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BENTON COUNTY

OREGON

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2017

BENTON COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2017

Prepared by:

Finance Department

Mary K. Otley, CPA
Finance Director

BENTON COUNTY, OREGON

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FAX (541) 766-6848

December 13, 2017

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

We are pleased to submit the County’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017, together with the report thereon of Benton County’s independent auditors. This report is published to provide the Board of County Commissioners, our citizens, County staff, and other readers with detailed information about the financial position and results of operations of the County, and to demonstrate fiscal and operational accountability in the use of County resources. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with Benton County management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard County assets against loss, theft, or misappropriation, and to compile sufficient, reliable information for the preparation of the County’s financial statements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

THE REPORT

In accordance with Oregon law, Boldt, Carlisle + Smith has audited the County’s basic financial statements. The objective of the audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2017, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Governmental Auditing Standards issued by the comptroller General of the United States, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State, State of Oregon. The unmodified opinion rendered in this report indicates that the financial statements were prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States of America and meet the standards prescribed by the Secretary of State. The auditor’s report on these financial statements is located in the Financial Section of this report.

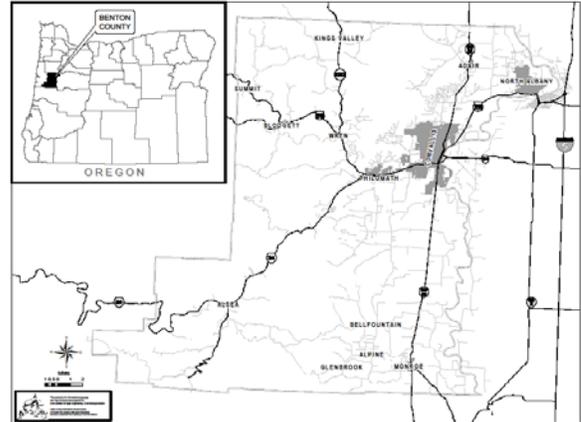
The independent audit of the financial statements was complemented by a federally mandated “Single Audit.” The Single Audit standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the County’s internal controls and legal requirements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

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

PROFILE OF BENTON COUNTY, OREGON

Benton County was incorporated December 23, 1847, and is located along the Willamette River, approximately 40 miles from the Pacific Ocean. The County includes an area of 679 square miles, has a population of 89,385 and a true cash value of \$13,165,595,080.

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 and Alsea Human Services Service District are legally separate taxing entities which function as departments of Benton County and are also included in the County's financial reports. These "blended component units" are reported as part of the Special Revenue Funds. Additional information on these six entities can be found in Note 1 of the notes to the financial statements.

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

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

ECONOMIC CONDITIONS AND OUTLOOK

With 50% of the revenue dependent on resources from state and federal governments, state fiscal condition is a critical issue for county government. As the state has increased and/or cut back the resources it provides to county programs, the County has made adjustments in staff and services.

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

Benton County, unlike any other area in the region shows a small percentage (12%) of its population aged 65 and older and a large percentage (26.1%) of its population aged 15 to 24 years. The large student population at Oregon State University affects the percentage of 15 to 24 year olds.

The Benton County employment base is one of the most stable in the state. Benton County generally records the second lowest jobless rate in the state. The unemployment rate at June 30, 2017 was 3.8%, down from 4.4% at the same time last year. One of the factors contributing to the relatively low unemployment rate is that a high percentage of the working force has college degrees.

State and local education make up the County’s largest industry, accounting for approximately 10,980 jobs or 28.6% of the total work force. State and local education includes the local public school districts as well as Oregon State University (OSU). OSU is one of only two universities in the country designated as a combined land, space, sea, and sun grant university. OSU enrolls approximately 26,500 students and employs approximately 10,430 people. OSU serves as Oregon’s leading source of basic applied research in forestry, agriculture, fisheries, engineering, electronics, home economics and sciences for the development of human, land, atmospheric and oceanic resources and receives more than \$250 million in annual funded research, making OSU one of the nation’s leading research universities. Other federal and state and local public administration employment totals approximately 3,278 jobs or 8.9% of the total work force.

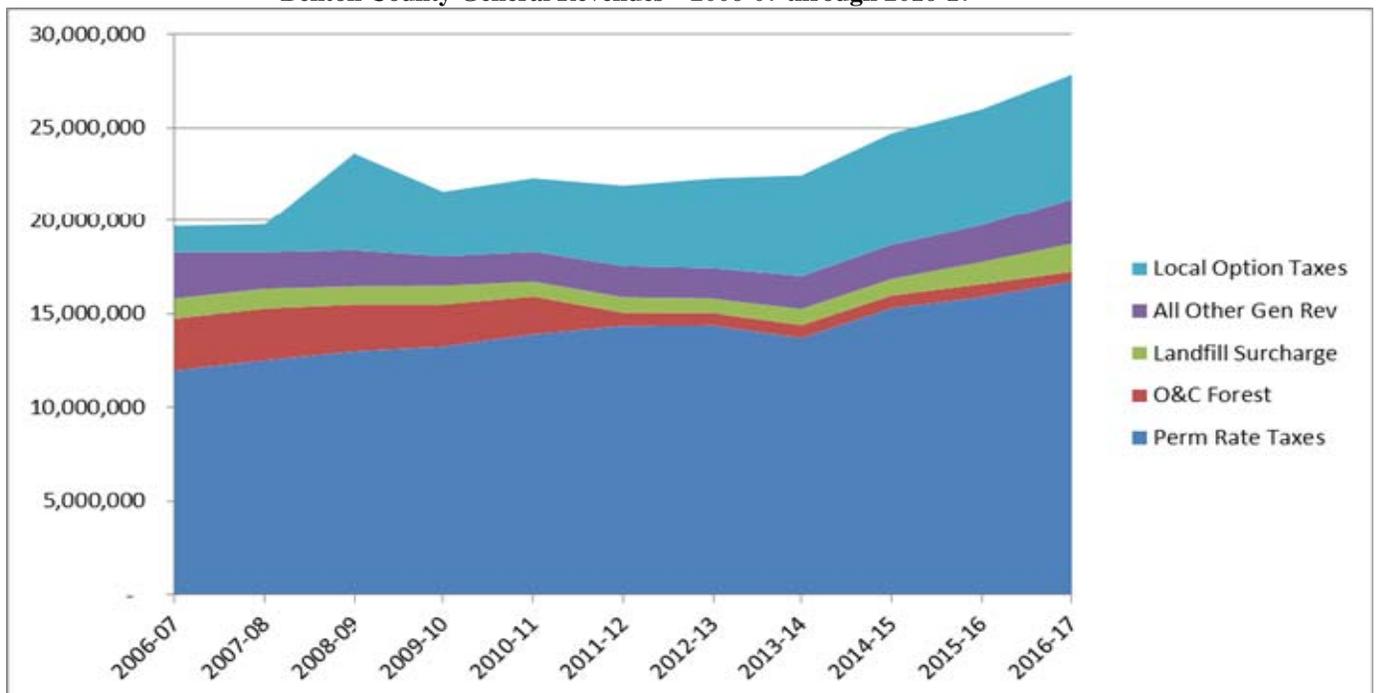
Outlook

Benton County is in sound fiscal position due to years of conservative financial management. In November of 2017, voters renewed a Health and Safety five year local option levy. This levy was renewed for 5 years.

The 2017 levy approved a maximum of 90 cents per thousand dollars of assessed value.

The County’s major general revenues come from property tax, the Oregon & California Forest funds, and a surcharge on landfill use. Over the last 10 years the percentage of general revenues from property tax has increased from 70% to 86% of all general revenues. The following chart shows the change in general revenues over the last ten years.

Benton County General Revenues – 2006-07 through 2016-17



MAJOR INITIATIVES

Finance/Human Resources Software – The County has been using a Finance/Human Services program since FY 2001 as its base accounting system. It was determined that the current system was no longer being enhanced and should be replaced. After an RFQ process, a contract was signed with Tyler Technologies. The financial phase of the project went into production on July 1, 2016 and the payroll/HR phase went into production on January 1, 2017.

Facilities Improvements – The County will be improving/remodeling several of its building during the next two years. Remodel 8,000 sq. ft. of the Sunset Building for occupation by County employees, addition of 5,000 sq. ft. to the Public Works office building and renovation of the Public Services Building for use as a medical clinic. The renovations are projected to cost \$9 million. The County will provide \$2.25 million from existing funds as will borrow up to \$7 million for the project.

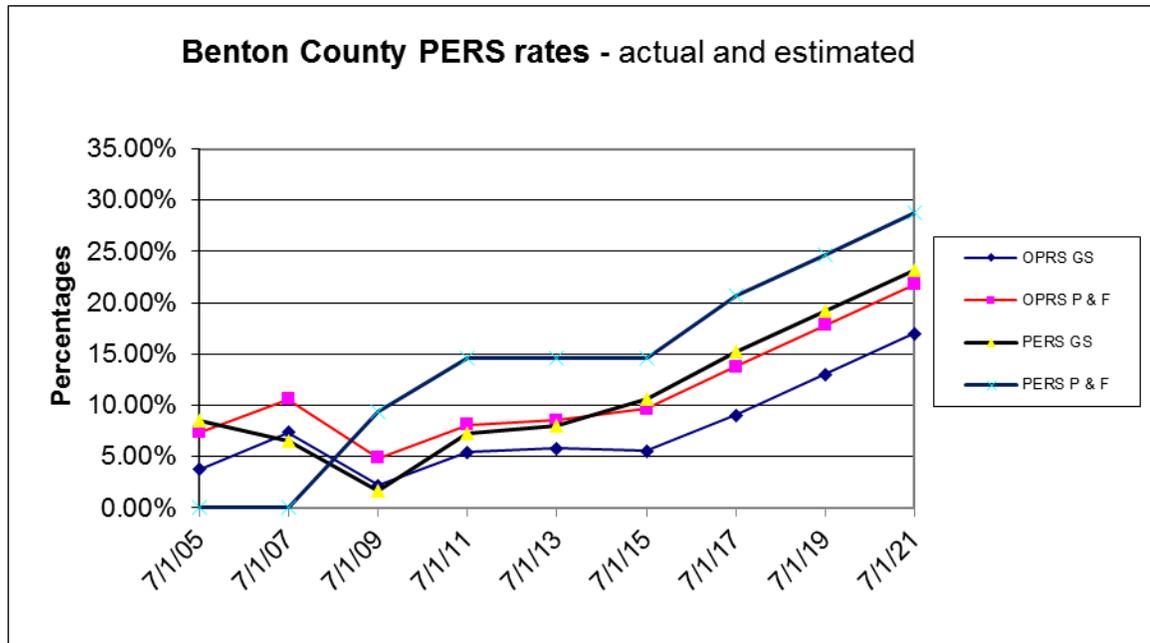
House Bill 2017-A was signed by the Governor increasing the State Gas Tax and Vehicle Registration fees phasing in the increases over the next several years. This action increases road maintenance and improvements resources for the County by an estimated \$1.1 million per year over the next several years.

The County will continue to be challenged by the increasing cost of the Oregon Public Employees Retirement System (OPERS), which will also affect the flow of resources for State supported programs. Local governments throughout the State of Oregon continue to experience budget reductions due to slow property tax growth. Due to citizen backed initiatives, the property tax rate in Oregon is limited in growth to 3% annually at best.

The County will also have to respond to citizen-based initiatives and the actions of other agencies such as the federal government and the State of Oregon. Some of the future initiatives include the:

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

For the 2017-19 biennia, the PERS rates increased an average of 4.57%. It is anticipated that there will be an average increase of 5% as of July 1, 2019 and another increase of 4% and as of July 1, 2021.



- Limitation on property tax growth and the impact on revenues, which will limit the County’s ability to continue to provide the historical levels of service.

- Unknown implications of Healthcare Reform to the health care costs to employers and employees.

RELEVANT FINANCIAL POLICIES

Contingency & Reserve Policies:

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

Indirect Cost Allocation Plan(s):

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

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

LONG-TERM FINANCIAL PLANNING

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

AWARDS AND ACKNOWLEDGEMENTS

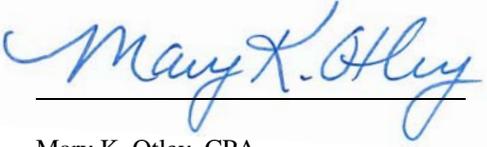
Certificate of Achievement

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

Acknowledgments

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

Respectfully submitted,



Mary K. Otley, CPA
Finance Director



Government Finance Officers Association

**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, 2016

Christopher P. Morill

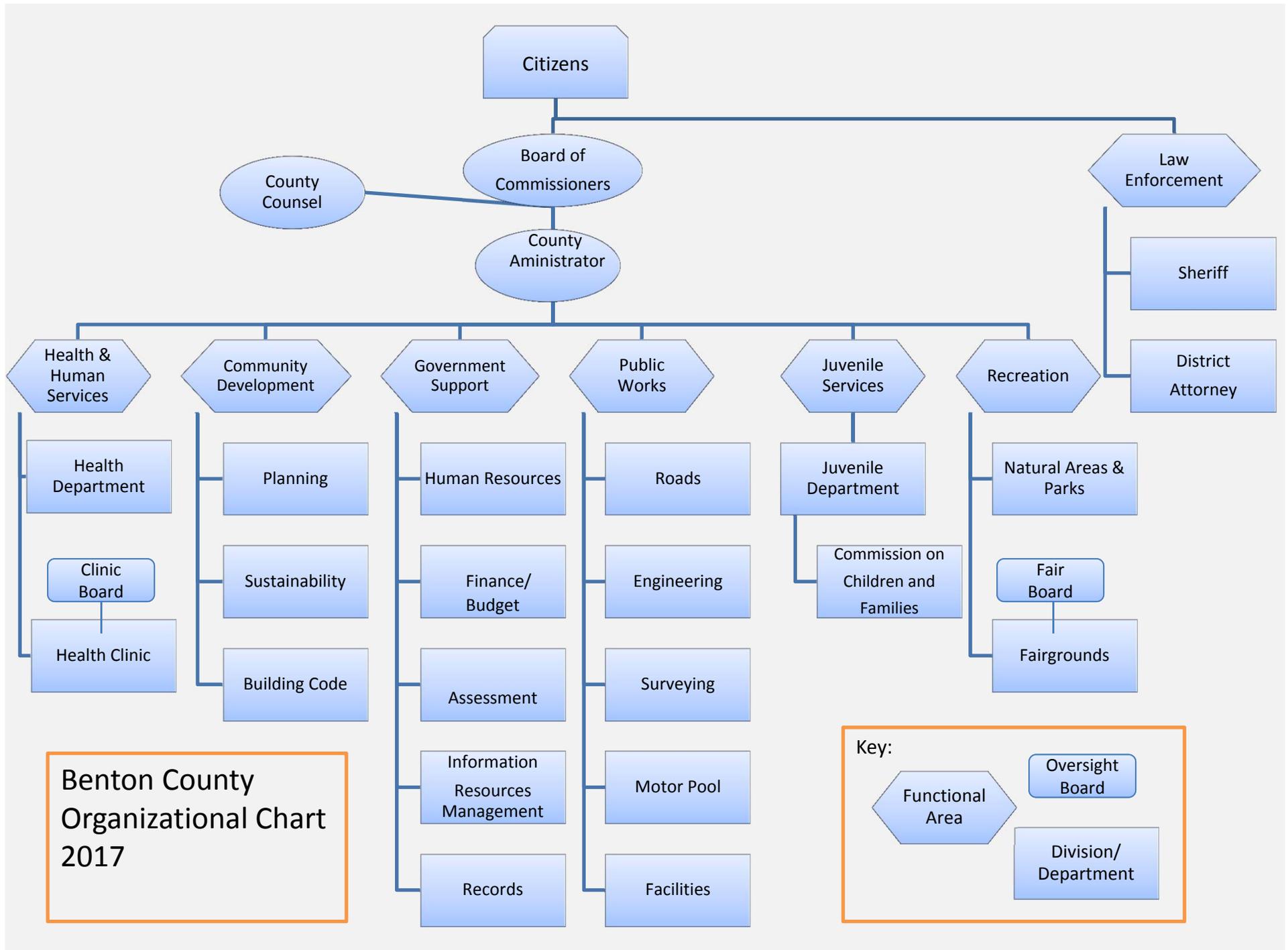
Executive Director/CEO

Benton County, Oregon

ELECTED OFFICIALS

June 30, 2017

| <u>Official</u> | <u>Office</u> | <u>Address</u> |
|---------------------|--------------------|--|
| Anne Schuster | Commissioner/Chair | 205 NW 5 th Street Corvallis, OR 97333 |
| Annabelle Jaramillo | Commissioner | 205 NW 5 th Street Corvallis, OR 97333 |
| Xan Augerot | Commissioner | 205 NW 5 th Street Corvallis, OR 97333 |
| Scott Jackson | Sheriff | 180 NW 5 th Street Corvallis, OR 97330 |
| John Haroldson | District Attorney | 120 NW 4 th Street Corvallis, OR 97330 |



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
BENTON COUNTY
Corvallis, Oregon

Report on the Financial Statements

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, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT (Continued)

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 as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules of the General, Road and Local Option Levy funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedules of the General, Road and Local Option Levy funds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, supplementary information, other financial schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

The supplementary information, other financial schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, other financial schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

INDEPENDENT AUDITOR'S REPORT (Continued)

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2017 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Other Reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 13, 2017, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 13, 2017

By:



Bradley G. Bingenheimer, Member

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, 2017. 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 17.

Financial Highlights:

- On a government-wide basis, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$153,237,245 (*net position*) as of June 30, 2017, a reduction of \$293,041 from June 30, 2016. This reduction is due in large part to the change in deferred outflows and inflows and other pension related balances that are more fully explained in the notes to the financial statements.
- On a governmental basis, the County reported a combined fund balance of \$24,956,879, a decrease of \$1,618,849 from the prior year. Of this balance, \$12,401,389 is available to meet the County's obligations. The remainder is either assigned, committed, restricted or non-spendable.
- At the end of the year, unassigned fund balance for the General Fund was \$12,401,389 or 31.66% of total General Fund expenditures plus transfers to other funds.
- The County's total liabilities and deferred inflows of resources increased by \$19,135,751. This increase was due to a decrease in deferred inflows of resources of \$2,772,942, an increase in net pension liability of \$21,533,975, an increase of \$62,597 in net OPEB obligations, a decrease of \$839,813 in long term debt and an increase of \$1,151,933 in all other liabilities combined.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all of the County's assets and liabilities, with the difference between the two reported as *net position*. 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 position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Management Discussion and Analysis - Continued

The *statement of activities* presents information showing how the County's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that may result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by intergovernmental revenues and property taxes (*governmental activities*) from other functions which are designed to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include: general government, public safety, public works, health services, justice services, community services, cultural and educational, and parks and natural resources. Business-type activities include water and sewer services, county health clinics, and rental of county-owned properties.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund financial statements. A *fund* is a grouping of related accounts (revenues, expenses, assets and liabilities) that is used to control resources that have been segregated for specific activities. Benton County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by the County can be divided into three categories: *governmental funds, proprietary funds and fiduciary funds*.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the *government-wide financial statements*. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at fiscal year-end. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains eighteen individual governmental funds (1 general fund, 14 special revenue funds, 1 debt service fund and 2 capital project funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road Fund, and Local Option Levy. These are considered to be major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Management Discussion and Analysis - Continued

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

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

The major proprietary fund financial statements can be found on pages 23 through 25 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statement, because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 and 27.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 28.

Other information. Required supplementary information and other supplementary information including combining and individual fund statements and schedules can be found starting on page 67 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$153,237,245 at the close of the most recent fiscal year.

The largest portion of the County's net position (102.5%) 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 cannot be used to liquidate these liabilities.

Management Discussion and Analysis - Continued

Fiscal Year 2017 ended with net position \$293,041 less than the end of Fiscal Year 2016. Net position may serve as a useful indicator of an entity's financial strength as it measures the entity's excess of assets and other resources over its obligations on a long term basis.

BENTON COUNTY'S Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------------------|-------------------------|----------------|--------------------------|--------------|----------------|----------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Current and other assets | \$ 36,708,765 | \$ 35,407,986 | \$ 5,837,036 | \$ 3,686,682 | \$ 42,545,801 | \$ 39,094,668 |
| Capital assets | 153,546,025 | 152,901,119 | 4,104,833 | 4,189,131 | 157,650,858 | 157,090,250 |
| Total assets | 190,254,790 | 188,309,105 | 9,941,869 | 7,875,813 | 200,196,659 | 196,184,918 |
| Deferred outflows of resources | 13,809,174 | 2,367,361 | 3,963,250 | 540,945 | 17,772,424 | 2,908,306 |
| Long-term liabilities | 47,023,166 | 31,707,213 | 10,281,337 | 4,901,258 | 57,304,503 | 36,608,471 |
| Other liabilities | 5,526,221 | 4,505,691 | 1,010,726 | 784,445 | 6,536,947 | 5,290,136 |
| Total liabilities | 52,549,387 | 36,212,904 | 11,292,063 | 5,685,703 | 63,841,450 | 41,898,607 |
| Deferred inflows of resources | 694,861 | 2,981,951 | 195,527 | 681,379 | 890,388 | 3,663,330 |
| Net position: | | | | | | |
| Net investment in capital assets | 152,931,025 | 152,092,865 | 4,095,472 | 3,971,366 | 157,026,497 | 156,064,231 |
| Restricted | 1,151,086 | 505,115 | - | - | 1,151,086 | 505,115 |
| Unrestricted | (3,262,395) | (1,117,369) | (1,677,943) | (1,921,691) | (4,940,338) | (3,039,060) |
| Total net position | \$ 150,819,716 | \$ 151,480,611 | \$ 2,417,529 | \$ 2,049,675 | \$ 153,237,245 | \$ 153,530,286 |

The County's net position decreased during the year primarily due to the change in the Pension Liability at June 30, 2016 of \$13,466,563 to a Pension Liability of \$35,000,538 at June 30, 2017. The effect of this can be seen in the significant increase in the June 30, 2017 noncurrent liabilities. This resulted from the implementation of GASB 68 in FY 2015 that requires pension related items be recorded in the government-wide statements. In addition, the State of Oregon's PERS system financial position changed dramatically from June 30, 2014 to June 30, 2015 due to an Oregon Supreme Court decision in the spring of 2015 that overturned a number of cost savings legislative changes to the pension system's terms for retirees. The impact of the PERS related items on the statement of net position was a reduction of over \$18,000,000. The following tables illustrates the affect of GASB 68 on net position in last two years:

| | Balance July 1, 2016 | Balance July 1, 2017 | Change |
|-------------------|-------------------------|-------------------------|-----------------|
| Pension liability | \$ (13,466,563) | \$ (35,000,538) | \$ (21,533,975) |
| Deferred outflows | 2,908,306 | 17,772,424 | 14,864,118 |
| Deferred inflows | (3,663,330) | (876,799) | 2,786,531 |
| | \$ (14,221,587) | \$ (18,104,913) | \$ (3,883,326) |

103% of Benton County's net position of \$153,237,245 represents its investment in capital assets including land, infrastructure, buildings, roads and equipment, net of related debt. These assets are used to provide core services to Benton County citizens. The portion of net position restricted for use in community services programs totaled \$1,151,086 or .90%. Due in part to the significant increase in the pension liability and its impact on net position, the unrestricted category of net position is negative for both governmental activities and business-type activities by a total of (\$4,940,338).

BENTON COUNTY'S Changes in Net Position

| | <u>Governmental Activities</u> | | <u>Business-type Activities</u> | | <u>Total</u> | |
|--|--------------------------------|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------|
| | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> | <u>2017</u> | <u>2016</u> |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 4,879,373 | \$ 4,566,212 | \$ 11,087,484 | \$ 10,057,144 | \$ 15,966,857 | \$ 14,623,356 |
| Operating grants and contributions | 22,913,448 | 21,758,583 | 5,641,079 | 4,528,785 | 28,554,527 | 26,287,368 |
| General revenues: | | | | | | |
| Property taxes | 26,935,903 | 24,870,659 | - | - | 26,935,903 | 24,870,659 |
| Interest and investment earnings | 340,702 | 546,093 | 50,784 | 20,691 | 391,486 | 566,784 |
| Grants and contributions not restricted to specific programs | 2,528,484 | 1,952,954 | 325,083 | 256,649 | 2,853,567 | 2,209,603 |
| Total revenue | <u>57,597,910</u> | <u>53,694,501</u> | <u>17,104,430</u> | <u>14,863,269</u> | <u>74,702,340</u> | <u>68,557,770</u> |
| Expenses: | | | | | | |
| General government | 7,088,751 | 8,743,552 | - | - | 7,088,751 | 8,743,552 |
| Public safety | 15,138,217 | 15,575,923 | - | - | 15,138,217 | 15,575,923 |
| Public works | 7,518,882 | 10,604,985 | - | - | 7,518,882 | 10,604,985 |
| Health services | 13,411,111 | 14,318,572 | - | - | 13,411,111 | 14,318,572 |
| Justice services | 4,704,142 | 5,318,078 | - | - | 4,704,142 | 5,318,078 |
| Community services | 1,657,488 | 1,593,336 | - | - | 1,657,488 | 1,593,336 |
| Cultural & educational | 4,861,848 | 6,849,860 | - | - | 4,861,848 | 6,849,860 |
| Parks & natural resources | 1,045,230 | 1,129,044 | - | - | 1,045,230 | 1,129,044 |
| Interest on long-term debt | 1,353,095 | 1,326,390 | - | - | 1,353,095 | 1,326,390 |
| Water and sewer | - | - | 190,860 | 176,301 | 190,860 | 176,301 |
| Health services | - | - | 17,967,676 | 16,761,492 | 17,967,676 | 16,761,492 |
| Real estate rental | - | - | 58,081 | 63,332 | 58,081 | 63,332 |
| Total expenses | <u>56,778,764</u> | <u>65,459,740</u> | <u>18,216,617</u> | <u>17,001,125</u> | <u>74,995,381</u> | <u>82,460,865</u> |
| Change in net position before transfers | 819,146 | (11,765,239) | (1,112,187) | (2,137,856) | (293,041) | (13,903,095) |
| Transfers | (1,480,041) | (944,579) | 1,480,041 | 944,579 | - | - |
| Change in net position | (660,895) | (12,709,818) | 367,854 | (1,193,277) | (293,041) | (13,903,095) |
| Prior period adjustment | - | - | - | - | - | - |
| Net position-beginning | <u>151,480,611</u> | <u>164,190,429</u> | <u>2,049,675</u> | <u>3,242,952</u> | <u>153,530,286</u> | <u>167,433,381</u> |
| Net position-ending | <u>\$ 150,819,716</u> | <u>\$ 151,480,611</u> | <u>\$ 2,417,529</u> | <u>\$ 2,049,675</u> | <u>\$ 153,237,245</u> | <u>\$ 153,530,286</u> |

Management Discussion and Analysis - Continued

As shown in the preceding table, the net position of the County decreased by \$293,041 during FY 2017. Discussion and analysis of the changes for both governmental activities and business-type activities are included below.

Changes due to governmental activities

- Property tax revenue increased by \$2,065,244 as a result of new construction in the County.
- During Fiscal Year 2017, the net position for governmental activities decreased by \$660,895. Several key factors produced this result for 2017. After realizing a dramatic change in pension expense for governmental activities in fiscal year 2016, the effects of GASB 68 have evened out. In fiscal year 2016, the county realized pension expense of \$11,116,857 and in fiscal year 2017, the pension expense was \$3,883,343.
- Another major factor in the change in Benton County's net position was the inclusion of \$5,072,276 in depreciation expense.

Changes due to business-type activities

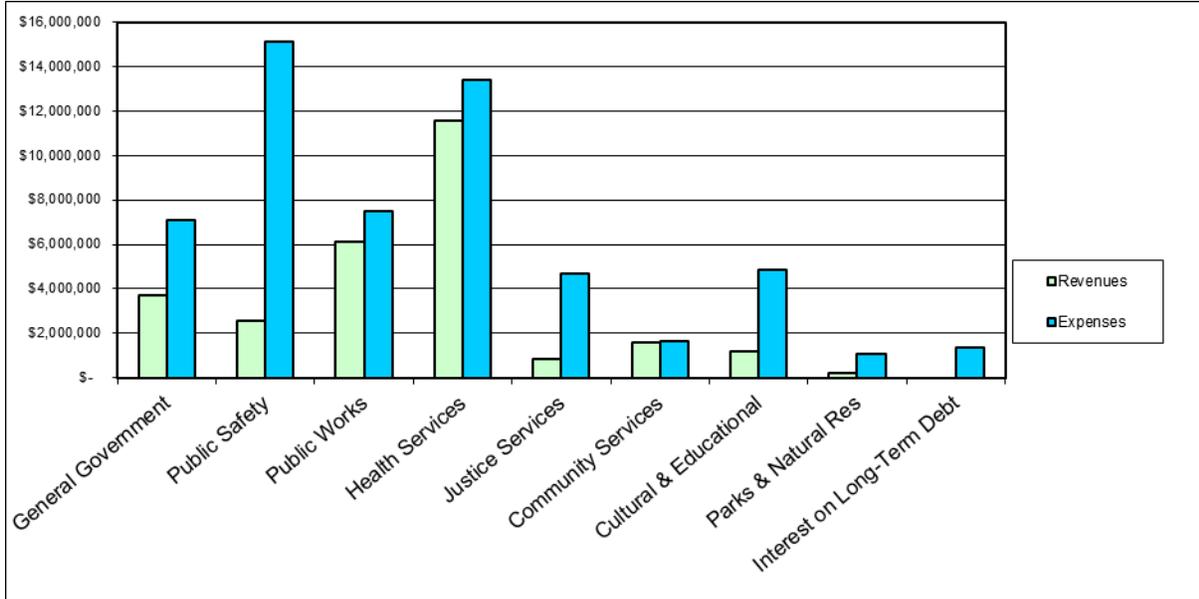
During FY 2017, the net position of business-type activities increased by \$367,854. The impacts on the changes in net position for the business-type activities are indicated below.

- A major contributor to the increase was the operations of the County's Health Center. The Health Center's finances improved substantially during 2015-17 due to a change in the payment methodology for clients under the Oregon Health Plan. Grants also supported additional behavioral health staff at the off-site clinics.

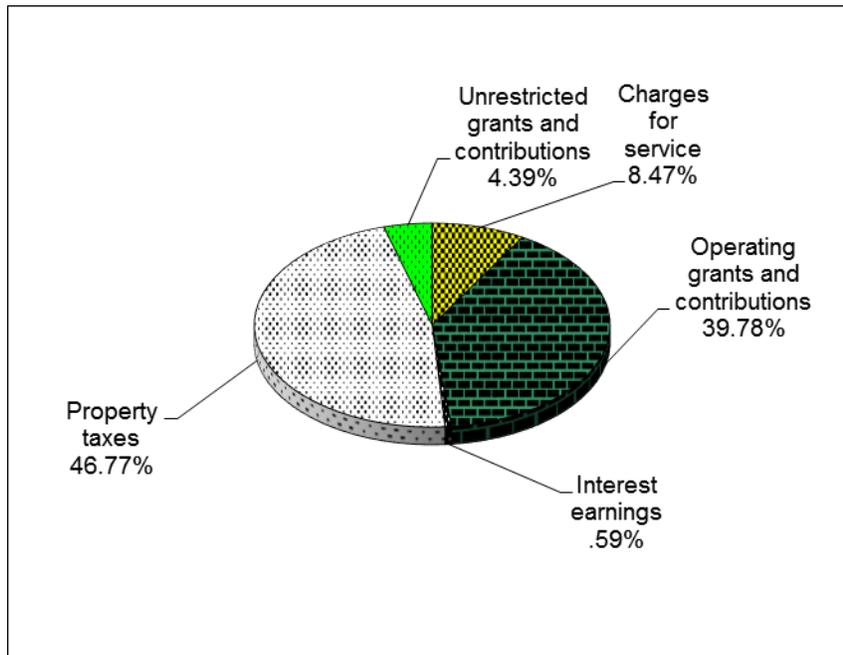
Management Discussion and Analysis - Continued

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

Expenses and Program Revenues – Governmental Activities



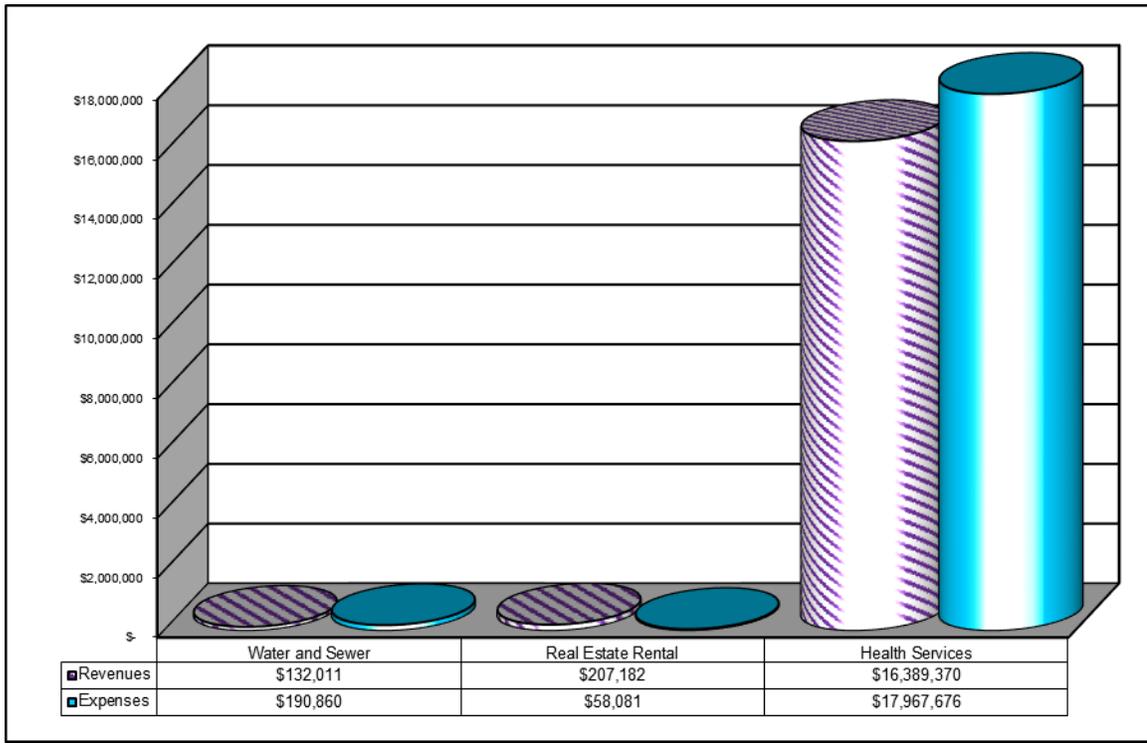
Revenues by Source - Governmental Activities



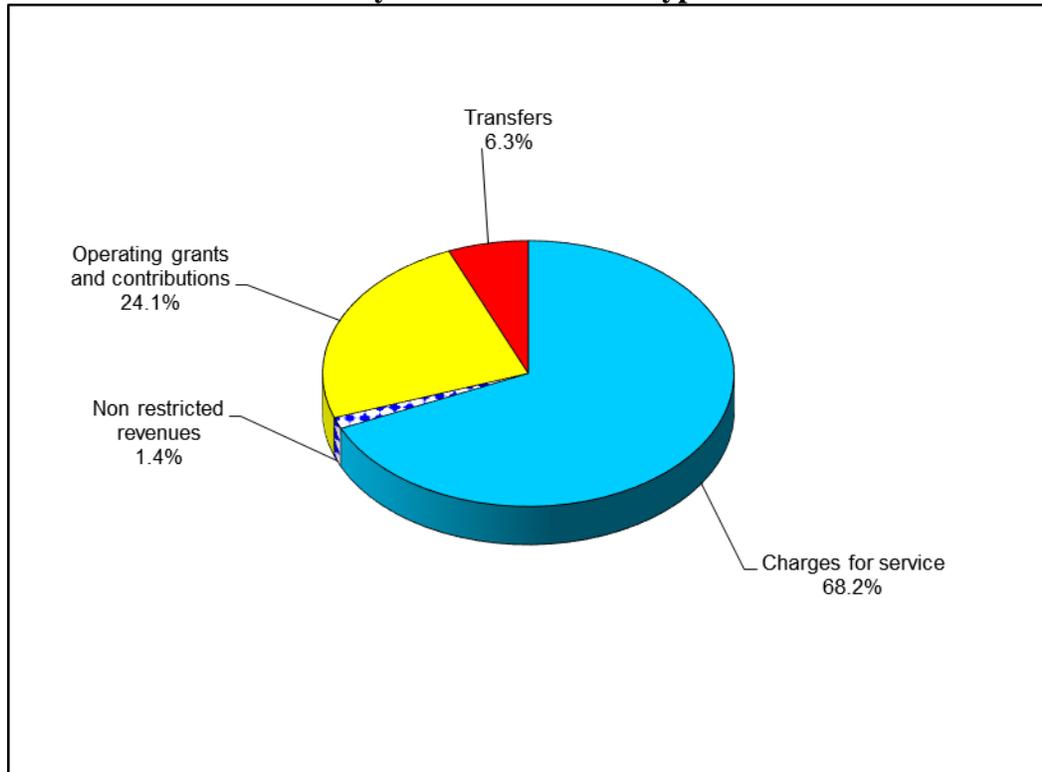
Management Discussion and Analysis - Continued

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

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Management Discussion and Analysis - Continued

Financial Analysis of Governmental Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the County Board of Commissioners.

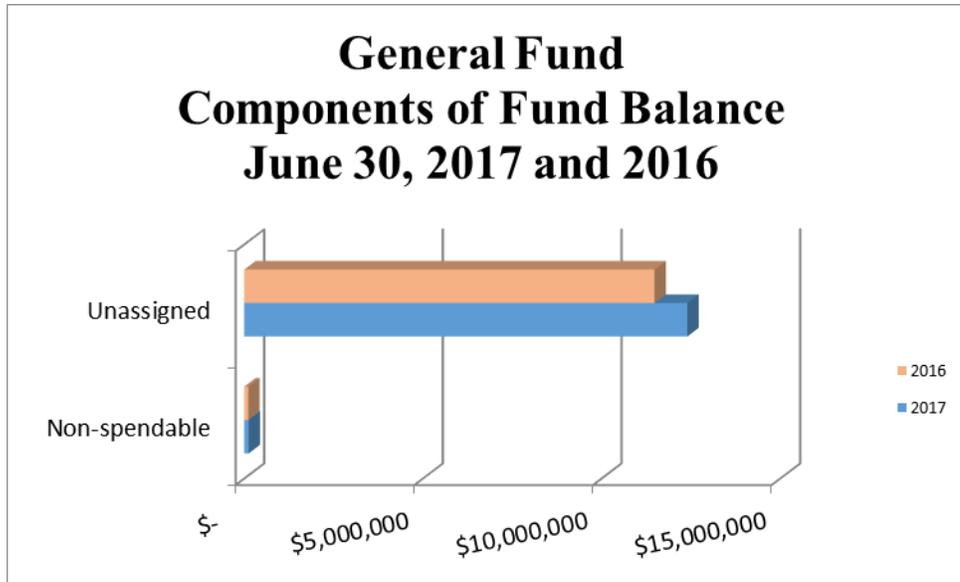
Under GASB 54, the General Fund is the only fund type that should have a positive unassigned fund balance. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year. See Footnote IV-H for more information on the details behind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

At June 30, 2017, the County's governmental funds reported combined fund balances of \$24,956,879, a decrease of \$1,543,595 in comparison with the prior year. Approximately 50% of this amount (\$12,881,595) constitutes unassigned fund balance, which is available for spending at the county's discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form, 2) legally required to be maintained intact 3) restricted for particular purposes, 4) committed for particular purposes, or 5) assigned for particular purposes.

Governmental funds -Fund balances

| | <u>2017</u> | <u>2016</u> |
|---------------|----------------------|----------------------|
| Non-spendable | \$ 392,620 | \$ 376,073 |
| Restricted | 6,728,939 | 6,722,909 |
| Committed | 5,357,716 | 7,916,865 |
| Assigned | 931 | 921 |
| Unassigned | <u>12,401,389</u> | <u>11,483,676</u> |
| Total | <u>\$ 24,881,595</u> | <u>\$ 26,500,444</u> |

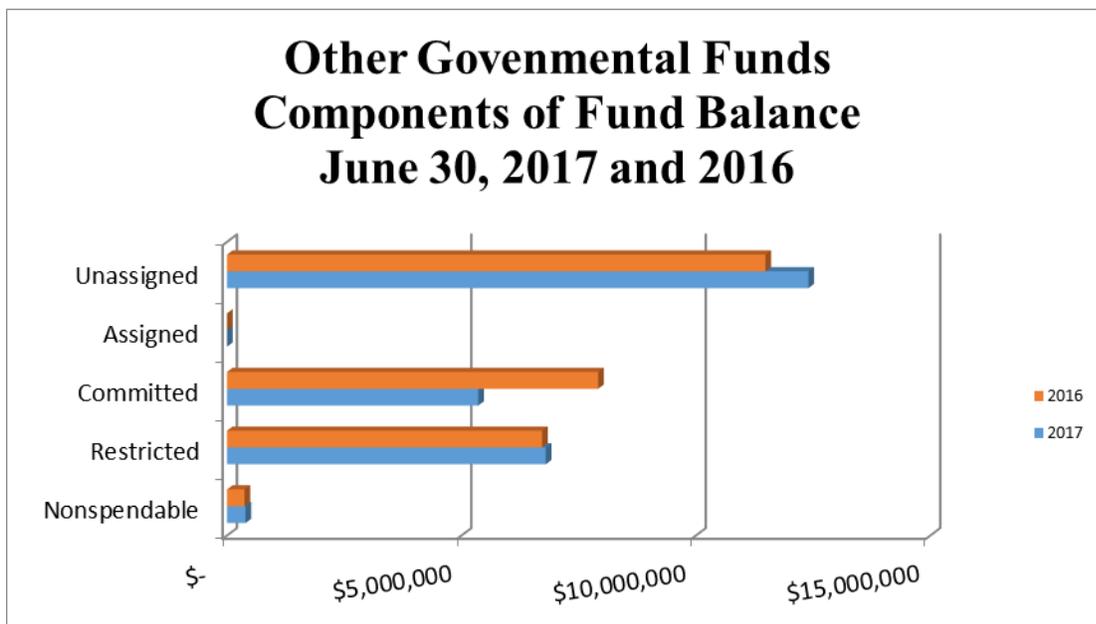
The *General Fund* is the chief operating fund of the County utilizing assets not otherwise restricted as to use. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12,401,389 while the total fund balance was \$12,525,363. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures plus transfers to other funds. Unassigned fund balance represents 31.7% of total general fund expenditures and transfers to other funds, while total fund balance represents approximately 32.0% of that same amount.



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

The fund balance of the General Fund increased by \$929,253 or 8.0% during the current fiscal year. Key factors were as follows:

- An 8.7% increase in total revenue. The revenue increase was largely an increase in property tax revenue.
- An 3.6 % increase in expenditures, due largely to increases in payroll and payroll related costs.



Management Discussion and Analysis - Continued

Road Fund – fund balance decreased by \$722,584 or (28.9%). This decrease was due to a planned increase in road overlays in the second year of the biennium.

Local Option Levy Fund – fund balance increased by \$392,083 or 10.5%. This fund was established to account for a five year local option levy to fund selected county services. The increase is a result of an increase in property tax collections.

Proprietary funds. The County’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail

Unrestricted net position in the Health Center at the end of the year was \$(1,999,389), this is an increase of \$817,044. Charges for services and grant revenues increased by \$1,194,930 and \$1,086,210 respectively, while expenditures increased by \$697,457. The County is monitoring the Health Center’s financial situation very closely.

General Fund Budgetary Highlights

Original budget compared to final budget. Differences between the original expenditure budget and the end of the biennium adjusted budget had total increases of \$3,336,396 or 4.3%. The County did not know the amount of funds to be received from the State of Oregon at the time of budget adoption. As a result, state revenues and related expenditures were not included in the original budget. Major components of these increases are summarized below:

- State funding for rental assistance - \$359,914.
- Mid-Valley Behavioral closeout - \$811,307.
- Various state grants - \$1,043,568.
- Beginning balances not originally budgeted - \$1,242,181.

Final budget compared to actual results. At the end of the first year of the biennium, the following are the percentages of general fund revenues received:

| <u>Revenue Source</u> | <u>Estimated Revenues</u> | <u>Actual Revenues</u> | <u>Percentage</u> |
|-----------------------|---------------------------|------------------------|-------------------|
| Taxes | \$ 33,049,700 | \$ 33,307,567 | 101% |
| Licenses and permits | 2,830,500 | 3,679,412 | 130% |
| Intergovernmental | 28,502,212 | 26,739,371 | 94% |
| Charges for services | 8,107,151 | 7,731,257 | 95% |
| Investment earnings | 280,200 | 324,176 | 116% |
| Miscellaneous | 133,130 | 405,287 | 304% |

Other than investment earnings and intergovernmental, all revenues are about 50% of budgeted amounts. The County received several grants for Mental Health services that were not received in the first year of the biennium.

Management Discussion and Analysis - Continued

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 \$157,650,858 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, roads, and bridges.

Benton County's Capital Assets

(Net of depreciation)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------|-------------------------|-----------------------|--------------------------|---------------------|-----------------------|-----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Land | \$ 10,576,159 | \$ 10,524,279 | \$ 295,298 | \$ 295,298 | \$ 10,871,457 | \$ 10,819,577 |
| Construction in progress | 502,661 | 384,601 | 33,589 | - | 536,250 | 384,601 |
| Land improvements | 1,244,949 | 1,313,293 | - | - | 1,244,949 | 1,313,293 |
| Buildings | 11,042,704 | 11,181,831 | 1,663,857 | 1,693,701 | 12,706,561 | 12,875,532 |
| Intangibles | 476,846 | 260,853 | 25,587 | 30,451 | 502,433 | 291,304 |
| Machinery and equipment | 4,335,016 | 4,599,543 | 131,491 | 153,820 | 4,466,507 | 4,753,363 |
| Infrastructure | 125,367,690 | 124,636,719 | 1,955,011 | 2,015,861 | 127,322,701 | 126,652,580 |
| Total | \$ 153,546,025 | \$ 152,901,119 | \$ 4,104,833 | \$ 4,189,131 | \$ 157,650,858 | \$ 157,090,250 |

Major capital asset events this fiscal year included the following:

- Improvements to Fort Hoskins commander house of \$157,006.
- Infrastructure improvement in the amount of \$3,844,979.

