



Benton County Oregon

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2010

**Prepared By:
Finance Division**

**Mary K. Otley
Finance Division Manager**

BENTON COUNTY, OREGON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2010

Prepared by:

Department of Finance

Mary K. Otley
Finance Division Manager



BENTON COUNTY
O • R • E • G • O • N

BENTON COUNTY, OREGON

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December 23, 2010

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

The Administrative Services Department, Finance Division of Benton County is pleased to submit the County's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010, together with the report thereon of Benton County's independent auditors. This report is published to provide the Board of County Commissioners, our citizens, County staff, and other readers with detailed information about the financial position and results of operations of the County, and to demonstrate fiscal and operational accountability in the use of County resources. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with Benton County management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard County assets against loss, theft, or misappropriation, and to compile sufficient, reliable information for the preparation of the County's financial statements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

THE REPORT

In accordance with Oregon law, Talbot, Korvola & Warwick, LLP has audited the County's basic financial statements. The objective of the audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2010, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Governmental Auditing Standards issued by the comptroller General of the United States, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State, State of Oregon. The unqualified opinion rendered in this report indicates that the financial statements were prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States of America and meet the standards prescribed by the Secretary of State. The auditor's report on these financial statements is located in the Financial Section of this report.

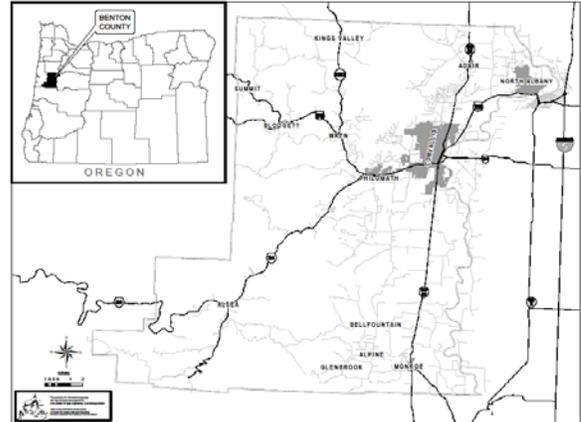
The independent audit of the financial statements was complemented by a federally mandated "Single Audit". The Single Audit standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the County's internal controls and legal requirements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

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

PROFILE OF BENTON COUNTY, OREGON

Benton County was incorporated December 23, 1847, and is located along the Willamette River, approximately 40 miles from the Pacific Ocean. The County includes an area of 679 square miles, has a population of 85,300 and a true cash value of \$9,888,538,348.

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



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

The County's budget is prepared on the modified accrual basis of accounting. In accordance with State statutes, the County budgets all funds except trust and agency funds. The County's budget is adopted by the Board of Commissioners by fund and by program. The expenditure appropriations lapse at the end of the biennium. Additional resources and corresponding appropriations may be added to the budget during the biennium through a supplemental budget process. Original and supplemental budgets may be modified during the biennium by the use of appropriation transfers between categories. Appropriation transfers must be approved by the Board of Commissioners in public meetings. During the first year of the biennium, 12 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 and Block Grant Funds, this comparison is provided in the Required Supplementary Information. For all other funds with appropriated budgets, this comparison is presented in the supplementary section of this report.

ECONOMIC CONDITIONS AND OUTLOOK

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

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

Benton County, unlike any other area in the region shows a small percentage (11.0%) of its population aged 65 and older and a large percentage (24.4%) 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, 2010 was 7.0%, down from 8.1% 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 10,956 jobs or 29% of the total work force. State and local education includes the local public school districts as well as Oregon State University (OSU). OSU is one of only two universities in the country designated as a combined land, space, sea, and sun grant university. OSU enrolls approximately 21,000 students and employs approximately 9,000 people. OSU serves as Oregon's leading source of basic applied research in forestry, agriculture, fisheries, engineering, electronics, home economics and sciences for the development of human, land, atmospheric and oceanic resources and receives more than \$150 million in annual funded research, making OSU one of the nation's leading research universities. Other federal and state and local public administration employment totals approximately 2,000 jobs or 5% of the total work force.

Outlook

Benton County is in sound fiscal position due to years of conservative financial management. In November of 2007, voters passed a Health and Safety five year local option levy. In addition, several of the County's employee groups chose to forgo salary increases for 2009-10 and 2010-11.

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

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

MAJOR INITIATIVES

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

- ***Cost of Public Employee Retirement:***

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

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

On September 27, 2010, the Oregon Public Employees Retirement System issued the 12/31/2009 Actuarial Valuation Report. The report shows a significant increase in employer contribution rates. Contribution rates for Tier 1/Tier 2 General Service, Tier 1/Tier 2 Police & Fire, OPSRP General Service, and OPSRP Police and Fire are 5.97%, 5.47%, 3.54% and 3.54% respectively.

- Limitation on property tax growth and the impact on revenues, which will limit the County's ability to continue to provide the historical levels of service.
- Funding of road maintenance. The primary source of general maintenance support is the County's share of state motor fuel and vehicle registration fees. Essentially, this resource has not increased in a decade. Increased costs for fuel, rock and asphalt will contribute to the County's inability to fund road maintenance at historic levels.
- Reform of health care costs to employers and employees.

RELEVANT FINANCIAL POLICIES

Contingency & Reserve Policies:

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

Indirect Cost Allocation Plan(s):

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

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

LONG-TERM FINANCIAL PLANNING

Benton County budgets on a biennial basis. In preparing the budget, departments are asked to project budgets for two additional bienniums (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-one 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.

A. Acknowledgments

I would like to express my sincere gratitude to the County personnel who contributed to this report, especially to Marty Kaye, Assistant Finance Manager and Debbie Parsons, Budget/Accounting Analyst for all of their assistance in preparing this report.

Respectfully submitted,

Mary K. Otley
Finance Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Benton County
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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



A stylized, handwritten signature in black ink.

President

A stylized, handwritten signature in black ink.

Executive Director

Benton County, Oregon

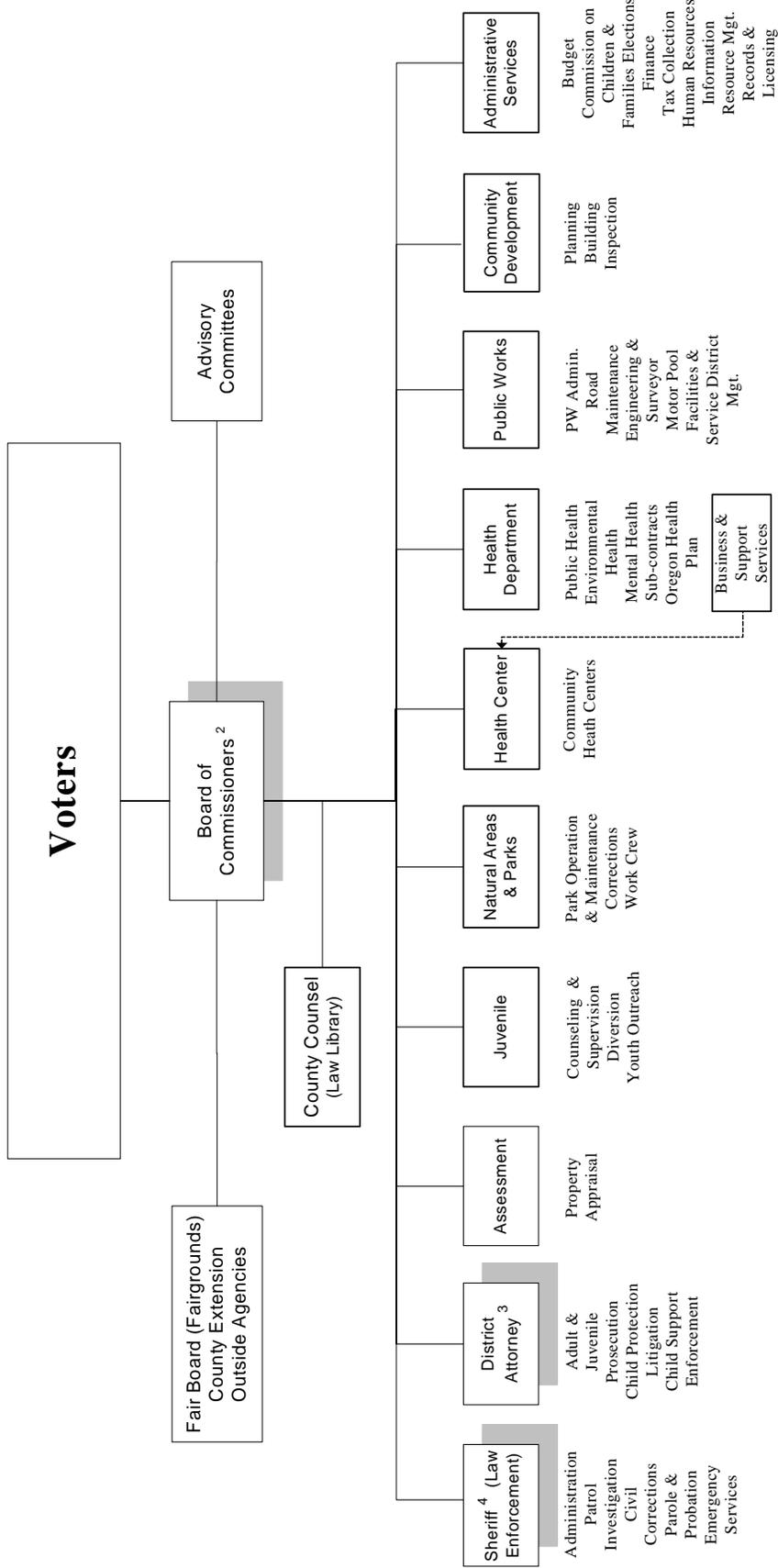
ELECTED OFFICIALS

June 30, 2010

<u>Official</u>	<u>Office</u>	<u>Address</u>
Annabelle Jaramillo	Commissioner/Chair	110 SW 4 th Street Corvallis, OR 97333
Linda Modrell	Commissioner	110 SW 4 th Street Corvallis, OR 97333
Jay Dixon	Commissioner	110 SW 4 th Street Corvallis, OR 97333
Diana Simpson	Sheriff	180 NW 5 th Street Corvallis, OR 97330
John Haroldson	District Attorney	120 NW 4 th Street Corvallis, OR 97330

Benton County, Oregon

Functional Organization Chart ¹



Footnotes:

- 1 Functional reflects the flow of decisions concerning adoption of ordinances, finance, personnel and budget matters.
- 2 Board of Commissioners are partisan positions
- 3 District Attorney position is a state constitutional non-partisan office
- 4 Sheriff is a non-partisan office

Elected Official

FINANCIAL SECTION



BENTON COUNTY
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INDEPENDENT AUDITOR'S REPORT



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December 23, 2010

Board of Commissioners
Benton County
Corvallis, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Benton County, Oregon (the County) as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2010, and the respective changes in financial position and the cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2010, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Talbot, Korvola & Warwick, LLP
Certified Public Accountants & Consultants

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INDEPENDENT AUDITOR'S REPORT (Continued)

Board of Commissioners
Benton County, Oregon
December 23, 2010
Page 2

Management's Discussion and Analysis and schedules of funding progress related to the County's other postemployment benefits, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

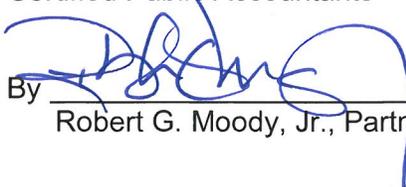
The budgetary comparison information for the General and major special revenue funds presented as Required Supplementary Information, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information for these funds has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual non-major fund financial statements and other schedules, as listed in the Table of Contents as Supplementary Information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The financial statements of the County provided as comparative information for individual funds, for the year ended June 30, 2009, as part of Supplementary Information were audited by other auditors, whose report dated December 15, 2009, expressed an unqualified opinion on those statements. Supplementary Information for the fiscal year ended June 30, 2010, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards as listed in the Table of Contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements take as a whole.

The accompanying Introductory and Statistical Sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and we express no opinion on them.

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By  _____
Robert G. Moody, Jr., Partner

Management's Discussion and Analysis

We offer readers of Benton County's financial statements the following narrative and analysis of the County's financial activities for the fiscal year ended June 30, 2010. 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 13.

Financial Highlights:

- Benton County's assets exceeded its liabilities at the close of the fiscal year by \$181,136,233 (*net assets*). Of this amount \$1,977,921 is restricted for capital improvement projects, \$792,544 is restricted for public works, \$1,676,698 is restricted for public safety, \$1,261,198 is restricted for debt service and \$852,332 is restricted for community services. Note that with the financial reporting model, the total net assets figure includes capital assets net of accumulated depreciation, and related debt.
- The County's total net assets decreased by \$1,044,913. Accumulated depreciation increased in the amount of \$5,166,468. Without the depreciation charge of \$5,194,614, the net assets increased by \$4,149,701.
- At the close of the year, the County's governmental funds reported combined ending fund balances of \$23,760,266, an increase of \$622,518 from the prior year. Of this amount, \$20,289,021 is available for spending at the County's discretion (*unreserved fund balance*).
- At the end of the year, unreserved fund balance for the General Fund was \$9,327,049 or 31% of total General Fund expenditures plus transfers to other funds.
- The County's total liabilities increased by \$851,980. This increase was due an increase of \$453,020 in net OPEB obligations, an increase of \$377,895 in accounts payable, and a decrease of \$21,065 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. Under the reporting model, which was implemented for the year ended June 30, 2003, the basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

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

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

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

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

The government-wide financial statements can be found on pages 13 and 14 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 twenty individual governmental funds (1 general fund, 14 special revenue funds, 2 debt service funds and 2 capital project funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road Fund, Local Option Levy and the Block Grant Fund. These are considered to be major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

The major proprietary fund financial statements can be found on pages 19 through 21 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial 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 22 through 23.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through page 49.

Other information. Required supplementary information and other supplementary information including combining and individual fund statements and schedules can be found starting on page 50 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the County’s financial position. The County’s assets exceeded liabilities by \$181,136,233 at the close of the most recent fiscal year.

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

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 45,895,243	\$ 44,905,105	\$ 2,904,271	\$ 3,471,009	\$ 48,799,514	\$ 48,376,114
Capital assets	154,473,193	156,027,767	4,298,441	3,360,200	158,771,634	159,387,967
Total assets	200,368,436	200,932,872	7,202,712	6,831,209	207,571,148	207,764,081
Long-term liabilities	20,387,000	19,415,194	2,191,779	1,854,386	22,578,779	21,269,580
Other liabilities	2,871,006	3,638,725	985,130	674,630	3,856,136	4,313,355
Total liabilities	23,258,006	23,053,919	3,176,909	2,529,016	26,434,915	25,582,935
Net assets:						
Invested in capital assets, net of related debt	154,462,134	156,021,588	3,860,192	3,173,327	158,322,326	159,194,915
Restricted	6,560,693	7,371,937	-	-	6,560,693	7,371,937
Unrestricted	16,087,602	14,485,428	165,612	1,128,866	16,253,214	15,614,294
Total net assets	\$ 177,110,429	\$177,878,953	\$ 4,025,804	\$ 4,302,193	\$181,136,233	\$ 182,181,146

Of the County's net assets, \$6,560,693 is restricted for various purposes. The amount represents resources that are subject to external restrictions on how they may be used. The remaining balance is the unrestricted net assets or \$16,253,14 may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities decreased the County's net assets by \$768,524, thereby accounting for 74% of the total decrease in the net assets of the County. Key elements of this decrease are as follows:

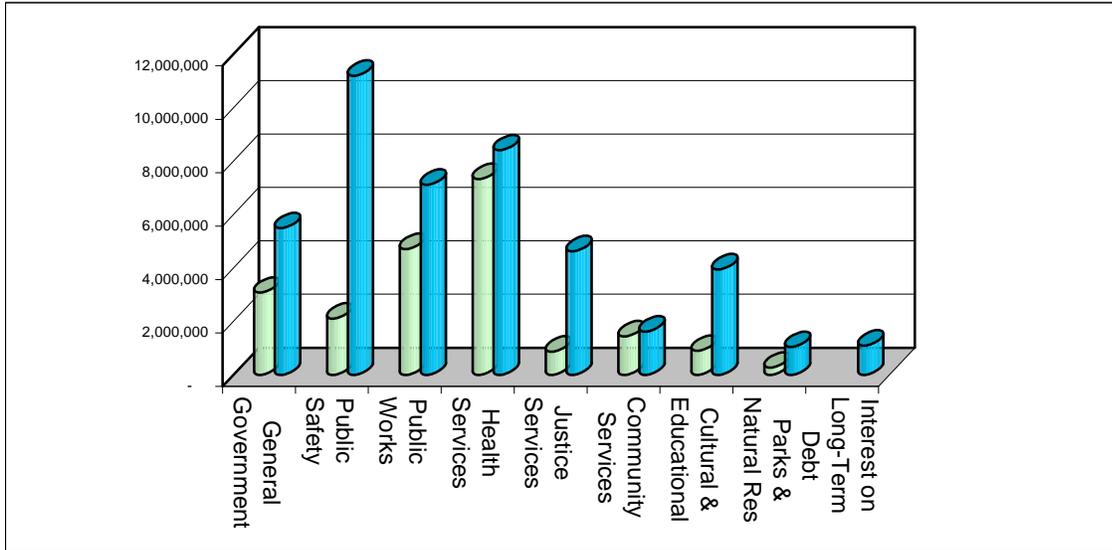
BENTON COUNTY'S Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 3,788,487	\$ 3,922,845	\$ 3,834,036	\$5,005,555	\$ 7,622,523	\$ 8,928,400
Operating grants and contributions	15,360,470	15,466,732	3,345,381	2,854,493	18,705,851	18,321,225
Capital grants and contributions	1,524,618	1,389,700	413,417	31,602	1,938,035	1,421,302
General revenues:						
Property taxes	19,637,761	15,777,749	-	-	19,637,761	15,777,749
Interest and investment earnings	199,615	477,069	11,602	22,397	211,217	499,466
Grants and contributions not restricted to specific programs	4,276,211	10,142,867	-	312	4,276,211	10,143,179
Total revenue	44,787,162	47,176,962	7,604,436	7,914,359	52,391,598	55,091,321
Expenses:						
General government	5,488,294	6,083,054	-	-	5,488,294	6,083,054
Public safety	11,195,709	10,338,460	-	-	11,195,709	10,338,460
Public works	7,110,962	7,612,696	-	-	7,110,962	7,612,696
Health services	8,405,362	8,448,774	-	-	8,405,362	8,448,774
Justice services	4,625,489	4,162,405	-	-	4,625,489	4,162,405
Community services	1,618,529	2,143,131	-	-	1,618,529	2,143,131
Cultural & educational	3,944,696	3,489,717	-	-	3,944,696	3,489,717
Animal control	-	182,522	-	-	-	182,522
Parks & natural resources	1,037,999	1,228,293	-	-	1,037,999	1,228,293
Interest on long-term debt	1,089,561	1,070,434	-	-	1,089,561	1,070,434
Water and sewer	-	-	208,614	204,097	208,614	204,097
Health services	-	-	8,561,927	7,879,739	8,561,927	7,879,739
Real estate rental	-	-	149,369	114,954	149,369	114,954
Total expenses	44,516,601	44,759,486	8,919,910	8,198,790	53,436,511	52,958,276
Change in net assets before transfers	270,561	2,417,476	(1,315,474)	(284,431)	(1,044,913)	2,133,045
Transfers	(1,039,085)	(934,444)	1,039,085	934,444	-	-
Change in net assets	(768,524)	1,483,032	(276,389)	650,013	(1,044,913)	2,133,045
Beginning net assets	177,878,953	176,395,921	4,302,193	3,649,300	182,181,146	180,045,221
Ending net assets	\$ 177,110,429	\$ 177,878,953	\$ 4,025,804	\$ 4,299,313	\$ 181,136,233	\$ 182,178,266

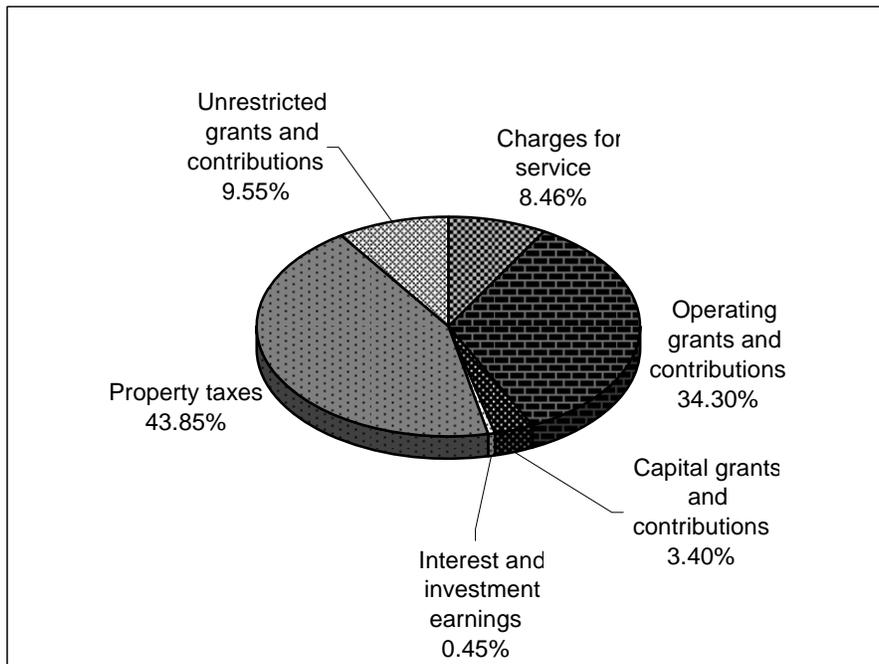
A major factor in the change in Benton County's net assets was the inclusion of \$5,194,614 in depreciation expense.

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

Revenues and expenses by program



Revenue sources

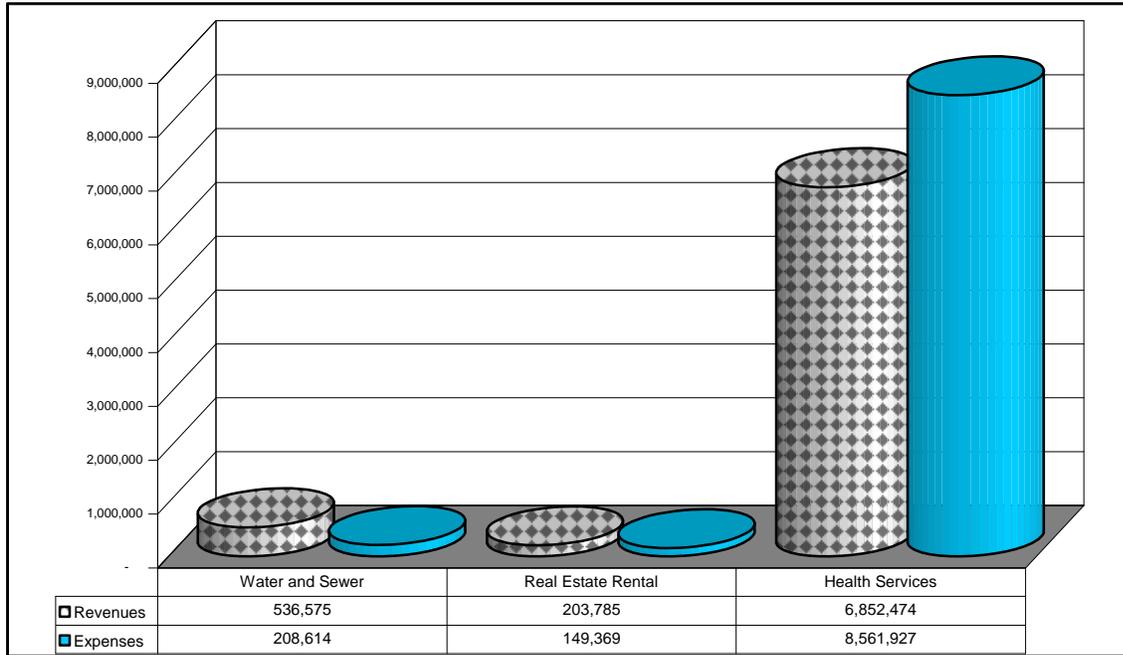


Business-type activities. Business-type activities decreased the County’s net assets by \$276,389. Key elements of this decrease are as follows:

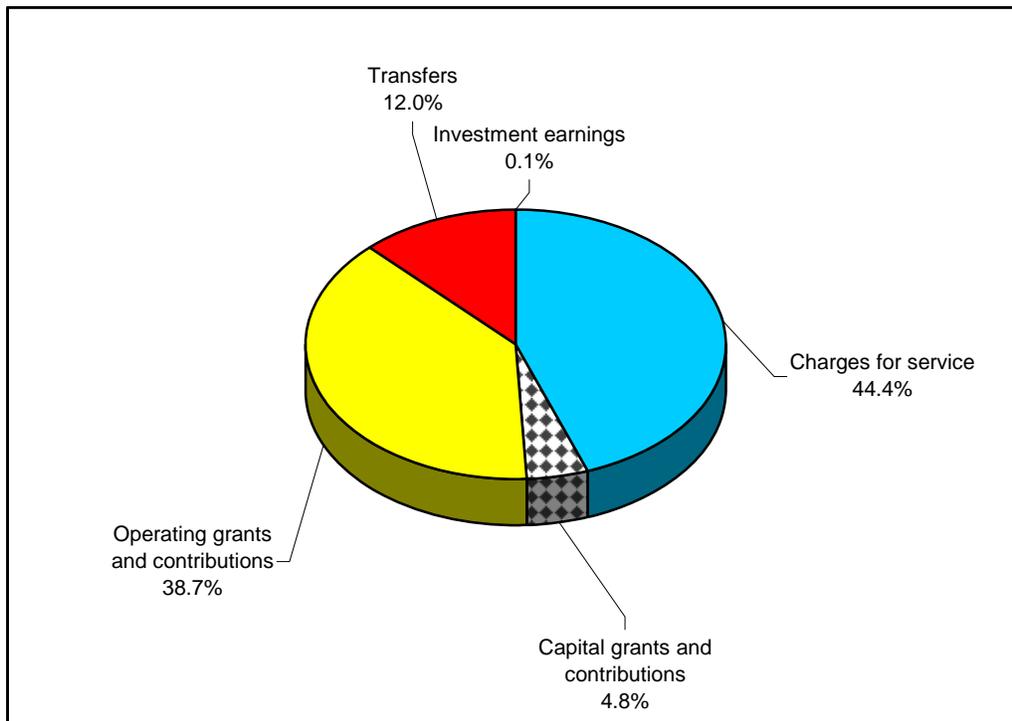
- Decrease in accounts receivable in the Health Clinic Fund.
- Increase in payables in the Health Clinic Fund

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

Revenues and expenses



Revenue Sources



Financial Analysis of County Funds

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$23,760,266, an increase of \$622,518 compared to the prior year. \$20,289,021 constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it relates to non financial assets (\$232,126) or has already been committed to: 1) future liabilities of the Debt Service Fund (\$1,261,198); 2) capital projects in the Capital Projects Fund (\$1,977,921).

The General Fund is the operating fund of the County utilizing assets not otherwise restricted as to use. It is a major operating fund of the County as are the Road Fund, Local Option Levy Fund and the Block Grant Fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$9,327,049 while the total fund balance was \$9,373,416. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures plus transfers to other funds. Unreserved fund balance represents 31% of total general fund expenditures and transfers to other funds.

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

The fund balance of the General Fund decreased by \$1,282,364 during the current fiscal year. Key factors were as follows:

- Reduction in revenues related to land based services (i.e. document recordings & building permits).
- Reduction in revenues received from the State of Oregon in the last quarter of the year.

The fund balance of the Road Fund decreased by \$154,264 or (11%).

The fund balance of the Block Grant Fund increased by \$6,683 or (1%).

The fund balance of the Local Option Levy Fund increased by \$1,891,915 or (40%). The Local Option Levy Fund was a new major fund in 2008-09. This fund was established to account for a five year local option levy to fund selected county services.

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

General Fund Budgetary Highlights

Differences between the original expenditure budget and the mid-biennium amended budget were increases of \$1,874,230 or 3%. Major components of these increases were a result of grant funds, in particular:

- Homeland Security - \$507,246.
- Various health related grants - \$235,385.
- Drug treatment grant - \$153,486

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 \$158,771,634 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings, machinery and equipment, roads, and bridges.

There were no major capital asset events during the current fiscal year.

Benton County's Capital Assets
(Net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$ 7,448,203	\$ 7,448,203	\$ 295,298	\$ 33,848	\$ 7,743,501	\$ 7,482,051
Construction in progress	887,494	70,844	19,080	42,019	906,574	112,863
Land improvements	1,239,199	1,274,182	-	-	1,239,199	1,274,182
Buildings	8,731,989	8,789,086	1,545,383	1,246,380	10,277,372	10,035,466
Intangibles	867,351	731,751	-	-	867,351	-
Machinery and equipment	3,057,595	3,469,104	21,642	9,300	3,079,237	3,478,404
Infrastructure	132,241,362	134,244,597	2,417,038	2,028,653	134,658,400	136,273,250
Total	\$ 154,473,193	\$156,027,767	\$ 4,298,441	\$ 3,360,200	\$ 158,771,634	\$ 158,656,216

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 \$17,098,982. \$16,631,550 represents debt backed by the full faith and credit of the County; \$13,540 comprises capital lease obligations; and the remainder of the County’s debt represents bonds secured solely by specified sources (revenue bonds).

Benton County's Outstanding Debt
General Obligation, Revenue, and Full Faith and Credit Obligations, and Capital Leases

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
General obligation loan	\$ -	\$ -	\$ 305,000	\$ -	\$ 305,000	\$ -
Full faith and credit obligations	15,414,189	15,560,616	1,217,361	1,228,925	16,631,550	16,789,541
Revenue bonds	-	-	148,892	186,873	148,892	186,873
Capital leases	13,540	21,192	-	-	13,540	21,192
Total	\$ 15,427,729	\$ 15,581,808	\$ 1,671,253	\$ 1,415,798	\$ 17,098,982	\$ 16,997,606

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

Key Economic Factors and Budget Information

- The unemployment rate for Benton County at the close of the fiscal year was 8.1%. At the time of preparation of this report, the unemployment rate was 7.5%. The rate is not expected to significantly improve before the end of the next fiscal year.
- The County implemented a new medical benefit plan in 2008-09. A high deductible plan was added. With the implementation of this high deductible plan, the County is anticipating lower than average increases in the cost of medical insurance.
- On November 6, 2007, the County passed a five year local option levy. The levy will add \$0.90 per thousand dollars of value to the County’s existing rate of \$2.20 per thousand dollars of value. The levy is anticipated to raise approximately \$5,000,000 per year for five years beginning in FY 2008-09. As a result of the passage of the Secure Rural Schools and Community Self-Determination Act, the County will decrease subsequent levies by the amount received from the Federal Government.

All of these factors were considered in preparing the County’s budget for biennium 2009-11.

The County’s biennial budget for 2009-11 is \$172,758,884 for all budgeted funds. 2009-10 is the first year of the County’s third biennial budget. Budgeted funds included the general fund, special revenue, capital projects, debt service, fiduciary, enterprise and internal service funds. The general fund biennial budget is \$88,187,271 as compared to \$79,691,598 for the previous biennium. The increase is primarily due to two factors: (1) a decrease in the amount budgeted for transfers to the mental health services in the Health Clinic Fund, (2) an increase in the amount budgeted for reserves.

