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BENTON COUNTY

OREGON

Comprehensive Annual Financial
Report

For the Fiscal Year Ended

June 30, 2016

BENTON COUNTY, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

Prepared by:

Finance Department

Mary K. Otley, CPA
Finance Director

BENTON COUNTY, OREGON

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INTRODUCTORY SECTION



Finance, Auditing & Tax Collection
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Corvallis OR 97339-0964

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FAX (541) 766-6848

December 28, 2016

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, 2016, together with the report thereon of Benton County’s independent auditors. This report is published to provide the Board of County Commissioners, our citizens, County staff, and other readers with detailed information about the financial position and results of operations of the County, and to demonstrate fiscal and operational accountability in the use of County resources. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with Benton County management. To provide a reasonable basis for making these representations, management has established an internal control structure designed to safeguard County assets against loss, theft, or misappropriation, and to compile sufficient, reliable information for the preparation of the County’s financial statements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

THE REPORT

In accordance with Oregon law, Boldt, Carlisle + Smith has audited the County’s basic financial statements. The objective of the audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2016, are free of material misstatement. The audit was conducted in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Governmental Auditing Standards issued by the comptroller General of the United States, and Minimum Standards for Audits of Oregon Municipal Corporations as prescribed by the Secretary of State, State of Oregon. The unmodified opinion rendered in this report indicates that the financial statements were prepared in accordance with generally accepted accounting principles (GAAP) accepted in the United States of America and meet the standards prescribed by the Secretary of State. The auditor’s report on these financial statements is located in the Financial Section of this report.

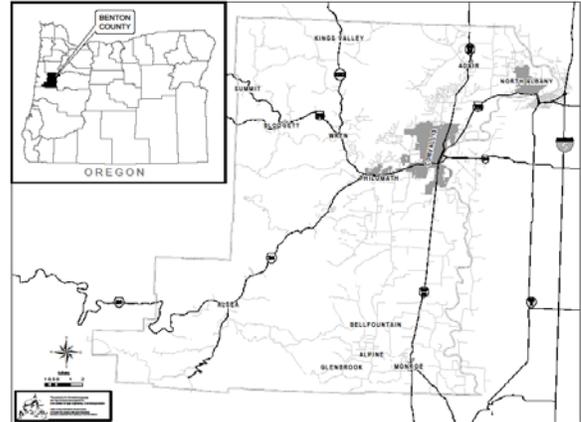
The independent audit of the financial statements was complemented by a federally mandated “Single Audit.” The Single Audit standards require that the independent auditor report not only on the fair presentation of the basic financial statements, but also on the County’s internal controls and legal requirements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

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

PROFILE OF BENTON COUNTY, OREGON

Benton County was incorporated December 23, 1847, and is located along the Willamette River, approximately 40 miles from the Pacific Ocean. The County includes an area of 679 square miles, has a population of 86,316 and a true cash value of \$11,124,487,146.

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



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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

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

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

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

The Benton County employment base is one of the most stable in the state. Benton County generally records the second lowest jobless rate in the state. The unemployment rate at June 30, 2016 was 4.4%, down from 0.4% at the same time last year. One of the factors contributing to the relatively low unemployment rate is that a high percentage of the working force has college degrees.