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

Long-term debt. At the end of this fiscal year, the County had total debt outstanding of \$15,547,020, all of which is backed by the full faith and credit of the County.

Benton County's Outstanding Debt

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

| | Governmental Activities | | Business-Type Activities | | Total | |
|-----------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| General obligation bond/loan | \$ 615,000 | \$ 800,000 | \$ - | \$ 206,280 | \$ 615,000 | \$ 1,006,280 |
| Full faith and credit obligations | 13,871,846 | 14,280,866 | 1,060,173 | 1,091,433 | 14,932,019 | 15,372,299 |
| Capital leases | - | 8,254 | - | - | - | 8,254 |
| Total | \$ 14,486,846 | \$ 15,089,120 | \$ 1,060,173 | \$ 1,297,713 | \$ 15,547,019 | \$ 16,386,833 |

Management Discussion and Analysis - Continued

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

Economic Factors and Next Biennium's Budgets and Rates

- The unemployment rate for Benton County at the close of the fiscal year was 3.5%. This is down 0.9% from the same time last year. The rate is not expected to significantly change before the end of the next fiscal year.
- **Key strategies in preparing the 2017-19 biennial budget were:**
 - Development of the 2017-19 budget was guided by a single overriding goal directed by the Board of Commissioners: produce a General Fund budget where current revenue equals current expenditures. Do not rely on prior year's surplus to finance ongoing operations.
- **Key resource assumptions:**
 - Growth in discretionary revenue, in particular property tax revenue due to new construction.
 - Assumed the Local Option Levy would be renewed for another five years on the November, 2017 ballot
 - Increases in surcharge revenue from Coffin Butte landfill.
 - General Fund ending balances from 2015-17 would be stronger than planned due to operational savings and modestly better revenue than estimated.
- **Key expenditure assumptions:**
 - Total cost of personnel salaries and wages would increase by 2.5% per year.
 - Medical insurance premiums were estimated to increase 14%. Due to changes in insurance carriers, introduction of a high deductible option and good claims experience, health insurance growth has averaged just 2% annually since 2008.
 - Employer retirement costs (PERS) would increase the County's internal payroll rates by an average of 20%.

All of these factors were considered in preparing the County's budget for biennium 2017-19.

The County's adopted biennial budget for 2017-19 is \$238,967,943 for all budgeted funds. Budgeted funds included the general fund, special revenue, capital projects, debt service, fiduciary, enterprise and internal service funds. The general fund biennial budget is \$87,557,950 as compared to \$86,868,816 for the previous biennium. The increase is primarily due to two factors: (1) an increase in the amount budgeted for property tax revenues, and (2) an increase in the personnel cost due to increased health insurance and retirement costs.

Requests for Information

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

Benton County Finance
4077 SW Research Way
Corvallis, OR 97333
<https://www.co.benton.or.us/finance>

BASIC FINANCIAL STATEMENTS

BENTON COUNTY, OREGON**STATEMENT OF NET POSITION**

June 30, 2017

| | <i>Governmental Activities</i> | <i>Business-type Activities</i> | <i>Total</i> |
|--|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 31,159,946 | \$ 4,646,877 | \$ 35,806,823 |
| Receivables: | | | |
| Accounts | 1,396,960 | 956,528 | 2,353,488 |
| Taxes and assessments | 1,952,170 | 19,747 | 1,971,917 |
| Intergovernmental | 1,114,932 | - | 1,114,932 |
| Internal balances | 34,150 | (34,150) | - |
| Loans | 292,264 | - | 292,264 |
| Inventory | 375,321 | 184,942 | 560,263 |
| Prepays | 383,022 | 28,942 | 411,964 |
| Capital assets: | | | |
| Land and construction in progress | 11,078,820 | 328,887 | 11,407,707 |
| Other capital assets (net of accumulated depreciation) | 142,467,205 | 3,775,946 | 146,243,151 |
| <i>Total assets</i> | <u>190,254,790</u> | <u>9,907,719</u> | <u>200,162,509</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related items | 13,809,174 | 3,963,250 | 17,772,424 |
| LIABILITIES | | | |
| Accounts payable | 2,681,142 | 470,499 | 3,151,641 |
| Accrued payroll costs | 1,455,001 | 406,382 | 1,861,383 |
| Other accrued liabilities | 205,848 | 3,123 | 208,971 |
| Accrued interest | 88,303 | - | 88,303 |
| Noncurrent liabilities: | | | |
| Due within one year | 1,095,927 | 130,722 | 1,226,649 |
| Due in more than one year: | 47,023,166 | 10,247,187 | 57,270,353 |
| <i>Total liabilities</i> | <u>52,549,387</u> | <u>11,257,913</u> | <u>63,807,300</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | 13,589 | - | 13,589 |
| Pension related items | 681,272 | 195,527 | 876,799 |
| <i>Total deferred inflows of resources</i> | <u>694,861</u> | <u>195,527</u> | <u>890,388</u> |
| NET POSITION | | | |
| Net investment in capital assets | 152,931,025 | 4,095,472 | 157,026,497 |
| Restricted for: | | | |
| Community services | 1,151,086 | - | 1,151,086 |
| Unrestricted | (3,262,395) | (1,677,943) | (4,940,338) |
| <i>Total net position</i> | <u>\$ 150,819,716</u> | <u>\$ 2,417,529</u> | <u>\$ 153,237,245</u> |

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

BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2017

| | Program Revenues | | | Net (Expense) Revenue and Change in Net Position | | Total |
|---|-----------------------------|-----------------------------|--|---|-----------------------------|------------------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities | Business-type Activities | |
| Governmental activities: | | | | | | |
| General government | \$ 7,088,751 | \$ 1,998,976 | \$ 1,722,116 | \$ (3,367,659) | | \$ (3,367,659) |
| Public works | 7,518,882 | 894,304 | 5,227,092 | (1,397,486) | | (1,397,486) |
| Public safety | 15,138,217 | 172,919 | 2,386,351 | (12,578,947) | | (12,578,947) |
| Health services | 13,411,111 | 647,236 | 10,890,586 | (1,873,289) | | (1,873,289) |
| Justice services | 4,704,142 | 36,712 | 829,686 | (3,837,744) | | (3,837,744) |
| Community services | 1,657,488 | 444,351 | 1,160,699 | (52,438) | | (52,438) |
| Cultural and educational services | 4,861,848 | 635,425 | 552,173 | (3,674,250) | | (3,674,250) |
| Parks and natural resources | 1,045,230 | 49,450 | 144,745 | (851,035) | | (851,035) |
| Interest on long-term obligations | 1,353,095 | - | - | (1,353,095) | | (1,353,095) |
| Total governmental activities | <u>56,778,764</u> | <u>4,879,373</u> | <u>22,913,448</u> | <u>(28,985,943)</u> | | <u>(28,985,943)</u> |
| Business-type activities | | | | | | |
| Water and sewer | 190,860 | 132,011 | - | - | \$ (58,849) | (58,849) |
| Health services | 17,967,676 | 10,748,291 | 5,641,079 | - | (1,578,306) | (1,578,306) |
| Real estate rentals | 58,081 | 207,182 | - | - | 149,101 | 149,101 |
| Total business-type activities | <u>18,216,617</u> | <u>11,087,484</u> | <u>5,641,079</u> | <u>-</u> | <u>(1,488,054)</u> | <u>(1,488,054)</u> |
| Totals | <u>\$ 74,995,381</u> | <u>\$ 15,966,857</u> | <u>\$ 28,554,527</u> | <u>(28,985,943)</u> | <u>(1,488,054)</u> | <u>(30,473,997)</u> |
| General revenues: | | | | | | |
| Property taxes-general use | | | | 26,935,903 | - | 26,935,903 |
| Unrestricted investment earnings | | | | 340,702 | 50,784 | 391,486 |
| Grants and contributions not restricted to specific programs | | | | 2,528,484 | 325,083 | 2,853,567 |
| Transfers | | | | <u>(1,480,041)</u> | <u>1,480,041</u> | <u>-</u> |
| Total general revenues and transfers | | | | <u>28,325,048</u> | <u>1,855,908</u> | <u>30,180,956</u> |
| Changes in net position | | | | (660,895) | 367,854 | (293,041) |
| Net position - beginning | | | | <u>151,480,611</u> | <u>2,049,675</u> | <u>153,530,286</u> |
| Net position - ending | | | | <u>\$ 150,819,716</u> | <u>\$ 2,417,529</u> | <u>\$ 153,237,245</u> |

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

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

June 30, 2017

| | <i>General</i> | <i>Road</i> | <i>Local Option Levy</i> | <i>Nonmajor Governmental Funds</i> | <i>Total Governmental Funds</i> |
|---|----------------------|---------------------|------------------------------|--|---|
| ASSETS | | | | | |
| Cash and investments | \$ 13,069,403 | \$ 1,411,647 | \$ 4,332,216 | \$ 6,626,022 | \$ 25,439,288 |
| Receivables: | | | | | |
| Accounts | 919,978 | 361,367 | - | - | 1,281,345 |
| Taxes and assessments | 1,241,833 | - | 507,339 | 202,998 | 1,952,170 |
| Intergovernmental | 578,397 | 413,211 | 1,718 | 121,606 | 1,114,932 |
| Advances to other funds | 34,150 | - | - | - | 34,150 |
| Loans | - | - | - | 292,265 | 292,265 |
| Inventory | - | 246,459 | - | 6,239 | 252,698 |
| Prepays | 123,974 | 9,198 | 6,750 | 2,950 | 142,872 |
| Total assets | \$ 15,967,735 | \$ 2,441,882 | \$ 4,848,023 | \$ 7,252,080 | \$ 30,509,720 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 1,152,102 | \$ 550,213 | \$ 181,530 | \$ 193,449 | \$ 2,077,294 |
| Accrued payroll costs | 918,342 | 117,730 | 84,934 | 19,836 | 1,140,842 |
| Other accrued liabilities | 187,435 | - | - | - | 187,435 |
| Due to other governments | 13,932 | - | - | - | 13,932 |
| Total liabilities | 2,271,811 | 667,943 | 266,464 | 213,285 | 3,419,503 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue-property taxes | 1,170,561 | - | 479,263 | 191,249 | 1,841,073 |
| Unavailable revenue-loans receivable | - | - | - | 292,265 | 292,265 |
| Total deferred inflows of resources | 1,170,561 | - | 479,263 | 483,514 | 2,133,338 |
| FUND BALANCES | | | | | |
| Nonspendable | 123,974 | 255,657 | 6,750 | 9,189 | 395,570 |
| Restricted | - | 1,518,282 | 4,095,546 | 1,187,445 | 6,801,273 |
| Committed | - | - | - | 5,357,716 | 5,357,716 |
| Assigned | - | - | - | 931 | 931 |
| Unassigned | 12,401,389 | - | - | - | 12,401,389 |
| Total fund balances | 12,525,363 | 1,773,939 | 4,102,296 | 6,555,281 | 24,956,879 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 15,967,735 | \$ 2,441,882 | \$ 4,848,023 | \$ 7,252,080 | \$ 30,509,720 |

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

BENTON COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET POSITION

June 30, 2017

| | |
|--|------------------------------|
| Total fund balance (page 17) | \$ 24,956,879 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$147,588,059. | 142,233,822 |
| The statement of net position reports receivables at their net realizable value; however, revenue not available to pay for current period expenditures are reported as unavailable in the funds. | 2,133,338 |
| The statement of net position reports a liability for the entity's proportionate share of the net pension liability related to its participation in Oregon Public Employee Retirement System (OPERS) | (21,280,327) |
| The government-wide statements report as a deferred outflow, contributions made to OPERS subsequent to the measurement date of June 30, 2016 | 10,805,634 |
| The government-wide statements report as a deferred inflow amounts related to changes in assumptions and investment returns related to its participation in OPERS | (533,094) |
| 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 position. | 9,732,049 |
| Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds. | (2,262,006) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | <u>(14,966,579)</u> |
| Net position of governmental activities (page 15) | <u>\$ 150,819,716</u> |

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

BENTON COUNTY, OREGON**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2017

| | <u>General</u> | <u>Road</u> | <u>Local Option Levy</u> | <u>Nonmajor Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|---------------------|------------------------------|--|---|
| REVENUES | | | | | |
| Taxes and assessments | \$ 17,067,638 | \$ - | \$ 6,847,729 | \$ 2,855,397 | \$ 26,770,764 |
| Licenses and permits | 2,045,972 | - | - | - | 2,045,972 |
| Intergovernmental | 13,959,092 | 5,227,092 | 39 | 3,727,225 | 22,913,448 |
| Charges for services | 4,133,360 | 1,014,296 | 19,780 | 1,236,482 | 6,403,918 |
| Interest | 208,159 | 15,650 | 57,209 | 85,093 | 366,111 |
| Miscellaneous | 201,949 | 228,345 | - | 62,364 | 492,658 |
| Total revenues | <u>37,616,170</u> | <u>6,485,383</u> | <u>6,924,757</u> | <u>7,966,561</u> | <u>58,992,871</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 6,758,140 | - | 2,530 | 12,120 | 6,772,790 |
| Public works | - | 5,799,556 | - | 76,463 | 5,876,019 |
| Public safety | 11,265,466 | - | 3,332,914 | - | 14,598,380 |
| Health services | 10,672,199 | - | 356,619 | 2,404,107 | 13,432,925 |
| Justice services | 4,068,238 | - | 585,445 | 18,902 | 4,672,585 |
| Community services | 162,402 | - | - | 1,129,324 | 1,291,726 |
| Cultural and educational services | 637,254 | - | - | 4,151,293 | 4,788,547 |
| Parks and natural resources | 1,064,714 | - | - | - | 1,064,714 |
| Debt service: | | | | | |
| Principal | - | - | - | 440,278 | 440,278 |
| Interest | - | - | - | 1,313,622 | 1,313,622 |
| Capital outlay | 410,325 | 2,021,205 | - | 811,120 | 3,242,650 |
| Total expenditures | <u>35,038,738</u> | <u>7,820,761</u> | <u>4,277,508</u> | <u>10,357,229</u> | <u>57,494,236</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,577,432</u> | <u>(1,335,378)</u> | <u>2,647,249</u> | <u>(2,390,668)</u> | <u>1,498,635</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Repayment of interfund loan | - | - | - | 40,016 | 40,016 |
| Transfers in | 2,481,204 | 730,000 | - | 4,394,314 | 7,605,518 |
| Transfers out | (4,129,413) | (117,206) | (2,255,166) | (4,185,979) | (10,687,764) |
| Total other financing sources (uses) | <u>(1,648,209)</u> | <u>612,794</u> | <u>(2,255,166)</u> | <u>248,351</u> | <u>(3,042,230)</u> |
| Net change in fund balances | 929,223 | (722,584) | 392,083 | (2,142,317) | (1,543,595) |
| Fund balances - beginning | <u>11,596,140</u> | <u>2,496,523</u> | <u>3,710,213</u> | <u>8,697,598</u> | <u>26,500,474</u> |
| Fund balances - ending | <u>\$ 12,525,363</u> | <u>\$ 1,773,939</u> | <u>\$ 4,102,296</u> | <u>\$ 6,555,281</u> | <u>\$ 24,956,879</u> |

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

BENTON COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2017

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

| | |
|--|----------------------------|
| Net change in fund balances - total governmental funds (page 19) | \$ (1,543,595) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period. | (959,828) |
| Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The net revenue of the internal service funds is reported with governmental activities. | 1,611,770 |
| Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received. | 165,139 |
| 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 position. 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. | 338,574 |
| The changes in net pension liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS are reported as pension expense on the statement of activities. | (1,849,096) |
| The net effect of various miscellaneous transactions involving capital assets (for example: sales, trade-ins, and donations) is to decrease net position. | 1,411,369 |
| 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>164,772</u> |
| Change in net position of governmental activities (page 16) | <u>\$ (660,895)</u> |

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

BENTON COUNTY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2017

| | <i>Business-type Activities</i> | | | | <i>Governmental Activities</i> |
|--|---------------------------------|-------------------------|-----------------------------------|---------------------|--------------------------------|
| | <i>Health Center</i> | <i>East Linn Clinic</i> | <i>Non-major Enterprise Funds</i> | <i>Totals</i> | <i>Internal Service Funds</i> |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 3,345,712 | \$ 924,061 | \$ 377,104 | \$ 4,646,877 | \$ 5,720,657 |
| Accounts receivable | 852,104 | 78,768 | 25,656 | 956,528 | 115,615 |
| Inventory | 171,449 | 13,493 | - | 184,942 | 122,623 |
| Prepays | 26,964 | - | 1,978 | 28,942 | 240,150 |
| Total current assets | 4,396,229 | 1,016,322 | 404,738 | 5,817,289 | 6,199,045 |
| Noncurrent assets: | | | | | |
| Assessments receivable | - | - | 19,747 | 19,747 | - |
| Capital assets: | | | | | |
| Land and non-depreciable assets | - | - | 295,298 | 295,298 | 1,595,479 |
| Buildings | 1,035,130 | 43,115 | 1,224,718 | 2,302,963 | 14,217,564 |
| Intangibles | 32,000 | 16,637 | - | 48,637 | 1,526,043 |
| Machinery and equipment | 133,203 | 56,265 | 27,230 | 216,698 | 8,952,119 |
| Utility system | - | - | 3,652,636 | 3,652,636 | - |
| Work in progress | 33,589 | - | - | 33,589 | - |
| Less accumulated depreciation | (246,828) | (24,789) | (2,173,371) | (2,444,988) | (14,979,002) |
| Total capital assets (net of accumulated depreciation) | 987,094 | 91,228 | 3,026,511 | 4,104,833 | 11,312,203 |
| Total noncurrent assets | 987,094 | 91,228 | 3,046,258 | 4,124,580 | 11,312,203 |
| Total assets | 5,383,323 | 1,107,550 | 3,450,996 | 9,941,869 | 17,511,248 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related items | 3,216,808 | 746,442 | - | 3,963,250 | 3,003,540 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 390,384 | 58,618 | 21,497 | 470,499 | 603,848 |
| Accrued payroll | 348,183 | 58,199 | - | 406,382 | 314,159 |
| Compensated absences | 85,195 | 10,425 | - | 95,620 | 97,449 |
| Bonds/notes/loans payable | 35,102 | - | - | 35,102 | 274,105 |
| Other accrued liabilities | - | - | - | - | 3,972 |
| Customer deposits | - | - | 3,123 | 3,123 | 509 |
| Total current liabilities | 858,864 | 127,242 | 24,620 | 1,010,726 | 1,294,042 |
| Non-current liabilities: | | | | | |
| PERS bonds payable | 1,025,071 | - | - | 1,025,071 | 2,306,343 |
| Compensated absences | 419,518 | 31,795 | - | 451,313 | 685,496 |
| Net OPEB obligation | 815,175 | 150,508 | - | 965,683 | - |
| Advances from other funds | - | - | 34,150 | 34,150 | - |
| Bonds payable | - | - | - | - | 420,000 |
| Net pension liability | 6,335,097 | 1,470,023 | - | 7,805,120 | 5,915,091 |
| Total non-current liabilities | 8,594,861 | 1,652,326 | 34,150 | 10,281,337 | 9,326,930 |
| Total liabilities | 9,453,725 | 1,779,568 | 58,770 | 11,292,063 | 10,620,972 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue | - | - | - | - | 13,589 |
| Pension related items | 158,701 | 36,826 | - | 195,527 | 148,178 |
| Total deferred inflows of resources | 158,701 | 36,826 | - | 195,527 | 161,767 |
| NET POSITION | | | | | |
| Net investment in capital assets | 987,094 | 91,228 | 3,017,150 | 4,095,472 | 10,697,203 |
| Unrestricted | (1,999,389) | (53,630) | 375,076 | (1,677,943) | (965,154) |
| Total net position | \$ (1,012,295) | \$ 37,598 | \$ 3,392,226 | \$ 2,417,529 | \$ 9,732,049 |

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

BENTON COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2017

| | <i>Business-type Activities</i> | | | <i>Totals</i> | <i>Governmental</i> |
|---|---------------------------------|-------------------------|-----------------------------------|---------------------|-------------------------------|
| | <i>Health Center</i> | <i>East Linn Clinic</i> | <i>Non-major Enterprise Funds</i> | | <i>Internal Service Funds</i> |
| Operating Revenues | | | | | |
| Charges for services | \$ 9,660,260 | \$ 1,088,031 | \$ 339,193 | \$ 11,087,484 | \$ 15,516,519 |
| Intergovernmental | 4,250,078 | 1,391,001 | - | 5,641,079 | 28,965 |
| Investment earnings | - | - | - | - | 393,875 |
| Miscellaneous | 190,687 | 134,396 | - | 325,083 | 75,918 |
| Total operating revenues | <u>14,101,025</u> | <u>2,613,428</u> | <u>339,193</u> | <u>17,053,646</u> | <u>16,015,277</u> |
| Operating Expenses | | | | | |
| Personnel services | 9,097,720 | 1,891,079 | - | 10,988,799 | 8,247,272 |
| Materials and services | 5,804,185 | 1,112,177 | 158,109 | 7,074,471 | 6,769,396 |
| Depreciation/amortization | 35,105 | 20,605 | 88,857 | 144,567 | 978,403 |
| Total operating expenses | <u>14,937,010</u> | <u>3,023,861</u> | <u>246,966</u> | <u>18,207,837</u> | <u>15,995,071</u> |
| Operating income (loss) | <u>(835,985)</u> | <u>(410,433)</u> | <u>92,227</u> | <u>(1,154,191)</u> | <u>20,206</u> |
| Nonoperating revenues (expenses) | | | | | |
| Investment earnings | 35,694 | 10,216 | 4,874 | 50,784 | 31,800 |
| Interest expense | (6,805) | - | (1,975) | (8,780) | (42,441) |
| Total nonoperating revenues (expenses) | <u>28,889</u> | <u>10,216</u> | <u>2,899</u> | <u>42,004</u> | <u>(10,641)</u> |
| Income (loss) before transfers | (807,096) | (400,217) | 95,126 | (1,112,187) | 9,565 |
| Transfers in | 2,962,988 | - | 12,500 | 2,975,488 | 2,217,266 |
| Transfers out | (1,340,364) | (65,083) | (90,000) | (1,495,447) | (615,061) |
| Change in net position | <u>815,528</u> | <u>(465,300)</u> | <u>17,626</u> | <u>367,854</u> | <u>1,611,770</u> |
| Total net position - beginning | <u>(1,827,823)</u> | <u>502,898</u> | <u>3,374,600</u> | <u>2,049,675</u> | <u>8,120,279</u> |
| Total net position - ending | <u>\$ (1,012,295)</u> | <u>\$ 37,598</u> | <u>\$ 3,392,226</u> | <u>\$ 2,417,529</u> | <u>\$ 9,732,049</u> |

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

BENTON COUNTY, OREGON

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2017

| | <i>Business-type Activities</i> | | | | <i>Governmental</i> |
|--|---------------------------------|-------------------|-------------------------|---------------------|----------------------|
| | <i>Health</i> | <i>East Linn</i> | <i>Non-major</i> | | <i>Internal</i> |
| | <i>Center</i> | <i>Clinic</i> | <i>Enterprise Funds</i> | <i>Totals</i> | <i>Service Funds</i> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 9,225,783 | \$ 1,073,700 | \$ 326,764 | \$ 10,626,247 | \$ 15,787,673 |
| Grants | 4,250,078 | 1,391,001 | - | 5,641,079 | 28,965 |
| Investment earnings | - | - | - | - | 458,512 |
| Miscellaneous donations | 190,687 | 134,396 | - | 325,083 | 19,947 |
| Interest earnings distributed | - | - | - | - | (437,747) |
| Payments to suppliers | (5,675,752) | (1,114,427) | (141,678) | (6,931,857) | (6,385,393) |
| Paid to employees | (7,801,059) | (1,420,539) | - | (9,221,598) | (7,617,771) |
| Net cash provided (used) by operating activities | 189,737 | 64,131 | 185,086 | 438,954 | 1,854,186 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Principal paid on noncapital debt | (31,260) | - | - | (31,260) | (255,445) |
| Interest paid on noncapital debt | (6,805) | - | - | (6,805) | - |
| Transfers in | 2,962,988 | - | 12,500 | 2,975,488 | 2,217,266 |
| Transfers out | (1,340,364) | (65,083) | (90,000) | (1,495,447) | (615,061) |
| Net cash provided (used) by noncapital financing activities | 1,584,559 | (65,083) | (77,500.00) | 1,441,976 | 1,346,760 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Acquisition of capital assets | (33,589) | - | (26,680) | (60,269) | (1,176,294) |
| Disposition of capital assets | - | - | - | - | 4,500 |
| Assessments received | - | - | 1,582 | 1,582 | - |
| Principal paid on debt | - | - | (210,957) | (210,957) | (1,314,511) |
| Interest paid on debt | - | - | (1,975) | (1,975) | (42,441) |
| Net cash (used) by capital and related financing activities | (33,589) | - | (238,030) | (271,619) | (2,528,746) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Investment earnings | 35,694 | 10,216 | 4,874 | 50,784 | 31,800 |
| Net increase (decrease) in cash and cash equivalents | 1,776,401 | 9,264 | (125,570) | 1,660,095 | 704,000 |
| <i>Cash and cash equivalents - beginning</i> | 1,569,311 | 914,797 | 502,674 | 2,986,782 | 5,016,657 |
| <i>Cash and cash equivalents - ending</i> | \$ 3,345,712 | \$ 924,061 | \$ 377,104 | \$ 4,646,877 | \$ 5,720,657 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ (835,985) | \$ (410,433) | \$ 92,227 | \$ (1,154,191) | \$ 20,206 |
| Adjustments to reconcile operating income (loss) to net cash provided by/(used in) operating activities: | | | | | |
| Depreciation/amortization | 35,105 | 20,605 | 88,857 | 144,567 | 978,403 |
| Change in: | | | | | |
| Receivables | (434,477) | (14,331) | (12,176) | (460,984) | 279,820 |
| Prepays | 5,675 | 667 | (1,739) | 4,603 | (49,940) |
| Inventory | 5,498 | (2,130) | - | 3,368 | (10,246) |
| Deferred inflows/outflows of resources | (3,181,176) | (726,981) | - | (3,908,157) | (2,970,127) |
| Net pension liability | 4,140,050 | 1,160,293 | - | 5,300,343 | 3,625,778 |
| Due to customers | - | - | (253) | (253) | - |
| Compensated absences | 169,724 | 10,975 | - | 180,699 | (68,260) |
| OPEB | 106,339 | 18,213 | - | 124,552 | - |
| Payables | 178,984 | 7,253 | 18,170 | 204,407 | 48,552 |
| Net cash provided (used) by operating activities | \$ 189,737 | \$ 64,131 | \$ 185,086 | \$ 438,954 | \$ 1,854,186 |

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

BENTON COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2017

| | <i>Private-purpose Trust</i> | <i>Investment Trust</i> | <i>Agency Fund</i> |
|------------------------------------|----------------------------------|-----------------------------|------------------------|
| ASSETS | | | |
| Cash and investments | \$ 908,405 | \$ 1,313 | \$ 257,372 |
| Receivables: | | | |
| Accounts | | - | 20,287 |
| Property taxes | - | - | 7,296,950 |
| Total assets | 908,405 | 1,313 | 7,574,609 |
| LIABILITIES | | | |
| Accounts payable | 23,760 | 1,461 | - |
| Due to other governmental agencies | - | - | 7,574,609 |
| Other liabilities | 3,523 | - | - |
| Total liabilities | 27,283 | 1,461 | \$ 7,574,609 |
| NET POSITION (DEFICIT) | | | |
| <i>Held in trust</i> | \$ 881,122 | \$ (148) | |

BENTON COUNTY, OREGON
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2017

| | <i>Private-purpose Trust</i> | <i>Investment Trust</i> |
|---------------------------------|----------------------------------|-----------------------------|
| ADDITIONS | | |
| Private donations | \$ 125,182 | \$ 78,480 |
| Intergovernmental | 48,178 | - |
| Charges for services | 51,842 | - |
| Tax foreclosure sale | 64 | - |
| Interest earnings | 11,550 | 83 |
| | <hr/> | <hr/> |
| Total additions | 236,816 | 78,563 |
| DEDUCTIONS | | |
| Personal services | 31,876 | - |
| Materials and services | 277,921 | - |
| Capital outlay | 177,736 | - |
| Transfers | - | 77,769 |
| | <hr/> | <hr/> |
| Total deductions | 487,533 | 77,769 |
| Change in net position | (250,717) | 794 |
| Net position - beginning | <hr/> | <hr/> |
| | 1,131,839 | (942) |
| Net position- ending | <hr/> <hr/> | <hr/> <hr/> |
| | \$ 881,122 | \$ (148) |

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2017

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's significant accounting policies are described below:

A. Organization and operation: Benton County, Oregon is governed by a 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:

- Health
- Health Center
- Public Works
- Sheriff
- Financial Services
- Human Resources
- Information Technology
- Records and Elections
- Juvenile
- Community Development
- Natural Areas and Parks
- District Attorney
- Assessment

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

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

- Alsea County Service District (an enterprise fund)
- Alpine County Service District (an enterprise fund)
- Cascade View County Service District (an enterprise fund)
- West Llewellyn County Service District (a special revenue fund)
- South Third County Service District (an enterprise fund)
- Library Services District (a special revenue fund)
- Alsea Human Services County Service 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 and the County has operational responsibility. Separately issued financial statements of the Library Service District are available from Benton County Finance. The remaining districts are not required by the state of Oregon to produce separately issued financial statements.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

I. Summary of significant accounting policies (continued)

C. Government-wide and fund financial statements

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

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

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

The County reports the following major governmental funds:

- General** – 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** – This fund receives revenue from state highway taxes and road maintenance projects. 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.
- Local Option Levy** – This fund accounts for a five-year local option property tax levy, restricted for health and safety functions.

The County reports the following enterprise funds as a major funds:

- Health Center** – This fund reports the activities of County’s Federally Qualified Health Centers.
- East Linn Clinic** – This fund reports the operations of the East Linn Clinics.

Additionally, the government reports the following fund types:

- Special Revenue** – These funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted or committed to finance particular functions or activities.
- Debt Service** – These funds account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.
- Capital Projects** – These funds account for expenditures on major construction projects or equipment acquisition. The principal source of revenues is transfers from the General Fund or grants.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

I. Summary of significant accounting policies (continued)

C. Government-wide and fund financial statements (continued)

Enterprise - 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 – These 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.

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

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

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

Government-wide, proprietary fund, and fiduciary fund financial statements - The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus, but use the accrual basis of accounting to recognize receivables and payables. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

I. Summary of significant accounting policies (continued)

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

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. All transactions 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, 2017 under the modified accrual basis of accounting were as follows:

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

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

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

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

E. Assets, liabilities, and net position or equity

1. Cash, cash equivalents and investments

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

I. Summary of significant accounting policies (continued)

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

2. Receivables

Accounts – Payment for services 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 inflows of resources 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 inflows of resources account and are recorded as revenue as they become measurable and available.

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

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

Intergovernmental – Federal and state grants and shared revenues are recorded as earned.

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

Loans – amounts due from entities outside of the County. The amounts are offset by a deferred inflows of resources in the governmental financial statements.

3. Interfund transactions

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

4. Inventory

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

I. Summary of significant accounting policies (continued)

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

5. Prepaids

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

6. Capital assets

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

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

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

Capital assets are depreciated using the straight line method over the following estimated useful lives:

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

7. Compensated absences

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

I. Summary of significant accounting policies (continued)

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

8. Long-term obligations

All long-term debt is included in the government-wide financial statements. Long-term debt directly related to and expected to be paid from proprietary funds is also included in those funds. Unmatured long-term debt information is shown in Note IV.E.

9. Funds with a deficit in net position

Negative net position is reported in one major proprietary fund, the Health Clinic Fund, and in three internal service funds, Management Service Fund, Health Management Service Fund, and the Treasury Management Fund as follows:

| <u>Fund</u> | <u>Net (deficit)</u> |
|--------------------------------|----------------------|
| Health Clinic Fund | \$(1,012,295) |
| Management Service Fund | (1,376,357) |
| Health Management Service Fund | (2,227,313) |
| Treasury Management Fund | (13,644) |

The deficit net position balances are due to (1) the recognition of noncurrent liabilities and (2) recording the liabilities and deferred inflows of resources related to the application of GASB 68. It will be necessary to expend future resources to satisfy the noncurrent liabilities. The amortization in future periods of the deferred inflows of resources will increase net position.

10. Pensions – deferred outflows/inflows

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employee Retirement System (OPERS) and additions to/deductions from OPERS' fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Net position

Net position represents the difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources. The County reports the following subcategories of net position:

Net investment in capital assets – Represents the difference between capital assets less accumulated depreciation, deferred outflows of resources, and the outstanding balance of debt directly attributable to the acquisition, construction, or improvement of those assets.

Restricted net positions – Net positions are reported as restricted when there are limitations imposed on their use, either through enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Unrestricted – Represents all other net positions that are not restricted and do not meet the definition of net investment in capital assets.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

I. Summary of significant accounting policies (continued)

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

Deferred inflows of resources and deferred outflows of resources – Statement No. 68 includes recognition of deferred inflows and outflows of resources associated with the difference between projected and actual earnings on pension plan investments. These differences are to be recognized in pension expense using a systematic and rational method over a closed five-year period.

| | Governmental Activities | Business-type Activities | Total |
|---|------------------------------------|-------------------------------------|----------------------|
| Deferred inflows of resources | | | |
| Net differences between projected and actual earnings on investments | \$ 58,714 | \$ 16,851 | \$ 75,565 |
| Differences between employer contributions and employer's proportionate share of system contributions | 622,558 | 178,676 | 801,234 |
| Pension related items | 681,272 | 195,527 | 876,799 |
| Unavailable revenue | 13,589 | - | 13,589 |
| Total deferred inflows of resources | \$ 694,861 | \$ 195,527 | \$ 890,388 |
| | | | |
| Deferred outflows of resources | | | |
| Differences between expected and actual experience | \$ 899,744 | \$ 258,227 | \$ 1,157,971 |
| Change in assumptions | 5,800,129 | 1,664,645 | 7,464,774 |
| Net difference between projected and actual earnings on investments | 5,372,674 | 1,541,964 | 6,914,638 |
| Change in proportionate share | 78,435 | 22,511 | 100,946 |
| Contributions subsequent to the MD | 1,658,192 | 475,903 | 2,134,095 |
| Total deferred outflows of resources | \$ 13,809,174 | \$ 3,963,250 | \$ 17,772,424 |

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 position

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The details of this \$125,862,837 difference are as follows:

| | |
|--|----------------------|
| Capital assets, not reported in the funds | \$142,233,822 |
| Long-term liabilities | (14,966,579) |
| Deferred inflows of resources | 2,133,338 |
| Pension related adjustments | (11,007,787) |
| Internal service fund net position | 9,732,049 |
| Compensated absences | <u>(2,262,006)</u> |
| Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities | <u>\$125,862,837</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

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

An element of that reconciliation states “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(15,370,077) difference are as follows:

| | |
|---|-----------------------|
| Pension bonds | \$(11,486,399) |
| Accrued interest on long term debt | (88,303) |
| Net OPEB obligation | <u>(3,391,877)</u> |
| Net adjustment to long-term liabilities | <u>\$(14,966,579)</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 position 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 \$(959,828) difference are as follows:

| | |
|--|---------------------|
| Capital outlay expenditure in governmental funds | \$3,134,970 |
| Depreciation expense | <u>(4,094,798)</u> |
| Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u>\$ (959,828)</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 \$ 164,772 difference are as follows:

| | |
|---|------------------|
| Change in OPEB obligation | 61,956 |
| Change in accrued interest payable | 2,968 |
| Change in compensated absences | <u>99,848</u> |
| Net adjustment to <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i> | <u>\$164,722</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

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

- Debt service principal and interest
- Interfund transfers and loans
- Contingency

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 may require hearings before the public, publication in newspapers, and approval by the County Commissioners. Once approved, budgets may be modified by transfers of appropriations between the levels of control. During the year, there were numerous resolutions and supplemental budgets approved by the County Commissioners modifying the original budget as adopted. Budget appropriations lapse at year-end.

Budget amounts reflect the original budget amounts, three appropriation transfers and six supplemental budgets.

B. Reconciliation of budgetary basis to GAAP basis fund balance

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

| | <u>General</u> | <u>Road</u> | <u>Local Option Levy</u> | <u>Nonmajor Funds</u> |
|--------------------------------|----------------------|---------------------|------------------------------|---------------------------|
| Fund balance - budgetary basis | \$ 13,427,109 | \$ 1,645,210 | \$ 4,187,230 | \$ 6,493,594 |
| Inventory | - | 246,459 | - | 6,239 |
| Intergovernmental receivable | (24) | - | - | - |
| Accrued payroll | (935,872) | (117,730) | (84,934) | (19,836) |
| Loans outstanding | 34,150 | - | - | - |
| Fund balance - GAAP basis | <u>\$ 12,525,363</u> | <u>\$ 1,773,939</u> | <u>\$ 4,102,296</u> | <u>\$ 6,479,997</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds

A. Cash and investments

At year-end, the County's carrying amount of deposits was \$120,800 and the bank balance was \$1,489,498. The County manages custodial risk for deposits and investments in accordance with Oregon Revised Statutes.

ORS 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. Of the County's bank deposits, \$262,430 was covered by FDIC and the remainder was subject to the State of Oregon collateral pool program.

| | |
|--|----------------------|
| Cash on hand | \$ 38,638 |
| Deposits with financial institutions | 120,800 |
| Investments | 36,814,475 |
| Total cash and investments | <u>\$ 36,973,913</u> |
| Cash and investments on government-wide statement of net position | \$ 35,806,823 |
| Cash and investments on statement of fiduciary net position | 1,167,090 |
| | <u>\$ 36,973,913</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds (continued)

A. Cash and investments (continued)

GASB Statement No. 72, Fair Value Measurement and Application (GASB 72), specifies a hierarchy of valuation classifications based on whether the inputs to the valuation techniques used in each valuation classification are observable or unobservable. These classifications are summarized in three broad levels listed below:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly, including quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as exchange rates, financing terms, interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks and default rates).
- Level 3 – Valuations derived from valuation techniques in which significant inputs or significant valuation drivers are unobservable.

Federal Agency Securities, Corporate Notes, and Municipal Bonds are categorized as Level 2 based upon a matrix pricing technique that values securities based on their relationship to benchmark quoted prices.

| | Total | Quoted prices in Active Markets (Level 1) | Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) |
|---------------------------|---------------------|--|--|--|
| Corporate Notes | \$ 2,013,815 | \$ - | \$ 2,013,815 | \$ - |
| Municipalities | 3,030,815 | - | 3,030,815 | - |
| Federal Agency Securities | 2,499,010 | - | 2,499,010 | - |
| | <u>\$ 7,543,640</u> | <u>\$ -</u> | <u>\$ 7,543,640</u> | <u>\$ -</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds (continued)

A. Cash and investments (continued)

Credit risk

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

At year-end, the County held \$36,814,475 of investments.

| <u>Investment Type</u> | <u>Weighted Avg. to Maturity</u> | <u>% of Portfolio</u> | <u>Reported Amount</u> |
|------------------------------------|----------------------------------|-----------------------|------------------------|
| Local Government Investment Pool | 3 months | 79.5% | \$ 29,270,835 |
| Corporate Notes | 3.19 years | 5.5% | 2,013,815 |
| Municipalities | 2.36 years | 8.2% | 3,030,815 |
| Federal Agency Securities | 2.02 years | 6.8% | 2,499,010 |
| Subtotal for Portfolio Percentages | | 100.0% | <u>\$ 36,814,475</u> |

The Oregon State Treasurer maintains the Oregon Short Term Fund (OSTF), of which the Local Government Investment Pool (LGIP) is a part. Participation by local governments is voluntary. The State of Oregon investment policies are governed by statute and the Oregon Investment Council. In accordance with Oregon Statutes, funds are invested as a prudent investor would do, exercising reasonable care, skill and caution. LGIP was created to offer a short-term investment alternative to Oregon local governments and it is not registered with the U.S. Securities and Exchange Commission. The investments are regulated by the OSTF Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2017 the fair value of the County's deposits with the LGIP approximates cost. The OSTF financial statements are available at www.ost.state.or.us.

The LGIP's portfolio concentration of credit risk at June 30, 2017 included: Commercial Paper (4.8%), Corporate Notes (43.6%), Municipal Bonds (1.7%), U.S. Agency securities (27.4%), Asset backed securities (12.6%), and Temporary Liquidity Guarantee (1.6%), Non US Gov't (4.8%). The credit risk associated with the investments was AAA rating (16.8%) AA rating (24.6%), A rating (31.8%), BBB rating (0.9%) and not rated (25.9%).

Interest rate risk

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

Concentration of credit risk

The County's investment policy allows for 100% of investments in the LGIP and U.S. Government obligations. There are lesser limits on other investment types. At June 30, 2017, the County's portfolio was invested in Corporate Notes (5.5%), Municipal Bonds (8.2%), and US Agencies (6.8%).

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2017****IV. Detailed notes on all funds (continued)****B. Receivables**

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

| | Accounts | Taxes and assessments | Inter-governmental | Internal balances | Loans | Total |
|--|--------------|-----------------------|--------------------|-------------------|------------|--------------|
| Governmental activities/funds | | | | | | |
| General | \$ 919,978 | \$ 1,241,833 | \$ 578,397 | \$ 34,150 | \$ - | \$ 2,774,358 |
| Road | 361,367 | - | 413,211 | - | - | 774,578 |
| Local Option Levy | - | 507,339 | 1,718 | - | - | 509,057 |
| Nonmajor governmental | - | 202,998 | 121,606 | - | 292,265 | 616,869 |
| Internal service | 115,615 | - | - | - | - | 115,615 |
| Total governmental activities | 1,396,960 | 1,952,170 | 1,114,932 | 34,150 | 292,265 | 4,790,477 |
| Business-type activities/proprietary funds: | | | | | | |
| Health Center | 852,104 | - | - | - | - | 852,104 |
| East Linn Clinic | 78,768 | - | - | - | - | 78,768 |
| Nonmajor enterprise funds | 25,656 | 19,747 | - | - | - | 45,403 |
| Total business type activities | 956,528 | 19,747 | - | - | - | 976,275 |
| Totals | \$ 2,353,488 | \$ 1,971,917 | \$ 1,114,932 | \$ 34,150 | \$ 292,265 | \$ 5,766,752 |

In the governmental funds, it is anticipated that \$27,027 may not be collected within one year, accordingly, an allowance for doubtful accounts has been set up. There is an allowance of \$383,215 in the business-type Health Center Fund.