Requests for Information

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

Benton County Finance
110 SW 4th Street
Corvallis, OR 97333

BENTON COUNTY, OREGON

STATEMENT OF NET ASSETS

June 30, 2010

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
ASSETS			
Cash and investments	\$ 27,133,317	\$ 583,057	\$ 27,716,374
Receivables:			
Accounts	647,927	961,821	1,609,748
Taxes and assessments	1,074,754	66,243	1,140,997
Intergovernmental	999,021	-	999,021
Deposits	6,202	-	6,202
Loans receivable	500,573	-	500,573
Inventory	272,565	45,690	318,255
Prepays	86,305	47,725	134,030
Net pension asset	15,174,578	1,199,736	16,374,314
Capital assets			
Land and construction in progress	8,335,697	314,378	8,650,075
Other capital assets (net of accumulated depreciation)	146,137,496	3,984,063	150,121,559
Total assets	200,368,435	7,202,713	207,571,148
LIABILITIES			
Accounts payable	1,621,683	606,516	2,228,199
Accrued payroll costs	1,013,807	192,630	1,206,437
Due to other governments	52,805	-	52,805
Other accrued liabilities	4,313	66,243	70,556
Unearned revenue	178,398	1,940	180,338
Noncurrent liabilities:			
Due within one year	798,292	117,801	916,093
Due in more than one year:			
Accrued compensated absences	2,905,216	284,637	3,189,853
Leases payable	6,838	-	6,838
Notes payable	-	289,357	289,357
Net OPEB obligation	1,440,778	275,646	1,716,424
Bonds payable	15,235,876	1,342,139	16,578,015
Total liabilities	23,258,006	3,176,909	26,434,915
NET ASSETS			
Invested in capital assets, net of related debt	154,462,134	3,860,192	158,322,326
Restricted for:			
Capital projects	1,977,921	-	1,977,921
Public works	792,544	-	792,544
Community services	852,332	-	852,332
Public safety	1,676,698	-	1,676,698
Debt service	1,261,198	-	1,261,198
Unrestricted	16,087,602	165,612	16,253,214
Total net assets	\$ 177,110,429	\$ 4,025,804	\$ 181,136,233

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

BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
	Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
General government	\$ 5,488,294	\$ 392,662	\$ 1,250,835	\$ (2,414,852)	\$ -	\$ (2,414,852)
Public safety	11,195,709	436,469	-	(9,092,506)	-	(9,092,506)
Public works	7,110,962	1,101,095	273,783	(2,399,597)	-	(2,399,597)
Health services	8,405,362	694,000	-	(1,078,183)	-	(1,078,183)
Justice services	4,625,489	269,364	-	(3,762,592)	-	(3,762,592)
Community services	1,618,529	271,787	-	(182,570)	-	(182,570)
Cultural & educational	3,944,696	589,883	-	(3,049,665)	-	(3,049,665)
Parks & natural resources	1,037,999	33,227	-	(773,500)	-	(773,500)
Interest on long-term debt	1,089,561	-	-	(1,089,561)	-	(1,089,561)
Total governmental activities	44,516,601	3,788,487	1,524,618	(23,843,026)	-	(23,843,026)
Business-type activities						
Water and sewer	208,614	119,815	413,417	-	327,961	327,961
Health services	8,561,927	3,510,436	-	-	(1,709,453)	(1,709,453)
Real estate rental	149,369	203,785	-	-	54,416	54,416
Total business-type activities	8,919,910	3,834,036	413,417	-	(1,327,076)	(1,327,076)
Total primary government	\$ 53,436,511	\$ 7,622,523	\$ 1,938,035	(23,843,026)	(1,327,076)	(25,170,102)
General revenues:						
Property taxes				19,637,761	-	19,637,761
Unrestricted investment earnings				199,615	11,602	211,217
Grants and contributions not restricted to specific programs				4,276,211	-	4,276,211
Transfers				(1,039,085)	1,039,085	-
Total general revenues and transfers				23,074,502	1,050,687	24,125,189
Changes in net assets				(768,524)	(276,389)	(1,044,913)
Net assets - beginning				177,878,953	4,302,193	182,181,146
Net assets - ending				\$ 177,110,429	\$ 4,025,804	\$ 181,136,233

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

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

June 30, 2010

	<u>General</u>	<u>Road</u>	<u>Block Grant</u>	<u>Local Option Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and investments	\$ 9,801,583	\$ 1,158,099	\$ 468,153	\$ 6,688,137	\$ 6,076,818	\$ 24,192,790
Receivables:						
Accounts	494,917	51,128	-	-	-	546,045
Taxes and assessments	745,052	-	-	199,262	130,440	1,074,754
Intergovernmental	594,418	261,425	29,420	-	113,758	999,021
Deposits	1,202	-	-	-	-	1,202
Loans receivable	-	-	500,573	-	-	500,573
Inventory	-	176,548	-	-	3,943	180,491
Prepays	46,367	5,145	-	400	123	52,035
Total assets	\$ 11,683,539	\$ 1,652,345	\$ 998,146	\$ 6,887,799	\$ 6,325,082	\$ 27,546,911
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 857,947	\$ 210,444	\$ 29,420	\$ 28,886	\$ 173,897	\$ 1,300,594
Accrued payroll costs	599,332	91,844	-	58,902	59,029	809,107
Due to other governments	52,805	-	-	-	-	52,805
Other accrued liabilities	4,313	-	-	-	-	4,313
Deferred/unearned revenue	795,726	36,457	494,181	179,937	113,525	1,619,826
Total liabilities	2,310,123	338,745	523,601	267,725	346,451	3,786,645
Fund balances:						
Reserved for inventory	-	176,548	-	-	3,943	180,491
Reserved for prepaids	46,367	5,145	-	-	123	51,635
Reserved for debt service	-	-	-	-	1,261,198	1,261,198
Reserved for capital projects	-	-	-	-	1,977,921	1,977,921
Unreserved, reported in:						
General fund	9,327,049	-	-	-	-	9,327,049
Special revenue funds	-	1,131,907	474,545	6,620,074	2,735,446	10,961,972
Total fund balances	9,373,416	1,313,600	474,545	6,620,074	5,978,631	23,760,266
Total liabilities and fund balances	\$ 11,683,539	\$ 1,652,345	\$ 998,146	\$ 6,887,799	\$ 6,325,082	27,546,911

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

BENTON COUNTY, OREGON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES

TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2010

Total fund balance (page 15)	\$ 23,760,266
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$119,705,769	146,678,565
The Statement of Net Assets reports receivables at their net realizable value; however, receivables not available to pay for current period expenditures are deferred in governmental funds.	1,441,428
The pension assets resulting from contributions in excess of the annual required contribution in 2004 are not financial resources and therefore are not reported in the funds. (See Note V-G)	12,582,218
Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	9,644,652
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(2,878,924)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(14,117,776)</u>
Net assets of governmental activities (page 13)	<u>\$ 177,110,429</u>

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

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

For the Year Ended June 30, 2010

	<u>General</u>	<u>Road</u>	<u>Block Grant</u>	<u>Local Option Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes and assessments	\$ 13,600,130	\$ 8,329	\$ -	\$ 3,599,112	\$ 2,240,572	\$ 19,448,143
Licenses and permits	1,449,657	-	-	-	-	1,449,657
Intergovernmental	10,192,329	3,589,757	90,079	1,752,639	3,691,234	19,316,038
Fines	880	-	-	-	-	880
Charges for services	2,997,234	958,081	-	-	1,040,687	4,996,002
Interest	114,684	8,673	4,319	-	58,653	186,329
Miscellaneous	191,392	21,931	5,327	55,655	103,111	377,416
Total revenues	<u>28,546,306</u>	<u>4,586,771</u>	<u>99,725</u>	<u>5,407,406</u>	<u>7,134,257</u>	<u>45,774,465</u>
EXPENDITURES						
Current:						
General government	5,169,157	-	-	899	253,458	5,423,514
Public works	-	4,638,816	-	-	174,412	4,813,228
Public safety	8,178,708	-	-	986,198	1,845,820	11,010,726
Health services	7,266,598	-	-	246,683	1,220,647	8,733,928
Justice services	3,637,357	-	-	535,016	87,020	4,259,393
Community services	679,578	-	93,042	-	717,951	1,490,571
Cultural and educational services	462,693	-	-	-	3,480,405	3,943,098
Parks and natural resources	990,241	-	-	-	-	990,241
Debt service:						
Principal	-	-	-	-	162,877	162,877
Interest	-	-	-	-	1,089,561	1,089,561
Capital outlay	-	420,913	-	-	1,609,826	2,030,739
Total expenditures	<u>26,384,332</u>	<u>5,059,729</u>	<u>93,042</u>	<u>1,768,796</u>	<u>10,641,977</u>	<u>43,947,876</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,161,974</u>	<u>(472,958)</u>	<u>6,683</u>	<u>3,638,610</u>	<u>(3,507,720)</u>	<u>1,826,589</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	15,786	430,000	-	-	3,720,581	4,166,367
Transfers out	(3,460,124)	(111,306)	-	(1,746,695)	(52,313)	(5,370,438)
Total other financing sources (uses)	<u>(3,444,338)</u>	<u>318,694</u>	<u>-</u>	<u>(1,746,695)</u>	<u>3,668,268</u>	<u>(1,204,071)</u>
Net change in fund balances	(1,282,364)	(154,264)	6,683	1,891,915	160,548	622,518
Fund balances - beginning	<u>10,655,780</u>	<u>1,467,864</u>	<u>467,862</u>	<u>4,728,159</u>	<u>5,818,083</u>	<u>23,137,748</u>
Fund balances - ending	<u>\$ 9,373,416</u>	<u>\$ 1,313,600</u>	<u>\$ 474,545</u>	<u>\$ 6,620,074</u>	<u>\$ 5,978,631</u>	<u>\$ 23,760,266</u>

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

BENTON COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2010

Amounts reported for governmental activities in the statement of activities (page 14) are different because:

Net change in fund balances - total governmental funds (page 17)	\$ 622,518
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.	(1,283,910)
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.	209,955
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.	192,619
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	124,063
The net effect of various miscellaneous transactions involving capital assets (for example: sales, trade-ins, and donations) is to decrease net assets.	(21,963)
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>(611,806)</u>
Change in net assets of governmental activities (page 14)	<u><u>\$ (768,524)</u></u>

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

BENTON COUNTY, OREGON**PROPRIETARY FUNDS**

STATEMENT OF NET ASSETS

June 30, 2010

	<i>Health Center</i>	<i>Enterprise Operations</i>	<i>Non-major Enter. Funds</i>	<i>Totals</i>	<i>Governmental Activities - Internal Service Funds</i>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 314,189	\$ 268,868	\$ 583,057	\$ 2,940,527
Accounts receivable	848,191	6,888	106,742	961,821	101,882
Inventory	40,472	-	5,218	45,690	92,074
Deposits	-	-	-	-	5,000
Prepays	45,616	-	2,109	47,725	34,271
Total current assets	<u>934,279</u>	<u>321,077</u>	<u>382,937</u>	<u>1,638,293</u>	<u>3,173,754</u>
Noncurrent assets:					
Assessments receivable	-	-	66,243	66,243	-
Prepaid pension assets	1,351,086	-	-	1,351,086	2,947,414
Accumulated amortization	(151,350)	-	-	(151,350)	(355,054)
Net noncurrent assets	<u>1,199,736</u>	<u>-</u>	<u>66,243</u>	<u>1,265,979</u>	<u>2,592,360</u>
Capital assets:					
Land and non-depreciable assets	-	261,450	33,848	295,298	465,102
Work in progress	19,080	-	-	19,080	21,774
Buildings	896,994	851,170	-	1,748,164	10,287,880
Intangibles	-	-	-	-	1,086,706
Machinery and equipment	13,652	14,746	7,484	35,882	6,369,310
Utility system	-	-	3,652,636	3,652,636	-
Less accumulated depreciation	(56,690)	(153,597)	(1,242,332)	(1,452,619)	(10,436,144)
Total capital assets (net of accumulated depreciation)	<u>873,036</u>	<u>973,769</u>	<u>2,451,636</u>	<u>4,298,441</u>	<u>7,794,628</u>
Total noncurrent assets	<u>2,072,772</u>	<u>973,769</u>	<u>2,517,879</u>	<u>5,564,420</u>	<u>10,386,988</u>
Total assets	<u>3,007,051</u>	<u>1,294,846</u>	<u>2,900,816</u>	<u>7,202,713</u>	<u>13,560,742</u>
LIABILITIES					
Current liabilities:					
Accounts payable	586,081	1,297	19,138	606,516	321,089
Accrued payroll	156,022	3,041	33,567	192,630	204,700
Compensated absences	70,256	1,251	6,537	78,044	107,873
Bonds payable	-	-	9,964	9,964	-
Leases payable	-	-	-	-	4,220
Notes payable	-	15,643	-	15,643	-
Deferred/unearned revenue	1,199	-	741	1,940	-
Total current liabilities	<u>813,558</u>	<u>21,232</u>	<u>69,947</u>	<u>904,737</u>	<u>637,882</u>
Non-current liabilities:					
PERS bonds payable	1,217,361	-	-	1,217,361	2,739,673
Compensated absences	263,591	6,193	14,853	284,637	531,696
Net OPEB obligation	241,153	4,148	30,345	275,646	-
Leases/notes payable	-	-	-	-	6,838
Notes payable	-	289,357	-	289,357	-
Deferred revenue	-	-	66,243	66,243	-
Bonds payable	-	-	138,928	138,928	-
Total non-current liabilities	<u>1,722,105</u>	<u>299,698</u>	<u>250,369</u>	<u>2,272,172</u>	<u>3,278,207</u>
Total liabilities	<u>2,535,663</u>	<u>320,930</u>	<u>320,316</u>	<u>3,176,909</u>	<u>3,916,089</u>
NET ASSETS					
Invested in capital assets net of related debt	873,036	684,412	2,302,744	3,860,192	7,783,570
Unrestricted	(401,648)	289,504	277,756	165,612	1,861,083
Total net assets	<u>\$ 471,388</u>	<u>\$ 973,916</u>	<u>\$ 2,580,500</u>	<u>\$ 4,025,804</u>	<u>\$ 9,644,653</u>

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

BENTON COUNTY, OREGON

MAJOR PROPRIETARY FUNDS

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

For the Year Ended June 30, 2010

	<u>Health Center</u>	<u>Enterprise Operations</u>	<u>Non-major Enter. Funds</u>	<u>Totals</u>	<u>Governmental Activities Internal Service Funds</u>
Operating Revenues					
Charges for services	\$ 3,245,465	\$ 203,785	\$ 384,786	\$ 3,834,036	\$ 11,926,994
Intergovernmental	2,645,417	-	1,047,569	3,692,986	6,643
Miscellaneous	19,250	-	43,219	62,469	68,050
Total operating revenues	<u>5,910,132</u>	<u>203,785</u>	<u>1,475,574</u>	<u>7,589,491</u>	<u>12,001,687</u>
Operating Expenses					
Personnel services	4,310,355	73,712	646,319	5,030,386	5,818,651
Materials and services	3,216,456	53,748	473,572	3,743,776	5,352,722
Depreciation/amortization	34,320	21,909	78,588	134,817	798,633
Total operating expenses	<u>7,561,131</u>	<u>149,369</u>	<u>1,198,479</u>	<u>8,908,979</u>	<u>11,970,006</u>
Operating income (loss)	(1,650,999)	54,416	277,095	(1,319,488)	31,681
Nonoperating revenue (expenses)					
Interest expense	(2,431)	-	(8,500)	(10,931)	-
Assessments received	-	-	3,343	3,343	-
Investment earnings	1,289	3,188	7,126	11,603	13,287
Income (loss) before transfers	<u>(1,652,141)</u>	<u>57,604</u>	<u>279,064</u>	<u>(1,315,473)</u>	<u>44,968</u>
Transfers in	1,331,514	-	-	1,331,514	485,166
Transfers out	(196,194)	(71,548)	(24,688)	(292,430)	(320,179)
Change in net assets	<u>(516,821)</u>	<u>(13,944)</u>	<u>254,376</u>	<u>(276,389)</u>	<u>209,955</u>
Total net assets - beginning	<u>988,209</u>	<u>987,860</u>	<u>2,326,124</u>	<u>4,302,193</u>	<u>9,434,698</u>
Total net assets - ending	<u>\$ 471,388</u>	<u>\$ 973,916</u>	<u>\$ 2,580,500</u>	<u>\$ 4,025,804</u>	<u>\$ 9,644,653</u>

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

BENTON COUNTY, OREGON

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2010

	<u>Health Center</u>	<u>Enterprise Operations</u>	<u>Non-major Enter. Funds</u>	<u>Totals</u>	<u>Governmental Activities - Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 3,645,021	\$ 205,271	\$ 337,269	\$ 4,187,561	\$ 12,063,057
Grants	2,645,417	-	938,363	3,583,780	6,643
Miscellaneous donations	19,250	-	43,219	62,469	-
Payments to suppliers	(3,346,612)	(53,255)	(484,785)	(3,884,652)	(5,250,628)
Paid to employees	(4,267,611)	(69,539)	(517,055)	(4,854,205)	(5,849,602)
Net cash provided (used) by operating activities	<u>(1,304,535)</u>	<u>82,477</u>	<u>317,011</u>	<u>(905,047)</u>	<u>969,470</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal paid on noncapital debt	(11,564)	-	-	(11,564)	(26,061)
Interest expense	(2,431)	-	-	(2,431)	-
Operating borrowing	485,608	-	-	485,608	-
Transfers in	1,331,514	-	-	1,331,514	364,339
Transfers out	(196,194)	(71,548)	(24,688)	(292,430)	(199,352)
Net cash provided (used) by noncapital financing activities	<u>1,606,933</u>	<u>(71,548)</u>	<u>(24,688)</u>	<u>1,510,697</u>	<u>138,926</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(303,687)	(9,320)	(424,205)	(737,212)	(502,955)
Assessments received	-	-	3,344	3,344	-
Principal paid on capital debt	-	(10,000)	(37,981)	(47,981)	(3,955)
Interest paid on capital debt	-	-	(8,500)	(8,500)	-
Net cash provided (used) by capital and related financing activities	<u>(303,687)</u>	<u>(19,320)</u>	<u>(467,342)</u>	<u>(790,349)</u>	<u>(506,910)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	1,289	3,188	7,126	11,603	13,287
Net cash provided by investing activities	<u>1,289</u>	<u>3,188</u>	<u>7,126</u>	<u>11,603</u>	<u>13,287</u>
Net increase (decrease) in cash and cash equivalents	-	(5,203)	(167,893)	(173,096)	614,773
Cash and cash equivalents - beginning	<u>-</u>	<u>319,392</u>	<u>436,761</u>	<u>756,153</u>	<u>2,325,754</u>
Cash and cash equivalents - ending	<u>\$ -</u>	<u>\$ 314,189</u>	<u>\$ 268,868</u>	<u>\$ 583,057</u>	<u>\$ 2,940,527</u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)	\$ (1,650,999)	\$ 54,416	\$ 277,095	\$ (1,319,488)	\$ 31,681
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation/amortization expense	34,320	21,909	78,588	134,817	798,633
Change in assets and liabilities:					
Receivables	460,656	1,486	(47,182)	414,960	68,012
Prepays	(44,695)	-	(210)	(44,905)	11,446
Inventory	46	-	(648)	(602)	6,887
Deferred revenues	(61,100)	-	(335)	(61,435)	-
Compensated absences	(10,161)	2,147	(2,567)	(10,581)	(32,646)
OPEB	72,988	1,431	12,825	87,244	-
Payables	(105,590)	1,088	(555)	(105,057)	85,457
Net cash provided (used) by operating activities	<u>\$ (1,304,535)</u>	<u>\$ 82,477</u>	<u>\$ 317,011</u>	<u>\$ (905,047)</u>	<u>\$ 969,470</u>

Noncash capital and financing activities:

Financed acquisition of capital asset	-	\$ 305,000	-	\$ 305,000	
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The notes to the financial statements are an integral part of this statement.

BENTON COUNTY, OREGON

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2010

	<i>Private-purpose Trust Funds</i>	<i>Agency Fund</i>
ASSETS		
Cash and investments	\$ 678,646	\$ 4,026,023
Receivables:		
Accounts	2,635	4,231
Accrued interest	-	47,137
Property taxes	-	4,327,688
Other assets	-	32,517
Prepaid pension asset (net of amortization)	-	506,931
Total assets	<u>681,281</u>	<u>8,944,527</u>
LIABILITIES		
Accounts payable	6,520	888,433
Accrued payroll costs	-	58,707
Due to other governmental agencies	-	7,440,994
Other liabilities	5,172	42,015
Pension bonds payable	-	514,378
Total liabilities	<u>11,692</u>	<u>8,944,527</u>
NET ASSETS		
<i>Held in trust</i>	<u><u>\$ 669,589</u></u>	<u><u>\$ -</u></u>

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

BENTON COUNTY, OREGON

PRIVATE PURPOSE TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2010

	<i>Private-purpose Trust Funds</i>
ADDITIONS	
Contributions:	
Private donations	\$ 14,943
Intergovernmental	44,517
Charges for services	80,135
Interest earnings	<u>8,272</u>
Total additions	<u>147,867</u>
DEDUCTIONS	
Personal services	24,832
Materials and services	149,562
Capital outlay	<u>6,632</u>
Total deductions	<u>181,026</u>
Change in net assets	(33,159)
Net assets - beginning	<u>702,748</u>
Net assets - ending	<u>\$ 669,589</u>

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

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2010

I. Summary of significant accounting policies

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

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

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

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

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

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

Blended component units:

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

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

- Library Services District
- Alsea County Service District
- Alpine County Service District

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

I. Summary of significant accounting policies (continued)

C. Government-wide and Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

Block Grant Fund – This fund accounts for residual funds from low-income loans made through HUD’s Block Grant program.

Local Option Levy Fund – This fund accounts for a five-year local option property tax levy.

The County reports the following enterprise funds as major funds.

Health Center Fund – These funds report the activities of County’s Federally Qualified Health Centers.

Enterprise Operations Fund – This fund accounts for the leasing of county owned properties and the enterprise operation of software development.

Additionally, the government reports the following fund types:

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

I. Summary of significant accounting policies (continued)

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

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

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

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

Agency Funds are used to account for resources received and held by the County in a fiduciary capacity. Disbursements from these funds are made in accordance with the applicable legislative enactment for each particular fund. Accordingly, all assets reported in an Agency Fund are offset by a liability to the party on whose behalf they are held. The following are the agency funds: Property tax distribution fund-accounts for the collection of property taxes for all taxing districts; ABHA-Fund - accounts for the transactions of an ORS 190 intergovernmental agency; Historical Fund – accounts for the transaction of County Historical fund.

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

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

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

I. Summary of significant accounting policies (continued)

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

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

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

Significant revenues that were measurable and available at June 30, 2010 under the modified accrual basis of accounting were as follows:

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

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

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

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

E. Assets, liabilities, and net assets or equity

1. Cash, cash equivalents and investments

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

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

I. Summary of significant accounting policies (continued)

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

2. Receivables

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

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

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

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

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

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

3. Interfund transactions

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

4. Loans receivable

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

5. Inventory

All inventories are valued at the lower of cost or market value 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, 2010

I. Summary of significant accounting policies (continued)

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

6. Prepaids

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

7. Capital assets

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

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

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

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

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

8. Compensated absences

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

I. Summary of significant accounting policies (continued)

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

9. Long-term obligations

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

10. Fund equity

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

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net assets - governmental activities* as reported in the government-wide statement of net assets. The details of this \$153,350,163 difference are as follows:

Capital assets, not reported in the funds	\$146,678,565
Long-term liabilities	(14,117,776)
Deferred revenues	1,441,428
Prepaid pension assets	12,582,218
Internal service fund net assets	9,644,652
Compensated absences	<u>(2,878,924)</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$153,350,163</u>

An element of that reconciliation states “Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$(14,117,776) difference are as follows:

Pension bonds	\$(12,674,516)
Net OPEB obligation	(1,440,778)
Capital lease	<u>(2,482)</u>
Net adjustment to long-term liabilities	<u>\$(14,117,776)</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(1,283,909) difference are as follows:

Additions to capital assets	\$3,159,048
Depreciation expense	<u>(4,442,958)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(1,283,910)</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 \$ (611,806) difference are as follows:

Amortization of pre-paid pension asset	\$ (216,977)
Change in OPEB obligation	(365,776)
Change in compensated absences	<u>(29,053)</u>
Net adjustment to <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$(611,806)</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2010

III. Stewardship, compliance, and accountability (continued)

A. Budgetary information (continued)

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

- Capital outlay
- Debt service
- Interfund transfers and loans

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

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

Budget amounts reflect the original budget amounts and 22 appropriation transfers and 12 supplemental budgets. Total appropriations by fund are too numerous to list and are presented in each individual fund's Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.

B. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

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

	General Fund	Road Fund	Block Grant Fund	Local Option Fund	Nonmajor Funds
Fund balance - budgetary basis	\$ 9,979,934	\$ 1,228,896	\$ 468,153	\$ 6,678,976	\$ 6,033,717
Reserved fund balances	-	340,644	-	-	3,943
Accrued payroll	(606,518)	(91,844)	-	(58,902)	(59,029)
Loans outstanding	-	-	6,392	-	-
Fund balance - GAAP basis	<u>\$ 9,373,416</u>	<u>\$ 1,477,696</u>	<u>\$ 474,545</u>	<u>\$ 6,620,074</u>	<u>\$ 5,978,631</u>

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2010

IV. Detailed notes on all funds

A. Cash and investments

At year-end, the County's carrying amount of deposits was \$4,732,201 and the bank balance was \$5,272,281. The County manages custodial risk for deposits and investments in accordance with Oregon Revised Statutes. FDIC insurance of \$250,000 applies to deposits in each depository.

Effective July 1, 2008, House Bill 2901 significantly revised ORS 295. The changes create a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. Of the County's bank deposits, \$761,724 was covered by FDIC and the remainder was subject to the State of Oregon collateral pool program.

Cash on hand	\$ 24,229
Deposits with financial institutions	4,732,201
Investments	27,664,613
Total cash and investments	<u>\$ 32,421,043</u>
Cash and investments on government-wide Statement of Net Assets	\$ 27,716,374
Cash and investments on Statement of Fiduciary Net Assets	4,704,669
	<u>\$ 32,421,043</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

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 \$27,664,613 of investments.

<u>Investment Type</u>	<u>Weighted Avg. to Maturity</u>	<u>% of Portfolio</u>	<u>Reported Amount</u>
Local Government Investment Pool	Ave. 3 months	88.2%	\$ 22,987,282
US Agency Securities	Ave. 4.5 months	11.8%	3,084,910
Subtotal for Portfolio Percentages		100.0%	26,072,192
Cash on Hand			24,229
Certificates of Deposit (CD's)	2.5 months		1,592,421
Deposits			4,732,201
Subtotal for Cash and Deposits			6,348,851
Total Cash and Investments, June 30, 2010			\$ 32,421,043

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 and approved by the Oregon Investment Council (ORS 294.805 to 294.895). At June 30, 2010 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, 2010 included: Commercial Paper (20.9%), Corporate Notes (26.6%), Certificates of Deposit (.5%), U.S. Agency securities (42.5%) and Temporary Liquidity Guarantee (9.6%). The credit risk associated with the investments was AAA rating (48.7%), AA rating (15.0%), A rating (34.9%), and not rated (1.4%).

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, 2010, more than 5 % of the County's portfolio was invested in Umpqua Bank Certificate of Deposit (5.0%).

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

IV. Detailed notes on all funds (continued)

B. Receivables

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

	Prop. taxes/ Assessments	Accounts	Inter- gov't	Deposits	Loans	Total
Governmental activities						
General Fund	\$ 745,052	\$ 494,917	\$ 594,418	\$ 1,202	\$ -	\$ 1,835,589
Road Fund	-	51,128	261,425	-	-	312,553
Local Option Levy Fund	199,262	-	-	-	-	199,262
Block Grant Fund	-	-	29,420	-	500,573	529,993
Nonmajor governmental funds	130,440	-	113,758	-	-	244,198
Internal service funds	-	101,882	-	5,000	-	106,882
Total governmental activities	<u>1,074,754</u>	<u>647,927</u>	<u>999,021</u>	<u>6,202</u>	<u>500,573</u>	<u>3,228,477</u>
Business-type activities:						
County health centers	-	942,218	-	-	-	942,218
Enterprise operations	-	6,888	-	-	-	6,888
County service districts	66,243	12,715	-	-	-	78,958
Total business type activities	<u>66,243</u>	<u>961,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028,064</u>
Grand total	<u>\$ 1,140,997</u>	<u>\$ 1,609,748</u>	<u>\$ 999,021</u>	<u>\$ 6,202</u>	<u>\$ 500,573</u>	<u>\$ 4,256,541</u>

In the governmental funds there are no significant receivable balances not expected to be collected within one year, accordingly, there is no allowance for doubtful accounts. There is an allowance of \$121,229 in the business-type county health center funds.

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

	Property Taxes	Special Assessments	Loans Receivable	Total Deferred	Unearned Revenue	Total
Governmental Funds:						
General Fund	\$ 653,785	\$ -	\$ -	\$ 653,785	\$ 141,941	\$ 795,726
Road Fund	-	-	-	-	36,457	36,457
Block Grant Fund	-	-	494,181	494,181	-	494,181
Local Option Levy Fund	179,937	-	-	179,937	-	179,937
Nonmajor governmental funds	113,525	-	-	113,525	-	113,525
Total	<u>\$ 947,247</u>	<u>\$ -</u>	<u>\$ 494,181</u>	<u>\$ 1,441,428</u>	<u>\$ 178,398</u>	<u>\$ 1,619,826</u>
Business-type activities:						
Health Center	\$ -	\$ -	\$ -	\$ -	1,199	1,199
County service districts	-	66,243	-	66,243	741	66,984
Total	<u>\$ -</u>	<u>\$ 66,243</u>	<u>\$ -</u>	<u>\$ 66,243</u>	<u>\$ 1,940</u>	<u>\$ 68,183</u>

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2010

IV. Detailed notes on all funds (continued)

C. Capital assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,448,203	\$ -	\$ -	\$ 7,448,203
Construction in progress	70,844	838,613	(21,963)	887,494
Total capital assets, not being depreciated	<u>7,519,047</u>	<u>838,613</u>	<u>(21,963)</u>	<u>8,335,697</u>
Capital assets, being depreciated:				
Improvements, other than buildings	2,054,237	-	-	2,054,237
Intangibles	2,304,464	197,250	-	2,501,714
Buildings	14,673,845	255,889	-	14,929,734
Machinery and equipment	9,069,263	491,022	(28,146)	9,532,139
Infrastructure	245,382,356	1,879,229	-	247,261,585
Total capital assets, being depreciated	<u>273,484,165</u>	<u>2,823,390</u>	<u>(28,146)</u>	<u>276,279,409</u>
Less accumulated depreciation for:				
Improvements, other than buildings	(780,055)	(63,129)	28,146	(815,038)
Intangibles	(1,387,265)	(247,098)	-	(1,634,363)
Buildings	(5,884,759)	(312,986)	-	(6,197,745)
Machinery and equipment	(5,785,607)	(688,937)	-	(6,474,544)
Infrastructure	(111,137,759)	(3,882,464)	-	(115,020,223)
Total accumulated depreciation	<u>(124,975,445)</u>	<u>(5,194,614)</u>	<u>28,146</u>	<u>(130,141,913)</u>
Total capital assets, being depreciated, net	<u>148,508,720</u>	<u>(2,371,224)</u>	<u>-</u>	<u>146,137,496</u>
Governmental activities capital assets, net	<u>\$ 156,027,767</u>	<u>\$ (1,532,611)</u>	<u>\$ (21,963)</u>	<u>\$ 154,473,193</u>
	Balance July 1, 2009	Increases	Decreases	Balance June 30, 2010
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 33,848	\$ 261,450	\$ -	\$ 295,298
Construction in progress	42,019	19,080	(42,019)	19,080
Total capital assets, not being depreciated	<u>75,867</u>	<u>280,530</u>	<u>(42,019)</u>	<u>314,378</u>
Capital assets, being depreciated:				
Buildings	1,416,139	332,025	-	1,748,164
Machinery and equipment	20,431	15,451	-	35,882
Infrastructure	3,186,411	466,225	-	3,652,636
Total capital assets, being depreciated	<u>4,622,981</u>	<u>813,701</u>	<u>-</u>	<u>5,436,682</u>
Less accumulated depreciation for:				
Buildings	(169,759)	(33,022)	-	(202,781)
Machinery and equipment	(11,131)	(3,109)	-	(14,240)
Infrastructure	(1,157,758)	(77,840)	-	(1,235,598)
Total accumulated depreciation	<u>(1,338,648)</u>	<u>(113,971)</u>	<u>-</u>	<u>(1,452,619)</u>
Total capital assets, being depreciated, net	<u>3,284,333</u>	<u>699,730</u>	<u>-</u>	<u>3,984,063</u>
Business-type activities capital assets, net	<u>\$ 3,360,200</u>	<u>\$ 980,260</u>	<u>\$ (42,019)</u>	<u>\$ 4,298,441</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

IV. Detailed notes on all funds (continued)

C. Capital assets (continued)

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

Governmental activities:

General government	\$	140,701
Public safety		132,790
Public works, including infrastructure		3,916,837
Health services		1,552
Justice services		4,674
Community services		126,831
Cultural and educational services		45,467
Parks & natural resources		74,105
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets		<u>751,657</u>
Total depreciation expense - governmental activities	\$	<u><u>5,194,614</u></u>

Business-type activities:

Water and sewer	\$	78,588
Health services		13,474
Rental properties		<u>21,909</u>
Total depreciation expense - business-type activities	\$	<u><u>113,971</u></u>

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2010****IV. Detailed notes on all funds (continued)****E. Interfund transfers:**

	Transfers Out					Total
	General Fund	Nonmajor Gov't Funds	Internal Svc. Funds	Other Major Funds	Enterprise Funds	
Transfers In:						
General Fund	\$ -	\$ 5,262	\$ -	\$ -	\$ 10,524	\$ 15,786
Other major funds	430,000	-	-	-	-	430,000
Nonmajor gov't funds	1,223,447	45,555	320,179	1,849,494	281,906	3,720,581
Enterprise funds	1,331,514	-	-	-	-	1,331,514
Internal service funds	475,163	1,496	-	8,507	-	485,166
	<u>\$3,460,124</u>	<u>\$ 52,313</u>	<u>\$ 320,179</u>	<u>\$ 1,858,001</u>	<u>\$ 292,430</u>	<u>\$ 5,983,047</u>

\$1,396,679 of the transfers into the non-major governmental funds are to fund the payment of the PERS pension bonds from those funds having payroll expenditures. The General fund transferred \$1,331,514 to the Health Clinic fund to cover operating expenditures.

F. Long-term debtGeneral Obligation Bonds

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

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

Bonds/Notes Payable	Original Amount	Interest Rate	Balance July 1, 2009	Debt Incurred	Bond Maturities	Balance June 30, 2010
Pension Obligation						
PERS bonds-2002	\$ 11,662,750	7.0%	\$ 9,818,805	\$ -	\$ 137,877	\$ 9,680,928
Pension Obligation						
PERS bonds-2004	\$ 7,490,000	4.9 to 6.1 % variable	7,490,000	-	25,000	7,465,000
Note payable	\$ 305,000	2.0%	-	305,000		305,000
South Third County Service						
District bonds	\$ 239,000	4.375%	161,623	-	37,137	124,486
Alsea County Service						
District bonds	\$ 32,900	4.50%	25,250	-	844	24,406
Grand total			<u>\$ 17,495,678</u>	<u>\$ 305,000</u>	<u>\$ 200,858</u>	<u>\$17,599,820</u>

The balance at June 30, 2010 includes \$514,378 reported as a liability in the Agency Funds.

