS Pension Bonds | | Total | |
|----------------------|----------------------|----------------------|----------------------|
| Principal | Interest | Principal | Interest |
| \$ 51,165 | \$ 1,093,054 | \$ 181,611 | \$ 1,143,682 |
| 75,928 | 1,098,300 | 212,982 | 1,142,276 |
| 92,750 | 1,111,478 | 236,627 | 1,148,467 |
| 109,546 | 1,129,682 | 260,585 | 1,159,378 |
| 127,358 | 1,151,870 | 285,876 | 1,173,826 |
| 162,877 | 1,176,351 | 307,441 | 1,190,630 |
| 199,292 | 1,203,708 | 205,386 | 1,214,095 |
| 235,781 | 1,234,621 | 242,142 | 1,244,741 |
| 272,774 | 1,263,691 | 279,414 | 1,273,532 |
| 315,248 | 1,295,602 | 322,180 | 1,305,151 |
| 353,335 | 1,329,713 | 360,572 | 1,338,957 |
| 397,200 | 1,365,923 | 404,755 | 1,374,849 |
| 440,278 | 1,400,438 | 448,165 | 1,409,032 |
| 494,407 | 1,436,338 | 502,640 | 1,444,586 |
| 545,727 | 1,471,898 | 554,322 | 1,479,784 |
| 656,886 | 1,454,385 | 665,859 | 1,461,893 |
| 1,255,000 | 951,473 | 1,264,366 | 958,588 |
| 1,440,000 | 869,429 | 1,449,779 | 876,131 |
| 1,635,000 | 775,299 | 1,645,208 | 781,572 |
| 1,855,000 | 668,395 | 1,865,656 | 674,220 |
| 2,085,000 | 546,536 | 2,096,125 | 551,892 |
| 2,340,000 | 412,815 | 2,351,614 | 417,682 |
| 2,620,000 | 259,057 | 2,632,124 | 263,414 |
| 1,320,000 | 86,870 | 1,332,584 | 90,694 |
| - | - | 11,189 | 3,271 |
| - | - | 11,678 | 2,782 |
| - | - | 12,189 | 2,271 |
| - | - | 12,722 | 1,737 |
| - | - | 13,279 | 1,181 |
| - | - | 13,711 | 600 |
| <u>\$ 19,080,552</u> | <u>\$ 24,786,926</u> | <u>\$ 20,182,781</u> | <u>\$ 25,130,914</u> |

BENTON COUNTY, OREGON

BENTON COUNTY 2002 PERS PENSION BOND

For the Year Ended June 30, 2004

| Year of Maturity | Payment Amount | Principal | Interest | Balance |
|---------------------|----------------------|----------------------|----------------------|---------------|
| 2004 | | | | \$ 11,590,552 |
| 2005 | \$ 689,994 | \$ 51,165 | \$ 638,829 | 11,539,386 |
| 2006 | 724,995 | 75,928 | 649,067 | 11,463,458 |
| 2007 | 754,995 | 92,750 | 662,245 | 11,370,708 |
| 2008 | 789,995 | 109,546 | 680,449 | 11,261,163 |
| 2009 | 829,995 | 127,358 | 702,637 | 11,133,805 |
| 2010 | 864,995 | 137,877 | 727,118 | 10,995,928 |
| 2011 | 904,995 | 149,292 | 755,703 | 10,846,636 |
| 2012 | 949,995 | 160,781 | 789,214 | 10,685,855 |
| 2013 | 989,995 | 167,774 | 822,221 | 10,518,081 |
| 2014 | 1,034,995 | 175,248 | 859,747 | 10,342,834 |
| 2015 | 1,079,995 | 178,335 | 901,660 | 10,164,499 |
| 2016 | 1,129,995 | 182,200 | 947,795 | 9,982,299 |
| 2017 | 1,179,995 | 185,278 | 994,717 | 9,797,020 |
| 2018 | 1,234,995 | 189,407 | 1,045,588 | 9,607,613 |
| 2019 | 1,289,995 | 190,727 | 1,099,268 | 9,416,886 |
| 2020 | 1,349,995 | 246,886 | 1,103,109 | 9,170,000 |
| 2021 | 1,409,858 | 785,000 | 624,858 | 8,385,000 |
| 2022 | 1,471,085 | 900,000 | 571,085 | 7,485,000 |
| 2023 | 1,534,435 | 1,025,000 | 509,435 | 6,460,000 |
| 2024 | 1,604,223 | 1,165,000 | 439,223 | 5,295,000 |
| 2025 | 1,674,420 | 1,315,000 | 359,420 | 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 | - |
| Total | <u>\$ 27,976,388</u> | <u>\$ 11,590,552</u> | <u>\$ 16,385,836</u> | |

BENTON COUNTY, OREGON

BENTON COUNTY 2004 PERS PENSION BOND

For the Year Ended June 30, 2004

| Year of Maturity | Payment Amount | Principal | Interest | Balance |
|---------------------|----------------------|---------------------|---------------------|--------------|
| 2004 | | | | \$ 7,490,000 |
| 2005 | \$ 454,225 | \$ - | \$ 454,225 | 7,490,000 |
| 2006 | 449,233 | - | 449,233 | 7,490,000 |
| 2007 | 449,233 | - | 449,233 | 7,490,000 |
| 2008 | 449,233 | - | 449,233 | 7,490,000 |
| 2009 | 449,233 | - | 449,233 | 7,490,000 |
| 2010 | 474,233 | 25,000 | 449,233 | 7,465,000 |
| 2011 | 498,005 | 50,000 | 448,005 | 7,415,000 |
| 2012 | 520,407 | 75,000 | 445,407 | 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 | - |
| Total | <u>\$ 15,891,090</u> | <u>\$ 7,490,000</u> | <u>\$ 8,401,090</u> | |

BENTON COUNTY, OREGON

NORTH ALBANY COUNTY SERVICE DISTRICT

DEBT SERVICE SCHEDULE

For the Year Ended June 30, 2004

| <u>Fiscal Year</u> <u>Ending</u> <u>June 30</u> | <u>Payment</u> <u>Amount</u> | <u>Principal</u> | <u>Interest</u> | <u>Balance</u> |
|---|---------------------------------|-------------------|-------------------|----------------|
| 2004 | | | | \$ 833,959 |
| 2005 | \$ 164,592 | \$ 125,737 | \$ 38,855 | 708,222 |
| 2006 | 164,549 | 132,139 | 32,410 | 576,083 |
| 2007 | 164,385 | 138,746 | 25,639 | 437,337 |
| 2008 | 164,254 | 145,683 | 18,571 | 291,654 |
| 2009 | 163,993 | 152,927 | 11,066 | 138,727 |
| 2010 | <u>142,362</u> | <u>138,727</u> | <u>3,635</u> | - |
| Total | <u>\$ 964,135</u> | <u>\$ 833,959</u> | <u>\$ 130,176</u> | |