C. Unavailable revenue

Governmental funds report *deferred inflows of resources* 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 inflows of resources* reported in the governmental funds were as follows:

| | Property Taxes | Loans | Unavailable revenue |
|-----------------------|----------------|------------|---------------------|
| Governmental Funds: | | | |
| General | \$ 1,170,561 | \$ - | \$ 1,170,561 |
| Local Option Levy | 479,263 | - | 479,263 |
| Nonmajor governmental | 191,249 | 292,265 | 483,514 |
| Total | \$ 1,841,073 | \$ 292,265 | \$ 2,133,338 |

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2017****IV. Detailed notes on all funds (continued)****C. Capital assets****1. Capital asset activity for the year ended June 30, 2017 was as follows:**

| | Balance July 1, 2016 | Increases | Decreases | Balance June 30, 2017 |
|--|-------------------------|--------------|--------------|--------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 10,524,279 | \$ 192,500 | \$ (140,620) | \$ 10,576,159 |
| Construction in progress | 384,601 | 481,776 | (363,716) | 502,661 |
| Total capital assets, not being depreciated | 10,908,880 | 674,276 | (504,336) | 11,078,820 |
| Capital assets, being depreciated: | | | | |
| Improvements, other than buildings | 2,583,621 | 12,749 | - | 2,596,370 |
| Intangibles | 2,742,996 | 303,758 | - | 3,046,754 |
| Buildings | 19,436,122 | 549,886 | (290,771) | 19,695,237 |
| Machinery and equipment | 14,567,060 | 1,121,978 | (262,465) | 15,426,573 |
| Infrastructure | 260,424,353 | 3,844,979 | - | 264,269,332 |
| Total capital assets, being depreciated | 299,754,152 | 5,833,350 | (553,236) | 305,034,266 |
| Less accumulated depreciation for: | | | | |
| Improvements, other than buildings | (1,270,328) | (81,093) | - | (1,351,421) |
| Intangibles | (2,482,145) | (87,763) | - | (2,569,908) |
| Buildings | (8,254,290) | (408,332) | 10,089 | (8,652,533) |
| Machinery and equipment | (9,967,518) | (1,381,080) | 257,041 | (11,091,557) |
| Infrastructure | (135,787,634) | (3,114,008) | - | (138,901,642) |
| Total accumulated depreciation | (157,761,915) | (5,072,276) | 267,130 | (162,567,061) |
| Total capital assets, being depreciated, net | 141,992,237 | 761,074 | (286,106) | 142,467,205 |
| Governmental activities capital assets, net | \$ 152,901,117 | \$ 1,435,350 | \$ (790,442) | \$ 153,546,025 |
| Business-type activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 295,298 | \$ - | \$ - | \$ 295,298 |
| Construction in progress | - | 33,589 | - | 33,589 |
| Total capital assets, not being depreciated | 295,298 | 33,589 | - | 328,887 |
| Capital assets, being depreciated: | | | | |
| Buildings | 2,276,283 | 26,680 | - | 2,302,963 |
| Machinery and equipment | 216,698 | - | - | 216,698 |
| Intangibles | 48,637 | - | - | 48,637 |
| Infrastructure | 3,652,636 | - | - | 3,652,636 |
| Total capital assets, being depreciated | 6,194,254 | 26,680 | - | 6,220,934 |
| Less accumulated depreciation for: | | | | |
| Buildings | (582,582) | (56,524) | - | (639,106) |
| Machinery and equipment | (62,878) | (22,329) | - | (85,207) |
| Intangibles | (18,186) | (4,864) | - | (23,050) |
| Infrastructure | (1,636,775) | (60,850) | - | (1,697,625) |
| Total accumulated depreciation | (2,300,421) | (144,567) | - | (2,444,988) |
| Total capital assets, being depreciated, net | 3,893,833 | (117,887) | - | 3,775,946 |
| Business-type activities capital assets, net | \$ 4,189,131 | \$ (84,298) | \$ - | \$ 4,104,833 |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds (continued)

C. Capital assets (continued)

2. Depreciation expense was charged to functions/programs as follows:

Governmental activities:

| | |
|--|---------------------|
| General government | \$ 46,807 |
| Public safety | 621,332 |
| Public works (including infrastructure) | 3,127,125 |
| Health services | 14,989 |
| Justice services | 28,610 |
| Community services | 98,359 |
| Cultural and educational services | 70,648 |
| Parks and natural resources | 86,003 |
| Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets | 978,403 |
| Total depreciation expense - governmental activities | <u>\$ 5,072,276</u> |

Business-type activities:

| | |
|---|-------------------|
| Water and sewer | \$ 60,849 |
| Health services | 55,710 |
| Real estate rentals | 28,008 |
| Total depreciation expense - business-type activities | <u>\$ 144,567</u> |

D. Interfund transfers:

| <u>Fund</u> | <u>Transfers In</u> | <u>Transfers Out</u> |
|---------------------------|----------------------|----------------------|
| General | \$ 2,481,204 | \$ 4,129,413 |
| Road | 730,000 | 117,206 |
| Local Option Levy | - | 2,255,166 |
| Nonmajor governmental | 4,394,314 | 4,185,979 |
| Total governmental | <u>7,605,518</u> | <u>10,687,764</u> |
| Health Center | 2,962,988 | 1,340,364 |
| East Linn Clinic | - | 65,083 |
| Nonmajor enterprise | 12,500 | 90,000 |
| Total Enterprise | <u>2,975,488</u> | <u>1,495,447</u> |
| Internal service | 2,217,266 | 615,061 |
| Total transfers | <u>\$ 12,798,272</u> | <u>\$ 12,798,272</u> |

Transfers of \$1,885,160 to the non-major governmental funds were made to provide resources for the payment of the PERS pension bonds from those funds having payroll expenditures. The General Fund transferred \$1,125,088 to the Health Center Fund to cover operating expenditures. The Local Option Levy Fund transferred \$2,144,204 to the General Fund for public safety expenditures.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds (continued)

E. Long-term debt

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

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

| | Original Amount | Interest Rate | Balance July 1, 2016 | Debt Incurred | Bond Retired | Balance June 30, 2017 |
|-----------------------|--------------------|------------------|-------------------------|------------------|-------------------|--------------------------|
| Pension Obligation | | | | | | |
| PERS bonds-2002 | \$ 11,662,750 | 7.0% | \$ 8,667,299 | \$ - | \$ 185,279 | \$ 8,482,020 |
| Pension Obligation | | | | | | |
| PERS bonds-2004 | \$ 7,490,000 | 4.9 to 6.1 % | 6,705,000 | - | 255,000 | 6,450,000 |
| Sunset building bonds | \$ 1,700,000 | 2.0 to 5.6% | 800,000 | - | 185,000 | 615,000 |
| Total | | | <u>\$ 16,172,299</u> | <u>\$ -</u> | <u>\$ 625,279</u> | <u>\$15,547,020</u> |

Bonded debt service requirements at June 30, 2017 (including interest payments of \$8,307,275) have the following maturities:

| Fiscal year ending June 30, | PERS bonds | Sunset building bond | Total |
|-----------------------------------|----------------------|----------------------------|----------------------|
| 2018 | \$ 1,843,954 | \$ 228,747 | \$ 2,072,701 |
| 2019 | 1,930,835 | 228,315 | 2,159,150 |
| 2020 | 2,024,482 | 227,040 | 2,251,522 |
| 2021 | 2,119,683 | - | 2,119,683 |
| 2022 | 2,222,639 | - | 2,222,639 |
| 2023-2027 | 11,621,732 | - | 11,621,732 |
| 2028 | 1,406,868 | - | 1,406,868 |
| | <u>\$ 23,170,193</u> | <u>\$ 684,102</u> | <u>\$ 23,854,295</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds (continued)

E. Long-term debt

Annual debt service requirements to maturity are as follows:

| Fiscal year ending June 30, | Principal | Interest | Total |
|-----------------------------------|----------------------|---------------------|----------------------|
| 2018 | \$ 689,406 | \$ 1,383,295 | \$ 2,072,701 |
| 2019 | 750,727 | 1,408,423 | 2,159,150 |
| 2020 | 871,887 | 1,379,635 | 2,251,522 |
| 2021 | 1,255,000 | 864,683 | 2,119,683 |
| 2022 | 1,440,000 | 782,639 | 2,222,639 |
| 2023-2027 | 9,220,000 | 2,401,732 | 11,621,732 |
| 2028 | 1,320,000 | 86,868 | 1,406,868 |
| | <u>\$ 15,547,020</u> | <u>\$ 8,307,275</u> | <u>\$ 23,854,295</u> |

Full Faith and Credit Obligations

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

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

On December 23, 2010, Benton County purchased the Sunset building on Research Way in Corvallis, Oregon. The purchase price of the building was \$3,300,000 financed by issuing \$1,700,000 full faith and credit obligations and through internal borrowing.

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2017****IV. Detailed notes on all funds (continued)****E. Long-term debt****Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2017, was as follows:

| | Balance July 1, 2016 | Additions | Deletions | Balance June 30, 2017 | Due within one year |
|---------------------------|-------------------------|----------------------|---------------------|--------------------------|------------------------|
| Governmental activities | | | | | |
| Bonds payable: | | | | | |
| Pension | \$ 14,280,866 | \$ - | \$ 409,019 | \$ 13,871,847 | \$ 459,305 |
| Sunset building | 800,000 | - | 185,000 | 615,000 | 195,000 |
| Other liabilities: | | | | | |
| Capital leases payable | 8,254 | - | 8,254 | - | - |
| Net OPEB obligation | 3,453,833 | - | 61,956 | 3,391,877 | n/a |
| Net pension liability | 10,961,786 | 16,233,632 | - | 27,195,418 | n/a |
| Compensated absences | 3,213,056 | 2,773,642 | 2,941,747 | 3,044,951 | 441,622 |
| | <u>32,717,795</u> | <u>19,007,274</u> | <u>3,605,976</u> | <u>48,119,093</u> | <u>1,095,927</u> |
| Business-type activities: | | | | | |
| Bonds payable: | | | | | |
| Pension | 1,091,433 | - | 31,260 | 1,060,173 | 35,102 |
| Other liabilities: | | | | | |
| Note | 206,280 | - | 206,280 | - | - |
| Net OPEB obligation | 841,131 | 124,553 | - | 965,684 | n/a |
| Net pension liability | 2,504,777 | 5,300,343 | - | 7,805,120 | n/a |
| Compensated absences | 366,233 | 736,250 | 555,551 | 546,932 | 95,620 |
| | <u>5,009,854</u> | <u>6,161,146</u> | <u>793,091</u> | <u>10,377,909</u> | <u>130,722</u> |
| | <u>\$ 37,727,649</u> | <u>\$ 25,168,420</u> | <u>\$ 4,399,067</u> | <u>\$ 58,497,002</u> | <u>\$ 1,226,649</u> |

Internal service funds predominantly serve the governmental activities. Accordingly, their long-term liabilities are included above with governmental activities. At year end \$782,945 of internal service funds compensated absences and \$2,385,448 of PERS bonds payable are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the funds that incur the costs (General, Road, Fair, Corner Preservation, Oregon Health Plan, Court Security, and Health Clinic Funds) .

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds (continued)

F. Interfund payables and receivables

The composition of interfund balances as of June 30, 2017 is as follows:

| <u>Receivable Fund</u> | <u>Payable Funds</u> | <u>Amount</u> |
|------------------------|----------------------|---------------|
| General | Non-major enterprise | \$ 34,150 |

The amounts due from South Third CSD and Alsea CSD to the General Fund are 10-year loans, payable annually with a 2% interest rate.

G. Fund balance classifications

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

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

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

The County first reduces restricted amounts, if any, when expenditures are incurred for purposes for which restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The County next reduces committed amounts, followed by assigned amounts then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those restricted fund balance classifications could be used. Sometimes the County will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

IV. Detailed notes on all funds (continued)

G. Fund balance classification (continued)

Below is a schedule of ending fund balances for governmental funds:

| Fund Balances: | Local Option | | | | Total |
|--|----------------------|---------------------|---------------------|---------------------|----------------------|
| | General | Road | Levy | Non-major | |
| Nonspendable in form | \$ 123,974 | \$ 255,657 | \$ 6,750 | \$ 9,189 | \$ 395,570 |
| Restricted for: | | | | | |
| Road construction & maintenance | - | 1,518,282 | - | - | 1,518,282 |
| Special transportation | - | - | - | 445,647 | 445,647 |
| Land corner preservation | - | - | - | 194,842 | 194,842 |
| Cultural services | - | - | - | 222,793 | 222,793 |
| Library services | - | - | - | 189,823 | 189,823 |
| Health and safety | - | - | 4,095,546 | - | 4,095,546 |
| Court security | - | - | - | 113,798 | 113,798 |
| Title III funds | - | - | - | 20,542 | 20,542 |
| | <u>-</u> | <u>1,518,282</u> | <u>4,095,546</u> | <u>1,187,445</u> | <u>6,801,273</u> |
| Committed to: | | | | | |
| Community service | - | - | - | 256,933 | 256,933 |
| Capital projects | - | - | - | 2,348,063 | 2,348,063 |
| Debt service | - | - | - | 2,393,267 | 2,393,267 |
| Health services | - | - | - | 321,128 | 321,128 |
| Cemetery operations | - | - | - | 38,325 | 38,325 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,357,716</u> | <u>5,357,716</u> |
| Assigned to a special district: | <u>-</u> | <u>-</u> | <u>-</u> | <u>931</u> | <u>931</u> |
| Unassigned: | <u>12,401,389</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>12,401,389</u> |
| Total Fund Balances | <u>\$ 12,525,363</u> | <u>\$ 1,773,939</u> | <u>\$ 4,102,296</u> | <u>\$ 6,555,281</u> | <u>\$ 24,956,879</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 cleanup or damage control that may be required in the future as a result of landfill operations. As of June 30, 2017 management believes 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, 2017, or the three preceding fiscal years.

V. Other information (continued)

B. Other post employment benefits (OPEB)

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

Implicit subsidy:

The County has not established a trust fund to supplement the costs for the net OPEB Obligation. The County does not pay any portion of the health insurance premium for retirees who stay on the County's health insurance plans; however, the retired employees receive an implicit benefit of lower healthcare premiums. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2017, there were eight retirees that were receiving the post-employment medical and fifteen retirees receiving the post-employment dental benefit.

The County has the authority to establish and amend contribution requirements. The required contribution is based on the projected pay-as-you-go financing requirements. For the fiscal year ending June 30, 2017, the County's combined plan contributions were \$167,491

Explicit subsidy:

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

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

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2017

V. Other information (continued)

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

As of June 30, 2017, there were 20 participants currently eligible to receive benefits. For the fiscal year ended June 30, 2017, the County incurred \$167,962 of expenditures. The County funds this benefit on a “pay-as-you-go” basis.

Funding policy

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

Annual OPEB Cost and Net OPEB Obligation

The County’s annual other post-employment benefit cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the County’s annual OPEB cost for the fiscal year ending June 30, 2017, the amount actually contributed to the plans, and the changes in the County’s net OPEB obligation:

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

| | |
|---|---------------------|
| <i>Determination of Annual Required Contribution</i> | |
| (1) Normal Cost at year end | \$ 206,622 |
| (2) Amortization of UAAL | 435,318 |
| (3) Annual Required Contribution (ARC) | <u>\$ 641,940</u> |
| <i>Determination of Net OPEB Obligation</i> | |
| Annual Required Contribution (ARC) | \$ 641,940 |
| Interest on prior year Net OPEB Obligation | 150,219 |
| Adjustment to ARC | <u>(516,071)</u> |
| Annual OPEB Cost | 276,088 |
| Explicit Benefits Payment | (137,388) |
| Implicit Benefit Payments | <u>(73,104)</u> |
| Increase in Net OPEB Obligation | 65,596 |
| Net OPEB Obligation - beginning of year | <u>4,291,965</u> |
| Net OPEB Obligation - end of year* | <u>\$ 4,357,561</u> |
| *Reported as follows: | |
| Governmental activities | \$ 3,391,877 |
| Business-type activities | <u>965,684</u> |
| Total | <u>\$ 4,357,561</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

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

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

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Cost</u> | <u>Contribution</u> | <u>Percentage of OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|------------------------------|-----------------------------|---------------------|--|--------------------------------|
| 6/30/2008 | \$ 861,857 | \$ 215,998 | 26% | \$ 645,859 |
| 6/30/2009 | 901,391 | 249,179 | 28% | 1,298,071 |
| 6/30/2010 | 641,172 | 180,804 | 28% | 1,758,439 |
| 6/30/2011 | 677,117 | 199,946 | 30% | 2,235,610 |
| 6/30/2012 | 750,520 | 227,466 | 30% | 2,758,664 |
| 6/30/2013 | 794,029 | 238,526 | 30% | 3,314,167 |
| 6/30/2014 | 633,656 | 166,714 | 26% | 3,781,109 |
| 6/30/2015 | 649,634 | 186,927 | 29% | 4,243,815 |
| 6/30/2016 | 259,642 | 211,493 | 81% | 4,291,965 |
| 6/30/2017 | 276,088 | 210,492 | 76% | 4,357,561 |

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$4,133,050, and actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$4,133,050. The covered payroll (annual payroll of active employees covered by the plans) was \$27,760,066, and the ratio of UAAL to the covered payroll was 14.9 %.

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

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

Actuarial Methods and Assumptions

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

Discount Rate: A discount rate of 3.50% based on long term expectations of investment return for the Oregon Local Government Investment Pool or similar investments was used.

Health Cost Trend: It has been assumed that health care costs will increase 7.0% in the first year. In future years, the medical and vision cost trend varies from 7.50% and 5.00% depending upon the timing of the excise tax scheduled to affect health care benefits beginning in 2020. The trend then settles to an ultimate rate of 5.00%. It is also assumed that dental costs will increase 4.50% in all future years.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

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

Inflation Rate: 2.5% per year, was used to develop other economic assumptions

Retirement and Withdrawal Rates: The rates used are similar to the rates adopted by the Oregon PERS for its December 31, 2015 actuarial valuation of retirement benefits.

UAAL Amortization: The amortization of The UAAL has been calculated as a level percentage of payroll over an open period of 10 years. Amortization amounts are expected to increase at the same rate as payroll increases each year. It is assumed that payroll will increase 3.50% per year for this purpose.

C. Retirement health insurance account

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

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

Participating employers are contractually required to contribute to RHIA at a rate assessed year by OPERS, currently .53% of annual covered OPERF payroll and .45% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2017, 2016 and 2015 respectively were \$133,301, \$123,599, and \$125,213, which equaled the required contributions each year. These rates and contributions are included in the PERS rates listed in Note V-F.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

D. Retirement health saving plan

Benton County provides a Retirement Health Savings Plan (RHS) (a defined contribution plan) for those employees who are not eligible for the previously described plan. The plan was established as a result of negotiations with labor unions. Any changes to the plan would be a result of negotiations. The County makes monthly deposits into the RHS for each eligible employee according to the following schedule based on years of completed continuous service: The amount actually contributed in fiscal year 2017 was \$110,735.

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

E. Deferred compensation plan

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

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

F. Employee retirement systems and pension plans

Defined Benefit Pension Plan

1) Plan description

Employees of the County are provided with pensions through the Oregon Public Employee Retirement System (OPERS).

The OPERS consists of a single cost-sharing multiple employer defined benefit pension plan.

OPERS produces an independently audited comprehensive annual financial report which includes detailed information about the pension plan's fiduciary net position. The report can be found at: www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

2) Description of benefit terms

All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier One/Tier Two Retirement Benefit (Chapter 238). Tier One/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

Pension benefits

The OPERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60.

Death benefits

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a OPERS employer at the time of death,
- the member died within 120 days after termination of OPERS-covered employment,
- the member died as a result of injury sustained while employed in a OPERS-covered job, or
- the member was on an official leave of absence from a OPERS-covered job at the time of death.

Disability benefits

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including OPERS judge members) for disability benefits regardless of the length of OPERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

2) Description of benefit terms (continued)

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes.

Oregon Public Service Retirement Plan (Chapter 238A) (OPSRP)

Pension benefits.

The OPSRP pension program provides benefits to members hired on or after August 29, 2003.

This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

Death benefits

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

2) Description of benefit terms (continued)

Disability benefits

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

Benefits changes after retirement

Under ORS 238A.210, monthly benefits are adjusted annually through cost-of-living changes.

3) Contributions

OPERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due.

Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2015. {The County has made a lump sum payment to establish a side account, and the County's rates have been reduced.}

Tier 1/tier 2 employer contribution rates for general service employees was 10.66% and 14.61% for public safety employees and the OPSRP employer contribution rates are 5.51% for general service employees and 9.62% for public safety employees. Employer contributions for the year ended June 30, 2017 were \$2,288,695, excluding amounts to fund employer specific liabilities.

4) Actuarial valuations – Tier One/Tier Two

The December 31, 2013 actuarial valuation used the following actuarial methods and valuation procedures in determining the Tier One/Tier Two contribution rates.

Actuarial cost method

The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the entry age normal actuarial cost method. Under this actuarial cost method, each active member's entry age present value of projected benefits is allocated over the member's service from the member's date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

Unfunded actuarial accrued liability amortization

The Tier 1/Tier 2 UAL amortization period is reset to 20 years as of December 31, 2013. Gains and losses between subsequent odd-year valuations will be amortized as a level percentage of combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 20 year period from the valuation in which they are first recognized.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

4) Actuarial valuations – Tier One/Tier Two (continued)

Retiree healthcare unfunded actuarial accrued liability amortization

The UAL for Retiree Health Care as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed 10 year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over a closed 10 year period from the valuation in which they are first recognized.

Asset valuation method

The actuarial value of assets equals the market value of assets, excluding the Contingency and Capital Preservation Reserves, and the Rate Guarantee Reserve when it is in positive surplus status. Market values are reported to the actuary by PERS. Real estate and private equity investments are reported on a three-month lag basis.

Contribution rate stabilization method

Contribution rates for a rate pool (e.g. Tier 1/Tier 2 SLGRP, Tier 1/Tier 2 School Districts, OPSRP) are confined to a collared range based on the prior contribution rate (prior to application of side accounts, pre-SLGRP liabilities, and 6 percent Independent Employer minimum). The new contribution rate will generally not increase or decrease from the prior contribution rate by more than the greater of 3 percentage points or 20 percent of the prior contribution rate. If the funded percentage excluding side accounts drops below 60% or increases above 140%, the size of the collar doubles. If the funded percentage excluding side accounts is between 60% and 70% or between 130% and 140%, the size of the rate collar is increased on a graded scale.

Allocation of liability for service segments

For active Tier 1/Tier 2 members who have worked for multiple PERS employers over their career, the calculated actuarial accrued liability is allocated among the employers based on a weighted average of the Money Match methodology, which uses account balance, and the Full Formula methodology, which uses service. The allocation is 30% (5% for police & fire) based on account balance with each employer and 70% (95% for police & fire) based on service with each employer. The entire normal cost is allocated to the current employer.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

4) Actuarial valuations – Tier One/Tier Two (continued)

Allocation of benefits-in-force reserve

The reserve is allocated to each rate pool in proportion to the retiree liability attributable to the rate pool.

Economic assumptions

| | |
|------------------------------|---|
| Investment return | 7.75% compounded annually |
| Pre-2014 interest crediting | 8.00% compounded annually on regular account balances 8.25% compounded annually on variable account balances |
| Post 2013 interest crediting | 7.75% compounded annually |
| Inflation | 2.75% compounded annually |
| Payroll growth | 3.75% compounded annually |
| Healthcare cost trends | Ranges from 6.1% in 2014 to 4.7% in 2083 |

Demographic assumptions

Mortality tables

| | |
|-------------------|--|
| Healthy retirees | RP2000, Generational (Scale AA) Combined Active/Healthy Annuitant, Sex Distinct |
| Disabled retirees | RP2000, Static, Combined Disabled, No Collar, Sex Distinct Male 65% and Female 90% of disabled table |
| Non-annuitants | Ranges from 55% to 70% of healthy retired mortality tables depending upon sex and employment type |

Retirement assumptions

Probability tables based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70, election to receive a lump sum option at retirement, disability assumptions, termination assumptions and Oregon post-retirement residency assumptions.

Salary increase assumptions

Salary increase assumptions, in addition to general payroll growth, include merit increase, unused sick leave and vacation pay adjustments.

5) Actuarial valuations – OPSRP

The December 31, 2013 actuarial valuation for OPSRP generally used the same actuarial methods and valuation procedures as Tier One/Tier Two contribution rates except as follows.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

5) Actuarial valuations - OPSRP (continued)

OPSRP unfunded actuarial accrued liability amortization

The UAL as of December 31, 2007 is amortized as a level percentage of combined valuation payroll (Tier 1/ Tier 2 plus OPSRP payroll) over a closed period 16 year period. Gains and losses between subsequent odd-year valuations are amortized as a level percentage of combined valuation payroll over 16 years from the valuation in which they are first recognized.

Economic assumptions

An additional amount for administrative expenses is added to the normal cost.

Retirement assumptions

Probability tables are different but still based on age of member, years of service and employment type with all police and fire retired by age 65 and all others retired by age 70, election to receive a lump sum option at retirement, disability assumptions, termination assumptions and Oregon post-retirement residency assumptions.

6) Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

Net pension liability

At June 30, 2017, the County reported a liability of \$13,466,545 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016 and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

Employers' long-term contribution efforts are based on projected rates that have two major components:

- 1. Normal Cost Rate:** The economic value, stated as a percent of payroll, for the portion of each active member's total projected retirement benefit that is allocated to the upcoming year of service. The rate is in effect for as long as each member continues in OPERS-covered employment. The current value of all projected future Normal Cost Rate contributions is the Present Value of Future Normal Costs (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the normal cost rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For OPERS funding, employers have up to three different payrolls, each with a different normal cost rate: (1) Tier 1/Tier 2 payroll, (2) OPSRP general service payroll, and (3) OPSRP police and fire payroll.

Other information (continued)

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

6) Net pension liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

The employer's Normal Cost Rates for each payroll are combined with system-wide present value factors for each payroll to develop an estimated PVFNC. The present value factors are actuarially determined at a system level for simplicity and to allow for the PVFNC calculations to be audited in a timely, cost-effective manner.

2. **UAL Rate:** If system assets are less than the actuarial liability, an Unfunded Actuarial Liability (UAL) exists. UAL can arise when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The present value of all projected UAL Rate contributions is equal to the Unfunded Actuarial Liability (UAL). The UAL represents the portion of the projected long-term contribution effort related to past service.

The UAL has Tier 1/Tier 2 and OPSRP pieces. The Tier 1/Tier 2 piece is based on the employer's Tier 1/Tier 2 pooling arrangement. If an employer participates in one of the two large Tier 1/Tier 2 rate pools [State & Local Government Rate Pool (SLGRP) or School Districts Rate Pool], then the employer's Tier 1/Tier 2 UAL is their pro-rata share of their pool's UAL. The pro-rata calculation is based on the employer's payroll in proportion to the pool's total payroll. The OPSRP piece of the UAL follows a parallel pro-rata approach, as OPSRP experience is mandatorily pooled at a state-wide level. Employers that do not participate in a Tier 1/Tier 2 pooling arrangement, who are referred to as "Independent Employers", have their Tier 1/Tier 2 UAL tracked separately in the actuarial valuation.

The projected long-term contribution effort is the sum of the PVFNC and the UAL. The PVFNC part of the contribution effort pays for the value of future service while the UAL part of the contribution effort pays for the value of past service not already funded by accumulated contributions and investment earnings. Each of the two contribution effort components are calculated at the employer-specific level. The sum of these components across all employers is the total projected long-term contribution effort.

At June 30, 2017, the County's proportion was .2331%, which was a decrease of .0014% from its proportion measured as of June 30, 2016.

Pension expense

For the year ended June 30, 2017, the County recognized pension expense of \$3,883,343.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

6) Net pension liability, etc. (continued)

Deferred inflows of resources and deferred outflows of resources

Deferred inflows of resources and deferred outflows of resources are calculated at the plan level and are allocated to employers based on their proportionate share. For the measurement period ended June 30, 2016, employers will report the following deferred inflows of resources and/or deferred outflows of resources:

- Difference between expected and actual experience
- Change in assumptions
- Changes in employer proportion since the prior measurement date
- Differences between projected and actual earnings

Differences between expected and actual experience, changes in assumptions and changes in proportionate are amortized over the average remaining service lives of all plan participants, including retirees, determined at the beginning of the respective measurement period.

At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience | \$ 1,157,971 | \$ - |
| Change of assumptions | 7,464,774 | - |
| Net difference between projected and actual earnings on investments | 6,914,638 | - |
| Change in proportionate share | 100,946 | 75,566 |
| Differences between employer contributions and employer's proportionate share of system contributions | - | 801,234 |
| Contributions subsequent to the measurement date | 2,134,096 | N/A |
| Total | <u>\$ 17,772,425</u> | <u>\$ 876,800</u> |
| Net Deferred Outflow/(Inflow) of Resources | | <u>\$ 16,895,625</u> |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

6) Net pension liability, etc. (continued)

\$2,134,096 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30, | | |
|------------------------|----|-------------|
| 2018 | \$ | 2,569,916 |
| 2019 | | 2,569,916 |
| 20120 | | 5,140,912 |
| 2012 | | 3,934,662 |
| 2022 | | 546,123 |
| | | <hr/> |
| | \$ | 14,761,529 |
| | | <hr/> <hr/> |

7) Actuarial methods and assumptions used in developing total pension liability

The total pension liability measured as of June 30, 2016 was based on an actuarial valuation as of December 31, 2014 using the following methods and assumptions:

| | |
|-----------------------------------|--|
| Experience study report | 2014, published September 2015 |
| Inflation rate | 2.5 percent |
| Long-term expected rate of return | 7.5 percent |
| Discount rate | 7.5 percent |
| Projected salary increases | 3.5 percent |
| | Cost of living adjustments (COLA) blend of 2.00 percent COLA and graded COLA (1.25 percent/.015) in accordance with <i>Moro</i> decision; blend based on service |
| Mortality | Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70 percent for males, 95 percent for females) of the RP-2000 Sex-distinct generational per Scale BB, disabled mortality table. |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

7) Actuarial methods and assumptions used in developing total pension liability(continued)

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

Discount rate

The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both the actuaries capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS audited financial statements.

Depletion date projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's fiduciary net position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the fiduciary net position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

7) Actuarial methods and assumptions used in developing total pension liability(continued)

The following circumstances justify an alternative evaluation of sufficiency for OPERS:

- OPERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100 percent funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the fiduciary net position is always projected to be sufficient to cover benefit payments and administrative expenses.

8) Sensitivity of the proportionate share of the net pension liability to changes in the discount rate

The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate:

| | 1% Decrease (6.75%) | Current Discount Rate (7.75%) | 1% Increase (8.75%) |
|--|--------------------------------|--|--------------------------------|
| Employers' Net Pension Liability | | | |
| County's proportionate share of net pension asset or liability | \$ 56,514,199 | \$ 35,000,538 | \$ 17,018,882 |

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined contribution plan

1) Plan description

Individual account program (IAP) - Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

2) Pension benefits

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

3) Death benefits

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

4) Contributions

The County makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2017 were \$528,708.

5) Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2017

V. Other information (continued)

G. Tax abatements

Benton County has entered into property tax abatement agreements and the County's property taxes to be received for the 2016-17 levy year were reduced under the following programs:

| <u>Program and statutory authority</u> | <u>Amount of Reduction</u> |
|--|----------------------------|
| Enterprise zone – ORS 285C.050-.250 | \$ 5,580 |
| Oregon Housing Authority – ORS 307.092 | \$ 26,932 |

The Oregon Enterprise Zone program is a State of Oregon economic development program that allows for property exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor. The Benton/Corvallis Enterprise Zone is the local sponsor.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt, there is no loss of current property tax levies to local taxing jurisdictions.

Oregon Housing Authority provides exemption on property owned or leased by a housing authority. The property of a housing authority is declared to be public property used for the essential public and governmental purposes and, upon compliance with ORS 307.162, the property and the housing authority are exempt from all taxes and special assessments.

H. Contingent liabilities

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

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

REQUIRED SUPPLEMENTARY INFORMATION

BENTON COUNTY, OREGON

GENERAL FUND

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

For the Biennium ended June 30, 2017

| | <i>Budgeted Amounts</i> | | <i>Biennium</i> | <i>Variance with</i> |
|---|----------------------------|----------------------------|-----------------------------|----------------------------|
| | <i>Original</i> | <i>Final</i> | <i>Actual Amounts</i> | <i>Final Budget</i> |
| REVENUES | | | | |
| Taxes | \$ 33,049,700 | \$ 33,049,700 | \$ 33,307,567 | \$ 257,867 |
| Licenses and permits | 2,830,500 | 2,830,500 | 3,679,412 | 848,912 |
| Intergovernmental | 27,426,313 | 28,502,212 | 26,739,371 | (1,762,841) |
| Charges for services | 6,658,575 | 8,107,151 | 7,731,257 | (375,894) |
| Interest | 280,000 | 280,200 | 324,176 | 43,976 |
| Miscellaneous | 143,590 | 133,130 | 405,287 | 272,157 |
| Total revenues | <u>70,388,678</u> | <u>72,902,893</u> | <u>72,187,070</u> | <u>(715,823)</u> |
| EXPENDITURES | | | | |
| General government | 15,512,262 | 15,352,360 | 14,395,740 | 956,620 |
| Public safety | 23,296,614 | 23,632,334 | 22,886,946 | 745,388 |
| Health services | 21,941,522 | 24,815,994 | 21,136,754 | 3,679,240 |
| Justice services | 9,358,748 | 9,539,713 | 8,287,833 | 1,251,880 |
| Community services | 541,478 | 541,478 | 419,252 | 122,226 |
| Cultural and educational services | 1,272,907 | 1,272,907 | 1,272,906 | 1 |
| Parks and natural resources | 2,283,766 | 2,283,766 | 2,177,175 | 106,591 |
| Contingency | 2,151,828 | 2,256,969 | - | 2,256,969 |
| Total expenditures | <u>76,359,125</u> | <u>79,695,521</u> | <u>70,576,606</u> | <u>9,118,915</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(5,970,447)</u> | <u>(6,792,628)</u> | <u>1,610,464</u> | <u>8,403,092</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Loans | (13,570) | (13,570) | (8,892) | 4,678 |
| Transfers in | 4,452,340 | 4,452,340 | 4,452,340 | - |
| Transfers out | (5,466,121) | (5,886,121) | (5,886,120) | 1 |
| Total other financing sources (uses) | <u>(1,027,351)</u> | <u>(1,447,351)</u> | <u>(1,442,672)</u> | <u>4,679</u> |
| Net change in fund balance | (6,997,798) | (8,239,979) | 167,792 | 8,407,771 |
| Fund balances - beginning | <u>11,997,798</u> | <u>13,239,979</u> | <u>13,259,316</u> | <u>19,337</u> |
| Fund balances - ending | <u>\$ 5,000,000</u> | <u>\$ 5,000,000</u> | <u>\$ 13,427,108</u> | <u>\$ 8,427,108</u> |

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

For the Biennium Ended June 30, 2017

| | <i>Budgeted Amounts</i> | | <i>Biennium Actual Amounts</i> | <i>Variance with Final Budget</i> |
|--|-------------------------|--------------------|------------------------------------|---|
| | <i>Original</i> | <i>Final</i> | | |
| REVENUES | | | | |
| Intergovernmental | \$ 13,404,158 | \$ 13,444,158 | \$ 10,721,342 | \$ (2,722,816) |
| Charges for services | 1,708,366 | 1,668,366 | 2,238,389 | 570,023 |
| Interest | 10,150 | 10,150 | 26,801 | 16,651 |
| Miscellaneous | 42,409 | 42,409 | 239,668 | 197,259 |
| | <u>15,165,083</u> | <u>15,165,083</u> | <u>13,226,200</u> | <u>(1,938,883)</u> |
| EXPENDITURES | | | | |
| Public works: | | | | |
| Personal services | 6,062,466 | 6,062,466 | 5,913,889 | 148,577 |
| Materials and services | 5,596,856 | 5,596,856 | 5,702,675 | (105,819) |
| Capital outlay | 4,291,034 | 4,521,034 | 3,331,217 | 1,189,817 |
| Contingency | 2,083,727 | 2,083,727 | - | 2,083,727 |
| | <u>18,034,083</u> | <u>18,264,083</u> | <u>14,947,781</u> | <u>3,316,302</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,869,000)</u> | <u>(3,099,000)</u> | <u>(1,721,581)</u> | <u>1,377,419</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>750,000</u> | <u>980,000</u> | <u>980,000</u> | <u>-</u> |
| Net other financing sources (uses) | <u>750,000</u> | <u>980,000</u> | <u>980,000</u> | <u>-</u> |
| Net change in fund balance | (2,119,000) | (2,119,000) | (741,581) | 1,377,419 |
| Fund balances - beginning | <u>2,119,000</u> | <u>2,119,000</u> | <u>2,386,791</u> | <u>267,791</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,645,210</u> | <u>\$ 1,645,210</u> |

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

For the Biennium Ended June 30, 2017

| | <i>Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Total</i> | <i>Variance with Budget</i> |
|---|--------------------|-------------------------|---------------------|-----------------------|-----------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Taxes | \$ 13,072,700 | \$ 6,386,053 | \$ 6,847,729 | \$ 13,233,782 | \$ 161,082 |
| Charges for services | 41,228 | 6,359 | 19,780 | 26,139 | (15,089) |
| Intergovernmental | - | 26,674 | 39 | 26,713 | 26,713 |
| Interest | 120,000 | 32,448 | 57,209 | 89,657 | (30,343) |
| Total revenues | 13,233,928 | 6,451,534 | 6,924,757 | 13,376,291 | 142,363 |
| EXPENDITURES | | | | | |
| General government | 4,562 | 1,681 | 2,530 | 4,211 | 351 |
| Public safety | 7,245,754 | 3,554,268 | 3,428,159 | 6,982,427 | 263,327 |
| Health services | 740,638 | 347,753 | 361,987 | 709,740 | 30,898 |
| Justice services | 1,164,188 | 499,688 | 603,802 | 1,103,490 | 60,698 |
| Contingency | 3,100,000 | - | - | - | 3,100,000 |
| Total expenditures | 12,255,142 | 4,403,390 | 4,396,478 | 8,799,868 | 3,455,274 |
| Excess (deficiency) of revenues over (under) expenditures | 978,786 | 2,048,144 | 2,528,279 | 4,576,423 | 3,597,637 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 30,000 | 30,000 | - | 30,000 | - |
| Transfers out | (4,108,786) | (1,955,359) | (2,153,427) | (4,108,786) | - |
| Total other financing sources (uses) | (4,078,786) | (1,925,359) | (2,153,427) | (4,078,786) | - |
| Net change in fund balances | (3,100,000) | 122,785 | 374,852 | 497,637 | 3,597,637 |
| Fund balances - beginning | 3,100,000 | 3,689,593 | 3,812,378 | 3,689,593 | 589,593 |
| Fund balances - ending | \$ - | \$ 3,812,378 | \$ 4,187,230 | \$ 4,187,230 | \$ 4,187,230 |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 3,812,378 | \$ 4,187,230 | | |
| Accrued payroll | | (102,165) | (84,934) | | |
| GAAP ending fund balance | | \$ 3,710,213 | \$ 4,102,296 | | |

REQUIRED SUPPLEMENTARY INFORMATION

Benton County, Oregon

Other Postemployment Benefits

Schedule of Funding Progress

June 30, 2017

| Actuarial Valuation Date | Actuarial Value of Assets | AAL | Unfunded Accrued Liability (UAAL) | Funded Ratio | Covered Payroll | UAAL as a % of Covered Payroll |
|---|--|--------------|--|-------------------------|----------------------------|---|
| 8/1/2016 | \$ - | \$ 4,133,050 | \$ 4,133,050 | 0.0% | \$ 27,760,066 | 14.9% |
| 8/1/2014 | - | 3,410,622 | 3,410,622 | 0.0% | 23,097,201 | 14.8% |
| 8/1/2012 | - | 4,471,155 | 4,471,155 | 0.0% | 22,396,194 | 19.9% |
| 8/1/2010 | - | 4,970,251 | 4,970,251 | 0.0% | 21,654,531 | 23.0% |
| 8/1/2008 | - | 3,850,973 | 3,850,973 | 0.0% | 19,961,941 | 19.3% |
| 8/1/2006 | - | 5,833,656 | 5,833,656 | 0.0% | 18,162,741 | 32.1% |

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

REQUIRED SUPPLEMENTARY INFORMATION

Benton County, Oregon

Oregon Public Employees Retirement System

Schedule of Benton County's Proportionate Share of the Net Pension Liability

*Last 10 Fiscal Years**

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|---------------|----------------|---------------|---------------|
| Proportion of the net pension liability (asset) | N/A | N/A | N/A | N/A | N/A | N/A | 0.2269% | 0.2269% | 0.2345% | 0.2332% |
| Proportionate share of the net pension liability (asset) | N/A | N/A | N/A | N/A | N/A | N/A | \$ 11,581,098 | \$ (5,144,090) | \$ 13,466,545 | \$ 35,000,538 |
| Covered-employee-payroll | N/A | N/A | N/A | N/A | N/A | N/A | \$ 22,396,194 | \$ 23,097,201 | \$ 25,552,647 | \$ 27,760,066 |
| Proportionate share of the net pension liability (asset) as a percentage of covered-employee-payroll | N/A | N/A | N/A | N/A | N/A | N/A | 51.71% | -22.27% | 52.70% | 126.08% |
| Plan fiduciary net position as a percentage of the total pension liability | N/A | N/A | N/A | N/A | N/A | N/A | 91.97% | 103.59% | 91.88% | 79.69% |

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented for each fiscal year was determined as of June 30.

REQUIRED SUPPLEMENTARY INFORMATION

Benton County, Oregon

Oregon Public Employees Retirement System

Schedule of Benton County's Contributions

*Last 10 Fiscal Years**

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|--------------------|--------------------|
| Contractually required contributions | N/A | \$ 1,926,117 | \$ 2,051,486 | \$ 2,288,695 |
| Contributions in relation to the contractually required contributions | N/A | <u>(1,926,117)</u> | <u>(2,051,486)</u> | <u>(2,288,695)</u> |
| Contribution deficiency (excess) | N/A | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered-employee-payroll | N/A | \$ 23,097,201 | \$ 25,552,647 | \$ 27,760,066 |
| Contributions as a percentage of covered-employee-payroll | N/A | 8.34% | 8.03% | 8.24% |

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The amounts presented for each fiscal year was determined as of June 30.

BENTON COUNTY, OREGON
Notes to Required Supplementary Information
 June 30, 2017

1. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

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

| | General Fund | Road Fund | Local Option Fund |
|--------------------------------|-----------------------------|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Fund balance - budgetary basis | \$ 13,427,108 | \$ 1,645,210 | \$ 4,187,230 |
| Reserved for inventory | - | 246,459 | - |
| Accrued payroll | (935,872) | (117,730) | (84,934) |
| Intergovernmental receivable | <u>34,127</u> | <u>-</u> | <u>-</u> |
| Fund balance - GAAP basis | <u>\$ 12,525,363</u> | <u>\$ 1,773,939</u> | <u>\$ 4,102,296</u> |

2. Stewardship, Compliance and Accountability

The Board of Commissioners adopts a resolution authorizing appropriations for each fund, which establishes the level by which expenditures cannot lawfully exceed appropriations. Appropriations are established at the program level for the following: general government, public safety, public works, health services, justice services, community services, cultural and educational services and parks and natural resources.

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

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

Road – 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.