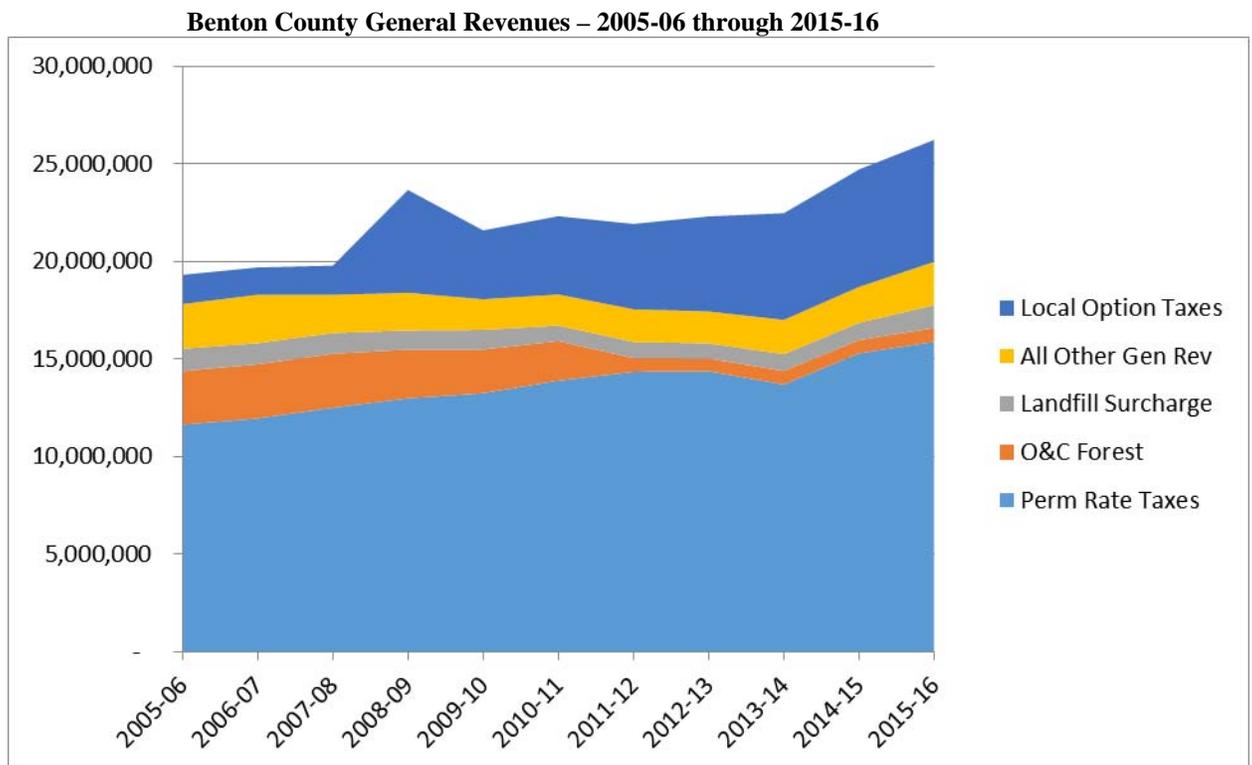
State and local education make up the County’s largest industry, accounting for approximately 10,980 jobs or 28.6% of the total work force. State and local education includes the local public school districts as well as Oregon State University (OSU). OSU is one of only two universities in the country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