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

DEBT SERVICE SCHEDULE

For the Year Ended June 30, 2004

| Fiscal Year Ending June 30 | Payment Amount | Principal | Interest | Balance |
|----------------------------------|-------------------|-------------------|-------------------|------------|
| 2004 | | | | \$ 239,000 |
| 2005 | \$ 14,460 | \$ 4,004 | \$ 10,456 | 234,996 |
| 2006 | 14,460 | 4,179 | 10,281 | 230,817 |
| 2007 | 14,460 | 4,362 | 10,098 | 226,455 |
| 2008 | 14,460 | 4,553 | 9,907 | 221,902 |
| 2009 | 14,460 | 4,752 | 9,708 | 217,150 |
| 2010 | 14,460 | 4,960 | 9,500 | 212,190 |
| 2011 | 14,460 | 5,177 | 9,283 | 207,013 |
| 2012 | 14,460 | 5,403 | 9,057 | 201,610 |
| 2013 | 14,460 | 5,639 | 8,821 | 195,971 |
| 2014 | 14,460 | 5,886 | 8,574 | 190,085 |
| 2015 | 14,460 | 6,144 | 8,316 | 183,941 |
| 2016 | 14,460 | 6,413 | 8,047 | 177,528 |
| 2017 | 14,460 | 6,693 | 7,767 | 170,835 |
| 2018 | 14,460 | 6,986 | 7,474 | 163,849 |
| 2019 | 14,460 | 7,292 | 7,168 | 156,557 |
| 2020 | 14,460 | 7,611 | 6,849 | 148,946 |
| 2021 | 14,460 | 7,943 | 6,517 | 141,003 |
| 2022 | 14,460 | 8,291 | 6,169 | 132,712 |
| 2023 | 14,460 | 8,654 | 5,806 | 124,058 |
| 2024 | 14,460 | 9,032 | 5,428 | 115,026 |
| 2025 | 14,460 | 9,428 | 5,032 | 105,598 |
| 2026 | 14,460 | 9,840 | 4,620 | 95,758 |
| 2027 | 14,460 | 10,270 | 4,190 | 85,488 |
| 2028 | 14,460 | 10,720 | 3,740 | 74,768 |
| 2029 | 14,460 | 11,189 | 3,271 | 63,579 |
| 2030 | 14,460 | 11,678 | 2,782 | 51,901 |
| 2031 | 14,460 | 12,189 | 2,271 | 39,712 |
| 2032 | 14,460 | 12,723 | 1,737 | 26,989 |
| 2033 | 14,460 | 13,279 | 1,181 | 13,710 |
| 2034 | <u>14,310</u> | <u>13,710</u> | <u>600</u> | - |
| Total | <u>\$ 433,650</u> | <u>\$ 239,000</u> | <u>\$ 194,650</u> | |

BENTON COUNTY, OREGON

**SCHEDULE OF CASH ON HAND AND CASH TRANSACTIONS OF INDEPENDENTLY
ELECTED OFFICIALS**

For the Year Ended June 30, 2004

There is no cash on hand or cash transactions of independently elected officials for fiscal year ending June 30, 2004.

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PROGRAM WITHIN FUND

For the Year Ended June 30, 2004

| Fund | Budget | Actual | Variance Favorable (Unfavorable) |
|-----------------------------------|-----------------------|-----------------------|--|
| General: | | | |
| General government | \$ 10,935,326 | \$ 6,211,087 | \$ 4,724,239 |
| Public safety | 7,591,280 | 7,322,852 | 268,428 |
| Health services | 17,937,058 | 17,898,605 | 38,453 |
| Justice services | 3,272,645 | 2,952,006 | 320,639 |
| Community services | 983,818 | 839,591 | 144,227 |
| Cultural and educational services | 503,700 | 497,653 | 6,047 |
| Parks & natural resources | 623,545 | 610,659 | 12,886 |
| Animal control | 239,244 | 218,820 | 20,424 |
| Total General | <u>42,086,616</u> | <u>36,551,273</u> | <u>5,535,343</u> |
| Road: | | | |
| Public works | 7,605,649 | 6,013,382 | 1,592,267 |
| Block Grant: | | | |
| Community services | 1,658,500 | 224,476 | 1,434,024 |
| Debt Service: | | | |
| Debt service | 7,952,505 | 7,951,265 | 1,240 |
| County School: | | | |
| Cultural services | 1,630,300 | 1,630,300 | - |
| Fair: | | | |
| Cultural services | 748,247 | 741,732 | 6,515 |
| Health and Safety Enhancement: | | | |
| General government | 257 | - | 257 |
| Public safety | 233,439 | 232,956 | 483 |
| Health services | 271,859 | 208,873 | 62,986 |
| Justice services | 308,074 | 303,148 | 4,926 |
| Library Services District: | | | |
| Cultural services | 1,979,732 | 1,979,200 | 532 |
| Land Corner Preservation: | | | |
| Public works | 170,471 | 182,521 | (12,050) |
| Oregon Health Plan: | | | |
| Public health | 1,583,112 | 700,451 | 882,661 |
| Court Security: | | | |
| Public safety | 242,500 | 85,458 | 157,042 |

(Continued)

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS BY PROGRAM WITHIN FUND

For the Year Ended June 30, 2004

(Continued)

| Fund | Budget | Actual | Variance Favorable (Unfavorable) |
|---------------------------------------|----------------------|----------------------|--|
| Special Transportation: | | | |
| Community services | \$ 884,825 | \$ 911,619 | \$ (26,794) |
| Adult Corrections: | | | |
| Public safety | 1,559,512 | 1,227,465 | 332,047 |
| Title III Projects: | | | |
| General government | 506,417 | 334,662 | 171,755 |
| Cemetery Operations: | | | |
| General government | 21,907 | 26,787 | (4,880) |
| General Capital Improvements: | | | |
| Capital projects | 585,808 | 475,681 | 110,127 |
| Building Development Reserve: | | | |
| Capital projects | - | - | - |
| North Albany County Service District: | | | |
| Debt service | 174,500 | 173,443 | 1,057 |
| Enterprise Operations: | | | |
| Cultural services | 42,434 | 41,892 | 542 |
| Intergovernmental Service: | | | |
| General government | 4,376,327 | 3,739,972 | 636,355 |
| Management Service: | | | |
| General government | 2,208,284 | 2,081,685 | 126,599 |
| Employee Benefits Trust: | | | |
| General government | 534,564 | 318,627 | 215,937 |
| Trust: | | | |
| Expendable trusts | 285,152 | 131,724 | 153,428 |
| Tax Title Land: | | | |
| General government | <u>227,200</u> | <u>41,107</u> | <u>186,093</u> |
| Totals | <u>\$ 77,878,191</u> | <u>\$ 66,309,699</u> | <u>\$ 11,568,492</u> |