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2010****IV. Detailed notes on all funds (continued)****F. Long-term debt (continued)**

Bonded debt service requirements at June 30, 2010 (including interest payments of \$ 16,815,774) have the following maturities:

Fiscal Year Ending June 30,	Pension Obligation Bonds *	Alsea County Service District Revenue Bonds	South Third CSD Revenue Bonds	Note Payable	Total
2011	\$ 1,316,210	\$ 2,021	\$ 14,460	\$ 21,600	\$ 1,354,291
2012	1,383,612	2,021	14,460	21,600	1,421,693
2013	1,449,675	2,021	14,460	21,600	1,487,756
2014	1,524,060	2,021	14,460	21,600	1,562,141
2015	1,596,258	2,021	14,460	21,600	1,634,339
2016-2020	9,229,530	10,105	72,300	241,574	9,553,509
2021-2025	10,332,182	10,105	15,016	-	10,357,303
2026-2028	7,038,743	5,821	-	-	7,044,564
	<u>\$ 33,870,270</u>	<u>\$ 36,136</u>	<u>\$ 159,616</u>	<u>\$ 349,574</u>	<u>\$ 34,415,596</u>

*Includes \$ 514,378 reported in Agency Funds

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending June 30,	Principal *	Interest	Total
2011	\$ 224,899	\$ 1,129,391	\$ 1,354,290
2012	262,105	1,159,588	1,421,693
2013	299,875	1,187,881	1,487,756
2014	343,152	1,218,989	1,562,141
2015	382,070	1,252,269	1,634,339
2015-2019	2,825,243	6,728,265	9,553,508
2020-2024	6,977,152	3,380,152	10,357,304
2025-2028	6,285,324	759,239	7,044,563
	<u>\$ 17,599,820</u>	<u>\$ 16,815,774</u>	<u>\$ 34,415,594</u>

* Includes \$514,378 reported in Agency Funds

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

IV. Detailed notes on all funds (continued)

F. Long-term debt (continued)

Full Faith and Credit Obligations

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

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

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Due within</u>
	<u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2010</u>	<u>one year</u>
Governmental activities					
Bonds payable:					
Pension	\$ 15,560,616	\$ -	\$ 146,427	\$ 15,414,189	\$ 178,313
Other liabilities:					
Capital leases payable	21,192	-	7,652	13,540	6,703
Net OPEB obligation	1,075,002	365,776	-	1,440,778	-
Compensated absences	3,522,086	-	3,593	3,518,493	613,276
	<u>20,178,896</u>	<u>365,776</u>	<u>157,672</u>	<u>20,387,000</u>	<u>798,292</u>
Business-type activities:					
Bonds payable:					
Pension bonds	1,228,925	-	11,564	1,217,361	14,150
South Third County Service					
District bonds	161,623	-	37,137	124,486	9,014
Alsea County Service					
District bonds	25,250	-	844	24,406	950
Other liabilities:					
Note payable	-	305,000	-	305,000	15,643
Net OPEB obligation	188,402	87,244	-	275,646	-
Compensated absences	373,261	-	10,580	362,681	78,044
	<u>1,977,461</u>	<u>392,244</u>	<u>60,125</u>	<u>2,309,580</u>	<u>117,801</u>
	<u>\$ 22,156,357</u>	<u>\$ 758,020</u>	<u>\$ 217,797</u>	<u>\$ 22,696,580</u>	<u>\$ 916,093</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end \$639,569 of internal service funds compensated absences and \$2,739,673 of PERS bonds payable are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the funds that incur the costs (General, Road, Fair, Corner Preservation, Oregon Health Plan, Court Security, Adult Corrections and Health Clinic Funds).

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

IV. Detailed notes on all funds (continued)

F. Long-term debt (continued)

Notes and Capital Leases:

The County has entered into two capital leases to purchase equipment. At June 30, 2010, the lease payable consists of the following:

Lease payable to Key Equipment leasing in monthly installments of \$401, including interest at 6.5%, due December 2012, secured by two photocopiers, original lease amount \$16,898, Purchase price of copiers was \$16,898, current book value is \$11,829.	\$ 11,058
Lease payable to Naeda Financial in monthly installments of \$319, including interest at 2.99%, due February 2011, secured by a Kubota mower, original lease amount \$10,646, purchase price of mower was \$10,646, current book value is \$8,073.	<u>2,482</u>
Total capital leases payable	<u>\$ 13,540</u>

The future minimum lease/note obligations and the net present value of these minimum lease/note payments as of June 30, 2010 were as follows:

Year ending June 30,	Governmental Activities	
	Leases Payable	
2011	\$	8,647
2012		7,324
2013		4,815
2014		<u>2,379</u>
Total minimum lease payments		23,165
Less: amount representing interest		<u>(9,625)</u>
Present value of minimum lease payment	\$	<u>13,540</u>

G. Prepaid Pension Asset

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

IV. Detailed notes on all funds (continued)

G. Prepaid Pension Asset (continued)

Amortization of Prepaid Pension Asset

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

Fiscal Year Ending June 30,	2002 Issue	2004 Issue	Total
2011	\$ 221,882	\$ 115,109	\$ 336,991
2012	250,932	132,872	383,804
2013	282,248	152,059	434,307
2014	316,004	172,781	488,785
2015-2019	2,185,492	1,237,130	3,422,622
2020-2024	3,523,606	2,065,782	5,589,388
2025-2029	2,999,540	3,225,808	6,225,348
	<u>\$ 9,779,704</u>	<u>\$ 7,101,541</u>	<u>\$16,881,245</u>

*Includes \$506,931 reported in Agency Funds

V. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County has set up a joint trust fund with Valley Landfills, Inc. to be used for any future environmental clean up or damage control that may be required in the future as a result of landfill operations. As of June 30, 2010 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, 2010, or the five preceding fiscal years.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

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, regular healthcare providers underwrite the retiree's policies. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2010, there were 15 retirees that were receiving the post-employment medical and 28 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, 2010, the County's combined plan contributions were \$94,745.

Explicit subsidy:

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

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

As of June 30, 2010, there were 28 participants currently eligible to receive benefits. For the fiscal year ended June 30, 2010, the County incurred \$81,740 of expenditures. The County funds this benefit on a "pay-as-you-go" basis.

Funding policy

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, 2010, the amount actually contributed to the plans, and the changes in the County's net OPEB obligation:

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2010

V. Other information (continued)

B. Other post employment benefits (OPEB)

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

Determination of Annual Required Contribution

(1) Normal Cost at year end	\$ 380,753
(2) Amortization of UAAL	293,632
(3) Annual Required Contribution (ARC)	<u>\$ 674,385</u>

Determination of Net OPEB Obligation

Annual Required Contribution (ARC)	\$ 674,385
Interest on prior year Net OPEB Obligation	58,413
Adjustment to ARC	<u>(91,626)</u>
Annual OPEB Cost	641,172
Explicit Benefits Payment	(86,059)
Implicit Benefit Payments	<u>(94,745)</u>
Increase in Net OPEB Obligation	460,368
Net OPEB Obligation - beginning of year	<u>1,298,071</u>
Net OPEB Obligation - end of year*	<u>\$ 1,758,439</u>

***Reported as follows:**

Governmental activities	\$ 1,440,777
Business activities	275,647
Agency funds	<u>42,015</u>
Total	<u>\$ 1,758,439</u>

The County's annual OPEB cost, the contribution, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for 2010 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

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

** Includes \$ 42,015 reported in Agency Funds.

Funded Status and Funding Progress

As of August 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$3,850,973, and actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,850,973. The covered payroll (annual payroll of active employees covered by the plans) was \$19,961,941, and the ratio of UAAL to the covered payroll was 19.3 %.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

V. Other information (continued)

B. Other post employment benefits (continued)

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

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

Actuarial Methods and Assumptions

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

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

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

Retirement and Withdrawal Rates: The rates used are similar to the rates adopted by the Oregon PERS for its December 31, 2007 actuarial valuation of retirement benefits.

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

C. Retirement health insurance account

As a member of Oregon Public Employees Retirement System (OPERS), the County contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other post-employment plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIS 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.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

V. Other information (continued)

C. Retirement health insurance account (continued)

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

Participating employers are contractually required to contribute to RHIA at a rate assessed year by OPERS, currently .59% of annual covered OPERF payroll and .50% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2010, 2009 and 2008 respectively were \$54,221, \$51,957 and \$62,492, which equaled the required contributions each year. These rates and contributions are included in the PERS rates listed in Note V-F.

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 2010 was \$223,973.

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

E. Deferred compensation plan

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

V. Other information (continued)

E. Deferred compensation plan (continued)

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

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

F. Employee retirement systems and pension plans

Defined Benefit Pension Plan

Accounting and Reporting Standards:

The County is a participating employer in the Oregon Public Employees Retirement System ("OPERS"), a cost-sharing multiple-employer defined benefit pension plan. The 2003 legislature adopted certain changes in the Oregon Public Employee Retirement System, and created a new system for all people hired after August 29, 2003. The Public Employees Retirement System (PERS), which was established under Oregon Revised Statute (ORS) 238.600, applies to all employees who had established membership prior to August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP), which was established under ORS 238A and went into effect on January 1, 2004, applies to all people who are first employed with a public employer after August 29, 2003. The Public Employees Retirement Board (PERB) governs and acts as a common investment and administrative agent for both plans which are retirement plans for most public employers in the State of Oregon. Benefits are established by state statute, and employer contributions are made at the actuarially determined rate for each system as adopted by the PERB. The Oregon Public Employees Retirement System, a component unit of the State of Oregon, issues a comprehensive annual financial report, which may be obtained by writing to Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700.

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

Funding Status

Covered employees are required by state statute to contribute 6.0 percent of their salary to the plan which is invested in the Individual Account Program (IAP), a defined contribution pension plan. Employers are permitted to pay employee contributions to the fund. During fiscal year 2010, the County contributed \$1,265,464 on behalf of its employees.

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

For OPSRP, all employees are included in a single pool, with separate rates assigned for police and fire participants and general service participants. Beginning January 1, 2007 OPSRP rates were set at 5.07% for police and fire and 2.36% for general service employees.

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2010****V. Other information (continued)****F. Employee retirement systems and pension plans (continued)**

Following is a history of OPERS and OPSRP rate changes:

Effective Date	OPSRP Rates		OPERS	
	General Service	Police & Fire	General Service	Police & Fire
7/1/2009	2.36%	5.07%	1.92%	9.70%
7/1/2007	7.32%	10.59%	6.46%	n/a
7/1/2005	3.72%	7.33%	8.46%	n/a
7/1/2004	n/a	n/a	4.13%	n/a
7/1/2003	n/a	n/a	6.88%	n/a
7/1/2002	n/a	n/a	8.51%	n/a
7/1/2001	n/a	n/a	11.81%	n/a
7/1/2000	n/a	n/a	10.42%	n/a
7/1/1999	n/a	n/a	9.04%	n/a

Annual Pension Cost

All OPERS participating employers are required by law to submit the contributions as adopted by the Retirement Board. For the fiscal year ended June 30, 2010, the County's annual pension expenditures/expense exclusive of the 6% "pick-up" was \$685,775. The following table details required and actual contribution history:

Effective Date	OPSRP Contribution		OPERS Contribution	Total Contribution
	General Service	Police & Fire	Tier 1/ Tier 2	
2009-10	\$ 130,463	\$ 73,656	\$ 481,656	\$ 685,775
2008-09	358,963	108,234	906,314	1,373,511
2007-08	262,566	56,376	908,676	1,227,618
2006-07	116,486	32,946	1,222,440	1,371,872
2005-06	138,724	30,598	1,274,741	1,444,063

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2010

V. Other information (continued)

G. Recently issued accounting guidance.

Management is determining the effect on its financial statements of the following recently issued accounting statements:

GASB Statement 54, *Fund balance Reporting and Governmental Fund Type Definitions*, is effective for periods beginning after June 15, 2010. The Statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds. Governments are required to disclose information about the processes through which constraints are imposed. Governmental fund type definitions are modified and clarified which may affect the activities governments choose to report in governmental funds.

H. Subsequent events

On September 27, 2010, the Oregon Public Employees Retirement System issued the 12/31/2009 Actuarial Valuation Report. The report shows a significant increase in employer contribution rates as shown below:

<u>Current rate</u>	<u>2009-11 Rate</u>	<u>2011-13 Rate</u>	<u>Change</u>
Tier 1/Tier 2			
General Services	1.92%	7.89%	5.97%
Police & Fire	9.70%	15.17%	5.47%
OPSRP			
General Services	2.36%	5.90%	3.54%
Police & Fire	5.07%	8.61%	3.54%

On November 1, 2010, Benton County entered into a purchase agreement to acquire a 33,000 square foot office building. The County will use the building to house County offices which are currently in leased space. Acquisition of the property will also consolidate County services resulting in operational efficiencies and decrease the County's reliance on leased space and costs associated with those leases.

I. 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.



BENTON COUNTY
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REQUIRED SUPPLEMENTARY INFORMATION



BENTON COUNTY
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BENTON COUNTY, OREGON**GENERAL FUND***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**For the Biennium ending June 30, 2011*

	<i>Budgeted Amounts</i>		<i>1st Year Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes	\$ 27,584,700	\$ 27,584,700	\$ 13,600,130	\$ (13,984,570)
Licenses and permits	3,078,343	3,078,343	1,449,657	(1,628,686)
Intergovernmental	19,964,656	21,764,038	10,192,329	(11,571,709)
Charges for services	5,956,555	6,008,303	2,997,234	(3,011,069)
Fines	900	900	880	(20)
Interest	700,000	700,000	114,684	(585,316)
Miscellaneous	340,700	363,800	170,344	(193,456)
Total revenues	<u>57,625,854</u>	<u>59,500,084</u>	<u>28,525,258</u>	<u>(30,974,826)</u>
EXPENDITURES				
General government	15,333,486	15,319,021	5,907,898	9,411,123
Public safety	17,691,686	18,236,482	8,192,418	10,044,064
Health services	14,981,852	16,285,751	7,255,442	9,030,309
Justice services	8,078,697	8,078,697	3,657,452	4,421,245
Community services	1,842,439	1,842,439	679,467	1,162,972
Cultural and educational services	927,900	927,900	462,693	465,207
Parks and natural resources	1,891,432	1,891,432	989,071	902,361
Total expenditures	<u>60,747,492</u>	<u>62,581,722</u>	<u>27,144,441</u>	<u>35,437,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,121,638)</u>	<u>(3,081,638)</u>	<u>1,380,817</u>	<u>4,462,455</u>
OTHER FINANCING SOURCES (USES)				
Loan repayment				-
Operating transfers in	2,672,924	2,672,924	36,834	(2,636,090)
Operating transfers out	<u>(5,335,697)</u>	<u>(5,375,697)</u>	<u>(2,722,992)</u>	<u>2,652,705</u>
Total other financing sources (uses)	<u>(2,662,773)</u>	<u>(2,702,773)</u>	<u>(2,686,158)</u>	<u>16,615</u>
Net change in fund balance	(5,784,411)	(5,784,411)	(1,305,341)	4,479,070
Fund balances - beginning	<u>10,784,411</u>	<u>10,784,411</u>	<u>11,285,275</u>	<u>500,864</u>
Fund balances - ending	<u>\$ 5,000,000</u>	<u>\$ 5,000,000</u>	<u>\$ 9,979,934</u>	<u>\$ 4,979,934</u>

BENTON COUNTY, OREGON**GENERAL FUND***SCHEDULE OF EXPENDITURES (BUDGET AND ACTUAL)**For the Biennium Ended June 30, 2011*

	<i>Budgeted Amounts</i>		<i>1st Year Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
General government				
Personnel services	\$ 7,829,876	\$ 7,867,004	\$ 3,869,012	\$ 3,997,992
Materials and services	5,336,190	5,324,597	2,038,170	3,286,427
Capital outlay	23,500	23,500	716	22,784
Other	7,168,307	7,168,307	2,517,337	4,650,970
Total general government	** 20,357,873	20,383,408	8,425,235	11,958,173
Public safety				
Personnel services	12,588,103	12,849,553	5,825,341	7,024,212
Materials and services	5,096,750	5,380,096	2,365,524	3,014,572
Capital outlay	6,833	6,833	1,554	5,279
Other	155,310	155,310	77,655	77,655
Total public safety	** 17,846,996	18,391,792	8,270,074	10,121,718
Health services				
Personnel services	5,739,434	6,341,752	2,826,745	3,515,007
Materials and services	9,064,647	9,766,228	4,425,648	5,340,580
Capital outlay	18,500	18,500	3,048	15,452
Other	159,271	159,271	-	159,271
Total health services	** 14,981,852	16,285,751	7,255,441	9,030,310
Justice services				
Personnel services	5,224,700	5,224,700	2,473,607	2,751,093
Materials and services	2,853,997	2,853,997	1,183,845	1,670,152
Total justice services	** 8,078,697	8,078,697	3,657,452	4,421,245
Community services				
Personnel services	438,439	438,439	211,712	226,727
Materials and services	1,404,000	1,404,000	467,755	936,245
Other	156,000	156,000	128,000	28,000
Total community services	** 1,998,439	1,998,439	807,467	1,190,972
Cultural and educational services				
Materials and services	927,900	927,900	462,693	465,207
Total cultural and educational services	** 927,900	927,900	462,693	465,207
Parks and natural resources				
Personnel services	1,218,406	1,218,406	611,681	606,725
Materials and services	648,045	648,045	372,524	275,521
Capital outlay	24,981	24,981	4,866	20,115
Total parks and natural resources	** 1,891,432	1,891,432	989,071	902,361
Total expenditures	\$ 66,083,189	\$ 67,957,419	\$ 29,867,433	\$ 38,089,986

****Legal appropriation level**

BENTON COUNTY, OREGON

ROAD FUND

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

For the Biennium Ended June 30, 2011

	<i>Budgeted Amounts</i>		<i>1st Year Actual Amounts</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes and assessments	\$ 10,127	\$ 10,127	\$ 8,329	\$ (1,798)
Intergovernmental	8,599,293	8,599,293	3,589,757	(5,009,536)
Charges for services	2,272,364	2,272,364	958,081	(1,314,283)
Interest	40,000	40,000	8,673	(31,327)
Miscellaneous	1,343,400	1,343,400	21,931	(1,321,469)
	<u>12,265,184</u>	<u>12,265,184</u>	<u>4,586,771</u>	<u>(7,678,413)</u>
EXPENDITURES				
Public works:				
Personnel services	5,868,911	5,868,911	2,656,011	3,212,900
Materials and services	3,689,604	3,689,604	1,915,034	1,774,570
Capital Outlay	3,982,698	3,982,698	420,913	3,561,785
Other	869,561	869,561	-	869,561
	<u>14,410,774</u>	<u>14,410,774</u>	<u>4,991,958</u>	<u>9,418,816</u>
Excess (deficiency) of revenues over (under) expenditures	(2,145,590)	(2,145,590)	(405,187)	1,740,403
OTHER FINANCING SOURCES				
Transfers in	<u>1,100,000</u>	<u>1,100,000</u>	<u>430,000</u>	<u>(670,000)</u>
Net change in fund balance	(1,045,590)	(1,045,590)	24,813	1,070,403
Fund balances - beginning	<u>1,045,590</u>	<u>1,045,590</u>	<u>1,204,083</u>	<u>158,493</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228,896</u>	<u>\$ 1,228,896</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, 2011

	<i>Budgeted Amounts</i>		<i>1st Year</i>	<i>Variance</i>
	<i>Original</i>	<i>Final</i>	<i>Actual Amounts</i>	<i>With Final Budget</i>
REVENUES				
Intergovernmental	\$ 750,000	\$ 750,000	\$ 60,659	\$ (689,341)
Interest	30,050	30,050	4,319	(25,731)
Miscellaneous	30,000	30,000	-	(30,000)
Total revenues	810,050	810,050	64,978	(745,072)
EXPENDITURES				
Community services:				
Materials and services	1,274,450	1,274,450	63,622	1,210,828
Total expenditures	1,274,450	1,274,450	63,622	1,210,828
Excess (deficiency) of revenues over (under) expenditures	(464,400)	(464,400)	1,356	465,756
OTHER FINANCING SOURCES				
Loan repayment	-	-	7,827	7,827
Total other financing sources	-	-	7,827	7,827
Net change in fund balance	(464,400)	(464,400)	9,183	473,583
Fund balances - beginning	464,400	464,400	458,970	(5,430)
Fund balances - ending	\$ -	\$ -	\$ 468,153	\$ 468,153

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, 2011

	<i>Budgeted Amounts</i>		<i>1st Year Actual Amounts</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
Revenues				
Taxes	\$ 7,836,000	\$ 7,836,000	\$ 3,599,112	\$ (4,236,888)
Intergovernmental	2,497,025	2,497,025	1,752,639	(744,386)
Interest	100,000	100,000	55,655	(44,345)
Total revenues	10,433,025	10,433,025	5,407,406	(5,025,619)
Expenditures				
General government	4,158,826	4,158,826	899	4,157,927
Public safety	2,168,606	2,168,606	977,175	1,191,431
Health services	553,411	553,411	246,902	306,509
Justice services	1,185,278	1,185,278	588,159	597,119
Total expenditures	8,066,121	8,066,121	1,813,135	6,252,986
Excess (deficiency) of revenues over (under) expenditures	2,366,904	2,366,904	3,594,271	1,227,367
Other financing sources (uses)				
Operating transfers out	(6,066,904)	(6,066,904)	(1,690,820)	4,376,084
Total other financing sources (uses)	(6,066,904)	(6,066,904)	(1,690,820)	4,376,084
Net change in fund balance	(3,700,000)	(3,700,000)	1,903,451	5,603,451
Fund balances - beginning	4,600,000	4,600,000	4,775,525	175,525
Fund balances - ending	\$ 900,000	\$ 900,000	\$ 6,678,976	\$ 5,778,976

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

For the Biennium Ended June 30, 2011

	<i>Budgeted Amounts</i>		<i>1st Year Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
General government				
Materials and services	\$ 11,250	\$ 11,250	\$ 899	\$ 10,351
Other	10,197,466	10,197,466	1,682,313	8,515,153
Total general government	** 10,208,716	10,208,716	1,683,212	8,525,504
Public safety				
Personnel services	1,485,601	1,485,601	714,789	770,812
Materials and services	683,005	683,005	262,386	420,619
Other	17,014	17,014	8,507	8,507
Total public safety	** 2,185,620	2,185,620	985,682	1,199,938
Health services				
Personnel services	396,906	396,906	180,124	216,782
Materials and services	156,505	156,505	66,778	89,727
Total health services	** 553,411	553,411	246,902	306,509
Justice services				
Personnel services	925,350	925,350	467,232	458,118
Materials and services	259,928	259,928	120,927	139,001
Total justice services	** 1,185,278	1,185,278	588,159	597,119
Total Expenditures	\$ 14,133,025	\$ 14,133,025	\$ 3,503,955	\$ 10,629,070

**Legal appropriation level

BENTON COUNTY, OREGON

Required Supplementary Information

Schedule of Funding Progress - Other Postemployment Benefits

June 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets	AAL Unit Credit	Unfunded Accrued Liability Entry Age (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
8/1/2008	\$ -	\$ 3,850,973	\$ 3,850,973	0.0%	\$ 19,961,941	19.3%
8/1/2006	\$ -	\$ 5,833,656	\$ 5,833,656	0.0%	\$ 18,162,741	32.1%

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

BENTON COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2010

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).

	<u>General Fund</u>	<u>Road Fund</u>	<u>Block Grant Fund</u>	<u>Local Option Fund</u>
Fund balance - budgetary basis	\$ 9,373,416	\$ 1,228,896	\$ 468,153	\$ 6,678,976
Reserved for inventory	-	340,644	-	-
Accrued payroll	(606,518)	(91,844)	-	(58,902)
Loans outstanding	-	-	6,392	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund balance - GAAP basis	<u>\$ 8,766,898</u>	<u>\$ 1,477,696</u>	<u>\$ 474,545</u>	<u>\$ 6,620,074</u>

SUPPLEMENTARY INFORMATION



BENTON COUNTY
O • R • E • G • O • N

MAJOR GOVERNMENTAL FUNDS

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

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

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

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



BENTON COUNTY
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BENTON COUNTY, OREGON

GENERAL FUND

BALANCE SHEET

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and investments	\$ 9,801,583	\$ 11,208,879
Property taxes receivable	745,052	569,769
Accounts receivable	494,917	389,106
Deposits	1,202	1,202
Intergovernmental receivables	594,418	593,549
Prepays	46,367	74,810
	<u> </u>	<u> </u>
Total assets	<u>\$ 11,683,539</u>	<u>\$ 12,837,315</u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 857,947	\$ 784,681
Accrued payroll and payroll taxes	599,332	637,498
Other accrued liabilities	4,313	7,940
Due to other governmental agencies	52,805	89,315
Deferred revenue	795,726	662,101
	<u> </u>	<u> </u>
Total liabilities	<u>2,310,123</u>	<u>2,181,535</u>
 Fund balances:		
Reserved for prepaids	46,367	74,810
Unreserved, undesignated	9,327,049	10,580,970
	<u> </u>	<u> </u>
Total fund balances	<u>9,373,416</u>	<u>10,655,780</u>
	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 11,683,539</u>	<u>\$ 12,837,315</u>

BENTON COUNTY, OREGON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
REVENUES		
Taxes	\$ 13,600,130	\$ 13,236,038
Licenses and permits	1,449,657	1,376,143
Intergovernmental	10,192,329	10,498,334
Charges for services	2,997,234	2,943,104
Fines	880	350
Miscellaneous	306,076	471,188
Total revenues	<u>28,546,306</u>	<u>28,525,157</u>
EXPENDITURES		
General government	5,169,157	5,711,263
Public safety	8,178,708	8,043,185
Health services	7,266,598	7,059,708
Justice services	3,637,357	3,644,644
Community services	679,578	898,555
Cultural and educational services	462,693	457,902
Animal control	-	182,978
Parks and natural resources	990,241	1,132,592
Total expenditures	<u>26,384,332</u>	<u>27,130,827</u>
Excess of revenues over expenditures	<u>2,161,974</u>	<u>1,394,330</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	15,786	11,793
Transfers out	(3,460,124)	(2,886,343)
Total other financing sources (uses)	<u>(3,444,338)</u>	<u>(2,874,550)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,282,364)	(1,480,220)
Fund balance - beginning	<u>10,655,780</u>	<u>12,136,000</u>
Fund balance - ending	<u><u>\$ 9,373,416</u></u>	<u><u>\$ 10,655,780</u></u>

BENTON COUNTY, OREGON

GENERAL FUND

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actuals</i>	
Revenues			
Taxes	\$ 27,584,700	\$ 13,600,130	\$ (13,984,570)
Licenses and permits	3,078,343	1,449,657	(1,628,686)
Intergovernmental	21,764,038	10,192,329	(11,571,709)
Charges for services	6,008,303	2,997,234	(3,011,069)
Fines	900	880	(20)
Interest	700,000	114,684	(585,316)
Miscellaneous	363,800	170,344	(193,456)
Total revenues	<u>59,500,084</u>	<u>28,525,258</u>	<u>(30,974,826)</u>
Expenditures			
General government	15,319,021	5,907,898	9,411,123
Public safety	18,236,482	8,192,417	10,044,065
Health services	16,285,751	7,255,442	9,030,309
Justice services	8,078,697	3,657,452	4,421,245
Community services	1,842,439	679,467	1,162,972
Cultural and educational services	927,900	462,693	465,207
Parks and natural resources	1,891,432	989,071	902,361
Total expenditures	<u>62,581,722</u>	<u>27,144,441</u>	<u>35,437,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,081,638)</u>	<u>1,380,817</u>	<u>4,462,455</u>
Other financing sources (uses)			
Transfers in	2,672,924	36,834	(2,636,090)
Transfers out	<u>(5,375,697)</u>	<u>(2,722,992)</u>	<u>2,652,705</u>
Total other financing sources (uses)	<u>(2,702,773)</u>	<u>(2,686,158)</u>	<u>16,615</u>
Net change in fund balance	(5,784,411)	(1,305,341)	4,479,070
Fund balance - beginning	<u>10,784,411</u>	<u>11,285,275</u>	<u>500,864</u>
Fund balance - ending	<u>\$ 5,000,000</u>	<u>\$ 9,979,934</u>	<u>\$ 4,979,934</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 9,979,934	
Accrued payroll		<u>(606,518)</u>	
GAAP ending fund balance		<u><u>\$ 9,373,416</u></u>	

BENTON COUNTY, OREGON

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>Ist Year Actual</i>	
General government			
Personnel services	\$ 7,867,004	\$ 3,869,014	\$ 3,997,990
Materials and services	5,324,597	2,038,170	3,286,427
Capital outlay	23,500	716	22,784
Other	7,168,307	2,517,337	4,650,970
Total general government	** 20,383,408	8,425,237	11,958,171
Public safety			
Personnel services	12,849,553	5,825,339	7,024,214
Materials and services	5,380,096	2,365,524	3,014,572
Capital outlay	6,833	1,554	5,279
Other	155,310	77,655	77,655
Total public safety	** 18,391,792	8,270,072	10,121,720
Health services			
Personnel services	6,341,752	2,826,745	3,515,007
Materials and services	9,766,228	4,425,648	5,340,580
Capital outlay	18,500	3,048	15,452
Other	159,271	-	159,271
Total health services	** 16,285,751	7,255,441	9,030,310
Justice services			
Personnel services	5,224,700	2,473,607	2,751,093
Materials and services	2,853,997	1,183,845	1,670,152
Total justice services	** 8,078,697	3,657,452	4,421,245
Community services			
Personnel services	438,439	211,712	226,727
Materials and services	1,560,000	595,755	964,245
Total community services	** 1,998,439	807,467	1,190,972
Cultural and educational services			
Materials and services	927,900	462,693	465,207
Total cultural and educational services	** 927,900	462,693	465,207
Parks and natural resources			
Personnel services	1,218,406	611,681	606,725
Materials and services	648,045	372,524	275,521
Capital outlay	24,981	4,866	20,115
Total parks and natural resources	** 1,891,432	989,071	902,361
Total expenditures	67,957,419	29,867,433	38,089,986
Transfers out	(5,375,697)	(2,722,992)	2,652,705
Net expenditures	\$ 62,581,722	\$ 27,144,441	\$ 40,742,691

**Legal appropriation level

BENTON COUNTY, OREGON

ROAD FUND

BALANCE SHEET

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and investments	\$ 1,158,099	\$ 1,238,485
Accounts receivable	51,128	2,648
Assessments receivable	-	7,806
Intergovernmental receivables	261,425	252,698
Prepays	5,145	1,969
Inventories	176,548	364,170
	<u>1,652,345</u>	<u>1,867,776</u>
Total assets	<u>\$ 1,652,345</u>	<u>\$ 1,867,776</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 210,444	\$ 291,717
Accrued payroll and payroll taxes	91,844	100,389
Deferred revenues	36,457	7,806
	<u>338,745</u>	<u>399,912</u>
Total liabilities	<u>338,745</u>	<u>399,912</u>
Fund balances:		
Reserved for prepaids	5,145	1,969
Reserved for inventory	176,548	364,170
Unreserved, undesignated	1,131,907	1,101,725
	<u>1,313,600</u>	<u>1,467,864</u>
Total fund balances	<u>1,313,600</u>	<u>1,467,864</u>
Total liabilities and fund balances	<u>\$ 1,652,345</u>	<u>\$ 1,867,776</u>

BENTON COUNTY, OREGON

ROAD FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
REVENUES		
Taxes and special assessments	\$ 8,329	\$ 9,067
Intergovernmental	3,589,757	4,338,159
Charges for services	958,081	930,088
Miscellaneous	30,604	38,365
	<u>4,586,771</u>	<u>5,315,679</u>
Total revenues	<u>4,586,771</u>	<u>5,315,679</u>
EXPENDITURES		
Personal Services	2,536,160	2,756,779
Materials and services	2,102,656	1,996,427
Capital outlay	420,913	1,077,084
	<u>5,059,729</u>	<u>5,830,290</u>
Total expenditures	<u>5,059,729</u>	<u>5,830,290</u>
Excess of revenues over (under) expenditures	<u>(472,958)</u>	<u>(514,611)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	430,000	240,000
Transfers out	(111,306)	(121,261)
	<u>318,694</u>	<u>118,739</u>
Net other financing sources	<u>318,694</u>	<u>118,739</u>
Net change in fund balances	(154,264)	(395,872)
Fund balances - beginning	<u>1,467,864</u>	<u>1,863,736</u>
Fund balances - ending	<u><u>\$ 1,313,600</u></u>	<u><u>\$ 1,467,864</u></u>

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Taxes and assessments	\$ 10,127	\$ 8,329	\$ (1,798)
Intergovernmental	8,599,293	3,589,757	(5,009,536)
Charges for services	2,272,364	958,081	(1,314,283)
Interest	40,000	8,673	(31,327)
Miscellaneous	1,343,400	21,931	(1,321,469)
Total revenues	12,265,184	4,586,771	(7,678,413)
EXPENDITURES			
Public Works			
Personal services	5,868,911	2,656,011	3,212,900
Materials and services	3,689,604	1,915,034	1,774,570
Capital Outlay	3,982,698	420,913	3,561,785
Contingency	869,561	-	869,561
Total expenditures	14,410,774	4,991,958	9,418,816
Excess of revenues over (under) expenditures	(2,145,590)	(405,187)	1,740,403
OTHER FINANCING SOURCES			
Transfers in	1,100,000	430,000	(670,000)
Net other financing sources	1,100,000	430,000	(670,000)
Net change in fund balance	(1,045,590)	24,813	1,070,403
Fund balances - beginning	1,045,590	1,204,083	158,493
Fund balances - ending	\$ -	\$ 1,228,896	\$ 1,228,896
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 1,228,896	
Accrued payroll		(91,844)	
Reserve for inventory		340,644	
GAAP ending fund balance		\$ 1,477,696	

BENTON COUNTY, OREGON

BLOCK GRANT FUND

BALANCE SHEET

June 30, 2010 and June 30, 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and investments	\$ 468,153	\$ 458,970
Notes receivable - block grants	494,181	499,509
Due from other governments	29,420	-
Loans receivable	<u>6,392</u>	<u>8,892</u>
Total assets	<u>\$ 998,146</u>	<u>\$ 967,371</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 29,420	\$ -
Deferred revenues	<u>494,181</u>	<u>499,509</u>
Total liabilities	<u>523,601</u>	<u>499,509</u>
Fund balance:		
Unreserved	<u>474,545</u>	<u>467,862</u>
Total fund balance	<u>474,545</u>	<u>467,862</u>
Total liabilities and fund equity	<u>\$ 998,146</u>	<u>\$ 967,371</u>