Outlook

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

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

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



MAJOR INITIATIVES

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

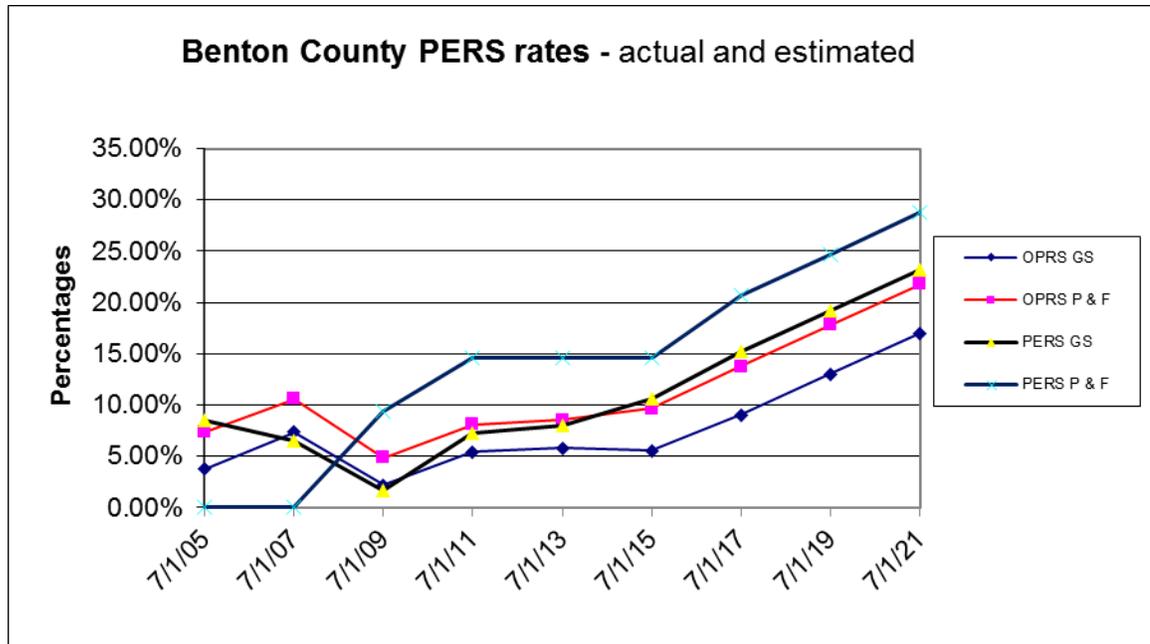
Facilities Improvements – The County will be improving/remodeling several of its building during the next two years. Remodel 8,000 sq. ft. of the Sunset Building for occupation by County employees, addition of 5,000 sq. ft. to the Public Works office building and renovation of the Public Services Building for use as a medical clinic. The renovations are projected to cost \$9 million. The County will provide \$2.25 million from existing funds as will borrow up to \$6.75 million for the project.

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

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

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

It is anticipated that as of July 1, 2017, there will be an average increase of 5%, as of July 1, 2019, there will be another increase of 4%, and as of July 1, 2021, there will be an average increase of 4%.



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

RELEVANT FINANCIAL POLICIES

Contingency & Reserve Policies:

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

Indirect Cost Allocation Plan(s):

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

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

LONG-TERM FINANCIAL PLANNING

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

AWARDS AND ACKNOWLEDGEMENTS

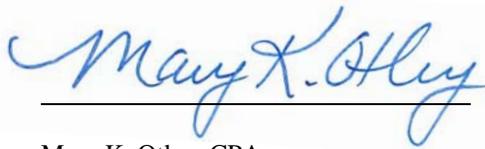
Certificate of Achievement

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

Acknowledgments

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Mary K. Otley". The signature is written in a cursive style and is positioned above a horizontal line.

Mary K. Otley, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Benton County
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