BENTON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

ALL TAXING DISTRICTS

For the Year Ended June 30, 2004

| <u>Tax Year</u> | <u>Taxes Receivable June 30, 2003</u> | <u>2003-04 Levy Extension</u> | <u>Additions</u> | <u>Discounts and Adjustments</u> | <u>Net Taxes for Collection</u> | <u>Total Cash Collection</u> | <u>Taxes Receivable June 30, 2004</u> |
|-----------------|---|---------------------------------------|--------------------|--|---|--------------------------------------|---|
| 2003-04 | \$ - | \$78,774,213 | \$1,592,431 | \$3,444,051 | \$76,922,593 | \$75,276,602 | \$1,645,991 |
| 2002-03 | 1,952,193 | - | - | 248,483 | 1,703,710 | 1,113,531 | 590,179 |
| 2001-02 | 688,479 | - | - | 25,840 | 662,639 | 384,197 | 278,442 |
| 2000-01 | 301,254 | - | - | 8,082 | 293,172 | 173,536 | 119,636 |
| 1999-00 | 103,980 | - | - | 5,926 | 98,054 | 68,506 | 29,548 |
| 1998-99 | 20,125 | - | - | 3,017 | 17,108 | 1,805 | 15,303 |
| 1997-98 | 16,387 | - | - | 897 | 15,490 | 2,665 | 12,825 |
| 1996 and Prior | 155,082 | - | - | 3,819 | 151,263 | 3,775 | 147,488 |
| Subtotal | <u>3,237,500</u> | <u>-</u> | <u>-</u> | <u>296,064</u> | <u>2,941,436</u> | <u>1,748,015</u> | <u>1,193,421</u> |
| Total | <u>\$ 3,237,500</u> | <u>\$78,774,213</u> | <u>\$1,592,431</u> | <u>\$3,740,115</u> | <u>\$79,864,029</u> | <u>\$77,024,617</u> | <u>\$2,839,412</u> |

SUMMARY BY FUND TYPE

| | |
|---|--------------------|
| General Fund | \$ 471,399 |
| North Albany County Service District Fund | 5,208 |
| Public Safety | 50,260 |
| Agency Fund | 2,246,980 |
| Library Services District Fund | <u>65,565</u> |
| Totals | <u>\$2,839,412</u> |

BENTON COUNTY, OREGON

SCHEDULE OF PENSION FUNDING PROGRESS

June 30, 2004

| Plan year ending December 31 | Net assets available for benefits | Pension benefit obligation | Percentage funded | Excess of net assets over pension benefit obligation | Annual covered payroll (1) | Excess of net assets over pension benefit obligation as a percentage of covered payroll |
|------------------------------------|---|----------------------------------|----------------------|--|----------------------------------|--|
| 1991 | \$ 17,548,713 | \$ 9,871,133 | 178% | \$ 7,677,580 | \$ 8,008,239 | 96% |
| 1992 | 18,361,115 | 11,631,937 | 158% | 6,729,178 | 8,621,795 | 78% |
| 1993 | 22,420,165 | 23,946,691 | 94% | (1,526,526) | 9,446,509 | -16% |
| 1994 | N/A | N/A | N/A | N/A | 9,873,810 | N/A |
| 1995 | 29,095,919 | 32,467,539 | 90% | (3,371,620) | 10,947,295 | -31% |
| 1996 | N/A | N/A | N/A | N/A | 11,743,846 | N/A |
| 1997 | 41,607,121 | 45,829,789 | 91% | (4,222,668) | 11,936,837 | -35% |
| 1998 | N/A | N/A | N/A | N/A | 12,002,256 | N/A |
| 1999 | 76,402,426 | 81,729,880 | 93% | (5,327,454) | 12,765,261 | -42% |
| 2000 | N/A | N/A | N/A | N/A | 14,131,034 | N/A |
| 2001 | 87,633,816 | 91,484,325 | 96% | (3,850,509) | 14,107,101 | -27% |
| 2002 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2003 | | | | | 16,225,627 | |
| 2004 | | | | | 15,370,948 | |

(1) - Information on a fiscal year basis

N/A - Information not available

Isolated analysis of the dollar amount of net assets available for benefits, pension benefit obligation and unfunded pension benefit obligation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of Benton County's PERS funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the PERS. Trends in unfunded pension obligation and annual covered payroll are both affected by inflation. Expressing the unfunded pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

STATISTICAL SECTION

BENTON COUNTY, OREGON

GENERAL GOVERNMENTAL EXPENDITURES BY PROGRAM (1)

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Government</u> | <u>Public Safety</u> | <u>Animal Control</u> | <u>Health Services</u> | <u>Justice Services</u> | <u>Community Services</u> |
|------------------------|-------------------------------|--------------------------|---------------------------|----------------------------|-----------------------------|-------------------------------|
| 1994-95 | \$ 5,310,096 | \$ 5,153,942 | \$ 112,781 | \$ 9,841,243 | \$ 1,821,888 | \$ 882,249 |
| 1995-96 | 5,753,818 | 5,516,053 | 101,232 | 12,347,052 | 1,922,159 | 1,224,347 |
| 1996-97 | 5,480,152 | 5,826,490 | 104,437 | 13,451,100 | 2,075,810 | 1,270,783 |
| 1997-98 | 5,572,526 | 6,371,876 | 112,538 | 13,659,960 | 2,173,715 | 939,888 |
| 1998-99 | 5,264,797 | 6,859,193 | 112,031 | 14,276,241 | 2,388,333 | 1,195,978 |
| 1999-00 | 3,665,747 | 7,496,946 | 131,552 | 15,700,906 | 2,649,610 | 1,656,919 |
| 2000-01 | 4,018,519 | 8,322,232 | 137,082 | 17,351,939 | 3,025,485 | 1,611,105 |
| 2001-02 | 4,047,214 | 8,709,713 | 155,492 | 19,542,051 | 3,237,533 | 1,592,551 |
| 2002-03 | 5,499,078 | 8,485,629 | 192,153 | 19,272,967 | 3,103,767 | 1,829,752 |
| 2003-04 | 4,940,735 | 8,460,901 | 214,596 | 18,646,208 | 3,272,061 | 1,951,944 |