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

BENTON COUNTY, OREGON

GENERAL FUND

BALANCE SHEETS

June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|----------------------|----------------------|
| ASSETS | | |
| Cash and investments | \$ 13,069,403 | \$ 11,859,290 |
| Property taxes receivable | 1,241,833 | 1,135,302 |
| Accounts receivable | 919,978 | 368,045 |
| Due from other funds | 34,150 | 38,828 |
| Intergovernmental receivables | 578,397 | 643,179 |
| Prepays | 123,974 | 112,434 |
| | <u>15,967,735</u> | <u>14,157,078</u> |
| Total assets | \$ 15,967,735 | \$ 14,157,078 |
| LIABILITIES | | |
| Accounts payable | \$ 1,152,102 | \$ 515,070 |
| Accrued payroll and payroll taxes | 918,342 | 802,083 |
| Other accrued liabilities | 187,435 | 185,994 |
| Due to other governmental agencies | 13,932 | 14,315 |
| | <u>2,271,811</u> | <u>1,517,462</u> |
| Total liabilities | 2,271,811 | 1,517,462 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue-health related | - | 8,685 |
| Unavailable revenue-property taxes | 1,170,561 | 1,034,791 |
| | <u>1,170,561</u> | <u>1,043,476</u> |
| Total deferred inflows of resources | 1,170,561 | 1,043,476 |
| FUND BALANCES | | |
| Nonspendable in form | 123,974 | 112,434 |
| Unassigned | 12,401,389 | 11,483,706 |
| | <u>12,525,363</u> | <u>11,596,140</u> |
| Total fund balances | 12,525,363 | 11,596,140 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 15,967,735 | \$ 14,157,078 |

BENTON COUNTY, OREGON**GENERAL FUND****SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE***For the Years Ended June 30, 2017 and 2016*

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|-----------------------------|-----------------------------|
| REVENUES | | |
| Taxes | \$ 17,067,638 | \$ 16,239,929 |
| Licenses and permits | 2,045,972 | 1,633,440 |
| Intergovernmental | 13,959,092 | 12,780,279 |
| Charges for services | 4,133,360 | 3,597,897 |
| Interest | 208,159 | 116,929 |
| Miscellaneous | 201,949 | 220,583 |
| Total revenues | <u>37,616,170</u> | <u>34,589,057</u> |
| EXPENDITURES | | |
| General government | 6,760,237 | 7,078,282 |
| Public safety | 11,612,122 | 10,714,661 |
| Health services | 10,722,957 | 10,042,207 |
| Justice services | 4,072,301 | 3,998,448 |
| Community services | 162,402 | 256,850 |
| Cultural and educational services | 637,254 | 635,652 |
| Parks and natural resources | 1,071,465 | 1,046,319 |
| Total expenditures | <u>35,038,738</u> | <u>33,772,419</u> |
| Excess of revenues over expenditures | <u>2,577,432</u> | <u>816,638</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 2,481,204 | 1,946,136 |
| Transfers out | <u>(4,129,413)</u> | <u>(3,723,024)</u> |
| Total other financing sources (uses) | <u>(1,648,209)</u> | <u>(1,776,888)</u> |
| Net change in fund balances | 929,223 | (960,250) |
| Fund balance - beginning | <u>11,596,140</u> | <u>12,556,390</u> |
| Fund balance - ending | <u><u>\$ 12,525,363</u></u> | <u><u>\$ 11,596,140</u></u> |

BENTON COUNTY, OREGON

GENERAL FUND

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

For the Biennium Ended June 30, 2017

| | <i>Budget</i> | <i>Biennium Actuals</i> | | | <i>Variance with Budget</i> |
|---|---------------------|-------------------------|----------------------|-----------------------|-----------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | <i>Biennium Total</i> | |
| REVENUES | | | | | |
| Taxes | \$ 33,049,700 | \$ 16,239,929 | \$ 17,067,638 | \$ 33,307,567 | \$ 257,867 |
| Licenses and permits | 2,830,500 | 1,633,440 | 2,045,972 | 3,679,412 | 848,912 |
| Intergovernmental | 28,502,212 | 12,780,279 | 13,959,092 | 26,739,371 | (1,762,841) |
| Charges for services | 8,107,151 | 3,597,897 | 4,133,360 | 7,731,257 | (375,894) |
| Interest | 280,200 | 116,017 | 212,837 | 328,854 | 48,654 |
| Miscellaneous | 133,130 | 228,338 | 176,950 | 405,288 | 272,158 |
| Total revenues | 72,902,893 | 34,595,900 | 37,595,849 | 72,191,749 | (711,144) |
| EXPENDITURES | | | | | |
| General government | 15,352,360 | 7,348,286 | 7,047,454 | 14,395,740 | 956,620 |
| Public safety | 23,632,334 | 11,017,328 | 11,869,618 | 22,886,946 | 745,388 |
| Health services | 24,815,994 | 10,208,039 | 10,928,715 | 21,136,754 | 3,679,240 |
| Justice services | 9,539,713 | 4,111,670 | 4,176,163 | 8,287,833 | 1,251,880 |
| Community services | 541,478 | 256,850 | 162,402 | 419,252 | 122,226 |
| Cultural and educational services | 1,272,907 | 635,652 | 637,254 | 1,272,906 | 1 |
| Parks and natural resources | 2,283,766 | 1,073,980 | 1,103,195 | 2,177,175 | 106,591 |
| Contingency | 2,256,969 | - | - | - | 2,256,969 |
| Total expenditures | 79,695,521 | 34,651,805 | 35,924,801 | 70,576,606 | 9,118,915 |
| Excess (deficiency) of revenues over (under) expenditures | (6,792,628) | (55,905) | 1,671,048 | 1,615,143 | 8,407,771 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Loans | (13,570) | (13,570) | - | (13,570) | - |
| Transfers in | 4,452,340 | 1,946,136 | 2,506,204 | 4,452,340 | - |
| Transfers out | (5,886,121) | (2,771,310) | (3,114,810) | (5,886,120) | 1 |
| Total other financing sources (uses) | (1,447,351) | (838,744) | (608,606) | (1,447,350) | 1 |
| Net change in fund balance | (8,239,979) | (894,649) | 1,062,442 | 167,793 | 8,407,772 |
| Fund balance - beginning | 13,239,979 | 13,259,316 | 12,364,667 | 13,259,316 | 19,337 |
| Fund balance - ending | \$ 5,000,000 | \$ 12,364,667 | \$ 13,427,109 | \$ 13,427,109 | \$ 8,427,109 |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 12,364,667 | \$ 13,427,109 | | |
| Intergovernmental receivable | | (23) | (24) | | |
| Loans receivable | | 38,828 | 34,150 | | |
| Accrued payroll | | (807,332) | (935,872) | | |
| GAAP ending fund balance | | \$ 11,596,140 | \$ 12,525,363 | | |

BENTON COUNTY, OREGON
ROAD FUND
BALANCE SHEETS
June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and investments | \$ 1,411,647 | \$ 2,094,012 |
| Accounts receivable | 361,367 | 21,269 |
| Intergovernmental receivables | 413,211 | 556,636 |
| Prepays | 9,198 | 7,037 |
| Inventories | <u>246,459</u> | <u>245,026</u> |
| Total assets | <u>\$ 2,441,882</u> | <u>\$ 2,923,980</u> |
| LIABILITIES | | |
| Accounts payable | \$ 550,213 | \$ 321,313 |
| Accrued payroll and payroll taxes | <u>117,730</u> | <u>106,144</u> |
| Total liabilities | <u>667,943</u> | <u>427,457</u> |
| FUND BALANCES | | |
| Nonspendable in form | 255,657 | 252,063 |
| Restricted for road maintenance & improvement | <u>1,518,282</u> | <u>2,244,460</u> |
| Total fund balances | <u>1,773,939</u> | <u>2,496,523</u> |
| Total liabilities and fund balances | <u>\$ 2,441,882</u> | <u>\$ 2,923,980</u> |

BENTON COUNTY, OREGON

ROAD FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| REVENUES | | |
| Intergovernmental | \$ 5,227,092 | \$ 5,494,250 |
| Charges for services | 1,014,296 | 1,224,093 |
| Interest | 15,650 | 11,151 |
| Miscellaneous | 228,345 | 11,323 |
| | <u>6,485,383</u> | <u>6,740,817</u> |
| EXPENDITURES | | |
| Personal services | 2,888,087 | 2,800,948 |
| Materials and services | 2,911,469 | 2,882,767 |
| Capital outlay | 2,021,205 | 1,310,012 |
| | <u>7,820,761</u> | <u>6,993,727</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,335,378)</u> | <u>(252,910)</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | 730,000 | 250,000 |
| Transfers out | (117,206) | (120,877) |
| | <u>612,794</u> | <u>129,123</u> |
| Net other financing sources (uses) | <u>612,794</u> | <u>129,123</u> |
| Net change in fund balances | (722,584) | (123,787) |
| Fund balances - beginning | <u>2,496,523</u> | <u>2,620,310</u> |
| Fund balances - ending | <u><u>\$ 1,773,939</u></u> | <u><u>\$ 2,496,523</u></u> |

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

For the Biennium Ended June 30, 2017

| | <i>Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Total</i> | <i>Variance with Budget</i> |
|---|-------------------|-------------------------|---------------------|-----------------------|-----------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Intergovernmental | \$ 13,444,158 | \$ 5,494,250 | \$ 5,227,092 | \$ 10,721,342 | \$ (2,722,816) |
| Charges for services | 1,668,366 | 1,224,093 | 1,014,296 | 2,238,389 | 570,023 |
| Interest | 10,150 | 11,151 | 15,650 | 26,801 | 16,651 |
| Miscellaneous | 42,409 | 11,323 | 228,345 | 239,668 | 197,259 |
| Total revenues | 15,165,083 | 6,740,817 | 6,485,383 | 13,226,200 | (1,938,883) |
| EXPENDITURES | | | | | |
| Public Works | | | | | |
| Personal services | 6,062,466 | 2,920,167 | 2,993,722 | 5,913,889 | 148,577 |
| Materials and services | 5,596,856 | 2,789,773 | 2,912,902 | 5,702,675 | (105,819) |
| Capital outlay | 4,521,034 | 1,310,012 | 2,021,205 | 3,331,217 | 1,189,817 |
| Contingency | 2,083,727 | - | - | - | 2,083,727 |
| Total expenditures | 18,264,083 | 7,019,952 | 7,927,829 | 14,947,781 | 3,316,302 |
| Excess (deficiency) of revenues over (under) expenditures | (3,099,000) | (279,135) | (1,442,446) | (1,721,581) | 1,377,419 |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | 980,000 | 250,000 | 730,000 | 980,000 | - |
| Net other financing sources | 980,000 | 250,000 | 730,000 | 980,000 | - |
| Net change in fund balances | (2,119,000) | (29,135) | (712,446) | (741,581) | 1,377,419 |
| Fund balances - beginning | 2,119,000 | 2,386,791 | 2,357,656 | 2,386,791 | 267,791 |
| Fund balances - ending | \$ - | \$ 2,357,656 | \$ 1,645,210 | \$ 1,645,210 | \$ 1,645,210 |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | 2,357,656 | 1,645,210 | | |
| Accrued payroll | | (106,159) | (117,730) | | |
| Reserved inventory | | 245,026 | 246,459 | | |
| GAAP ending fund balance | | 2,496,523 | 1,773,939 | | |

BENTON COUNTY, OREGON
LOCAL OPTION LEVY FUND
BALANCE SHEETS
June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| ASSETS | | |
| Cash and investments | \$ 4,332,216 | \$ 3,911,476 |
| Taxes receivable | 507,339 | 462,684 |
| Intergovernmental receivables | 1,718 | - |
| Prepays | 6,750 | 2,449 |
| | <u>6,750</u> | <u>2,449</u> |
| Total assets | <u>\$ 4,848,023</u> | <u>\$ 4,376,609</u> |
| LIABILITIES | | |
| Accounts payable | \$ 181,530 | \$ 138,404 |
| Accrued payroll and payroll taxes | 84,934 | 103,888 |
| | <u>84,934</u> | <u>103,888</u> |
| Total liabilities | <u>266,464</u> | <u>242,292</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue-property taxes | 479,263 | 424,104 |
| | <u>479,263</u> | <u>424,104</u> |
| Total deferred inflows of resources | <u>479,263</u> | <u>424,104</u> |
| FUND BALANCES | | |
| Nonspendable | 6,750 | 2,449 |
| Committed | 4,095,546 | 3,707,764 |
| | <u>4,095,546</u> | <u>3,707,764</u> |
| Total fund balances | <u>4,102,296</u> | <u>3,710,213</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 4,848,023</u> | <u>\$ 4,376,609</u> |

BENTON COUNTY, OREGON

LOCAL OPTION LEVY FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2017 and June 30, 2016

| | <u>2017</u> | <u>2016</u> |
|--|----------------------------|----------------------------|
| REVENUES | | |
| Taxes and special assessments | \$ 6,847,729 | \$ 6,386,053 |
| Miscellaneous | - | 26,674 |
| Charges for services | 19,780 | - |
| Intergovernmental | 39 | 6,359 |
| Interest | <u>57,209</u> | <u>32,448</u> |
| Total revenues | <u>6,924,757</u> | <u>6,451,534</u> |
| EXPENDITURES | | |
| General government | 2,530 | 1,681 |
| Public safety | 3,332,914 | 3,472,820 |
| Health services | 356,619 | 343,347 |
| Justice services | <u>585,445</u> | <u>486,876</u> |
| Total expenditures | <u>4,277,508</u> | <u>4,304,724</u> |
| Excess of revenues over (under) expenditures | <u>2,647,249</u> | <u>2,146,810</u> |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers in | - | 30,000 |
| Transfers out | <u>(2,255,166)</u> | <u>(2,049,862)</u> |
| Net other financing sources (uses) | <u>(2,255,166)</u> | <u>(2,019,862)</u> |
| Net change in fund balances | 392,083 | 126,948 |
| Fund balances - beginning | <u>3,710,213</u> | <u>3,583,265</u> |
| Fund balances - ending | <u><u>\$ 4,102,296</u></u> | <u><u>\$ 3,710,213</u></u> |

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

For the Biennium Ended June 30, 2017

| | Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|---|--------------------|-------------------------|---------------------|-----------------------|-----------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Taxes | \$ 13,072,700 | \$ 6,386,053 | \$ 6,847,729 | \$ 13,233,782 | \$ 161,082 |
| Charges for services | 41,228 | 6,359 | 19,780 | 26,139 | (15,089) |
| Intergovernmental | - | 26,674 | 39 | 26,713 | 26,713 |
| Interest | 120,000 | 32,448 | 57,209 | 89,657 | (30,343) |
| Total revenues | 13,233,928 | 6,451,534 | 6,924,757 | 13,376,291 | 142,363 |
| EXPENDITURES | | | | | |
| General government | 4,562 | 1,681 | 2,530 | 4,211 | 351 |
| Public safety | 7,245,754 | 3,554,268 | 3,428,159 | 6,982,427 | 263,327 |
| Health services | 740,638 | 347,753 | 361,987 | 709,740 | 30,898 |
| Justice services | 1,164,188 | 499,688 | 603,802 | 1,103,490 | 60,698 |
| Contingency | 3,100,000 | - | - | - | 3,100,000 |
| Total expenditures | 12,255,142 | 4,403,390 | 4,396,478 | 8,799,868 | 3,455,274 |
| Excess (deficiency) of revenues over (under) expenditures | 978,786 | 2,048,144 | 2,528,279 | 4,576,423 | 3,597,637 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 30,000 | 30,000 | - | 30,000 | - |
| Transfers out | (4,108,786) | (1,955,359) | (2,153,427) | (4,108,786) | - |
| Total other financing sources (uses) | (4,078,786) | (1,925,359) | (2,153,427) | (4,078,786) | - |
| Net change in fund balances | (3,100,000) | 122,785 | 374,852 | 497,637 | 3,597,637 |
| Fund balances - beginning | 3,100,000 | 3,689,593 | 3,812,378 | 3,689,593 | 589,593 |
| Fund balances - ending | \$ - | \$ 3,812,378 | \$ 4,187,230 | \$ 4,187,230 | \$ 4,187,230 |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 3,812,378 | \$ 4,187,230 | | |
| Accrued payroll | | (102,165) | (84,934) | | |
| GAAP ending fund balance | | \$ 3,710,213 | \$ 4,102,296 | | |

BENTON COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

| | <u>Special Revenue Funds</u> | <u>Debt Service Fund</u> | <u>Capital Projects Funds</u> | <u>Total</u> |
|---|----------------------------------|------------------------------|-----------------------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 1,768,324 | \$ 2,393,267 | \$ 2,464,431 | \$ 6,626,022 |
| Receivables: | | | | |
| Taxes | 202,998 | - | - | 202,998 |
| Notes receivable | 292,265 | - | - | 292,265 |
| Intergovernmental | 121,606 | - | - | 121,606 |
| Inventory | 6,239 | - | - | 6,239 |
| Prepays | 2,950 | - | - | 2,950 |
| Total assets | <u>\$ 2,394,382</u> | <u>\$ 2,393,267</u> | <u>\$ 2,464,431</u> | <u>\$ 7,252,080</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 77,081 | \$ - | \$ 116,368 | \$ 193,449 |
| Accrued payroll costs | 19,836 | - | - | 19,836 |
| Total liabilities | <u>96,917</u> | <u>-</u> | <u>116,368</u> | <u>213,285</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue-loans receivable | 292,265 | - | - | 292,265 |
| Unavailable revenue-property taxes | 191,249 | - | - | 191,249 |
| Total deferred inflows of resources | <u>483,514</u> | <u>-</u> | <u>-</u> | <u>483,514</u> |
| FUND BALANCES | | | | |
| Nonspendable | 9,189 | - | - | 9,189 |
| Restricted for: | | | | |
| Library services | 189,823 | - | - | 189,823 |
| Land preservation | 194,842 | - | - | 194,842 |
| Transportation service | 445,647 | - | - | 445,647 |
| Cultural | 222,793 | - | - | 222,793 |
| Justice services | 113,798 | - | - | 113,798 |
| Title III program | 20,542 | - | - | 20,542 |
| Committed to: | | | | |
| Cemetery operations | 38,325 | - | - | 38,325 |
| Health services | 321,128 | - | - | 321,128 |
| Community services | 256,933 | - | - | 256,933 |
| Debt service | - | 2,393,267 | - | 2,393,267 |
| Capital projects | - | - | 2,348,063 | 2,348,063 |
| Assigned to: | | | | |
| Water services | 931 | - | - | 931 |
| Total fund balances | <u>1,813,951</u> | <u>2,393,267</u> | <u>2,348,063</u> | <u>6,555,281</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 2,394,382</u> | <u>\$ 2,393,267</u> | <u>\$ 2,464,431</u> | <u>\$ 7,252,080</u> |

BENTON COUNTY, OREGON**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended June 30, 2017

| | <i>Special Revenue Funds</i> | <i>Debt Service Fund</i> | <i>Capital Projects Funds</i> | <i>Total</i> |
|--|----------------------------------|------------------------------|-----------------------------------|--------------|
| REVENUES | | | | |
| Taxes | \$ 2,855,397 | \$ - | \$ - | \$ 2,855,397 |
| Intergovernmental | 3,727,225 | - | - | 3,727,225 |
| Charges for services | 1,228,305 | 8,177 | - | 1,236,482 |
| Interest | 42,930 | 28,547 | 13,616 | 85,093 |
| Miscellaneous | 62,364 | - | - | 62,364 |
| Total revenues | 7,916,221 | 36,724 | 13,616 | 7,966,561 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 11,270 | 850 | - | 12,120 |
| Public works | 76,463 | - | - | 76,463 |
| Health services | 2,404,107 | - | - | 2,404,107 |
| Justice services | 35,191 | - | - | 35,191 |
| Community services | 1,206,254 | - | - | 1,206,254 |
| Cultural and educational services | 4,165,754 | - | - | 4,165,754 |
| Debt service: | | | | |
| Principal | - | 440,278 | - | 440,278 |
| Interest | - | 1,313,622 | - | 1,313,622 |
| Capital projects | 107,680 | - | 595,760 | 703,440 |
| Total expenditures | 8,006,719 | 1,754,750 | 595,760 | 10,357,229 |
| Excess (deficiency) of revenues over (under) expenditures | (90,498) | (1,718,026) | (582,144) | (2,390,668) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Repayment of interfund loan | 40,016 | - | - | 40,016 |
| Transfers in | 408,864 | 1,885,160 | 2,100,290 | 4,394,314 |
| Transfers out | (2,608,226) | - | (1,577,753) | (4,185,979) |
| Total other financing sources (uses) | (2,159,346) | 1,885,160 | 522,537 | 208,335 |
| Net change in fund balances | (2,249,844) | 167,134 | (59,607) | (2,182,333) |
| Fund balances - beginning | 4,063,795 | 2,226,133 | 2,407,670 | 8,697,598 |
| Fund balances - ending | \$ 1,813,951 | \$ 2,393,267 | \$ 2,348,063 | \$ 6,515,265 |

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

Oregon Health Plan - 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 - To account for funds collected to increase courtroom security.

Special Transportation - 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.

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

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

Alsea Human Services County Service District – To account for the levy of property taxes to fund the Alsea Health Clinic.

West Lewellyn County Service District - 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 SPECIAL REVENUE FUNDS

June 30, 2017

| | <u>County School</u> | <u>Fair</u> | <u>Library Services District</u> | <u>Land Corner Preservation</u> | <u>Block Grant</u> | <u>Oregon Health Plan</u> |
|---|--------------------------|-------------------|--|---|------------------------|-----------------------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ - | \$ 280,507 | \$ 178,150 | \$ 199,672 | \$ 256,933 | \$ 317,265 |
| Property taxes receivable | - | - | 198,793 | - | - | - |
| Notes receivable | - | - | - | - | 292,265 | - |
| Advances to other funds | - | - | - | - | - | - |
| Intergovernmental receivables | - | - | 753 | - | - | - |
| Inventory | - | - | - | 6,239 | - | - |
| Prepays | - | 1,200 | - | - | - | - |
| Total assets | \$ - | \$ 281,707 | \$ 377,696 | \$ 205,911 | \$ 549,198 | \$ 317,265 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 41,219 | \$ 571 | \$ 1,534 | \$ - | \$ - |
| Accrued payroll costs | - | 16,495 | - | 3,296 | - | - |
| Total liabilities | - | 57,714 | 571 | 4,830 | - | - |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue-loans receivable | - | - | - | - | 292,265 | - |
| Unavailable revenue-property taxes | - | - | 187,302 | - | - | - |
| Total deferred inflows of resources | - | - | 187,302 | - | 292,265 | - |
| FUND BALANCES | | | | | | |
| Nonspendable | - | 1,200 | - | 6,239 | - | - |
| Restricted for: | | | | | | |
| Library services | - | - | 189,823 | - | - | - |
| Land preservation | - | - | - | 194,842 | - | - |
| Cultural services | - | 222,793 | - | - | - | - |
| Justice services | - | - | - | - | - | - |
| Transportation service | - | - | - | - | - | - |
| Title III program | - | - | - | - | - | - |
| Committed to: | | | | | | |
| Cemetery operations | - | - | - | - | - | - |
| Community service | - | - | - | - | 256,933 | - |
| Health services | - | - | - | - | - | 317,265 |
| Assigned to: | | | | | | |
| Water services | - | - | - | - | - | - |
| Total fund balances | - | 223,993 | 189,823 | 201,081 | 256,933 | 317,265 |
| Total liabilities, deferred inflows of resources and fund balances | \$ - | \$ 281,707 | \$ 377,696 | \$ 205,911 | \$ 549,198 | \$ 317,265 |

| <i>Court Security</i> | <i>Special Transportation</i> | <i>Title III Projects</i> | <i>Cemetery Operations</i> | <i>Alesea Human Svs. CSD</i> | <i>West Lewellyn CSD</i> | <i>Total</i> |
|-----------------------|-------------------------------|---------------------------|----------------------------|------------------------------|--------------------------|---------------------|
| \$ 115,599 | \$ 356,491 | \$ 20,542 | \$ 38,629 | \$ 3,605 | \$ 931 | \$ 1,768,324 |
| - | - | - | - | 4,205 | - | 202,998 |
| - | - | - | - | - | - | 292,265 |
| - | 120,853 | - | - | - | - | - |
| - | - | - | - | - | - | 121,606 |
| - | 1,750 | - | - | - | - | 6,239 |
| - | - | - | - | - | - | 2,950 |
| \$ 115,599 | \$ 479,094 | \$ 20,542 | \$ 38,629 | \$ 7,810 | \$ 931 | \$ 2,394,382 |
| \$ 1,801 | \$ 31,697 | \$ - | \$ 259 | \$ - | \$ - | \$ 77,081 |
| - | - | - | 45 | - | - | 19,836 |
| 1,801 | 31,697 | - | 304 | - | - | 96,917 |
| - | - | - | - | - | - | 292,265 |
| - | - | - | - | 3,947 | - | 191,249 |
| - | - | - | - | 3,947 | - | 483,514 |
| - | 1,750 | - | - | - | - | 9,189 |
| - | - | - | - | - | - | 189,823 |
| - | - | - | - | - | - | 194,842 |
| - | - | - | - | - | - | 222,793 |
| 113,798 | - | - | - | - | - | 113,798 |
| - | 445,647 | - | - | - | - | 445,647 |
| - | - | 20,542 | - | - | - | 20,542 |
| - | - | - | 38,325 | - | - | 38,325 |
| - | - | - | - | - | - | 256,933 |
| - | - | - | - | 3,863 | - | 321,128 |
| - | - | - | - | - | 931 | 931 |
| 113,798 | 447,397 | 20,542 | 38,325 | 3,863 | 931 | 1,813,951 |
| \$ 115,599 | \$ 479,094 | \$ 20,542 | \$ 38,629 | \$ 7,810 | \$ 931 | \$ 2,394,382 |

BENTON COUNTY, OREGON

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

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2017

| | <u>County School</u> | <u>Fair</u> | <u>Library Services District</u> | <u>Land Corner Preservation</u> | <u>Block Grant</u> | <u>Oregon Health Plan</u> |
|--|--------------------------|-------------------|--|---|------------------------|-----------------------------------|
| REVENUES | | | | | | |
| Taxes | \$ - | \$ - | \$ 2,793,979 | \$ - | \$ - | \$ - |
| Intergovernmental | 493,612 | 53,667 | 4,894 | - | - | 2,201,634 |
| Charges for services | - | 673,682 | - | 101,261 | - | - |
| Interest | 465 | 2,630 | 4,279 | 1,849 | 2,772 | 25,697 |
| Miscellaneous | - | 56,571 | - | - | - | - |
| Total revenues | <u>494,077</u> | <u>786,550</u> | <u>2,803,152</u> | <u>103,110</u> | <u>2,772</u> | <u>2,227,331</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public works | - | - | - | 76,463 | - | - |
| Health services | - | - | - | - | - | 2,342,012 |
| Justice services | - | - | - | - | - | - |
| Community services | - | - | - | - | 5,981 | - |
| Cultural and educational services | 499,427 | 1,046,947 | 2,633,841 | - | - | - |
| Total expenditures | <u>499,427</u> | <u>1,046,947</u> | <u>2,633,841</u> | <u>76,463</u> | <u>5,981</u> | <u>2,342,012</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(5,350)</u> | <u>(260,397)</u> | <u>169,311</u> | <u>26,647</u> | <u>(3,209)</u> | <u>(114,681)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Loans repaid | - | - | - | - | 40,016 | - |
| Transfers in | - | 393,000 | - | - | - | - |
| Transfers out | - | (12,061) | - | (3,604) | (230,516) | (2,350,035) |
| Total other financing sources (uses) | <u>-</u> | <u>380,939</u> | <u>-</u> | <u>(3,604)</u> | <u>(190,500)</u> | <u>(2,350,035)</u> |
| Net change in fund balances | (5,350) | 120,542 | 169,311 | 23,043 | (193,709) | (2,464,716) |
| Fund balances - beginning | <u>5,350</u> | <u>103,451</u> | <u>20,512</u> | <u>178,038</u> | <u>450,642</u> | <u>2,781,981</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 223,993</u> | <u>\$ 189,823</u> | <u>\$ 201,081</u> | <u>\$ 256,933</u> | <u>\$ 317,265</u> |

| <u>Court Security</u> | <u>Special Transportation</u> | <u>Title III Projects</u> | <u>Cemetery Operations</u> | <u>Alea Human Svs. CSD</u> | <u>West Lewellyn CSD</u> | <u>Total</u> |
|-----------------------|-------------------------------|---------------------------|----------------------------|----------------------------|--------------------------|---------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 61,418 | \$ - | \$ 2,855,397 |
| 31,741 | 941,677 | - | - | - | - | 3,727,225 |
| - | 439,412 | - | 13,950 | - | - | 1,228,305 |
| 1,464 | 2,837 | 234 | 613 | 80 | 10 | 42,930 |
| - | 5,693 | - | 100 | - | - | 62,364 |
| <u>33,205</u> | <u>1,389,619</u> | <u>234</u> | <u>14,663</u> | <u>61,498</u> | <u>10</u> | <u>7,916,221</u> |
| - | - | 963 | 10,307 | - | - | 11,270 |
| - | - | - | - | - | - | 76,463 |
| - | - | - | - | 62,095 | - | 2,404,107 |
| 51,480 | - | - | - | - | - | 51,480 |
| - | 1,277,203 | - | - | - | - | 1,283,184 |
| - | - | - | - | - | - | 4,180,215 |
| <u>51,480</u> | <u>1,277,203</u> | <u>963</u> | <u>10,307</u> | <u>62,095</u> | <u>-</u> | <u>8,006,719</u> |
| <u>(18,275)</u> | <u>112,416</u> | <u>(729)</u> | <u>4,356</u> | <u>(597)</u> | <u>10</u> | <u>(90,498)</u> |
| - | - | - | - | - | - | 40,016 |
| - | 15,864 | - | - | - | - | 408,864 |
| - | - | - | (12,010) | - | - | (2,608,226) |
| - | 15,864 | - | (12,010) | - | - | (2,159,346) |
| (18,275) | 128,280 | (729) | (7,654) | (597) | 10 | (2,249,844) |
| <u>132,073</u> | <u>319,117</u> | <u>21,271</u> | <u>45,979</u> | <u>4,460</u> | <u>921</u> | <u>4,063,795</u> |
| <u>\$ 113,798</u> | <u>\$ 447,397</u> | <u>\$ 20,542</u> | <u>\$ 38,325</u> | <u>\$ 3,863</u> | <u>\$ 931</u> | <u>\$ 1,813,951</u> |

BENTON COUNTY, OREGON**COUNTY SCHOOL FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ended June 30, 2017*

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|------------------------------------|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Intergovernmental | \$ 660,000 | \$ 149,195 | \$ 493,612 | \$ 642,807 | \$ (17,193) |
| Interest | - | 237 | 465 | 702 | 702 |
| Total revenues | 660,000 | 149,432 | 494,077 | 643,509 | (16,491) |
| EXPENDITURES | | | | | |
| Cultural and educational services: | | | | | |
| Other | 660,000 | 144,082 | 499,427 | 643,509 | 16,491 |
| Total expenditures | 660,000 | 144,082 | 499,427 | 643,509 | 16,491 |
| Net change in fund balance | - | 5,350 | (5,350) | - | - |
| Fund balances - beginning | - | - | 5,350 | - | - |
| Fund balances - ending | \$ - | \$ 5,350 | \$ - | \$ - | \$ - |

BENTON COUNTY, OREGON**FAIR FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ended June 30, 2017*

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|---|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Intergovernmental | \$ 100,000 | \$ 53,667 | \$ 53,667 | \$ 107,334 | \$ 7,334 |
| Charges for services | 1,124,476 | 575,172 | 673,682 | 1,248,854 | 124,378 |
| Miscellaneous | 96,000 | 78,219 | 56,571 | 134,790 | 38,790 |
| Interest | - | 265 | 2,630 | 2,895 | 2,895 |
| Total revenues | <u>1,320,476</u> | <u>707,323</u> | <u>786,550</u> | <u>1,493,873</u> | <u>173,397</u> |
| EXPENDITURES | | | | | |
| Cultural and educational services: | | | | | |
| Personal services | 643,712 | 309,895 | 294,699 | 604,594 | 39,118 |
| Materials and services | 1,377,764 | 676,236 | 742,595 | 1,418,831 | (41,067) |
| Capital outlay | 50,000 | 1,500 | 14,461 | 15,961 | 34,039 |
| Contingency | 35,000 | - | - | - | 35,000 |
| Total expenditures | <u>2,106,476</u> | <u>987,631</u> | <u>1,051,755</u> | <u>2,039,386</u> | <u>67,090</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(786,000)</u> | <u>(280,308)</u> | <u>(265,205)</u> | <u>(545,513)</u> | <u>240,487</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in | <u>786,000</u> | <u>393,000</u> | <u>393,000</u> | <u>786,000</u> | <u>-</u> |
| Net other financing sources | <u>786,000</u> | <u>393,000</u> | <u>393,000</u> | <u>786,000</u> | <u>-</u> |
| Net change in fund balance | - | 112,692 | 127,795 | 240,487 | 240,487 |
| Fund balances - beginning | <u>-</u> | <u>-</u> | <u>112,692</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 112,692</u> | <u>\$ 240,487</u> | <u>\$ 240,487</u> | <u>\$ 240,487</u> |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 112,692 | \$ 240,487 | | |
| Accrued Payroll | | (9,241) | (16,495) | | |
| GAAP ending fund balance | | <u>\$ 103,451</u> | <u>\$ 223,992</u> | | |

BENTON COUNTY, OREGON**LIBRARY SERVICE DISTRICT****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ended June 30, 2017*

| | <i>Biennium Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Total</i> | <i>Variance with Budget</i> |
|------------------------------------|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Taxes | \$ 5,404,137 | \$ 2,623,562 | \$ 2,793,979 | \$ 5,417,541 | \$ 13,404 |
| Intergovernmental | 13,454 | 9,150 | 4,894 | 14,044 | 590 |
| Interest | 1,000 | 1,258 | 4,279 | 5,537 | 4,537 |
| Total revenues | <u>5,418,591</u> | <u>2,633,970</u> | <u>2,803,152</u> | <u>5,437,122</u> | <u>18,531</u> |
| EXPENDITURES | | | | | |
| Cultural and educational services: | | | | | |
| Materials and services | <u>5,418,591</u> | <u>2,699,749</u> | <u>2,633,841</u> | <u>5,333,590</u> | <u>85,001</u> |
| Total expenditures | <u>5,418,591</u> | <u>2,699,749</u> | <u>2,633,841</u> | <u>5,333,590</u> | <u>85,001</u> |
| Net change in fund balance | - | (65,779) | 169,311 | 103,532 | 103,532 |
| <i>Fund balances - beginning</i> | <u>-</u> | <u>86,291</u> | <u>20,512</u> | <u>86,291</u> | <u>86,291</u> |
| <i>Fund balances - ending</i> | <u>\$ -</u> | <u>\$ 20,512</u> | <u>\$ 189,823</u> | <u>\$ 189,823</u> | <u>\$ 189,823</u> |

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

For the Biennium Ended June 30, 2017

| | <i>Biennium Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Total</i> | <i>Variance with Budget</i> |
|--------------------------------------|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Charges for services | \$ 192,444 | \$ 99,356 | \$ 101,261 | \$ 200,617 | \$ 8,173 |
| Interest | 2,030 | 1,300 | 1,849 | 3,149 | 1,119 |
| Total revenues | 194,474 | 100,656 | 103,110 | 203,766 | 9,292 |
| EXPENDITURES | | | | | |
| Public works: | | | | | |
| Personal services | 161,587 | 78,921 | 42,994 | 121,915 | 39,672 |
| Materials and services | 71,742 | 35,386 | 37,171 | 72,557 | (815) |
| Contingency | 111,145 | - | - | - | 111,145 |
| Total expenditures | 344,474 | 114,307 | 80,165 | 194,472 | 150,002 |
| Net change in fund balance | (150,000) | (13,651) | 22,945 | 9,294 | 159,294 |
| <i>Fund balances - beginning</i> | 150,000 | 188,844 | 175,193 | 188,844 | 38,844 |
| <i>Fund balances - ending</i> | <u>\$ -</u> | <u>\$ 175,193</u> | <u>\$ 198,138</u> | <u>\$ 198,138</u> | <u>\$ 198,138</u> |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 175,193 | \$ 198,138 | | |
| Accrued payroll | | (2,858) | (3,296) | | |
| Reserve for Inventory | | 5,703 | 6,239 | | |
| GAAP ending fund balance | | <u>\$ 178,038</u> | <u>\$ 201,081</u> | | |

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

For the Biennium Ended June 30, 2017

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|--|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Interest | \$ 2,000 | \$ 1,490 | \$ 2,772 | \$ 4,262 | \$ 2,262 |
| Total revenues | 2,000 | 1,490 | 2,772 | 4,262 | 2,262 |
| EXPENDITURES | | | | | |
| Community services | | | | | |
| Materials and services | 268,800 | 1,524 | 1,589 | 3,113 | 265,687 |
| Total expenditures | 268,800 | 1,524 | 1,589 | 3,113 | 265,687 |
| Excess (deficiency) of revenues over (under) expenditures | (266,800) | (34) | 1,183 | 1,149 | 267,949 |
| OTHER FINANCING SOURCES | | | | | |
| Loans repaid | 32,400 | 8,900 | 40,016 | 48,916 | 16,516 |
| Total other financing sources | 32,400 | 8,900 | 40,016 | 48,916 | 16,516 |
| Net change in fund balance | (234,400) | 8,866 | 41,199 | 50,065 | 284,465 |
| Fund balances - beginning | 234,400 | 206,868 | 215,734 | 206,868 | (27,532) |
| Fund balances - ending | \$ - | \$ 215,734 | \$ 256,933 | \$ 256,933 | \$ 256,933 |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 215,734 | \$ 256,933 | | |
| Loans receivable | | 4,392 | - | | |
| Advances to other funds | | 230,516 | - | | |
| GAAP ending fund balance | | \$ 450,642 | \$ 256,933 | | |

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

For the Biennium Ended June 30, 2017

| | <i>Biennium Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Total</i> | <i>Variance with Budget</i> |
|--|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Intergovernmental | \$ 4,799,351 | \$ 2,468,088 | \$ 2,201,634 | \$ 4,669,722 | \$ (129,629) |
| Interest | 34,949 | 19,171 | 25,697 | 44,868 | 9,919 |
| Total revenues | 4,834,300 | 2,487,259 | 2,227,331 | 4,714,590 | (119,710) |
| EXPENDITURES | | | | | |
| Health services: | | | | | |
| Materials and services | 4,634,300 | 2,287,475 | 2,342,012 | 4,629,487 | 4,813 |
| Contingency | 649,965 | - | - | - | 649,965 |
| Total expenditures | 5,284,265 | 2,287,475 | 2,342,012 | 4,629,487 | 654,778 |
| Excess (deficiency) of revenues over (under) expenditures | (449,965) | 199,784 | (114,681) | 85,103 | 535,068 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | (2,350,035) | - | (2,350,035) | (2,350,035) | - |
| Net other financing sources (uses) | (2,350,035) | - | (2,350,035) | (2,350,035) | - |
| Net change in fund balance | (2,800,000) | 199,784 | (2,464,716) | (2,264,932) | 535,068 |
| Fund balances - beginning | 2,800,000 | 2,582,197 | 2,781,981 | 2,582,197 | (217,803) |
| Fund balances - ending | \$ - | \$ 2,781,981 | \$ 317,265 | \$ 317,265 | \$ 317,265 |

BENTON COUNTY, OREGON**COURT SECURITY FUND****SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)***For the Biennium Ended June 30, 2017*

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|----------------------------------|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Intergovernmental | \$ 127,000 | \$ 117,748 | \$ 31,741 | \$ 149,489 | \$ 22,489 |
| Interest | - | 963 | 1,464 | 2,427 | 2,427 |
| Total revenues | 127,000 | 118,711 | 33,205 | 151,916 | 24,916 |
| EXPENDITURES | | | | | |
| Justice: | | | | | |
| Personal services | 110,836 | 12,621 | 32,107 | 44,728 | 66,108 |
| Materials and services | 6,164 | 3,084 | 3,084 | 6,168 | (4) |
| Capital outlay | 70,000 | 45,309 | 16,289 | 61,598 | 8,402 |
| Total expenditures | 187,000 | 61,014 | 51,480 | 112,494 | 74,506 |
| Net change in fund balance | (60,000) | 57,697 | (18,275) | 39,422 | 99,422 |
| Fund balances - beginning | 60,000 | 74,376 | 132,073 | 74,376 | 14,376 |
| Fund balances - ending | \$ - | \$ 132,073 | \$ 113,798 | \$ 113,798 | \$ 113,798 |

BENTON COUNTY, OREGON
SPECIAL TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
For the Biennium Ended June 30, 2017

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|---|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Intergovernmental | \$ 2,059,003 | \$ 679,847 | \$ 941,677 | \$ 1,621,524 | \$ (437,479) |
| Charges for services | 806,100 | 462,962 | 439,412 | 902,374 | 96,274 |
| Interest | 4,000 | 1,968 | 2,837 | 4,805 | 805 |
| Miscellaneous | - | 1,278 | 5,693 | 6,971 | 6,971 |
| Total revenues | 2,869,103 | 1,146,055 | 1,389,619 | 2,535,674 | (333,429) |
| EXPENDITURES | | | | | |
| Community services: | | | | | |
| Materials and services | 2,498,377 | 1,198,634 | 1,200,273 | 2,398,907 | 99,470 |
| Capital outlay | 390,400 | 45,338 | 76,930 | 122,268 | 268,132 |
| Contingency | 197,054 | - | - | - | 197,054 |
| Total expenditures | 3,085,831 | 1,243,972 | 1,277,203 | 2,521,175 | 564,656 |
| Excess (deficiency) of revenues over (under) expenditures | (216,728) | (97,917) | 112,416 | 14,499 | 231,227 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 31,728 | 15,864 | 15,864 | 31,728 | - |
| Net other financing sources (uses) | 31,728 | 15,864 | 15,864 | 31,728 | - |
| Fund balances - beginning | 185,000 | 401,170 | 319,117 | 401,170 | 216,170 |
| Fund balances - ending | \$ - | \$ 319,117 | \$ 447,397 | \$ 447,397 | \$ 447,397 |

BENTON COUNTY, OREGON

TITLE III PROJECTS FUND

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

For the Biennium Ended June 30, 2017

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|----------------------------------|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Interest | \$ - | \$ 227 | \$ 234 | \$ 461 | \$ 461 |
| Total revenues | - | 227 | 234 | 461 | 461 |
| EXPENDITURES | | | | | |
| General government: | | | | | |
| Materials and services | 55,500 | 31,829 | 963 | 32,792 | 22,708 |
| Total expenditures | 55,500 | 31,829 | 963 | 32,792 | 22,708 |
| Net change in fund balance | (55,500) | (31,602) | (729) | (32,331) | 23,169 |
| Fund balances - beginning | 55,500 | 52,873 | 21,271 | 52,873 | (2,627) |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 21,271</u> | <u>\$ 20,542</u> | <u>\$ 20,542</u> | <u>\$ 20,542</u> |

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

For the Biennium Ended June 30, 2017

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|---|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Charges for services | \$ 26,000 | \$ 13,700 | \$ 13,950 | \$ 27,650 | \$ 1,650 |
| Interest | 1,200 | 358 | 613 | 971 | (229) |
| Miscellaneous | - | 1,375 | 100 | 1,475 | 1,475 |
| Total revenues | <u>27,200</u> | <u>15,433</u> | <u>14,663</u> | <u>30,096</u> | <u>2,896</u> |
| EXPENDITURES | | | | | |
| General government: | | | | | |
| Personal services | 11,300 | 4,152 | 392 | 4,544 | 6,756 |
| Materials and services | 32,288 | 21,082 | 9,880 | 30,962 | 1,326 |
| Capital outlay | 45,000 | 51,836 | - | 51,836 | (6,836) |
| Contingency | 42,612 | - | - | - | 42,612 |
| Total expenditures | <u>131,200</u> | <u>77,070</u> | <u>10,272</u> | <u>87,342</u> | <u>43,858</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(104,000)</u> | <u>(61,637)</u> | <u>4,391</u> | <u>(57,246)</u> | <u>46,754</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 22,500 | 22,500 | - | 22,500 | - |
| Transfers out | <u>(12,000)</u> | <u>-</u> | <u>(12,000)</u> | <u>(12,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>10,500</u> | <u>22,500</u> | <u>(12,000)</u> | <u>10,500</u> | <u>-</u> |
| Net change in fund balance | (93,500) | (39,137) | (7,609) | (46,746) | 46,754 |
| Fund balances - beginning | <u>93,500</u> | <u>85,116</u> | <u>45,979</u> | <u>142,767</u> | <u>49,267</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 45,979</u> | <u>\$ 38,370</u> | <u>\$ 96,021</u> | <u>\$ 96,021</u> |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 45,979 | \$ 38,370 | | |
| Accrued payroll | | <u>-</u> | <u>(45)</u> | | |
| GAAP ending fund balance | | <u>\$ 45,979</u> | <u>\$ 38,325</u> | | |

BENTON COUNTY, OREGON

ALSEA HUMAN SERVICES COUNTY SERVICE DISTRICT

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

For the Fiscal Year Ending June 30, 2017

| | <i>Total Budget</i> | <i>Actual</i> | <i>Variance with Budget</i> |
|------------------------------------|--------------------------------|------------------------|--|
| REVENUES | | | |
| Taxes | \$ 60,910 | \$ 61,418 | \$ 508 |
| Interest | 50 | 80 | 30 |
| Total revenues | <u>60,960</u> | <u>61,498</u> | <u>538</u> |
| EXPENDITURES | | | |
| Cultural and educational services: | | | |
| Materials and services | 63,960 | 62,095 | 1,865 |
| Contingency | <u>1,000</u> | <u>-</u> | <u>1,000</u> |
| Total expenditures | <u>64,960</u> | <u>62,095</u> | <u>2,865</u> |
| Net change in fund balance | (4,000) | (597) | 3,403 |
| Fund balances - beginning | <u>4,000</u> | <u>4,460</u> | <u>460</u> |
| Fund balances - ending | <u><u>\$ -</u></u> | <u><u>\$ 3,863</u></u> | <u><u>\$ 3,863</u></u> |

BENTON COUNTY, OREGON

WEST LEWELLYN SERVICE DISTRICT

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

For the Biennium Ended June 30, 2017

| | <i>Biennium Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Total</i> | <i>Variance with Budget</i> |
|----------------------------------|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Interest | \$ - | \$ 6 | \$ 10 | \$ 16 | \$ 16 |
| | | | | | |
| <i>Fund balances - beginning</i> | - | 915 | 921 | 915 | 915 |
| | | | | | |
| <i>Fund balances - ending</i> | <u>\$ -</u> | <u>\$ 921</u> | <u>\$ 931</u> | <u>\$ 931</u> | <u>\$ 931</u> |

NON-MAJOR DEBT SERVICE FUND

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

BENTON COUNTY, OREGON

DEBT SERVICE FUND

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

For the Biennium Ended June 30, 2017

| | <u>Budget</u> | <u>Biennium Actuals</u> | | <u>Biennium Total</u> | <u>Variance with Budget</u> |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| | | <u>FY 2016</u> | <u>FY 2017</u> | | |
| REVENUES | | | | | |
| Charges for services | \$ 3,346,000 | \$ 1,732,902 | \$ 1,893,337 | \$ 3,626,239 | \$ 280,239 |
| Interest | 49,000 | 18,239 | 28,547 | 46,786 | (2,214) |
| Total revenues | <u>3,395,000</u> | <u>1,751,141</u> | <u>1,921,884</u> | <u>3,673,025</u> | <u>278,025</u> |
| EXPENDITURES | | | | | |
| Debt service: | | | | | |
| Materials and services | 1,800 | 850 | 850 | 1,700 | 100 |
| Principal and interest | <u>3,433,500</u> | <u>1,676,329</u> | <u>1,753,900</u> | <u>3,430,229</u> | <u>3,271</u> |
| Total expenditures | <u>3,435,300</u> | <u>1,677,179</u> | <u>1,754,750</u> | <u>3,431,929</u> | <u>3,371</u> |
| Net change in fund balance | (40,300) | 73,962 | 167,134 | 241,096 | 281,396 |
| Fund balance - beginning | <u>2,120,000</u> | <u>2,152,171</u> | <u>2,226,133</u> | <u>2,152,171</u> | <u>32,171</u> |
| Fund balance - ending | <u><u>\$ 2,079,700</u></u> | <u><u>\$ 2,226,133</u></u> | <u><u>\$ 2,393,267</u></u> | <u><u>\$ 2,393,267</u></u> | <u><u>\$ 313,567</u></u> |

NON-MAJOR CAPITAL PROJECTS FUNDS

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

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

BENTON COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 June 30, 2017

| | <u>General Capital Improvements</u> | <u>Building Development Reserve</u> | <u>Total</u> |
|--|---|---|----------------------------|
| ASSETS | | | |
| Cash and investments | \$ 319,976 | \$ 2,144,455 | \$ 2,464,431 |
| Total assets | <u>\$ 319,976</u> | <u>\$ 2,144,455</u> | <u>\$ 2,464,431</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 53,052 | \$ 63,316 | \$ 116,368 |
| Total liabilities | <u>53,052</u> | <u>63,316</u> | <u>116,368</u> |
| FUND BALANCES | | | |
| Committed for capital projects | <u>266,924</u> | <u>2,081,139</u> | <u>2,348,063</u> |
| Total liabilities and fund balances | <u>\$ 319,976</u> | <u>\$ 2,144,455</u> | <u>\$ 2,464,431</u> |

BENTON COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS

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

For the Year Ended June 30, 2017

| | <u>General Capital Improvements</u> | <u>Building Development Reserve</u> | <u>Total</u> |
|--|---|---|----------------------------|
| REVENUES | | | |
| Interest | \$ - | \$ 13,616 | \$ 13,616 |
| Total revenues | <u>-</u> | <u>13,616</u> | <u>13,616</u> |
| EXPENDITURES | | | |
| Capital projects: | | | |
| Personal services | 2,400 | - | 2,400 |
| Materials and services | 53,770 | 250,477 | 304,247 |
| Capital outlay | <u>157,195</u> | <u>131,918</u> | <u>289,113</u> |
| Total expenditures | <u>213,365</u> | <u>382,395</u> | <u>595,760</u> |
| Excess (deficiency) of revenues over (under) expenditures | (213,365) | (368,779) | (582,144) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (402,678) | (1,175,075) | (1,577,753) |
| Transfers in | <u>563,290</u> | <u>1,537,000</u> | <u>2,100,290</u> |
| Net change in fund balances | (52,753) | (6,854) | (59,607) |
| Fund balances - beginning | <u>319,677</u> | <u>2,087,993</u> | <u>2,407,670</u> |
| Fund balances - ending | <u>\$ 266,924</u> | <u>\$ 2,081,139</u> | <u>\$ 2,348,063</u> |

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

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

For the Biennium Ended June 30, 2017

| | <u>Budget</u> | <u>Biennium Actuals</u> | | | <u>Variance with Budget</u> |
|--|---------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | <u>FY 2016</u> | <u>FY 2017</u> | <u>Biennium Total</u> | |
| REVENUES | | | | | |
| Miscellaneous | \$ 20,000 | \$ 29,553 | \$ - | \$ 29,553 | \$ 9,553 |
| Total revenues | 20,000 | 29,553 | - | 29,553 | 9,553 |
| EXPENDITURES | | | | | |
| Capital projects: | | | | | |
| Personal services | - | - | 2,400 | 2,400 | (2,400) |
| Materials and services | 4,845 | 74,162 | 53,770 | 127,932 | (123,087) |
| Capital outlay | 1,364,238 | 448,053 | 559,873 | 1,007,926 | 356,312 |
| Total expenditures | 1,369,083 | 522,215 | 616,043 | 1,138,258 | 230,825 |
| Excess (deficiency) of revenues over (under) expenditures | (1,349,083) | (492,662) | (616,043) | (1,108,705) | 240,378 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 1,167,580 | 604,290 | 563,290 | 1,167,580 | - |
| Total other financing sources (uses) | 1,167,580 | 604,290 | 563,290 | 1,167,580 | - |
| Net change in fund balance | (181,503) | 111,628 | (52,753) | 58,875 | 240,378 |
| Fund balances - beginning | 181,503 | 208,049 | 319,677 | 208,049 | 26,546 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 319,677</u> | <u>\$ 266,924</u> | <u>\$ 266,924</u> | <u>\$ 266,924</u> |

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

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

For the Biennium Ended June 30, 2017

| | <u>Budget</u> | <u>Biennium Actuals</u> | | <u>Biennium Total</u> | <u>Variance with Budget</u> |
|---|---------------|-------------------------|---------------------|-----------------------|-----------------------------|
| | | <u>FY 2016</u> | <u>FY 2017</u> | | |
| REVENUES | | | | | |
| Interest | \$ 20,000 | \$ 7,185 | \$ 13,616 | \$ 20,801 | \$ 801 |
| Total revenues | 20,000 | 7,185 | 13,616 | 20,801 | 801 |
| EXPENDITURES | | | | | |
| Capital projects: | | | | | |
| Materials and services | 545,600 | 300 | 250,477 | 250,777 | 294,823 |
| Capital outlay | 2,029,400 | - | 231,252 | 231,252 | 1,798,148 |
| Total expenditures | 2,575,000 | 300 | 481,729 | 482,029 | 2,092,971 |
| Excess (deficiency) of revenues over (under) expenditures | (2,555,000) | 6,885 | (468,113) | (461,228) | 2,093,772 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Repayment of interfund loan | 50,000 | - | - | - | (50,000) |
| Transfers in | 1,500,000 | - | 1,537,000 | 1,537,000 | 37,000 |
| Total other financing sources (uses) | 1,550,000 | - | 1,537,000 | 1,537,000 | (13,000) |
| Net change in fund balance | (1,005,000) | 6,885 | 1,068,887 | 1,075,772 | 2,080,772 |
| Fund balances - beginning | 1,005,000 | 1,005,367 | 1,012,252 | 1,005,367 | 367 |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 1,012,252</u> | <u>\$ 2,081,139</u> | <u>\$ 2,081,139</u> | <u>\$ 2,081,139</u> |
| Reconciliation to GAAP Basis: | | | | | |
| Budget basis ending fund balance | | \$ 1,012,252 | \$ 2,081,139 | | |
| Interfund loan | | 1,075,741 | - | | |
| GAAP ending fund balance | | <u>\$ 2,087,993</u> | <u>\$ 2,081,139</u> | | |

ENTERPRISE FUNDS

Major Enterprise Funds

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

East Linn Clinic – To account for the operations of the East Linn Health Clinic.

