Benton County:
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Every Day

Benton County Oregon

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2012

Mary K. Otley
Finance Director

BENTON COUNTY
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BENTON COUNTY, OREGON

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INTRODUCTORY SECTION

BENTON COUNTY
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Corvallis, OR 97339-0964
541-766-6808
FAX 541-766-6848

December 20, 2012

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

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

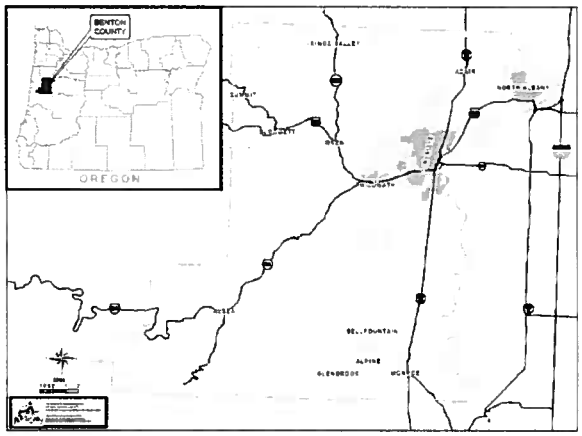
THE REPORT

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

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

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

PROFILE OF BENTON COUNTY, OREGON



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

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

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

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

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

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

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

Outlook

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

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

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

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

MAJOR INITIATIVES

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

Cost of Public Employee Retirement:

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

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

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

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

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

RELEVANT FINANCIAL POLICIES

Contingency & Reserve Policies:

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

Indirect Cost Allocation Plan(s):

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

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

LONG-TERM FINANCIAL PLANNING

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

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement

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

Acknowledgments

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

Respectfully submitted,

Mary K. Otley

Mary K. Otley, CPA
Finance Director

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Benton County Oregon

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

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

Linda C. Danielson

President

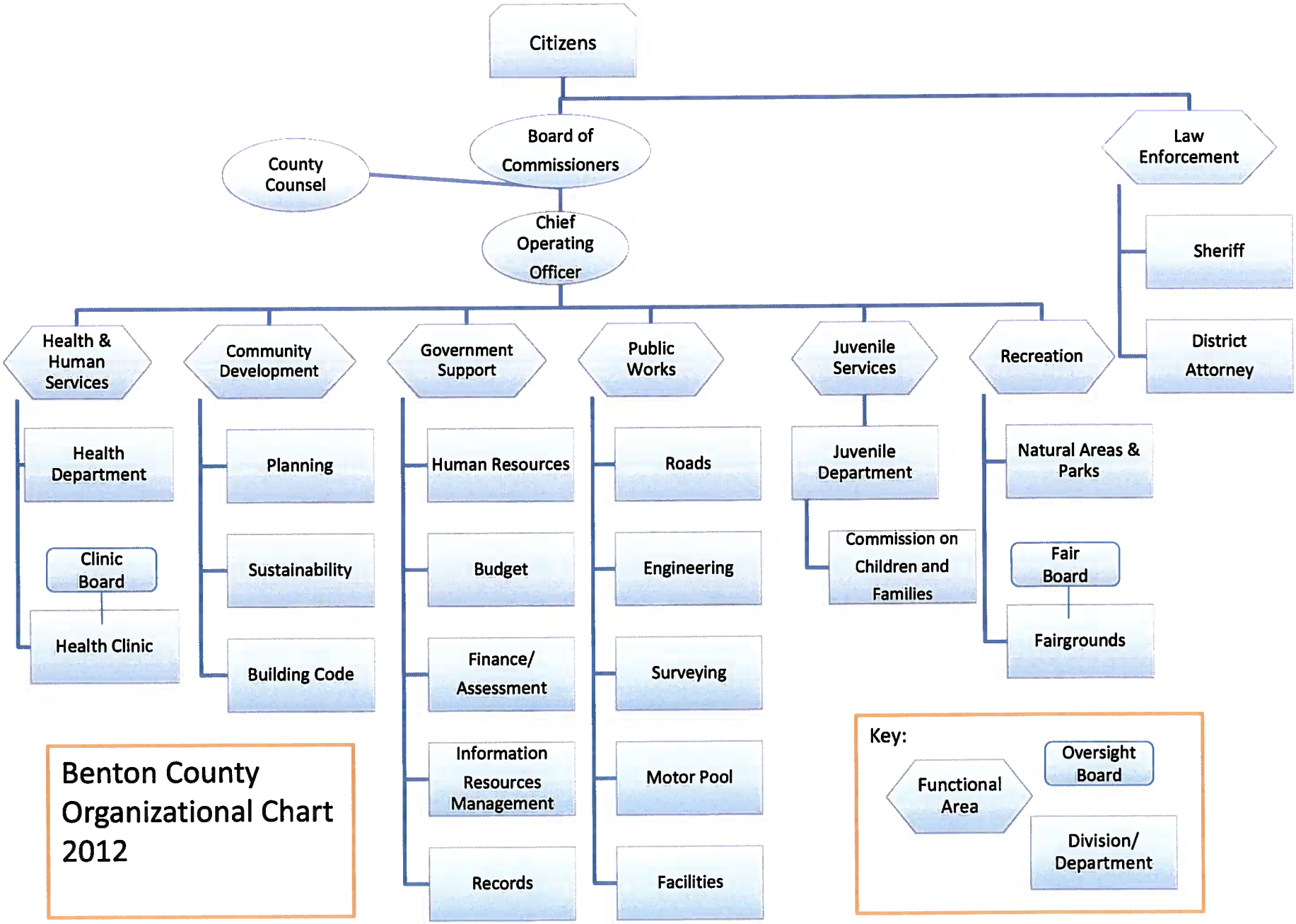
Jeffrey R. Esser

Executive Director

Benton County, Oregon

ELECTED OFFICIALS
June 30, 2012

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



Benton County Organizational Chart 2012

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FINANCIAL SECTION

BENTON COUNTY
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INDEPENDENT AUDITOR'S REPORT

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

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

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

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying budgetary comparison information for the General, Road, Block Grant, and Local Option Levy Funds, listed in the Table of Contents as Required Supplementary Information, is presented for purposes of additional analysis and is not a required part of the basic financial statements and is presented for purposes of additional analysis as required by the Governmental Accounting Standards Board, who considers it to be an essential part of basic financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing procedures generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory and Statistical Sections, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements by us or other auditors, and accordingly, we do not express an opinion or provide any assurance on it.