(1) Includes General, Special Revenue, and Debt Service Funds

* Parks and Natural Resources program was established in fiscal year 2003-04

| <u>Cultural Services</u> | <u>Public Works</u> | <u>Debt Service</u> | <u>Parks and Natural Resources *</u> | <u>Total</u> |
|--------------------------|---------------------|---------------------|--------------------------------------|---------------|
| \$ 3,562,965 | \$ 4,144,117 | \$ 237,419 | N/A | \$ 31,066,700 |
| 3,266,801 | 3,729,825 | 230,472 | N/A | 34,091,759 |
| 3,809,928 | 4,146,182 | 359,783 | N/A | 36,524,665 |
| 3,801,579 | 4,173,065 | 402,881 | N/A | 37,208,028 |
| 4,258,002 | 4,674,657 | 405,589 | N/A | 39,434,821 |
| 4,195,542 | 4,553,136 | 399,522 | N/A | 40,449,880 |
| 5,301,695 | 5,127,227 | 565,446 | N/A | 45,460,730 |
| 4,205,102 | 4,661,136 | 796,113 | N/A | 46,946,905 |
| 4,461,361 | 5,087,664 | 1,395,277 | N/A | 49,327,648 |
| 4,558,373 | 6,135,329 | 7,942,462 | \$ 612,551 | 56,735,160 |

BENTON COUNTY, OREGON

GENERAL GOVERNMENTAL REVENUES BY SOURCE (1)

Last Ten Fiscal Years

| Fiscal Year | Fines and Forfeitures | Taxes | Charges for Services | Miscellaneous | Inter- governmental | Licenses and Permits | Total |
|----------------|--------------------------|--------------|----------------------------|---------------|------------------------|----------------------------|---------------|
| 1994-95 | \$ 98,448 | \$ 9,660,248 | \$ 4,535,629 | \$ 630,982 | \$ 17,103,901 | \$ 191,004 | \$ 32,220,212 |
| 1995-96 | 20,733 | 9,890,623 | 5,210,813 | 772,144 | 18,085,405 | 199,739 | 34,179,457 |
| 1996-97 | 87,427 | 10,689,955 | 4,780,082 | 1,077,381 | 20,671,004 | 201,313 | 37,507,162 |
| 1997-98 | 28,471 | 10,700,065 | 5,085,837 | 858,520 | 19,840,527 | 200,848 | 36,714,268 |
| 1998-99 | 39,920 | 11,017,603 | 5,296,901 | 916,176 | 22,019,448 | 199,164 | 39,489,212 |
| 1999-00 | 50,520 | 12,884,800 | 3,820,982 | 951,749 | 23,099,369 | 213,078 | 41,020,498 |
| 2000-01 | 42,175 | 13,131,538 | 5,849,223 | 1,001,787 | 25,629,372 | 649,606 | 46,303,701 |
| 2001-02 | 8,766 | 15,143,530 | 6,200,677 | 1,021,229 | 26,430,007 | 918,538 | 49,722,747 |
| 2002-03 | 1,186 | 15,603,958 | 7,612,620 | 868,120 | 26,773,110 | 1,203,517 | 52,062,511 |
| 2003-04 | 1,467 | 16,033,766 | 5,596,196 | 1,080,612 | 28,843,183 | 1,456,837 | 53,012,061 |

(1) Includes General, Special Revenue, and Debt Service Funds

BENTON COUNTY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

| Fiscal Year | Total Net Tax Levy | First Year Tax Collected | First Year Percent of Levy Collected | Uncollected Balance at 6/30/04 | Percent of Levy Uncollected at 6/30/04 |
|----------------|--------------------------|--------------------------------|---|--------------------------------------|---|
| 1994-95 | \$ 7,492,118 | \$ 7,247,312 | 96.7% | \$ 785 | 0.010% |
| 1995-96 | 8,071,513 | 7,843,450 | 97.2% | 696 | 0.009% |
| 1996-97 | 8,702,881 | 8,469,412 | 97.3% | 1,268 | 0.015% |
| 1997-98 | 9,065,764 | 8,830,184 | 97.4% | 1,994 | 0.022% |
| 1998-99 | 9,329,159 | 9,061,793 | 97.1% | 2,519 | 0.027% |
| 1999-00 | 11,224,918 | 10,909,378 | 97.2% | 5,468 | 0.049% |
| 2000-01 | 11,649,151 | 11,279,378 | 96.8% | 21,877 | 0.188% |
| 2001-02 | 11,978,298 | 11,613,519 | 97.0% | 364,779 | 3.045% |
| 2002-03 | 12,438,235 | 11,867,286 | 95.4% | 104,081 | 0.837% |
| 2003-04 | 12,782,974 | 12,322,213 | 96.4% | 267,101 | 2.090% |

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 buyouts.

BENTON COUNTY, OREGON

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (1) (2)

Last Ten Fiscal Years

| Fiscal Year | Real Property | | Personal Property | | Totals | | Ratio of Total |
|-------------|-----------------|------------------------|-------------------|------------------------|-----------------|------------------------|--|
| | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Assessed to Total Estimated Actual Value |
| 1994-95 | \$3,370,687,810 | \$3,370,687,810 | \$110,668,888 | \$110,668,888 | \$3,481,356,698 | \$3,481,356,698 | 100.00% |
| 1995-96 | 3,751,623,219 | 3,751,623,219 | 116,377,558 | 116,377,558 | 3,868,000,777 | 3,868,000,777 | 100.00% |
| 1996-97 | 4,286,645,704 | 4,286,645,704 | 121,190,696 | 121,190,696 | 4,407,836,400 | 4,407,836,400 | 100.00% |
| 1997-98 | 3,981,246,486 | 5,051,663,755 | 189,225,225 | 240,101,238 | 4,170,471,711 | 5,291,764,993 | 78.81% |
| 1998-99 | 4,000,509,195 | 5,122,145,000 | 253,525,340 | 253,525,340 | 4,254,034,535 | 5,375,670,340 | 79.13% |
| 1999-00 | 4,178,235,148 | 5,057,408,469 | 242,196,024 | 242,196,559 | 4,420,431,172 | 5,299,605,028 | 83.41% |
| 2000-01 | 4,284,187,841 | 5,786,917,928 | 159,387,646 | 159,387,646 | 4,443,575,487 | 5,946,305,574 | 74.73% |
| 2001-02 | 4,660,586,464 | 5,678,628,127 | 181,336,385 | 181,336,385 | 4,841,922,849 | 5,859,964,512 | 82.63% |
| 2002-03 | 4,521,764,469 | 5,670,649,319 | 171,598,560 | 171,580,151 | 4,693,363,029 | 5,842,229,470 | 80.34% |
| 2003-04 | 4,837,545,235 | 5,887,164,693 | 167,288,673 | 167,288,673 | 5,004,833,908 | 6,054,453,366 | 82.66% |

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

(2) 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.