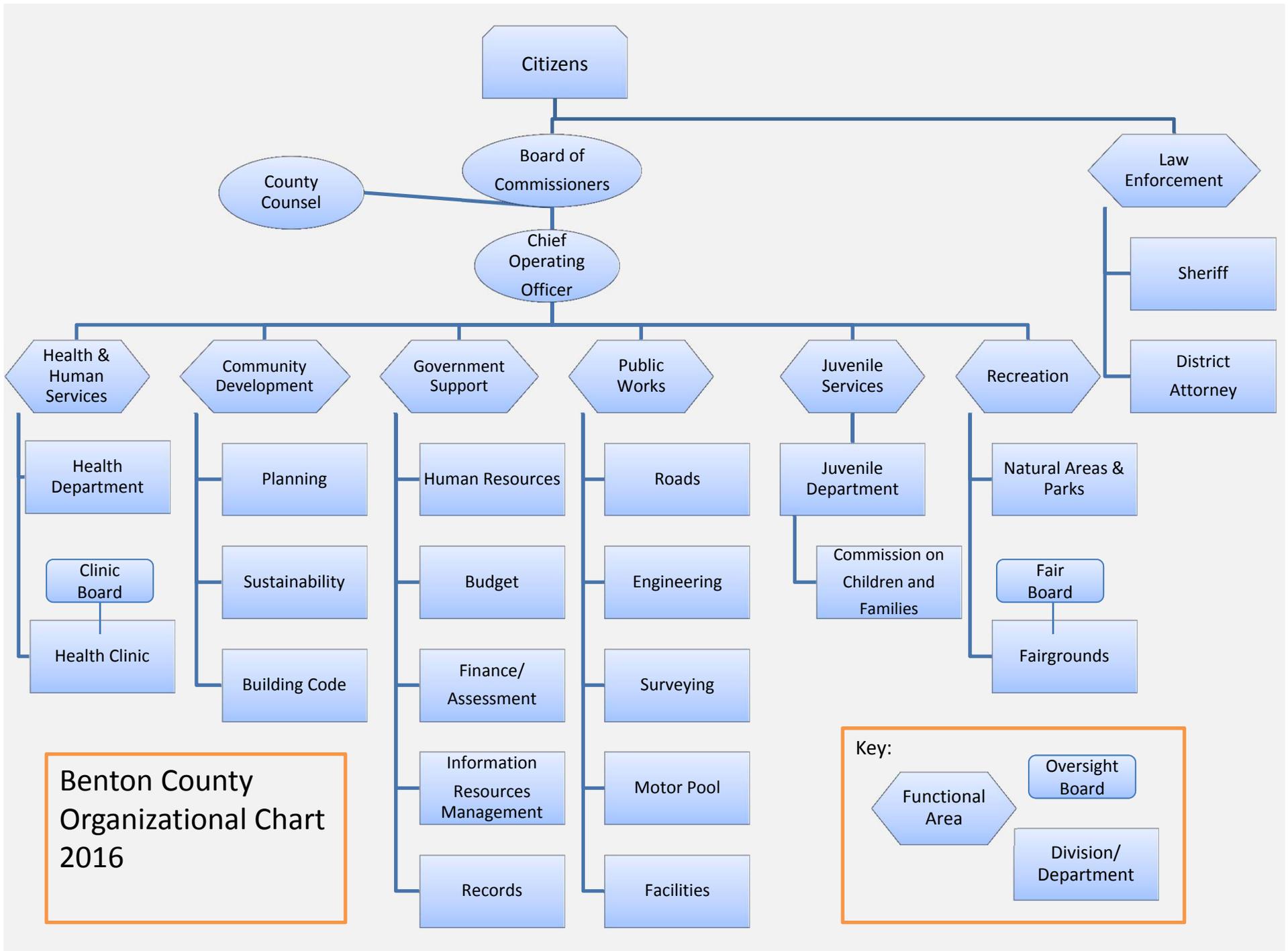
Executive Director/CEO

Benton County, Oregon

ELECTED OFFICIALS

June 30, 2016

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



FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the County Commissioners
BENTON COUNTY
Corvallis, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of BENTON COUNTY as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of BENTON COUNTY, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis on pages 4-15 and required supplementary information on pages 66-68 in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

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

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

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

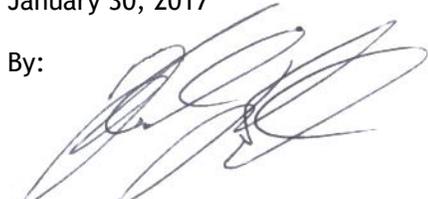
INDEPENDENT AUDITOR'S REPORT (Continued)

Other reporting Required by Oregon State Regulations

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated January 30, 2017, on our consideration of the County's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 30, 2017

By:

A handwritten signature in black ink, appearing to read 'B. Bingenheimer', is written over the 'By:' label.

Bradley G. Bingenheimer, Member

Management's Discussion and Analysis

We offer readers of Benton County's financial statements the following narrative and analysis of the County's financial activities for the fiscal year ended June 30, 2016. We encourage readers to consider this information in conjunction with the letter of transmittal, which begins on page i, and financial statements, which begin on page 17.