TALBOT, KORVOLA & WARWICK, LLP
Certified Public Accountants

By _____
Robert G. Moody, Jr., Partner

BENTON COUNTY
O • R • E • G • O • N

Management's Discussion and Analysis

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

***Financial Highlights*:**

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

Overview of the Financial Statements

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

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

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

The *statement of activities* presents revenue and expense information showing how the County's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise

to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that may result in cash flows in future fiscal periods (e.g., uncollected property taxes and earned but unused leave).

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

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

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

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

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

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

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

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

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

The major proprietary fund financial statements can be found on pages 20 through 22 of this report.

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

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

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

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

Government-wide Financial Analysis

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

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

BENTON COUNTY'S Net Assets

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

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

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

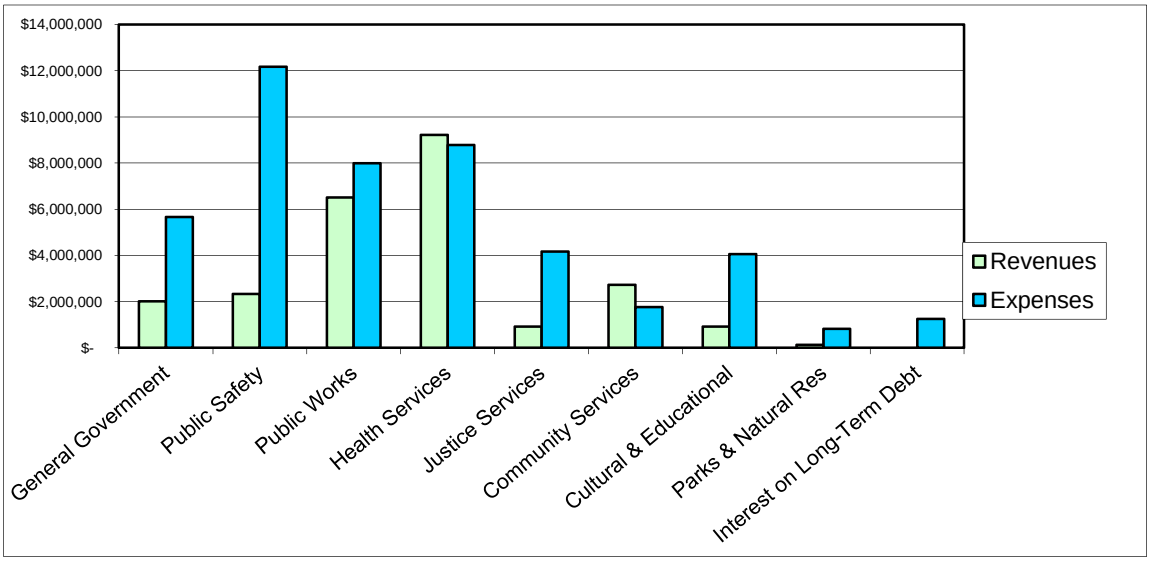
BENTON COUNTY'S Changes in Net Assets

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

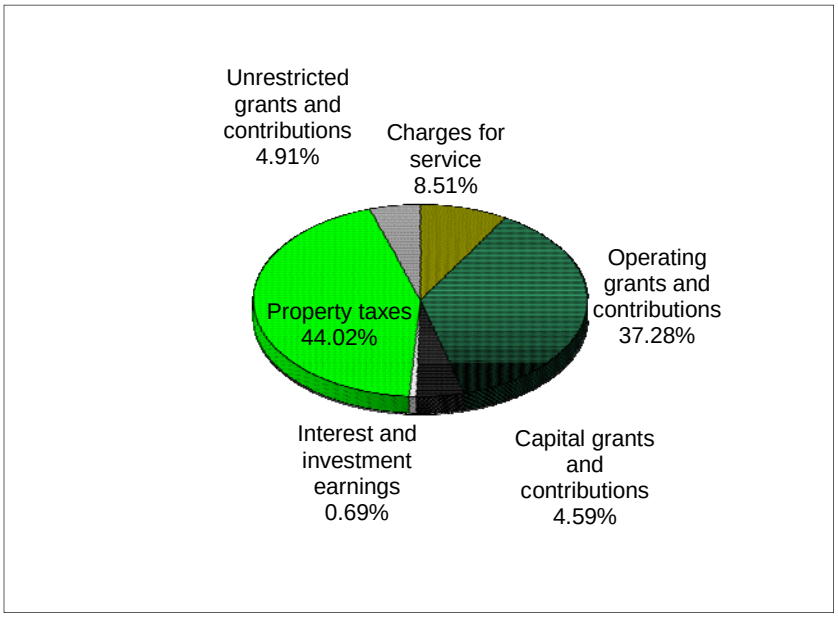
A major factor in the change in Benton County's net assets was the inclusion of $5,232,543 in depreciation expense.

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

Revenues and expenses by program



Revenue sources

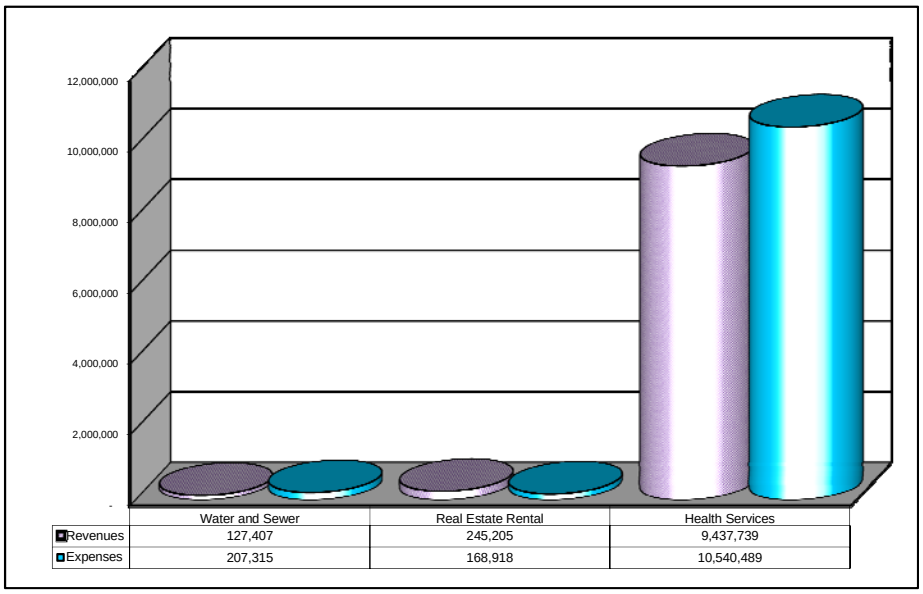


Business-type activities. Business-type activities increased the County's net assets by $459,605. Key elements of this decrease are as follows:

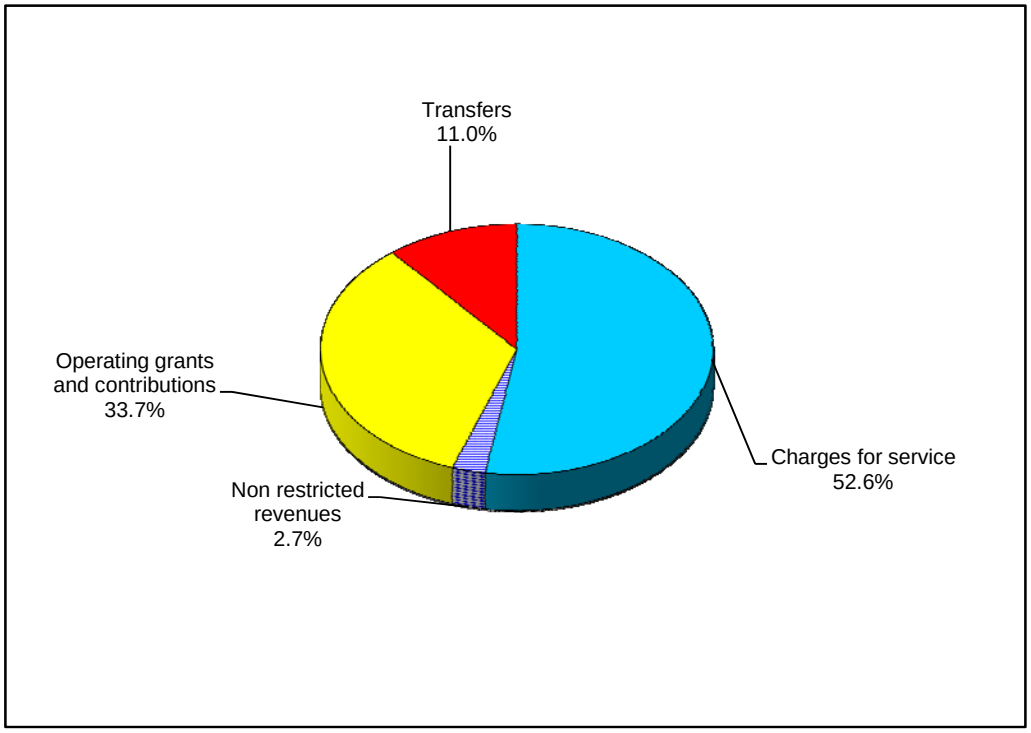
- Increase in accounts receivable of $242,157.
- Decrease in internal balances of $120,634

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

Revenues and expenses



Revenue Sources



Financial Analysis of County Funds

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

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources.

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

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

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

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

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

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

Capital Asset and Debt Administration

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

Benton County's Capital Assets
(Net of depreciation)

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

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

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

Benton County's Outstanding Debt

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

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

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

Key Economic Factors and Budget Information

- The unemployment rate for Benton County at the close of the fiscal year was 6.4%. This is down 0.2% from the same time last year. The rate is not expected to significantly improve before the end of the next fiscal year.

- **Key strategies in preparing the 2011-13 biennial budget were:**

    - Define a financially sustainable level of services and staffing that can be achieved by the start of the 2013-15 biennium.

    - Operational goal during the 2011-13 biennium is to achieve the defined sustainable level as soon as practical in the biennium in a cost-effective and orderly manner.

    - In general, there would be no back fill of reduced or lost state, federal or program income with general revenues.

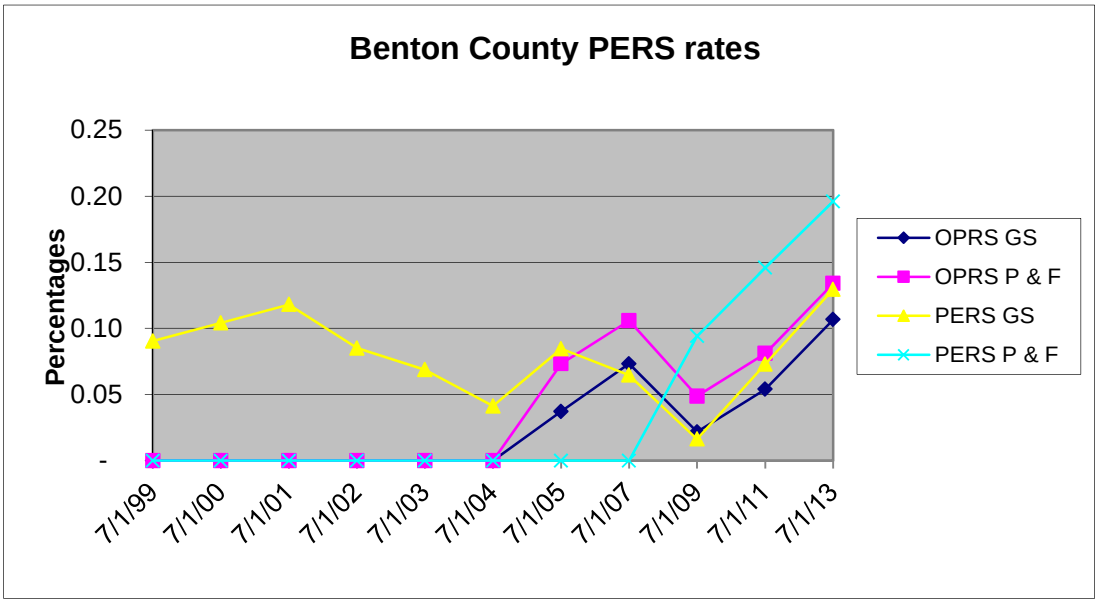
- **Key resource assumptions:**

    - Renewal of Federal forest payments was not assumed.

    - Taxable assessed value, on which property taxes are computed, was assumed to grow 3% per year.