BENTON COUNTY, OREGON

AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS
(per \$1,000 of assessed value)

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Albany</u> | <u>Alpine*</u> | <u>Alsea</u> | <u>Bellfountain*</u> | <u>Corvallis</u> | <u>Harrisburg</u> | <u>Irish Bend*</u> | <u>Monmouth Independence</u> |
|--------------------|---------------|----------------|--------------|----------------------|------------------|-------------------|--------------------|------------------------------|
| 1994-95 | 14.20 | 11.94 | 10.70 | 11.69 | 12.91 | 12.17 | 12.50 | 16.04 |
| 1995-96 | 11.62 | 0.00 | 8.56 | 0.00 | 11.17 | 9.60 | 0.00 | 10.27 |
| 1996-97 | 11.92 | 0.00 | 8.44 | 0.00 | 10.59 | 9.23 | 0.00 | 10.24 |
| 1997-98 | 13.83 | 0.00 | 9.45 | 0.00 | 11.01 | 11.28 | 0.00 | 11.67 |
| 1998-99 | 12.62 | 0.00 | 9.49 | 0.00 | 10.55 | 11.49 | 0.00 | 11.52 |
| 1999-00 | 13.49 | 0.00 | 9.92 | 0.00 | 10.54 | 11.77 | 0.00 | 13.66 |
| 2000-01 | 13.54 | 0.00 | 9.96 | 0.00 | 11.55 | 13.73 | 0.00 | 12.60 |
| 2001-02 | 13.39 | 0.00 | 10.37 | 0.00 | 11.91 | 13.79 | 0.00 | 14.69 |
| 2002-03 | 13.28 | 0.00 | 10.45 | 0.00 | 11.97 | 13.74 | 0.00 | 14.55 |
| 2003-04 | 13.78 | 0.00 | 10.21 | 0.00 | 13.35 | 13.69 | 0.00 | 14.87 |

* Beginning with the 95/96 fiscal year, Alpine, Bellfountain, and Irish Bend were combined with Monroe to form one jurisdiction.

| <u>Monroe*</u> | <u>Philomath</u> | <u>County Portion</u> | <u>Benton Average Rate</u> |
|----------------|------------------|---------------------------|------------------------------------|
| 13.52 | 14.44 | 2.19 | 13.16 |
| 10.47 | 11.82 | 2.02 | 11.00 |
| 10.12 | 11.43 | 2.02 | 10.63 |
| 11.69 | 11.79 | 2.20 | 11.47 |
| 11.62 | 12.90 | 2.21 | 10.85 |
| 11.76 | 15.38 | 2.55 | 11.94 |
| 11.60 | 15.02 | 2.55 | 12.37 |
| 11.97 | 15.08 | 2.55 | 12.61 |
| 12.27 | 14.97 | 2.19 | 13.03 |
| 12.09 | 14.83 | 2.20 | 13.26 |

BENTON COUNTY, OREGON

SPECIAL ASSESSMENTS COLLECTIONS

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Current Assessments Due</u> | <u>Special Assessments Collected (1)</u> |
|------------------------|--|--|
| 1994-95 | \$ 10,397 | \$ 38,226 |
| 1995-96 | 11,339 | 18,096 |
| 1996-97 | 8,443 | 7,820 |
| 1997-98 | 5,686 | 6,833 |
| 1998-99 | 3,980 | 2,824 |
| 1999-00 | 3,533 | 2,175 |
| 2000-01 | 5,369 | 4,191 |
| 2001-02 | 9,847 | 19,669 |
| 2002-03 | 6,314 | 9,307 |
| 2003-04 | 5,066 | 9,737 |

(1) Includes prepayments and foreclosures.

BENTON COUNTY, OREGON

RATIO OF NET GENERAL BONDED DEBT TO NET ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

| Fiscal Year | Population | Assessed Value | Gross Bonded Debt (1) | Debt Service Monies Available | Net Bonded Debt | Ratio of Net Bonded Debt To Assessed Value | Net Bonded Debt Per Capita |
|----------------|------------|-------------------|-----------------------------|--|-----------------------|---|-------------------------------------|
| 1994-95 | 74,450 | \$3,481,356,698 | \$ 60,000 | \$ 51,954 | \$ 8,046 | 0.0000023 | 0.11 |
| 1995-96 | 75,235 | 3,868,000,777 | - | - | - | N/A | N/A |
| 1996-97 | 76,000 | 4,407,836,400 | - | - | - | N/A | N/A |
| 1997-98 | 76,700 | 4,170,471,711 | - | - | - | N/A | N/A |
| 1998-99 | 77,755 | 4,254,034,535 | - | - | - | N/A | N/A |
| 1999-00 | 77,100 | 4,263,639,723 | - | - | - | N/A | N/A |
| 2000-01 | 78,300 | 4,443,575,487 | - | - | - | N/A | N/A |
| 2001-02 | 79,000 | 4,841,922,849 | 11,617,907 | 20,097 | 11,597,810 | 0.0023953 | 146.81 |
| 2002-03 | 79,900 | 4,693,363,029 | 11,617,907 | 132,557 | 11,485,350 | 0.0024471 | 143.75 |
| 2003-04 | 80,500 | 5,004,833,908 | 19,080,552 | 173,027 | 18,907,525 | 0.0037779 | 234.88 |

(1) Includes all long-term general obligation debt. Excludes self-supporting Bancroft bonds and debt of North Albany County Service District.

BENTON COUNTY, OREGON

COMPUTATION OF LEGAL DEBT MARGIN

June 30, 2004

| | | |
|--|----------------|-------------------------|
| True cash value | | <u>\$ 6,054,453,366</u> |
| Debt limit - 2 percent of true cash value | | <u>\$ 121,089,067</u> |
| Amount of debt applicable to debt limit | | |
| Total bonded debt (including special assessment bonds) | \$ 19,080,552 | |
| Less - Assets in debt service funds available for payment of principal | <u>173,027</u> | |
| Total debt applicable to debt limit | | <u>18,907,525</u> |
| Legal debt margin | | <u>\$ 102,181,542</u> |

BENTON COUNTY, OREGON

DIRECT AND OVERLAPPING DEBT (1)

June 30, 2004

| Government Unit | Gross Debt Outstanding | Percentage Applicable to Benton County | Amount Applicable to Benton County |
|--------------------------------------|---------------------------|--|--|
| North Albany County Service District | \$ 830,618 | 100.000% | \$ 830,618 |
| Junction City Water Control District | 436,431 | 2.5486 | 11,123 |
| School District # 1J | 1,803,529 | 94.8747 | 1,711,093 |
| School District # 7J | 10,000 | 97.0956 | 9,710 |
| School District # 8J | 50,015,000 | 16.2814 | 8,143,142 |
| School District # 13J | 39,144,993 | 2.0730 | 811,476 |
| School District # 17J | 17,279,086 | 99.4104 | 17,177,209 |
| School District #509J | 114,942,085 | 97.6301 | 112,218,073 |
| School District # 7 | 4,755,000 | 0.9151 | 43,513 |
| City of Corvallis | 41,933,017 | 100.0000 | 41,933,017 |
| City of Philomath | 190,000 | 100.0000 | 190,000 |
| City of Albany | 22,113,237 | 16.4401 | 3,635,438 |
| Adair RFPD | 182,000 | 100.0000 | 182,000 |
| Hoskins-Kings Valley RFD | 185,000 | 91.5819 | 169,427 |
| Willamette ESD | 16,388,128 | 6.7300 | 1,102,921 |
| Lane Community College | 76,720,188 | 0.4278 | 328,209 |
| Linn Benton Community College | 47,100,359 | 48.8921 | 23,028,355 |
| Totals | <u>\$ 434,028,671</u> | | <u>\$ 211,525,322</u> |

(1) Excludes self-supporting Bancroft bonds or revenue bonds if fully self-supporting.