Non-major Enterprise Funds

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

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

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

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

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

BENTON COUNTY, OREGON**HEALTH CENTER FUND**

STATEMENTS OF NET POSITION

June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 3,345,712 | \$ 1,569,311 |
| Accounts receivable (net of doubtful accounts) | 852,104 | 417,627 |
| Inventory | 171,449 | 176,947 |
| Prepays | 26,964 | 32,639 |
| Total current assets | <u>4,396,229</u> | <u>2,196,524</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Buildings | 1,035,130 | 1,035,130 |
| Equipment | 133,203 | 133,203 |
| Work in progress | 33,589 | - |
| Intangibles | 32,000 | 32,000 |
| Less accumulated depreciation | <u>(246,828)</u> | <u>(211,723)</u> |
| Total capital assets (net of accumulated depreciation) | <u>987,094</u> | <u>988,610</u> |
| Total assets | <u>5,383,323</u> | <u>3,185,134</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | <u>3,216,808</u> | <u>474,054</u> |
| Total deferred outflows of resources | <u>3,216,808</u> | <u>474,054</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 390,384 | 273,124 |
| Accrued payroll | 348,183 | 286,459 |
| PERS bonds payable | 35,102 | 31,260 |
| Accrued compensated absences | <u>85,195</u> | <u>53,569</u> |
| Total current liabilities | <u>858,864</u> | <u>644,412</u> |
| Long-term liabilities: | | |
| PERS bonds payable | 1,025,071 | 1,060,173 |
| Accrued compensated absences | 419,518 | 281,420 |
| Net OPEB obligation | 815,175 | 708,836 |
| Net pension liability | <u>6,335,097</u> | <u>2,195,047</u> |
| Total long-term liabilities | <u>8,594,861</u> | <u>4,245,476</u> |
| Total liabilities | <u>9,453,725</u> | <u>4,889,888</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | <u>158,701</u> | <u>597,123</u> |
| Total deferred inflows of resources | <u>158,701</u> | <u>597,123</u> |
| NET POSITION | | |
| Net investment in capital assets | 987,094 | 988,610 |
| Unrestricted | <u>(1,999,389)</u> | <u>(2,816,433)</u> |
| Total net position | <u>\$ (1,012,295)</u> | <u>\$ (1,827,823)</u> |

BENTON COUNTY, OREGON

HEALTH CENTER FUND

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|------------------------------|------------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 9,660,260 | \$ 8,465,330 |
| Intergovernmental | 4,250,078 | 3,163,868 |
| Miscellaneous | 190,687 | 142,620 |
| Total operating revenues | <u>14,101,025</u> | <u>11,771,818</u> |
| OPERATING EXPENSES | | |
| Personal services | 9,097,720 | 8,754,646 |
| Materials and services | 5,804,185 | 5,453,268 |
| Depreciation | 35,105 | 31,639 |
| Total operating expenses | <u>14,937,010</u> | <u>14,239,553</u> |
| Operating income (loss) | <u>(835,985)</u> | <u>(2,467,735)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 35,694 | 11,971 |
| Interest expense | (6,805) | (1,342) |
| Total nonoperating revenues/expenses | <u>28,889</u> | <u>10,629</u> |
| Income (loss) before transfers | (807,096) | (2,457,106) |
| TRANSFERS | | |
| Transfers in | 2,962,988 | 1,282,029 |
| Transfers out | (1,340,364) | (284,185) |
| Change in net position | 815,528 | (1,459,262) |
| Total net position - beginning | <u>(1,827,823)</u> | <u>(368,561)</u> |
| Total net position - ending | <u><u>\$ (1,012,295)</u></u> | <u><u>\$ (1,827,823)</u></u> |

BENTON COUNTY, OREGON

HEALTH CENTER FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 9,225,783 | \$ 8,560,323 |
| Intergovernmental | 4,250,078 | 3,163,868 |
| Miscellaneous donations | 190,687 | 142,620 |
| Payments to suppliers | (5,675,752) | (5,539,603) |
| Payroll costs | (7,801,059) | (6,891,092) |
| <i>Net cash provided by (used in) operating activities</i> | <u>189,737</u> | <u>(563,884)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers out | (1,340,364) | (284,185) |
| Principal paid on noncapital debt | (31,260) | (28,201) |
| Interest expense | (6,805) | (1,342) |
| Transfers in | 2,962,988 | 1,282,029 |
| <i>Net cash provided by (used in) noncapital financing activities</i> | <u>1,584,559</u> | <u>968,301</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Change in capital assets | (33,589) | (58,482) |
| <i>Net cash provided by (used in) capital and related financing activities</i> | <u>(33,589)</u> | <u>(58,482)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment earnings | 35,694 | 11,971 |
| <i>Net cash provided by (used in) investing activities</i> | <u>35,694</u> | <u>11,971</u> |
| <i>Net increase (decrease) in cash and cash equivalents</i> | 1,776,401 | 357,906 |
| <i>Cash and cash equivalents - beginning</i> | <u>1,569,311</u> | <u>1,211,405</u> |
| <i>Cash and cash equivalents - ending</i> | <u>\$ 3,345,712</u> | <u>\$ 1,569,311</u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income (loss) | \$ (835,985) | \$ (2,467,735) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation/amortization | 35,105 | 31,639 |
| Change in: | | |
| Receivables | (434,477) | 94,993 |
| Inventory | 5,498 | (48,543) |
| Prepays | 5,675 | 6,760 |
| Compensated absences | 169,724 | 9,161 |
| Pension asset | - | 838,487 |
| Deferred inflows/outflows | (3,181,176) | (1,221,486) |
| Net pension liability | 4,140,050 | 2,195,047 |
| OPEB | 106,339 | (19,863) |
| Payables | 178,984 | 17,656 |
| <i>Net cash provided by (used in) operating activities</i> | <u>\$ 189,737</u> | <u>\$ (563,884)</u> |

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

For the Biennium Ended June 30, 2017

As of June 30, 2017

| | <i>Budget</i> | <i>Biennium Actuals</i> | | | <i>Variance with Budget</i> |
|---|---------------|-------------------------|---------------------|------------------------|-----------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | <i>Biennium Totals</i> | |
| REVENUES | | | | | |
| Charges for services | \$ 18,566,564 | \$ 8,465,330 | \$ 9,660,260 | \$ 18,125,590 | \$ (440,974) |
| Intergovernmental | 6,934,122 | 3,163,868 | 4,252,505 | 7,416,373 | 482,251 |
| Interest | 5,581 | 11,971 | 35,694 | 47,665 | 42,084 |
| Miscellaneous | 293,754 | 142,620 | 188,260 | 330,880 | 37,126 |
| Total revenues | 25,800,021 | 11,783,789 | 14,136,719 | 25,920,508 | 120,487 |
| EXPENDITURES | | | | | |
| Personal services | 15,434,331 | 7,241,946 | 8,215,282 | 15,457,228 | (22,897) |
| Materials and services | 11,662,760 | 5,449,417 | 5,813,733 | 11,263,150 | 399,610 |
| Capital outlay | 70,000 | 63,675 | 30,846 | 94,521 | (24,521) |
| Contingency | 3,058,487 | - | - | - | 3,058,487 |
| Total expenditures | 30,225,578 | 12,755,038 | 14,059,861 | 26,814,899 | 3,410,679 |
| Excess (deficiency) of revenues over (under) expenditures | (4,425,557) | (971,249) | 76,858 | (894,391) | 3,531,166 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | (987,865) | - | (987,865) | (987,865) | - |
| Transfers in | 4,025,557 | 1,253,828 | 2,931,728 | 4,185,556 | 159,999 |
| Total other financing sources (uses) | 3,037,692 | 1,253,828 | 1,943,863 | 3,197,691 | 159,999 |
| Change in fund balance | (1,387,865) | 282,579 | 2,020,721 | 2,303,300 | 3,691,165 |
| Fund balance - beginning | 1,387,865 | 1,349,898 | 1,632,477 | 1,349,898 | (37,967) |
| Fund balance - ending | \$ - | \$ 1,632,477 | \$ 3,653,198 | \$ 3,653,198 | \$ 3,653,198 |

BENTON COUNTY, OREGON**EAST LINN CLINIC FUND****STATEMENTS OF NET POSITION**

June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|------------------|-------------------|
| ASSETS | | |
| Current assets: | | |
| Cash | \$ 924,061 | \$ 914,797 |
| Accounts receivable (net of doubtful accounts) | 78,768 | 64,437 |
| Inventory | 13,493 | 11,363 |
| Prepays | - | 667 |
| Total current assets | <u>1,016,322</u> | <u>991,264</u> |
| Capital assets: | | |
| Buildings | 43,115 | 43,115 |
| Intangibles | 16,637 | 16,637 |
| Equipment | 56,265 | 56,265 |
| Less accumulated depreciation | (24,789) | (4,184) |
| Total capital assets (net of accumulated depreciation) | <u>91,228</u> | <u>111,833</u> |
| Total assets | <u>1,107,550</u> | <u>1,103,097</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | <u>746,442</u> | <u>66,891</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 58,618 | 59,405 |
| Accrued payroll | 58,199 | 50,159 |
| Accrued compensated absences | 10,425 | 6,132 |
| Total current liabilities | <u>127,242</u> | <u>115,696</u> |
| Long-term liabilities: | | |
| Compensated absences | 31,795 | 25,113 |
| Net OPEB obligation | 150,508 | 132,295 |
| Net pension liability | 1,470,023 | 309,730 |
| Total long-term liabilities | <u>1,652,326</u> | <u>467,138</u> |
| Total liabilities | <u>1,779,568</u> | <u>582,834</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | <u>36,826</u> | <u>84,256</u> |
| NET POSITION | | |
| Investment in capital assets | 91,228 | 111,833 |
| Unrestricted | (53,630) | 391,065 |
| Total net position | <u>\$ 37,598</u> | <u>\$ 502,898</u> |

BENTON COUNTY, OREGON**EAST LINN CLINIC FUND****STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 1,088,031 | \$ 1,264,982 |
| Intergovernmental | 1,391,001 | 1,361,917 |
| Miscellaneous | 134,396 | 114,029 |
| | <u>2,613,428</u> | <u>2,740,928</u> |
| OPERATING EXPENSES | | |
| Personnel services | 1,891,079 | 1,595,238 |
| Materials and services | 1,112,177 | 921,175 |
| Depreciation | 20,605 | 4,184 |
| | <u>3,023,861</u> | <u>2,520,597</u> |
| Operating income (loss) | (410,433) | 220,331 |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 10,216 | 4,513 |
| | <u>(400,217)</u> | <u>224,844</u> |
| Income (loss) before transfers | (400,217) | 224,844 |
| TRANSFERS | | |
| Transfers out | (65,083) | (53,265) |
| | <u>(465,300)</u> | <u>171,579</u> |
| Change in net position | (465,300) | 171,579 |
| Total net position - beginning | <u>502,898</u> | <u>331,319</u> |
| Total net position - ending | <u><u>\$ 37,598</u></u> | <u><u>\$ 502,898</u></u> |

BENTON COUNTY, OREGON

EAST LINN CLINIC FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 1,073,700 | \$ 1,258,204 |
| Grants | 1,391,001 | 1,361,917 |
| Miscellaneous donations | 134,396 | 114,029 |
| Payments to suppliers | (1,114,427) | (884,959) |
| Payroll costs | (1,420,539) | (1,292,677) |
| <i>Net cash provided by operating activities</i> | <u>64,131</u> | <u>556,514</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers out | (65,083) | (53,265) |
| Net cash provided by (used in) noncapital financing activities | <u>(65,083)</u> | <u>(53,265)</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | |
| Assets purchased | - | (116,017) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investment earnings | 10,216 | 4,513 |
| Net increase (decrease) in cash and cash equivalents | 9,264 | 391,745 |
| <i>Cash and cash equivalents - beginning</i> | 914,797 | 523,052 |
| <i>Cash and cash equivalents - ending</i> | <u>\$ 924,061</u> | <u>\$ 914,797</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | |
| Operating income (loss) | \$ (410,433) | \$ 220,331 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation | 20,605 | 4,184 |
| Change in: | | |
| Receivables | (14,331) | (6,778) |
| Inventory | (2,130) | (4,587) |
| Prepays | 667 | (315) |
| Compensated absences | 10,975 | 8,581 |
| Pension asset | - | 118,314 |
| Net pension liability | 1,160,293 | 309,730 |
| Deferred outflows/inflows | (726,981) | (172,357) |
| OPEB | 18,213 | 25,695 |
| Payables | 7,253 | 53,716 |
| <i>Net cash provided by operating activities</i> | <u>\$ 64,131</u> | <u>\$ 556,514</u> |

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

For the Biennium Ended June 30, 2017

As of June 30, 2017

| | Budget | Biennium Actuals | | | Variance with Budget |
|---------------------------------|---------------|-------------------------|--------------------|----------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | Biennium Totals | |
| REVENUES | | | | | |
| Charges for services | \$ 3,403,095 | \$ 1,264,982 | \$ 1,088,031 | \$ 2,353,013 | \$ (1,050,082) |
| Intergovernmental | 3,123,742 | 1,361,917 | 1,391,001 | 2,752,918 | (370,824) |
| Interest | 1,015 | 4,513 | 10,216 | 14,729 | 13,714 |
| Miscellaneous | 239,646 | 114,028 | 134,396 | 248,424 | 8,778 |
| Total revenues | 6,767,498 | 2,745,440 | 2,623,644 | 5,369,084 | (1,398,414) |
| EXPENDITURES | | | | | |
| Personal services | 4,147,377 | 1,354,081 | 1,493,662 | 2,847,743 | 1,299,634 |
| Materials and services | 2,275,013 | 921,175 | 1,109,325 | 2,030,500 | 244,513 |
| Capital outlay | 116,108 | 116,017 | 2,852 | 118,869 | (2,761) |
| Contingency | 529,000 | - | - | - | 529,000 |
| Total expenditures | 7,067,498 | 2,391,273 | 2,605,839 | 4,997,112 | 2,070,386 |
| Change in fund balance | (300,000) | 354,167 | 17,805 | 371,972 | 671,972 |
| Fund balance - beginning | 300,000 | 531,992 | 886,159 | 531,992 | 231,992 |
| Fund balance - ending | \$ - | \$ 886,159 | \$ 903,964 | \$ 903,964 | \$ 903,964 |

BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2017

| | <i>Business-type Activities - Non-major Enterprise Funds</i> | | | | | <i>Totals</i> |
|--|--|--------------------------|--------------------------|--------------------------|----------------------------|----------------------------|
| | <i>Enterprise Operations</i> | <i>Alsea CSD</i> | <i>Alpine CSD</i> | <i>Cascade View CSD</i> | <i>South Third CSD</i> | |
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 223,111 | \$ 54,700 | \$ 16,846 | \$ 80,584 | \$ 1,863 | \$ 377,104 |
| Accounts receivable | - | 15,668 | 3,320 | 3,451 | 3,217 | 25,656 |
| Prepays | - | 168 | 1,726 | 84 | - | 1,978 |
| Total current assets | <u>223,111</u> | <u>70,536</u> | <u>21,892</u> | <u>84,119</u> | <u>5,080</u> | <u>404,738</u> |
| Noncurrent assets: | | | | | | |
| Assessments receivable | - | - | - | - | 19,747 | 19,747 |
| Capital assets: | | | | | | |
| Land and non-depreciable assets | 261,450 | - | 33,848 | - | - | 295,298 |
| Buildings | 1,224,718 | - | - | - | - | 1,224,718 |
| Machinery and equipment | 19,746 | 3,742 | 1,871 | 1,871 | - | 27,230 |
| Utility system | - | 977,423 | 786,939 | 250,000 | 1,638,274 | 3,652,636 |
| Less accumulated depreciation | (468,262) | (829,341) | (365,122) | (221,871) | (288,775) | (2,173,371) |
| Total capital assets (net of accumulated depreciation) | <u>1,037,652</u> | <u>151,824</u> | <u>457,536</u> | <u>30,000</u> | <u>1,349,499</u> | <u>3,026,511</u> |
| Total noncurrent assets | <u>1,037,652</u> | <u>151,824</u> | <u>457,536</u> | <u>30,000</u> | <u>1,369,246</u> | <u>3,046,258</u> |
| Total assets | <u>1,260,763</u> | <u>222,360</u> | <u>479,428</u> | <u>114,119</u> | <u>1,374,326</u> | <u>3,450,996</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 14,900 | 6,568 | 29 | - | - | 21,497 |
| Customer deposits | - | 3,123 | - | - | - | 3,123 |
| Total current liabilities | <u>14,900</u> | <u>9,691</u> | <u>29</u> | <u>-</u> | <u>-</u> | <u>24,620</u> |
| Non-current liabilities: | | | | | | |
| Advance from other funds | - | 9,361 | - | - | 24,789 | 34,150 |
| Total non-current liabilities | <u>-</u> | <u>9,361</u> | <u>-</u> | <u>-</u> | <u>24,789</u> | <u>34,150</u> |
| Total liabilities | <u>14,900</u> | <u>19,052</u> | <u>29</u> | <u>-</u> | <u>24,789</u> | <u>58,770</u> |
| NET POSITION | | | | | | |
| Net investment in capital assets | 1,037,652 | 142,463 | 457,536 | 30,000 | 1,349,499 | 3,017,150 |
| Unrestricted | 208,211 | 60,845 | 21,863 | 84,119 | 38 | 375,076 |
| Total net position | <u>\$ 1,245,863</u> | <u>\$ 203,308</u> | <u>\$ 479,399</u> | <u>\$ 114,119</u> | <u>\$ 1,349,537</u> | <u>\$ 3,392,226</u> |

BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Year Ended June 30, 2017

| | <i>Business-type Activities - Nonmajor Enterprise Funds</i> | | | | | <i>Totals</i> |
|---|---|-------------------|-------------------|-------------------------|------------------------|---------------------|
| | <i>Enterprise Operations</i> | <i>Alea CSD</i> | <i>Alpine CSD</i> | <i>Cascade View CSD</i> | <i>South Third CSD</i> | |
| Operating Revenues | | | | | | |
| Charges for services | \$ 207,182 | \$ 58,755 | \$ 24,495 | \$ 30,310 | \$ 18,451 | \$ 339,193 |
| Total operating revenues | 207,182 | 58,755 | 24,495 | 30,310 | 18,451 | 339,193 |
| Operating Expenses | | | | | | |
| Materials and services | 28,875 | 54,671 | 24,779 | 28,242 | 21,542 | 158,109 |
| Depreciation/amortization | 28,008 | 11,074 | 17,980 | 10,000 | 21,795 | 88,857 |
| Total operating expenses | 56,883 | 65,745 | 42,759 | 38,242 | 43,337 | 246,966 |
| Operating income (loss) | 150,299 | (6,990) | (18,264) | (7,932) | (24,886) | 92,227 |
| Nonoperating revenues (expenses) | | | | | | |
| Investment earnings | 2,010 | 818 | 221 | 902 | 923 | 4,874 |
| Interest expense | (1,198) | (230) | - | - | (547) | (1,975) |
| Nonoperating revenues/(expenses) | 812 | 588 | 221 | 902 | 376 | 2,899 |
| Income before transfers | 151,111 | (6,402) | (18,043) | (7,030) | (24,510) | 95,126 |
| Transfers in | 12,500 | - | - | - | - | 12,500 |
| Transfers out | (90,000) | - | - | - | - | (90,000) |
| Change in net position | 73,611 | (6,402) | (18,043) | (7,030) | (24,510) | 17,626 |
| Total net position - beginning | 1,172,252 | 209,710 | 497,442 | 121,149 | 1,374,047 | 3,374,600 |
| Total net position - ending | \$ 1,245,863 | \$ 203,308 | \$ 479,399 | \$ 114,119 | \$ 1,349,537 | \$ 3,392,226 |

BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

Business-type Activities - Nonmajor Enterprise Funds

| | <i>Enterprise Operations</i> | <i>Alesea CSD</i> | <i>Alpine CSD</i> | <i>Cascade View CSD</i> | <i>South Third CSD</i> | <i>Totals</i> |
|--|----------------------------------|-----------------------|-----------------------|-----------------------------|----------------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers | \$ 207,182 | \$ 49,453 | \$ 23,468 | \$ 30,302 | \$ 16,359 | \$ 326,764 |
| Grants | - | - | - | - | - | - |
| Payments to suppliers | (14,092) | (49,286) | (26,551) | (28,764) | (22,985) | (141,678) |
| Net cash provided by (used in) operating activities | 193,090 | 167 | (3,083) | 1,538 | (6,626) | 185,086 |
| CASH FLOWS FROM NONCAPITAL ACTIVITIES | | | | | | |
| Transfers in | 12,500 | - | - | - | - | 12,500 |
| Transfers out | (90,000) | - | - | - | - | (90,000) |
| Net cash provided by (used in) noncapital activities | (77,500) | - | - | - | - | (77,500) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Assessments received | - | - | - | - | 1,582 | 1,582 |
| Principal paid on debt | (206,279) | (2,125) | - | - | (2,553) | (210,957) |
| Interest paid on debt | (1,198) | (230) | - | - | (547) | (1,975) |
| Capital assets purchased | (26,680) | - | - | - | - | (26,680) |
| Net cash provided by (used in) capital and related financing activities | (234,157) | (2,355) | - | - | (1,518) | (238,030) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received | 2,010 | 818 | 221 | 902 | 923 | 4,874 |
| Net increase (decrease) in cash and cash equivalents | (116,557) | (1,370) | (2,862) | 2,440 | (7,221) | (125,570) |
| <i>Cash and cash equivalents - beginning</i> | 339,668 | 56,070 | 19,708 | 78,144 | 9,084 | 502,674 |
| <i>Cash and cash equivalents - ending</i> | \$ 223,111 | \$ 54,700 | \$ 16,846 | \$ 80,584 | \$ 1,863 | \$ 377,104 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Operating income (loss) | \$ 150,299 | \$ (6,990) | \$ (18,264) | \$ (7,932) | \$ (24,886) | \$ 92,227 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation/amortization | 28,008 | 11,074 | 17,980 | 10,000 | 21,795 | 88,857 |
| Change in: | | | | | | |
| Receivables | - | (9,049) | (1,027) | (8) | (2,092) | (12,176) |
| Prepays | - | (115) | (1,593) | (84) | 53 | (1,739) |
| Customer deposits | - | (253) | - | - | - | (253) |
| Payables | 14,783 | 5,500 | (179) | (438) | (1,496) | 18,170 |
| Net cash provided (used) by operating activities | \$ 193,090 | \$ 167 | \$ (3,083) | \$ 1,538 | \$ (6,626) | \$ 185,086 |

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND
STATEMENTS OF NET POSITION
June 30, 2017 and 2016

| ASSETS | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 223,111 | \$ 339,668 |
| Total current assets | <u>223,111</u> | <u>339,668</u> |
| Noncurrent assets: | | |
| Capital assets | | |
| Land | 261,450 | 261,450 |
| Buildings | 1,224,718 | 1,198,038 |
| Equipment | 19,746 | 19,746 |
| Less accumulated depreciation | <u>(468,262)</u> | <u>(440,254)</u> |
| Total capital assets (net of accumulated depreciation) | <u>1,037,652</u> | <u>1,038,980</u> |
| Total assets | <u>1,260,763</u> | <u>1,378,648</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 14,900 | 117 |
| Current portion of note payable | - | 17,635 |
| Total current liabilities | <u>14,900</u> | <u>17,752</u> |
| Long-term liabilities: | | |
| Note payable | <u>-</u> | <u>188,644</u> |
| Total liabilities | <u>14,900</u> | <u>206,396</u> |
| NET POSITION | | |
| Net investment in capital assets | 1,037,652 | 832,701 |
| Unrestricted | <u>208,211</u> | <u>339,551</u> |
| Total net position | <u>\$ 1,245,863</u> | <u>\$ 1,172,252</u> |

BENTON COUNTY, OREGON**ENTERPRISE OPERATIONS FUND****STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|----------------------------|----------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 207,182 | \$ 186,134 |
| Intergovernmental | - | 3,000 |
| Total operating revenues | <u>207,182</u> | <u>189,134</u> |
| OPERATING EXPENSES | | |
| Materials and services | 28,875 | 31,065 |
| Depreciation | <u>28,008</u> | <u>27,954</u> |
| Total operating expenses | <u>56,883</u> | <u>59,019</u> |
| Operating income | <u>150,299</u> | <u>130,115</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 2,010 | 2,028 |
| Interest expense | <u>(1,198)</u> | <u>(4,313)</u> |
| Nonoperating revenues (expense) | <u>812</u> | <u>(2,285)</u> |
| Income before transfers | 151,111 | 127,830 |
| Transfers in | 12,500 | - |
| Transfers out | <u>(90,000)</u> | <u>-</u> |
| Change in net position | 73,611 | 127,830 |
| Total net position beginning | <u>1,172,252</u> | <u>1,044,422</u> |
| Total net position - ending | <u><u>\$ 1,245,863</u></u> | <u><u>\$ 1,172,252</u></u> |

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND
STATEMENTS OF CASH FLOWS
For the Years ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 207,182 | \$ 192,379 |
| Grants | - | 3,000 |
| Payments to suppliers | (14,092) | (30,948) |
| <i>Net cash provided by operating activities</i> | <u>193,090</u> | <u>164,431</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers in | 12,500 | - |
| Transfers out | (90,000) | - |
| Net cash (used in) from noncapital financing activities | <u>(77,500)</u> | <u>-</u> |
| CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Principal paid on debt | (206,279) | (17,287) |
| Interest paid on debt | (1,198) | (4,313) |
| Capital assets purchased | (26,680) | (58,817) |
| Net cash (used in) capital and related financing activities | <u>(234,157)</u> | <u>(80,417)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 2,010 | 2,028 |
| Net increase (decrease) in cash and cash equivalents | (116,557) | 86,042 |
| <i>Cash and cash equivalents - beginning</i> | <u>339,668</u> | <u>253,626</u> |
| <i>Cash and cash equivalents - ending</i> | <u>\$ 223,111</u> | <u>\$ 339,668</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 150,299 | \$ 130,115 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 28,008 | 27,954 |
| Change in: | | |
| Receivables | - | 6,245 |
| Payables | 14,783 | 117 |
| <i>Net cash provided by operating activities</i> | <u>\$ 193,090</u> | <u>\$ 164,431</u> |

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND

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

For the Biennium Ended June 30, 2017

| | <i>Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Totals</i> | <i>Variance with Budget</i> |
|---|---------------|-------------------------|-------------------|------------------------|-----------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Charges for services | \$ 334,976 | \$ 186,134 | \$ 207,183 | \$ 393,317 | \$ 58,341 |
| Intergovernmental | 3,000 | 3,000 | - | 3,000 | - |
| Interest | 2,800 | 2,028 | 2,010 | 4,038 | 1,238 |
| Total revenues | 340,776 | 191,162 | 209,193 | 400,355 | 59,579 |
| EXPENDITURES | | | | | |
| General government | 105,250 | 70,456 | 22,471 | 92,927 | 12,323 |
| Natural areas & parks | 82,768 | 19,427 | 33,084 | 52,511 | 30,257 |
| Debt service | 231,715 | 21,600 | 207,478 | 229,078 | 2,637 |
| Contingency | 85,543 | - | - | - | 85,543 |
| Total expenditures | 505,276 | 111,483 | 263,033 | 374,516 | 130,760 |
| Excess (deficiency) of revenues over (under) expenditures | (164,500) | 79,679 | (53,840) | 25,839 | 190,339 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 12,500 | - | 12,500 | 12,500 | - |
| Transfers out | (90,000) | - | (90,000) | (90,000) | - |
| Total other financing sources (uses) | (77,500) | - | (77,500) | (77,500) | - |
| Change in fund balance | (242,000) | 79,679 | (131,340) | (51,661) | 190,339 |
| Fund balance - beginning | 242,000 | 267,361 | 347,040 | 267,361 | 25,361 |
| Fund balance - ending | \$ - | \$ 347,040 | \$ 215,700 | \$ 215,700 | \$ 215,700 |

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENTS OF NET POSITION
June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 54,700 | \$ 56,070 |
| Accounts receivable | 15,668 | 6,619 |
| Prepays | 168 | 53 |
| Total current assets | <u>70,536</u> | <u>62,742</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Utility system | 977,423 | 977,423 |
| Equipment | 3,742 | 3,742 |
| Less accumulated depreciation | (829,341) | (818,267) |
| Total capital assets (net of accumulated depreciation) | <u>151,824</u> | <u>162,898</u> |
| Total assets | <u>222,360</u> | <u>225,640</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 6,568 | 1,068 |
| Customer deposits | 3,123 | 3,376 |
| Total current liabilities | <u>9,691</u> | <u>4,444</u> |
| Non-current liabilities: | | |
| Advances from other funds | <u>9,361</u> | <u>11,486</u> |
| Total non-current liabilities | <u>9,361</u> | <u>11,486</u> |
| Total liabilities | <u>19,052</u> | <u>15,930</u> |
| NET POSITION | | |
| Net investment in capital assets | 142,463 | 151,412 |
| Unrestricted | <u>60,845</u> | <u>58,298</u> |
| Total net position | <u>\$ 203,308</u> | <u>\$ 209,710</u> |

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|--------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 58,755 | \$ 66,069 |
| Total operating revenues | <u>58,755</u> | <u>66,069</u> |
| OPERATING EXPENSES | | |
| Materials and services | 54,671 | 46,258 |
| Depreciation/amortization | <u>11,074</u> | <u>11,074</u> |
| Total operating expenses | <u>65,745</u> | <u>57,332</u> |
| Operating income (loss) | <u>(6,990)</u> | <u>8,737</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 818 | 423 |
| Interest expense | <u>(230)</u> | <u>(464)</u> |
| Nonoperating revenues (expenses) | <u>588</u> | <u>(41)</u> |
| Change in net position | (6,402) | 8,696 |
| Total net position - beginning | <u>209,710</u> | <u>201,014</u> |
| Total net position - ending | <u><u>\$ 203,308</u></u> | <u><u>\$ 209,710</u></u> |

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------------|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 49,453 | \$ 66,901 |
| Payments to suppliers | (49,286) | (45,620) |
| Net cash provided by operating activities | <u>167</u> | <u>21,281</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Loan from other funds | - | 13,570 |
| Principal paid on debt | (2,125) | (21,387) |
| Interest paid on debt | (230) | (464) |
| Net cash (used) by capital and related financing activities | <u>(2,355)</u> | <u>(8,281)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>818</u> | <u>423</u> |
| Increase (decrease) in cash and cash equivalents | (1,370) | 13,423 |
| <i>Cash and cash equivalents - beginning</i> | <u>56,070</u> | <u>42,647</u> |
| <i>Cash and cash equivalents - ending</i> | <u><u>\$ 54,700</u></u> | <u><u>\$ 56,070</u></u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | |
| Operating income (loss) | \$ (6,990) | \$ 8,737 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation/amortization | 11,074 | 11,074 |
| Change in: | | |
| Receivables | (9,049) | (155) |
| Prepays | (115) | (13) |
| Customer deposits | (253) | 987 |
| Payables | 5,500 | 651 |
| Net cash provided (used) by operating activities | <u><u>\$ 167</u></u> | <u><u>\$ 21,281</u></u> |

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

For the Year Ended June 30, 2017

| | <u>Budget</u> | <u>Variance with Budget</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|----------------------|---------------------------------|-------------------------|--|--------------------------|
| REVENUES | | | | | |
| Charges for services | \$ 65,100 | \$ (6,345) | \$ 58,755 | \$ - | \$ 58,755 |
| Interest | 275 | 543 | 818 | - | 818 |
| Total revenues | <u>65,375</u> | <u>(5,802)</u> | <u>59,573</u> | <u>-</u> | <u>59,573</u> |
| EXPENDITURES | | | | | |
| Utility services | 55,395 | 724 | 54,671 | - | 54,671 |
| Debt service | 2,355 | - | 2,355 | (2,125) | 230 |
| Capital outlay/depreciation | 3,000 | 3,000 | - | 11,074 | 11,074 |
| Contingency | 61,625 | 61,625 | - | - | - |
| Total expenditures | <u>122,375</u> | <u>65,349</u> | <u>57,026</u> | <u>8,949</u> | <u>65,975</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(57,000)</u> | <u>59,547</u> | <u>2,547</u> | <u>(8,949)</u> | <u>(6,402)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 2,355 | - | 2,355 | (2,355) | - |
| Transfers out | (2,355) | - | (2,355) | 2,355 | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in fund balance | (57,000) | 59,547 | 2,547 | (8,949) | (6,402) |
| Fund balance - beginning | <u>57,200</u> | <u>1,813</u> | <u>59,013</u> | <u>150,697</u> | <u>209,710</u> |
| Fund balance - ending | <u>\$ 200</u> | <u>\$ 61,360</u> | <u>\$ 61,560</u> | <u>\$ 141,748</u> | <u>\$ 203,308</u> |

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT
STATEMENTS OF NET POSITION
June 30, 2017 and 2016

| ASSETS | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 16,846 | \$ 19,708 |
| Accounts receivable | 3,320 | 2,293 |
| Prepays | <u>1,726</u> | <u>133</u> |
| Total current assets | <u>21,892</u> | <u>22,134</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 33,848 | 33,848 |
| Equipment | 1,871 | 1,871 |
| Utility system | 786,939 | 786,939 |
| Less accumulated depreciation | <u>(365,122)</u> | <u>(347,142)</u> |
| Total capital assets (net of accumulated depreciation) | <u>457,536</u> | <u>475,516</u> |
| Total assets | <u>479,428</u> | <u>497,650</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | <u>29</u> | <u>208</u> |
| Total current liabilities | <u>29</u> | <u>208</u> |
| NET POSITION | | |
| Investment in capital assets | 457,536 | 475,516 |
| Unrestricted | <u>21,863</u> | <u>21,926</u> |
| Total net position | <u>\$ 479,399</u> | <u>\$ 497,442</u> |

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|--------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 24,495 | \$ 23,349 |
| | | |
| OPERATING EXPENSES | | |
| Materials and services | 24,779 | 21,331 |
| Depreciation/amortization | <u>17,980</u> | <u>17,980</u> |
| | | |
| Total operating expenses | <u>42,759</u> | <u>39,311</u> |
| | | |
| Operating (loss) | (18,264) | (15,962) |
| | | |
| NONOPERATING REVENUES | | |
| Investment earnings | <u>221</u> | <u>133</u> |
| | | |
| Change in net position | (18,043) | (15,829) |
| | | |
| Total net position - beginning | <u>497,442</u> | <u>513,271</u> |
| | | |
| Total net position - ending | <u><u>\$ 479,399</u></u> | <u><u>\$ 497,442</u></u> |

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|-------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 23,468 | \$ 24,809 |
| Payments to suppliers | (26,551) | (20,363) |
| <i>Net cash provided by (used in) operating activities</i> | <u>(3,083)</u> | <u>4,446</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 221 | 133 |
| Net increase (decrease) in cash and cash equivalents | (2,862) | 4,579 |
| <i>Cash and cash equivalents - beginning</i> | 19,708 | 15,129 |
| <i>Cash and cash equivalents - ending</i> | <u>\$ 16,846</u> | <u>\$ 19,708</u> |
| Reconciliation of operating (loss) to net cash provided by (used in) operating activities: | | |
| Operating (loss) | \$ (18,264) | \$ (15,962) |
| Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities: | | |
| Depreciation/amortization | 17,980 | 17,980 |
| Change in: | | |
| Receivables | (1,027) | 1,460 |
| Prepays | (1,593) | 1,342 |
| Customer deposits | - | (528) |
| Payables | (179) | 154 |
| <i>Net cash provided by (used in) operating activities</i> | <u>\$ (3,083)</u> | <u>\$ 4,446</u> |

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

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

For the Year Ended June 30, 2017

| | <u>Budget</u> | <u>Variance with Budget</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|--|---------------|---------------------------------|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 26,200 | \$ (1,705) | \$ 24,495 | \$ - | \$ 24,495 |
| Interest | 100 | 121 | 221 | - | 221 |
| Total revenues | <u>26,300</u> | <u>(1,584)</u> | <u>24,716</u> | <u>-</u> | <u>24,716</u> |
| EXPENDITURES | | | | | |
| Materials and services | 29,725 | 4,946 | 24,779 | - | 24,779 |
| Capital outlay (depreciation) | - | - | - | 17,980 | 17,980 |
| Contingency | 15,555 | 15,555 | - | - | - |
| Total expenditures | <u>45,280</u> | <u>20,501</u> | <u>24,779</u> | <u>17,980</u> | <u>42,759</u> |
| Excess (deficiency) of revenues over (under) expenditures | (18,980) | 18,917 | (63) | (17,980) | (18,043) |
| Fund balance - beginning | <u>18,980</u> | <u>2,843</u> | <u>21,823</u> | <u>475,619</u> | <u>497,442</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 21,760</u> | <u>\$ 21,760</u> | <u>\$ 457,639</u> | <u>\$ 479,399</u> |

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
STATEMENTS OF NET POSITION

June 30, 2017 and 2016

| ASSETS | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 80,584 | \$ 78,144 |
| Accounts receivable | 3,451 | 3,443 |
| Prepays | 84 | - |
| Total current assets | <u>84,119</u> | <u>81,587</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Equipment | 1,871 | 1,871 |
| Utility system | 250,000 | 250,000 |
| Less accumulated depreciation | <u>(221,871)</u> | <u>(211,871)</u> |
| Total capital assets (net of accumulated depreciation) | <u>30,000</u> | <u>40,000</u> |
| Total assets | <u>114,119</u> | <u>121,587</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | <u>-</u> | <u>438</u> |
| Total current liabilities | <u>-</u> | <u>438</u> |
| NET POSITION | | |
| Investment in capital assets | 30,000 | 40,000 |
| Unrestricted | <u>84,119</u> | <u>81,149</u> |
| Total net position | <u><u>\$ 114,119</u></u> | <u><u>\$ 121,149</u></u> |

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|--------------------------|--------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 30,310 | \$ 33,521 |
| OPERATING EXPENSES | | |
| Materials and services | 28,242 | 27,083 |
| Depreciation/amortization | <u>10,000</u> | <u>10,000</u> |
| Total operating expenses | <u>38,242</u> | <u>37,083</u> |
| Operating (loss) | (7,932) | (3,562) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | <u>902</u> | <u>550</u> |
| Change in net position | (7,030) | (3,012) |
| Total net position - beginning | <u>121,149</u> | <u>124,161</u> |
| Total net position - ending | <u><u>\$ 114,119</u></u> | <u><u>\$ 121,149</u></u> |

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|-------------------------|-------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 30,302 | \$ 34,830 |
| Payments to suppliers | (28,764) | (27,284) |
| Net cash provided by operating activities | <u>1,538</u> | <u>7,546</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>902</u> | <u>550</u> |
| Net increase in cash and cash equivalents | 2,440 | 8,096 |
| <i>Cash and cash equivalents - beginning</i> | <u>78,144</u> | <u>70,048</u> |
| <i>Cash and cash equivalents - ending</i> | <u>\$ 80,584</u> | <u>\$ 78,144</u> |
| Reconciliation of operating (loss) to net cash provided by operating activities: | | |
| Operating income (loss) | \$ (7,932) | \$ (3,562) |
| Adjustments to reconcile operating (loss) to net cash provided by operating activities: | | |
| Depreciation/amortization | 10,000 | 10,000 |
| Change in: | | |
| Receivables | (8) | 1,309 |
| Prepays | (84) | |
| Customer deposits | - | (639) |
| Payables | (438) | 438 |
| Net cash provided by operating activities | <u>\$ 1,538</u> | <u>\$ 7,546</u> |

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

Year Ended June 30, 2017

| | <u>Budget</u> | <u>Variance with Budget</u> | <u>Budget Basis</u> | <u>Actual GAAP Adjustments</u> | <u>GAAP Basis</u> |
|---------------------------------|----------------|---------------------------------|-------------------------|--|-----------------------|
| REVENUES | | | | | |
| Charges for services | \$ 35,500 | \$ (5,190) | \$ 30,310 | \$ - | \$ 30,310 |
| Interest | 500 | 402 | 902 | - | 902 |
| Total revenues | <u>36,000</u> | <u>(4,788)</u> | <u>31,212</u> | <u>-</u> | <u>31,212</u> |
| EXPENDITURES | | | | | |
| Materials and services | 37,834 | 9,592 | 28,242 | - | 28,242 |
| Capital outlay (depreciation) | 2,000 | 2,000 | - | 10,000 | 10,000 |
| Operating contingency | 76,166 | 76,166 | - | - | - |
| Total expenditures | <u>116,000</u> | <u>87,758</u> | <u>28,242</u> | <u>10,000</u> | <u>38,242</u> |
| Change in fund balance | (80,000) | 82,970 | 2,970 | (10,000) | (7,030) |
| Fund balance - beginning | <u>80,000</u> | <u>1,149</u> | <u>81,149</u> | <u>40,000</u> | <u>121,149</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 84,119</u> | <u>\$ 84,119</u> | <u>\$ 30,000</u> | <u>\$ 114,119</u> |

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENTS OF NET POSITION
June 30, 2017 and 2016

| ASSETS | <u>2017</u> | <u>2016</u> |
|--|----------------------------|----------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 1,863 | \$ 9,084 |
| Accounts receivable | 3,217 | 1,125 |
| Prepays | - | 53 |
| | <u>5,080</u> | <u>10,262</u> |
| Noncurrent assets: | | |
| Assessments receivable | <u>19,747</u> | <u>21,329</u> |
| Capital assets: | | |
| Utility system | 1,638,274 | 1,638,274 |
| Less accumulated depreciation | <u>(288,775)</u> | <u>(266,980)</u> |
| Total capital assets (net of accumulated depreciation) | <u>1,349,499</u> | <u>1,371,294</u> |
| Total noncurrent assets | <u>1,369,246</u> | <u>1,392,623</u> |
| Total assets | <u>1,374,326</u> | <u>1,402,885</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | - | 1,496 |
| Total current liabilities | <u>-</u> | <u>1,496</u> |
| Long-term liabilities: | | |
| Advances from other funds | <u>24,789</u> | <u>27,342</u> |
| Total liabilities | <u>24,789</u> | <u>28,838</u> |
| NET POSITION | | |
| Investment in capital assets | 1,349,499 | 1,371,294 |
| Unrestricted | <u>38</u> | <u>2,753</u> |
| Total net position | <u>\$ 1,349,537</u> | <u>\$ 1,374,047</u> |

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|---------------------|---------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 18,451 | \$ 17,759 |
| OPERATING EXPENSES | | |
| Materials and services | 21,542 | 19,674 |
| Depreciation | 21,795 | 21,795 |
| Total operating expenses | 43,337 | 41,469 |
| Operating (loss) | (24,886) | (23,710) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | 923 | 1,073 |
| Interest expense | (547) | (642) |
| Nonoperating revenues (expenses) | 376 | 431 |
| Change in net position | (24,510) | (23,279) |
| Total net position - beginning | 1,374,047 | 1,397,326 |
| Total net position - ending | \$ 1,349,537 | \$ 1,374,047 |

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|---------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 16,359 | \$ 17,904 |
| Payments to suppliers | (22,985) | (22,071) |
| Net cash (used in) operating activities | <u>(6,626)</u> | <u>(4,167)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Assessments received | 1,582 | 1,898 |
| Principal paid on debt | (2,553) | (4,758) |
| Interest paid on debt | (547) | (642) |
| Net cash (used in) capital and related financing activities | <u>(1,518)</u> | <u>(3,502)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 923 | 1,073 |
| Net (decrease) in cash and cash equivalents | <u>(7,221)</u> | <u>(6,596)</u> |
| <i>Cash and cash equivalents - beginning</i> | <u>9,084</u> | <u>15,680</u> |
| <i>Cash and cash equivalents - ending</i> | <u><u>\$ 1,863</u></u> | <u><u>\$ 9,084</u></u> |
| Reconciliation of operating (loss) to net cash (used in) operating activities: | | |
| Operating (loss) | \$ (24,886) | \$ (23,710) |
| Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities: | | |
| Depreciation/amortization | 21,795 | 21,795 |
| Change in: | | |
| Receivables | (2,092) | 905 |
| Prepaid expenses | 53 | (53) |
| Deferred inflows/outflows of resources | - | (760) |
| Payables | (1,496) | (2,344) |
| Net cash (used in) operating activities | <u><u>\$ (6,626)</u></u> | <u><u>\$ (4,167)</u></u> |

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT

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

For the Year Ended June 30, 2017

| | <i>Budget</i> | <i>Variance with Budget</i> | <i>Actual</i> | | |
|--|---------------|---------------------------------|-------------------------|-----------------------------|---------------------|
| | | | <i>Budget Basis</i> | <i>GAAP Adjustments</i> | |
| REVENUES | | | | | |
| Charges for services | \$ 18,680 | \$ (229) | \$ 18,451 | \$ - | \$ 18,451 |
| Interest | - | 923 | 923 | - | 923 |
| Total revenues | 18,680 | 694 | 19,374 | - | 19,374 |
| EXPENDITURES | | | | | |
| Materials and services | 24,126 | 2,584 | 21,542 | - | 21,542 |
| Depreciation | - | - | - | 21,795 | 21,795 |
| Debt service | 3,100 | - | 3,100 | (2,553) | 547 |
| Operating contingency | 5,054 | 5,054 | - | - | - |
| Total expenditures | 32,280 | 7,638 | 24,642 | 19,242 | 43,884 |
| Excess (deficiency) of revenues over (under) expenditures | (13,600) | 8,332 | (5,268) | (19,242) | (24,510) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Assessments received | 3,100 | (1,518) | 1,582 | (1,582) | - |
| Change in fund balance | (10,500) | 6,814 | (3,686) | (20,824) | (24,510) |
| Fund balance - beginning | 11,000 | (2,235) | 8,765 | 1,365,282 | 1,374,047 |
| Fund balance - ending | \$ 500 | \$ 4,579 | \$ 5,079 | \$ 1,344,458 | \$ 1,349,537 |

INTERNAL SERVICE FUNDS

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

Management Service – 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 “user” departments support these services.