BENTON COUNTY, OREGON

BLOCK GRANT FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
REVENUES		
Intergovernmental	\$ 90,079	\$ 380,023
Loan repayments	5,327	300
Interest	4,319	9,980
Total revenues	<u>99,725</u>	<u>390,303</u>
EXPENDITURES		
Community services:		
Materials and services	93,042	417,486
Total expenditures	<u>93,042</u>	<u>417,486</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,683</u>	<u>(27,183)</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	-	(220,000)
Total other financing sources (uses)	<u>-</u>	<u>(220,000)</u>
Net change in fund balance	6,683	(247,183)
Fund balances - beginning	<u>467,862</u>	<u>715,045</u>
Fund balances - ending	<u><u>\$ 474,545</u></u>	<u><u>\$ 467,862</u></u>

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

For the Biennium Ended June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Intergovernmental	\$ 750,000	\$ 90,079	\$ (659,921)
Interest	30,050	4,319	(25,731)
Miscellaneous	30,000	-	(30,000)
Total revenues	810,050	94,398	(715,652)
EXPENDITURES			
Community services			
Materials and services	1,274,450	93,042	1,181,408
Total expenditures	1,274,450	93,042	1,181,408
Excess of revenues over (under) expenditures	(464,400)	1,356	465,756
OTHER FINANCING SOURCES			
Loans Repaid	-	7,827	7,827
Total other financing sources	-	7,827	7,827
Net change in fund balance	(464,400)	9,183	473,583
Fund balances - beginning	464,400	458,970	(5,430)
Fund balances - ending	\$ -	\$ 468,153	\$ 468,153
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 468,153	
Loans receivable		6,392	
GAAP ending fund balance		\$ 474,545	

BENTON COUNTY, OREGON
LOCAL OPTION LEVY FUND
BALANCE SHEET
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and investments	\$ 6,688,137	\$ 4,782,673
Taxes receivable	199,262	140,214
Prepays	<u>400</u>	<u>1,318</u>
Total assets	<u>\$ 6,887,799</u>	<u>\$ 4,924,205</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 28,886	\$ 24,999
Accrued payroll and payroll taxes	58,902	47,366
Deferred revenues	<u>179,937</u>	<u>123,681</u>
Total liabilities	<u>267,725</u>	<u>196,046</u>
Fund balances:		
Reserved for prepaids	400	1,318
Unreserved, undesignated	<u>6,619,674</u>	<u>4,726,841</u>
Total fund balances	<u>6,620,074</u>	<u>4,728,159</u>
Total liabilities and fund balances	<u>\$ 6,887,799</u>	<u>\$ 4,924,205</u>

BENTON COUNTY, OREGON**LOCAL OPTION LEVY FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE***For the Years Ended June 30, 2010 and June 30, 2009*

	<u>2010</u>	<u>2009</u>
REVENUES		
Taxes and special assessments	\$ 3,599,112	\$ 5,291,358
Intergovernmental	1,752,639	2,037,799
Miscellaneous	<u>55,655</u>	<u>74,982</u>
Total revenues	<u>5,407,406</u>	<u>7,404,139</u>
EXPENDITURES		
General government	899	935
Public safety	986,198	520,439
Health services	246,683	200,783
Justice services	<u>535,016</u>	<u>398,762</u>
Total expenditures	<u>1,768,796</u>	<u>1,120,919</u>
Excess of revenues over (under) expenditures	<u>3,638,610</u>	<u>6,283,220</u>
OTHER FINANCING SOURCES (USES)		
Transfers out	<u>(1,746,695)</u>	<u>(1,517,427)</u>
Net other financing sources (uses)	<u>(1,746,695)</u>	<u>(1,517,427)</u>
Net change in fund balances	1,891,915	4,765,793
Fund balances - beginning	<u>4,728,159</u>	<u>(37,634)</u>
Fund balances - ending	<u><u>\$ 6,620,074</u></u>	<u><u>\$ 4,728,159</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, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>Ist Year Actual</i>	
REVENUES			
Taxes	\$ 7,836,000	\$ 3,599,112	\$ (4,236,888)
Intergovernmental	2,497,025	1,752,639	(744,386)
Interest	100,000	55,655	(44,345)
Total revenues	<u>10,433,025</u>	<u>5,407,406</u>	<u>(5,025,619)</u>
EXPENDITURES			
General government	4,158,826	899	4,157,927
Public safety	2,168,606	977,175	1,191,431
Health services	553,411	246,902	306,509
Justice services	<u>1,185,278</u>	<u>588,159</u>	<u>597,119</u>
Total expenditures	<u>8,066,121</u>	<u>1,813,135</u>	<u>6,252,986</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,366,904</u>	<u>3,594,271</u>	<u>1,227,367</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	<u>(6,066,904)</u>	<u>(1,690,820)</u>	<u>4,376,084</u>
Total other financing sources (uses)	<u>(6,066,904)</u>	<u>(1,690,820)</u>	<u>4,376,084</u>
Net change in fund balance	(3,700,000)	1,903,451	5,603,451
Fund balances - beginning	<u>4,600,000</u>	<u>4,775,525</u>	<u>175,525</u>
Fund balances - ending	<u>\$ 900,000</u>	<u>\$ 6,678,976</u>	<u>\$ 5,778,976</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 6,678,976	
Accrued payroll		<u>(58,902)</u>	
GAAP ending fund balance		<u>\$ 6,620,074</u>	

BENTON COUNTY, OREGON
LOCAL OPTION LEVY FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Biennium Ended June 30, 2011
As of June 30, 2010

	<i>Biennium Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
General government			
Materials and services	11,250	899	10,351
Other	11,097,466	1,682,313	9,415,153
Total general government	11,108,716	1,683,212	9,425,504
Public safety			
Personal services	1,485,601	714,789	770,812
Materials and services	683,005	262,386	420,619
Other	17,014	8,507	8,507
Total public safety	2,185,620	985,682	1,199,938
Health services			
Personal services	396,906	180,124	216,782
Materials and services	156,505	66,778	89,727
Total health services	553,411	246,902	306,509
Justice services			
Personal services	925,350	467,232	458,118
Materials and services	259,928	120,927	139,001
Total justice services	1,185,278	588,159	597,119
<i>Total Expenditures</i>	\$ 15,033,025	\$ 3,503,955	\$ 11,529,070
Transfers Out		(1,690,820)	
<i>Net expenditures</i>		\$ 1,813,135	

****Legal appropriation level**

BENTON COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2010

	<i>Total Nonmajor Special Revenue Funds</i>	<i>Total Nonmajor Debt Service Funds</i>	<i>Total Nonmajor Capital Projects Funds</i>	<i>Total</i>
ASSETS				
Cash and investments	\$ 2,831,305	\$ 1,261,198	\$ 1,984,315	\$ 6,076,818
Receivables:				
Taxes	130,440	-	-	130,440
Intergovernmental	111,306	-	2,452	113,758
Inventory	3,943	-	-	3,943
Prepays	123	-	-	123
Total assets	\$ 3,077,117	\$ 1,261,198	\$ 1,986,767	\$ 6,325,082
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 165,051	\$ -	\$ 8,846	\$ 173,897
Accrued payroll costs	59,029	-	-	59,029
Deferred revenue	113,525	-	-	113,525
Total liabilities	337,605	-	8,846	346,451
Fund Balances:				
Reserved for inventory	3,943	-	-	3,943
Reserved for prepaids	123	-	-	123
Reserved for debt service	-	1,261,198	-	1,261,198
Reserved for capital projects	-	-	1,977,921	1,977,921
Unreserved	2,735,446	-	-	2,735,446
Total fund balances	2,739,512	1,261,198	1,977,921	5,978,631
Total liabilities and fund balances	\$ 3,077,117	\$ 1,261,198	\$ 1,986,767	\$ 6,325,082

BENTON COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS

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

For the Year Ended June 30, 2010

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES				
Taxes	\$ 2,232,902	\$ 7,670	\$ -	\$ 2,240,572
Intergovernmental	2,197,749	-	1,493,485	3,691,234
Charges for services	1,001,853	38,834	-	1,040,687
Interest	30,315	13,092	15,246	58,653
Miscellaneous	63,111	-	40,000	103,111
Total revenues	<u>5,525,930</u>	<u>59,596</u>	<u>1,548,731</u>	<u>7,134,257</u>
EXPENDITURES				
Current:				
General government	249,574	3,884	-	253,458
Public works	174,412	-	-	174,412
Public safety	1,845,820	-	-	1,845,820
Health services	1,220,647	-	-	1,220,647
Justice services	87,020	-	-	87,020
Community services	717,951	-	-	717,951
Cultural and educational services	3,480,405	-	-	3,480,405
Debt service:				
Principal	-	162,877	-	162,877
Interest	-	1,089,561	-	1,089,561
Capital outlay	-	-	1,609,826	1,609,826
Total expenditures	<u>7,775,829</u>	<u>1,256,322</u>	<u>1,609,826</u>	<u>10,641,977</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,249,899)</u>	<u>(1,196,726)</u>	<u>(61,095)</u>	<u>(3,507,720)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,943,813	1,396,679	380,089	3,720,581
Transfers out	(52,313)	-	-	(52,313)
Total other financing sources (uses)	<u>1,891,500</u>	<u>1,396,679</u>	<u>380,089</u>	<u>3,668,268</u>
Net change in fund balances	(358,399)	199,953	318,994	160,548
Fund balances - beginning	<u>3,097,911</u>	<u>1,061,245</u>	<u>1,658,927</u>	<u>5,818,083</u>
Fund balances - ending	<u><u>\$ 2,739,512</u></u>	<u><u>\$ 1,261,198</u></u>	<u><u>\$ 1,977,921</u></u>	<u><u>\$ 5,978,631</u></u>

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

BENTON COUNTY, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2010

	<u>County School</u>	<u>Fair</u>	<u>Library Services District</u>	<u>Land Corner Preservation</u>	<u>Oregon Health Plan</u>	<u>Court Security</u>
ASSETS						
Cash and investments	\$ -	\$ -	\$ 9,341	\$ 105,560	\$ 288,820	\$ 2,866
Property taxes receivable	-	-	117,939	-	-	-
Intergovernmental receivables	-	-	-	10	-	5,381
Inventory	-	-	-	3,943	-	-
Prepays	-	123	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 127,280</u>	<u>\$ 109,513</u>	<u>\$ 288,820</u>	<u>\$ 8,247</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 69,117	\$ -	\$ 1,708	\$ -	\$ 1,432
Accrued payroll costs	-	12,125	-	3,002	-	5,669
Deferred revenue	-	-	103,148	-	-	-
Total liabilities	<u>-</u>	<u>81,242</u>	<u>103,148</u>	<u>4,710</u>	<u>-</u>	<u>7,101</u>
Fund Balances:						
Reserved for inventory	-	-	-	3,943	-	-
Reserved for prepaids	-	123	-	-	-	-
Unreserved	-	(81,242)	24,132	100,860	288,820	1,146
Total fund balances	<u>-</u>	<u>(81,119)</u>	<u>24,132</u>	<u>104,803</u>	<u>288,820</u>	<u>1,146</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 123</u>	<u>\$ 127,280</u>	<u>\$ 109,513</u>	<u>\$ 288,820</u>	<u>\$ 8,247</u>

<u>Special Transportation</u>	<u>Adult Corrections</u>	<u>Title III Projects Fund</u>	<u>Cemetery Operations</u>	<u>West Lewellyn CSD</u>	<u>Total</u>
\$ 288,844	\$ 1,691,201	\$ 275,136	\$ 168,648	\$ 889	\$ 2,831,305
-	12,501	-	-	-	130,440
105,915	-	-	-	-	111,306
-	-	-	-	-	3,943
-	-	-	-	-	123
<u>\$ 394,759</u>	<u>\$ 1,703,702</u>	<u>\$ 275,136</u>	<u>\$ 168,648</u>	<u>\$ 889</u>	<u>\$ 3,077,117</u>
\$ 5,161	\$ 86,781	\$ 233	\$ 619	\$ -	\$ 165,051
-	38,082	-	151	-	59,029
-	10,377	-	-	-	113,525
<u>5,161</u>	<u>135,240</u>	<u>233</u>	<u>770</u>	<u>-</u>	<u>337,605</u>
-	-	-	-	-	3,943
-	-	-	-	-	123
389,598	1,568,462	274,903	167,878	889	2,735,446
389,598	1,568,462	274,903	167,878	889	2,739,512
<u>\$ 394,759</u>	<u>\$ 1,703,702</u>	<u>\$ 275,136</u>	<u>\$ 168,648</u>	<u>\$ 889</u>	<u>\$ 3,077,117</u>

BENTON COUNTY, OREGON

NON MAJOR SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2010

	<u>County School</u>	<u>Fair</u>	<u>Library Services District</u>	<u>Land Corner Preservation</u>	<u>Oregon Health Plan</u>	<u>Court Security</u>
REVENUES						
Taxes	\$ -	\$ -	\$2,219,159	\$ -	\$ -	\$ -
Intergovernmental	211,805	41,963	8,748	-	1,299,273	45,863
Charges for services	-	589,883	-	143,014	-	-
Interest	223	-	1,195	1,322	3,153	221
Miscellaneous	-	42,632	-	-	-	-
Total revenues	<u>212,028</u>	<u>674,478</u>	<u>2,229,102</u>	<u>144,336</u>	<u>1,302,426</u>	<u>46,084</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	174,412	-	-
Health services	-	-	-	-	1,220,647	-
Justice services	-	-	-	-	-	87,020
Community services	-	-	-	-	-	-
Cultural and educational	212,028	964,074	2,304,303	-	-	-
Total expenditures	<u>212,028</u>	<u>964,074</u>	<u>2,304,303</u>	<u>174,412</u>	<u>1,220,647</u>	<u>87,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(289,596)</u>	<u>(75,201)</u>	<u>(30,076)</u>	<u>81,779</u>	<u>(40,936)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	261,500	-	-	-	-
Transfers out	-	(12,041)	-	(3,952)	(54)	(3,869)
Total other financing sources (uses)	<u>-</u>	<u>249,459</u>	<u>-</u>	<u>(3,952)</u>	<u>(54)</u>	<u>(3,869)</u>
Net change in fund balances	-	(40,137)	(75,201)	(34,028)	81,725	(44,805)
Fund balances - beginning	<u>-</u>	<u>(40,982)</u>	<u>99,333</u>	<u>138,831</u>	<u>207,095</u>	<u>45,951</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (81,119)</u>	<u>\$ 24,132</u>	<u>\$ 104,803</u>	<u>\$ 288,820</u>	<u>\$ 1,146</u>

<i>Special Transportation</i>	<i>Adult Corrections</i>	<i>Title III Projects</i>	<i>Cemetery Operations</i>	<i>West Lewellyn CSD</i>	<i>Total</i>
\$ -	\$ 13,743	\$ -	\$ -	\$ -	\$ 2,232,902
405,130	-	184,967	-	-	2,197,749
258,781	-	-	10,175	-	1,001,853
2,544	16,720	3,209	1,720	8	30,315
-	20,474	-	5	-	63,111
<u>666,455</u>	<u>50,937</u>	<u>188,176</u>	<u>11,900</u>	<u>8</u>	<u>5,525,930</u>
-	-	219,499	30,075	-	249,574
-	1,845,820	-	-	-	1,845,820
-	-	-	-	-	174,412
-	-	-	-	-	1,220,647
-	-	-	-	-	87,020
717,951	-	-	-	-	717,951
-	-	-	-	-	3,480,405
<u>717,951</u>	<u>1,845,820</u>	<u>219,499</u>	<u>30,075</u>	<u>-</u>	<u>7,775,829</u>
<u>(51,496)</u>	<u>(1,794,883)</u>	<u>(31,323)</u>	<u>(18,175)</u>	<u>8</u>	<u>(2,249,899)</u>
-	1,682,313	-	-	-	1,943,813
-	(26,912)	-	(5,485)	-	(52,313)
-	1,655,401	-	(5,485)	-	1,891,500
(51,496)	(139,482)	(31,323)	(23,660)	8	(358,399)
<u>441,094</u>	<u>1,707,944</u>	<u>306,226</u>	<u>191,538</u>	<u>881</u>	<u>3,097,911</u>
<u>\$ 389,598</u>	<u>\$1,568,462</u>	<u>\$ 274,903</u>	<u>\$ 167,878</u>	<u>\$ 889</u>	<u>\$ 2,739,512</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, 2011

As of June 30, 2010

	<i>Biennium</i>		
	<i>Total Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Intergovernmental	\$ 933,750	\$ 211,805	\$ (721,945)
Interest	-	223	223
Total revenues	<u>933,750</u>	<u>212,028</u>	<u>(721,722)</u>
EXPENDITURES			
Cultural and educational services:			
Other	<u>933,750</u>	<u>212,028</u>	<u>721,722</u>
Total expenditures	<u>933,750</u>	<u>212,028</u>	<u>721,722</u>
Net change in fund balance	-	-	-
<i>Fund balances - beginning</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

For the Biennium Ended June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Intergovernmental	\$ 83,924	\$ 41,963	\$ (41,961)
Charges for services	1,460,000	589,883	(870,117)
Miscellaneous	224,000	42,632	(181,368)
Total revenues	<u>1,767,924</u>	<u>674,478</u>	<u>(1,093,446)</u>
EXPENDITURES			
Cultural and educational services:			
Personal services	734,164	349,610	384,554
Materials and services	1,334,760	616,607	718,153
Capital Outlay	222,000	11,428	210,572
Total expenditures	<u>2,290,924</u>	<u>977,645</u>	<u>1,313,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(523,000)</u>	<u>(303,167)</u>	<u>219,833</u>
OTHER FINANCING SOURCES			
Transfers in	<u>523,000</u>	<u>261,500</u>	<u>(261,500)</u>
Net other financing sources	<u>523,000</u>	<u>261,500</u>	<u>(261,500)</u>
Net change in fund balance	-	(41,667)	(41,667)
Fund balances - beginning deficit	<u>-</u>	<u>(27,327)</u>	<u>(27,327)</u>
Fund balances - ending deficit	<u>\$ -</u>	<u>\$ (68,994)</u>	<u>\$ (68,994)</u>
Reconciliation to GAAP Basis:			
Budget basis ending deficit fund balance		\$ (68,994)	
Accrued Payroll		<u>(12,125)</u>	
GAAP ending deficit fund balance		<u>\$ (81,119)</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, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Taxes	\$ 4,534,000	\$ 2,219,159	\$ (2,314,841)
Intergovernmental	42,700	8,748	(33,952)
Interest	15,000	1,195	(13,805)
Total revenues	<u>4,591,700</u>	<u>2,229,102</u>	<u>(2,362,598)</u>
EXPENDITURES			
Cultural and educational services:			
Materials and services	<u>4,711,700</u>	<u>2,304,303</u>	<u>2,407,397</u>
Total expenditures	<u>4,711,700</u>	<u>2,304,303</u>	<u>2,407,397</u>
Net change in fund balance	(120,000)	(75,201)	44,799
Fund balances - beginning	<u>120,000</u>	<u>99,333</u>	<u>(20,667)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 24,132</u>	<u>\$ 24,132</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, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 203,000	\$ 143,014	\$ (59,986)
Interest	3,150	1,321	(1,829)
Total revenues	<u>206,150</u>	<u>144,335</u>	<u>(61,815)</u>
EXPENDITURES			
Public works:			
Personal services	183,056	90,713	92,343
Materials and services	99,797	86,654	13,143
Capital Outlay	2,000	-	2,000
Contingency	31,297	-	31,297
Total expenditures	<u>316,150</u>	<u>177,367</u>	<u>138,783</u>
Net change in fund balance	(110,000)	(33,032)	76,968
Fund balances - beginning	<u>110,000</u>	<u>136,894</u>	<u>26,894</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 103,862</u>	<u>\$ 103,862</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 103,862	
Reserve for Inventory		3,943	
Accrued payroll		<u>(3,002)</u>	
GAAP ending fund balance		<u>\$ 104,803</u>	

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, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Intergovernmental	\$ 2,559,436	\$ 1,299,273	\$ (1,260,163)
Interest	19,200	3,153	(16,047)
Total revenues	<u>2,578,636</u>	<u>1,302,426</u>	<u>(1,276,210)</u>
EXPENDITURES			
Health services:			
Personnel services	-	987	(987)
Materials and services	2,281,074	1,220,701	1,060,373
Contingency	<u>440,711</u>	<u>-</u>	<u>440,711</u>
Total expenditures	<u>2,721,785</u>	<u>1,221,688</u>	<u>1,500,097</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(143,149)</u>	<u>80,738</u>	<u>223,887</u>
Net change in fund balance	(143,149)	80,738	223,887
<i>Fund balances - beginning</i>	<u>143,149</u>	<u>208,082</u>	<u>64,933</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 288,820</u>	<u>\$ 288,820</u>

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

For the Biennium Ended June 30, 2011

As of June 30, 2010

	Biennium		Variance with Budget
	Total Budget	1st Year Actual	
REVENUES			
Intergovernmental	\$ 100,000	\$ 45,863	\$ (54,137)
Interest	7,000	221	(6,779)
Total revenues	<u>107,000</u>	<u>46,084</u>	<u>(60,916)</u>
EXPENDITURES			
Justice:			
Personnel services	196,673	87,293	109,380
Materials and services	6,542	2,578	3,964
Total expenditures	<u>203,215</u>	<u>89,871</u>	<u>113,344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(96,215)</u>	<u>(43,787)</u>	<u>52,428</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	55,041	-	(55,041)
Net other financing sources (uses)	<u>55,041</u>	<u>-</u>	<u>(55,041)</u>
Net change in fund balance	(41,174)	(43,787)	(2,613)
Fund balances - beginning	<u>41,174</u>	<u>50,602</u>	<u>9,428</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 6,815</u>	<u>\$ 6,815</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		6,815	
Accrued payroll		<u>(5,669)</u>	
GAAP ending fund balance		<u>\$ 1,146</u>	

BENTON COUNTY, OREGON
SPECIAL TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
For the Biennium Ended June 30, 2011
As of June 30, 2010

	<i>Biennium Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
<i>REVENUES</i>			
Intergovernmental	\$ 1,130,038	\$ 405,130	\$ (724,908)
Charges for services	687,144	258,781	(428,363)
Interest	12,000	2,544	(9,456)
Total revenues	<u>1,829,182</u>	<u>666,455</u>	<u>(1,162,727)</u>
<i>EXPENDITURES</i>			
Community services:			
Materials and services	1,663,667	717,226	946,441
Capital Outlay	607,800	725	607,075
Contingency	132,106	-	132,106
Total expenditures	<u>2,403,573</u>	<u>717,951</u>	<u>1,685,622</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(574,391)</u>	<u>(51,496)</u>	<u>522,895</u>
<i>OTHER FINANCING SOURCES (USES)</i>			
Loan Repayment	(103,000)	-	103,000
Loans Made	100,000	-	(100,000)
Net other financing sources (uses)	<u>(3,000)</u>	<u>-</u>	<u>3,000</u>
Net change in fund balance	(577,391)	(51,496)	525,895
<i>Fund balances - beginning</i>	<u>577,391</u>	<u>441,094</u>	<u>(136,297)</u>
<i>Fund balances - ending</i>	<u><u>\$ -</u></u>	<u><u>\$ 389,598</u></u>	<u><u>\$ 389,598</u></u>

BENTON COUNTY, OREGON

ADULT CORRECTIONS FUND

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

For the Biennium Ended June 30, 2011

As of June 30, 2010

	<u>Biennium</u>		
	<u>Total Budget</u>	<u>1st Year Actual</u>	<u>Variance with Budget</u>
REVENUES			
Taxes	\$ 25,000	\$ 13,743	\$ (11,257)
Interest	70,000	16,720	(53,280)
Miscellaneous	-	20,474	20,474
Total revenues	<u>95,000</u>	<u>50,937</u>	<u>(44,063)</u>
EXPENDITURES			
Public safety:			
Personal services	1,543,353	804,606	738,747
Materials and services	2,692,081	1,052,369	1,639,712
Capital Outlay	14,000	-	14,000
Contingency	896,280	-	896,280
Total expenditures	<u>5,145,714</u>	<u>1,856,975</u>	<u>2,392,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,050,714)</u>	<u>(1,806,038)</u>	<u>3,244,676</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	3,364,627	1,682,313	(1,682,314)
Transfers out	<u>(2,992)</u>	<u>(1,496)</u>	<u>1,496</u>
Net other financing sources (uses)	<u>3,361,635</u>	<u>1,680,817</u>	<u>(1,680,818)</u>
Net change in fund balance	(1,689,079)	(125,221)	1,563,858
Fund balances - beginning	<u>1,689,079</u>	<u>1,731,765</u>	<u>42,686</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,606,544</u>	<u>\$ 1,606,544</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 1,606,544	
Accrued payroll		<u>(38,082)</u>	
GAAP ending fund balance		<u>\$ 1,568,462</u>	

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, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Intergovernmental	\$ 337,643	\$ 184,967	\$ (152,676)
Interest	2,000	3,209	1,209
Total revenues	<u>339,643</u>	<u>188,176</u>	<u>(151,467)</u>
EXPENDITURES			
General government:			
Materials and services	<u>682,853</u>	<u>219,499</u>	<u>463,354</u>
Total expenditures	<u>682,853</u>	<u>219,499</u>	<u>463,354</u>
Net change in fund balance	(343,210)	(31,323)	311,887
<i>Fund balances - beginning</i>	<u>343,210</u>	<u>306,226</u>	<u>(36,984)</u>
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 274,903</u>	<u>\$ 274,903</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, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 25,480	\$ 10,175	\$ (15,305)
Interest	18,000	1,720	(16,280)
Miscellaneous	-	5	5
Total revenues	<u>43,480</u>	<u>11,900</u>	<u>(31,580)</u>
EXPENDITURES			
General government:			
Personnel services	4,000	4,019	(19)
Materials and services	43,567	23,620	19,947
Capital Outlay	3,000	2,596	404
Contingency	177,389	-	177,389
Total expenditures	<u>227,956</u>	<u>30,235</u>	<u>197,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(184,476)</u>	<u>(18,335)</u>	<u>166,141</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(10,524)</u>	<u>(5,262)</u>	<u>5,262</u>
Net other financing sources	<u>(10,524)</u>	<u>(5,262)</u>	<u>5,262</u>
Net change in fund balance	(195,000)	(23,597)	171,403
Fund balances - beginning	<u>195,000</u>	<u>191,626</u>	<u>(3,374)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 168,029</u>	<u>\$ 168,029</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 168,029	
Accrued payroll		<u>(151)</u>	
GAAP ending fund balance		<u>\$ 167,878</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, 2011

As of June 30, 2010

	<i>Biennium</i>		
	<i>Total Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Interest	\$ -	\$ 8	\$ 8
<i>Fund balances - beginning</i>	-	881	881
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ 889</u>

NON-MAJOR DEBT SERVICE FUNDS

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

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



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BENTON COUNTY
NONMAJOR DEBT SERVICE FUNDS
BALANCE SHEET
June 30, 2010

	<u><i>Debt Service</i></u>
ASSETS	
Cash and investments	\$ 1,261,198
	<u>1,261,198</u>
<i>Total assets</i>	<u>\$ 1,261,198</u>
 FUND BALANCES	
Fund balances:	
Reserved for debt service	\$ 1,261,198
	<u>1,261,198</u>
Total fund balances	1,261,198
	<u>1,261,198</u>
<i>Total liabilities and fund balances</i>	<u>\$ 1,261,198</u>

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

For the Year Ended June 30, 2010

	<u>Debt Service</u>	<u>North Albany CSD</u>	<u>Total</u>
REVENUES			
Taxes	\$ -	\$ 7,670	\$ 7,670
Charges for services	38,834	-	38,834
Interest	13,091	1	13,092
	<hr/>	<hr/>	<hr/>
Total revenues	51,925	7,671	59,596
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
General government	850	3,034	3,884
Debt Service:			
Principal	162,877	-	162,877
Interest	1,089,561	-	1,089,561
	<hr/>	<hr/>	<hr/>
Total expenditures	1,253,288	3,034	1,256,322
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(1,201,363)	4,637	(1,196,726)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES			
Transfers in	1,396,679	-	1,396,679
	<hr/>	<hr/>	<hr/>
Total other financing sources	1,396,679	-	1,396,679
	<hr/>	<hr/>	<hr/>
Net change in fund balance	195,316	4,637	199,953
	<hr/>	<hr/>	<hr/>
Fund balances - beginning	1,065,882	(4,637)	1,061,245
	<hr/>	<hr/>	<hr/>
Fund balances - ending	\$ 1,261,198	\$ -	\$ 1,261,198
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BENTON COUNTY, OREGON

DEBT SERVICE FUND

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 2,948,432	\$ 1,435,513	\$ (1,512,919)
Interest	50,000	13,091	(36,909)
Total revenues	<u>2,998,432</u>	<u>1,448,604</u>	<u>(1,549,828)</u>
EXPENDITURES			
Debt service:			
Materials and services	-	850	(850)
Principal and interest	<u>2,572,500</u>	<u>1,252,438</u>	<u>1,320,062</u>
Total expenditures	<u>2,572,500</u>	<u>1,253,288</u>	<u>1,319,212</u>
Net change in fund balance	425,932	195,316	(230,616)
<i>Fund balance - beginning</i>	<u>990,000</u>	<u>1,065,882</u>	<u>75,882</u>
<i>Fund balance - ending</i>	<u>\$ 1,415,932</u>	<u>\$ 1,261,198</u>	<u>\$ (154,734)</u>

BENTON COUNTY, OREGON

NORTH ALBANY COUNTY SERVICE DISTRICT

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Taxes	\$ 2,000	\$ 7,670	\$ 5,670
Interest	100	1	(99)
Total revenues	<u>2,100</u>	<u>7,671</u>	<u>5,571</u>
EXPENDITURES			
Debt service:			
Materials and services	<u>32,100</u>	<u>3,034</u>	<u>29,066</u>
Total expenditures	<u>32,100</u>	<u>3,034</u>	<u>29,066</u>
Excess (deficiency) of revenues over (under) expenditures	(30,000)	4,637	34,637
Fund balance - beginning	<u>30,000</u>	<u>20,595</u>	<u>(9,405)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 25,232</u>	<u>\$ 25,232</u>
Reconciliation to GAAP Basis			
Ending Fund Balance:		\$ 25,232	
North Albany Transition		<u>(25,232)</u>	
GAAP ending fund balance		<u>\$ -</u>	

NON-MAJOR CAPITAL PROJECTS FUNDS

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

Road Improvement Fund - To account for capital improvements for the road department. This fund had no activity during the 2009-10 fiscal year. It is being reported for budget purposes only.