    - Non-property tax components of general revenue would be flat or declining. In particular general interest earnings, landfill surcharges and state forest revenues would be significantly below the 2009-11 revenue.

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



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

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

Requests for Information

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

Benton County Finance
4077 SW Research Way
Corvallis, OR 97333

BENTON COUNTY, OREGON

STATEMENT OF NET ASSETS

June 30, 2012

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

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

BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

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

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

BENTON COUNTY, OREGON

GOVERNMENTAL FUNDS

BALANCE SHEET

June 30, 2012

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

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

BENTON COUNTY, OREGON

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES

TO NET ASSETS OF GOVERNMENTAL ACTIVITIES

June 30, 2012

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

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

BENTON COUNTY, OREGON

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2012

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

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

BENTON COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

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

Net change in fund balances - total governmental funds (page 18)	**$**	**680,691**
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.		(299,420)
Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The net revenue of the internal service funds is reported with governmental activities.		1,509,995
Governmental funds defer revenues that do not provide current financial resources. However, the Statement of Activities recognizes such revenues at their net realizable value when earned, regardless of when received.		(70,795)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		182,631
The net effect of various miscellaneous transactions involving capital assets (for example: sales, trade-ins, and donations) is to decrease net assets.		(467,251)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(305,906)
Change in net assets of governmental activities (page 15)	**$**	**1,229,945**

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

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

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

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

BENTON COUNTY, OREGON

PROPRIETARY FUNDS

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

For the Year Ended June 30, 2012

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

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

BENTON COUNTY, OREGON

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2012

	Health Center	*Non-major Enter. Funds*	*Totals*	*Governmental Activities - Internal Service Funds*
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 4,810,188	$ 925,162	$ 5,735,350	$ 13,327,408
Grants	3,085,396	748,507	3,833,903	826,868
Miscellaneous donations	234,746	76,081	310,827	-
Interest earnings distributed	-	-	-	(169,307)
Payments to suppliers	(3,980,964)	(745,088)	(4,726,052)	(5,462,801)
Paid to employees	(5,254,931)	(729,826)	(5,984,757)	(5,987,554)
Net cash provided (used) by operating activities	**(1,105,565)**	**274,836**	**(830,729)**	**2,534,614**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Principal paid on noncapital debt	(16,740)	-	(16,740)	(37,725)
Interest expense	(3,403)	-	(3,403)	-
Operating borrowing	(120,634)	-	(120,634)	-
Transfers in	1,583,225	-	1,583,225	147,327
Transfers out	(232,424)	(102,410)	(334,834)	(247,376)
Net cash provided (used) by noncapital financing activities	1,210,024	(102,410)	1,107,614	(137,774)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(106,266)	-	(106,266)	(1,372,680)
Disposiont of capital assets	-	-	-	111,365
Assessments received	-	5,804	5,804	-
Principal paid on capital debt	-	(26,595)	(26,595)	(316,679)
Interest paid on capital debt	-	(34,266)	(34,266)	(101,638)
Net cash provided (used) by capital and related financing activities	(106,266)	(55,057)	(161,323)	(1,679,632)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,807	4,951	6,758	227,974
Net cash provided by investing activities	1,807	4,951	6,758	227,974
Net increase (decrease) in cash and cash equivalents	-	110,833	122,320	945,182
Cash and cash equivalents - beginning	-	446,253	446,253	3,122,509
Cash and cash equivalents - ending	**$ -**	**$ 557,086**	**$ 568,573**	**$ 4,067,691**

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (982,086)	$ 201,432	$ (780,654)	$ 1,462,610
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation/amortization expense	49,808	98,821	148,629	927,006
Change in assets and liabilities:				
Receivables	(218,754)	(23,466)	(242,220)	220,093
Prepaids	(2,421)	6,804	4,383	5,971
Inventory	(7,436)	(952)	(8,388)	27,341
Deposits	-	-	-	5,000
Due to cusomers	-	1,121	1,121	-
Compensated absences	(19,044)	(10,228)	(29,272)	(48,218)
OPEB	85,545	13,449	98,994	-
Payables	(11,177)	(12,145)	(23,322)	(65,189)
Net cash provided (used) by operating activities	**$ (1,105,565)**	**$ 274,836**	**$ (830,729)**	**$ 2,534,614**

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

BENTON COUNTY, OREGON

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

June 30, 2012

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

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

BENTON COUNTY, OREGON

TRUST FUNDS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

For the Year Ended June 30, 2012

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

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

I. Summary of significant accounting policies

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

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

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

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

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

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

Blended component units:

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

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

- Library Services District

C. Government-wide and Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

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

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

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

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

The County reports the following enterprise fund as major funds.

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

Additionally, the government reports the following fund types:

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

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

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

I. Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

I. Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

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

E. Assets, liabilities, and net assets or equity

1. Cash, cash equivalents and investments

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

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

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

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

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

2. Receivables

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

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

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

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

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

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

3. Interfund transactions

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

4. Loans receivable

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

5. Inventory

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

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

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

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

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

Assets	Years
Buildings	75
Land improvements	25
Public domain infrastructure	50
Roads	40 to100
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).

I. Summary of significant accounting policies (continued)

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

9. Long-term obligations

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

10. Deficit fund equity

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

Fair Fund	$(150,203)

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

II. Reconciliation of government-wide and fund financial statements

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

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

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

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

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

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances - total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $(299,420) difference are as follows:

Additions to capital assets	$4,112,684
Depreciation expense	(4,412,104)
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net assets of governmental activities*	$(299,420)

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this $ (305,906) difference are as follows:

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

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

III. Stewardship, compliance, and accountability (continued)

A. Budgetary information (continued)

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

- Capital outlay
- Debt service
- Interfund transfers and loans

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

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

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

B. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

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

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

III. Stewardship, compliance, and accountability (continued)

C. Excess of expenditures over appropriations

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

IV. Detailed notes on all funds

A. Cash and investments

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

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

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

A. Cash and investments (continued)

Credit Risk

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

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

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

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

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

Interest Rate Risk

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

Concentration of Credit Risk

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

B. Receivables

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

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

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

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

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

IV. Detailed notes on all funds (continued)

C. Capital assets

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

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 8,627,750	$ 343,205	$ -	$ 8,970,955
Construction in progress	1,555,013	112,480	(574,115)	1,093,378
Total capital assets, not being depreciated	10,182,763	455,685	(574,115)	10,064,333
Capital assets, being depreciated:				
Improvements, other than buildings	2,112,653	33,587	-	2,146,240
Intangibles	2,631,965	47,673	-	2,679,638
Buildings	17,677,973	640,406	-	18,318,379
Machinery and equipment	9,183,101	1,567,035	(171,030)	10,579,106
Infrastructure	249,128,586	2,740,981	-	251,869,567
Total capital assets, being depreciated	280,734,278	5,029,682	(171,030)	285,592,930
Less accumulated depreciation for:				
Improvements, other than buildings	(917,717)	(65,921)	-	(983,638)
Intangibles	(1,907,537)	(197,514)	-	(2,105,051)
Buildings	(6,506,691)	(417,585)	-	(6,924,276)
Machinery and equipment	(6,598,323)	(629,834)	166,530	(7,061,627)
Infrastructure	(119,044,041)	(3,966,846)	-	(123,010,887)
Total accumulated depreciation	(134,974,309)	(5,277,700)	166,530	(140,085,479)
Total capital assets, being depreciated, net	145,759,969	(248,018)	(4,500)	145,507,451
Governmental activities capital assets, net	$ 155,942,732	$ 207,667	$ (578,615)	$ 155,571,784

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
Business-type activities				
Capital assets, not being depreciated:				
Land	$ 295,298	$ -	$ -	$ 295,298
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	295,298	-	-	295,298
Capital assets, being depreciated:				
Buildings	1,786,151	34,266	-	1,820,417
Machinery and equipment	35,882	106,266	-	142,148
Intangibles	32,000	-	-	32,000
Infrastructure	3,652,636	-	-	3,652,636
Total capital assets, being depreciated	5,506,669	140,532	-	5,647,201
Less accumulated depreciation for:				
Buildings	(241,657)	(39,300)	-	(280,957)
Machinery and equipment	(19,704)	(5,634)	-	(25,338)
Intangibles	(800)	(3,200)	-	(4,000)
Infrastructure	(1,320,133)	(73,245)	-	(1,393,378)
Total accumulated depreciation	(1,582,294)	(121,379)	-	(1,703,673)
Total capital assets, being depreciated, net	3,924,375	19,153	-	3,943,528
Business-type activities capital assets, net	$ 4,219,673	$ 19,153	$ -	$ 4,238,826

C. Capital assets (continued)

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

Governmental activities:	
General government	$ 36,227
Public safety	106,388
Public works, including infrastructure	3,994,333
Health services	945
Justice services	5,337
Community services	122,803
Cultural and educational services	66,969
Parks & natural resources	79,102
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	865,596
Total depreciation expense - governmental activities	$ 5,277,700
Business-type activities:	
Water and sewer	$ 73,246
Health services	22,558
Rental properties	25,575
Total depreciation expense - business-type activities	$ 121,379

D. Interfund transfers:

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

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

E. Long-term debt

General Obligation Bonds

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

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

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

E. Long-term debt (continued)

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

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

Annual debt service requirements to maturity are as follows:

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

E. Long-term debt (continued)

Full Faith and Credit Obligations

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

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

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

Changes in long-term liabilities

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

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

E. Long-term debt (continued)

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

Notes and Capital Leases:

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

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

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

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

F. Interfund payables and receivables

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

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

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

G. Prepaid Pension Asset

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

Amortization of Prepaid Pension Asset

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

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

H. Fund balance

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

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

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

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

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

H. Fund equity (continued)

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

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

V. Other information

A. Risk management

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

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

V. Other information (continued)

B. Other post employment benefits (OPEB)

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

Implicit subsidy:

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

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

Explicit subsidy:

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

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

V. Other information (continued)

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

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

Funding policy

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

Annual OPEB Cost and Net OPEB Obligation

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

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

Determination of Annual Required Contrubution	
(1) Normal Cost at year end	$ 449,757
(2) Amortization of UAAL	363,269
(3) Annual Required Contribution (ARC)	$ 813,026
Determination of Net OPEB Obligation	
Annual Required Contribution (ARC)	$ 813,026
Interest on prior year Net OPEB Obligation	89,424
Adjustment to ARC	(151,930)
Annual OPEB Cost	750,520
Explicit Benefits Payment	(120,558)
Implicit Benefit Payments	(106,908)
Increase in Net OPEB Obligation	523,054
Net OPEB Obligation - beginning of year	2,235,610
Net OPEB Obligation - end of year*	$ 2,758,664
***Reported as follows:**	
Governmental activities	$ 2,271,239
Business activities	487,425
Total	$ 2,758,664

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

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

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

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

Funded Status and Funding Progress

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

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

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

Actuarial Methods and Assumptions

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

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

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

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

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

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

C. Retirement health insurance account

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

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

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

V. Other information (continued)

D. Retirement health saving plan

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

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

E. Deferred compensation plan

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

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

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

F. Employee retirement systems and pension plans

Defined Benefit Pension Plan

Accounting and Reporting Standards:

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

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

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

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

Funding Status

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

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

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

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

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

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

Annual Pension Cost

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

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

G. Prior year reclassifications

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

H. Contingent liabilities

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

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

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, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

GENERAL FUND

SCHEDULE OF EXPENDITURES (BUDGET AND ACTUAL)

For the Biennium Ended June 30, 2013

As of June 30, 2012

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

****Legal appropriation level**

BENTON COUNTY, OREGON
ROAD FUND

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

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

Reconciliation to GAAP Basis:		
Budget basis ending fund balance		$ 2,217,676
Accrued payroll		(98,118)
Loan payable	-	(998,860)
Inventory		372,880
GAAP ending fund balance		**$ 1,493,578**

BENTON COUNTY, OREGON
BLOCK GRANT FUND

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

For the Biennium Ended June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON
LOCAL OPTION LEVY FUND

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

For the Biennium Ended June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

LOCAL OPTION LEVY FUND

SCHEDULE OF EXPENDITURES (BUDGET AND ACTUAL)

For the Biennium Ended June 30, 2013

As of June 30, 2012

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

*****Legal appropriation level***

BENTON COUNTY, OREGON

Required Supplementary Information

Schedule of Funding Progress - Other Postemployment Benefits

June 30, 2012

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

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

1. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

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

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

OTHER 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
O • R • E • G • O • N

BENTON COUNTY, OREGON

GENERAL FUND

BALANCE SHEET

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

GENERAL FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

Reconciliation to GAAP Basis:

Budget basis ending fund balance	$ 12,252,631
Intergovernmental receivable	100,339
Accrued payroll	(684,624)
GAAP ending fund balance	$ 11,668,346

BENTON COUNTY, OREGON

GENERAL FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

*****Legal appropriation level***

BENTON COUNTY, OREGON

ROAD FUND

BALANCE SHEET

June 30, 2012 and 2011

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

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

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

BENTON COUNTY, OREGON

ROAD FUND

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

For the Biennium Ended June 30, 2013

As of June 30, 2012

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

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

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

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

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

BENTON COUNTY, OREGON
BLOCK GRANT FUND

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

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

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

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

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

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

BENTON COUNTY, OREGON
LOCAL OPTION LEVY FUND

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

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

Reconciliation to GAAP Basis:	
Budget basis ending fund balance	$ 4,009,389
Accrued payroll	(69,131)
GAAP ending fund balance	**$ 3,940,258**

BENTON COUNTY, OREGON

LOCAL OPTION LEVY FUND

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Biennium Ended June 30, 2013

As of June 30, 2012

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

*****Legal appropriation level***

BENTON COUNTY, OREGON

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

June 30, 2012

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

BENTON COUNTY, OREGON
NONMAJOR GOVERNMENTAL FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 2012

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

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

BENTON COUNTY, OREGON

NONMAJOR SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

June 30, 2012

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

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

BENTON COUNTY, OREGON

NON MAJOR SPECIAL REVENUE FUNDS

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

For the Year Ended June 30, 2012

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

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

BENTON COUNTY, OREGON

COUNTY SCHOOL FUND

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

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

BENTON COUNTY, OREGON

FAIR FUND

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

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

BENTON COUNTY, OREGON

LIBRARY SERVICE DISTRICT

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

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

BENTON COUNTY, OREGON

LAND CORNER PRESERVATION FUND

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

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

BENTON COUNTY, OREGON

OREGON HEALTH PLAN FUND

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

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

BENTON COUNTY, OREGON

COURT SECURITY FUND

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

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

BENTON COUNTY, OREGON

SPECIAL TRANSPORTATION FUND

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

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

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

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

BENTON COUNTY, OREGON

TITLE III PROJECTS FUND

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

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

BENTON COUNTY, OREGON

CEMETERY OPERATIONS FUND

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

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

BENTON COUNTY, OREGON

WEST LEWELLYN SERVICE DISTRICT

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

	Biennium		
	Total Budget	***1st Year Actual***	***Variance with Budget***
REVENUES			
Interest	$ -	$ 4	$ 4
Fund balances - beginning	-	895	895
Fund balances - ending	**$ -**	**$ 899**	**$ 899**

NON-MAJOR DEBT SERVICE FUND

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

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BENTON COUNTY, OREGON

DEBT SERVICE FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

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NON-MAJOR CAPITAL PROJECTS FUND

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

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

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BENTON COUNTY, OREGON

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

June 30, 2012

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

BENTON COUNTY, OREGON

NONMAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

GENERAL CAPITAL IMPROVEMENTS FUND

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

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

BENTON COUNTY, OREGON

BUILDING DEVELOPMENT RESERVE FUND

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

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

Reconciliation to GAAP Basis:	
Budget basis ending fund balance	$ 696,395
Interfund loan	1,207,376
GAAP ending fund balance	$ 1,903,771

ENTERPRISE FUNDS

Major Enterprise Funds

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

Non-major Enterprise Funds

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

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

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

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

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

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

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

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

BENTON COUNTY, OREGON

NONMAJOR ENTERPRISE FUNDS

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

For the Year Ended June 30, 2012

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

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

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

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER FUND

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

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

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

BENTON COUNTY HEALTH CENTER FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

STATEMENT OF CASH FLOWS

For the Years ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 256,372	$ 202,729
Grants	-	-
Payroll costs	(96,503)	(90,618)
Payments to suppliers	(34,286)	(56,653)
Net cash provided by operating activities	125,583	55,458
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on capital debt	(15,958)	(15,643)
Interest paid on capital debt	(5,642)	(5,957)
Capital assets purchased	(34,266)	(37,987)
Net cash (used for) capital and related financing activities	(55,866)	(59,587)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(70,955)	(69,366)
Net cash (used for) noncapital and related financing activities	(70,955)	(69,366)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,213	1,829
Net increase in cash and cash equivalents	(25)	(71,666)
Cash and cash equivalents - beginning	242,523	314,189
Cash and cash equivalents - ending	**$ 242,498**	**$ 242,523**

Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 81,929	$ 37,016
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortization expense	25,575	25,149
Change in assets and liabilities:		
Receivables	11,167	(4,279)
Prepaids	5,831	(5,831)
Compensated absences	(62)	464
OPEB	1,519	2,113
Payables	(376)	826
Net cash provided by operating activities	**$ 125,583**	**$ 55,458**

BENTON COUNTY, OREGON

ENTERPRISE OPERATIONS FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ALSEA COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
For the Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
For the Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 17,957	$ 18,189
Payments to suppliers	(17,566)	(18,767)
Net cash provided (used) by operating activities	**391**	**(578)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Assessments received	5,804	9,178
Principal paid on capital debt	(9,627)	(8,924)
Interest paid on capital debt	(4,834)	(5,536)
Net cash provided (used) by capital and related financing activities	(8,657)	(5,282)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,085	3,527
Net increase (decrease) in cash and cash equivalents	(5,181)	(2,333)
Cash and cash equivalents *- beginning*	71,256	73,589
Cash and cash equivalents *- ending*	**$ 66,075**	**$ 71,256**

Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	$ (20,722)	$ (21,789)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation/amortization expense	21,795	21,795
Change in assets and liabilities:		
Receivables	(964)	(591)
Prepaid expenses	(33)	-
Payables	315	7
Net cash provided (used) by operating activities	**$ 391**	**$ (578)**

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

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

For the Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

EAST LINN HEALTH CLINIC FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

EAST LINN HEALTH CLINIC FUND

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

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

BENTON COUNTY, OREGON

EAST LINN HEALTH CLINIC FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

EAST LINN HEALTH CLINIC FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY
O • R • E • G • O • N