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

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

Treasury Management – To account for interest earned on investments and distributed to various funds.

BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2017

| | <i>Intragovernmental Service</i> | <i>Management Service</i> | <i>Health Mgmt Services</i> | <i>Employee Benefits Trust</i> | <i>Treasury Management</i> | <i>Totals</i> |
|--|--------------------------------------|-------------------------------|---------------------------------|------------------------------------|--------------------------------|---------------------|
| ASSETS | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 3,132,356 | \$ 620,733 | \$ 443,192 | \$ 1,524,376 | \$ - | \$ 5,720,657 |
| Accounts receivable | 110,170 | - | 5,445 | - | - | 115,615 |
| Inventory | 119,638 | - | 2,985 | - | - | 122,623 |
| Prepays | 92,095 | 141,311 | 6,744 | - | - | 240,150 |
| Total current assets | 3,454,259 | 762,044 | 458,366 | 1,524,376 | - | 6,199,045 |
| Capital assets: | | | | | | |
| Land | 1,388,651 | - | - | - | - | 1,388,651 |
| Land improvements | 206,828 | - | - | - | - | 206,828 |
| Buildings | 14,173,656 | 43,908 | - | - | - | 14,217,564 |
| Intangibles | 54,895 | 906,765 | 564,383 | - | - | 1,526,043 |
| Machinery and equipment | 8,866,627 | 17,116 | 49,881 | - | 18,495 | 8,952,119 |
| Less accumulated depreciation | (13,759,657) | (623,443) | (577,407) | - | (18,495) | (14,979,002) |
| Total capital assets (net of accumulated depreciation) | 10,931,000 | 344,346 | 36,857 | - | - | 11,312,203 |
| Total assets | 14,385,259 | 1,106,390 | 495,223 | 1,524,376 | - | 17,511,248 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | |
| Pension related items | 693,125 | 1,101,890 | 1,208,525 | - | - | 3,003,540 |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 217,398 | 179,734 | 76,360 | 130,301 | 55 | 603,848 |
| Payroll payable | 69,731 | 113,691 | 130,737 | - | - | 314,159 |
| Compensated absences | 27,126 | 28,014 | 42,309 | - | - | 97,449 |
| Deposits payable | 509 | - | - | - | - | 509 |
| Other accrued liabilities | - | 3,972 | - | - | - | 3,972 |
| Loans and bonds payable | 215,765 | 26,698 | 31,642 | - | - | 274,105 |
| Total current liabilities | 530,529 | 352,109 | 281,048 | 130,301 | 55 | 1,294,042 |
| Long-term liabilities: | | | | | | |
| PERS bonds payable | 600,100 | 782,236 | 924,007 | - | - | 2,306,343 |
| Compensated absences | 173,251 | 225,898 | 286,347 | - | - | 685,496 |
| Bonds payable | 420,000 | - | - | - | - | 420,000 |
| Net pension liability | 1,365,021 | 2,170,033 | 2,380,037 | - | - | 5,915,091 |
| Total long-term liabilities | 2,558,372 | 3,178,167 | 3,590,391 | - | - | 9,326,930 |
| Total liabilities | 3,088,901 | 3,530,276 | 3,871,439 | 130,301 | 55 | 10,620,972 |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue | - | - | - | - | 13,589 | 13,589 |
| Pension related items | 34,195 | 54,361 | 59,622 | - | - | 148,178 |
| Total deferred inflow of resources | 34,195 | 54,361 | 59,622 | - | 13,589 | 161,767 |
| NET POSITION | | | | | | |
| Net investment capital assets | 10,316,000 | 344,346 | 36,857 | - | - | 10,697,203 |
| Unrestricted | 1,639,288 | (1,720,703) | (2,264,170) | 1,394,075 | (13,644) | (965,154) |
| Total net position | \$ 11,955,288 | \$ (1,376,357) | \$ (2,227,313) | \$ 1,394,075 | \$ (13,644) | \$ 9,732,049 |

BENTON COUNTY, OREGON**INTERNAL SERVICE FUNDS****COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

For the Year Ended June 30, 2017

| | <i>Intragovernmental Service</i> | <i>Management Service</i> | <i>Health Mgmt Services</i> | <i>Employee Benefits Trust</i> | <i>Treasury Management</i> | <i>Totals</i> |
|---|--------------------------------------|-------------------------------|---------------------------------|------------------------------------|--------------------------------|---------------------|
| OPERATING REVENUES | | | | | | |
| Charges for services | \$ 5,189,322 | \$ 3,646,595 | \$ 3,890,176 | \$ 730,073 | \$ - | \$ 13,456,166 |
| Space rental | 1,794,020 | - | - | - | - | 1,794,020 |
| Sales of materials | 266,333 | - | - | - | - | 266,333 |
| Intergovernmental | 28,965 | - | - | - | - | 28,965 |
| Investment earnings | - | - | - | - | 393,875 | 393,875 |
| Miscellaneous | 55,971 | 1,099 | 3,124 | 15,116 | 608 | 75,918 |
| Total operating revenues | <u>7,334,611</u> | <u>3,647,694</u> | <u>3,893,300</u> | <u>745,189</u> | <u>394,483</u> | <u>16,015,277</u> |
| OPERATING EXPENSES | | | | | | |
| Personal services | 1,687,683 | 2,959,711 | 3,318,683 | 281,195 | - | 8,247,272 |
| Materials and services | 3,884,453 | 1,192,493 | 704,355 | 513,126 | 474,969 | 6,769,396 |
| Depreciation/amortization | 928,495 | 45,658 | 3,325 | - | 925 | 978,403 |
| Total operating expenses | <u>6,500,631</u> | <u>4,197,862</u> | <u>4,026,363</u> | <u>794,321</u> | <u>475,894</u> | <u>15,995,071</u> |
| Operating income (loss) | <u>833,980</u> | <u>(550,168)</u> | <u>(133,063)</u> | <u>(49,132)</u> | <u>(81,411)</u> | <u>20,206</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | |
| Interest income | - | 5,710 | 5,444 | 20,646 | - | 31,800 |
| Interest expense | (42,441) | - | - | - | - | (42,441) |
| Total nonoperating revenues/(expenses) | <u>(42,441)</u> | <u>5,710</u> | <u>5,444</u> | <u>20,646</u> | <u>-</u> | <u>(10,641)</u> |
| Income (loss) before transfers | 791,539 | (544,458) | (127,619) | (28,486) | (81,411) | 9,565 |
| Transfers in | 1,753,049 | 436,039 | 28,178 | - | - | 2,217,266 |
| Transfers out | (65,523) | (119,970) | (133,707) | (295,861) | - | (615,061) |
| Change in net position | <u>2,479,065</u> | <u>(228,389)</u> | <u>(233,148)</u> | <u>(324,347)</u> | <u>(81,411)</u> | <u>1,611,770</u> |
| <i>Net position - beginning</i> | <u>9,476,223</u> | <u>(1,147,968)</u> | <u>(1,994,165)</u> | <u>1,718,422</u> | <u>67,767</u> | <u>8,120,279</u> |
| <i>Net position - ending</i> | <u>\$ 11,955,288</u> | <u>\$ (1,376,357)</u> | <u>\$ (2,227,313)</u> | <u>\$ 1,394,075</u> | <u>\$ (13,644)</u> | <u>\$ 9,732,049</u> |

BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2017

| | <i>Intragovernmental Service</i> | <i>Management Service</i> | <i>Health Mgmt Services</i> | <i>Employee Benefits Trust</i> | <i>Treasury Management</i> | <i>Totals</i> |
|--|--------------------------------------|-------------------------------|---------------------------------|------------------------------------|--------------------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Receipts from customers | \$ 7,522,868 | \$ 3,646,595 | \$ 3,888,137 | \$ 730,073 | \$ - | \$ 15,787,673 |
| Grants | 28,965 | - | - | - | - | 28,965 |
| Investment earnings | - | - | - | - | 458,512 | 458,512 |
| Miscellaneous | - | 1,099 | 3,124 | 15,116 | 608 | 19,947 |
| Interest earnings distributed | - | - | - | - | (437,747) | (437,747) |
| Payments to suppliers | (4,027,015) | (1,177,744) | (678,146) | (481,115) | (21,373) | (6,385,393) |
| Payroll costs | (1,706,096) | (2,548,080) | (3,081,210) | (282,385) | - | (7,617,771) |
| Net cash provided by (used in) operating activities | 1,818,722 | (78,130) | 131,905 | (18,311) | - | 1,854,186 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | |
| Principal paid on noncapital debt | (203,492) | (23,775) | (28,178) | - | - | (255,445) |
| Transfers in | 1,753,049 | 436,039 | 28,178 | - | - | 2,217,266 |
| Transfers out | (65,523) | (119,970) | (133,707) | (295,861) | - | (615,061) |
| Net cash provided by (used in) noncapital financing activities | 1,484,034 | 292,294 | (133,707) | (295,861) | - | 1,346,760 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | |
| Acquisition of capital assets | (879,630) | (296,664) | - | - | - | (1,176,294) |
| Principal paid on debt | (1,314,511) | - | - | - | - | (1,314,511) |
| Interest paid on debt | (42,441) | - | - | - | - | (42,441) |
| Disposition of capital assets | 4,500 | - | - | - | - | 4,500 |
| Net cash (used in) capital and related financing activities | (2,232,082) | (296,664) | - | - | - | (2,528,746) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Interest received | - | 5,710 | 5,444 | 20,646 | - | 31,800 |
| Net cash provided by investing activities | - | 5,710 | 5,444 | 20,646 | - | 31,800 |
| Net increase (decrease) in cash and cash equivalents | 1,070,674 | (76,790) | 3,642 | (293,526) | - | 704,000 |
| <i>Cash and cash equivalents - beginning</i> | 2,061,682 | 697,523 | 439,550 | 1,817,902 | - | 5,016,657 |
| <i>Cash and cash equivalents - ending</i> | \$ 3,132,356 | \$ 620,733 | \$ 443,192 | \$ 1,524,376 | \$ - | \$ 5,720,657 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Operating income (loss) | \$ 833,980 | \$ (550,168) | \$ (133,063) | \$ (49,132) | \$ (81,411) | \$ 20,206 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation/amortization | 928,495 | 45,658 | 3,325 | - | 925 | 978,403 |
| Change in: | | | | | | |
| Receivables | 217,222 | - | (2,039) | - | 64,637 | 279,820 |
| Inventory | (10,820) | - | 574 | - | - | (10,246) |
| Prepays | (4,921) | (45,250) | (1,974) | - | 2,205 | (49,940) |
| Net pension liability | 785,960 | 1,456,306 | 1,383,512 | - | - | 3,625,778 |
| Deferred inflows/outflows | (691,396) | (1,087,546) | (1,204,774) | - | 13,589 | (2,970,127) |
| Compensated absences | (121,572) | 17,335 | 35,977 | - | - | (68,260) |
| Payables | (118,226) | 85,535 | 50,367 | 30,821 | 55 | 48,552 |
| <i>Net cash provided by (used in) by operating activities</i> | \$ 1,818,722 | \$ (78,130) | \$ 131,905 | \$ (18,311) | \$ - | \$ 1,854,186 |

BENTON COUNTY, OREGON
INTRAGOVERNMENTAL SERVICE FUND

STATEMENTS OF NET POSITION

June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|----------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,132,356 | \$ 2,061,682 |
| Accounts receivable | 110,170 | 327,392 |
| Inventory | 119,638 | 108,818 |
| Prepays | 92,095 | 87,174 |
| Total current assets | <u>3,454,259</u> | <u>2,585,066</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land | 1,388,651 | 1,388,651 |
| Land improvements | 206,828 | 206,828 |
| Buildings | 14,173,656 | 13,881,196 |
| Intangibles | 54,895 | 54,895 |
| Equipment | 8,866,627 | 8,541,921 |
| Less accumulated depreciation | <u>(13,759,657)</u> | <u>(13,089,126)</u> |
| Total capital assets (net of accumulated depreciation) | <u>10,931,000</u> | <u>10,984,365</u> |
| Total noncurrent assets | <u>10,931,000</u> | <u>10,984,365</u> |
| Total assets | <u>14,385,259</u> | <u>13,569,431</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | <u>693,125</u> | <u>125,057</u> |
| Total deferred outflows of resources | <u>693,125</u> | <u>125,057</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 217,398 | 344,219 |
| Lease payable | - | 8,254 |
| Accrued payroll | 69,731 | 61,136 |
| Accrued compensated absences | 27,126 | 21,371 |
| Deposits | 509 | 509 |
| Bonds payable | <u>215,765</u> | <u>203,492</u> |
| Total current liabilities | <u>530,529</u> | <u>638,981</u> |
| Long-term liabilities: | | |
| PERS bonds payable | 600,100 | 620,865 |
| Advances from other funds | - | 1,306,257 |
| Accrued compensated absences | 173,251 | 300,578 |
| Bonds payable | 420,000 | 615,000 |
| Net pension liability | <u>1,365,021</u> | <u>579,061</u> |
| Total long-term liabilities | <u>2,558,372</u> | <u>3,421,761</u> |
| Total liabilities | <u>3,088,901</u> | <u>4,060,742</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | <u>34,195</u> | <u>157,523</u> |
| Total deferred inflows of resources | <u>34,195</u> | <u>157,523</u> |
| NET POSITION | | |
| Net investment in capital assets | 10,316,000 | 8,851,362 |
| Unrestricted | <u>1,639,288</u> | <u>624,861</u> |
| Total net position | <u>\$ 11,955,288</u> | <u>\$ 9,476,223</u> |

BENTON COUNTY, OREGON
INTRAGOVERNMENTAL SERVICE FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|-----------------------------|----------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 5,189,322 | \$ 3,816,434 |
| Space rental | 1,794,020 | 1,727,941 |
| Sale of materials | 266,333 | 1,168,163 |
| Intergovernmental | 28,965 | - |
| Miscellaneous | 55,971 | 9,806 |
| | <u>7,334,611</u> | <u>6,722,344</u> |
| Total operating revenues | 7,334,611 | 6,722,344 |
| OPERATING EXPENSES | | |
| Personal services | 1,687,683 | 2,160,048 |
| Materials and services | 3,884,453 | 3,958,029 |
| Depreciation | 928,495 | 877,836 |
| | <u>6,500,631</u> | <u>6,995,913</u> |
| Total operating expenses | 6,500,631 | 6,995,913 |
| Operating income (loss) | <u>833,980</u> | <u>(273,569)</u> |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | - | 1,658 |
| Interest expense | (42,441) | (50,182) |
| | <u>(42,441)</u> | <u>(48,524)</u> |
| Total nonoperating revenues (expenses) | (42,441) | (48,524) |
| Income (loss) before transfers | 791,539 | (322,093) |
| Transfers in | 1,753,049 | 112,133 |
| Transfers out | (65,523) | (69,153) |
| | <u>2,479,065</u> | <u>(279,113)</u> |
| Change in net position | 2,479,065 | (279,113) |
| Total net position - beginning | <u>9,476,223</u> | <u>9,755,336</u> |
| Total net position - ending | <u><u>\$ 11,955,288</u></u> | <u><u>\$ 9,476,223</u></u> |

BENTON COUNTY, OREGON
INTRAGOVERNMENTAL SERVICE FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 7,522,868 | \$ 6,518,321 |
| Grants | 28,965 | - |
| Payments to suppliers | (4,027,015) | (3,907,337) |
| Payroll costs | <u>(1,706,096)</u> | <u>(1,653,114)</u> |
| Net cash provided by operating activities | <u>1,818,722</u> | <u>957,870</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on noncapital debt | (203,492) | (16,682) |
| Transfers in | 1,753,049 | 112,133 |
| Transfers out | <u>(65,523)</u> | <u>(69,153)</u> |
| Net cash provided by noncapital financing activities | <u>1,484,034</u> | <u>26,298</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of capital assets | (879,630) | (913,777) |
| Disposition of capital assets | 4,500 | 53,614 |
| Principal paid on capital debt | (1,314,511) | (188,869) |
| Interest paid on capital debt | <u>(42,441)</u> | <u>(50,182)</u> |
| Net cash (used) by capital and related financing activities | <u>(2,232,082)</u> | <u>(1,099,214)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | <u>-</u> | <u>1,658</u> |
| Net cash provided by investing activities | <u>-</u> | <u>1,658</u> |
| Net increase (decrease) in cash and cash equivalents | 1,070,674 | (113,388) |
| Cash and cash equivalents - beginning | <u>2,061,682</u> | <u>2,175,070</u> |
| Cash and cash equivalents - ending | <u>\$ 3,132,356</u> | <u>\$ 2,061,682</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | |
| Operating income (loss) | \$ 833,980 | \$ (273,569) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation/amortization | 928,495 | 877,836 |
| Change in: | | |
| Receivables | 217,222 | (204,023) |
| Inventory | (10,820) | 19,790 |
| Prepays | (4,921) | (86,365) |
| Net pension asset | - | 221,196 |
| Net pension liability | 785,960 | 579,061 |
| Deferred inflows/outflows | (691,396) | (322,232) |
| Compensated absences | (121,572) | 22,400 |
| Payables | <u>(118,226)</u> | <u>123,776</u> |
| Net cash provided by operating activities | <u>\$ 1,818,722</u> | <u>\$ 957,870</u> |

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

For the Biennium Ended June 30, 2017

| | <u>Budget</u> | <u>Biennium Actuals</u> | | | <u>Variance with Budget</u> |
|--|--------------------|-------------------------|---------------------|----------------------------|---------------------------------|
| | | <u>FY 2016</u> | <u>FY 2017</u> | <u>Biennium Totals</u> | |
| REVENUES | | | | | |
| Charges for services | \$ 11,539,763 | \$ 5,495,295 | \$ 6,983,342 | \$ 12,478,637 | \$ 938,874 |
| Intergovernmental | 30,500 | - | 28,965 | 28,965 | (1,535) |
| Sale of materials & equipment | 2,062,559 | 1,270,857 | 270,833 | 1,541,690 | (520,869) |
| Interest earnings | 3,000 | 1,658 | - | 1,658 | (1,342) |
| Miscellaneous | 12,180 | 9,806 | 55,971 | 65,777 | 53,597 |
| Total revenues | <u>13,648,002</u> | <u>6,777,616</u> | <u>7,339,111</u> | <u>14,116,727</u> | <u>468,725</u> |
| EXPENDITURES | | | | | |
| General government | | | | | |
| Personal services | 3,647,516 | 1,728,776 | 1,780,214 | 3,508,990 | 138,526 |
| Materials and services | 6,719,455 | 3,229,046 | 3,180,820 | 6,409,866 | 309,589 |
| Capital outlay | 3,149,922 | 1,438,665 | 1,350,560 | 2,789,225 | 360,697 |
| Debt service | 637,628 | 230,183 | 227,441 | 457,624 | 180,004 |
| Contingency | 1,087,384 | | | - | 1,087,384 |
| Public safety | | | | | |
| Materials and services | 381,828 | 212,964 | 35,608 | 248,572 | 133,256 |
| Total expenditures | <u>15,623,733</u> | <u>6,839,634</u> | <u>6,574,643</u> | <u>13,414,277</u> | <u>2,209,456</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,975,731)</u> | <u>(62,018)</u> | <u>764,468</u> | <u>702,450</u> | <u>2,678,181</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | <u>318,402</u> | <u>95,451</u> | <u>222,951</u> | <u>318,402</u> | <u>-</u> |
| Total other financing sources (uses) | <u>318,402</u> | <u>95,451</u> | <u>222,951</u> | <u>318,402</u> | <u>-</u> |
| Change in fund balance | (1,657,329) | 33,433 | 987,419 | 1,020,852 | 2,678,181 |
| Fund balance - beginning | <u>1,657,329</u> | <u>2,189,304</u> | <u>2,222,737</u> | <u>2,189,304</u> | <u>531,975</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 2,222,737</u> | <u>\$ 3,210,156</u> | <u>\$ 3,210,156</u> | <u>\$ 3,210,156</u> |

BENTON COUNTY, OREGON**MANAGEMENT SERVICE FUND**

STATEMENTS OF NET POSITION

June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|-----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 620,733 | \$ 697,523 |
| Prepays | 141,311 | 96,061 |
| Total current assets | <u>762,044</u> | <u>793,584</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Buildings | 43,908 | 43,908 |
| Intangibles | 906,765 | 610,102 |
| Equipment | 17,116 | 17,116 |
| Accumulated depreciation | (623,443) | (577,786) |
| Total capital assets, net of accumulated depreciation | <u>344,346</u> | <u>93,340</u> |
| Total noncurrent assets | <u>344,346</u> | <u>93,340</u> |
| Total assets | <u>1,106,390</u> | <u>886,924</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | 1,101,890 | 154,140 |
| Total deferred outflows of resources | <u>1,101,890</u> | <u>154,140</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 179,734 | 118,453 |
| Accrued payroll | 113,691 | 88,155 |
| Accrued compensated absences | 28,014 | 30,129 |
| Other accrued liabilities | 3,972 | 5,254 |
| Bonds payable | 26,698 | 23,775 |
| Total current liabilities | <u>352,109</u> | <u>265,766</u> |
| Long-term liabilities: | | |
| Pension bonds payable | 782,236 | 808,934 |
| Accrued compensated absences | 225,898 | 206,448 |
| Net pension liability | 2,170,033 | 713,727 |
| Total long-term liabilities | <u>3,178,167</u> | <u>1,729,109</u> |
| Total liabilities | <u>3,530,276</u> | <u>1,994,875</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | 54,361 | 194,157 |
| Total deferred outflows of resources | <u>54,361</u> | <u>194,157</u> |
| NET POSITION | | |
| Investment in capital assets | 344,346 | 93,340 |
| Unrestricted | (1,720,703) | (1,241,308) |
| Total net position | <u>\$ (1,376,357)</u> | <u>\$ (1,147,968)</u> |

BENTON COUNTY, OREGON**MANAGEMENT SERVICE FUND****STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|------------------------------|------------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 3,646,595 | \$ 3,576,384 |
| Miscellaneous | 1,099 | 86 |
| Total operating revenues | <u>3,647,694</u> | <u>3,576,470</u> |
| OPERATING EXPENSES | | |
| Personal services | 2,959,711 | 3,063,207 |
| Materials and services | 1,192,493 | 1,117,219 |
| Depreciation | 45,658 | 15,992 |
| Total operating expenses | <u>4,197,862</u> | <u>4,196,418</u> |
| Operating income (loss) | (550,168) | (619,948) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Investment earnings | <u>5,710</u> | <u>3,461</u> |
| Income (loss) before transfers | (544,458) | (616,487) |
| Transfers in | 436,039 | 137,049 |
| Transfers out | <u>(119,970)</u> | <u>(104,781)</u> |
| Change in net position | (228,389) | (584,219) |
| Total net position - beginning | <u>(1,147,968)</u> | <u>(563,749)</u> |
| Total net position - ending | <u><u>\$ (1,376,357)</u></u> | <u><u>\$ (1,147,968)</u></u> |

BENTON COUNTY, OREGON**MANAGEMENT SERVICE FUND**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|---------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 3,646,595 | \$ 3,576,384 |
| Miscellaneous | 1,099 | 86 |
| Payments to suppliers | (1,177,744) | (1,116,475) |
| Payroll costs | (2,548,080) | (2,424,736) |
| <i>Net cash provided by (used in) operating activities</i> | <u>(78,130)</u> | <u>35,259</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on noncapital debt | (23,775) | (21,449) |
| Transfers out | 436,039 | (104,781) |
| Transfers in | (119,970) | 137,049 |
| <i>Net cash provided by noncapital financing activities</i> | <u>292,294</u> | <u>10,819</u> |
| CASH FLOWS FROM CAPITAL ACTIVITIES | | |
| Acquisition of capital assets | (296,664) | - |
| Net cash (used) by capital activities | <u>(296,664)</u> | <u>-</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 5,710 | 3,461 |
| Net cash provided by investing activities | <u>5,710</u> | <u>3,461</u> |
| <i>Net increase (decrease) in cash and cash equivalents</i> | (76,790) | 49,539 |
| <i>Cash and cash equivalents - beginning</i> | <u>697,523</u> | <u>647,984</u> |
| <i>Cash and cash equivalents - ending</i> | <u><u>\$ 620,733</u></u> | <u><u>\$ 697,523</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income | \$ (550,168) | \$ (619,948) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) by operating activities: | | |
| Depreciation/amortization | 45,658 | 15,992 |
| Change in: | | |
| Prepays | (45,250) | (54,201) |
| Net pension asset | - | 272,637 |
| Net pension liability | 1,456,306 | 713,727 |
| Deferred inflows/outflows | (1,087,546) | (397,170) |
| Compensated absences | 17,335 | 41,675 |
| Payables | 85,535 | 62,547 |
| <i>Net cash provided (used) by operating activities</i> | <u><u>\$ (78,130)</u></u> | <u><u>\$ 35,259</u></u> |

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

For the Biennium Ended June 30, 2017

| | <i>Budget</i> | <i>Biennium Actuals</i> | | <i>Biennium Totals</i> | <i>Variance with Budget</i> |
|---|------------------|-------------------------|-------------------|------------------------|-----------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | | |
| REVENUES | | | | | |
| Charges for services | \$ 7,438,292 | \$ 3,576,384 | \$ 3,646,595 | \$ 7,222,979 | \$ (215,313) |
| Interest earnings | 1,500 | 3,461 | 5,710 | 9,171 | 7,671 |
| Miscellaneous | 2,000 | 86 | 1,099 | 1,185 | (815) |
| Total revenues | <u>7,441,792</u> | <u>3,579,931</u> | <u>3,653,404</u> | <u>7,233,335</u> | <u>(208,457)</u> |
| EXPENDITURES | | | | | |
| General government | | | | | |
| Personal services | 5,507,317 | 2,537,119 | 2,693,585 | 5,230,704 | 276,613 |
| Materials and services | 2,504,446 | 1,117,219 | 1,192,493 | 2,309,712 | 194,734 |
| Capital outlay | 5,000 | - | - | - | 5,000 |
| Contingency | 236,229 | - | - | - | 236,229 |
| Total expenditures | <u>8,252,992</u> | <u>3,654,338</u> | <u>3,886,078</u> | <u>7,540,416</u> | <u>712,576</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(811,200)</u> | <u>(74,407)</u> | <u>(232,674)</u> | <u>(307,081)</u> | <u>504,119</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | <u>231,200</u> | <u>115,600</u> | <u>115,600</u> | <u>231,200</u> | <u>-</u> |
| Total other financing sources (uses) | <u>231,200</u> | <u>115,600</u> | <u>115,600</u> | <u>231,200</u> | <u>-</u> |
| Change in fund balance | (580,000) | 41,193 | (117,074) | (75,881) | 504,119 |
| <i>Fund balance - beginning</i> | <u>580,000</u> | <u>588,043</u> | <u>629,236</u> | <u>588,043</u> | <u>8,043</u> |
| <i>Fund balance - ending</i> | <u>\$ -</u> | <u>\$ 629,236</u> | <u>\$ 512,162</u> | <u>\$ 512,162</u> | <u>\$ 512,162</u> |

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND
STATEMENTS OF NET POSITION
June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|-----------------------|-----------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 443,192 | \$ 439,550 |
| Accounts receivable | 5,445 | 3,406 |
| Inventory | 2,985 | 3,559 |
| Prepays | 6,744 | 4,770 |
| Total current assets | <u>458,366</u> | <u>451,285</u> |
| Noncurrent assets: | | |
| Capital assets: | | |
| Equipment | 49,881 | 49,881 |
| Intangibles | 564,383 | 564,383 |
| Less accumulated depreciation | (577,407) | (574,083) |
| Total capital assets (net of accumulated depreciation) | <u>36,857</u> | <u>40,181</u> |
| Total noncurrent assets | <u>36,857</u> | <u>40,181</u> |
| Total assets | <u>495,223</u> | <u>491,466</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension related items | <u>1,208,525</u> | <u>215,215</u> |
| Total deferred outflows of resources | <u>1,208,525</u> | <u>-</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 76,360 | 48,751 |
| Accrued payroll | 130,737 | 107,979 |
| Accrued compensated absences | 42,309 | 34,009 |
| Bonds payable | 31,642 | 28,178 |
| Total current liabilities | <u>281,048</u> | <u>218,917</u> |
| Long-term liabilities: | | |
| PERS bonds payable | 924,007 | 955,649 |
| Accrued compensated absences | 286,347 | 258,670 |
| Net pension liability | 2,380,037 | 996,524 |
| Total long-term liabilities | <u>3,590,391</u> | <u>2,210,843</u> |
| Total liabilities | <u>3,871,439</u> | <u>2,429,760</u> |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension related items | <u>59,622</u> | <u>271,086</u> |
| NET POSITION | | |
| Investment in capital assets | 36,857 | 40,181 |
| Unrestricted | (2,264,170) | (2,034,346) |
| Total net position | <u>\$ (2,227,313)</u> | <u>\$ (1,994,165)</u> |

BENTON COUNTY, OREGON**HEALTH MANAGEMENT SERVICES FUND****STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|------------------------------|------------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 3,890,176 | \$ 3,882,014 |
| Miscellaneous revenues | 3,124 | 2,963 |
| Total operating revenues | <u>3,893,300</u> | <u>3,884,977</u> |
| OPERATING EXPENSES | | |
| Personal services | 3,318,683 | 3,723,359 |
| Materials and services | 704,355 | 697,973 |
| Depreciation | 3,325 | 3,325 |
| Total operating expenses | <u>4,026,363</u> | <u>4,424,657</u> |
| Operating income (loss) | (133,063) | (539,680) |
| NONOPERATING REVENUES | | |
| Investment earnings | 5,444 | 2,647 |
| Income (loss) before transfers | (127,619) | (537,033) |
| TRANSFERS | | |
| Transfers in | 28,178 | 25,421 |
| Transfers out | (133,707) | (126,363) |
| Change in net position | (233,148) | (637,975) |
| Total net position - beginning | <u>(1,994,165)</u> | <u>(1,356,190)</u> |
| Total net position - ending | <u><u>\$ (2,227,313)</u></u> | <u><u>\$ (1,994,165)</u></u> |

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 3,888,137 | \$ 3,883,483 |
| Miscellaneous | 3,124 | 2,963 |
| Payment to suppliers | (678,146) | (693,513) |
| Payroll costs | (3,081,210) | (2,861,123) |
| Net cash provided by operating activities | <u>131,905</u> | <u>331,810</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Principal paid on noncapital debt | (28,178) | (25,421) |
| Transfers in | 28,178 | 25,421 |
| Transfers out | (133,707) | (126,363) |
| Net cash (used in) noncapital financing activities | <u>(133,707)</u> | <u>(126,363)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 5,444 | 2,647 |
| Net cash provided by investing activities | <u>5,444</u> | <u>2,647</u> |
| Net increase (decrease) in cash and cash equivalents | 3,642 | 208,094 |
| <i>Cash and cash equivalents - beginning</i> | <u>439,550</u> | <u>231,456</u> |
| <i>Cash and cash equivalents - ending</i> | <u>\$ 443,192</u> | <u>\$ 439,550</u> |
| Reconciliation of operating income (loss) to net cash provided by operating activities: | | |
| Operating income (loss) | \$ (133,063) | \$ (539,680) |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Depreciation/amortization | 3,325 | 3,325 |
| Disposition of capital asset | | - |
| Change in: | | |
| Receivables | (2,039) | 1,469 |
| Prepays | (1,974) | 1,828 |
| Inventory | 574 | (1,880) |
| Net pension asset | - | 380,663 |
| Net pension liability | 1,383,512 | 996,524 |
| Deferred inflows/outflows | (1,204,774) | (554,540) |
| Compensated absences | 35,977 | 31,636 |
| Payables | 50,367 | 12,465 |
| Net cash provided by operating activities | <u>\$ 131,905</u> | <u>\$ 331,810</u> |

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

For the Biennium Ended June 30, 2017

| | <u>Budget</u> | <u>Biennium Actuals</u> | | | <u>Variance with Budget</u> |
|--|------------------|-------------------------|--------------------|----------------------------|---------------------------------|
| | | <u>FY 2016</u> | <u>FY 2017</u> | <u>Biennium Totals</u> | |
| REVENUES | | | | | |
| Charges for services | \$ 7,734,990 | \$ 3,882,014 | \$ 3,890,176 | \$ 7,772,190 | \$ 37,200 |
| Interest earnings | - | 2,647 | 5,444 | 8,091 | 8,091 |
| Miscellaneous | 1,400 | 2,963 | 3,124 | 6,087 | 4,687 |
| | <u>7,736,390</u> | <u>3,887,624</u> | <u>3,898,744</u> | <u>7,786,368</u> | <u>49,978</u> |
| EXPENDITURES | | | | | |
| Personal services | 6,393,450 | 2,995,440 | 3,237,674 | 6,233,114 | 160,336 |
| Materials and services | 1,397,922 | 696,367 | 704,355 | 1,400,722 | (2,800) |
| Capital outlay | - | 1,605 | - | 1,605 | (1,605) |
| Contingency | 95,018 | - | - | - | 95,018 |
| | <u>7,886,390</u> | <u>3,693,412</u> | <u>3,942,029</u> | <u>7,635,441</u> | <u>250,949</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(150,000)</u> | <u>194,212</u> | <u>(43,285)</u> | <u>150,927</u> | <u>300,927</u> |
| Change in fund balance | (150,000) | 194,212 | (43,285) | 150,927 | 300,927 |
| Fund balance - beginning | <u>150,000</u> | <u>100,343</u> | <u>294,555</u> | <u>100,343</u> | <u>(49,657)</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 294,555</u> | <u>\$ 251,270</u> | <u>\$ 251,270</u> | <u>\$ 251,270</u> |

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND
 STATEMENTS OF NET POSITION
 June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---------------------------|---------------------|---------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 1,524,376 | \$ 1,817,902 |
| | | |
| Total assets | <u>1,524,376</u> | <u>1,817,902</u> |
| | | |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 130,301 | 98,290 |
| Accrued payroll | <u>-</u> | <u>1,190</u> |
| | | |
| Total liabilities | <u>130,301</u> | <u>99,480</u> |
| | | |
| NET POSITION | | |
| Unrestricted | <u>1,394,075</u> | <u>1,718,422</u> |
| | | |
| Total net position | <u>\$ 1,394,075</u> | <u>\$ 1,718,422</u> |

BENTON COUNTY, OREGON**EMPLOYEE BENEFITS TRUST FUND**

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|----------------------------|----------------------------|
| OPERATING REVENUES | | |
| Charges for services | \$ 730,073 | \$ 669,549 |
| Miscellaneous | 15,116 | - |
| Total operating revenues | <u>745,189</u> | <u>669,549</u> |
| OPERATING EXPENSES | | |
| Personal services | 281,195 | 60,338 |
| Materials and services | 513,126 | 487,916 |
| Total operating expenses | <u>794,321</u> | <u>548,254</u> |
| Operating income (loss) | (49,132) | 121,295 |
| NONOPERATING REVENUES | | |
| Investment earnings | 20,646 | 12,577 |
| Interest expense | - | (558) |
| Income before transfers | (28,486) | 133,314 |
| Transfers out | <u>(295,861)</u> | <u>(1,237)</u> |
| Change in net position | (324,347) | 132,077 |
| Total net position - beginning | <u>1,718,422</u> | <u>1,586,345</u> |
| Total net position - ending | <u><u>\$ 1,394,075</u></u> | <u><u>\$ 1,718,422</u></u> |

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers | \$ 730,073 | \$ 669,549 |
| Miscellaneous | 15,116 | - |
| Payments to suppliers | (481,115) | (398,275) |
| Payroll costs | (282,385) | (64,083) |
| <i>Net cash provided by (used in) operating activities</i> | <u>(18,311)</u> | <u>207,191</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Interest expense | - | -558 |
| Transfers out | (295,861) | (1,237) |
| <i>Net cash provided by (used in) noncapital financing activities</i> | <u>(295,861)</u> | <u>(1,795)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 20,646 | 12,577 |
| <i>Net cash provided by investing activities</i> | <u>20,646</u> | <u>12,577</u> |
| <i>Net increase (decrease) in cash and cash equivalents</i> | (293,526) | 217,973 |
| <i>Cash and cash equivalents - beginning</i> | <u>1,817,902</u> | <u>1,599,929</u> |
| <i>Cash and cash equivalents - ending</i> | <u><u>\$ 1,524,376</u></u> | <u><u>\$ 1,817,902</u></u> |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income (loss) | \$ (49,132) | \$ 121,295 |
| Adjustments to reconcile operating income (loss) to net cash provided by operating activities: | | |
| Payables | 30,821 | 85,896 |
| <i>Net cash provided by (used in) operating activities</i> | <u><u>\$ (18,311)</u></u> | <u><u>\$ 207,191</u></u> |

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

For the Biennium Ended June 30, 2017

| | <u>Budget</u> | <u>Biennium Actuals</u> | | | <u>Variance with Budget</u> |
|--|--------------------|-------------------------|---------------------|----------------------------|---------------------------------|
| | | <u>FY 2016</u> | <u>FY 2017</u> | <u>Biennium Totals</u> | |
| REVENUES | | | | | |
| Charges for services | \$ 916,070 | \$ 669,549 | \$ 730,073 | \$ 1,399,622 | \$ 483,552 |
| Miscellaneous | - | - | 15,116 | 15,116 | 15,116 |
| Interest earnings | 21,200 | 12,578 | 20,646 | 33,224 | 12,024 |
| Total revenues | <u>937,270</u> | <u>682,127</u> | <u>765,835</u> | <u>1,447,962</u> | <u>510,692</u> |
| EXPENDITURES | | | | | |
| Personal services | 354,070 | 66,346 | 282,221 | 348,567 | 5,503 |
| Materials and services | 933,756 | 488,475 | 513,126 | 1,001,601 | (67,845) |
| Contingency | 799,444 | - | - | - | 799,444 |
| Total expenditures | <u>2,087,270</u> | <u>554,821</u> | <u>795,347</u> | <u>1,350,168</u> | <u>737,102</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(1,150,000)</u> | <u>127,306</u> | <u>(29,512)</u> | <u>97,794</u> | <u>1,247,794</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | <u>(295,000)</u> | <u>-</u> | <u>(295,000)</u> | <u>(295,000)</u> | <u>-</u> |
| Total other financing sources (uses) | <u>(295,000)</u> | <u>-</u> | <u>(295,000)</u> | <u>(295,000)</u> | <u>-</u> |
| Change in fund balance | (1,445,000) | 127,306 | (324,512) | (197,206) | 1,247,794 |
| Fund balance - beginning | <u>1,445,000</u> | <u>1,591,280</u> | <u>1,718,586</u> | <u>1,591,280</u> | <u>146,280</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ 1,718,586</u> | <u>\$ 1,394,074</u> | <u>\$ 1,394,074</u> | <u>\$ 1,394,074</u> |

BENTON COUNTY, OREGON
TREASURY MANAGEMENT FUND
STATEMENTS OF NET POSITION
June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---|--------------------|------------------|
| ASSETS | | |
| Current assets: | | |
| Prepaid expenses | \$ - | \$ 2,205 |
| Interest receivable | - | 64,637 |
| | <u>-</u> | <u>66,842</u> |
| Total current assets | | |
| | - | 66,842 |
| Capital assets: | | |
| Equipment | 18,495 | 18,495 |
| Accumulated depreciation | (18,495) | (17,570) |
| Total capital assets, net of accumulated depreciation | <u>-</u> | <u>925</u> |
| | - | 925 |
| Total assets | | |
| | <u>-</u> | <u>67,767</u> |
| LIABILITIES | | |
| Current liabilities: | | |
| Accounts payable | 55 | - |
| Total liabilities | <u>55</u> | <u>-</u> |
| | 55 | - |
| DEFERRED INFLOWS OF RESOURCES | | |
| Unavailable revenue-interest receivable | 13,589 | - |
| | <u>13,589</u> | <u>-</u> |
| Total deferred inflows of resources | | |
| | 13,589 | - |
| NET POSITION | | |
| Investment in capital assets | - | 925 |
| Unrestricted | (13,644) | 66,842 |
| | <u>(13,644)</u> | <u>66,842</u> |
| Total net position | | |
| | <u>\$ (13,644)</u> | <u>\$ 67,767</u> |

BENTON COUNTY, OREGON

TREASURY MANAGEMENT FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|---------------------------------------|---------------------------|-------------------------|
| OPERATING REVENUES | | |
| Investment earnings | \$ 393,875 | \$ 345,881 |
| Miscellaneous | <u>608</u> | <u>828</u> |
| Total operating revenues | <u>394,483</u> | <u>346,709</u> |
| OPERATING EXPENSES | | |
| Materials and services | 474,969 | 284,420 |
| Depreciation | <u>925</u> | <u>3,699</u> |
| Total operating expenses | <u>475,894</u> | <u>288,119</u> |
| Operating income (loss) | (81,411) | 58,590 |
| Total net position - beginning | <u>67,767</u> | <u>9,177</u> |
| Total net position - ending | <u><u>\$ (13,644)</u></u> | <u><u>\$ 67,767</u></u> |

BENTON COUNTY, OREGON
TREASURY MANAGEMENT FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2017 and 2016

| | <u>2017</u> | <u>2016</u> |
|--|--------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Investment earnings | \$ 458,512 | \$ 265,426 |
| Miscellaneous | 608 | 828 |
| Payments to suppliers | (21,373) | (25,081) |
| Interest earnings distributed | (437,747) | (259,339) |
| <i>Net cash provided by (used in) operating activities</i> | <u>-</u> | <u>(18,166)</u> |
| | | |
| <i>Cash and cash equivalents - beginning</i> | <u>-</u> | <u>18,166</u> |
| | | |
| <i>Cash and cash equivalents - ending</i> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |
| | | |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | |
| Operating income (loss) | \$ (81,411) | \$ 58,590 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Change in: | | |
| Depreciation/amortization | 925 | 3,699 |
| Receivables | 64,637 | (64,637) |
| Prepays | 2,205 | - |
| Deferred inflows/outflows | 13,589 | (15,818) |
| Payables | 55 | - |
| <i>Net cash provided by (used in) operating activities</i> | <u><u>\$ -</u></u> | <u><u>\$ (18,166)</u></u> |

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

For the Biennium Ended June 30, 2017

| | Budget | Biennium Actuals | | | Variance with Budget |
|--|---------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | Biennium Total | |
| REVENUES | | | | | |
| Miscellaneous | \$ 10,000 | \$ 828 | \$ 608 | \$ 1,436 | \$ (8,564) |
| Interest | 1,000,000 | 345,881 | 395,746 | 741,627 | (258,373) |
| Total revenues | 1,010,000 | 346,709 | 396,354 | 743,063 | (266,937) |
| EXPENDITURES | | | | | |
| General government | | | | | |
| Materials and services | 1,010,000 | 284,420 | 474,969 | 759,389 | 250,611 |
| Total expenditures | 1,010,000 | 284,420 | 474,969 | 759,389 | 250,611 |
| Excess (deficiency) of revenues over (under) expenditures | - | 62,289 | (78,615) | (16,326) | (16,326) |
| Fund balance - beginning | - | 59,788 | 122,077 | 59,788 | 59,788 |
| Fund balance - ending | \$ - | \$ 122,077 | \$ 43,462 | \$ 43,462 | \$ 43,462 |

FIDUCIARY FUNDS

Private-Purpose Trust – 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 – Accounts for the management of tax foreclosed properties.