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



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BENTON COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 June 30, 2010

	<i>General Capital Improvements</i>	<i>Building Development Reserve</i>	<i>Total</i>
ASSETS			
Cash and investments	\$ 230,024	\$ 1,754,291	\$ 1,984,315
Intergovernmental receivables	<u>2,452</u>	<u>-</u>	<u>2,452</u>
Total assets	<u>\$ 232,476</u>	<u>\$ 1,754,291</u>	<u>\$ 1,986,767</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 8,846	\$ -	\$ 8,846
Fund Balances:			
Reserved for capital projects	<u>223,630</u>	<u>1,754,291</u>	<u>1,977,921</u>
Total liabilities and fund balances	<u>\$ 232,476</u>	<u>\$ 1,754,291</u>	<u>\$ 1,986,767</u>

BENTON COUNTY, OREGON**NONMAJOR CAPITAL PROJECTS FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2010

	General Capital Improvements	Building Development Reserve	Total
REVENUES			
Intergovernmental	\$ 1,493,485	\$ -	\$ 1,493,485
Interest	-	15,246	15,246
Miscellaneous	40,000	-	40,000
Total revenues	<u>1,533,485</u>	<u>15,246</u>	<u>1,548,731</u>
EXPENDITURES			
Personnel services	14,909	-	14,909
Materials and services	471,648	2,786	474,434
Capital outlay	1,120,483	-	1,120,483
Total Expenditures	<u>1,607,040</u>	<u>2,786</u>	<u>1,609,826</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,555)</u>	<u>12,460</u>	<u>(61,095)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>222,440</u>	<u>157,649</u>	<u>380,089</u>
Net other financing sources	<u>222,440</u>	<u>157,649</u>	<u>380,089</u>
Net change in fund balances	148,885	170,109	318,994
Fund balances - beginning	<u>74,745</u>	<u>1,584,182</u>	<u>1,658,927</u>
Fund balances - ending	<u><u>\$ 223,630</u></u>	<u><u>\$ 1,754,291</u></u>	<u><u>\$ 1,977,921</u></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, 2011

As of June 30, 2010

	<i>Biennium Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Intergovernmental	\$ 2,918,322	\$ 1,493,485	\$ (1,424,837)
Miscellaneous	40,000	40,000	-
Total revenues	<u>2,958,322</u>	<u>1,533,485</u>	<u>(1,424,837)</u>
EXPENDITURES			
Capital projects			
Personnel services	54,000	14,909	39,091
Materials and services	1,191,566	471,648	719,918
Capital outlay	<u>2,077,469</u>	<u>1,120,483</u>	<u>956,986</u>
Total expenditures	<u>3,323,035</u>	<u>1,607,040</u>	<u>1,715,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(364,713)</u>	<u>(73,555)</u>	<u>291,158</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>261,230</u>	<u>222,440</u>	<u>(38,790)</u>
Total other financing sources	<u>261,230</u>	<u>222,440</u>	<u>(38,790)</u>
Net change in fund balance	(103,483)	148,885	252,368
Fund balances - beginning	<u>103,483</u>	<u>74,745</u>	<u>(28,738)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 223,630</u>	<u>\$ 223,630</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, 2011

As of June 30, 2010

	<u>Biennium Budget</u>	<u>1st Year Actual</u>	<u>Variance with Budget</u>
REVENUES			
Interest	\$ 123,000	\$ 15,246	\$ (107,754)
Total revenues	<u>123,000</u>	<u>15,246</u>	<u>(107,754)</u>
EXPENDITURES			
Capital projects:			
Materials and services	232,000	2,786	229,214
Other - Contingency	<u>1,834,434</u>	<u>-</u>	<u>1,834,434</u>
Total expenditures	<u>2,066,434</u>	<u>2,786</u>	<u>2,063,648</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,943,434)</u>	<u>12,460</u>	<u>1,955,894</u>
OTHER FINANCING SOURCES			
Transfers in	<u>343,434</u>	<u>157,649</u>	<u>(185,785)</u>
Net other financing sources (uses)	<u>343,434</u>	<u>157,649</u>	<u>(185,785)</u>
Net change in fund balance	(1,600,000)	170,109	1,770,109
Fund balances - beginning	<u>1,600,000</u>	<u>1,584,182</u>	<u>(15,818)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,754,291</u>	<u>\$ 1,754,291</u>

ENTERPRISE FUNDS

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

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

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

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

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

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

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



BENTON COUNTY
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BENTON COUNTY, OREGON
NONMAJOR PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

June 30, 2010

	<i>Business-type Activities - Non-major Enterprise Funds</i>					
	<i>Alea CSD</i>	<i>Alpine CSD</i>	<i>Cascade View CSD</i>	<i>South Third CSD</i>	<i>East Linn Clinic</i>	<i>Totals</i>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 40,937	\$ 2,416	\$ 47,931	\$ 73,589	\$ 103,995	\$ 268,868
Accounts receivable	4,970	3,555	2,330	1,860	94,027	106,742
Inventory	-	-	-	-	5,218	5,218
Prepays	743	1,271	95	-	-	2,109
Total current assets	<u>46,650</u>	<u>7,242</u>	<u>50,356</u>	<u>75,449</u>	<u>203,240</u>	<u>382,937</u>
Noncurrent assets:						
Assessments receivable	-	-	-	66,243	-	66,243
Net noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,243</u>	<u>-</u>	<u>66,243</u>
Capital assets:						
Land and non-depreciable assets	-	33,848	-	-	-	33,848
Machinery and equipment	3,742	1,871	1,871	-	-	7,484
Utility system	977,423	786,939	250,000	1,638,274	-	3,652,636
Less accumulated depreciation	<u>(715,366)</u>	<u>(239,074)</u>	<u>(151,684)</u>	<u>(136,208)</u>	<u>-</u>	<u>(1,242,332)</u>
Total capital assets (net of accumulated depreciation)	<u>265,799</u>	<u>583,584</u>	<u>100,187</u>	<u>1,502,066</u>	<u>-</u>	<u>2,451,636</u>
Total noncurrent assets	<u>265,799</u>	<u>583,584</u>	<u>100,187</u>	<u>1,568,309</u>	<u>-</u>	<u>2,517,879</u>
Total assets	<u>312,449</u>	<u>590,826</u>	<u>150,543</u>	<u>1,643,758</u>	<u>203,240</u>	<u>2,900,816</u>
LIABILITIES						
Current liabilities:						
Accounts payable	1,744	731	35	1,012	15,616	19,138
Accrued payroll	-	-	-	-	33,567	33,567
Compensated absences	-	-	-	-	6,537	6,537
Bonds payable	950	-	-	9,014	-	9,964
Deferred/unearned revenue	<u>385</u>	<u>108</u>	<u>48</u>	<u>200</u>	<u>-</u>	<u>741</u>
Total current liabilities	<u>3,079</u>	<u>839</u>	<u>83</u>	<u>10,226</u>	<u>55,720</u>	<u>69,947</u>
Non-current liabilities:						
Compensated absences	-	-	-	-	14,853	14,853
Net OPEB obligation	-	-	-	-	30,345	30,345
Deferred revenue	-	-	-	66,243	-	66,243
Bonds payable	<u>23,456</u>	<u>-</u>	<u>-</u>	<u>115,472</u>	<u>-</u>	<u>138,928</u>
Total non-current liabilities	<u>23,456</u>	<u>-</u>	<u>-</u>	<u>181,715</u>	<u>45,198</u>	<u>250,369</u>
Total liabilities	<u>26,535</u>	<u>839</u>	<u>83</u>	<u>191,941</u>	<u>100,918</u>	<u>320,316</u>
NET ASSETS						
Invested in capital assets net of related debt	241,393	583,584	100,187	1,377,580	-	2,302,744
Unrestricted	<u>44,521</u>	<u>6,403</u>	<u>50,273</u>	<u>74,237</u>	<u>102,322</u>	<u>277,756</u>
Total net assets	<u>\$ 285,914</u>	<u>\$ 589,987</u>	<u>\$ 150,460</u>	<u>\$ 1,451,817</u>	<u>\$ 102,322</u>	<u>\$ 2,580,500</u>

BENTON COUNTY, OREGON
NONMAJOR PROPRIETARY FUNDS

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

For the Year Ended June 30, 2010

	<i>Business-type Activities - Nonmajor Enterprise Funds</i>					<i>Totals</i>
	<i>Alsea CSD</i>	<i>Alpine CSD</i>	<i>Cascade View CSD</i>	<i>South Third CSD</i>	<i>East Linn Clinic</i>	
Operating Revenues						
Charges for services	\$ 44,358	\$ 24,347	\$ 32,682	\$ 18,427	\$ 264,971	\$ 384,785
Intergovernmental	109,206	304,211	-	-	634,152	1,047,569
Miscellaneous	-	-	-	-	43,219	43,219
Total operating revenues	153,564	328,558	32,682	18,427	942,342	1,475,573
Operating Expenses						
Personnel services	-	-	-	-	646,319	646,319
Materials and services	44,291	35,227	22,687	19,320	352,046	473,571
Depreciation/amortization	34,848	11,758	10,187	21,795	-	78,588
Total operating expenses	79,139	46,985	32,874	41,115	998,365	1,198,478
Operating income (loss)	74,425	281,573	(192)	(22,688)	(56,023)	277,095
Nonoperating revenue (expenses)						
Interest expense	(1,177)	-	-	(7,323)	-	(8,500)
Assessments received	-	-	-	3,343	-	3,343
Investment earnings	436	224	409	4,417	1,640	7,126
Income (loss) before transfers	73,684	281,797	217	(22,251)	(54,383)	279,064
Transfers out	-	-	-	-	(24,688)	(24,688)
Change in net assets	73,684	281,797	217	(22,251)	(79,071)	254,376
Total net assets - beginning	212,230	308,190	150,243	1,474,068	181,393	2,326,124
Total net assets - ending	\$ 285,914	\$ 589,987	\$ 150,460	\$ 1,451,817	\$ 102,322	\$ 2,580,500

BENTON COUNTY, OREGON
NONMAJOR PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2010

Business-type Activities - Nonmajor Enterprise Funds

	<i>Alesea</i>	<i>Alpine</i>	<i>Cascade View</i>	<i>South Third</i>	<i>East Linn</i>	
	<i>CSD</i>	<i>CSD</i>	<i>CSD</i>	<i>CSD</i>	<i>Clinic</i>	<i>Totals</i>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 44,022	\$ 24,206	\$ 33,198	\$ 19,353	\$ 216,490	\$ 337,269
Grants	-	304,211	-	-	634,152	938,363
Miscellaneous donations	-	-	-	-	43,219	43,219
Payments to suppliers	(45,902)	(46,442)	(23,309)	(19,473)	(349,659)	(484,785)
Paid to employees	109,206	-	-	-	(626,261)	(517,055)
Net cash provided (used) by operating activities	107,326	281,975	9,889	(120)	(82,059)	317,011
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Principal paid on noncapital debt	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Operating borrowing	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(24,688)	(24,688)
Net cash provided (used) by noncapital financing activities	-	-	-	-	(24,688)	(24,688)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition of capital assets	(110,813)	(313,392)	-	-	-	(424,205)
Assessments received	-	-	-	3,344	-	3,344
Principal paid on capital debt	(844)	-	-	(37,137)	-	(37,981)
Interest paid on capital debt	(1,177)	-	-	(7,323)	-	(8,500)
Net cash provided (used) by capital and related financing activities	(112,834)	(313,392)	-	(41,116)	-	(467,342)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	436	224	409	4,417	1,640	7,126
Net cash provided by investing activities	436	224	409	4,417	1,640	7,126
Net increase (decrease) in cash and cash equivalents	(5,072)	(31,193)	10,298	(36,819)	(105,107)	(167,893)
Cash and cash equivalents - beginning	46,009	33,609	37,633	110,408	209,102	436,761
Cash and cash equivalents - ending	\$ 40,937	\$ 2,416	\$ 47,931	\$ 73,589	\$ 103,995	\$ 268,868
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 74,425	\$ 281,573	\$ (192)	\$ (22,688)	\$ (56,023)	\$ 277,095
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation/amortization expense	34,848	11,758	10,187	21,795	-	78,588
Change in assets and liabilities:						
Receivables	(292)	(9)	674	926	(48,481)	(47,182)
Prepays	(95)	(50)	(95)	-	30	(210)
Inventory	-	-	-	-	(648)	(648)
Deferred revenues	(45)	(132)	(158)	-	-	(335)
Compensated absences	-	-	-	-	(2,567)	(2,567)
OPEB	-	-	-	-	12,825	12,825
Payables	(1,515)	(11,165)	(527)	(153)	12,805	(555)
Net cash provided (used) by operating activities	\$ 107,326	\$ 281,975	\$ 9,889	\$ (120)	\$ (82,059)	\$ 317,011

BENTON COUNTY, OREGON
BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF NET ASSETS

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Accounts receivable (net of doubtful accounts)	\$ 848,191	\$ 1,308,847
Inventory	40,472	40,518
Prepays	45,615	920
Total current assets	<u>934,278</u>	<u>1,350,285</u>
Noncurrent assets:		
Prepaid pension assets	1,351,086	1,351,086
Accumulated amortization	(151,350)	(130,504)
Net prepaid pension assets	<u>1,199,736</u>	<u>1,220,582</u>
Capital assets:		
Buildings	896,994	618,519
Equipment	13,652	7,520
Work in progress	19,080	-
Less accumulated depreciation	(56,690)	(43,216)
Total capital assets (net of accumulated depreciation)	<u>873,036</u>	<u>582,823</u>
Total assets	<u>3,007,050</u>	<u>3,153,690</u>
LIABILITIES		
Current liabilities:		
Accounts payable	586,081	185,980
Accrued payroll	156,022	176,105
Deferred revenue	1,199	62,299
Accrued compensated absences	70,256	91,260
Total current liabilities	<u>813,558</u>	<u>515,644</u>
Long-term liabilities:		
Pension bonds payable	1,217,361	1,228,925
Net OPEB obligation	241,153	168,165
Accrued compensated absences	263,590	252,747
Total long-term liabilities	<u>1,722,104</u>	<u>1,649,837</u>
Total liabilities	<u>2,535,662</u>	<u>2,165,481</u>
NET ASSETS		
Invested in capital assets, net of related debt	873,036	582,823
Unrestricted	(401,648)	405,386
Total net assets	<u>\$ 471,388</u>	<u>\$ 988,209</u>

BENTON COUNTY, OREGON**BENTON COUNTY HEALTH CENTER FUND****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 3,245,465	\$ 4,446,278
Intergovernmental	2,645,417	2,048,165
Miscellaneous	19,250	104,164
	<u>5,910,132</u>	<u>6,598,607</u>
OPERATING EXPENSES		
Personal services	4,310,355	4,076,969
Materials and services	3,216,456	2,919,821
Depreciation	13,474	11,060
Amortization	20,846	17,993
	<u>7,561,131</u>	<u>7,025,843</u>
Total operating revenues	<u>5,910,132</u>	<u>6,598,607</u>
Total operating expenses	<u>7,561,131</u>	<u>7,025,843</u>
Operating loss	<u>(1,650,999)</u>	<u>(427,236)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(2,431)	(10,375)
Investment earnings	1,289	2,749
	<u>(1,142)</u>	<u>(7,626)</u>
Net nonoperating revenues/expenses	<u>(1,142)</u>	<u>(7,626)</u>
Loss before transfers	(1,652,141)	(434,862)
TRANSFERS		
Transfers out	(196,194)	(175,547)
Transfers in	1,331,514	1,225,914
	<u>(516,821)</u>	<u>615,505</u>
Change in net assets	<u>(516,821)</u>	<u>615,505</u>
Total net assets - beginning	<u>988,209</u>	<u>372,704</u>
Total net assets - ending	<u><u>\$ 471,388</u></u>	<u><u>\$ 988,209</u></u>

BENTON COUNTY, OREGON
BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 3,645,021	\$ 4,184,675
Grants	2,645,417	2,072,133
Miscellaneous donations	19,250	104,164
Payments to suppliers	(3,346,612)	(3,551,872)
Payroll costs	(4,267,611)	(3,842,798)
<i>Net cash (used) by operating activities</i>	<u>(1,304,535)</u>	<u>(1,033,698)</u>
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(303,687)	-
Net cash (used for) capital and related financing activities	<u>(303,687)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(196,194)	(175,547)
Principal paid on noncapital debt	(11,564)	(9,043)
Interest expense	(2,431)	(10,375)
Operating borrowing	485,608	-
Transfers in	1,331,514	1,225,914
Net cash provided by noncapital financing activities	<u>1,606,933</u>	<u>1,030,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	1,289	2,749
Net cash provided by investing activities	<u>1,289</u>	<u>2,749</u>
Net increase (decrease) in cash and cash equivalents	-	-
<i>Cash and cash equivalents - beginning</i>	<u>-</u>	<u>-</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating (loss) to net cash (used) by operating activities:		
Operating (loss)	\$ (1,650,999)	\$ (427,236)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	34,320	29,053
Change in assets and liabilities:		
Receivables	460,656	(250,147)
Inventory	46	(22,898)
Prepays	(44,695)	5,464
Compensated absences	(10,161)	92,152
Deferred revenue	(61,100)	12,512
OPEB	72,988	92,031
Payables	(105,590)	(564,629)
<i>Net cash (used) by operating activities</i>	<u>\$ (1,304,535)</u>	<u>\$ (1,033,698)</u>

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 8,904,763	\$ 3,635,244	\$ (5,269,519)
Intergovernmental	4,668,850	2,347,861	(2,320,989)
Interest	-	1,289	1,289
Miscellaneous	220,713	19,250	(201,463)
Total revenue	13,794,326	6,003,644	(7,790,682)
EXPENDITURES			
Personal services	9,837,599	4,443,721	5,393,878
Materials and services	6,627,593	3,218,887	3,408,706
Capital outlay	10,000	6,131	3,869
Contingency	800,000	-	800,000
Total expenditures	17,275,192	7,668,739	9,606,453
Excess (deficiency) of revenues over (under) expenditures	(3,480,866)	(1,665,095)	1,815,771
OTHER FINANCING SOURCES (USES)			
Transfers in	2,680,866	1,319,950	(1,360,916)
Total other financing sources (uses)	2,680,866	1,319,950	(1,360,916)
Change in fund balance	(800,000)	(345,145)	454,855
Fund balance - beginning	800,000	162,615	(637,385)
Fund balance - ending	\$ -	\$ (182,530)	\$ (182,530)

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND

STATEMENT OF NET ASSETS

June 30, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 314,189	\$ 319,392
Accounts receivable	6,888	8,374
Total current assets	<u>321,077</u>	<u>327,766</u>
Noncurrent assets:		
Capital assets		
Land	261,450	-
Buildings	851,170	797,620
Equipment	14,746	5,427
Less accumulated depreciation	<u>(153,597)</u>	<u>(131,689)</u>
Total capital assets (net of accumulated depreciation)	<u>973,769</u>	<u>671,358</u>
Total assets	<u>1,294,846</u>	<u>999,124</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	1,297	804
Accrued wages	3,041	2,446
Current portion of note payable	15,643	-
Accrued compensated absences	<u>1,251</u>	<u>985</u>
Total current liabilities	<u>21,232</u>	<u>4,235</u>
Long-term liabilities:		
Net OPEB obligation	4,148	2,717
Note payable	289,357	-
Accrued compensated absences	<u>6,193</u>	<u>4,312</u>
Total long-term liabilities	<u>299,698</u>	<u>7,029</u>
Total liabilities	<u>320,930</u>	<u>11,264</u>
 NET ASSETS		
Invested in capital assets, net of related debt	684,412	671,358
Unrestricted	<u>289,504</u>	<u>316,502</u>
Total net assets	<u>\$ 973,916</u>	<u>\$ 987,860</u>

BENTON COUNTY, OREGON**ENTERPRISE OPERATIONS FUND****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS***For the Years Ended June 30, 2010 and 2009*

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 203,785	\$ 267,676
Intergovernmental	-	43,771
Total operating revenues	<u>203,785</u>	<u>311,447</u>
OPERATING EXPENSES		
Personal services	73,712	61,354
Materials and services	53,748	32,527
Depreciation	21,909	21,073
Total operating expenses	<u>149,369</u>	<u>114,954</u>
Operating income	54,416	196,493
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	<u>3,188</u>	<u>6,022</u>
Income before transfers	57,604	202,515
Transfers out	<u>(71,548)</u>	<u>(97,634)</u>
Change in net assets	(13,944)	104,881
Total net assets - beginning	<u>987,860</u>	<u>882,979</u>
Total net assets - ending	<u>\$ 973,916</u>	<u>\$ 987,860</u>

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND
STATEMENT OF CASH FLOWS
For the Years ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 205,271	\$ 262,707
Grants	-	43,771
Payroll costs	(69,539)	(59,474)
Payments to suppliers	(53,255)	(32,432)
<i>Net cash provided by operating activities</i>	<u>82,477</u>	<u>214,572</u>
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on capital debt	(10,000)	-
Capital assets purchased	(9,320)	-
Net cash (used for) capital and related financing activities	<u>(19,320)</u>	<u>-</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(71,548)	(97,634)
Net cash (used for) noncapital and related financing activities	<u>(71,548)</u>	<u>(97,634)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,188	6,022
Net increase in cash and cash equivalents	(5,203)	122,960
<i>Cash and cash equivalents - beginning</i>	<u>319,392</u>	<u>196,432</u>
<i>Cash and cash equivalents - ending</i>	<u><u>\$ 314,189</u></u>	<u><u>\$ 319,392</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 54,416	\$ 196,493
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	21,909	21,073
Change in assets and liabilities:		
Receivables	1,486	(4,969)
Compensated absences	2,147	42
OPEB	1,431	1,492
Payables	1,088	441
<i>Net cash provided by operating activities</i>	<u><u>\$ 82,477</u></u>	<u><u>\$ 214,572</u></u>
Noncash capital and financing activities:		
Financed acquisition of capital asset	305,000	-

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 496,785	\$ 203,785	\$ (293,000)
Interest	9,500	3,188	(6,312)
Total revenues	<u>506,285</u>	<u>206,973</u>	<u>(299,312)</u>
EXPENDITURES			
Personal services	133,360	73,510	59,850
Materials and services	170,683	51,269	119,414
Capital outlay (depreciation)	12,370	21,798	(9,428)
Contingency	351,902	-	351,902
Total expenditures	<u>668,315</u>	<u>146,577</u>	<u>521,738</u>
Excess (deficiency) of revenues over (under) expenditures	(162,030)	60,396	222,426
OTHER FINANCING USES			
Operating transfers out	(174,482)	(68,172)	106,310
Change in fund balance	(336,512)	(7,776)	328,736
Fund balance - beginning	<u>336,512</u>	<u>324,515</u>	<u>(11,997)</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 316,739</u></u>	<u><u>\$ 316,739</u></u>

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENT OF NET ASSETS
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 40,937	\$ 46,009
Prepays	743	648
Accounts receivable	4,970	4,678
Total current assets	<u>46,650</u>	<u>51,335</u>
Noncurrent assets:		
Capital assets:		
Infrastructure	977,423	860,796
Work in progress	-	5,813
Equipment	3,742	3,742
Less accumulated depreciation	(715,366)	(680,517)
Total capital assets (net of accumulated depreciation)	<u>265,799</u>	<u>189,834</u>
Total assets	<u>312,449</u>	<u>241,169</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,744	3,259
Bonds payable, current portion	950	877
Customer deposits	385	430
Total current liabilities	<u>3,079</u>	<u>4,566</u>
Non-current liabilities:		
Bonds payable, net of current portion	<u>23,456</u>	<u>24,373</u>
Total non-current liabilities	<u>23,456</u>	<u>24,373</u>
Total liabilities	<u>26,535</u>	<u>28,939</u>
NET ASSETS		
Invested in capital assets net of related debt	241,393	164,584
Unrestricted	<u>44,521</u>	<u>47,646</u>
Total net assets	<u>\$ 285,914</u>	<u>\$ 212,230</u>

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 44,358	\$ 44,797
Intergovernmental	109,206	5,813
Total operating revenues	<u>153,564</u>	<u>50,610</u>
OPERATING EXPENSES		
Materials and services	44,291	51,217
Depreciation/amortization	34,848	34,847
Total operating expenses	<u>79,139</u>	<u>86,064</u>
Operating loss	74,425	(35,454)
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(1,177)	(1,013)
Interest on special assessments	-	-
Investment earnings	436	1,104
Change in net assets	73,684	(35,363)
Total net assets - beginning	<u>212,230</u>	<u>247,593</u>
Total net assets - ending	<u><u>\$ 285,914</u></u>	<u><u>\$ 212,230</u></u>

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 44,022	\$ 46,038
Payments to suppliers	(45,902)	(53,672)
Grants	109,206	5,813
Net cash provided (used) by operating activities	<u>107,326</u>	<u>(1,821)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on capital debt	(844)	(1,008)
Increase in capital assets	(110,813)	(5,813)
Interest paid on capital debt	(1,177)	(1,013)
Net cash provided (used) by capital and related financing activities	<u>(112,834)</u>	<u>(7,834)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	436	1,104
Net cash from investing activities	<u>436</u>	<u>1,104</u>
Increase (decrease) in cash and cash equivalents	(5,072)	(8,551)
Cash and cash equivalents - beginning	<u>46,009</u>	<u>54,560</u>
Cash and cash equivalents - ending	<u>\$ 40,937</u>	<u>\$ 46,009</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ 74,425	\$ (35,454)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	34,848	34,847
Change in assets and liabilities:		
Receivables	(292)	810
Prepays	(95)	(511)
Deferred revenues	(45)	430
Payables	(1,515)	(1,943)
Net cash provided (used) by operating activities	<u>\$ 107,326</u>	<u>\$ (1,821)</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, 2010

	<u>Budget</u>	<u>Variance with Budget</u>	<u>Actual</u>		
			<u>Budget Basis</u>	<u>GAAP Adjustments</u>	<u>GAAP Basis</u>
REVENUES					
Intergovernmental	\$ 110,000	\$ (794)	\$ 109,206	\$ -	\$ 109,206
Charges for services	49,300	(4,942)	44,358	-	44,358
Interest	1,000	(564)	436	-	436
Total revenues	<u>160,300</u>	<u>(6,300)</u>	<u>154,000</u>	<u>-</u>	<u>154,000</u>
EXPENDITURES					
Utility services	50,201	5,910	44,291	-	44,291
Debt service	2,080	59	2,021	(844)	1,177
Capital outlay/depreciation	111,300	486	110,814	(75,966)	34,848
Other - contingency	46,827	46,827	-	-	-
Interest revenue					
Total expenditures	<u>210,408</u>	<u>53,282</u>	<u>157,126</u>	<u>(76,810)</u>	<u>80,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,108)</u>	<u>46,982</u>	<u>(3,126)</u>	<u>76,810</u>	<u>73,684</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	5,355	(3,000)	2,355	(2,355)	-
Transfers out	<u>(2,355)</u>	<u>-</u>	<u>(2,355)</u>	<u>2,355</u>	<u>-</u>
Total other financing sources (uses)	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(47,108)	43,982	(3,126)	76,810	73,684
Fund balance - beginning	<u>51,088</u>	<u>(2,726)</u>	<u>48,362</u>	<u>163,868</u>	<u>212,230</u>
Fund balance - ending	<u>\$ 3,980</u>	<u>\$ 41,256</u>	<u>\$ 45,236</u>	<u>\$ 240,678</u>	<u>\$ 285,914</u>

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT
STATEMENT OF NET ASSETS
June 30, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 2,416	\$ 33,609
Prepaid expenses	1,271	1,221
Accounts receivable	<u>3,555</u>	<u>3,546</u>
Total current assets	<u>7,242</u>	<u>38,376</u>
Noncurrent assets:		
Capital assets:		
Land	33,848	33,848
Utility system	786,939	437,341
Work in progress	-	36,206
Equipment	1,871	1,871
Less accumulated depreciation	<u>(239,074)</u>	<u>(227,317)</u>
Total capital assets (net of accumulated depreciation)	<u>583,584</u>	<u>281,949</u>
Total assets	<u>590,826</u>	<u>320,325</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	731	11,895
Deferred revenue	<u>108</u>	<u>240</u>
Total current liabilities	<u>839</u>	<u>12,135</u>
 NET ASSETS		
Invested in capital assets, net of related debt	583,584	281,949
Unrestricted	<u>6,403</u>	<u>26,241</u>
Total net assets	<u>\$ 589,987</u>	<u>\$ 308,190</u>

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 24,347	\$ 23,046
Intergovernmental	304,211	25,789
Total operating revenues	<u>328,558</u>	<u>48,835</u>
OPERATING EXPENSES		
Materials and services	35,227	24,738
Depreciation/amortization	11,758	11,175
Total operating expenses	<u>46,985</u>	<u>35,913</u>
Operating income	281,573	12,922
NONOPERATING REVENUES		
Investment earnings	224	700
Change in net assets	281,797	13,622
Total net assets - beginning	<u>308,190</u>	<u>294,568</u>
Total net assets - ending	<u><u>\$ 589,987</u></u>	<u><u>\$ 308,190</u></u>

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 24,206	\$ 23,018
Grants received	304,211	25,789
Payments to suppliers	<u>(46,442)</u>	<u>(14,111)</u>
<i>Net cash provided by operating activities</i>	<u>281,975</u>	<u>34,696</u>
 CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	<u>(313,392)</u>	<u>(29,188)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>224</u>	<u>700</u>
 Net increase cash and cash equivalents	 (31,193)	 6,208
<i>Cash and cash equivalents - beginning</i>	<u>33,609</u>	<u>27,401</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 2,416</u>	<u>\$ 33,609</u>
 Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income/(loss)	\$ 281,573	\$ 12,922
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation/amortization expense	11,758	11,175
Change in assets and liabilities:		
Receivables	(9)	(242)
Prepays	(50)	(1,120)
Deferred revenues	(132)	213
Payables	<u>(11,165)</u>	<u>11,748</u>
<i>Net cash provided by operating activities</i>	<u>\$ 281,975</u>	<u>\$ 34,696</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, 2010

	<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	\$ 20,684	\$ 3,663	\$ 24,347	\$ -	\$ 24,347
Intergovernmental	-	304,211	304,211	-	304,211
Interest	600	(376)	224	-	224
	<u>21,284</u>	<u>307,498</u>	<u>328,782</u>	<u>-</u>	<u>328,782</u>
EXPENDITURES					
Materials and services	33,784	(1,443)	35,227	-	35,227
Capital outlay (depreciation)	322,082	8,690	313,392	(301,634)	11,758
Other - contingency	-	-	-	-	-
	<u>355,866</u>	<u>7,247</u>	<u>348,619</u>	<u>(301,634)</u>	<u>46,985</u>
Excess (deficiency) of revenues over (under) expenditures	(334,582)	314,745	(19,837)	301,634	281,797
Fund balance - beginning	<u>334,582</u>	<u>(308,444)</u>	<u>26,138</u>	<u>282,052</u>	<u>308,190</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 6,301</u>	<u>\$ 6,301</u>	<u>\$ 583,686</u>	<u>\$ 589,987</u>

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
STATEMENT OF NET ASSETS

June 30, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 47,931	\$ 37,633
Prepaid expense	95	-
Accounts receivable	2,330	3,004
Total current assets	<u>50,356</u>	<u>40,637</u>
Noncurrent assets:		
Capital assets:		
Infrastructure	250,000	250,000
Equipment	1,871	1,871
Less accumulated depreciation	<u>(151,684)</u>	<u>(141,497)</u>
Total capital assets (net of accumulated depreciation)	<u>100,187</u>	<u>110,374</u>
Total assets	<u>150,543</u>	<u>151,011</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	35	562
Deferred revenue	48	206
Total current liabilities	<u>83</u>	<u>768</u>
 NET ASSETS		
Invested in capital assets, net of related debt	100,187	110,374
Unrestricted	<u>50,273</u>	<u>39,869</u>
Total net assets	<u><u>\$ 150,460</u></u>	<u><u>\$ 150,243</u></u>

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 32,682	\$ 32,565
OPERATING EXPENSES		
Materials and services	22,687	25,035
Depreciation/amortization	<u>10,187</u>	<u>10,187</u>
Total operating expenses	<u>32,874</u>	<u>35,222</u>
Operating income (loss)	(192)	(2,657)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	<u>409</u>	<u>791</u>
Change in net assets	217	(1,866)
Total net assets - beginning	<u>150,243</u>	<u>152,109</u>
Total net assets - ending	<u><u>\$ 150,460</u></u>	<u><u>\$ 150,243</u></u>

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 33,198	\$ 32,732
Payments to suppliers	(23,309)	(25,027)
Net cash provided by operating activities	<u>9,889</u>	<u>7,705</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>409</u>	<u>791</u>
 Net increase in cash and cash equivalents	 10,298	 8,496
<i>Cash and cash equivalents - beginning</i>	<u>37,633</u>	<u>29,137</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 47,931</u>	<u>\$ 37,633</u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (192)	\$ (2,657)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization expense	10,187	10,187
Change in assets and liabilities:		
Receivables	674	45
Deferred revenues	(158)	122
Prepays	(95)	87
Payables	(527)	(79)
Net cash provided by operating activities	<u>\$ 9,889</u>	<u>\$ 7,705</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, 2010

	<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	\$ 35,800	\$ (3,118)	\$ 32,682	\$ -	\$ 32,682
Interest	500	(91)	409	-	409
Total revenues	<u>36,300</u>	<u>(3,209)</u>	<u>33,091</u>	<u>-</u>	<u>33,091</u>
EXPENDITURES					
Materials and services	34,605	11,918	22,687	-	22,687
Capital outlay (depreciation)	500	500	-	10,187	10,187
Operating contingency	40,695	40,695	-	-	-
Total expenditures	<u>75,800</u>	<u>53,113</u>	<u>22,687</u>	<u>10,187</u>	<u>32,874</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,500)</u>	<u>49,904</u>	<u>10,404</u>	<u>(10,187)</u>	<u>217</u>
Fund balance - beginning	<u>39,500</u>	<u>369</u>	<u>39,869</u>	<u>110,374</u>	<u>150,243</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 50,273</u>	<u>\$ 50,273</u>	<u>\$ 100,187</u>	<u>\$ 150,460</u>

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENT OF NET ASSETS
June 30, 2010 and 2009

ASSETS	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 73,589	\$ 110,408
Accounts receivables	1,860	2,785
Total current assets	<u>75,449</u>	<u>113,193</u>
Noncurrent assets:		
Assessments receivable	<u>66,243</u>	<u>69,587</u>
Capital assets:		
Sewer system	1,638,274	1,638,274
Less accumulated depreciation	<u>(136,208)</u>	<u>(114,412)</u>
Total capital assets (net of accumulated depreciation)	<u>1,502,066</u>	<u>1,523,862</u>
Total noncurrent assets	<u>1,568,309</u>	<u>1,593,449</u>
Total assets	<u>1,643,758</u>	<u>1,706,642</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	1,012	1,164
Current portion of long term debt	<u>9,014</u>	<u>7,343</u>
Total current liabilities	<u>10,026</u>	<u>8,507</u>
Long-term liabilities:		
Bonds payable	115,472	154,280
Deferred revenue	<u>66,443</u>	<u>69,787</u>
Total long-term liabilities	<u>181,915</u>	<u>224,067</u>
Total liabilities	<u>191,941</u>	<u>232,574</u>
 NET ASSETS		
Invested in capital assets, net of related debt	1,377,580	1,362,239
Unrestricted	<u>74,237</u>	<u>111,829</u>
Total net assets	<u>\$ 1,451,817</u>	<u>\$ 1,474,068</u>

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 18,427	\$ 18,655
OPERATING EXPENSES		
Materials and services	19,320	17,723
Depreciation	21,795	21,795
Total operating expenses	41,115	39,518
Operating (loss)	(22,688)	(20,863)
NONOPERATING REVENUES (EXPENSES)		
Assessments received	3,343	3,192
Investment earnings	4,417	6,094
Interest expense	(7,323)	(6,367)
Change in net assets	(22,251)	(17,944)
Total net assets - beginning	<u>1,474,068</u>	<u>1,492,012</u>
Total net assets - ending	<u><u>\$ 1,451,817</u></u>	<u><u>\$ 1,474,068</u></u>

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 19,353	\$ 19,430
Payments to suppliers	(19,473)	(32,131)
	<u>(120)</u>	<u>(12,701)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Assessments received	3,344	3,192
Principal paid on capital debt	(37,137)	(8,092)
Interest paid on capital debt	(7,323)	(6,367)
	<u>(41,116)</u>	<u>(11,267)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	4,417	6,094
	<u>(36,819)</u>	<u>(17,874)</u>
<i>Cash and cash equivalents - beginning</i>	<u>110,408</u>	<u>128,282</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 73,589</u>	<u>\$ 110,408</u>
 Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	\$ (22,688)	\$ (20,863)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation/amortization expense	21,795	21,795
Change in assets and liabilities:		
Receivables	926	1,255
Deferred revenues	-	(480)
Payables	(153)	(14,408)
Net cash provided (used) by operating activities	<u>\$ (120)</u>	<u>\$ (12,701)</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, 2010