BENTON COUNTY, OREGON

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES

Last Ten Fiscal Years

| Fiscal Year | Principal | Interest | Total Debt Service (1) | Total General Expenditures (2) | Ratio of Debt Service to Total General Expenditures |
|----------------|-----------|----------|------------------------------|--------------------------------------|---|
| 1994-95 | \$ 60,000 | \$ 5,850 | \$ 65,850 | \$ 31,066,700 | 0.00212 |
| 1995-96 | 60,000 | 1,950 | 61,950 | 34,091,759 | 0.00182 |
| 1996-97 | - | - | - | 36,524,665 | N/A |
| 1997-98 | - | - | - | 37,208,028 | N/A |
| 1998-99 | - | - | - | 39,434,821 | N/A |
| 1999-00 | - | - | - | 40,449,880 | N/A |
| 2000-01 | - | - | - | 45,460,730 | N/A |
| 2001-02 | 44,706 | 109,517 | 154,223 | 46,946,905 | 0.00329 |
| 2002-03 | 591,304 | 648,702 | 1,240,006 | 48,087,642 | 0.02579 |
| 2003-04 | 7,142,991 | 632,458 | 7,775,449 | 48,963,353 | 0.15880 |

This schedule does not contain any figures with regards to debt issued by the North Albany County Service District. (Debt of this District is included in the combined financial statement of Benton County).

- (1) Excludes special assessments, debt service, and short-term sinking funds.
- (2) Includes general, special revenue, and debt service funds excluding short-term sinking funds.

BENTON COUNTY, OREGON

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Population</u> | <u>Per Capita Income</u> | <u>School Enrollment</u> | <u>Unemployment Rate</u> |
|------------------------|-------------------|----------------------------------|------------------------------|------------------------------|
| 1994-95 | 74,450 | \$ 19,104 | 10,687 | 2.9% |
| 1995-96 | 75,235 | 19,173 | 10,665 | 2.3% |
| 1996-97 | 76,000 | 21,257 | 10,844 | 2.7% |
| 1997-98 | 76,700 | 24,374 | 10,758 | 2.5% |
| 1998-99 | 77,755 | 26,903 | 9,974 | 3.1% |
| 1999-00 | 77,100 | 27,307 | 9,946 | 2.9% |
| 2000-01 | 78,300 | 28,291 | 9,996 | 2.4% |
| 2001-02 | 79,000 | 29,318 | 9,807 | 3.4% |
| 2002-03 | 79,900 | 30,709 | 9,754 | 4.3% |
| 2003-04 | 80,500 | 30,421 | 9,496 | 3.4% |

BENTON COUNTY, OREGON

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS

Last Ten Fiscal Years

| Fiscal Year | Value of Non-residential Construction | Residential Construction | | Bank Deposits (in thousands) | Property Market Value on Tax Roll |
|----------------|---|--------------------------|--------------------|------------------------------------|---|
| | | Value | Number of Units | | |
| 1994-95 | \$ 110,102,243 | \$ 61,682,564 | 474 | \$ 400,815 | \$3,481,356,698 |
| 1995-96 | 138,177,702 | 57,370,045 | 608 | 459,741 | 3,868,000,777 |
| 1996-97 | 72,224,994 | 53,819,162 | 631 | 451,183 | 4,407,836,400 |
| 1997-98 | 55,907,796 | 41,226,434 | 539 | 444,668 | 5,291,764,993 |
| 1998-99 | 64,377,488 | 55,696,404 | 573 | 429,881 | 5,375,670,340 |
| 1999-00 | 81,865,197 | 45,752,041 | 692 | 462,568 | 5,299,605,028 |
| 2000-01 | 73,015,349 | 66,840,938 | 1,671 | 502,297 | 5,946,305,574 |
| 2001-02 | 134,628,772 | 76,604,446 | 642 | 521,888 | 5,859,964,512 |
| 2002-03 | 78,832,479 | 62,877,501 | 695 | 550,073 | 5,842,229,470 |
| 2003-04 | 131,522,584 | 65,241,988 | 609 | 575,451 | 6,054,453,366 |

BENTON COUNTY, OREGON

PRINCIPAL TAXPAYERS

Fiscal Year 2003-04

| Taxpayer | Type of Business | 2004 Assessed Value | Percentage of Total Assessed Value (1) |
|---------------------------------|--------------------------|---------------------------|--|
| HEWLETT PACKARD CO | Electronics Manufacturer | \$ 471,307,296 | 9.42% |
| QWEST CORPORATION | Telephone utility | 37,098,681 | 0.74% |
| PACIFICORP | Utility | 24,734,000 | 0.49% |
| EVANITE FIBER INC | Manufacturer | 24,069,224 | 0.48% |
| NORTHWEST NATURAL GAS CO | Utility | 24,004,600 | 0.48% |
| PIONEER TELEPHONE COOP | Telephone utility | 16,774,083 | 0.34% |
| STARKER FORESTS INC | Timber Owners | 15,655,998 | 0.31% |
| AVERY INVESTMENTS LLC | Real Estate | 15,226,630 | 0.30% |
| WITHAM HILL OAKS APARTMENTS LLC | Real Estate | 11,572,926 | 0.23% |
| ACCU FAB SYSTEMS INC | Manufacturer | 10,423,205 | 0.21% |
| STAHLBUSH ISLAND FARMS INC | Agriculture | 10,328,850 | 0.21% |
| WILSON ROBERT C | Real Estate | 9,735,990 | 0.19% |
| FINANCIAL PACIFIC INC | Utility | 8,872,209 | 0.18% |
| COMCAST OF OREGON II INC | Timber Owners | 8,310,273 | 0.17% |
| NYPRO REALTY HOLDINGS INC | Manufacturer | 7,940,544 | 0.16% |

(1) Benton County total assessed value

\$ 5,004,833,908

BENTON COUNTY, OREGON

MISCELLANEOUS STATISTICS

June 30, 2004

| | |
|---|--|
| Date of incorporation | December 23, 1847 |
| Form of government | Three-member Board of Commissioners |
| Area | 679 square miles |
| Miles of Streets | 467 County maintained |
| Number of street lights | 13 luminaries |
| Police protection | |
| Number of Sheriff's stations | 1 |
| Number of County Sheriffs | 57 deputized staff 15 non-deputized staff. |
| Building permits issued | 285 |
| Number of parks | 16 with 1417.61 acres |
| Libraries | |
| Number of libraries supported by the County | 1 branch in Corvallis 3 branches: one each in Philomath Alsea Monroe 1 mobile unit |
| Number of volumes | 318,010 |
| Employees | |
| Represented employees | 251 |
| Exempt employees | 73 |

**REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
REQUIRED BY STATUTES**

BENTON COUNTY, OREGON

DISCLOSURES AND INDEPENDENT AUDITOR'S COMMENTS REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS

For the Year Ended June 30, 2004

Oregon Administrative Rules 162-10-050 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required comments and disclosures not included in preceding sections of this report are set forth as follows:

Statement of Accountability for Independently Elected Officials (OAR 162-10-140)

The County has no independently elected officials that receive cash.