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

BENTON COUNTY, OREGON
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2017

| | <u>Trust</u> | <u>Tax Title Land</u> | <u>Totals</u> |
|----------------------|-------------------|---------------------------|-------------------|
| ASSETS | | | |
| Cash and investments | \$ 649,735 | \$ 258,670 | \$ 908,405 |
| Total assets | <u>649,735</u> | <u>258,670</u> | <u>908,405</u> |
| LIABILITIES | | | |
| Accounts payable | 23,008 | 752 | 23,760 |
| Other liabilities | <u>3,273</u> | <u>250</u> | <u>3,523</u> |
| Total liabilities | <u>26,281</u> | <u>1,002</u> | <u>27,283</u> |
| NET POSITION | | | |
| <i>Held in trust</i> | <u>\$ 623,454</u> | <u>\$ 257,668</u> | <u>\$ 881,122</u> |

BENTON COUNTY, OREGON**PRIVATE-PURPOSE TRUST FUNDS****COMBINING STATEMENT OF CHANGES IN NET POSITION***For the Year Ended June 30, 2017*

| | <u>Trust</u> | <u>Tax Title Land</u> | <u>Totals</u> |
|---------------------------------|-------------------|---------------------------|-------------------|
| ADDITIONS | | | |
| Contributions: | \$ 125,182 | \$ - | \$ 125,182 |
| Intergovernmental | 48,178 | - | 48,178 |
| Charges for services | 47,414 | 4,428 | 51,842 |
| Tax foreclosure sales | - | 64 | 64 |
| Interest earnings | 8,192 | 3,358 | 11,550 |
| | <u>228,966</u> | <u>7,850</u> | <u>236,816</u> |
| Total additions | | | |
| DEDUCTIONS | | | |
| Personal services | 31,876 | - | 31,876 |
| Materials and services | 222,629 | 55,292 | 277,921 |
| Capital outlay | 177,736 | - | 177,736 |
| | <u>432,241</u> | <u>55,292</u> | <u>487,533</u> |
| Total deductions | | | |
| Change in net position | (203,275) | (47,442) | (250,717) |
| <i>Net position - beginning</i> | <u>826,729</u> | <u>305,110</u> | <u>1,131,839</u> |
| <i>Net position - ending</i> | <u>\$ 623,454</u> | <u>\$ 257,668</u> | <u>\$ 881,122</u> |

BENTON COUNTY, OREGON

TRUST FUND (PRIVATE PURPOSE TRUST)

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

For the Biennium ended June 30, 2017

| | Biennium Budget | Biennium Actuals | | Biennium Total | Variance with Budget |
|--|----------------------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | FY 2016 | FY 2017 | | |
| REVENUES | | | | | |
| Charges for services | \$ 107,400 | \$ 49,420 | \$ 48,854 | \$ 98,274 | \$ (9,126) |
| Intergovernmental | 120,292 | 57,881 | 46,738 | 104,619 | (15,673) |
| Interest | 6,000 | 5,820 | 8,192 | 14,012 | 8,012 |
| Miscellaneous | 485,258 | 449,123 | 125,182 | 574,305 | 89,047 |
| Total revenues | 718,950 | 562,244 | 228,966 | 791,210 | 72,260 |
| EXPENDITURES | | | | | |
| General government | 720 | - | - | - | 720 |
| Public safety | 124,750 | 34,351 | 36,722 | 71,073 | 53,677 |
| Justice services | 138,700 | 42,593 | 36,608 | 79,201 | 59,499 |
| Cultural and educational | 30,100 | 14,404 | 15,696 | 30,100 | - |
| Trust | 983,726 | 194,697 | 318,215 | 512,912 | 470,814 |
| Total expenditures | 1,277,996 | 286,045 | 407,241 | 693,286 | 584,710 |
| Excess (deficiency) of revenues over (under) expenditures | (559,046) | 276,199 | (178,275) | 97,924 | 656,970 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers out | (25,000) | - | (25,000) | (25,000) | - |
| Total other financing sources (uses) | (25,000) | - | (25,000) | (25,000) | - |
| Change in fund balance | (584,046) | 276,199 | (203,275) | 72,924 | 656,970 |
| Fund balance - beginning | 584,046 | 550,530 | 826,729 | 550,530 | (33,516) |
| Fund balance - ending | \$ - | \$ 826,729 | \$ 623,454 | \$ 623,454 | \$ 623,454 |

BENTON COUNTY, OREGON

TAX TITLE LAND FUND (PRIVATE PURPOSE TRUST)

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

For the Biennium ended June 30, 2017

| | <i>Budget</i> | <i>Biennium Actuals</i> | | | <i>Variance with Budget</i> |
|--|---------------|-------------------------|--------------------|---------------------------|---------------------------------|
| | | <i>FY 2016</i> | <i>FY 2017</i> | <i>Biennium Total</i> | |
| REVENUES | | | | | |
| Charges for services | \$ 8,000 | \$ 6,554 | \$ 4,428 | \$ 10,982 | \$ 2,982 |
| Interest | 6,200 | 2,543 | 3,360 | 5,903 | (297) |
| Tax foreclosure sales | 50,000 | 95,662 | 3,895 | 99,557 | 49,557 |
| Total revenues | 64,200 | 104,759 | 11,683 | 116,442 | 52,242 |
| EXPENDITURES | | | | | |
| Materials and services | 78,000 | 12,367 | 55,292 | 67,659 | 10,341 |
| Contingency | 206,200 | - | - | - | 206,200 |
| Total expenditures | 284,200 | 12,367 | 55,292 | 67,659 | 216,541 |
| Excess (deficiency) of revenues over (under) expenditures | (220,000) | 92,392 | (43,609) | 48,783 | 268,783 |
| <i>Fund balance - beginning</i> | 220,000 | 208,885 | 301,277 | 208,885 | (11,115) |
| <i>Fund balance - ending</i> | \$ - | \$ 301,277 | \$ 257,668 | \$ 257,668 | \$ 257,668 |

BENTON COUNTY, OREGON
PROPERTY TAX DISTRIBUTION AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2017

| | <u>Balance</u> <u>July 1, 2016</u> | <u>Increase</u> | <u>Decrease</u> | <u>Balance</u> <u>June 30, 2017</u> |
|------------------------------------|---------------------------------------|------------------------------|------------------------------|--|
| ASSETS | | | | |
| Cash and investments | \$ 193,441 | \$ 336,493,328 | \$ 336,429,397 | \$ 257,372 |
| Accounts receivable | 16,049 | 20,287 | 16,049 | 20,287 |
| Property taxes receivable | 7,221,893 | 104,549,607 | 104,474,550 | 7,296,950 |
| | <u>7,431,383</u> | <u>441,063,222</u> | <u>440,919,996</u> | <u>7,574,609</u> |
| Total assets | <u>\$ 7,431,383</u> | <u>\$ 441,063,222</u> | <u>\$ 440,919,996</u> | <u>\$ 7,574,609</u> |
| LIABILITIES | | | | |
| Due to other governmental agencies | \$ 7,431,383 | \$ 443,252,799 | \$ 443,109,573 | \$ 7,574,609 |
| | <u>7,431,383</u> | <u>443,252,799</u> | <u>443,109,573</u> | <u>7,574,609</u> |
| Total liabilities | <u>\$ 7,431,383</u> | <u>\$ 443,252,799</u> | <u>\$ 443,109,573</u> | <u>\$ 7,574,609</u> |

OTHER FINANCIAL SCHEDULES

BENTON COUNTY, OREGON**SCHEDULE OF BONDS PAYABLE***For the Year Ended June 30, 2017*

| | <u><i>Date of Issue</i></u> | <u><i>Amount of Original Issue</i></u> | <u><i>Balance July 1, 2016</i></u> | <u><i>Bond Issuance</i></u> | <u><i>Bond Maturities</i></u> | <u><i>Balance June 30, 2017</i></u> |
|--|-----------------------------|--|--|---------------------------------|-----------------------------------|---|
| <i>General obligation bonds</i> | | | | | | |
| 2011 Sunset building bonds | 1/6/2011 | \$ 1,700,000 | <u>\$ 800,000</u> | <u>\$ -</u> | <u>\$ 185,000</u> | <u>\$ 615,000</u> |
| <i>Pension obligation bonds</i> | | | | | | |
| 2002 PERS pension bonds | 3/13/2002 | 11,662,750 | 8,667,299 | - | 185,279 | 8,482,020 |
| 2004 PERS pension bonds | 05/27/04 | 7,490,000 | <u>6,705,000</u> | <u>-</u> | <u>255,000</u> | <u>6,450,000</u> |
| <i>Total Pension obligation bonds</i> | | | <u>15,372,299</u> | <u>-</u> | <u>440,279</u> | <u>14,932,020</u> |
| <i>Total all bonds</i> | | | <u><u>\$ 16,172,299</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 625,279</u></u> | <u><u>\$ 15,547,020</u></u> |

BENTON COUNTY, OREGON**SCHEDULE OF BOND INTEREST TRANSACTIONS AND FUTURE MATURITIES***For the Year Ended June 30, 2017*

| | <u>Interest Rates</u> | <u>Balance July 1, 2016</u> | <u>New Debt</u> | <u>Coupons Maturing</u> | <u>Balance June 30, 2017</u> |
|---------------------------------------|---------------------------|---------------------------------|---------------------|-----------------------------|----------------------------------|
| General obligation bonds | | | | | |
| 2011 Sunset building bonds | 2.0% to 5.6% | \$ 111,545 | \$ - | \$ 42,443 | \$ 69,102 |
| Pension obligation bonds | | | | | |
| 2002 PERS pension bonds | 7% | 6,468,039 | - | 907,926 | 5,560,113 |
| 2004 PERS pension bonds | 7% | 3,083,782 | - | 405,722 | 2,678,060 |
| Total pension obligation bonds | | 9,551,821 | - | 1,313,648 | 8,238,173 |
| Total all bonds | | \$ 9,663,366 | \$ - | \$ 1,356,091 | \$ 8,307,275 |

BENTON COUNTY, OREGON**SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS**

June 30, 2017

| <i>Year of Maturity</i> | <i>Sunset building bonds</i> | | <i>PERS Pension Bonds</i> | | <i>Total</i> | |
|-----------------------------|------------------------------|------------------|---------------------------|---------------------|----------------------|---------------------|
| | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> | <i>Principal</i> | <i>Interest</i> |
| 2018 | \$ 195,000 | \$ 33,747 | \$ 494,406 | \$ 1,349,548 | \$ 689,406 | \$ 1,383,295 |
| 2019 | 205,000 | 23,315 | 545,727 | 1,385,108 | 750,727 | 1,408,423 |
| 2020 | 215,000 | 12,040 | 656,887 | 1,367,595 | 871,887 | 1,379,635 |
| 2021 | - | - | 1,255,000 | 864,683 | 1,255,000 | 864,683 |
| 2022 | - | - | 1,440,000 | 782,639 | 1,440,000 | 782,639 |
| 2023 | - | - | 1,635,000 | 688,509 | 1,635,000 | 688,509 |
| 2024 | - | - | 1,855,000 | 581,605 | 1,855,000 | 581,605 |
| 2025 | - | - | 770,000 | 459,746 | 770,000 | 459,746 |
| 2026 | - | - | 2,340,000 | 412,815 | 2,340,000 | 412,815 |
| 2027 | - | - | 2,620,000 | 259,057 | 2,620,000 | 259,057 |
| 2028 | - | - | 1,320,000 | 86,868 | 1,320,000 | 86,868 |
| Total | \$ 615,000 | \$ 69,102 | \$ 14,932,020 | \$ 8,238,173 | \$ 15,547,020 | \$ 8,307,275 |

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

June 30, 2017

| <u>Year of Maturity</u> | <u>Payment Amount</u> | <u>Principal</u> | <u>Interest</u> | <u>Balance</u> |
|-----------------------------|---------------------------|---------------------|---------------------|----------------|
| 2017 | | | | \$ 8,482,020 |
| 2018 | \$ 1,148,204 | \$ 189,406 | \$ 958,798 | 8,292,614 |
| 2019 | 1,203,205 | 190,727 | 1,012,478 | 8,101,887 |
| 2020 | 1,263,206 | 246,887 | 1,016,319 | 7,855,000 |
| 2021 | 1,323,068 | 785,000 | 538,068 | 7,070,000 |
| 2022 | 1,384,295 | 900,000 | 484,295 | 6,170,000 |
| 2023 | 1,447,645 | 1,025,000 | 422,645 | 5,145,000 |
| 2024 | 1,517,433 | 1,165,000 | 352,433 | 3,980,000 |
| 2025 | 272,630 | - | 272,630 | 3,980,000 |
| 2026 | 1,747,630 | 1,475,000 | 272,630 | 2,505,000 |
| 2027 | 1,826,593 | 1,655,000 | 171,593 | 850,000 |
| 2028 | 908,224 | 850,000 | 58,224 | - |
| Total | \$ 14,042,133 | \$ 8,482,020 | \$ 5,560,113 | |

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

June 30, 2017

| <u>Year of Maturity</u> | <u>Payment Amount</u> | <u>Principal</u> | <u>Interest</u> | <u>Balance</u> |
|-----------------------------|---------------------------|---------------------|---------------------|----------------|
| 2017 | | | | \$ 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 | 498,644 | 470,000 | 28,644 | - |
| Total | \$ 9,128,060 | \$ 6,450,000 | \$ 2,678,060 | |

BENTON COUNTY, OREGON

SUNSET BUILDING BOND

DEBT SERVICE SCHEDULE

June 30, 2017

| <u>Year of Maturity</u> | <u>Payment Amount</u> | <u>Principal</u> | <u>Interest</u> | <u>Balance</u> |
|-----------------------------|---------------------------|--------------------------|-------------------------|----------------|
| 2017 | | | | \$ 615,000 |
| 2018 | \$ 228,748 | \$ 195,000 | \$ 33,747 | 420,000 |
| 2019 | 228,315 | 205,000 | 23,315 | 215,000 |
| 2020 | <u>227,040</u> | <u>215,000</u> | <u>12,040</u> | - |
| Total | <u>\$ 684,103</u> | <u>\$ 615,000</u> | <u>\$ 69,102</u> | |

BENTON COUNTY, OREGON

SCHEDULE OF CASH ON HAND AND CASH TRANSACTIONS OF INDEPENDENTLY

ELECTED OFFICIALS

For the Year Ended June 30, 2017

There is no cash on hand or cash transactions of independently elected officials for fiscal year ending June 30, 2017.

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2017

| <i>Fund/Appropriation</i> | <i>Biennium</i> | | <i>Variance with Budget</i> |
|-----------------------------------|-------------------|-------------------|-----------------------------|
| | <i>Budget</i> | <i>Actuals</i> | |
| General | | | |
| General government | \$ 15,352,360 | \$ 14,395,740 | \$ 956,620 |
| Public safety | 23,632,334 | 22,886,946 | 745,388 |
| Health services | 24,815,994 | 21,136,754 | 3,679,240 |
| Justice services | 9,539,713 | 8,287,833 | 1,251,880 |
| Community services | 541,478 | 419,252 | 122,226 |
| Cultural and educational services | 1,272,907 | 1,272,906 | 1 |
| Parks and natural resources | 2,283,766 | 2,177,175 | 106,591 |
| Contingency | 2,256,969 | - | 2,256,969 |
| Interfund loans and transfers | 5,899,691 | 5,899,690 | 1 |
| | <u>85,595,212</u> | <u>76,476,296</u> | <u>9,118,916</u> |
| Road | | | |
| Public works | 16,180,356 | 14,947,781 | 1,232,575 |
| Contingency | 2,083,727 | - | 2,083,727 |
| | <u>18,264,083</u> | <u>14,947,781</u> | <u>3,316,302</u> |
| County school | | | |
| Cultural and educational services | 660,000 | 643,509 | 16,491 |
| Fair | | | |
| Cultural and educational services | 2,071,476 | 2,039,386 | 32,090 |
| Contingency | 35,000 | - | 35,000 |
| | <u>2,106,476</u> | <u>2,039,386</u> | <u>67,090</u> |
| Library service district | | | |
| Cultural and educational services | 5,418,591 | 5,333,590 | 85,001 |
| Land corner preservation | | | |
| Public works | 233,329 | 194,472 | 38,857 |
| Contingency | 111,145 | - | 111,145 |
| | <u>344,474</u> | <u>194,472</u> | <u>150,002</u> |
| Block grant | | | |
| Community services | 268,800 | 3,113 | 265,687 |
| Oregon health plan | | | |
| Health services | 4,634,300 | 4,629,487 | 4,813 |
| Interfund transfers | 2,350,035 | 2,350,035 | - |
| Contingency | 649,965 | - | 649,965 |
| | <u>7,634,300</u> | <u>6,979,522</u> | <u>654,778</u> |
| Court security | | | |
| Public safety | 187,000 | 112,494 | 74,506 |
| Local option levy | | | |
| General government | 3,104,562 | 4,211 | 3,100,351 |
| Public safety | 7,245,754 | 6,982,427 | 263,327 |
| Health services | 740,638 | 709,740 | 30,898 |
| Justice services | 1,164,188 | 1,103,490 | 60,698 |
| Interfund loans and transfers | 4,108,786 | 4,108,786 | - |
| | <u>16,363,928</u> | <u>12,908,654</u> | <u>3,455,274</u> |
| Special transportation | | | |
| Community services | 2,888,777 | 2,521,175 | 367,602 |
| Contingency | 197,054 | - | 197,054 |
| | <u>3,085,831</u> | <u>2,521,175</u> | <u>564,656</u> |
| Title III projects | | | |
| General government | 55,500 | 32,792 | 22,708 |

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS, continued

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2017

| <i>Fund/Appropriation</i> | <i>Biennium</i> | | <i>Variance with Budget</i> |
|------------------------------------|-------------------|-------------------|-----------------------------|
| | <i>Budget</i> | <i>Actual</i> | |
| Cemetery operations | | | |
| General government | \$ 88,588 | \$ 87,342 | \$ 1,246 |
| Contingency | 42,612 | - | 42,612 |
| Interfund loans and transfers out | 12,000 | 12,000 | - |
| | <u>143,200</u> | <u>99,342</u> | <u>43,858</u> |
| Debt service | | | |
| Debt service | 3,435,300 | 3,431,929 | 3,371 |
| General capital improvement | | | |
| Capital improvement | 1,369,083 | 1,138,258 | 230,825 |
| Building development | | | |
| Capital improvement | 2,575,000 | 482,029 | 2,092,971 |
| Health center | | | |
| Health services | 27,167,091 | 26,814,899 | 352,192 |
| Transfers out | 987,865 | 987,865 | - |
| Contingency | 3,058,487 | - | 3,058,487 |
| | <u>31,213,443</u> | <u>27,802,764</u> | <u>3,410,679</u> |
| Enterprise operations | | | |
| General government | 105,250 | 92,927 | 12,323 |
| Parks & natural resouces | 82,768 | 52,511 | 30,257 |
| Transfers out | 90,000 | 90,000 | - |
| Debt service | 231,715 | 229,078 | 2,637 |
| Contingency | 85,543 | - | 85,543 |
| | <u>595,276</u> | <u>464,516</u> | <u>130,760</u> |
| East Linn clinic | | | |
| Health services | 6,538,498 | 4,997,112 | 1,541,386 |
| Contingency | 529,000 | - | 529,000 |
| | <u>7,067,498</u> | <u>4,997,112</u> | <u>2,070,386</u> |
| Intergovernmental service | | | |
| General government | 13,898,721 | 12,956,653 | 942,068 |
| Debt service | 637,628 | 457,624 | 180,004 |
| Contingency | 1,087,384 | - | 1,087,384 |
| | <u>15,623,733</u> | <u>13,414,277</u> | <u>2,209,456</u> |
| Management services | | | |
| General government | 8,016,763 | 7,540,416 | 476,347 |
| Contingency | 236,229 | - | 236,229 |
| | <u>8,252,992</u> | <u>7,540,416</u> | <u>712,576</u> |
| Health management services | | | |
| Health services | 7,791,372 | 7,635,441 | 155,931 |
| Contingency | 95,018 | - | 95,018 |
| | <u>7,886,390</u> | <u>7,635,441</u> | <u>250,949</u> |
| Employee benefits trust | | | |
| General government | 1,287,826 | 1,350,168 | (62,342) |
| Contingency | 799,444 | - | 799,444 |
| Interfund loans and transfers | 295,000 | 295,000 | - |
| | <u>2,382,270</u> | <u>1,645,168</u> | <u>737,102</u> |

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS, continued

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2017

| <i>Fund</i> | <i>Biennium</i> | | <i>Variance with Budget</i> |
|-------------------------------|------------------|----------------|---------------------------------|
| | <i>Budget</i> | <i>Actual</i> | |
| Treasury management | | | |
| General government | \$ 1,010,000 | \$ 759,389 | \$ 250,611 |
| Tax title land | | | |
| General government | 78,000 | 67,659 | 10,341 |
| Contingency | 206,200 | - | 206,200 |
| | <u>284,200</u> | <u>67,659</u> | <u>216,541</u> |
| Trust | | | |
| Expendable trusts | 1,277,996 | 693,286 | 584,710 |
| Interfund loans and transfers | 25,000 | 25,000 | - |
| | <u>1,302,996</u> | <u>718,286</u> | <u>584,710</u> |

STATISTICAL SECTION

This section of the comprehensive annual financial report presents detailed information as a context for understanding what the financial statements, note disclosures, and required supplementary information say about the County's overall financial health.

| Contents | Page |
|---|-------------|
| Financial Trends | 175-179 |
| <i>These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i> | |
| Revenue Capacity | 180-184 |
| <i>These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.</i> | |
| Debt Capacity | 185-189 |
| <i>These schedules present information to help the reader assess the affordability of the County's current level of outstanding debt and the County's ability to issue debt in the future.</i> | |
| Demographic and Economic Information | 190-192 |
| <i>These schedules present information to help the reader understand the environment within which the County's financial activities take place.</i> | |
| Operating Information | 193-195 |
| <i>These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i> | |

BENTON COUNTY, OREGON

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

| | <i>Fiscal Year</i> | | | | | | | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 156,896,506 | \$ 156,021,588 | \$ 154,462,134 | \$ 152,679,953 | \$ 153,090,589 | \$ 156,168,532 | \$ 155,842,941 | \$ 155,313,597 | \$ 152,092,865 | \$ 152,931,025 |
| Restricted | 8,378,244 | 7,371,937 | 6,560,693 | 6,466,464 | 6,404,796 | 7,233,315 | 10,078,229 | 1,353,403 | 505,115 | 1,373,720 |
| Unrestricted | 11,121,171 | 14,485,428 | 16,087,602 | 16,000,448 | 16,881,425 | 12,521,618 | 13,171,392 | 7,523,429 | (1,117,369) | (3,485,029) |
| <i>Total governmental activities net position</i> | <u>\$ 176,395,921</u> | <u>\$ 177,878,953</u> | <u>\$ 177,110,429</u> | <u>\$ 175,146,865</u> | <u>\$ 176,376,810</u> | <u>\$ 175,923,465</u> | <u>\$ 179,092,562</u> | <u>\$ 164,190,429</u> | <u>\$ 151,480,611</u> | <u>\$ 150,819,716</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 3,239,364 | \$ 3,173,327 | \$ 3,860,192 | \$ 3,791,252 | \$ 3,836,999 | \$ 3,799,473 | \$ 3,854,493 | \$ 3,837,572 | \$ 3,971,366 | \$ 4,095,472 |
| Restricted | - | - | - | - | 158,864 | 69,924 | - | - | - | - |
| Unrestricted | 409,936 | 1,128,866 | 165,612 | 155,050 | 410,044 | - | (1,220,217) | (594,620) | (1,921,691) | (1,677,943) |
| <i>Total business-type activities net position</i> | <u>\$ 3,649,300</u> | <u>\$ 4,302,193</u> | <u>\$ 4,025,804</u> | <u>\$ 3,946,302</u> | <u>\$ 4,405,907</u> | <u>\$ 3,869,397</u> | <u>\$ 2,634,276</u> | <u>\$ 3,242,952</u> | <u>\$ 2,049,675</u> | <u>\$ 2,417,529</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 160,135,870 | \$ 159,194,915 | \$ 158,322,326 | \$ 156,471,205 | \$ 156,927,588 | \$ 159,968,005 | \$ 159,697,434 | \$ 159,151,169 | \$ 156,064,231 | \$ 157,026,497 |
| Restricted | 8,378,244 | 7,371,937 | 6,560,693 | 6,466,464 | 6,563,660 | 7,303,239 | 10,078,229 | 1,353,403 | 505,115 | 1,151,086 |
| Unrestricted | 11,531,107 | 15,614,294 | 16,253,214 | 16,155,498 | 17,291,469 | 12,521,618 | 11,951,175 | 6,928,809 | (3,039,060) | (3,262,395) |
| <i>Total primary government net position</i> | <u>\$ 180,045,221</u> | <u>\$ 182,181,146</u> | <u>\$ 181,136,233</u> | <u>\$ 179,093,167</u> | <u>\$ 180,782,717</u> | <u>\$ 179,792,862</u> | <u>\$ 181,726,838</u> | <u>\$ 167,433,381</u> | <u>\$ 153,530,286</u> | <u>\$ 154,915,188</u> |

BENTON COUNTY, OREGON

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenses | | | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | | | |
| General Government | \$ 5,995,490 | \$ 6,083,054 | \$ 5,488,294 | \$ 5,974,241 | \$ 5,660,555 | \$ 6,031,263 | \$ 5,846,712 | \$ 4,976,140 | \$ 8,743,552 | \$ 7,088,751 |
| Public Safety | 9,314,042 | 10,338,460 | 11,195,709 | 13,460,495 | 12,168,468 | 13,335,832 | 13,736,386 | 12,499,917 | 15,575,923 | 15,138,217 |
| Public Works | 7,932,117 | 7,612,696 | 7,110,962 | 7,200,818 | 7,985,526 | 7,476,465 | 6,969,781 | 5,617,078 | 10,604,985 | 7,518,882 |
| Health Services | 8,214,487 | 8,448,774 | 8,405,362 | 8,661,889 | 8,781,340 | 9,940,966 | 10,583,124 | 9,139,022 | 14,318,572 | 13,411,111 |
| Justice Services | 3,559,078 | 4,162,405 | 4,625,489 | 4,438,804 | 4,169,027 | 4,517,889 | 4,265,765 | 3,525,885 | 5,318,078 | 4,704,142 |
| Community Services | 2,327,565 | 2,143,131 | 1,618,529 | 1,889,082 | 1,758,078 | 1,911,830 | 1,871,668 | 1,588,730 | 1,593,336 | 1,657,488 |
| Cultural & Educational | 3,875,346 | 3,489,717 | 3,944,696 | 4,129,899 | 4,061,012 | 4,093,227 | 3,959,851 | 4,028,555 | 6,849,860 | 4,861,848 |
| Animal Control** | 212,025 | 182,522 | - | - | - | - | - | - | - | - |
| Parks and natural resources | 841,688 | 1,228,293 | 1,037,999 | 997,588 | 821,451 | 874,587 | 1,057,516 | 841,117 | 1,129,044 | 1,045,230 |
| Interest on long-term debt | 1,058,837 | 1,070,434 | 1,089,561 | 1,259,880 | 1,251,396 | 1,292,619 | 1,272,135 | 1,303,125 | 1,326,390 | 1,353,095 |
| Total governmental activities | <u>43,330,675</u> | <u>44,759,486</u> | <u>44,516,601</u> | <u>48,012,696</u> | <u>46,656,853</u> | <u>49,474,678</u> | <u>49,562,938</u> | <u>43,519,569</u> | <u>65,459,740</u> | <u>56,778,764</u> |
| <i>Business-type activities:</i> | | | | | | | | | | |
| Water and sewer | 201,002 | 204,097 | 208,614 | 204,597 | 207,315 | 196,496 | 205,105 | 180,896 | 176,301 | 190,860 |
| Health Services | 7,212,117 | 7,879,739 | 8,561,927 | 9,919,857 | 10,540,489 | 10,849,132 | 11,800,869 | 11,836,365 | 16,761,492 | 17,967,676 |
| Real estate rental | 180,059 | 114,954 | 149,369 | 175,949 | 168,918 | 135,238 | 263,085 | 57,209 | 63,332 | 58,081 |
| Total business-type activities | <u>7,593,178</u> | <u>8,198,790</u> | <u>8,919,910</u> | <u>10,300,403</u> | <u>10,916,722</u> | <u>11,180,866</u> | <u>12,269,059</u> | <u>12,074,470</u> | <u>17,001,125</u> | <u>18,216,617</u> |
| Total expenses | <u>\$ 50,923,853</u> | <u>\$ 52,958,276</u> | <u>\$ 53,436,511</u> | <u>\$ 58,313,099</u> | <u>\$ 57,573,575</u> | <u>\$ 60,655,544</u> | <u>\$ 61,831,997</u> | <u>\$ 55,594,039</u> | <u>\$ 82,460,865</u> | <u>\$ 74,995,381</u> |
| Program Revenues | | | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | | | |
| <i>Charges for services</i> | | | | | | | | | | |
| General government | \$ 2,585,399 | \$ 1,152,423 | \$ 392,662 | \$ 870,803 | \$ 639,669 | \$ 620,195 | \$ 2,048,709 | \$ 597,107 | \$ 631,958 | \$ 1,998,976 |
| Public safety | 83,975 | 162,018 | 436,469 | 386,503 | 333,937 | 383,639 | 231,320 | 509,904 | 372,932 | 172,919 |
| Public works | 1,168,813 | 885,287 | 1,101,095 | 898,775 | 1,220,387 | 957,208 | 657,668 | 1,216,642 | 1,323,450 | 894,304 |
| Health services | 472,173 | 530,300 | 694,000 | 698,137 | 755,497 | 790,090 | 279,957 | 882,893 | 908,068 | 647,236 |
| Cultural & educational | 613,814 | 584,750 | 589,883 | 616,365 | 603,482 | 659,469 | 622,872 | 649,993 | 575,172 | 635,425 |
| Other activities | 632,023 | 608,067 | 574,378 | 657,808 | 628,654 | 772,922 | 731,709 | 749,258 | 754,632 | 530,513 |
| Operating grants and contributions | 18,346,695 | 15,466,732 | 15,360,470 | 16,553,564 | 18,317,824 | 17,997,624 | 20,285,957 | 18,445,198 | 21,758,583 | 22,913,448 |
| Capital grants and contributions | 1,005,203 | 1,389,700 | 1,524,618 | 1,687,754 | 2,253,077 | 3,443,181 | 3,044,492 | 637,000 | - | - |
| Total governmental activities | <u>24,908,095</u> | <u>20,779,277</u> | <u>20,673,575</u> | <u>22,369,709</u> | <u>24,752,527</u> | <u>25,624,328</u> | <u>27,902,684</u> | <u>23,687,995</u> | <u>26,324,795</u> | <u>27,792,821</u> |
| <i>Business-type activities:</i> | | | | | | | | | | |
| Charges for services | 3,789,311 | 5,005,555 | 3,834,036 | 5,703,747 | 5,976,448 | 6,165,678 | 6,517,918 | 10,064,536 | 10,057,144 | 11,087,484 |
| Operating grants and contributions | 2,656,297 | 2,854,493 | 3,345,381 | 3,283,512 | 3,833,903 | 3,219,578 | 3,604,780 | 4,341,380 | 4,528,785 | 5,641,079 |
| Capital grants and contributions | - | 31,602 | 413,417 | - | - | 12,986 | - | - | - | - |
| Total business-type activities | <u>6,445,608</u> | <u>7,891,650</u> | <u>7,592,834</u> | <u>8,987,259</u> | <u>9,810,351</u> | <u>9,398,242</u> | <u>10,122,698</u> | <u>14,405,916</u> | <u>14,585,929</u> | <u>16,728,563</u> |
| Total program revenues | <u>\$ 31,353,703</u> | <u>\$ 28,670,927</u> | <u>\$ 28,266,409</u> | <u>\$ 31,356,968</u> | <u>\$ 34,562,878</u> | <u>\$ 35,022,570</u> | <u>\$ 38,025,382</u> | <u>\$ 38,093,911</u> | <u>\$ 40,910,724</u> | <u>\$ 44,521,384</u> |
| Net (Expense)/Revenue: | | | | | | | | | | |
| Governmental activities | \$ (18,422,580) | \$ (23,980,209) | \$ (23,843,026) | \$ (25,642,987) | \$ (21,904,326) | \$ (23,850,350) | \$ (21,660,254) | \$ (19,831,574) | \$ (39,134,945) | \$ (28,985,943) |
| Business-type activities | (1,147,570) | (307,140) | (1,327,076) | (1,313,144) | (1,106,371) | (1,782,624) | (2,146,361) | 2,331,446 | (2,415,196) | (1,488,054) |
| Total net expense | <u>\$ (19,570,150)</u> | <u>\$ (24,287,349)</u> | <u>\$ (25,170,102)</u> | <u>\$ (26,956,131)</u> | <u>\$ (23,010,697)</u> | <u>\$ (25,632,974)</u> | <u>\$ (23,806,615)</u> | <u>\$ (17,500,128)</u> | <u>\$ (41,550,141)</u> | <u>\$ (30,473,997)</u> |

(continued)

BENTON COUNTY, OREGON
CHANGES IN NET POSITION
Last Ten Fiscal Years

(accrual basis of accounting)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|------------------------------|-----------------------------|------------------------------|------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|-----------------------------|
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | | | |
| Property taxes | \$ 16,522,469 | \$ 15,777,749 | \$ 19,637,761 | \$ 20,739,324 | \$ 21,627,730 | \$ 22,420,622 | \$ 22,300,341 | \$ 24,800,396 | \$ 24,870,659 | \$ 26,935,903 |
| Interest and investment earnings | 1,081,341 | 477,069 | 199,615 | 149,574 | 340,985 | 390,339 | 409,691 | 319,390 | 546,093 | 340,702 |
| Unrestricted grants and contributions | 335,464 | 10,142,867 | 4,276,211 | 4,017,614 | 2,413,947 | 1,796,791 | 2,681,602 | 2,754,639 | 1,952,954 | 2,528,484 |
| Transfers | (985,589) | (934,444) | (1,039,085) | (1,227,089) | (1,248,391) | (1,210,747) | (562,283) | (921,692) | (944,579) | (1,480,041) |
| Total general revenues, transfers and special items | <u>16,953,685</u> | <u>25,463,241</u> | <u>23,074,502</u> | <u>23,679,423</u> | <u>23,134,271</u> | <u>23,397,005</u> | <u>24,829,351</u> | <u>26,952,733</u> | <u>26,425,127</u> | <u>28,325,048</u> |
| <i>Business-type activities:</i> | | | | | | | | | | |
| Property taxes | 35,915 | - | - | - | - | - | - | - | - | - |
| Interest and investment earnings | 30,383 | 22,397 | 11,602 | 6,553 | 6,758 | 10,820 | 7,619 | 6,678 | 20,691 | 50,784 |
| Unrestricted grants and contributions | - | 3,192 | - | - | 310,827 | 24,547 | 341,338 | 229,945 | 256,649 | 325,083 |
| Transfers | 985,589 | 934,444 | 1,039,085 | 1,227,089 | 1,248,391 | 1,210,747 | 562,283 | 921,692 | 944,579 | 1,480,041 |
| Total business-type activities | <u>1,051,887</u> | <u>960,033</u> | <u>1,050,687</u> | <u>1,233,642</u> | <u>1,565,976</u> | <u>1,246,114</u> | <u>911,240</u> | <u>1,158,315</u> | <u>1,221,919</u> | <u>1,855,908</u> |
| Total primary government | <u>\$ 18,005,572</u> | <u>\$ 26,423,274</u> | <u>\$ 24,125,189</u> | <u>\$ 24,913,065</u> | <u>\$ 24,700,247</u> | <u>\$ 24,643,119</u> | <u>\$ 25,740,591</u> | <u>\$ 28,111,048</u> | <u>\$ 27,647,046</u> | <u>\$ 30,180,956</u> |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | \$ (1,468,895) | \$ 1,483,032 | \$ (768,524) | \$ (1,963,564) | \$ 1,229,945 | \$ (453,345) | \$ 3,169,097 | \$ 7,121,159 | \$ (12,709,818) | \$ (660,895) |
| Business-type activities | (95,683) | 652,893 | (276,389) | (79,502) | 459,605 | (536,510) | (1,235,121) | 3,489,761 | (1,193,277) | 367,854 |
| Total change in net position | <u>\$ (1,564,578)</u> | <u>\$ 2,135,925</u> | <u>\$ (1,044,913)</u> | <u>\$ (2,043,066)</u> | <u>\$ 1,689,550</u> | <u>\$ (989,855)</u> | <u>\$ 1,933,976</u> | <u>\$ 10,610,920</u> | <u>\$ (13,903,095)</u> | <u>\$ (293,041)</u> |

** Discontinued program in 2009

BENTON COUNTY, OREGON
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | 2008 | 2009 | 2010 | 2011** | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 23,589 | \$ 74,810 | \$ 46,367 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 12,112,411 | 10,580,970 | 9,327,049 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 38,392 | 27,261 | 108,108 | 154,272 | 65,488 | 112,434 | 123,974 |
| Unassigned | - | - | - | 9,689,403 | 11,641,085 | 11,343,422 | 11,903,602 | 12,490,872 | 11,483,676 | 12,401,389 |
| Total general fund | \$ 12,136,000 | \$ 10,655,780 | \$ 9,373,416 | \$ 9,727,795 | \$ 11,668,346 | \$ 11,451,530 | \$ 12,057,874 | \$ 12,556,360 | \$ 11,596,110 | \$ 12,525,363 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 2,852,175 | \$ 3,094,725 | \$ 3,588,974 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved reported in: | | | | | | | | | | |
| Special revenue funds | 5,562,402 | 9,387,243 | 10,961,972 | - | - | - | - | - | - | - |
| Nonspendable | - | - | - | 1,916,578 | 1,867,407 | 716,170 | 610,637 | 361,237 | 263,639 | 271,596 |
| Restricted | - | - | - | 3,668,409 | 2,725,606 | 3,447,211 | 2,794,059 | 6,661,975 | 6,722,909 | 6,801,273 |
| Committed | - | - | - | 8,883,147 | 8,605,498 | 8,393,188 | 10,555,068 | 7,540,101 | 7,916,865 | 5,357,716 |
| Assigned | - | - | - | 895 | 899 | 903 | 909 | 914 | 921 | 931 |
| Unassigned | - | - | - | (136,263) | (150,767) | (23,629) | (58,603) | (13,769) | - | - |
| Total all other governmental funds | \$ 8,414,577 | \$ 12,481,968 | \$ 14,550,946 | \$ 14,332,766 | \$ 13,048,643 | \$ 12,533,843 | \$ 13,902,070 | \$ 14,550,458 | \$ 14,904,334 | \$ 12,431,516 |

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

BENTON COUNTY, OREGON
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|---|---------------------|---------------------|-------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| Revenues | | | | | | | | | | |
| Taxes and assessments | \$ 16,505,930 | \$ 20,817,693 | \$ 19,448,143 | \$ 20,699,795 | \$ 21,648,477 | \$ 22,040,850 | \$ 22,000,823 | \$ 24,396,994 | \$ 25,309,016 | \$ 26,770,764 |
| Licenses and permits | 1,459,885 | 1,376,143 | 1,449,657 | 1,234,550 | 1,269,629 | 1,237,166 | 1,389,790 | 1,557,590 | 1,633,440 | 2,045,972 |
| Fines | 438 | 350 | 880 | 204 | 150 | 6,243 | 125 | - | - | - |
| Charges for services | 5,336,417 | 5,076,303 | 4,996,002 | 5,068,301 | 5,404,131 | 5,442,001 | 5,782,684 | 6,024,288 | 5,976,807 | 6,403,918 |
| Intergovernmental | 19,146,945 | 19,980,677 | 19,316,038 | 20,428,636 | 19,908,995 | 21,813,385 | 24,337,917 | 19,945,363 | 21,758,583 | 22,913,448 |
| Interest earnings | 1,081,341 | 477,069 | 186,329 | 180,135 | 118,175 | 174,574 | 197,630 | 138,970 | 213,231 | 366,111 |
| Miscellaneous | 570,461 | 253,706 | 377,416 | 472,021 | 1,884,325 | 203,917 | 306,916 | 443,601 | 377,905 | 492,658 |
| Total Revenues | 44,101,417 | 47,981,941 | 45,774,465 | 48,083,642 | 50,233,882 | 50,918,136 | 54,015,885 | 52,506,806 | 55,268,982 | 58,992,871 |
| Expenditures | | | | | | | | | | |
| <i>Current:</i> | | | | | | | | | | |
| General government | 5,652,011 | 5,740,372 | 5,423,514 | 6,036,261 | 6,215,265 | 6,288,843 | 6,219,191 | 6,310,009 | 6,947,441 | 6,774,887 |
| Public works | 6,952,944 | 7,389,515 | 4,649,132 | 4,504,956 | 4,741,839 | 5,219,542 | 5,413,965 | 5,490,363 | 5,794,025 | 7,897,224 |
| Public safety | 7,718,476 | 8,756,196 | 11,010,726 | 11,821,582 | 12,487,004 | 12,936,508 | 12,913,561 | 13,472,529 | 14,168,442 | 14,945,036 |
| Health services | 8,454,002 | 8,585,535 | 8,733,928 | 9,037,982 | 9,676,017 | 9,953,018 | 11,243,590 | 10,909,694 | 12,711,979 | 13,483,683 |
| Justice services | 3,375,050 | 4,105,520 | 4,259,393 | 4,325,385 | 4,333,394 | 4,427,537 | 4,395,081 | 4,265,584 | 4,432,964 | 4,709,226 |
| Community services | 2,412,342 | 2,034,672 | 1,490,571 | 1,876,556 | 1,833,553 | 1,821,025 | 1,865,303 | 1,596,301 | 1,502,346 | 1,445,586 |
| Cultural and educational services | 3,940,814 | 3,955,956 | 3,943,098 | 4,248,516 | 4,092,907 | 4,094,072 | 3,996,378 | 4,094,562 | 4,452,586 | 4,817,469 |
| Animal control ^(a) | 213,167 | 182,978 | - | - | - | - | - | - | - | - |
| Parks and natural resources | 918,559 | 1,132,592 | 990,241 | 895,829 | 849,876 | 831,591 | 983,652 | 926,330 | 1,046,319 | 1,071,465 |
| <i>Debt service:</i> | | | | | | | | | | |
| Principal | 253,376 | 425,949 | 162,877 | 199,292 | 235,781 | 272,775 | 895,246 | 568,177 | 397,200 | 440,278 |
| Interest | 1,058,837 | 1,070,434 | 1,089,561 | 1,116,919 | 1,151,073 | 1,199,152 | 1,222,784 | 1,247,430 | 1,279,129 | 1,313,622 |
| <i>Capital Outlay</i> | 376,694 | 652,716 | 2,030,739 | 2,432,855 | 2,788,140 | 3,559,870 | 3,404,841 | 1,591,094 | 2,225,278 | 595,760 |
| Total expenditures | 41,326,272 | 44,032,435 | 43,783,780 | 46,496,133 | 48,404,849 | 50,603,933 | 52,553,592 | 50,472,073 | 54,957,709 | 57,494,236 |
| Excess of revenues over (under) expenditures | 2,775,145 | 3,949,506 | 1,990,685 | 1,587,509 | 1,829,033 | 314,203 | 1,462,293 | 2,034,733 | 311,273 | 1,498,635 |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Loans/bond sales/leases | 10,646 | - | - | - | - | - | - | - | - | 40,016 |
| Transfers in | 2,746,114 | 3,913,716 | 4,166,367 | 4,996,420 | 5,646,070 | 5,357,154 | 4,276,124 | 4,636,445 | 4,991,066 | 7,605,518 |
| Transfers out | (2,908,163) | (5,276,051) | (5,370,438) | (6,283,634) | (6,794,412) | (6,427,235) | (4,558,686) | (5,524,304) | (5,908,714) | (10,687,764) |
| Total other financing sources (uses) | (151,403) | (1,362,335) | (1,204,071) | (1,287,214) | (1,148,342) | (1,070,081) | (282,562) | (887,859) | (917,648) | (3,042,230) |
| Net change in fund balances | \$ 2,623,742 | \$ 2,587,171 | \$ 786,614 | \$ 300,295 | \$ 680,691 | \$ (755,878) | \$ 1,179,731 | \$ 1,146,874 | \$ (606,375) | \$ (1,543,595) |
| Debt service as a percentage of noncapital expenditures | 3.38% | 3.71% | 3.08% | 3.21% | 3.13% | 3.21% | 4.55% | 3.88% | 3.27% | 3.23% |
| Addition to capital assets | \$ 2,542,711 | \$ 3,748,132 | \$ 3,159,048 | \$ 5,450,165 | \$ 4,112,684 | \$ 4,695,475 | \$ 5,987,761 | \$ 3,685,469 | \$ 3,697,672 | \$ 3,134,970 |

(a) Animal Control discontinued in FY 2009

BENTON COUNTY, OREGON

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

Last Ten Fiscal Years

| <i>Fiscal Yr Ended June 30,</i> | <i>Residential Property</i> | <i>Commercial Industrial Property</i> | <i>Tract Property</i> | <i>EFU/Non EFU Farm Property</i> | <i>Forest Property</i> | <i>Miscellaneous Property</i> | <i>Total Taxable Assessed Value</i> | <i>Total Direct Tax Rate</i> | <i>Estimated Actual Taxable Value</i> | <i>Assessed Value^(c) as a Percentage of Actual Value</i> |
|---|---------------------------------|---|---------------------------|--|----------------------------|-----------------------------------|---|--------------------------------------|---|---|
| 2017 | \$ 4,009,504,267 | \$ 1,170,083,432 | \$ 1,209,957,709 | \$ 343,035,792 | \$ 290,083,324 | \$ 975,577,166 | \$ 7,998,241,690 | \$ 3.1052 | \$ 10,549,021,721 | 75.82% |
| 2016 | 3,868,296,385 | 1,088,637,956 | 1,177,722,577 | 328,361,175 | 277,867,521 | 860,207,637 | 7,601,093,251 | 3.1052 | 10,037,212,708 | 75.73% |
| 2015 | 3,733,789,432 | 1,084,423,467 | 1,141,735,842 | 316,386,578 | 267,556,405 | 824,206,058 | 7,368,097,782 | 3.1052 | 9,380,669,703 | 78.55% |
| 2014 | 3,604,466,322 | 1,019,221,673 | 1,104,133,571 | 305,844,517 | 258,037,369 | 788,604,970 | 7,080,308,422 | 3.1052 | 9,318,725,836 | 75.98% |
| 2013 | 3,502,005,751 | 1,079,185,246 | 1,072,155,187 | 296,149,659 | 258,002,290 | 732,934,791 | 6,940,432,924 | 2.9665 | 8,820,036,502 | 78.69% |
| 2012 | 3,300,652,684 | 1,492,787,943 | 1,012,248,673 | 281,844,128 | 248,193,954 | 572,464,569 | 6,908,191,951 | 2.8852 | 9,435,565,562 | 73.21% |
| 2011 | 3,194,815,220 | 1,438,082,269 | 979,673,997 | 272,747,621 | 241,438,173 | 557,493,492 | 6,684,250,772 | 2.8452 | 9,475,693,402 | 70.54% |
| 2010 | 3,165,722,147 | 1,179,585,679 | 968,859,589 | 271,985,198 | 236,682,116 | 555,723,379 | 6,378,558,108 | 2.7952 | 9,888,538,348 | 64.50% |
| 2009 | 3,065,642,070 | 1,175,145,566 | 920,423,064 | 259,908,026 | 224,554,560 | 548,090,430 | 6,193,763,716 | 3.1052 | 9,896,171,431 | 62.59% |
| 2008 | 2,889,510,212 | 1,182,963,837 | 881,358,774 | 247,416,012 | 208,803,396 | 513,215,731 | 5,923,267,962 | 2.4652 | 9,125,470,608 | 64.91% |

- (a) Actual Values are established by the County Assessor by July 1 of each year.
- (b) The passage of Measure 50 required property values to be rolled back to 1995-96 value less 10%. Other than new construction, the assessed value can increase by a maximum of 3% annually.
- (c) Includes tax-exempt property.