	<i>Budget</i>	<i>Variance with Budget</i>	<i>Actual</i>		
			<i>Budget Basis</i>	<i>GAAP Adjustments</i>	
				<i>GAAP Basis</i>	
REVENUES					
Charges for services	\$ 18,162	\$ 265	\$ 18,427	\$ -	\$ 18,427
Interest	3,250	(2,242)	1,008	3,409	4,417
Total revenues	21,412	(1,977)	19,435	3,409	22,844
EXPENDITURES					
Materials and services	18,584	(736)	19,320	-	19,320
Depreciation	-	-	-	21,795	21,795
Debt service	44,460	-	44,460	(37,137)	7,323
Capital outlay	100	100	-	-	-
Operating contingency	14,294	14,294	-	-	-
Total expenditures	77,438	13,658	63,780	(15,342)	48,438
Excess of revenues over expenditures	(56,026)	11,681	(44,345)	18,751	(25,594)
OTHER FINANCING SOURCES (USES)					
Assessments received	7,219	(467)	6,752	(3,409)	3,343
Total other financing sources (uses)	7,219	(467)	6,752	(3,409)	3,343
Change in fund balance	(48,807)	11,214	(37,593)	15,342	(22,251)
Fund balance - beginning	113,536	(1,708)	111,828	1,362,240	1,474,068
Fund balance - ending	\$ 64,729	\$ 9,506	\$ 74,235	\$ 1,377,582	\$ 1,451,817

BENTON COUNTY, OREGON
EAST LINN HEALTH CLINIC FUND
STATEMENT OF NET ASSETS
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Cash	\$ 103,995	\$ 209,102
Accounts receivable (net of doubtful accouts)	94,027	45,546
Prepaid expense	-	30
Inventory	<u>5,218</u>	<u>4,570</u>
Total current assets	<u>203,240</u>	<u>259,248</u>
Total assets	<u>203,240</u>	<u>259,248</u>
LIABILITIES		
Current liabilities:		
Accounts payable	15,616	12,611
Accrued payroll	33,567	23,767
Accrued compensated absences	<u>6,537</u>	<u>12,821</u>
Total current liabilities	<u>55,720</u>	<u>49,199</u>
Long-term liabilities:		
Net OPEB obligation	30,345	17,520
Accrued compensated absences	<u>14,853</u>	<u>11,136</u>
Total long-term liabilities	<u>45,198</u>	<u>28,656</u>
Total liabilities	<u>100,918</u>	<u>77,855</u>
NET ASSETS		
Unrestricted	<u>102,322</u>	<u>181,393</u>
Total net assets	<u><u>\$ 102,322</u></u>	<u><u>\$ 181,393</u></u>

BENTON COUNTY, OREGON**EAST LINN HEALTH CLINIC FUND****STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 264,971	\$ 172,538
Intergovernmental	634,152	615,205
Miscellaneous	43,219	43,188
	<u>942,342</u>	<u>830,931</u>
OPERATING EXPENSES		
Personnel services	646,319	566,516
Materials and services	352,046	277,005
	<u>998,365</u>	<u>843,521</u>
Total operating revenues	<u>942,342</u>	<u>830,931</u>
Total operating expenses	<u>998,365</u>	<u>843,521</u>
Operating income (loss)	<u>(56,023)</u>	<u>(12,590)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	1,640	4,937
	<u>1,640</u>	<u>4,937</u>
Net nonoperating revenues/expenses	<u>1,640</u>	<u>4,937</u>
Income before transfers	(54,383)	(7,653)
TRANSFERS		
Transfers out	(24,688)	(18,289)
Change in net assets	(79,071)	(25,942)
Total net assets - beginning	<u>181,393</u>	<u>207,335</u>
Total net assets - ending	<u><u>\$ 102,322</u></u>	<u><u>\$ 181,393</u></u>

BENTON COUNTY, OREGON
EAST LINN HEALTH CLINIC FUND
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 216,490	\$ 138,892
Grants	634,152	615,205
Miscellaneous donations	43,219	43,188
Payments to suppliers	(349,659)	(274,140)
Payroll costs	(626,261)	(524,431)
<i>Net cash provided (used) by operating activities</i>	<u>(82,059)</u>	<u>(1,286)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(24,688)	(18,289)
<i>Net cash (used) by noncapital financing activities</i>	<u>(24,688)</u>	<u>(18,289)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	1,640	4,937
<i>Net cash provided by investing activities</i>	<u>1,640</u>	<u>4,937</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	(105,107)	(14,638)
<i>Cash and cash equivalents - beginning</i>	209,102	223,740
<i>Cash and cash equivalents - ending</i>	<u>\$ 103,995</u>	<u>\$ 209,102</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income (loss)	\$ (56,023)	\$ (12,590)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Change in assets and liabilities:		
Receivables	(48,481)	(33,646)
Inventory	(648)	(580)
Prepays	30	(30)
Compensated absences	(2,567)	19,097
OPEB	12,825	14,706
Payables	12,805	11,757
<i>Net cash provided by operating activities</i>	<u>\$ (82,059)</u>	<u>\$ (1,286)</u>

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 1,025,012	\$ 218,478	\$ (806,534)
Intergovernmental	1,220,280	634,152	(586,128)
Interest	12,000	1,639	(10,361)
Miscellaneous	91,601	43,219	(48,382)
Total revenue	2,348,893	897,488	(1,451,405)
EXPENDITURES			
Personnel services	1,587,728	660,749	926,979
Materials and services	761,165	352,046	409,119
Total expenditures	2,348,893	1,012,795	1,336,098
Change in fund balance	-	(115,307)	(115,307)
<i>Fund balance - beginning</i>		222,871	222,871
<i>Fund balance - ending</i>	\$ -	\$ 107,564	\$ 107,564



BENTON COUNTY
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INTERNAL SERVICE FUNDS

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

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

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

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



BENTON COUNTY
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BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2010

	<i>Intergovernmental Service</i>	<i>Management Service</i>	<i>Health Management</i>	<i>Employee Benefits Trust</i>	<i>Totals</i>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,517,671	\$ 254,939	\$ 459,511	\$ 708,406	\$ 2,940,527
Accounts receivable	96,955	-	4,927	-	101,882
Inventory	89,804	-	2,270	-	92,074
Deposits	5,000	-	-	-	5,000
Prepays	1,240	32,520	511	-	34,271
Total current assets	1,710,670	287,459	467,219	708,406	3,173,754
Noncurrent assets:					
Prepaid pension assets	769,302	960,231	1,217,881	-	2,947,414
Accumulated amortization	(95,823)	(122,801)	(136,430)	-	(355,054)
Net prepaid pension assets	673,479	837,430	1,081,451	-	2,592,360
Capital assets:					
Land	412,579	-	-	-	412,579
Land improvements	52,523	-	-	-	52,523
Buildings	10,243,972	43,908	-	-	10,287,880
Machinery and equipment	6,356,345	5,660	7,305	-	6,369,310
Intangibles	54,895	479,206	552,605	-	1,086,706
Work in progress	15,660	-	6,114	-	21,774
Less accumulated depreciation	(9,801,215)	(351,704)	(283,225)	-	(10,436,144)
Total capital assets (net of accumulated depreciation)	7,334,759	177,070	282,799	-	7,794,628
Total noncurrent assets	8,008,238	1,014,500	1,364,250	-	10,386,988
Total assets	9,718,908	1,301,959	1,831,469	708,406	13,560,742
LIABILITIES					
Current liabilities:					
Accounts payable	177,222	43,361	60,821	39,125	320,529
Payroll payable	53,686	65,386	85,457	171	204,700
Deposits payable	560	-	-	-	560
Lease Payable	4,220	-	-	-	4,220
Accrued compensated absences	33,566	22,384	51,923	-	107,873
Total current liabilities	269,254	131,131	198,201	39,296	637,882
Long-term liabilities:					
PERS bonds payable	713,849	928,485	1,097,339	-	2,739,673
Lease payable	6,838	-	-	-	6,838
Accrued compensated absences	281,251	126,361	124,084	-	531,696
Total long-term liabilities	1,001,938	1,054,846	1,221,423	-	3,278,207
Total liabilities	1,271,192	1,185,977	1,419,624	39,296	3,916,089
NET ASSETS					
Invested in capital assets, net of related debt	7,323,701	177,070	282,799	-	7,783,570
Unrestricted	1,124,015	(61,088)	129,046	669,110	1,861,083
Total net assets	\$ 8,447,716	\$ 115,982	\$ 411,845	\$ 669,110	\$ 9,644,653

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

For the Year Ended June 30, 2010

	<i>Intergovernmental Service</i>	<i>Management Service</i>	<i>Health Management</i>	<i>Employee Benefits Trust</i>	<i>Totals</i>
OPERATING REVENUES					
Charges for sales and services:					
Charges for services	\$ 2,981,925	\$ 2,657,409	\$ 3,332,204	\$ 543,037	\$ 9,514,575
Intergovernmental	6,643	-	-	-	6,643
Space rental	1,488,060	-	-	-	1,488,060
Sale of materials	924,359	-	-	-	924,359
Miscellaneous	53,957	2,679	11,414	-	68,050
Total operating revenues	<u>5,454,944</u>	<u>2,660,088</u>	<u>3,343,618</u>	<u>543,037</u>	<u>12,001,687</u>
OPERATING EXPENSES					
Personal services	1,478,280	1,743,963	2,517,550	78,858	5,818,651
Materials and services	3,248,384	922,045	692,123	490,170	5,352,722
Depreciation/amortization	645,554	65,726	87,353	-	798,633
Total operating expenses	<u>5,372,218</u>	<u>2,731,734</u>	<u>3,297,026</u>	<u>569,028</u>	<u>11,970,006</u>
Operating income (loss)	82,726	(71,646)	46,592	(25,991)	31,681
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	<u>3,035</u>	<u>356</u>	<u>3,209</u>	<u>6,687</u>	<u>13,287</u>
Income (loss) before transfers	85,761	(71,290)	49,801	(19,304)	44,968
Transfers in	213,709	261,032	10,425	-	485,166
Transfers out	<u>(126,927)</u>	<u>(82,595)</u>	<u>(110,402)</u>	<u>(255)</u>	<u>(320,179)</u>
Change in net assets	172,543	107,147	(50,176)	(19,559)	209,955
Net assets - beginning	<u>8,275,173</u>	<u>8,835</u>	<u>462,021</u>	<u>688,669</u>	<u>9,434,698</u>
Net assets - ending	<u>\$ 8,447,716</u>	<u>\$ 115,982</u>	<u>\$ 411,845</u>	<u>\$ 669,110</u>	<u>\$ 9,644,653</u>

BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2010

	<u>Intergovernmental Service</u>	<u>Management Service</u>	<u>Health Management</u>	<u>Employee Benefits Trust</u>	<u>Totals</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 5,455,559	\$ 2,660,088	\$ 3,404,373	\$ 543,037	\$ 12,063,057
Grants	6,643	-	-	-	6,643
Payments to suppliers	(3,197,099)	(920,063)	(682,421)	(451,045)	(5,250,628)
Payroll costs	(1,472,775)	(1,781,940)	(2,515,830)	(79,057)	(5,849,602)
Net cash provided (used) by operating activities	<u>792,328</u>	<u>(41,915)</u>	<u>206,122</u>	<u>12,935</u>	<u>969,470</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal paid on noncapital debt	(6,841)	(8,795)	(10,425)	-	(26,061)
Transfers out	(126,927)	(82,595)	10,425	(255)	(199,352)
Transfers in	213,709	261,032	(110,402)	-	364,339
Net cash provided (used) by noncapital financing activities	<u>79,941</u>	<u>169,642</u>	<u>(110,402)</u>	<u>(255)</u>	<u>138,926</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on capital debt	(3,955)	-	-	-	(3,955)
Acquisition of capital assets	(496,841)	-	(6,114)	-	(502,955)
Disposition of capital assets	-	-	-	-	-
Net cash used by capital and related financing activities	<u>(500,796)</u>	<u>-</u>	<u>(6,114)</u>	<u>-</u>	<u>(506,910)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	3,035	356	3,209	6,687	13,287
Net cash provided by investing activities	<u>3,035</u>	<u>356</u>	<u>3,209</u>	<u>6,687</u>	<u>13,287</u>
Net increase (decrease) in cash and cash equivalents	374,508	128,083	92,815	19,367	614,773
<i>Cash and cash equivalents - beginning</i>	<u>1,143,163</u>	<u>126,856</u>	<u>366,696</u>	<u>689,039</u>	<u>2,325,754</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 1,517,671</u>	<u>\$ 254,939</u>	<u>\$ 459,511</u>	<u>\$ 708,406</u>	<u>\$ 2,940,527</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 82,726	\$ (71,646)	\$ 46,592	\$ (25,991)	\$ 31,681
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation/amortization expense	645,554	65,726	87,353	-	798,633
Change in assets and liabilities:					
Receivables	7,257	-	60,755	-	68,012
Inventory	5,830	-	1,057	-	6,887
Prepays	4,157	6,203	1,086	-	11,446
Compensated absences	3,581	(37,146)	919	-	(32,646)
Payables	43,223	(5,052)	8,360	38,926	85,457
Net cash provided (used) by operating activities	<u>\$ 792,328</u>	<u>\$ (41,915)</u>	<u>\$ 206,122</u>	<u>\$ 12,935</u>	<u>\$ 969,470</u>

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENT OF NET ASSETS

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,517,671	\$ 1,143,163
Accounts receivable	96,955	104,212
Inventory	89,804	95,634
Prepaid expenses	1,240	5,397
Deposits	5,000	5,000
Total current assets	<u>1,710,670</u>	<u>1,353,406</u>
Noncurrent assets:		
Prepaid pension assets	769,302	769,302
Accumulated amortization	(95,823)	(83,492)
Net prepaid pension assets	<u>673,479</u>	<u>685,810</u>
Capital assets:		
Land	412,579	412,579
Work in process	15,660	-
Land improvements	52,523	52,523
Intangibles	54,895	-
Buildings	10,243,972	10,237,386
Equipment	6,356,345	5,964,791
Less accumulated depreciation	(9,801,215)	(9,196,137)
Total capital assets (net of accumulated depreciation)	<u>7,334,759</u>	<u>7,471,142</u>
Total noncurrent assets	<u>8,008,238</u>	<u>8,156,952</u>
Total assets	<u>9,718,908</u>	<u>9,510,358</u>
LIABILITIES		
Current liabilities:		
Accounts payable	177,222	135,924
Lease payable	4,220	3,955
Accrued payroll	53,686	51,761
Deposits	560	560
Accrued compensated absences	33,566	36,911
Total current liabilities	<u>269,254</u>	<u>229,111</u>
Long-term liabilities:		
Pension bonds payable	713,849	720,690
Lease payable	6,838	11,058
Accrued compensated absences	281,251	274,326
Total long-term liabilities	<u>1,001,938</u>	<u>1,006,074</u>
Total liabilities	<u>1,271,192</u>	<u>1,235,185</u>
NET ASSETS		
Invested in capital assets, net of related debt	7,323,701	7,456,129
Unrestricted	1,124,015	819,044
Total net assets	<u>\$ 8,447,716</u>	<u>\$ 8,275,173</u>

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 2,981,925	\$ 2,945,056
Space rental	1,488,060	1,399,973
Intergovernmental	6,643	9,180
Sale of materials	924,359	704,443
Miscellaneous	<u>53,957</u>	<u>9,282</u>
Total operating revenues	<u>5,454,944</u>	<u>5,067,934</u>
OPERATING EXPENSES		
Personal services	1,478,280	1,508,076
Materials and services	3,248,384	2,775,713
Depreciation	633,223	641,659
Amortization	<u>12,331</u>	<u>10,644</u>
Total operating expenses	<u>5,372,218</u>	<u>4,936,092</u>
Operating income	<u>82,726</u>	<u>131,842</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	<u>3,035</u>	<u>4,615</u>
Net nonoperating revenues	<u>3,035</u>	<u>4,615</u>
Income before transfers	85,761	136,457
Transfers in	213,709	100,128
Transfers out	<u>(126,927)</u>	<u>(66,667)</u>
Change in net assets	172,543	169,918
Total net assets - beginning	<u>8,275,173</u>	<u>8,105,255</u>
Total net assets - ending	<u><u>\$ 8,447,716</u></u>	<u><u>\$ 8,275,173</u></u>

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 5,455,559	\$ 5,055,265
Grants	6,643	9,180
Payments to suppliers	(3,197,099)	(2,805,022)
Payroll costs	(1,472,775)	(1,460,275)
Net cash provided by operating activities	<u>792,328</u>	<u>799,148</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on noncapital debt	(6,841)	(5,349)
Transfers out	(126,927)	(66,667)
Transfers in	213,709	100,128
Net cash used by noncapital financing activities	<u>79,941</u>	<u>28,112</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on capital debt	(3,955)	-
Acquisition of capital assets	(496,841)	(727,653)
Disposition of capital assets	-	37,164
Net cash (used) by capital and related financing activities	<u>(500,796)</u>	<u>(690,489)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,035	4,615
Net cash provided by investing activities	<u>3,035</u>	<u>4,615</u>
Net increase (decrease) in cash and cash equivalents	374,508	141,386
Cash and cash equivalents - beginning	<u>1,143,163</u>	<u>1,001,777</u>
Cash and cash equivalents - ending	<u>\$ 1,517,671</u>	<u>\$ 1,143,163</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 82,726	\$ 131,842
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization expense	645,554	652,303
Change in assets and liabilities:		
Receivables	7,257	(3,488)
Inventory	5,830	13,187
Prepays	4,157	(4,843)
Lease payable	-	15,012
Compensated absences	3,581	33,742
Payables	43,223	(38,607)
Net cash provided by operating activities	<u>\$ 792,328</u>	<u>\$ 799,148</u>

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st year Actual</i>	
REVENUES			
Charges for services	\$ 8,849,015	\$ 4,469,985	\$ (4,379,030)
Sale of materials and equipment	1,751,755	924,359	(827,396)
Interest	8,587	3,035	(5,552)
Intergovernmental	-	6,643	6,643
Miscellaneous	-	53,957	53,957
Total revenues	<u>10,609,357</u>	<u>5,457,979</u>	<u>(5,151,378)</u>
EXPENDITURES			
Personal services	3,078,363	1,541,627	1,536,736
Materials and services	6,188,255	3,078,676	3,109,579
Capital outlay	1,541,973	670,505	871,468
Operating - contingency	1,301,299	-	1,301,299
Total expenditures	<u>12,109,890</u>	<u>5,290,808</u>	<u>6,819,082</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,500,533)</u>	<u>167,171</u>	<u>1,667,704</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	413,736	206,868	(206,868)
Transfers out	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>353,736</u>	<u>146,868</u>	<u>(206,868)</u>
Change in fund balance	(1,146,797)	314,039	1,460,836
Fund balance - beginning	<u>1,146,797</u>	<u>1,208,699</u>	<u>61,902</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,522,738</u>	<u>\$ 1,522,738</u>

BENTON COUNTY, OREGON**MANAGEMENT SERVICES FUND**

STATEMENT OF NET ASSETS

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 254,939	\$ 126,856
Prepays	32,520	38,723
Total current assets	<u>287,459</u>	<u>165,579</u>
Noncurrent assets:		
Prepaid pension assets	960,231	960,231
Accumulated amortization	(122,801)	(106,946)
Net prepaid pension assets	<u>837,430</u>	<u>853,285</u>
Capital assets:		
Buildings	43,908	43,908
Intangibles	479,206	479,206
Equipment	5,660	5,660
Accumulated depreciation	(351,704)	(301,834)
Total capital assets, net of accumulated depreciation	<u>177,070</u>	<u>226,940</u>
Total noncurrent assets	<u>1,014,500</u>	<u>1,080,225</u>
Total assets	<u>1,301,959</u>	<u>1,245,804</u>
LIABILITIES		
Current liabilities:		
Accounts payable	34,142	39,870
Accrued payroll	65,386	66,217
Other accrued liabilities	9,219	7,712
Accrued compensated absences	22,384	37,674
Total current liabilities	<u>131,131</u>	<u>151,473</u>
Long-term liabilities:		
Pension bonds payable	928,485	937,280
Accrued compensated absences	126,361	148,216
Total long-term liabilities	<u>1,054,846</u>	<u>1,085,496</u>
Total liabilities	<u>1,185,977</u>	<u>1,236,969</u>
NET ASSETS		
Invested in capital assets, net of related debt	177,070	226,940
Unrestricted	(61,088)	(218,105)
Total net assets	<u>\$ 115,982</u>	<u>\$ 8,835</u>

BENTON COUNTY, OREGON**MANAGEMENT SERVICES FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS**

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 2,657,409	\$ 2,390,721
Miscellaneous	2,679	1,548
Total operating revenues	<u>2,660,088</u>	<u>2,392,269</u>
OPERATING EXPENSES		
Personal services	1,743,963	1,860,790
Materials and services	922,045	863,829
Amortization	15,855	13,685
Depreciation	49,871	49,870
Total operating expenses	<u>2,731,734</u>	<u>2,788,174</u>
Operating loss	(71,646)	(395,905)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	<u>356</u>	<u>2,259</u>
Income before transfers	(71,290)	(393,646)
Transfers out	(82,595)	(81,689)
Transfers in	<u>261,032</u>	<u>162,528</u>
Change in net assets	107,147	(312,807)
Net assets - beginning	<u>8,835</u>	<u>321,642</u>
Net assets - ending	<u><u>\$ 115,982</u></u>	<u><u>\$ 8,835</u></u>

BENTON COUNTY, OREGON
MANAGEMENT SERVICES FUND
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 2,657,409	\$ 2,399,448
Miscellaneous revenues	2,679	1,548
Payments to suppliers	(920,063)	(853,270)
Payroll costs	<u>(1,781,940)</u>	<u>(1,822,248)</u>
<i>Net cash provided (used) by operating activities</i>	<u>(41,915)</u>	<u>(274,522)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on noncapital debt	(8,795)	(6,878)
Transfers out	(82,595)	(81,689)
Transfers in	<u>261,032</u>	<u>162,528</u>
<i>Net cash provided (used) by noncapital financing activities</i>	<u>169,642</u>	<u>73,961</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>356</u>	<u>2,259</u>
Net cash provided by investing activities	<u>356</u>	<u>2,259</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	128,083	(198,302)
<i>Cash and cash equivalents - beginning</i>	<u>126,856</u>	<u>325,158</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 254,939</u>	<u>\$ 126,856</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (71,646)	\$ (395,905)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	65,726	63,555
Change in assets and liabilities:		
Accounts receivable	-	8,727
Prepays	6,203	(4,520)
Compensated absences	(37,146)	30,920
Payables	<u>(5,052)</u>	<u>22,701</u>
<i>Net cash provided (used) by operating activities</i>	<u>\$ (41,915)</u>	<u>\$ (274,522)</u>

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st year Actual</i>	
REVENUES			
Charges for services	\$ 5,631,906	\$ 2,657,409	\$ (2,974,497)
Interest earnings	6,000	356	(5,644)
Miscellaneous	-	2,679	2,679
Total revenues	<u>5,637,906</u>	<u>2,660,444</u>	<u>(2,977,462)</u>
EXPENDITURES			
Personal services	4,035,569	1,863,703	2,171,866
Materials and services	1,934,236	922,045	1,012,191
Capital outlay	2,000	-	2,000
Contingency	125,000	-	125,000
Total expenditures	<u>6,096,805</u>	<u>2,785,748</u>	<u>3,311,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(458,899)</u>	<u>(125,304)</u>	<u>333,595</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>317,837</u>	<u>252,237</u>	<u>(65,600)</u>
Total other financing sources (uses)	<u>317,837</u>	<u>252,237</u>	<u>(65,600)</u>
Change in fund balance	(141,062)	126,933	267,995
Fund balance - beginning	<u>141,062</u>	<u>99,291</u>	<u>(41,771)</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 226,224</u>	<u>\$ 226,224</u>

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND
STATEMENT OF NET ASSETS
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 459,511	\$ 366,696
Accounts receivable	4,927	65,681
Inventory	2,270	3,327
Prepays	511	1,597
	<u>467,219</u>	<u>437,301</u>
Noncurrent assets:		
Prepaid pension assets	1,217,881	1,217,881
Accumulated amortization	(136,430)	(117,639)
Net prepaid pension assets	<u>1,081,451</u>	<u>1,100,242</u>
Capital assets:		
Equipment	7,305	7,305
Work in progress	6,114	-
Intangibles	552,605	552,605
Less accumulated depreciation	(283,225)	(214,662)
Total capital assets (net of accumulated depreciation)	<u>282,799</u>	<u>345,248</u>
	<u>1,364,250</u>	<u>1,445,490</u>
Total assets	<u>1,831,469</u>	<u>1,882,791</u>
LIABILITIES		
Current liabilities:		
Accounts payable	60,821	53,262
Accrued payroll	85,457	84,656
Accrued compensated absences	51,923	48,006
	<u>198,201</u>	<u>185,924</u>
Long-term liabilities:		
Pension bonds payable	1,097,339	1,107,764
Accrued compensated absences	124,084	127,082
	<u>1,221,423</u>	<u>1,234,846</u>
	<u>1,419,624</u>	<u>1,420,770</u>
NET ASSETS		
Invested in capital assets, net of related debt	282,799	345,248
Unrestricted	129,046	116,773
Total net assets	<u>\$ 411,845</u>	<u>\$ 462,021</u>

BENTON COUNTY, OREGON**HEALTH MANAGEMENT SERVICES FUND****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS***For the Years Ended June 30, 2010 and 2009*

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 3,332,204	\$ 2,845,259
Intergovernmental	-	219,870
Miscellaneous revenues	11,414	6,761
	<u>3,343,618</u>	<u>3,071,890</u>
Total operating revenues		
OPERATING EXPENSES		
Personal services	2,517,550	2,452,005
Materials and services	692,123	636,974
Depreciation	68,562	68,562
Amortization	18,791	16,219
	<u>3,297,026</u>	<u>3,173,760</u>
Total operating expenses		
Operating income (loss)	46,592	(101,870)
NONOPERATING REVENUES		
Investment earnings	3,209	5,196
	<u>49,801</u>	<u>(96,674)</u>
Income before transfers		
TRANSFERS		
Operating transfers in	10,425	422,077
Operating transfers out	(110,402)	(107,390)
	<u>(50,176)</u>	<u>218,013</u>
Change in net assets		
<i>Net assets - beginning</i>	<u>462,021</u>	<u>244,008</u>
<i>Net assets - ending</i>	<u><u>\$ 411,845</u></u>	<u><u>\$ 462,021</u></u>

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND
STATEMENT OF CASH FLOWS
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 3,392,959	\$ 2,790,495
Grants	-	187,550
Miscellaneous receipts	11,414	6,761
Payment to suppliers	(682,421)	(640,899)
Payroll costs	(2,515,830)	(2,462,416)
Net cash provided by operating activities	<u>206,122</u>	<u>(118,509)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on noncapital debt	(10,425)	(8,150)
Transfers in	10,425	422,077
Transfers out	(110,402)	(107,390)
Net cash used by noncapital financing activities	<u>(110,402)</u>	<u>306,537</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(6,114)	(116,569)
Net cash used by capital and related financing activities	<u>(6,114)</u>	<u>(116,569)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,209	5,196
Net cash provided by investing activities	<u>3,209</u>	<u>5,196</u>
Net increase in cash and cash equivalents	92,815	76,655
<i>Cash and cash equivalents - beginning</i>	<u>366,696</u>	<u>290,041</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 459,511</u>	<u>\$ 366,696</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income	\$ 46,592	\$ (101,870)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	87,353	84,781
Change in assets and liabilities:		
Receivables	60,755	(54,764)
Prepays	1,086	(1,426)
Inventory	1,057	(1,780)
Compensated absences	919	4,440
Deferred revenue	-	(32,320)
Payables	8,360	(15,570)
Net cash provided by operating activities	<u>\$ 206,122</u>	<u>\$ (118,509)</u>

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st year Actual</i>	
REVENUES			
Charges for services	\$ 6,939,068	\$ 3,332,204	\$ (3,606,864)
Interest earnings	-	3,209	3,209
Miscellaneous	-	11,414	11,414
Total revenues	<u>6,939,068</u>	<u>3,346,827</u>	<u>(3,592,241)</u>
EXPENDITURES			
Personal services	5,511,633	2,627,033	2,884,600
Materials and services	1,563,685	686,883	876,802
Capital outlay	5,000	11,353	(6,353)
Total expenditures	<u>7,080,318</u>	<u>3,325,269</u>	<u>3,755,049</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(141,250)</u>	<u>21,558</u>	<u>162,808</u>
Fund balance - beginning	<u>141,250</u>	<u>299,383</u>	<u>158,133</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 320,941</u>	<u>\$ 320,941</u>

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND

STATEMENT OF NET ASSETS

June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 708,406	\$ 689,039
Total current assets	<u>708,406</u>	<u>689,039</u>
Total assets	<u>708,406</u>	<u>689,039</u>
LIABILITIES		
Current liabilities:		
Accounts payable	39,125	-
Accrued payroll	<u>171</u>	<u>370</u>
Total current liabilities	<u>39,296</u>	<u>370</u>
Total liabilities	<u>39,296</u>	<u>370</u>
NET ASSETS		
Unrestricted	<u>669,110</u>	<u>688,669</u>
Total net assets	<u>\$ 669,110</u>	<u>\$ 688,669</u>

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

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

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
OPERATING REVENUES		
Charges for services	\$ 543,037	\$ 458,439
Total operating revenues	<u>543,037</u>	<u>458,439</u>
OPERATING EXPENSES		
Personal services	78,858	98,266
Materials and services	490,170	325,509
Total operating expenses	<u>569,028</u>	<u>423,775</u>
Operating income (loss)	(25,991)	34,664
NONOPERATING REVENUES		
Investment earnings	<u>6,687</u>	<u>13,774</u>
Income before transfers	(19,304)	48,438
Transfers out	<u>(255)</u>	<u>(1,095)</u>
Change in net assets	(19,559)	47,343
Net assets - beginning	<u>688,669</u>	<u>641,326</u>
Net assets - ending	<u><u>\$ 669,110</u></u>	<u><u>\$ 688,669</u></u>

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 543,037	\$ 458,439
Payments to suppliers	(451,045)	(399,537)
Payroll costs	(79,057)	(98,266)
<i>Net cash provided by operating activities</i>	<u>12,935</u>	<u>(39,364)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(255)	(1,095)
<i>Net cash used by noncapital financing activities</i>	<u>(255)</u>	<u>(1,095)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	6,687	13,774
<i>Net cash provided by investing activities</i>	<u>6,687</u>	<u>13,774</u>
Net increase (decrease) in cash and cash equivalents	19,367	(26,685)
<i>Cash and cash equivalents - beginning</i>	<u>689,039</u>	<u>715,724</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 708,406</u>	<u>\$ 689,039</u>
 Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (25,991)	\$ 34,664
Adjustments to reconcile operating income to net cash provided by operating activities:		
Payables	38,926	(74,028)
<i>Net cash provided by operating activities</i>	<u>\$ 12,935</u>	<u>\$ (39,364)</u>

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

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

For the Biennium Ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 927,274	\$ 543,037	\$ (384,237)
Interest	25,000	6,687	(18,313)
Total revenues	952,274	549,724	(402,550)
EXPENDITURES			
Personal services	217,274	78,942	138,332
Materials and services	916,200	490,170	426,030
Contingency	488,800	-	488,800
Total expenditures	1,622,274	569,112	1,053,162
Excess (deficiency) of revenues over (under) expenditures	(670,000)	(19,388)	650,612
Fund balance - beginning	670,000	688,669	18,669
Fund balance - ending	<u>\$ -</u>	<u>\$ 669,281</u>	<u>\$ 669,281</u>



BENTON COUNTY
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FIDUCIARY FUNDS

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

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

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



BENTON COUNTY
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BENTON COUNTY, OREGON
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF NET ASSETS
June 30, 2010

	<u>Trust Fund</u>	<u>Tax Title Land Fund</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 445,173	\$ 233,473	\$ 678,646
Receivables:			
Accounts	<u>2,635</u>	<u>-</u>	<u>2,635</u>
Total assets	<u>447,808</u>	<u>233,473</u>	<u>681,281</u>
LIABILITIES			
Accounts payable	6,461	59	6,520
Other liabilities	<u>4,922</u>	<u>250</u>	<u>5,172</u>
Total liabilities	<u>11,383</u>	<u>309</u>	<u>11,692</u>
NET ASSETS			
<i>Held in trust</i>	<u>\$ 436,425</u>	<u>\$ 233,164</u>	<u>\$ 669,589</u>

BENTON COUNTY, OREGON
PRIVATE-PURPOSE TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET ASSETS
 For the Year Ended June 30, 2010

	<u>Trust Fund</u>	<u>Tax Title Land Fund</u>	<u>Totals</u>
ADDITIONS			
Contributions:			
Private donations	\$ 14,943	\$ -	\$ 14,943
Intergovernmental	44,517	-	44,517
Charges for services	77,381	2,754	80,135
Interest earnings	<u>6,020</u>	<u>2,252</u>	<u>8,272</u>
Total additions	<u>142,861</u>	<u>5,006</u>	<u>147,867</u>
DEDUCTIONS			
Personal services	24,832	-	24,832
Materials and services	134,231	15,331	149,562
Capital outlay	<u>6,632</u>	<u>-</u>	<u>6,632</u>
Total deductions	<u>165,695</u>	<u>15,331</u>	<u>181,026</u>
Change in net assets	(22,834)	(10,325)	(33,159)
<i>Net assets - beginning</i>	<u>459,259</u>	<u>243,489</u>	<u>702,748</u>
<i>Net assets - ending</i>	<u>\$ 436,425</u>	<u>\$ 233,164</u>	<u>\$ 669,589</u>

BENTON COUNTY, OREGON

TRUST FUND

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

For the Biennium ending June 30, 2011

As of June 30, 2010

	<i>Biennium</i>		<i>Variance Favorable (Unfavorable)</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 151,330	\$ 77,381	\$ (73,949)
Intergovernmental	80,609	44,517	(36,092)
Interest	30,800	6,020	(24,780)
Miscellaneous	13,663	14,943	1,280
Total revenue	<u>276,402</u>	<u>142,861</u>	<u>(133,541)</u>
EXPENDITURES			
Public safety	107,497	34,818	72,679
Justice services	237,000	34,664	202,336
Cultural and educational	31,400	15,546	15,854
Trust	314,417	59,619	254,798
Total expenditures	<u>690,314</u>	<u>144,647</u>	<u>545,667</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(413,912)</u>	<u>(1,786)</u>	<u>412,126</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	<u>(42,096)</u>	<u>(21,048)</u>	<u>21,048</u>
Total other financing sources (uses)	<u>(42,096)</u>	<u>(21,048)</u>	<u>21,048</u>
Change in fund balance	(456,008)	(22,834)	433,174
Fund balance - beginning	<u>456,008</u>	<u>459,259</u>	<u>3,251</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 436,425</u>	<u>\$ 436,425</u>