INTERNAL SERVICE FUNDS

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

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

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

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

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

BENTON COUNTY
O • R • E • G • O • N

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF NET ASSETS

June 30, 2012

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

BENTON COUNTY, OREGON

INTERNAL SERVICE FUNDS

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

For the Year Ended June 30, 2012

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

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

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

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS

For the Years Ended June 30, 2012 and 2011

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

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

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

BENTON COUNTY, OREGON

INTERGOVERNMENTAL SERVICE FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

MANAGEMENT SERVICES FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

MANAGEMENT SERVICES FUND

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

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

MANAGEMENT SERVICES FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

MANAGEMENT SERVICES FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

HEALTH MANAGEMENT SERVICES FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

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

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$ 734,722	$ 871,903
Payments to suppliers	(366,552)	(347,331)
Payroll costs	(134,553)	(96,469)
Net cash provided by operating activities	**233,617**	**428,103**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(36)	(42)
Net cash used by noncapital financing activities	(36)	(42)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	5,801	5,765
Net cash provided by investing activities	5,801	5,765
Net increase (decrease) in cash and cash equivalents	239,382	433,826
Cash and cash equivalents - beginning	1,142,232	708,406
Cash and cash equivalents - ending	**$ 1,381,614**	**$ 1,142,232**

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 246,350	$ 432,165
Adjustments to reconcile operating income to net cash provided by operating activities:		
Payables	(12,733)	(4,062)
Net cash provided by operating activities	**$ 233,617**	**$ 428,103**

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

INTEREST CLEARING FUND

STATEMENT OF NET ASSETS

June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

INTEREST CLEARING FUND

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

For the Years Ended June 30, 2012 and 2011

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

BENTON COUNTY, OREGON

INTEREST CLEARING FUND

STATEMENT OF CASH FLOWS

For the Years Ended June 30, 2012 and 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Miscellaneous revenues	$ 3,385	$ 777
Payments to suppliers	(32,961)	(35,009)
Interest earnings distributed	(169,307)	(240,974)
Net cash provided by operating activities	**(198,883)**	**(275,206)**
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Capital assets purchased	(18,495)	-
Net cash used bycapital financing activities	(18,495)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	217,378	228,069
Net cash provided by investing activities	217,378	228,069
Net increase (decrease) in cash and cash equivalents	-	(47,137)
Cash and cash equivalents - beginning	-	47,137
Cash and cash equivalents - ending	**$ -**	**$ -**

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (201,709)	$ (253,032)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization expense	2774	-
Receivables	-	(22,338)
Payables	52	164
Net cash provided by operating activities	**$ (198,883)**	**$ (275,206)**

BENTON COUNTY, OREGON

INTEREST CLEARING TRUST FUND

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

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

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, 2012

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

BENTON COUNTY, OREGON

PRIVATE-PURPOSE TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

TRUST FUND

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

For the Biennium ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

TAX TITLE LAND FUND

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

For the Biennium ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

PROPERTY TAX DISTRIBUTION AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 2012

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

BENTON COUNTY
O • R • E • G • O • N

OTHER FINANCIAL SCHEDULES

BENTON COUNTY
O • R • E • G • O • N

BENTON COUNTY, OREGON

SCHEDULE OF BONDS PAYABLE
For the Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

SCHEDULE OF BOND INTEREST REQUIREMENTS TO MATURITY
For the Year Ended June 30, 2012

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

BENTON COUNTY, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

June 30, 2012

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

BENTON COUNTY, OREGON

2002 PERS PENSION BOND DEBT SERVICE SCHEDULE

June 30, 2012

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

BENTON COUNTY, OREGON

2004 PERS PENSION BOND DEBT SERVICE SCHEDULE

June 30, 2012

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

BENTON COUNTY, OREGON

SOUTH THIRD COUNTY SERVICE DISTRICT

DEBT SERVICE SCHEDULE

June 30, 2012

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

BENTON COUNTY, OREGON

SUNSET BUILDING BOND

DEBT SERVICE SCHEDULE

June 30, 2012

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

BENTON COUNTY, OREGON

OREGON DEPT. OF TRANSPORTATION BOND

DEBT SERVICE SCHEDULE

June 30, 2012

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

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

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS, continued

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2013

As of June 30, 2012

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

BENTON COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

ALL TAXING DISTRICTS

For the Year Ended June 30, 2012

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

SUMMARY BY FUND TYPES

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

STATISTICAL SECTION

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

Contents **Page**

Financial Trends 168-172

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 173-178

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

Debt Capacity 179-183

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

Demographic and Economic Information 184-185

These schedules present information to help the reader understand the environment within which the county's financial activities take place.

Operating Information 186-189

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.

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

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

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

(accrual basis of accounting)

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

(continued) (continued)

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

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

(accrual basis of accounting)

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

***** Discontinued program in 2009***

BENTON COUNTY, OREGON

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

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

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

BENTON COUNTY, OREGON

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

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

(a) Interest earnings included in Miscellaneous until the implemetation of GASB 34 in FY 2003
(b) Parks and natural resources created in FY 2004
(c) Animal Control discontinued in FY 2009

BENTON COUNTY, OREGON

PROGRAM REVENUES BY FUNCTION

Last Ten Fiscal Years

(accrual basis of accounting)

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

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

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

(c) Animal Control program discontinued in FY 2009

BENTON COUNTY, OREGON

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

Last Ten Fiscal Years

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

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

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

(c) Includes tax-exempt property.

BENTON COUNTY, OREGON

AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS

(per $1,000 of Assessed Value)

Last Ten Fiscal Years

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

Continued Continued Continued

BENTON COUNTY, OREGON

AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS

(per $1,000 of Assessed Value)

Last Ten Fiscal Years

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

BENTON COUNTY, OREGON

PRINCIPAL PROPERTY TAXPAYERS

Current and Nine Years Ago

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

BENTON COUNTY, OREGON

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

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

Source:

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

BENTON COUNTY, OREGON

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

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

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

(a) See Demographic and Economic Statistics for personal

BENTON COUNTY, OREGON

RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

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

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

(a) Property values can be found in the schedule for Assessed and Estimated Actual Value of Taxable Property.

(b) See Demographic and Economic Statistics for population data.