BENTON COUNTY, OREGON

AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS

(per \$1,000 of Assessed Value)

Last Ten Fiscal Years

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| County Direct Rates | | | | | | | | | | |
| General | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 | \$ 2.2052 |
| Local Option | 0.2600 | 0.9000 | 0.5900 | 0.6400 | 0.6800 | 0.7613 | 0.9000 | 0.9000 | 0.9000 | 0.9000 |
| Total direct rate | <u>\$ 2.4652</u> | <u>\$ 3.1052</u> | <u>\$ 2.7952</u> | <u>\$ 2.8452</u> | <u>\$ 2.8852</u> | <u>\$ 2.9665</u> | <u>\$ 3.1052</u> | <u>\$ 3.1052</u> | <u>\$ 3.1052</u> | <u>\$ 3.1052</u> |
| City and Town Rates | | | | | | | | | | |
| Adair Village | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 | \$ 2.5894 |
| Albany | 7.8618 | 7.1726 | 7.1379 | 7.1222 | 7.5155 | 7.4974 | 7.6592 | 7.5890 | 7.5175 | 7.5624 |
| Corvallis | 5.6219 | 5.6448 | 5.6251 | 5.5939 | 5.5567 | 5.5567 | 5.8369 | 6.1893 | 6.1755 | 6.1755 |
| Monroe | 4.7815 | 4.7864 | 4.6690 | 6.8640 | 7.1100 | 7.1666 | 6.9925 | 6.8742 | 7.1317 | 7.1317 |
| Philomath | 4.8314 | 4.8493 | 4.8518 | 4.8238 | 4.8283 | 4.8082 | 4.7925 | 4.7996 | 4.7918 | 5.3005 |
| School District Rates | | | | | | | | | | |
| Linn-Benton ESD | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 | 0.3049 |
| Willamette Region ESD | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 | 0.2967 |
| Greater Albany SD8 | 6.1657 | 6.2036 | 6.2304 | 6.2160 | 6.1893 | 6.2006 | 6.3161 | 6.3172 | 6.3172 | 6.0817 |
| Alsea SD7 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 | 5.0811 |
| Central School 13J | 8.3134 | 8.2674 | 8.1169 | 8.0909 | 8.0870 | 8.1229 | 8.0697 | 8.4158 | 7.9951 | 8.3445 |
| Central Linn SD | 5.0361 | 5.2137 | 5.0612 | 5.0345 | 4.6179 | 4.6179 | 4.6179 | 4.6179 | 4.6179 | 4.6179 |
| Corvallis SD 509J | 7.2494 | 7.2183 | 7.6710 | 7.6546 | 7.6457 | 7.6102 | 7.6150 | 7.7500 | 7.6865 | 7.5507 |
| Harrisburg SD7 | 6.2815 | 6.3056 | 6.1016 | 6.1666 | 6.0778 | 6.1439 | 5.9787 | 5.9291 | 5.8371 | 5.7949 |
| Linn-Benton CC | 0.6733 | 0.6767 | 0.6822 | 0.6736 | 0.6814 | 0.5019 | 0.5019 | 0.5019 | 0.5019 | 0.6767 |
| Lane CC | 0.8306 | 0.8705 | 0.8534 | 0.8589 | 0.8782 | 0.8640 | 0.8646 | 0.8616 | 0.8198 | 0.8419 |
| Monroe UHJ School | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 | 4.6341 |
| Philomath SD17 | 7.4906 | 7.5695 | 7.4160 | 7.5726 | 7.4608 | 7.5239 | 9.2915 | 9.2103 | 9.1578 | 9.1578 |
| Other Special District Rates | | | | | | | | | | |
| Alsea Cemetery | 0.1654 | 0.1654 | 0.1654 | 0.0691 | 0.0677 | 0.0659 | - | 0.1654 | - | - |
| Benton County Library | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 | 0.3947 |
| Vineyard Mountain P&R | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 | 0.0856 |
| Benton County Soil & Water | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 | 0.0500 |
| Junction City Water | 0.3115 | 0.2965 | 0.2859 | 0.2886 | 0.2806 | 0.2523 | 0.2523 | 0.2523 | 0.2523 | 0.2523 |
| Benton County Extention Dist | - | - | - | - | - | - | - | - | - | 0.0800 |

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

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Rural Fire District Rates | | | | | | | | | | |
| Adair RFD | \$ 2.0085 | \$ 2.0027 | \$ 2.0040 | \$ 1.9675 | \$ 1.7512 | \$ 1.7512 | \$ 1.7512 | \$ 1.7512 | \$ 1.7512 | \$ 1.7512 |
| N Albany RFD | 2.3171 | 1.4071 | 1.4071 | 1.4071 | 1.4071 | 1.4071 | 1.4071 | 1.4071 | 1.4071 | 1.4071 |
| Albany RFD (Linn) | 0.9100 | 0.9100 | 0.9100 | 0.9100 | 0.9100 | 0.8000 | 0.8000 | 0.8000 | 0.8000 | 0.8000 |
| Alsea RFD | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 | 1.1363 |
| Blod/Summ RFD9 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 | 1.0638 |
| Corvallis RFD | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 | 2.1140 |
| Halsey Shedd RFD | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.9894 | 0.0989 | 0.9894 | 0.9894 | 0.9894 |
| Harrisburg Fire and Rescue | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 | 1.1299 |
| Hosk/Kings RFD8 | 2.8484 | 3.3533 | 3.4125 | 2.4893 | 2.6950 | 3.0267 | 2.7764 | 3.0065 | 3.0268 | 3.0530 |
| Monroe RFPD #5 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 | 1.6854 |
| Palestine RFD | 2.0595 | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 | 2.1500 |
| Philomath RFD | 1.5080 | 1.5080 | 1.5080 | 1.5080 | 1.5080 | 1.5080 | 1.5080 | 1.5080 | 1.5080 | 1.5080 |
| Road District Rates | | | | | | | | | | |
| Brownly-Marshall | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 | 0.9301 |
| Country Estates | 0.5606 | 0.5606 | 0.6100 | 1.0000 | 1.0000 | 1.0000 | 1.0000 | 1.0806 | 1.0850 | 1.0806 |
| Chinook Drive | 1.8033 | 1.8033 | 1.8033 | 1.8033 | 1.8033 | 1.8033 | 1.8033 | 1.8033 | 1.8033 | 1.8033 |
| McDonald Forest | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 | 0.6298 |
| Mary's River Estates | 2.9414 | 2.9414 | 2.2060 | 2.2060 | 2.2060 | 2.2060 | 2.7500 | 2.9414 | 2.7500 | 2.7500 |
| North F Street | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 | 1.2086 |
| Oakwood Heights | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 | 0.5876 |
| Ridgewood | 4.0135 | 0.6435 | 0.6435 | 0.6435 | 0.6435 | 0.6435 | 0.6435 | 0.6435 | 0.6435 | 0.6435 |
| Rosewood Estates | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 | 1.4916 |
| Vineyard Mountain ^(a) | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 | 1.5244 |
| Westwood Hills | 0.1204 | 0.0575 | 0.0552 | 0.0536 | 0.0522 | 0.0505 | 0.0495 | 0.0481 | 0.0468 | 0.0456 |

BENTON COUNTY, OREGON
PRINCIPAL PROPERTY TAXPAYERS
Current and Nine Years Ago

| <i>Taxpayer</i> | <i>2016 - 2017</i> | | | <i>2007 - 2008</i> | | |
|--|-----------------------|-------------|---|-----------------------|-------------|---|
| | <i>Taxes Assessed</i> | <i>Rank</i> | <i>Percentage of County Total Assessed Amount (a)</i> | <i>Taxes Assessed</i> | <i>Rank</i> | <i>Percentage of County Total Assessed Amount (a)</i> |
| HP INC | \$ 4,384,586 | 1 | 3.32% | \$ 6,569,735 | 1 | 7.05% |
| COMCAST CORPORATION | 1,085,865 | 2 | 0.82% | - | | 0.00% |
| CORVALLIS OR STUDENT HOUSING OWNER | 1,069,082 | 3 | 0.81% | - | 0 | 0.00% |
| PACIFICORP | 572,777 | 4 | 0.43% | 291,573 | 5 | 0.31% |
| HOLLINGSWORTH & VOSE FIBER CO | 438,003 | 5 | 0.33% | 399,305 | 3 | 0.43% |
| NORTHWEST NATURAL GAS CO | 420,516 | 6 | 0.32% | 431,312 | 2 | 0.46% |
| STARKER FORESTS INC | 413,498 | 7 | 0.31% | 272,483 | 6 | 0.29% |
| AVERY INVESTMENTS LLC | 383,518 | 8 | 0.29% | 219,250 | 9 | 0.24% |
| WITHAM HILLS | 307,958 | 9 | 0.23% | 217,110 | 10 | 0.00% |
| AMERICAN CAMPUS COMMUNITIES | 296,527 | 10 | 0.00% | | | 0.00% |
| QWEST CORPORATION (AKA CENTURYLINK) | - | | 0.00% | 387,237 | 4 | 0.42% |
| WAREHOOF LLC | - | | 0.00% | 239,385 | 7 | 0.26% |
| PIONEER TELEPHONE COOP | - | | 0.00% | 234,763 | 8 | 0.25% |
| Notes: (a) Benton County Total Taxes Assessed | \$ 132,108,846 | | | \$ 93,146,582 | | |

BENTON COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

| <i>Fiscal Year Ended June 30,</i> | <i>Taxes Levied for the Fiscal Year</i> | <i>Collected within the Fiscal Year of the Levy</i> | | <i>Collections in Subsequent Years</i> | <i>Total Collections to Date</i> | |
|---|---|---|-------------------------------|--|----------------------------------|-------------------------------|
| | | <i>Amount</i> | <i>Percentage of Levy</i> | | <i>Amount</i> | <i>Percentage of Levy</i> |
| 2017 | \$ 27,530,871 | \$ 26,940,010 | 97.85% | | \$ 26,940,010 | 97.85% |
| 2016 | 26,141,893 | 25,551,273 | 97.74% | \$ 248,203 | 25,799,475 | 98.69% |
| 2015 | 25,367,725 | 24,660,935 | 97.21% | 442,741 | 25,103,675 | 98.96% |
| 2014 | 24,277,701 | 23,560,513 | 97.05% | 522,018 | 24,082,531 | 99.20% |
| 2013 | 23,055,986 | 22,477,491 | 97.49% | 446,555 | 22,924,046 | 99.43% |
| 2012 | 22,191,531 | 21,690,593 | 97.74% | 390,622 | 22,081,215 | 99.50% |
| 2011 | 21,230,735 | 20,713,539 | 97.56% | 514,817 | 21,228,356 | 99.99% |
| 2010 | 20,128,916 | 19,648,508 | 97.61% | 478,985 | 20,127,493 | 99.99% |
| 2009 | 19,289,036 | 18,801,697 | 97.47% | 486,063 | 19,287,760 | 99.99% |
| 2008 | 14,674,875 | 14,380,105 | 97.99% | 293,536 | 14,673,641 | 99.99% |

Source:

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

BENTON COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

| <i>Fiscal Year</i> | <i>Governmental Activities</i> | | <i>Business-Type Activities</i> | | <i>Total Outstanding Debt</i> | <i>Percentage of Personal Income ^(b)</i> | <i>Population ^(b)</i> | <i>Per Capita</i> |
|------------------------|---|-------------------------------------|---|--------------|---------------------------------------|---|----------------------------------|-----------------------|
| | <i>General Obligation Bonds (a)</i> | <i>Notes and Capital Leases</i> | <i>General Obligation Bonds</i> | <i>Notes</i> | | | | |
| 2017 | \$ 14,486,847 | \$ - | \$ 1,060,173 | \$ - | \$ 15,547,020 | 0.43% | 89,385 | \$ 174 |
| 2016 | 15,080,866 | 8,254 | 1,091,433 | 206,280 | 16,386,833 | 0.48% | 87,572 | 187 |
| 2015 | 15,629,865 | 17,123 | 1,138,937 | 223,566 | 17,009,491 | 0.49% | 86,316 | 197 |
| 2014 | 16,133,112 | 240,366 | 1,144,721 | 240,510 | 17,758,709 | 0.51% | 86,591 | 205 |
| 2013 | 16,590,976 | 828,318 | 1,167,104 | 257,119 | 18,843,517 | 0.57% | 86,430 | 218 |
| 2012 | 17,004,384 | 1,001,195 | 1,186,471 | 273,399 | 19,465,449 | 0.62% | 85,995 | 226 |
| 2011 | 17,383,424 | 6,838 | 1,203,211 | 289,357 | 18,882,830 | 0.60% | 88,735 | 213 |
| 2010 | 15,414,189 | 13,540 | 1,217,361 | 305,000 | 16,950,090 | 0.53% | 86,725 | 195 |
| 2009 | 15,560,616 | 21,192 | 1,228,928 | - | 16,810,736 | 0.56% | 86,120 | 195 |
| 2008 | 15,973,702 | 10,689 | 1,237,968 | - | 17,222,359 | 0.60% | 85,300 | 202 |

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

- (a) Presented net of original issuance discounts and premiums
- (b) See Demographic and Economic Statistics for personal income and population data

BENTON COUNTY, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

| <i>Fiscal Year</i> | <i>General Obligation Bonds (a)</i> | <i>Less: Amounts Available in Debt Service Fund (b)</i> | <i>Total</i> | <i>Percentage of Estimated Actual Taxable Value ^(c) of Property</i> | <i>Per Capita ^(d)</i> |
|------------------------|---|---|---------------|--|--------------------------------------|
| 2017 | \$ 15,547,020 | \$ 2,393,267 | \$ 13,153,753 | 0.12% | \$ 147 |
| 2016 | 16,172,299 | 2,226,133 | 13,946,166 | 0.14% | 159 |
| 2015 | 16,768,802 | 2,152,171 | 14,616,631 | 0.16% | 169 |
| 2014 | 17,277,833 | 2,168,313 | 15,109,520 | 0.16% | 174 |
| 2013 | 17,758,080 | 1,657,868 | 16,100,212 | 0.18% | 186 |
| 2012 | 18,190,855 | 1,571,860 | 16,618,995 | 0.18% | 193 |
| 2011 | 18,586,635 | 1,430,834 | 17,155,801 | 0.18% | 193 |
| 2010 | 16,631,550 | 1,261,198 | 15,370,352 | 0.16% | 177 |
| 2009 | 16,789,541 | 1,061,245 | 15,728,296 | 0.16% | 183 |
| 2008 | 17,211,670 | 1,072,153 | 16,139,517 | 0.18% | 189 |

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

- (a) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums
- (b) This is the amount restricted for debt service principal payments
- (c) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property for property value data
- (d) Population data can be found in the Schedule of Demographic and Economic Statistics

BENTON COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^(a)

June 30, 2017

| <i>Governmental Unit</i> | <i>Gross Debt Outstanding</i> | <i>Percentage Applicable to Benton County</i> | <i>Amount Applicable to Benton County</i> |
|--|-----------------------------------|---|---|
| Debt repaid with property taxes | | | |
| City of Corvallis | \$ 39,640,722 | 100.00% | \$ 6,825,000 |
| City of Monroe | 1,300,000 | 100.00% | 1,300,000 |
| City of Philomath | 8,753,077 | 100.00% | 683,077 |
| Philomath RFPD 4 | 1,840,000 | 100.00% | 1,840,000 |
| Benton Cty School District # 17J (Philomath) | 31,011,503 | 99.28% | 30,786,763 |
| Benton Cty School District #509J (Corvallis) | 36,668,178 | 97.90% | 35,897,303 |
| Benton Cty School District # 1J (Monroe) | 7,897,239 | 96.26% | 7,601,946 |
| Hoskins-Kings Valley RFD | 60,000 | 80.05% | 48,028 |
| Linn Benton Community College | 60,855,664 | 51.76% | 19,151,322 |
| City of Albany | 46,822,001 | 27.82% | 11,635,516 |
| Linn Cty School District # 8J (Greater Albany) | 47,624,284 | 25.27% | 9,463,180 |
| Linn Cty School District #552 (Central Linn) | 1,365,409 | 0.00% | 7 |
| Linn Cty School District # 7J (Harrisburg) | 1,174,538 | 0.75% | 8,838 |
| Lane Community College | 116,955,000 | 0.45% | 297,406 |
| Polk Cty School District # 13J (Central) | 75,112,611 | 0.32% | 237,431 |
| Willamette ESD | 23,189,787 | 0.01% | 1,006 |
| Harrisburg Rural Fire Department 6 | 6,385,000 | 0.00% | 32 |
| Subtotal, overlapping debt | | | 125,776,855 |
| County Direct Debt | | | 15,089,120 |
| Total Direct and Overlapping Debt | | | \$ 140,865,975 |

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

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

Source:

Overlapping Debt report from Oregon State Treasury Department (request on-line)
 County Direct Debt includes General Obligation Bonds & Notes and Capital Leases from OS Ratio Tab

BENTON COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION
June 30, 2017

| | | |
|---|--------------------|-------------------------|
| Estimated Real Market Taxable Value | | <u>\$10,549,021,721</u> |
| Debt Limit (2% of True cash value) | | \$ 210,980,434 |
| | | |
| Outstanding general obligation indebtedness as of June 30, 2016 | | |
| Governmental activities-general obligation debt | \$ 14,486,847 | |
| Business-type activities-general obligation debt | 1,060,173 | |
| Less: Amount set aside for repayment of general obligation debt | <u>(2,393,267)</u> | |
| Net Indebtedness subject to debt limit | | <u>13,153,753</u> |
| | | |
| Net debt contracting margin | | <u>\$197,826,681</u> |
| Percentage of net debt contracting margin available | | <u>93.77%</u> |
| Percentage of net debt contracting power exhausted | | <u>6.23%</u> |

Last Ten Fiscal Years

| <i>Year</i> | <i>Debt Limit</i> | <i>Outstanding Indebtness June 30</i> | <i>Percentage of Net Debt Contracting Margin Available</i> |
|-------------|-------------------|---|--|
| 2017 | \$ 210,980,434 | \$ 13,153,753 | 93.77% |
| 2016 | 200,744,254 | 13,946,166 | 93.05% |
| 2015 | 187,613,394 | 14,616,631 | 92.21% |
| 2014 | 186,374,517 | 15,109,520 | 91.89% |
| 2013 | 176,400,730 | 16,100,212 | 90.87% |
| 2012 | 188,711,311 | 16,618,995 | 91.19% |
| 2011 | 189,513,868 | 17,155,801 | 90.95% |
| 2010 | 197,770,767 | 15,370,352 | 92.23% |
| 2009 | 197,923,429 | 15,728,299 | 92.05% |
| 2008 | 182,509,412 | 16,139,517 | 91.16% |

BENTON COUNTY, OREGON
PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

| <i>Fiscal Year</i> | <i>Special Assessments</i> | | | |
|------------------------|--|---------------------|-----------------|-----------------|
| | <i>Special Assessment Collections*</i> | <i>Debt Service</i> | | <i>Coverage</i> |
| | | <i>Principal</i> | <i>Interest</i> | |
| 2017 | \$ 2,404 | \$ 2,553 | \$ 547 | 77.6% |
| 2016 | 2,879 | 4,758 | 642 | 53.3% |
| 2015 | 6,874 | 86,025 | 681 | 7.9% |
| 2014 | 12,697 | 9,983 | 4,477 | 87.8% |
| 2013 | 13,753 | 9,927 | 4,533 | 95.1% |
| 2012 | 8,555 | 9,626 | 4,834 | 59.2% |
| 2011 | 12,207 | 8,924 | 5,536 | 84.4% |
| 2010 | 15,082 | 37,137 | 7,323 | 33.9% |
| 2009 | 15,795 | 8,093 | 6,367 | 109.2% |
| 2008 | 51,913 | 6,740 | 7,720 | 359.0% |

* Collections include prepayments and foreclosures

BENTON COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

| <i>Year</i> | <i>Population</i> ^(e) | <i>Median Age</i> ^(e) | <i>Per Capita Personal Income</i> ^(c) | <i>Personal Income</i> ^(c) <i>(thousands of dollars)</i> | <i>Public School Enrollment</i> ^(b) | <i>Civilian Labor Force</i> ^(a) | <i>Unemployment Rate</i> ^(a) | <i>% Change CPI</i> ^(d) |
|-------------|----------------------------------|----------------------------------|--|--|--|--|---|------------------------------------|
| 2017 | 89,385 | 32.3 | \$ 41,676 | \$ 3,649,647 | 8,885 | 36,678 | 3.8% | 1.2% |
| 2016 | 87,572 | 32.3 | 39,698 | 3,426,549 | 8,877 | 36,163 | 4.4% | 1.2% |
| 2015 | 86,316 | 32.3 | 40,502 | 3,507,101 | 8,840 | 38,330 | 4.8% | 2.4% |
| 2014 | 86,591 | 32.4 | 40,069 | 3,463,368 | 8,668 | 39,960 | 5.5% | 2.5% |
| 2013 | 86,430 | 32.4 | 38,482 | 3,309,917 | 8,626 | 39,670 | 6.5% | 2.3% |
| 2012 | 85,995 | 32.4 | 36,833 | 3,149,832 | 8,608 | 38,670 | 6.4% | 2.9% |
| 2011 | 88,735 | 31.9 | 37,033 | 3,162,207 | 8,772 | 36,220 | 6.6% | 1.3% |
| 2010 | 86,725 | n/a | 37,958 | 3,194,129 | 8,895 | 37,190 | 7.0% | 0.1% |
| 2009 | 86,120 | 33.4 | 36,020 | 3,015,555 | 9,030 | 37,850 | 8.1% | 3.3% |
| 2008 | 85,300 | 33.1 | 35,166 | 2,882,116 | 9,064 | 37,120 | 3.8% | 3.9% |

Note: Population is based on survey estimates on July 1 for the following fiscal year
n/a Information not available.

Source:

- (a) Oregon Labor Market Information Systems-WorkforceQualityInfo.org
- (b) Oregon Department of Education
- (c) Calculations by the Oregon Regional Economic Analysis Project (OR-REAP) with data provided by the U.S. Department of Commerce, Bureau of Economic Analysis.
- (d) U.S. Department of Labor, Bureau of Labor Statistics
- (e) 2015-16 Our Town publication

BENTON COUNTY, OREGON
PRINCIPAL EMPLOYERS

| <i>Employer</i> | <i>2017</i> | | | <i>2008</i> | | |
|---|----------------------|-------------|--|----------------------|-------------|--|
| | <i>Employees</i> | <i>Rank</i> | <i>Percentage of Total County Employment</i> | <i>Employees</i> | <i>Rank</i> | <i>Percentage of Total County Employment</i> |
| OREGON STATE UNIVERSITY | 10,430 | 1 | 27.21% | 9,738 | 1 | 26.23% |
| SAMARITAN HEALTH SERVICES | 2,632 | 2 | 6.87% | 2,345 | 2 | 6.32% |
| HEWLETT-PACKARD | 1,550 | 3 | 4.04% | 2,100 | 3 | 5.66% |
| CORVALLIS CLINIC | 620 | 4 | 1.62% | 609 | 5 | 1.64% |
| CORVALLIS SCHOOL DISTRICT 509-J | 550 | 5 | 1.43% | 850 | 4 | 2.29% |
| CITY OF CORVALLIS | 427 | 6 | 1.11% | 423 | 6 | 1.14% |
| CH2M HILL | 400 | 7 | 1.04% | 400 | 7 | 1.08% |
| BENTON COUNTY | 381 | 8 | 0.99% | 377 | 8 | 1.02% |
| FISERV | 247 | 9 | 0.64% | - | - | 0.00% |
| ATS SYSTEMS | 190 | 10 | 0.50% | 361 | 9 | 0.00% |
| SUMMIT INFORMATION SYSTEMS | - | - | 0.00% | 260 | 10 | 0.70% |
| Notes: Benton County labor force | <u>38,330</u> | | | <u>37,120</u> | | |

Source: Corvallis Chamber of Commerce, Corvallis OR

BENTON COUNTY, OREGON

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY PROGRAM/FUNCTION

Last Ten Fiscal Years

| <u>Program/Function</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| General government | 96.44 | 97.44 | 95.14 | 94.24 | 91.58 | 85.59 | 84.89 | 89.59 | 90.00 | 95.58 |
| Public safety | 83.91 | 84.91 | 88.64 | 86.64 | 83.38 | 75.75 | 74.75 | 78.27 | 79.00 | 88.23 |
| Public works | 40.28 | 40.28 | 37.99 | 37.99 | 36.10 | 28.53 | 28.53 | 30.12 | 31.00 | 34.65 |
| Health services | 137.21 | 137.21 | 146.22 | 146.15 | 143.02 | 140.24 | 137.88 | 164.94 | 206.00 | 211.19 |
| Justice services | 40.30 | 40.29 | 40.59 | 40.59 | 40.20 | 37.50 | 37.50 | 37.50 | 37.00 | 38.15 |
| Community services | 3.00 | 3.00 | 3.00 | 3.00 | 2.02 | - | - | - | - | - |
| Cultural and educational services | 6.57 | 6.57 | 7.21 | 7.21 | 6.20 | 4.00 | 4.00 | 3.00 | 3.00 | 5.86 |
| Animal control | 1.75 | 0.75 | 0.60 | 0.17 | 0.20 | - | - | - | - | - |
| Parks and natural resources | 8.46 | 8.46 | 9.34 | 9.34 | 9.39 | 6.64 | 6.64 | 7.50 | 9.00 | 9.37 |
| Total all programs/functions | 417.92 | 418.91 | 428.73 | 425.33 | 412.09 | 378.25 | 374.19 | 410.92 | 455.00 | 483.03 |

Source: Benton County Budget Office

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

| <u>Program/Function</u> | <i>Fiscal Year Ended June 30, 2017</i> | | | | | | | | | |
|---|--|-------------|-------------|-------------|-------------|-------------|---------------------|---------------------|-------------|-------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| General government | | | | | | | | | | |
| Budget | | | | | | | | | | |
| Oregon Budget Law procedural/appropriation violations | 5 | 10 | 0 | 1 | 1 | 2 | 2 | 2 | 0 | 1 |
| County Counsel | | | | | | | | | | |
| Two-day contract turn around | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Finance/Tax | | | | | | | | | | |
| Certificate for Excellence in Financial Reporting | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Percent of monthly finance reports closed within 10 working days of month-end | 80% | 92% | 92% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Properties foreclosed | 3 | 0 | 0 | 9 | 5 | 1 | 4 | 5 | 2 | 2 |
| Human Resources | | | | | | | | | | |
| Applications processed | 1374 | 1682 | 1286 | 1283 | 1883 | 2821 | 2217 | 3987 | 3153 | 3244 |
| Training events planned and conducted | 20 | 31 | 12 | 11 | 5 | 13 | 8 | 11 | 25 | 32 |
| Information Resource Management | | | | | | | | | | |
| Scheduled computer replacements (% completed) | 89% | 100% | 100% | 100% | 100% | 100% | 88% | 100% | 90% | 72% |
| Operate at 98% of available prime time (M-F 8AM - 5PM) | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Records and Elections | | | | | | | | | | |
| Documents processed | 15,680 | 14,123 | 13,451 | 13,299 | 16,009 | 18,652 | 13,196 | 12,583 | 14,099 | 14,223 |
| BOPTA petitions | 101 | 101 | 212 | 185 | 123 | 104 | 48 | 60 | 46 | 28 |
| New voter registrations | 5,000 | 4,678 | 2,536 | 4,349 | 3,204 | 4,603 | 2,437 | 3,527 | 3,519 | 7,483 |
| Average voter turnout | 64.0% | 53.0% | 48.0% | 40.0% | 48.0% | 35.0% | 37.1% | 60.7% | 51.8% | 61.6% |
| Marriage licenses processed | 532 | 524 | 439 | 551 | 517 | 485 | 559 | 574 | 504 | 519 |
| Public works | | | | | | | | | | |
| Corner histories researched and documented | 60 | 52 | 46 | 29 | 24 | 91 | 153 | 114 | 141 | 149 |
| % of bridges in good condition (*Sufficiency rating >70) | 82.0% | 80.0% | 79.0% | 85.0% | 81.0% | 80.7% | 80.7% | 78.0% | 75.0% | 73.0% |
| Miles of pavement sealed | 14.20 | 9.22 | 3.70 | 8.29 | 3.80 | 7.50 | 15.00 | 16.00 | 24.79 | 19.00 |
| Miles of structural pavement overlays | 0.30 | 0.71 | 5.70 | 2.40 | 1.95 | 0.50 | 0.10 | 0.25 ^(a) | 5 | 6 |
| Public safety | | | | | | | | | | |
| Fatal Accidents | 1 | 4 | 3 | 1 | 6 | 4 | 4 | 2 | 5 | 8 |
| Jail Bookings | 3262 | 3300 | 3379 | 3815 | 3959 | 3572 | 2913 | 2778 | 3613 | 3726 |
| Calls For Service | 5311 | 5244 | 5461 | 5659 | 5412 | 5522 | 6743 ^(b) | N/A | 6948 | 6751 |
| Arrests | 1210 | 1372 | 1643 | 1981 | 1815 | 2079 | 2239 | N/A | 2106 | 1968 |
| Warrants | 251 | 296 | 444 | 531 | 497 | 545 | 479 | N/A | 537 | 561 |

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

| <u>Program/Function</u> | <i>Fiscal Year Ended June 30, 2017</i> | | | | | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
| (continued) | | | | | | | | | | |
| Health services | | | | | | | | | | |
| Communicable disease investigations | 393 | 408 | 179 | 474 | 464 | 517 | 500 | 618 | 500 | 695 |
| Septic site evaluations and permits issued | 257 | 139 | 128 | 101 | 112 | 128 | 114 | 142 | 126 | 120 |
| DD clients served | 433 | 481 | 448 | 489 | 537 | 532 | 523 | 526 | 646 | 546 |
| Cultural and educational services | | | | | | | | | | |
| Fair receipts | \$ 446,382 | \$ 337,226 | \$ 310,087 | \$ 323,220 | \$ 315,376 | \$ 316,880 | \$ 243,666 | \$ 292,237 | \$ 221,691 | \$ 364,423 |
| Fair attendance | 35,103 | 31,944 | 35,103 | 38,925 | 31,209 | 31,300 | 28,000 | 30,000 | 11,008 | 23,370 |
| Animal control | | | | | | | | | | |
| Dog licenses issued | 4,404 | 4,469 | 3,941 | 4,006 | 3,536 | 3,724 | 3,707 | 3,560 | 3,635 | 3,598 |
| Parks and natural resources | | | | | | | | | | |
| Number of Reservation Groups | N/A | N/A | N/A | N/A | 119 | 125 | 126 | 114 | 108 | 100 |
| Number of Reported Users | N/A | N/A | N/A | N/A | 7,771 | 9,648 | 9,306 | 9,795 | 12,066 | 12,784 |
| Yearly Revenue | N/A | N/A | N/A | N/A | \$12,870 | \$14,775 | \$17,155 | \$18,235 | \$31,925 | \$29,246 |
| (% rating "good" or "better" on surveys) | | | | | | | | | | |
| Reservation process | 100.0% | 97% | 97% | 96% | 96% | 96% | 98% | 93% | N/A | N/A |
| Condition of group picnic area | 90.0% | 93% | 98% | 100% | 100% | 96% | 100% | 98% | N/A | N/A |
| Condition of restrooms | 82.0% | 88% | 94% | 98% | 98% | 94% | 96% | 88% | N/A | N/A |
| Kitchen shelter/food prep area | 90.0% | 92% | 97% | 100% | 100% | 94% | 96% | 88% | N/A | N/A |
| Sports fields/play areas | 85.0% | 92% | 92% | 98% | 98% | 92% | 94% | 95% | N/A | N/A |
| Roadways, paths, parking | 88.0% | 90% | 92% | 98% | 98% | 92% | 96% | 93% | N/A | N/A |
| Park appearance/maintenance | 88.0% | 95% | 97% | 100% | 100% | 100% | 100% | 98% | N/A | N/A |

NOTE:

- (a) Thin overlay on Bellfountain Rd and SW 53rd grind overlay.
- (b) Reflects 18 months due to change in reporting.

N/A: Information not available for indicators

Source: Benton County Budget Office

BENTON COUNTY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

| <u>Program/Function</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|------------------------------------|------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|-------------|-------------|
| Public works | | | | | | | | | | |
| Miles of roads | 467 | 460 | 460 | 460 | 460 | 460 | 461 | 461 | 445 | 445 |
| Luminaries | 14 | 14 | 14 | 14 | 14 | 14 | 15 | 15 | 10 | 10 |
| Bridges | 104 | 104 | 104 | 104 | 103 | 103 | 103 | 101 ^(c) | 101 | 101 |
| Culverts | 2,037 | 2,002 | 2,003 | 2,003 | 2,003 | 2,001 | 2,001 | 2,001 | 5,745 | 5,745 |
| Public safety | | | | | | | | | | |
| Sheriff Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Patrol Cars | 29 | 29 | 25 | 25 | 22 | 23 | 24 | 28 | 29 | 29 |
| Health services | | | | | | | | | | |
| Clinics in operation | 4 ^(b) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 6 | 6 |
| Parks and natural resources | | | | | | | | | | |
| Number of Parks | 16 | 16 | 14 | 14 | 15 | 16 | 16 | 16 | 16 | 16 |
| Total acreage | 1,417 | 1,417 | 1,360 | 1,414 | 1,440 | 1,476 | 1,476 | 1,476 | 1,476 | 1,476 |
| Number of Playgrounds | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Number of Sports Fields | 9 | 9 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Miles of Trails | 20 | 20 | 20 | 20 | 20 | 20 | 21 | 21 | 21 | 21 |
| Trust Program | | | | | | | | | | |
| Libraries ^(a) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Total Volumes in Collection | 363,398 | 344,557 | 347,465 | 345,279 | 357,917 | 362,200 | 367,850 | 366,788 | 367,485 | 367,485 |
| Cultural and Educational | | | | | | | | | | |
| Fairgrounds acreage | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 | 29 |
| Number of Buildings | 19 | 18 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Rental square footage | 101,066 | 101,066 | 96,266 | 108,141 | 108,141 | 108,141 | 108,141 | 108,141 | 108,141 | 108,141 |
| Non-rental square footage | 14,912 | 14,912 | 17,859 | 17,984 | 17,984 | 17,984 | 17,984 | 17,984 | 17,984 | 17,984 |

NOTE:

(a) Corvallis, Philomath, Monroe (Moved to new building in May 2013) and Alsea (remainder mobile)

(b) East Linn Health Center opened in January 2008

(c) Does not include the following: Campus Way Covered Bridge, Trout Creek and Norton Creek Culvert which are 20' or less.

COMPLIANCE SECTION

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
BENTON COUNTY
Corvallis, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of BENTON COUNTY as of and for the year ended June 30, 2017, and have issued our report thereon dated December 13, 2017.

Compliance

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

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

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

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

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

Expenditures in excess of appropriations (which is prohibited by ORS 294.435) occurred as follows:

| <u>Fund/Category</u> | <u>Appropriation</u> | <u>Actual</u> | <u>Variance</u> |
|---|----------------------|---------------|-----------------|
| Employee Benefits Trust General government | \$ 1,287,826 | \$ 1,350,168 | \$ (62,342) |

Internal Control OAR 162-10-0230

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control. Deficiencies in internal control, if any, were communicated separately

Restriction on Use

This report is intended solely for the information and use of the board of directors/council members/commissioners and management of BENTON COUNTY and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 13, 2017

By:



Bradley G. Bingenheimer, Member

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

To the Board of County Commissioners
BENTON COUNTY
Corvallis, Oregon

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of BENTON COUNTY as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 13, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as 2017-001 to be a significant deficiency.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

Purpose of this Report

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

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 13, 2017



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of County Commissioners
BENTON COUNTY
Corvallis, Oregon

Report on Compliance for Each Major Federal Program

We have audited BENTON COUNTY's compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2017. The Count's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and terms and conditions of federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Count's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of County's compliance.

Opinion on Each Major Federal Program

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE (Continued)**

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance with the compliance requirements referred to above that are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
December 13, 2017

BENTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal controls over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? Yes

Noncompliance material to financial statements noted? No

Federal awards

Internal control over major federal programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified? None reported

Type of auditor's report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes

Identification of major federal programs:

| CFDA Number(s) | Name of Federal Program or Cluster |
|-------------------|--|
| 20.513 | Enhanced Mobility of Seniors and Individuals with Disabilities |
| 93.224 | Consolidated Health Center - Federally Qualified Health Center |

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as a low-risk auditee: No

Section II - Financial Statement Findings

Finding 2017-001:

Bank reconciliations

Condition:

Bank reconciliations were not completed in a timely manner

Criteria:

Bank reconciliations should be completed monthly

Cause:

Bank reconciliations for the general checking account were not completed throughout the year due to the County changing accounting software systems.

Effect:

Due to the County implementing a new accounting system during the year, bank reconciliations were not completed monthly

Recommendation:

Bank reconciliations should be completed monthly shortly after the previous month's end

Views of Responsible Officials and Planned Corrective Actions:

For years, our standard practice was to complete bank reconciliations timely (shortly after the previous month's end). Due to the implementation of a new ERM system and limited staffing, we were unable to complete the reconciliations timely. We are now back on schedule and are completing them timely.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)

Section III - Federal Award Findings and Questioned Costs

Finding 2017-002:

DEPARTMENT OF AGRICULTURE

20.513 Enhanced Mobility of Seniors and Individuals with Disabilities

DEPARTMENT OF HEALTH AND HUMAN SERVICES

93.224 Consolidated Health Center - Federally Qualified Health Center

Criteria:

2 CFR Part 200.302(b)(7) requires the financial management system to include written procedures for determining the allowability of costs.

Condition:

Benton County has not developed written procedures over the determination of allowable costs as required by 2 CFR Part 200.302(b)(7).

Cause:

Administration was not aware of the requirement to have written procedures for determining the allowability of costs.

Effect:

Unallowable costs could be charged to the program.

Questions Costs

None

Perspective

Written procedures for determining the allowability of costs is integral to the proper design of internal controls. However, the results of audit procedures did not detect any costs charged to the program which were not allowable.

Recommendations

Management should develop written procedures as required by 2 CFR Part 200.302(b)(7).

Management's Response

Management agrees and has developed and implemented written procedures over the determination of allowable costs as of July 1, 2017.

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

June 30, 2017

| <i>Federal Grantor/Pass through Grantor</i> | <i>Federal CFDA number</i> | <i>Expenditures</i> |
|--|--------------------------------|---------------------|
| U.S. Department of Agriculture | | |
| Passed through State Department of Admin. Services | | |
| Schools & Roads-Grants to the States (Federal Forest Revenues) | 10.665 | \$ 16,315 |
| Schools & Roads-Grants to the Counties (Federal Forest Revenues) | 10.666 | 17,434 |
| Passed through Oregon Health Authority | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | 10.557 | 250,679 |
| Total U.S. Department of Agriculture | | 284,428 |
| U.S. Department of the Interior | | |
| Direct Programs | | |
| Payments in Lieu of Taxes | 15.226 | 112,475 |
| Distribution of Receipts to State & Local Gov'ts (O & C) -Title I | 15.227 | 528,348 |
| Passed through Oregon Bureau of Land Management | | |
| Distribution of Receipts to State & Local Gov'ts (O & C) -Title I | 15.227 | 67,193 |
| Subtotal - Distribution of Receipts to State & Local Gov'ts (O & C) - Title I | | 595,541 |
| Total U.S. Department of the Interior | | 708,016 |
| U.S. Department of Justice | | |
| Direct Programs | | |
| Drug Court Discretionary Grant Program | 16.585 | 150,363 |
| State Criminal Alien Assistance Program | 16.606 | 4,652 |
| Bulletproof Vest Partnership Program | 16.607 | 15,133 |
| Passed through Oregon State Department of Justice | | |
| Crime Victim Assistance | 16.575 | 150,908 |
| Passed through State Justice Division | | |
| Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants Program | 16.580 | 4,196 |
| Total US Department of Justice | | 325,252 |
| U.S. Department of Transportation | | |
| Federal Highway Administration | | |
| Formula Grants for Rural Areas | 20.509 | 106,471 |
| Enhanced Mobility of Seniors and Individuals with Disabilities | 20.513 | 375,073 |
| Bus and Bus Facilities Formula Program | 20.526 | 137,683 |
| State and Community Highway Safety | 20.600 | 15,353 |
| National Priority Safety Programs | 20.616 | 43,076 |
| Total U.S. Department of Transportation | | 677,656 |
| U.S.Environmental Protection Agency | | |
| Passed through Oregon Health Authority | | |
| State Public Water System Supervision | 66.432 | 13,824 |
| Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | 16,387 |
| Total U.S. Environmental Protection Agency | | 30,211 |

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

June 30, 2017

| <u>Federal Grantor/Pass through Grantor</u> | <u>Federal CFDA number</u> | <u>Expenditures</u> |
|---|--------------------------------|---------------------|
| U.S. Department of Health and Human Services | | |
| Direct Programs: | | |
| Consolidated Health Centers - Federally Qualified Health Center | 93.224 | \$ 3,424,760 |
| Passed through Oregon Health Authority | | |
| Maternal and Child Health Services Block Grant to the States | 93.994 | 36,722 |
| Maternal and Child Health Services Block Grant to the States - Oregon Mothers Care | 93.994 | 11,730 |
| Subtotal - Maternal & Child Health Services Block Grant to the States | | <u>48,452</u> |
| Public Health Emergency Response - Bioterrorism | 93.069 | 85,360 |
| Environmental Public Health & Emergency Response | 93.070 | 22,800 |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | 93.074 | 3,223 |
| Sodium Reduction in Communities | 93.082 | 27,739 |
| Project Grants & Cooperative Agreements for Tuberculosis Control Programs | 93.116 | 1,812 |
| Family Planning Services - Title X | 93.217 | 48,048 |
| Centers for Disease Control & Prevention Investigations & Technical Assistance | 93.283 | 64,911 |
| Organized Approaches to Increase Colorectal Cancer | 93.800 | 2,705 |
| Assistance Programs for Chronic Disease Prevention & Control | 93.945 | 12,947 |
| Block Grants for Community Mental Health Services | 93.958 | 60,997 |
| Block Grant for the Prevention & Treatment of Substance Abuse | 93.959 | 154,071 |
| Passed through Oregon Department of Justice | | |
| Child Support Enforcement | 93.563 | 97,125 |
| Total U.S. Department of Health and Human Services | | 4,054,950 |
| Department of Homeland Security | | |
| Passed through State Office of Emergency Management | | |
| Emergency Management Performance Grants | 97.042 | 98,446 |
| Homeland Security Grant Program | 97.067 | 191,947 |
| Total U.S. Department of Homeland Security | | 290,393 |
| Total Federal Financial Assistance | | <u>\$ 6,370,906</u> |

BENTON COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards

June 30, 2017

Note 1 – Purpose of this schedule

The accompanying Schedule of Expenditures of Federal Awards is a supplementary schedule to Benton County Oregon's (the County) basic financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the County, it does not present the financial position, changes in financial position, or the cash flows of the County.

Note 2 – Significant accounting policies

- A. Reporting entity** – The reporting entity is fully described in Note I.B. to the County's basic financial statements. The schedule includes all federal programs administered by Benton County for the fiscal year ended June 30, 2017.
- B. Basis of presentation** – The information in the schedule is presented in accordance with the Uniform Guidance.
- C. Federal financial assistance** – Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and is reported on the schedule (if applicable). Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the County and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

The County has elected to use the 10% de minimus cost rate.

- D. Major programs** – The Uniform Guidance establishes criteria to be used in defining major programs. Major programs are those programs selected for testing using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in the Uniform Guidance. Programs with similar requirements may be grouped into a cluster for testing purposes.
- E. Basis of Accounting** – Receipts and expenditures are accounted for using the modified accrual basis of accounting. Revenues are recorded when measurable and available, or in the case of grants where expenditure is the prime factor for determining eligibility when the expenditure is made. Expenditures are recorded when a liability is incurred.

Note 3 – Schedule of federal awards by department and CFDA number

The Schedule of Expenditures of Federal Awards is organized by federal department and by CFDA number.

Note 4 – Schedule of federal awards by Cluster

The Schedule of Expenditures of Federal Awards contains various programs that are considered to be "clusters". As defined by the Uniform Guidance, a cluster of programs are those Federal programs with different CFDA numbers that are closely related and share common compliance requirements.

BENTON COUNTY

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2017**

Finding 2016-001

Status: The County has not taken corrective action and this finding is repeated in the current year as finding 2017-002.