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

For the Biennium ending June 30, 2011

As of June 30, 2010

	Biennium		Variance Favorable (Unfavorable)
	Total Budget	1st Year Actual	
REVENUES			
Charges for services	\$ 7,800	\$ 2,754	\$ (5,046)
Interest	8,000	2,252	(5,748)
Tax foreclosure sales	20,000	-	(20,000)
Total revenue	35,800	5,006	(30,794)
EXPENDITURES			
Materials and services	117,800	15,331	102,469
Contingency	158,000	-	158,000
Total expenditures	275,800	15,331	260,469
Excess (deficiency) of revenues over (under) expenditures	(240,000)	(10,325)	229,675
Fund balance - beginning	240,000	243,489	3,489
Fund balance - ending	\$ -	\$ 233,164	\$ 233,164

BENTON COUNTY, OREGON**AGENCY FUNDS****COMBINING STATEMENT OF ASSETS AND LIABILITIES**June 30, 2010

	<i>ABHA Fund</i>	<i>Historical Fund</i>	<i>Property Tax Distribution</i>	<i>Totals</i>
ASSETS				
Cash and investments	\$ 2,928,397	\$ 5,121	\$ 1,092,505	\$ 4,026,023
Receivables:				
Accounts	-	-	4,231	4,231
Accrued interest	-	-	47,137	47,137
Property taxes	-	-	4,327,688	4,327,688
Prepays	5,200	-	-	5,200
Prepaid pension asset (net of amortization)	304,158	202,773	-	506,931
Capital assets (net of depreciation)	<u>27,317</u>	<u>-</u>	<u>-</u>	<u>27,317</u>
<i>Total assets</i>	<u>\$ 3,265,072</u>	<u>\$ 207,894</u>	<u>\$ 5,471,561</u>	<u>\$ 8,944,527</u>
LIABILITIES				
Accounts payable	\$ 888,382	\$ 51	\$ -	\$ 888,433
Accrued payroll costs	58,707	-	-	58,707
Due to other agencies	1,967,341	2,092	5,471,561	7,440,994
Net OPEB obligation	42,015	-	-	42,015
Pension bonds payable	<u>308,627</u>	<u>205,751</u>	<u>-</u>	<u>514,378</u>
<i>Total liabilities</i>	<u>\$ 3,265,072</u>	<u>\$ 207,894</u>	<u>\$ 5,471,561</u>	<u>\$ 8,944,527</u>

BENTON COUNTY, OREGON

ABHA AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2010

	<i>Balance July 1, 2009</i>	<i>Increase</i>	<i>Decrease</i>	<i>Balance June 30, 2010</i>
ASSETS				
Cash and investments	\$ 2,949,991	\$ 27,749,614	\$ 27,771,208	\$ 2,928,397
Accounts receivable	30,000	-	30,000	-
Prepaid pension assets	342,529	-	-	342,529
Less accumulated amortization	(33,086)	-	5,285	(38,371)
Other assets	14,078	22,318	3,879	32,517
<i>Total assets</i>	<u><u>\$ 3,303,512</u></u>	<u><u>\$ 27,771,932</u></u>	<u><u>\$ 27,810,372</u></u>	<u><u>\$ 3,265,072</u></u>
LIABILITIES				
Due to other governmental agencies	\$ 2,104,145	18,740,527	18,877,331	1,967,341
Accounts payable	784,152	11,949,372	11,845,142	888,382
Accrued payroll costs	68,990	369,740	380,023	58,707
OPEB Obligation	34,667	7,348	-	42,015
Pension bonds payable	311,558	-	2,931	308,627
<i>Total liabilities</i>	<u><u>\$ 3,303,512</u></u>	<u><u>\$ 31,066,987</u></u>	<u><u>\$ 31,105,427</u></u>	<u><u>\$ 3,265,072</u></u>

BENTON COUNTY, OREGON**HISTORICAL AGENCY FUND****STATEMENT OF CHANGES IN ASSETS AND LIABILITIES***For the Year Ended June 30, 2010*

	<i>Balance July 1, 2009</i>	<i>Increase</i>	<i>Decrease</i>	<i>Balance June 30, 2010</i>
ASSETS				
Cash and investments	\$ 3,438	\$ 77,433	\$ 75,750	\$ 5,121
Prepaid pension assets	228,353	-	-	228,353
Less accumulated amortization	(22,057)	-	3,523	(25,580)
Total assets	\$ 209,734	\$ 77,433	\$ 79,273	\$ 207,894
LIABILITIES				
Due to other governmental agencies	\$ 2,027	\$ 68,432	\$ 68,367	\$ 2,092
Accounts payable	1	21,914	21,864	51
Pension bonds payable	207,706	-	1,955	205,751
Total liabilities	\$ 209,734	\$ 90,346	\$ 92,186	\$ 207,894

BENTON COUNTY, OREGON
PROPERTY TAX DISTRIBUTION AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2010

	<u>Balance</u> <u>July 1, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2010</u>
ASSETS				
Cash and investments	\$ 128,395	\$ 185,694,246	\$ 184,730,136	\$ 1,092,505
Accounts receivable	-	4,231	-	4,231
Property taxes receivable	4,105,304	83,494,673	83,272,289	4,327,688
Accrued interest	82,644	93,878	129,385	47,137
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total assets</i>	<u>\$ 4,316,343</u>	<u>\$ 269,287,028</u>	<u>\$ 268,131,810</u>	<u>\$ 5,471,561</u>
LIABILITIES				
Due to other governmental agencies	\$ 4,316,343	\$ 267,076,812	\$ 265,921,594	\$ 5,471,561
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Total liabilities</i>	<u>\$ 4,316,343</u>	<u>\$ 267,076,812</u>	<u>\$ 265,921,594</u>	<u>\$ 5,471,561</u>

OTHER FINANCIAL SCHEDULES



BENTON COUNTY
O • R • E • G • O • N

BENTON COUNTY, OREGON**SCHEDULE OF BONDS PAYABLE***For the Year Ended June 30, 2010*

	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Balance July 1, 2009</u>	<u>Bond Maturities</u>	<u>Balance June 30, 2010</u>
<i>Pension obligation bonds</i>					
2002 PERS pension bonds	3/13/2002	\$ 11,662,750	\$ 9,818,805	\$ 137,877	\$ 9,680,928
2004 PERS pension bonds	05/27/04	\$ 7,490,000	<u>7,490,000</u>	<u>25,000</u>	<u>7,465,000</u>
<i>Total General</i>			<u>17,308,805</u>	<u>162,877</u>	<u>17,145,928</u>
<i>Enterprise fund bonds</i>					
Note payable	06/15/10	\$ 305,000	-	-	305,000
Alsea County Service Dist. Bonds Series 1998	06/25/98	\$ 32,900	25,250	844	24,406
South Third County Service Dist. Bonds Series 2004	06/25/04	\$ 239,000	<u>161,623</u>	<u>37,137</u>	<u>124,486</u>
<i>Total enterprise fund bonds</i>			<u>186,873</u>	<u>37,981</u>	<u>453,892</u>
<i>Total all bonds</i>			<u>\$ 17,495,678</u>	<u>\$ 200,858</u>	<u>\$ 17,599,820</u>

BENTON COUNTY, OREGON

SCHEDULE OF BOND INTEREST REQUIREMENTS TO MATURITY

For the Year Ended June 30, 2009

	<u>Interest Rates</u>	<u>Balance July 1, 2009</u>	<u>Coupons Maturing (Early Payoffs)</u>	<u>Balance June 30, 2010</u>
<i>Pension obligation bonds</i>				
2002 PERS pension bonds	7%	\$ 11,663,968	\$ 640,328	\$ 11,023,640
2004 PERS pension bonds	7%	<u>6,149,933</u>	<u>449,233</u>	<u>5,700,700</u>
<i>Total pension obligation bonds</i>		<u>17,813,901</u>	<u>1,089,561</u>	<u>16,724,340</u>
<i>Enterprise fund bonds</i>				
Mortgage Payable	2.0%	-	-	44,574
Alsea CSD	4.5%	12,907	1,177	11,730
South Third CSD	4.5%	<u>66,211</u>	<u>31,081</u>	<u>35,130</u>
<i>Total enterprise debt</i>		<u>79,118</u>	<u>32,258</u>	<u>91,434</u>
<i>Total all bonds</i>		<u>\$ 17,893,019</u>	<u>\$ 1,121,819</u>	<u>\$ 16,815,774</u>

BENTON COUNTY, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

June 30, 2010

Year of Maturity	S. Third CSD		Enterprise Fund Bonds Alsea CSD		Enterprise Operations Fund		PERS Pension Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	\$ 9,014	\$ 5,446	\$ 950	\$ 1,071	\$ 15,643	\$ 5,957	\$ 199,292	\$ 1,116,920	\$ 224,899	\$ 1,129,393
2012	9,408	5,052	958	1,063	15,958	5,642	235,781	1,147,831	262,105	1,159,588
2013	9,820	4,640	1,001	1,020	16,280	5,320	272,774	1,176,901	299,875	1,187,881
2014	10,249	4,211	1,046	975	16,609	4,991	315,248	1,208,812	343,152	1,218,989
2015	10,698	3,762	1,093	928	16,944	4,656	353,335	1,242,923	382,070	1,252,269
2016	11,165	3,294	1,142	879	17,286	4,314	397,200	1,279,133	426,793	1,287,620
2017	11,654	2,806	1,194	827	17,635	3,965	440,278	1,313,648	470,761	1,321,246
2018	12,164	2,296	1,247	774	17,991	3,609	494,407	1,349,548	525,809	1,356,227
2019	12,696	1,764	1,303	718	18,354	3,246	545,727	1,385,108	578,080	1,390,836
2020	13,252	1,208	1,362	659	152,300	2,874	656,886	1,367,595	823,800	1,372,336
2021	13,832	628	1,423	598	-	-	1,255,000	864,683	1,270,255	865,909
2022	534	23	1,488	533	-	-	1,440,000	782,639	1,442,022	783,195
2023	-	-	1,554	467	-	-	1,635,000	688,509	1,636,554	688,976
2024	-	-	1,624	397	-	-	1,855,000	581,605	1,856,624	582,002
2025	-	-	1,697	324	-	-	770,000	459,746	771,697	460,070
2026	-	-	1,774	247	-	-	2,340,000	412,815	2,341,774	413,062
2027	-	-	1,854	167	-	-	2,620,000	259,057	2,621,854	259,224
2028	-	-	1,696	83	-	-	1,320,000	86,868	1,321,696	86,951
Total	\$ 124,486	\$ 35,130	\$ 24,406	\$ 11,730	\$ 305,000	\$ 44,574	\$ 17,145,928	\$ 16,724,340	\$ 17,599,820	\$ 16,815,774

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

June 30, 2010

<u>Year of Maturity</u>	<u>Payment Amount</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2010				\$ 9,680,928
2011	\$ 818,205	\$ 149,292	\$ 668,913	9,531,636
2012	863,205	160,781	702,424	9,370,855
2013	903,205	167,774	735,431	9,203,081
2014	948,205	175,248	772,957	9,027,833
2015	993,205	178,335	814,870	8,849,498
2016	1,043,205	182,200	861,005	8,667,298
2017	1,093,205	185,278	907,927	8,482,020
2018	1,148,205	189,407	958,798	8,292,613
2019	1,203,205	190,727	1,012,478	8,101,886
2020	1,263,205	246,886	1,016,319	7,855,000
2021	1,323,068	785,000	538,068	7,070,000
2022	1,384,295	900,000	484,295	6,170,000
2023	1,447,645	1,025,000	422,645	5,145,000
2024	1,517,433	1,165,000	352,433	3,980,000
2025	272,630	-	272,630	3,980,000
2026	1,747,630	1,475,000	272,630	2,505,000
2027	1,826,593	1,655,000	171,593	850,000
2028	908,225	850,000	58,225	-
Total	\$ 20,704,568	\$ 9,680,928	\$ 11,023,640	

BENTON COUNTY, OREGON

2004 PERS PENSION BOND DEBT SERVICE SCHEDULE

June 30, 2010

<u>Year of Maturity</u>	<u>Payment Amount</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2010				\$ 7,465,000
2011	\$ 498,005	\$ 50,000	\$ 448,005	7,415,000
2012	520,407	75,000	445,407	7,340,000
2013	546,470	105,000	441,470	7,235,000
2014	575,855	140,000	435,855	7,095,000
2015	603,053	175,000	428,053	6,920,000
2016	633,128	215,000	418,128	6,705,000
2017	660,721	255,000	405,721	6,450,000
2018	695,750	305,000	390,750	6,145,000
2019	727,630	355,000	372,630	5,790,000
2020	761,276	410,000	351,276	5,380,000
2021	796,615	470,000	326,615	4,910,000
2022	838,344	540,000	298,344	4,370,000
2023	875,864	610,000	265,864	3,760,000
2024	919,172	690,000	229,172	3,070,000
2025	957,116	770,000	187,116	2,300,000
2026	1,005,185	865,000	140,185	1,435,000
2027	1,052,464	965,000	87,464	470,000
2028	498,645	470,000	28,645	-
Total	\$ 13,165,700	\$ 7,465,000	\$ 5,700,700	

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
DEBT SERVICE SCHEDULE
June 30, 2010

<i>Year of Maturity</i>	<i>Payment Amount</i>	<i>Principal</i>	<i>Interest</i>	<i>Balance</i>
2010				\$ 124,486
2011	\$ 14,460	\$ 9,014	\$ 5,446	115,472
2012	14,460	9,408	5,052	106,064
2013	14,460	9,820	4,640	96,244
2014	14,460	10,249	4,211	85,995
2015	14,460	10,698	3,762	75,297
2016	14,459	11,165	3,294	64,132
2017	14,460	11,654	2,806	52,478
2018	14,460	12,164	2,296	40,314
2019	14,460	12,696	1,764	27,618
2020	14,460	13,252	1,208	14,366
2021	14,460	13,832	628	534
2022	557	534	23	-
Totals	\$ 159,616	\$ 124,486	\$ 35,130	

BENTON COUNTY, OREGON

SCHEDULE OF CASH ON HAND AND CASH TRANSACTIONS OF INDEPENDENTLY

ELECTED OFFICIALS

For the Year Ended June 30, 2010

There is no cash on hand or cash transactions of independently elected officials for fiscal year ending June 30, 2010.

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2011

As of June 30, 2010

Fund	Biennium		Variance with Budget
	Budget	1st Year Actual	
General			
General government	\$ 20,383,408	\$ 8,425,235	\$ 11,958,173
Public safety	18,391,792	8,270,074	10,121,718
Health services	16,285,751	7,255,441	9,030,310
Justice services	8,078,697	3,657,452	4,421,245
Community services	1,998,439	807,467	1,190,972
Cultural and educational services	927,900	462,693	465,207
Parks & natural resources	1,891,432	989,071	902,361
Total General	67,957,419	29,867,433	38,089,986
Road			
Public works	14,410,774	4,991,958	9,418,816
County school			
Cultural services	933,750	212,028	721,722
Fair			
Cultural services	2,290,924	977,645	1,313,279
Library			
Cultural services	4,711,700	2,304,303	2,407,397
Land corner preservation			
Public works	316,150	177,367	138,783
Block Grant			
Community services	1,274,450	93,042	1,181,408
Oregon Health Plan			
Health services	2,721,785	1,221,688	1,500,097
Court security fund			
Public safety	203,215	89,871	113,344
Local Option Levy			
Public safety	14,133,025	3,503,955	10,629,070
Special transportation			
Community services	2,506,573	717,951	1,788,622
Title III Projects			
General government	682,853	219,499	463,354
Adult corrections program			
Public safety	5,148,706	1,858,471	3,290,235

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2011

As of June 30, 2010

<u>Fund</u>	<u>Biennium</u>		<u>Variance with Budget</u>
	<u>Budget</u>	<u>Ist Year Actual</u>	
Cemetery Operations			
General government	238,480	35,497	202,983
Bonded debt service			
Debt service	2,572,500	1,253,288	1,319,212
North Albany county service district			
Debt service	32,100	3,034	29,066
General capital improvement			
Capital projects	3,323,035	1,607,040	1,715,995
Building development			
Capital projects	2,066,434	2,786	2,063,648
Health center			
Health services	17,275,192	7,668,739	9,606,453
Enterprise operations			
Cultural services	842,797	214,749	628,048
East Linn Health Clinic			
Health services	2,348,893	1,012,795	1,336,098
Internal service			
General government	12,169,890	5,350,808	6,819,082
Management services			
General government	6,096,805	2,785,748	3,311,057
Health management services			
Health services	7,080,318	3,325,269	3,755,049
Employee benefits trust fund			
General government	1,622,274	569,112	1,053,162
Tax title land			
General government	275,800	15,331	260,469
Expendable trust			
Expendable trusts	732,410	165,695	566,715
 Biennial Totals	 \$ 173,968,252	 \$ 70,194,164	 \$ 103,774,088

BENTON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

ALL TAXING DISTRICTS

For the Year Ended June 30, 2010

Tax Year	Taxes Receivable June 30, 2009	2009-10 Levy Extension	Additions	Discounts and Adjustments	Net Taxes for Collection	Total Cash Collection	Taxes Receivable June 30, 2010
2009-10	\$ -	\$ 103,623,589	\$ 11,263	\$ (2,758,005)	\$ 100,876,847	\$ 98,403,712	\$ 2,473,135
2008-09	2,556,895	-	-	(79,969)	2,476,926	1,393,374	1,083,552
2007-08	803,567	-	-	(15,834)	787,733	362,433	425,300
2006-07	357,524	-	-	(11,256)	346,268	161,643	184,625
2005-06	162,485	-	-	(10,692)	151,793	99,653	52,140
2004-05	32,534	-	-	(7,292)	25,242	(380)	25,622
2003-04	24,990	-	-	(3,830)	21,160	3,110	18,050
2003 and Prior	167,309	-	-	(30)	167,279	3,394	163,885
Subtotal	4,105,304	0	0	(128,903)	3,976,401	2,023,227	1,953,174
Total	\$ 4,105,304	\$ 103,623,589	\$ 11,263	\$ (2,886,908)	\$ 104,853,248	\$ 100,426,939	\$ 4,426,309

SUMMARY BY FUND TYPES

General Fund	\$ 745,052
Special Revenue Funds	329,702
Agency Funds	4,327,688
Cash held per ORS 311.814 -- 1/4 of 1% withheld for appeal	\$ 5,402,442
	(976,133)
	\$ 4,426,309

STATISTICAL SECTION

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

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Financial Trends

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These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

171-175

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.

Debt Capacity

176-180

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

181-183

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's activities take place.

Operating Information

184-186

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.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

BENTON COUNTY, OREGON
NET ASSETS BY COMPONENT

Last Seven Fiscal Years

	<i>Fiscal Year</i>						
	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>
Governmental activities							
Invested in capital assets, net of related debt	\$ 161,985,887	\$ 160,896,652	\$ 160,126,842	\$ 158,763,985	\$ 156,896,506	\$ 156,021,588	\$ 154,470,711
Restricted	1,188,565	1,121,239	1,021,443	8,171,405	8,378,244	7,371,937	7,616,247
Unrestricted	15,035,520	15,419,626	16,241,912	10,929,425	11,121,171	14,485,428	15,187,567
Total governmental activities net assets	\$ 178,209,972	\$ 177,437,517	\$ 177,390,197	\$ 177,864,815	\$ 176,395,921	\$ 177,878,953	\$ 177,274,525
Business-type activities							
Invested in capital assets, net of related debt	\$ 2,168,351	\$ 3,114,196	\$ 3,518,830	\$ 3,336,209	\$ 3,239,364	\$ 3,173,327	\$ 4,149,549
Unrestricted	220,807	(73,856)	33,980	408,774	409,936	1,128,866	(123,745)
Total business-type activities net assets	\$ 2,389,158	\$ 3,040,340	\$ 3,552,810	\$ 3,744,983	\$ 3,649,300	\$ 4,302,193	\$ 4,025,804
Primary government							
Invested in capital assets, net of related debt	\$ 164,154,238	\$ 164,010,848	\$ 163,645,672	\$ 162,100,194	\$ 160,135,870	\$ 159,194,915	\$ 158,620,260
Restricted	1,188,565	1,121,239	1,021,443	8,171,405	8,378,244	7,371,937	7,616,247
Unrestricted	15,256,327	15,345,770	16,275,892	11,338,199	11,531,107	15,614,294	15,063,822
Total primary government net assets	\$ 180,599,130	\$ 180,477,857	\$ 180,943,007	\$ 181,609,798	\$ 180,045,221	\$ 182,181,146	\$ 181,300,329

BENTON COUNTY, OREGON
CHANGES IN NET ASSETS
Last Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Expenses							
Governmental activities:							
General Government	\$ 4,761,430	\$ 5,143,165	\$ 5,916,447	\$ 6,253,902	\$ 5,995,490	\$ 6,083,054	\$ 5,488,294
Public Safety	8,129,639	9,105,331	9,111,396	8,899,853	9,314,042	10,338,460	11,195,709
Public Works	9,409,369	7,587,964	8,233,470	6,708,519	7,932,117	7,612,696	6,946,866
Health Services	18,093,029	14,988,561	17,581,535	16,554,060	8,214,487	8,448,774	8,405,362
Justice Services	3,090,952	3,129,024	3,489,811	3,491,553	3,559,078	4,162,405	4,625,489
Community Services	1,637,055	1,934,643	2,020,802	2,138,212	2,327,565	2,143,131	1,618,529
Cultural & Educational	4,528,198	4,630,541	3,974,969	3,994,969	3,875,346	3,489,717	3,944,696
Animal Control**	193,674	174,402	248,328	208,382	212,025	182,522	-
Parks and natural resources	653,113	658,406	575,155	839,371	841,688	1,228,293	1,037,999
Interest on long-term debt	678,734	1,131,042	1,148,163	1,134,285	1,058,837	1,070,434	1,089,561
Total governmental activities expenses	\$ 51,175,193	\$ 48,483,079	\$ 52,300,076	\$ 50,223,106	\$ 43,330,675	\$ 44,759,486	\$ 44,352,505
Business-type activities:							
Water and sewer	152,270	211,437	193,838	195,998	201,002	204,097	208,614
Health Services	-	4,397,827	4,556,045	4,693,128	7,212,117	7,879,739	8,561,927
Real estate rental	7,576	51,959	62,796	106,051	180,059	114,954	149,369
Total business-type activities expenses	\$ 159,846	\$ 4,661,223	\$ 4,812,679	\$ 4,995,177	\$ 7,593,178	\$ 8,198,790	\$ 8,919,910
Total primary government expenses	\$ 51,335,039	\$ 53,144,302	\$ 57,112,755	\$ 55,218,283	\$ 50,923,853	\$ 52,958,276	\$ 53,272,415
Program Revenues							
Governmental activities:							
Charges for services	\$ 2,880,559	\$ 1,322,986	\$ 1,482,083	\$ 1,497,735	\$ 2,585,399	\$ 1,152,423	\$ 392,662
General government	716,156	372,601	1,154,804	890,657	472,173	530,300	694,000
Health services	456,008	517,834	576,784	983,336	1,168,813	885,287	1,101,095
Public works	171,870	234,554	214,006	215,355	83,975	162,018	436,469
Cultural & educational	535,551	567,825	593,739	606,439	613,814	584,750	589,883
Other activities	607,674	709,415	652,259	648,333	632,023	608,067	574,378
Operating grants and contributions	24,684,220	24,177,852	23,631,187	23,749,161	18,346,695	15,466,732	15,360,470
Capital grants and contributions	1,945,143	2,367,755	1,670,058	1,645,852	1,005,203	1,389,700	1,524,618
Total governmental activities program revenues	\$ 31,997,181	\$ 30,270,822	\$ 29,974,920	\$ 30,236,868	\$ 24,908,095	\$ 20,779,277	\$ 20,673,575
Business-type activities:							
Charges for services	132,562	1,095,464	2,067,183	1,901,996	3,789,311	5,005,555	3,834,036
Operating grants and contributions	-	1,735,940	2,427,265	1,804,110	2,656,297	2,854,493	3,345,381
Capital grants and contributions	1,325,372	4,696	-	-	-	31,602	413,417
Total business-type activities program revenues	\$ 1,457,934	\$ 2,836,100	\$ 4,494,448	\$ 3,706,106	\$ 6,445,608	\$ 7,891,650	\$ 7,592,834
Total primary government program revenues	\$ 33,455,115	\$ 33,106,922	\$ 34,469,368	\$ 33,942,974	\$ 31,353,703	\$ 28,670,927	\$ 28,266,409
Net (Expense)/Revenue:							
Governmental activities	\$ (19,178,012)	\$ (18,212,257)	\$ (22,325,156)	\$ (19,986,238)	\$ (18,422,580)	\$ (23,980,209)	\$ (23,678,930)
Business-type activities	1,298,088	(1,825,123)	(318,231)	(1,289,071)	(1,147,570)	(307,140)	(1,327,076)
Total primary government net expense	\$ (17,879,924)	\$ (20,037,380)	\$ (22,643,387)	\$ (21,275,309)	\$ (19,570,150)	\$ (24,287,349)	\$ (25,006,006)

(continued)

BENTON COUNTY, OREGON
CHANGES IN NET ASSETS
Last Seven Fiscal Years

(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Property taxes	\$ 15,927,184	\$ 14,872,817	\$ 15,426,083	\$ 15,843,655	\$ 16,522,469	\$ 15,777,749	\$ 16,038,649
Interest and investment earnings	194,279	469,605	869,759	837,604	1,081,341	477,069	199,615
Gain on sale of capital assets	13,949	10,160	114,600	23,333	-	-	-
Unrestricted grants and contributions	3,961,188	4,465,339	6,646,776	5,181,384	335,464	10,142,867	7,875,323
Fines	1,467	403	-	-	-	-	-
Transfers	38,862	(2,378,522)	(779,382)	(1,425,120)	(985,589)	(934,444)	(1,039,085)
Total governmental activities	20,136,929	17,439,802	22,277,836	20,460,856	16,953,685	25,463,241	23,074,502
Business-type activities:							
Property taxes	\$ -	\$ -	\$ 28,017	\$ 25,871	\$ 35,915	\$ -	\$ -
Interest and investment earnings	2,446	8,298	23,157	30,253	30,383	22,397	11,602
Unrestricted grants and contributions	-	89,485	-	-	-	3,192	-
Transfers	(38,862)	2,378,522	779,382	1,425,120	985,589	934,444	1,039,085
Total business-type activities	(36,416)	2,476,305	830,556	1,481,244	1,051,887	960,033	1,050,687
Total primary government general revenues	\$ 20,100,513	\$ 19,916,107	\$ 23,108,392	\$ 21,942,100	\$ 18,005,572	\$ 26,423,274	\$ 24,125,189
Change in Net Assets							
Governmental activities	\$ 958,917	\$ (772,455)	\$ (47,320)	\$ 474,618	\$ (1,468,895)	\$ 1,483,032	\$ (604,428)
Business-type activities	1,261,672	651,182	512,325	192,173	(95,683)	652,893	(276,389)
Total primary government	\$ 2,220,589	\$ (121,273)	\$ 465,005	\$ 666,791	\$ (1,564,578)	\$ 2,135,925	\$ (880,817)

*** Discontinued program in 2009

BENTON COUNTY, OREGON
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 11,753	\$ 34,221	\$ 30,891	\$ 21,500	\$ 35,372	\$ 29,935	\$ 52,980	\$ 23,589	\$ 74,810	\$ 46,367
Unreserved	4,217,405	5,557,979	6,799,257	9,644,976	9,310,030	10,593,954	9,283,503	12,112,411	10,580,970	9,327,049
Total general fund	\$ 4,229,158	\$ 5,592,200	\$ 6,830,148	\$ 9,666,476	\$ 9,345,402	\$ 10,623,889	\$ 9,336,483	\$ 12,136,000	\$ 10,655,780	\$ 9,373,416
All Other Governmental Funds										
Reserved	\$ 1,738,247	\$ 1,035,326	\$ 532,699	\$ 394,674	\$ 317,400	\$ 177,446	\$ 2,687,101	\$ 2,852,175	\$ 3,094,725	\$ 3,588,974
Unreserved reported in:										
Special revenue funds	3,301,932	4,163,464	5,085,664	5,786,216	5,647,083	5,346,314	5,903,250	5,562,402	9,387,243	10,961,972
Capital project funds	887,121	514,422	356,192	234,522	1,141,754	1,016,263	-	-	-	-
Debt service funds	-	-	383,045	651,552	688,452	811,593	-	-	-	-
Total all other governmental funds	\$ 5,927,300	\$ 5,713,212	\$ 6,357,600	\$ 7,066,964	\$ 7,794,689	\$ 7,351,616	\$ 8,590,351	\$ 8,414,577	\$ 12,481,968	\$ 14,550,946

BENTON COUNTY, OREGON
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Taxes and assessments	\$ 13,131,672	\$ 15,133,759	\$ 15,603,958	\$ 16,033,766	\$ 14,984,323	\$ 15,528,155	\$ 15,839,147	\$ 16,505,930	\$ 20,817,693	\$ 19,448,143
Licenses and permits	649,606	918,538	1,203,517	1,456,837	1,381,119	1,568,871	1,471,110	1,459,885	1,376,143	1,449,657
Fines	42,175	8,766	1,186	1,467	403	1,050	1,221	438	350	880
Charges for services	5,744,883	6,074,956	7,612,620	5,612,986	5,093,117	7,152,114	7,062,564	5,336,363	5,076,303	4,996,002
Intergovernmental	25,869,742	26,537,269	26,773,110	28,860,284	29,495,508	28,541,314	28,496,020	19,146,945	19,980,677	19,316,038
Interest earnings ^(a)	-	893,983	254,250	207,881	467,108	757,029	1,197,030	1,081,341	477,069	186,329
Miscellaneous	1,042,673	613,870	613,870	978,052	270,861	756,324	288,975	570,461	253,706	377,416
Total Revenues	46,480,751	49,567,271	52,062,511	53,151,273	51,692,439	54,304,857	54,356,067	44,101,417	47,981,941	45,774,465
Expenditures										
General government	4,018,519	3,910,678	4,645,022	4,942,897	5,146,034	6,013,743	6,244,460	5,652,011	5,740,372	5,423,514
Public works	5,126,377	5,678,354	5,087,664	6,006,585	7,535,510	7,809,356	6,980,264	6,952,944	7,389,515	6,320,540
Public safety	8,322,232	7,822,700	8,485,629	8,460,901	8,058,034	8,344,913	8,233,238	7,718,476	8,756,196	9,339,318
Health services	17,311,385	19,542,051	19,272,967	18,646,208	15,830,619	17,764,160	17,568,946	8,454,002	8,585,535	8,733,928
Justice services	3,025,485	3,257,533	3,103,767	3,272,061	3,238,465	3,631,118	3,726,609	3,375,050	4,105,520	4,259,393
Community services	1,611,105	1,592,551	1,829,752	1,951,944	2,028,856	2,028,856	2,042,067	2,412,342	2,034,672	1,490,571
Cultural and educational services	5,313,365	4,205,092	4,461,361	4,558,373	4,599,675	3,969,763	4,101,275	3,940,814	3,955,956	3,943,098
Animal control ^(c)	137,082	155,492	192,153	214,596	184,944	253,098	234,708	213,167	182,978	-
Parks and natural resources ^(b)	-	-	-	612,551	603,094	672,383	891,495	918,559	1,132,592	990,241
Capital Outlay	1,198,134	1,125,060	854,056	475,681	381,495	962,326	214,246	376,694	652,716	2,030,739
Debt service:										
Principal	565,198	794,239	696,586	7,268,378	172,338	186,337	1,547,889	253,376	425,949	162,877
Interest	2,202	2,789	698,691	674,084	1,131,042	1,148,163	1,134,285	1,058,837	1,070,434	1,089,561
Total expenditures	46,631,084	48,066,539	49,327,648	57,084,259	49,518,100	52,784,216	52,919,482	41,326,272	44,032,435	43,783,780
Excess of revenues over (under) Expenditures	(150,333)	1,500,732	2,734,863	(3,932,986)	2,174,339	1,520,641	1,436,585	2,775,145	3,949,506	1,990,685
Other Financing Sources (Uses)										
Loans/bond sales/leases	913,663	236,324	148,543	7,576,608	50,452	26,336	-	10,646	-	-
Sale of capital assets	-	-	24,913	-	-	114,600	6,975	-	-	-
Transfers in	2,061,293	2,091,398	2,682,103	2,040,166	1,894,775	2,028,090	3,586,612	2,746,114	3,913,716	4,166,367
Transfers out	(1,851,278)	(2,087,017)	(2,753,186)	(2,138,096)	(3,712,915)	(2,854,254)	(5,078,845)	(2,908,163)	(5,276,051)	(5,370,438)
Total other financing sources (uses)	1,123,678	240,705	102,373	7,478,678	(1,767,688)	(685,228)	(1,485,258)	(151,403)	(1,362,335)	(1,204,071)
Net change in fund balances	\$ 973,345	\$ 1,741,437	\$ 2,837,236	\$ 3,545,692	\$ 406,651	\$ 835,413	\$ (48,673)	\$ 2,623,742	\$ 2,587,171	\$ 786,614
Debt service as a percentage of noncapital expenditures	n/a	n/a	2.95%	14.47%	2.80%	2.67%	5.37%	3.38%	3.73%	3.08%
Addition to capital assets	n/a	n/a	\$ 2,047,640	\$ 2,183,090	\$ 2,910,914	\$ 2,748,665	\$ 2,954,122	\$ 2,542,711	\$ 3,882,062	\$ 3,159,048