Financial Highlights:

- On a government-wide basis, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$153,530,286 (*net position*) as of June 30, 2016, a reduction of \$13,903,095 from June 30, 2015. This reduction is due in large part to the change in deferred outflows and inflows and other pension related balances that are more fully explained in the notes to the financial statements.
- On a governmental basis, the County reported a combined fund balance of \$26,500,444, a decrease of \$606,374 from the prior year. Of this balance, \$11,483,676 is available to meet the County's obligations. The remainder is either non-spendable or restricted.
- At the end of the year, unassigned fund balance for the General Fund was \$11,483,676 or 30.6% of total General Fund expenditures plus transfers to other funds.
- The County's total liabilities and deferred inflows of resources increased by \$14,408,055. This increase was due to a decrease in deferred inflows of resources of \$6,620,428, an increase in net pension liability of \$13,466,545, an increase of \$51,149 in net OPEB obligations, a decrease of \$419,874 in long term debt and an increase of \$242,183 in all other liabilities combined.

Overview of the Financial Statements

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

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

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

Management Discussion and Analysis - Continued

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

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

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

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

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

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

The County maintains nineteen individual governmental funds (1 general fund, 15 special revenue funds, 1 debt service fund and 2 capital project funds). Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Road Fund, and Local Option Levy. These are considered to be major governmental funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Management Discussion and Analysis - Continued

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

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

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

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

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

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

Other information. Required supplementary information and other supplementary information including combining and individual fund statements and schedules can be found starting on page 54 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$153,533,240 at the close of the most recent fiscal year.

The largest portion of the County's net position (100.8%) reflects investment in capital assets (land, buildings, work in progress, improvements, machinery and equipment, bridges and infrastructure) less any related debt to acquire those assets that is still outstanding. The County uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.

Management Discussion and Analysis - Continued

BENTON COUNTY'S Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 35,407,986	\$ 40,098,244	\$ 3,686,682	\$ 3,881,584	\$ 39,094,668	\$ 43,979,828
Capital assets	152,901,119	156,310,720	4,189,131	4,080,441	157,090,250	160,391,161
Deferred outflows of resources	2,367,361	1,567,860	540,945	358,258	2,908,306	1,926,118
Total assets and deferred outflows of resources	<u>190,676,466</u>	<u>197,976,824</u>	<u>8,416,758</u>	<u>8,320,283</u>	<u>199,093,224</u>	<u>206,297,107</u>
Long-term liabilities	31,707,214	21,147,935	4,901,258	2,474,236	36,608,472	23,622,171
Other liabilities	4,505,690	4,247,237	784,445	710,560	5,290,135	4,957,797
Deferred inflows of resources	2,981,951	681,379	681,379	1,892,535	3,663,330	2,573,914
Total liabilities and deferred inflows of resources	<u>39,194,855</u>	<u>26,076,551</u>	<u>6,367,082</u>	<u>5,077,331</u>	<u>45,561,937</u>	<u>31,153,882</u>
Net position:						
Net investment in capital assets	152,092,865	155,313,597	3,971,366	3,837,572	156,064,231	159,151,169
Restricted	505,115	1,353,403	-	-	505,115	1,353,403
Unrestricted	(1,117,369)	7,523,429	(1,921,691)	(594,620)	(3,039,060)	6,928,809
Total net position	<u>\$ 151,480,611</u>	<u>\$ 164,190,429</u>	<u>\$ 2,049,675</u>	<u>\$ 3,242,952</u>	<u>\$ 153,530,286</u>	<u>\$ 167,433,381</u>

Fiscal Year 2016 ended with net position \$13,903,095 less than the end of Fiscal Year 2015. Net position may serve as a useful indicator of an entity's financial strength as it measures the entity's excess of assets and other resources over its obligations on a long term basis.

The County's net position decreased during the year primarily due to the change from a Pension Asset at June 30, 2015 of \$5,144,091 to a Pension Liability of \$13,466,545 at June 30, 2016. The effect of this can be seen in the significant increase in the June 30, 2016 noncurrent liabilities. This resulted from the implementation of GASB 68 in FY 2015 that requires pension related items be recorded in the government-wide statements. In addition, the State of Oregon's PERS system financial position changed dramatically from June 30, 2014 to June 30, 2015 due to an Oregon Supreme Court decision in the spring of 2015 that overturned a number of cost savings legislative changes to the pension system's terms for retirees. The impact of the PERS related items on the statement of net position was a reduction of over \$11,000,000.