BENTON COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT [(a)]

June 30, 2012

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

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

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

Source:
Overlapping Debt report from Oregon State Treasury Department

BENTON COUNTY, OREGON

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

		Legal Debt Margin Calculation for Fiscal Year 2012
Estimated Real Market value		$ 9,435,565,562
Debt limit (2% of true cash value)		188,711,311
Debt applicable to limit:		
General obligation bonds	19,591,542	
Less: Amount set aside for repayment of general obligation debt	(1,584,978)	
Total net debt applicable to limit		18,006,564
Legal debt margin		$ 170,704,747

	2003	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Debt Limit	$ 116,844,589	$ 121,089,067	$ 136,134,549	$ 182,509,412	$ 182,509,412	$ 182,509,412	$ 197,923,429	197,770,767	189,513,868	188,711,311
Total net debt applicable to limit	12,607,197	20,182,751	20,011,735	19,794,666	18,191,647	17,930,728	16,328,092	16,273,370	17,520,452	18,006,564
Legal debt margin	$ 104,237,392	$ 100,906,316	$ 116,122,814	$ 162,714,746	$ 164,317,765	$ 164,578,684	$ 181,595,337	$ 181,497,397	$ 171,993,416	$ 170,704,747
Total net debt applicable to the limit as a percentage of debt limit	10.79%	16.67%	14.70%	10.85%	9.97%	9.82%	8.25%	8.23%	9.24%	9.54%

BENTON COUNTY, OREGON
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

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

* Collections include prepayments and foreclosures

BENTON COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years

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

Note: Population is based on survey estimates on July 1 for the following fiscal year (July 1, 2011 for FY 2011-12).
n/a Information not available.

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

BENTON COUNTY, OREGON
PRINCIPAL EMPLOYERS

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

Note: Data not available prior to 2007

Source: Mid Valley News "Our Town"

BENTON COUNTY, OREGON

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY PROGRAM/FUNCTION

Last Ten Fiscal Years

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

BENTON COUNTY, OREGON

OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

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

(continued)

BENTON COUNTY, OREGON

OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

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

N/A: Information not available for indicators

BENTON COUNTY, OREGON

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

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

NOTE:

(a) Monroe and Lincoln clinics were opened in 2005

(b) Corvallis, Philomath, Monroe and Alsea (remainder mobile)

(c) East Linn Health Center opened in January 2008

COMPLIANCE SECTION

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

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

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

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

COMPLIANCE

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

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

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

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

COMPLIANCE (Continued)

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

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

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

OAR 162-10-230 INTERNAL CONTROL

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

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

* * * * * * *

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

Certified Public Accountants

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

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

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

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, continued

June 30, 2012

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

Notes:

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

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

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

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

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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* (Continued)

COMPLIANCE AND OTHER MATTERS

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

* * * * * * *

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

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

December 19, 2012

Board of Commissioners
Benton County
Corvallis, Oregon

COMPLIANCE

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

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

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

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

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

INTERNAL CONTROL OVER COMPLIANCE

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

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

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

* * * * * * *

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

Certified Public Accountants

BENTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDIT RESULTS

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified not considered to be material weakness(es)?	No
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified not considered to be material weakness(es) ?	No
Type of auditor's report issued on compliance for major programs?	Qualified
Any audit findings disclosed that are required to be reported in accordance with Section 510 (a) of *Circular A-133?*	Yes

Identification of major programs:

CFDA NUMBER(S)	NAME OF PROGRAM OR CLUSTER
CFDA No. 15.227	Distribution of Receipts to State and Local Governments
CFDA Nos. 16.738, 16.803	JAG Program Cluster
CFDA No. 93.959	Block Grant for Prevention and Treatment of Substance Abuse
CFDA No. 93.224	Health Center Cluster
CFDA No. 97.073	State Homeland Security Program

Dollar threshold used to distinguish between type A and B programs:	$300,000
Auditee qualified as low-risk auditee?	No

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 12-01:

Federal Program:	Jag Program Cluster - CFDA # 16.738 & 16.803
Federal Agency:	U.S. Department of Justice
Award Year:	2011-12
Pass-Through Entity	State of Oregon Criminal Justice Commission
Criteria:	The authoritative requirements for cash management are contained in the A-102 Common Rule (§___.21), OMB Circular A-110 (2 CFR section 215.22), Treasury regulations at 31 CFR part 205, program legislation, Federal awarding agency regulations, and the terms and conditions of the award. When entities are funded on a reimbursement basis, program costs must be paid for by entity funds before reimbursement is requested from the Federal Government. Consistent with these regulations and in accordance with the terms of the grant agreement with the State, the County is required to expend its own funds prior to request for reimbursement.
Condition:	Known and likely questioned costs total $45,540.
Questioned Costs:	Requests for reimbursements under grant were submitted to Federal Agency prior to expending County's own resources. Known questioned costs total $45,540.
Context:	A total of eleven (11) requests for reimbursement were filed by the County under the grant, including one (1) for $0. Ten (10) were filed where actual reimbursement was requested. Of the population of ten (10), seven (7) actual reimbursement (non $0) requests were tested and two occurrences were noted where the County requested reimbursement prior to expending funds under the grant. Respectively, the requests were submitted 1.5 and 2.5 months prior to the County expending their own funds. The sample comprised 98% of the population in terms of requests filed, and tested items comprise 70% of requests for actual reimbursement.

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

Finding 12-01 (Continued):

Context (Continued): Given known questioned costs of $45,540 and the relationship of tested items to the population (98%), estimated likely questioned costs are equal to known questioned costs.

Both known and actual questioned costs exceed calculated materiality for the major program, resulting in an instance of material noncompliance.

Cause: It appears that underlying the lack of proper review of reimbursement requests is a lack of familiarity with detail compliance requirements, and insufficient review or oversight by County personnel with respect to reimbursement requests.

Effect: The County's requests for reimbursement prior to expending its own funds as required resulted in known and likely questioned costs of $45,540. This amount represents a material instance of noncompliance with the cash management requirements under the Federal Program as specified. A material weakness in internal control over compliance with the cash management requirement is also identified, in that procedures were not in place to either prevent or detect and correct the material noncompliance in a timely manner.

Recommendation: We recommend management develop and implement policies and procedures to ensure County funds are spent prior to request for Federal reimbursement in accordance with grant requirements over cash management.

Views of Responsible Officials: The County understands and concurs with this finding.

BENTON COUNTY, OREGON

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2012

Finding 11-01

Auditor Recommendation:

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

Corrective Action Plan:

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

Finding 11-02

Auditor Recommendation:

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

Corrective Action Plan:

None required.

Finding 11-03

Auditor Recommendation:

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

Corrective Action Plan:

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