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

(b) Parks and natural resources created in FY 2004

(c) Animal Control discontinued in FY 2009

BENTON COUNTY, OREGON
PROGRAM REVENUES BY FUNCTION

Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2004	2005	2006	2007	2008	2009	2010
Revenues							
Governmental activities:							
General Government	\$ 4,988,745	\$ 2,008,066	\$ 3,207,169	\$ 2,953,668	\$ 7,008,452	\$ 2,196,798	\$ 3,073,442
Public Safety	1,912,229	2,420,407	2,305,086	2,278,124	2,016,351	1,921,792	2,103,203
Public Works	5,578,694	5,813,517	5,328,242	6,224,785	5,014,501	5,239,306	4,711,365
Health Services	14,531,676	14,405,623	15,035,001	14,384,758	6,300,283	6,405,658	7,327,179
Justice Services	726,492	902,135	826,664	715,281	780,943	948,190	862,897
Community Services	2,070,317	2,464,478	1,853,326	1,981,491	2,335,426	1,925,399	1,435,959
Cultural & Educational	2,006,698	2,036,595	1,197,155	1,337,308	1,045,201	1,019,174	895,031
Animal Control	91,214	120,788	88,626	94,829	129,525	111,586	-
Parks and Natural Resources	91,116	99,213	133,651	266,624	277,413	1,011,374	264,499
Total governmental activities revenues	31,997,181	30,270,822	29,974,920	30,236,868	24,908,095	20,779,277	20,673,575
Business-type activities:							
Water and sewer	1,420,836	115,325	124,978	118,463	126,465	150,665	536,575
Health services	-	(c) 2,515,270	4,142,187	3,415,820 (d)	6,084,184	7,429,538	6,852,474
Real estate rental	37,098	205,505	227,283	171,823	234,959	311,447	203,785
Total business-type activities revenues	1,457,934	2,836,100	4,494,448	3,706,106	6,445,608	7,891,650	7,592,834
Total primary government revenues	\$ 33,455,115	\$ 33,106,922	\$ 34,469,368	\$ 33,942,974	\$ 31,353,703	\$ 28,670,927	\$ 28,266,409

(a) The Parks and Natural Resources Department was created in FY 2004.
 (b) South Third CSD was added to the Enterprise Funds
 (c) Benton County Health Center was added to the Enterprise Funds
 (d) East Linn Health Center was started in January of 2008
 (e) Animal Control program discontinued in FY 2009

BENTON COUNTY, OREGON

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

Last Ten Fiscal Years

Fiscal Yr Ended June 30,	Residential		Commercial		Industrial		Tract		EFU/Non EFU		Forest		Miscellaneous		Total Taxable		Estimated		Assessed Value (c) Percentage of Actual Value
	Property	Property	Property	Property	Property	Property	Property	Property	Property	Property	Property	Property	Property	Property	Value	Rate	Actual Taxable Value	Actual Value	
2001	2,021,399,207	376,102,806	692,060,679	603,012,828	238,823,602	151,664,794	212,770,013	4,295,833,929	2,5468	5,946,305,574	72.24%								
2002	2,068,834,520	485,043,288	633,784,388	590,857,056	159,074,961	55,942,999	396,914,018	4,390,451,230	2,8497	5,859,964,512	74.92%								
2003	2,205,852,603	525,633,669	589,775,624	667,036,694	170,236,542	138,372,603	396,455,294	4,693,363,029	2,5988	5,694,740,231	82.42%								
2004	2,346,515,771	561,818,744	569,907,253	732,524,125	210,272,071	159,368,999	424,426,943	5,004,833,906	2,8571	6,054,453,366	82.66%								
2005	2,493,519,921	595,200,207	615,176,635	768,367,895	216,741,145	177,805,852	413,152,836	5,279,964,491	2,4929	6,806,727,474	77.57%								
2006	2,591,020,171	619,229,786	603,236,271	800,409,216	226,352,599	185,004,811	495,055,367	5,520,308,221	2,4934	7,226,922,269	76.39%								
2007	2,734,528,229	782,410,991	531,153,091	845,826,454	238,314,445	197,515,307	340,299,746	5,670,048,263	2,4641	8,432,112,831	67.24%								
2008	2,889,510,212	662,871,751	520,092,086	881,358,774	247,416,012	208,803,396	513,215,731	5,923,267,962	2,4652	9,125,470,608	64.91%								
2009	3,065,642,070	687,221,977	487,923,589	920,423,064	259,908,026	224,554,560	548,090,430	6,193,763,716	3,1052	9,896,171,431	62.59%								
2010	3,165,722,147	751,551,153	428,034,526	968,859,589	271,985,198	236,682,116	555,723,379	6,378,558,108	2,7952	9,888,538,348	64.50%								

(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 Six Fiscal Years

	<i>Year Taxes Are Payable</i>					
	2005	2006	2007	2008	2009	2010
County Direct Rates						
General	\$ 2.2029	\$ 2.2034	\$ 2.2041	2.2052	2.2052	2.2052
Local Option	0.2900	0.2900	0.2600	0.2600	0.9000	0.5900
Total direct rate	2.4929	2.4934	2.4641	2.4652	3.1052	2.7952
City and Town Rates						
Adair Village	2.5894	2.5894	2.5894	2.5894	2.5894	2.5894
Albany	8.0355	7.9573	7.8663	7.8618	7.1726	7.1379
Corvallis	5.5988	5.6485	5.6406	5.6219	5.6448	5.6251
Monroe	5.0775	4.9825	5.0419	4.7815	4.7864	4.6690
Philomath	5.7701	4.8617	4.8221	4.8314	4.8493	4.8518
School District Rates						
Linn-Benton ESD	0.3049	0.3079	0.3049	0.3049	0.3049	0.3049
Willamette Region ESD	0.2967	0.2967	0.2967	0.2967	0.2967	0.2967
Greater Albany SD8	4.9623	4.9254	4.8882	6.1657	7.7830	7.8282
Alsea SD7	5.2232	5.0811	5.0811	5.0811	5.0811	5.0811
Central School 13J	8.2569	8.2807	7.5827	8.3134	8.2674	8.1169
Central Linn SD	4.8769	5.2550	4.9981	5.0361	5.2137	5.0612
Corvallis SD 509J	7.0432	6.2375	6.1644	7.2494	7.2183	7.6710
Harrisburg SD7	6.8023	6.2940	6.2797	6.2815	6.3056	6.1016
Linn-Benton CC	0.6805	0.6858	0.6805	0.6733	0.6767	0.6822
Lane CC	0.8850	0.8814	0.8496	0.8306	0.8705	0.8534
Monroe UH1J School	4.7740	4.6341	4.6341	4.6341	4.6341	4.6341
Philomath SD17	7.7398	7.6883	7.6105	7.4906	7.5695	7.4160
Other Special District Rates						
Alsea Cemetery	0.1654	0.1654	0.0786	0.1654	0.1654	0.1654
Benton County Library	0.3947	0.3947	0.3947	0.3947	0.3947	0.3947
North Albany Service Dist	0.3519	0.3251	0.3064	0.2905	0.1803	-
Vineyard Mountain P&R	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
Junction City Water	0.3200	0.2893	0.3111	0.3115	0.2965	0.2859

Continued

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

	<i>Year Taxes Are Payable</i>					
	2005	2006	2007	2008	2009	2010
Rural Fire District Rates						
Adair RFD	2.2031	2.1560	2.0438	2.0085	2.0027	2.0040
N Albany RFD	1.4071	1.4071	1.4071	2.3171	1.4071	1.4071
Albany RFD (Linn)	2.1500	2.1500	2.1500	0.9100	0.9100	0.9100
Alesea RFD	1.1363	1.1363	1.1363	1.1363	1.1363	1.1363
Blood/Summ RFD9	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
Halsey Shedd RFD	0.9894	0.9894	0.9894	0.9894	0.9894	0.9894
Harrisburg Fire and Rescue	1.1299	1.1299	1.1299	1.1299	1.1299	1.1299
Hosk/Kings RFD8	2.4165	2.8713	2.4916	2.8484	3.3533	3.4125
Monroe RFPD #5	1.7298	1.6854	1.6854	1.6854	1.6854	1.6854
Palestine RFD	2.0595	2.0595	2.0595	2.0595	2.1500	2.1500
Philomath RFD	2.8834	2.8813	2.8698	1.5080	1.5080	1.5080
Road District Rates						
Brownly-Marshall	0.9301	0.9301	0.9301	0.9301	0.9301	0.9301
Country Estates	0.5606	0.5606	0.5606	0.5606	0.5606	0.6100
Chinook Drive	1.4533	1.4533	1.4533	1.8033	1.8033	1.8033
McDonald Forest	1.1198	1.1198	0.6298	0.6298	0.6298	0.6298
Mary's River Estates	2.9414	2.9414	2.9414	2.9414	2.9414	2.2060
North F Street	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
Ridgewood	0.6435	0.6435	0.6435	4.0135	0.6435	0.6435
Rosewood Estates	1.4916	1.4916	1.4916	1.4916	1.4916	1.4916
Vineyard Mountain	1.5244	1.5244	1.5244	1.5244	1.5244	1.5244
Westwood Hills	0.3931	0.3811	0.1233	0.1204	0.0575	0.0552

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

<i>Taxpayer</i>	<i>2009-10</i>			<i>1999-2000</i>		
	<i>Taxes Assessed</i>	<i>Rank</i>	<i>Percentage of County Total Assessed Amount (a)</i>	<i>Taxes Assessed</i>	<i>Rank</i>	<i>Percentage of County Total Assessed Amount (a)</i>
HEWLETT PACKARD CO	\$ 5,252,789	1	5.07%	\$ 8,870,393	1	14.62%
COMCAST CORPORATION	551,166	2	0.53%			
NORTHWEST NATURAL GAS CO	466,801	3	0.45%	214,870	6	0.35%
PACIFICORP	428,518	4	0.41%	276,713	4	0.46%
EVANITE FIBER, INC	391,111	5	0.38%	330,961	3	0.55%
QWEST CORPORATION	312,621	6	0.30%	432,954	2	0.71%
AVERY INVESTMENTS LLC	300,233	7	0.29%			-
WITHAM HILL OAKS APARTMENTS LLC	242,146	8	0.23%			-
ACCU FAB SYSTEMS INC	239,810	9	0.23%	141,756	9	0.23%
STARKER FORESTS INC	222,557	10	0.21%			-
PIONEER TELEPHONE				223,113	5	0.37%
NYPRO REALTY HOLDINGS				206,126	7	0.34%
JERRY JONES				144,214	8	0.24%
ROBERT WILSON				127,939	10	0.21%
Notes: (a) Benton County Total Assessed Value	\$ 103,623,589			\$ 60,656,543		

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>
2001	11,649,151	11,279,378	96.83%	368,745	11,648,123	99.99%
2002	11,978,298	11,613,519	96.95%	363,195	11,976,714	99.99%
2003	12,438,235	11,867,286	95.41%	568,388	12,435,674	99.98%
2004	12,782,974	12,322,213	96.40%	457,832	12,780,045	99.98%
2005	13,510,851	13,070,334	96.74%	436,244	13,506,578	99.97%
2006	13,857,171	13,603,845	98.17%	244,659	13,848,504	99.94%
2007	14,068,092	13,776,267	97.93%	262,738	14,039,005	99.79%
2008	14,674,875	14,380,105	97.99%	213,709	14,593,814	99.45%
2009	19,289,036	18,801,697	97.47%	276,859	19,078,556	98.91%
2010	20,128,916	19,648,508	97.61%	-	19,648,508	97.61%

Source:

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

BENTON COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
	General		Sewer		South Third		Aseca County				
	Obligation	Notes and Capital Leases	Assessments	Mortgages	CSD Bonds	Service District Bonds	Notes				
2001	1,177,572	920,742	22,042	281,474	-	31,205	-	2,433,035	0.11%	31	
2002	12,682,536	599,287	10,296	140,906	-	30,588	-	13,463,613	0.56%	169	
2003	12,577,254	105,048	-	-	-	29,943	-	12,712,245	0.51%	158	
2004	19,914,511	73,963	-	-	239,000	29,270	-	20,256,744	0.77%	248	
2005	19,748,173	20,435	-	-	234,996	28,565	-	20,032,169	0.71%	242	
2006	19,536,019	7,597	-	-	230,817	27,830	-	19,802,263	0.69%	235	
2007	17,988,130	4,199	-	-	176,456	27,061	-	18,195,846	0.63%	213	
2008	17,734,754	10,689	-	-	169,716	26,258	-	17,941,417	0.61%	208	
2009	17,308,805	21,192	-	-	161,623	25,250	-	17,516,870	0.59%	203	
2010	17,145,928	13,541	-	-	124,486	24,406	305,000	17,308,361	0.56%	200	

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

(a) See Demographic and Economic Statistics for personal income and population data

BENTON COUNTY, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding										Percentage of Actual Taxable Value ^(a) of Property		Per Capita ^(b)
	Pension Obligation Bonds	Note Payable	North Albany		South Third		Alsea County		Total	Property	Value ^(a) of Property		
			CSD Bonds	Bonds	CSD Bonds	Bonds	Service District Bonds	Bonds					
2001	1,177,572	-	-	-	-	-	-	31,205	1,208,777	0.02%	15		
2002	11,617,907	-	1,064,629	-	-	-	-	30,588	12,713,124	0.22%	159		
2003	11,617,907	-	959,347	-	-	-	-	29,943	12,607,197	0.22%	157		
2004	19,080,522	-	833,959	-	239,000	-	-	29,270	20,182,751	0.33%	247		
2005	19,029,387	-	718,786	-	234,996	-	-	28,566	20,011,735	0.29%	242		
2006	18,953,458	-	582,561	-	230,817	-	-	27,830	19,794,666	0.27%	235		
2007	17,545,709	-	442,421	-	176,456	-	-	27,061	18,191,647	0.22%	213		
2008	17,436,163	-	298,591	-	169,716	-	-	26,258	17,930,728	0.20%	208		
2009	17,308,805	-	-	-	161,623	-	-	25,250	17,495,678	0.18%	203		
2010	17,145,928	305,000	-	-	124,486	-	-	24,406	17,599,820	0.18%	203		

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

BENTON COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^(a)

June 30, 2010

<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			
Adair RFPD	\$ 26,000	100.0000%	\$ 26,000
City of Corvallis	43,627,277	100.0000%	43,627,277
City of Monroe	2,064,565	100.0000%	2,064,565
City of Philomath	6,125,000	100.0000%	6,125,000
Benton Cty School District # 17J (Philomath)	11,246,973	99.3496%	11,173,823
Benton Cty School District #509J (Corvallis)	89,026,461	97.7798%	87,049,896
Benton Cty School District # 1J (Monroe)	1,626,342	94.7571%	1,541,075
Hoskins-Kings Valley RFD	135,000	83.5994%	112,859
Linn Benton Community College	43,021,281	50.2770%	21,629,809
City of Albany	13,438,548	19.7430%	2,653,173
Linn Cty School District # 8J (Greater Albany)	88,820,000	19.3613%	17,196,707
Junction City Water Control District	263,221	2.3117%	6,085
Linn Cty School District # 7J (Harrisburg)	3,445,000	0.6592%	22,709
Lane Community College	86,468,927	0.4033%	348,729
Polk Cty School District # 13J (Central)	85,440,024	0.3366%	287,591
Willamette ESD	23,084,148	0.0111%	2,562
Harrisburg Rural Fire Department 6	200,000	0.0006%	1
Linn Cty School District #552 (Central Linn)	335,000	0.0003%	1
Subtotal, overlapping debt			193,867,861
County Direct Debt			17,145,928
Total Direct and Overlapping Debt			\$ 211,013,789

NOTE:

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

Source:

Overlapping Debt report from Oregon State Treasury Department

BENTON COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2010

Assessed value			\$ 9,888,538,348
Debt limit (2% of true cash value)			197,770,767
Debt applicable to limit:			
General obligation bonds	17,599,820		
Less: Amount set aside for repayment of general obligation debt	(1,326,450)		
Total net debt applicable to limit		16,273,370	
Legal debt margin			\$ 181,497,397

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 118,926,111	\$ 117,199,290	\$ 116,844,589	\$ 121,089,067	\$ 136,134,549	\$ 182,509,412	\$ 182,509,412	\$ 182,509,412	\$ 197,923,429	\$ 197,770,767
Total net debt applicable to limit	1,208,777	12,713,124	12,607,197	20,182,751	20,011,735	19,794,666	18,191,647	17,930,728	16,328,092	16,273,370
Legal debt margin	\$ 117,717,334	\$ 104,486,166	\$ 104,237,392	\$ 100,906,316	\$ 116,122,814	\$ 162,714,746	\$ 164,317,765	\$ 164,578,684	\$ 181,595,337	\$ 181,497,397

Total net debt applicable to the limit as a percentage of debt limit	1.02%	10.85%	10.79%	16.67%	14.70%	10.85%	9.97%	9.82%	8.25%	8.23%
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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>	
2001	4,191	590	1,431	2.0737
2002	19,669	616	1,404	9.7371
2003	9,307	645	1,377	4.6028
2004	9,737	674	1,348	4.8155
2005	97,307	4,709	11,773	5.9038
2006	42,970	4,915	11,566	2.6072
2007	42,285	54,362	10,098	0.6560
2008	51,913	6,740	7,720	3.5901
2009	15,795	8,093	6,367	1.0923
2010	15,082	37,137	7,323	0.3392

* Collections include prepayments and foreclosures

**BENTON COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS**

Last Ten Calendar Years

Year	Population ^(a)	Personal Income ^(a) <i>(thousands of dollars)</i>	Per Capita Personal Income ^(a)	Median Age ^(a)	School Enrollment ^(b)	Civilian Labor Force ^(a)	Unemployment Rate ^(a)	% Change CPI ^(a)
2001	78,300	2,167,657	27,684	31.7	9,996	41,180	3.9%	3.1%
2002	79,000	2,284,759	28,921	31.8	9,807	41,660	4.5%	2.5%
2003	79,900	2,393,484	29,956	32.3	9,754	41,993	5.3%	0.8%
2004	80,500	2,500,813	31,066	32.6	9,496	42,172	5.7%	1.4%
2005	81,750	2,646,656	32,375	33.0	9,300	42,248	5.4%	2.6%
2006	82,835	2,815,396	33,988	35.3	9,229	42,171	4.8%	2.6%
2007	84,125	2,883,345	32,103	33.1	9,103	38,020	4.7%	3.4%
2008	85,300	2,869,790	33,643	33.1	9,064	37,120	3.8%	3.9%
2009	86,120	2,953,718	34,298	33.4	9,030	37,850	8.1%	3.3%
2010	86,725	3,087,387	37,755	n/a	8,895	37,190	7.0%	0.1%

Note: Population is based on survey estimates on July 1 for the following fiscal year (July 1, 2009 for FY 2009-10).
n/a Information not available.

Source:
(a) Oregon Employment Department Workforce Analysis
(b) Oregon Department of Education

BENTON COUNTY, OREGON
PRINCIPAL EMPLOYERS

<i>Employer</i>	<i>2010</i>			<i>2007</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total County Employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total County Employment</i>
OREGON STATE UNIVERSITY	9,000	1	24.20%	7,393	1	19.45%
SAMARITAN HEALTH SERVICES	2,624	2	7.06%	1,300	3	3.42%
HEWLETT-PACKARD	2,000	3	5.38%	3,500	2	9.21%
CORVALLIS SCHOOL DISTRICT 509-J	800	4	2.15%	759	4	2.00%
CORVALLIS CLINIC	603	5	1.62%	580	6	1.53%
CITY OF CORVALLIS	440	6	1.18%	430	7	1.13%
BENTON COUNTY	416	7	1.12%	365	8	0.96%
CH2M HILL	382	8	1.03%	385	9	1.01%
CHILDREN'S FARM HOME	300	9	0.81%	-		0.00%
SAFEWAY	284	10	0.76%	-		0.00%
SUMMIT INFORMATION SYSTEMS	-		0.00%	310	10	0.83%
HOLIDAY TREE FARM	-		0.00%	700	5	1.84%
Notes: Benton County labor force	<u>37,190</u>			<u>38,020</u>		

Note: Data not available prior to 2006

Source: Mid Valley News "Our Town"

BENTON COUNTY, OREGON

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY PROGRAM/FUNCTION

Last Ten Fiscal Years

<u>Program/Function</u>	<i>Full-time Equivalent Employees as of June 30,</i>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General government	83.15	83.38	83.38	85.30	66.50	92.82	88.90	96.44	97.44	95.14
Public works	39.25	40.65	40.65	39.90	40.15	44.16	37.90	40.28	40.28	88.64
Public safety	76.60	80.00	80.00	69.90	89.15	81.21	65.50	83.91	84.91	37.99
Health services	101.76	111.34	111.34	100.65	127.10	129.49	118.99	137.21	137.21	146.22
Justice services	36.20	34.50	34.50	16.44	36.15	36.72	31.50	40.30	40.29	40.59
Community services	5.00	4.71	4.71	3.00	3.00	3.50	3.00	3.00	3.00	3.00
Cultural and educational services	3.50	3.50	3.50	3.55	4.00	7.61	4.00	6.57	6.57	7.21
Animal control	1.75	1.77	1.77	1.75	1.75	1.75	1.75	1.75	0.75	0.60
Parks and natural resources	7.20	7.20	8.79	7.80	7.95	8.94	7.45	8.46	8.46	9.34
Total all programs/functions	354.41	367.05	368.64	328.29	375.75	406.20	358.99	417.92	418.91	428.73

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

Program/Function	Fiscal Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Budget										
Oregon Budget Law procedural/appropriation violations	0	0	3	3	0	0	2	5	10	N/A
County Counsel										
Two-day contract turn around	99%	99%	95%	100%	99%	99%	100%	100%	100%	100%
Finance/Tax										
Certificate for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
Percent of monthly finance reports closed within 10 working days of month-end	100%	83%	75%	92%	92%	92%	100%	80%	92%	92%
Properties foreclosed	7	3	1	4	2	3	3	3	0	0
Human Resources										
Applications processed	75	75	60	50	50	62	70	1374	1682	1286
Training events planned and conducted	35	20	14	15	18	11	15	20	31	12
Information Resource Management										
Scheduled computer replacements (% completed)	100%	100%	91%	100%	100%	100%	100%	89%	100%	100%
Operate at 98% of available prime time (M-F 8AM - 5PM)	97%	98%	98%	98%	99%	99%	99%	100%	100%	100%
Records and Elections										
Documents processed	16,628	19,455	24,622	24,654	17,563	18,526	15,485	15,680	14,123	13,451
BOPTA petitions	223	178	205	207	167	96	59	101	101	212
New voter registrations	6,799	3,973	5,244	7,568	9,000	2,581	4,570	5,000	4,678	2,536
Average voter turnout	48.9%	48.4%	62.5%	52.1%	50.0%	39.6%	63.7%	64.0%	53.0%	48.0%
Marriage licenses processed	596	573	524	364*	380	507	531	532	524	439
*No licenses issued March to August 2004										
Public works										
Corner histories researched and documented	47	56	57	48	61	60	57	60	52	46
% of bridges in good condition (*Sufficiency rating >70)	73.0%	74.0%	73.0%	78.0%	76.5%	87.0%	80.0%	82.0%	80.0%	79.0%
Miles of pavement sealed	8.20	18.00	8.50	9.00	17.99	30.50	0.70	14.20	9.22	3.70
Miles of structural pavement overlays	1.90	0.00	0.84	0.00	8.14	0.50	0.00	0.30	0.71	5.70
Public safety										
Fatal Accidents	11	4	0	3	2	6	N/A	1	4	3
Inmate escape, suicide, lawsuit	0,0,0	0,0,0	0,0,0	0,0,0	0,1,0	0,0,0	0,0,0	0,3,4	0,0,2	0,0,0

(continued)

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

<i>Program/Function</i>	<i>Fiscal Year Ended June 30,</i>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Health services										
Communicable disease investigations	610	505	476	563	523	131	256	393	408	179
Septic site evaluations and permits issued	274	223	214	244	250	270	N/A	257	139	128
DD clients served	310	325	347	350	361	418	380	433	481	448
Community services										
CCF meetings in rural communities	6	6	6	6	6	2	1	0	N/A	0
Cultural and educational services										
Fair receipts	\$ 341,522	\$ 373,525	\$ 405,231	\$ 389,578	\$ 394,000	\$ 424,335	\$ 409,477	\$ 446,382	\$ 337,226	\$ 310,087
Fair attendance	45,792	47,924	43,712	48,152	43,202	31,435	36,215	35,103	31,944	35,103
Animal control										
Dog licenses issued	5,570	4,914	4,599	4,688	4,217	5,004	4,694	4,404	4,469	3,941
Parks and natural resources										
Reservation process	99.0%	100.0%	100.0%	96.0%	99.0%	97.0%	100.0%	100.0%	97%	N/A
Condition of group picnic area	92.0%	80.0%	91.0%	93.0%	97.0%	95.0%	94.0%	90.0%	93%	N/A
Condition of restrooms	78.0%	89.0%	85.0%	89.0%	82.0%	87.0%	82.0%	82.0%	88%	N/A
Kitchen shelter/food prep area	87.0%	90.0%	92.0%	91.0%	94.0%	94.0%	96.0%	90.0%	92%	N/A
Sports fields/play areas	89.0%	90.0%	90.0%	89.0%	87.0%	92.0%	94.0%	85.0%	92%	N/A
Roadways, paths, parking	88.0%	86.0%	92.0%	91.0%	91.0%	93.0%	93.0%	88.0%	90%	N/A
Park appearance/maintenance	96.0%	94.0%	96.0%	91.0%	94.0%	98.0%	95.0%	88.0%	95%	N/A

N/A: Information not available for indicators

BENTON COUNTY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

<u>Program/Function</u>	<u>Fiscal Year Ended June 30,</u>									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Public works										
Miles of roads	466	466	466	466	467	467	467	467	460	460
Luminaries	12	12	12	13	13	14	14	14	14	14
Bridges	103	100	100	98	100	100	104	104	104	104
Culverts	2,037	2,037	2,037	2,037	2,037	2,037	2,037	2,037	2,002	2,003
Public safety										
Sheriff Stations	2	2	2	2	2	2	2	2	2	2
Patrol Cars	N/A	N/A	N/A	N/A	N/A	28	28	29	29	25
Health services										
Clinics in operation	1	1	1	1	3 ^(a)	3	3	4 ^(c)	4	4
Parks and natural resources										
Number of Parks	15	15	16	16	16	16	16	16	16	14
Total acreage	818	818	1,417	1,417	1,417	1,417	1,417	1,417	1,417	1,360
Number of Playgrounds	3	3	3	3	3	3	3	3	3	3
Number of Sports Fields	9	9	9	9	9	9	9	9	9	5
Miles of Trails	N/A	N/A	14	16	18	20	20	20	20	20
Trust Program										
Libraries ^(b)	5	5	5	5	5	5	5	5	5	5
Total Volumes in Collection	260,500	260,500	311,281	318,010	328,381	347,616	358,130	363,398	344,557	347,465
Cultural and Educational										
Fairgrounds acreage	29	29	29	29	29	29	29	29	29	29
Number of Buildings	18	18	18	19	20	20	19	19	18	19
Rental square footage	97,982	97,982	97,982	97,982	97,982	97,802	101,066	101,066	101,066	96,266
Non-rental square footage	14,734	14,734	14,734	15,958	16,408	19,712	16,448	14,912	14,912	17,859

NOTE:

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

COMPLIANCE SECTION



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



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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

December 23, 2010

Board of Commissioners
Benton County
Corvallis, Oregon

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Benton County, Oregon (the County), as of and for the year ended June 30, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 23, 2010. 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.

COMPLIANCE

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

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

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

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

COMPLIANCE (Continued)

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

1. The County had the following deficit fund balances at June 30, 2010:

	<u>Budget Basis</u>	<u>GAAP Basis</u>
Health Center Fund	\$ (182,530)	\$ -
Fair Fund	(68,994)	(81,119)

2. The County had the following overexpenditure of appropriation authority for the fiscal year ended June 30, 2010:

Debt Service Fund – materials and services	\$ 850
--------------------------------------------	--------

OAR 162-10-230 INTERNAL CONTROL

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

Our report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards* follows this report.

* * * * *

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

Talbot, Kovala & Warwick, LLP

Certified Public Accountants

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

June 30, 2010

<i>Federal Grantor/Pass through Grantor</i>	<i>Federal CFDA number</i>	<i>Grant Number</i>	<i>Expenditures</i>
U.S. Department of Agriculture			
Passed through State Department of Admin. Services			
Federal Forest Revenues	10.665		346,404
Passed through State Health Department			
Women, Infants, and Children (WIC)	10.557	02-02	215,680
Total U.S. Department of Agriculture			562,084
U.S. Department of Housing and Urban Development (HUD)			
Passed through Economic Development Department			
HUD Block Grant (MicroEnterprise)	14.228	M08013	75,000
HUD Block Grant (Regional Housing)	14.228	HR701	15,079
HUD Block Grant (Alpine Dechlorination)	14.228	P08011	304,211
Total Housing and Urban Development			394,290
U.S. Department of the Interior			
Direct Programs			
Distribution of Receipts to State & Local Gov'ts (O & C) -Title I	15.227		2,246,027
Distribution of Receipts to State & Local Gov'ts (O & C) -Title III	15.227		176,753
Bureau of Land Management-Right of Way Improvement Project	15.234	L09AC16019	120,792
Cooperative Endangered Species Conservation	15.615	001-6299-S-	138,489
Fish and Wildlife Service	15.FFB	13420-8-J854	9,764
<u>National Park Service</u>			
Passed through State Parks Department			
Historic Preservation Fund Grants-In-Aid	15.904	ORNW97-062	12,609
Total Department of the Interior			2,704,434
U.S. Department of Justice			
Passed through the Department of Oregon State Police			
Juvenile Accountability Incentive Block Grant	16.523		10,000
Marijuana Eradication Grant	16.580		10,000
Passed through State Justice Division			
Title II Formula Grant Program	16.540		6,254
Victims of Crime Act Grant	16.575		34,545
ARRA - Drug Court Discretionary Grant Program	ARRA 16.585		67,064
State Criminal Alien Assistance Program	16.606		36,652
Ballistic Vest Grant	16.607		6,643
ARRA - Measure 57 Overtime Grant	16.803	M57002-09JAG	2,959
Total US Department of Justice			174,117
U.S. Department of Transportation			
Federal Highway Administration			
Passed through State Department of Transportation			
Capital Assistance Program for Elderly Persons	20.513		123,993
Total U.S. Department of Transportation			123,993

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

June 30, 2010

<i>Federal Grantor/Pass through Grantor</i>	<i>Federal CFDA number</i>	<i>Grant Number</i>	<i>Expenditures</i>
U.S. General Services Administration			
Donation of Federal Surplus Personal Property	39.003		141
Total General Services Administration			141
U.S. Office of Environmental Justice			
Passed through State Health Department			
Water Systems-EPA	66.432	02-02	15,360
Wetlands-EPA	66.461		29,724
Water Systems-EPA	66.468	02-02	8,540
Total U.S. Office of Environmental Justice			53,624
U.S. Department of Education			
Passed through State Mental Health Division			
Vocational Rehabilitation Formula Grant	84.126	100110	767
Drug Free Schools	84.186	236501	57,998
Total Department of Education			58,765
U.S. Department of Health and Human Services			
Direct Programs:			
ARRA - Federally Qualified Health Center-IDS Grant	ARRA 93.703		96,678
Federally Qualified Health Center	93.224	2592-01-00	1,328,008
HRSA Enabling Services	93.224		50,000
ARRA - HRSA Capital Grant	ARRA 93.703		380,530
Passed through Oregon Department of Human Services			
Bioterrorism-Preparedness	93.069	02-02	105,004
Public Health Emergency Response-Vaccines	93.069	02-02	60,681
Public Health Emergency Response-Epidemiology & Survey	93.069	02-02	2,696
Public Health Emergency Response-Vaccines & Admin	93.069	02-02	42,278
Public Health Emergency Response-PHER	93.069	02-02	52,408
Healthy Communities-Asthma	93.070	02-02	5,416
Family Planning - Title X	93.217	02-02	54,167
Immunization	93.268	02-02	1,200
Healthy Communities and Impact Assessment	93.283	02-02	69,584
ARRA - Immunization	ARRA 93.712	02-02	1,665
Immunization	93.778	02-02	10,037
HIV Intervention Block	93.940	02-02	22,717
Health Prevention Block Grant	93.991	02-02	3,500
Maternal and Child Health - MCH Block Grant	93.994	02-02	21,478
Maternal and Child Health - Oregon Mothers Care	93.994	02-02	3,902
Maternal and Child Health - Title V	93.994	02-02	33,708
Passed through State Mental Health Division			
Drug-Free Communities Support Program	93.276		56,404
Block Grants for Community Mental Health	93.958	112001	90,715
Substance Abuse Prevention & Treatment Block Grant	93.959	135001	240,100

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

June 30, 2010

<u>Federal Grantor/Pass through Grantor</u>	<u>Federal CFDA number</u>	<u>Grant Number</u>	<u>Expenditures</u>
Passed through Oregon Youth Services Commission			
Family Preservation & Support Services	93.556		14,435
Child Support Enforcement	93.563		108,223
Youth Investment/Title XX	93.667	111092	51,606
Runaway Homeless Youth	93.667		19,257
Total Department of Health and Human Services			2,926,397
Department of Homeland Security			
Passed through the Department of Oregon State Police			
Emergency Management Performance Grants	97.042		126,971
Passed through State Emergency Management Division			
State Homeland Security Program	97.073		839,387
Total Department of Homeland Security			966,358
Total Federal Financial Assistance			7,964,203

Notes:

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

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



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

December 23, 2010

Board of Commissioners
Benton County
Corvallis, Oregon

We have audited the financial statements of Benton County, Oregon (the County) as of and for the year ended June 30, 2010, and have issued our report thereon dated December 20, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs as item 10-01, we identified a deficiency in internal control that we consider to be a material weakness.

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 item 10-02 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

* * * * *

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

Talbot, Korvola & Warwick, LLP

Certified Public Accountants