Outstanding Warrants (OAR 162-10-230)

The County had no outstanding warrants at June 30, 2004.

Accounting and Internal Control Systems (OAR 162-10-230)

The condition of the accounting records and the accounting and internal control systems were adequate for audit purposes.

Collateral (OAR 162-10-240)

Our audit of the County disclosed no instances of noncompliance pertaining to the amount and adequacy of collateral pledged to secure the deposit of public funds.

Indebtedness (OAR 162-10-250)

The County has not exceeded its legal debt limitation as provided in ORS 440-375, and is in compliance with all provisions of bond indentures and other agreements.

Budget (OAR 162-10-260)

The County's compliance with the provisions of the Oregon Revised Statutes as they apply to the preparation, adoption, and execution of the annual budget for the 2003-2004 fiscal year and the preparation and adoption of the annual budget for the 2004-2005 fiscal year was reviewed. Our review showed that the County was in compliance with the Statutes.

Insurance and Fidelity Bonds (OAR 162-10-270)

The County's insurance and fidelity bond coverage was reviewed and found to be in compliance with the Oregon Statutes relating thereto. We do not express an opinion as to the adequacy of insurance coverage, since we are not trained in this regard.

Programs Funded from Outside Sources (OAR 162-10-280)

Our audit of the County disclosed no material noncompliance with laws and regulations pertaining to programs funded from outside sources.

Highway Funds (OAR 162-10-295)

The County has complied with requirements related to dedicated state highway funds exclusively for road, footpath, and bike path improvements as provided in the Oregon Revised Statutes.

Investments (OAR 162-10-300)

Our audit of the County disclosed compliance with the statutes applicable to the investment of public funds.

Public Contracts and Purchasing (OAR 162-10-310)

The County is in compliance with the provisions of ORS 279 pertaining to the awarding of public contracts and the construction of public improvements.

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2004

| Federal Grantor/Pass through Grantor | Federal CFDA number | Grant Number | Expenditures |
|--|------------------------|--------------|------------------|
| <u>U.S. Department of Health and Human Services</u> | | | |
| Passed through State Health Department | | | |
| HIV - CTS Alternate Sites (prevention) | 93.118 | 02-02 | \$ 14,298 |
| HIV Intervention Block | 93.118 | 02-02 | 7,569 |
| HIV - CTS Alternate Sites (IDU Outreach) | 93.118 | 02-02 | 17,500 |
| Ryan White-HIV Case Management | 93.917 | 02-02 | 14,851 |
| Ryan White-HIV Support Services | 93.917 | 02-02 | 3,062 |
| Family Planning - Title X | 93.217 | 02-02 | 72,155 |
| Family Planning - MCH Block Grant | 93.994 | 02-02 | 44,803 |
| Childhood Immunization Vaccine (non cash assistance) | 93.268 | 02-02 | 33,220 |
| Breast & Cervical Cancer Education | 93.919 | 02-02 | 5,000 |
| Maternal and Child Health - MCH Block Grant | 93.994 | 02-02 | 39,554 |
| Maternal and Child Health - Perinatal MCH Block Grant | 93.994 | 02-02 | 3,181 |
| STARS Abstinence Education | 93.235 | 02-02 | 4,593 |
| Water Systems-EPA | 66.432 | 02-02 | 6,240 |
| Immunization | 93.778 | 02-02 | 10,897 |
| Bioterrorism | 93.283 | 02-02 | 180,956 |
| Passed through State Mental Health Division | | | |
| CMHS Block Grant | 93.958 | 112000 | 39,576 |
| Block Grants for Comm. Mental Health | 93.958 | 112001 | 19,992 |
| Substance Abuse Prevention & Treatment Block Grant | 93.959 | 135001 | 203,847 |
| Temporary Assistance for Needy Families | 93.558 | 13700 | 17,329 |
| Enforcing Underage Drinking Program | 16.727 | 142200 | 6,324 |
| Passed through Department of Health and Human Services | | | |
| Family Planning Service Delivery Improvement (MARS) | 93.974 | 6011-01 | 88,701 |
| Passed through Oregon Youth Services Commission | | | |
| Youth Investment/Title XX | 93.667 | | 60,309 |
| CCDF Local Systems | 93.575 | | 60,958 |
| Early Child Care/CCDF | 93.575 | | 29,508 |
| Family Preservation & Support Services | 93.556 | | 17,338 |
| Child Support Enforcement | 93.563 | | <u>76,484</u> |
| Total Department of Health and Human Services | | | <u>1,078,245</u> |

*Indicates major program

(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, Federal Revenue Sharing Funds, and Oregon and California Land Grant Counties payments.

(Continued)

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2004

(Continued)

U.S. Department of Justice

Passed through the Department of Oregon State Police

| | | | |
|---|--------|--------------|-----------|
| Domestic Violence Grant | 16.588 | 00-800 | \$ 91,273 |
| Juvenile Accountability Incentive Block Grant | 16.523 | | 34,524 |
| Local Law Enforcement Block Grant | 16.592 | | 9,457 |
| Ballistic Vest Grant | 16.607 | | 6,392 |
| Marijuana Eradication Grant | 16.580 | | 8,000 |
| Emergency Management Performance Grants | 97.042 | | 110,051 |
| COPS in School | 16.592 | 2000SHWX0333 | 30,005 |

Passed through State Justice Division

| | | | |
|--|--------|-----------------|--------------|
| Drug-Free Communities Support Program | 16.729 | 2000-JN-FX-0035 | 53,189 |
| Drug Court Discretionary Grant Program | 16.585 | | 46,617 |
| Substance Abuse and Mental Health Services | 93.243 | | 111,201 |
| Title II Formula Grant Program | 16.540 | | 881 |
| Victims of Crime Act Grant | 16.575 | 03-2041 | 36,264 |
| Victims of Crime Act Grant | 16.575 | 03-2130 | 21,863 |
| Victims of Crime Act Grant | 16.575 | 01-1491 | <u>7,748</u> |

| | | | |
|-----------------------------|--|--|----------------|
| Total Department of Justice | | | <u>567,465</u> |
|-----------------------------|--|--|----------------|

U.S. Department of Agriculture

Passed through State Department of Admin. Services

| | | | |
|-------------------------|--------|--|-----------|
| Federal Forest Revenues | 10.665 | | 472,064 * |
|-------------------------|--------|--|-----------|

Passed through Rural Business-Cooperative Service

| | | | |
|-------------------------------------|--------|--|-----------|
| USDA Rural Utilities Services Grant | 10.854 | | 597,916 * |
|-------------------------------------|--------|--|-----------|

Passed through State Health Department

| | | | |
|------------------------------------|--------|--------|----------------|
| Women, Infants, and Children (WIC) | 10.557 | 02-001 | <u>185,893</u> |
|------------------------------------|--------|--------|----------------|

| | | | |
|--------------------------------------|--|--|------------------|
| Total U.S. Department of Agriculture | | | <u>1,255,873</u> |
|--------------------------------------|--|--|------------------|

*Indicates major program

(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, Federal Revenue Sharing Funds, and Oregon and California Land Grant Counties payments.

(Continued)

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2004

(Continued)

Department of Homeland Security

| | | |
|--|--------|------------------|
| Passed through State Emergency Management Division Disaster Relief and Emergency Assistance Act | 97.036 | \$ <u>50,151</u> |
|--|--------|------------------|

| | | |
|---|--|------------------|
| Total Federal Emergency Management Agency | | \$ <u>50,151</u> |
|---|--|------------------|

U.S. Department of Transportation

Federal Highway Administration

| | | |
|---|--------|-----------|
| Passed through State Department of Transportation Capital Assistance Program for Elderly Persons | 20.513 | 353,229 * |
|---|--------|-----------|

| | | |
|---|--------|----------------|
| Passed through State Department of Transportation Highway Bridge Rehab/Replacement | 20.205 | <u>126,183</u> |
|---|--------|----------------|

| | | |
|---|--|----------------|
| Total U.S. Department of Transportation | | <u>479,412</u> |
|---|--|----------------|

U.S. Department of Housing and Urban Development (HUD)

| | | |
|---|--------|------------------|
| Passed through Economic Development Department Supportive Housing Services - Continuum of Care | 14.235 | 38,380 |
| HUD Block Grant (509J area) | 14.248 | 189,290 * |
| HUD Block Grant (South Third) | 14.228 | <u>619,095 *</u> |

| | | |
|-------------------------------------|--|----------------|
| Total housing and urban development | | <u>846,765</u> |
|-------------------------------------|--|----------------|

U.S. Department of the Interior

| | | | |
|---------------------------|--------|--------------|-------|
| Fish and Wildlife Service | 15.631 | 1448-13590-3 | 6,322 |
|---------------------------|--------|--------------|-------|

National Park Service

| | | | |
|---|--------|------------|--------------|
| Passed through State Parks Department Historic Preservation Fund Grants-In-Aid | 15.904 | ORNW97-062 | <u>3,098</u> |
|---|--------|------------|--------------|

| | | | |
|----------------------------------|--|--|--------------|
| Total department of the Interior | | | <u>9,420</u> |
|----------------------------------|--|--|--------------|

| | | | |
|------------------------------------|--|--|----------------------------|
| Total Federal Financial Assistance | | | <u><u>\$ 4,287,331</u></u> |
|------------------------------------|--|--|----------------------------|

*Indicates major program

(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, Federal Revenue Sharing Funds, and Oregon and California Land Grant Counties payments.



Shareholders:

Fredrick M. Koontz, CPA
Richard D. Perdue, CPA
Debra L. Blasquez, CPA
Glen O. Kearns, CPA

Wesley B. Price, CPA-Retired

Koontz & Perdue, P.C.
Certified Public Accountants

Staff:

Pam S. Strutz, CPA
Danielle R. Uerlings
Adam M. Huskey
Irina O. Stein
Kimberly R. Comer

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of County Commissioners
Benton County, 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 the Benton County, Oregon, as of and for the year ended June 30, 2004, which collectively comprise the Benton County, Oregon's basic financial statements and have issued our report thereon dated November 16, 2004. 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.

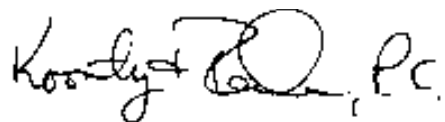
Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Benton County, Oregon's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Benton County, Oregon'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 for the information and use of management, the Board of County Commissioners, the Oregon Division of Audits, and 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.

A handwritten signature in black ink, appearing to read "Koontz & Perdue, P.C.", written in a cursive style.

Koontz & Perdue, P.C.

Albany, Oregon
November 16, 2004



Shareholders:

Fredrick M. Koontz, CPA
Richard D. Perdue, CPA
Debra L. Blasquez, CPA
Glen O. Kearns, CPA

Wesley B. Price, CPA-Retired

Koontz & Perdue, P.C.
Certified Public Accountants

Staff:

Pam S. Strutz, CPA
Danielle R. Uerlings
Adam M. Huskey
Irina O. Stein
Kimberly R. Comer

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of County Commissioners
Benton County, Oregon

Compliance

We have audited the compliance of Benton County, Oregon, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2004. Benton County, Oregon'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 Benton County, Oregon's management. Our responsibility is to express an opinion on Benton County, Oregon'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 Benton 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 of Benton County, Oregon's compliance with those requirements.

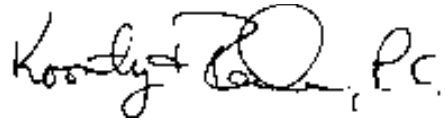
In our opinion, Benton County, Oregon, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2004.

Internal Control Over Compliance

The management of the Benton County, Oregon, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Benton County, Oregon'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 the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the Board of County Commissioners, the Oregon Division of Audits, and 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.

A handwritten signature in cursive script that reads "Koontz & Perdue, P.C." The signature is written in dark ink and is positioned above the typed name of the firm.

Koontz & Perdue, P.C.

Albany, Oregon
November 16, 2004

BENTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2004

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Benton County.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Benton County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the Benton County expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for the Benton County are reported in this schedule.
7. The programs tested as major programs include:
 - Federal Highway Administration, CFDA No. 20.312.
 - Federal Forest Revenues, CFDA No. 10.665
 - USDA Rural Utilities Services Grant, CFDA No. 10.854
 - Capital Assistance Program for Elderly Persons, CFDA No. 20.513
 - HUD Block Grant, CFDA No. 14.248
 - HUD Block Grant, CFDA No. 14.228
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. The Benton County qualified as a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None