101% of Benton County's net position of \$156,064,231 represents its investment in capital assets including land, infrastructure, buildings, roads and equipment, net of related debt. These assets are used to provide core services to Benton County citizens. The portion of net position restricted for use in community services programs totaled \$505,115 or .74%. Due in part to the significant increase in the pension liability and its impact on net position, the unrestricted category of net position is negative for both governmental activities and business-type activities by a total of \$3,039,060.

Management Discussion and Analysis - Continued

BENTON COUNTY'S Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues:						
Program revenues:						
Charges for services	\$ 4,566,212	\$ 4,605,797	\$ 10,057,144	\$ 10,064,536	\$ 14,623,356	\$ 14,670,333
Operating grants and contributions	21,758,583	18,445,198	4,528,785	4,341,380	26,287,368	22,786,578
Capital grants and contributions	-	637,000	-	-	-	637,000
General revenues:						
Property taxes	24,870,659	24,800,396	-	-	24,870,659	24,800,396
Interest and investment earnings	546,093	316,390	20,691	6,678	566,784	323,068
Grants and contributions not restricted to specific programs	1,952,954	2,754,639	256,649	229,945	2,209,603	2,984,584
Total revenue	53,694,501	51,559,420	14,863,269	14,642,539	68,557,770	66,201,959
Expenses:						
General government	8,743,552	4,976,140	-	-	8,743,552	4,976,140
Public safety	15,575,923	12,499,917	-	-	15,575,923	12,499,917
Public works	10,604,985	5,617,078	-	-	10,604,985	5,617,078
Health services	14,318,572	9,139,022	-	-	14,318,572	9,139,022
Justice services	5,318,078	3,525,885	-	-	5,318,078	3,525,885
Community services	1,593,336	1,588,730	-	-	1,593,336	1,588,730
Cultural & educational	6,849,860	4,028,555	-	-	6,849,860	4,028,555
Parks & natural resources	1,129,044	841,117	-	-	1,129,044	841,117
Interest on long-term debt	1,326,390	1,303,125	-	-	1,326,390	1,303,125
Water and sewer	-	-	176,301	180,896	176,301	180,896
Health services	-	-	16,761,492	11,836,365	16,761,492	11,836,365
Real estate rental	-	-	63,332	57,209	63,332	57,209
Total expenses	65,459,740	43,519,569	17,001,125	12,074,470	82,460,865	55,594,039
Change in net position before transfers	(11,765,239)	8,042,851	(2,137,856)	2,568,069	(13,903,095)	10,610,920
Transfers	(944,579)	(921,692)	944,579	921,692	-	-
Change in net position	(12,709,818)	7,121,159	(1,193,277)	3,489,761	(13,903,095)	10,610,920
Prior period adjustment	-	(22,023,292)	-	(2,881,085)	-	(24,904,377)
Net position-beginning	164,190,429	179,092,562	3,242,952	2,634,276	167,433,381	181,726,838
Net position-ending	\$ 151,480,611	\$ 164,190,429	\$ 2,049,675	\$ 3,242,952	\$ 153,530,286	\$ 167,433,381

Management Discussion and Analysis - Continued

As shown in the preceding table, the net position of the County decreased by \$13,903,095 during FY 2016. Discussion and analysis of the changes for both governmental activities and business-type activities are included below.

Changes due to governmental activities

During Fiscal Year 2016, the net position for governmental activities decreased by \$12,709,818. Several key factors produced this result for 2016. The most significant was the dramatic change in pension expense for governmental activities. Due to the Oregon Supreme Court's recent decision to overturn legislative changes to the terms of the statewide PERS system, the County's proportionate share of the collective pension expense was \$13,466,545. Pension expense reported for Fiscal Year 2015 for governmental activities was a negative \$11,576,358. In addition to this impact, significant changes in net position occurred in several major funds with less significant amounts reported in nonmajor funds described below:

Another major factor in the change in Benton County's net position was the inclusion of \$5,191,813 in depreciation expense.

Changes due to business-type activities

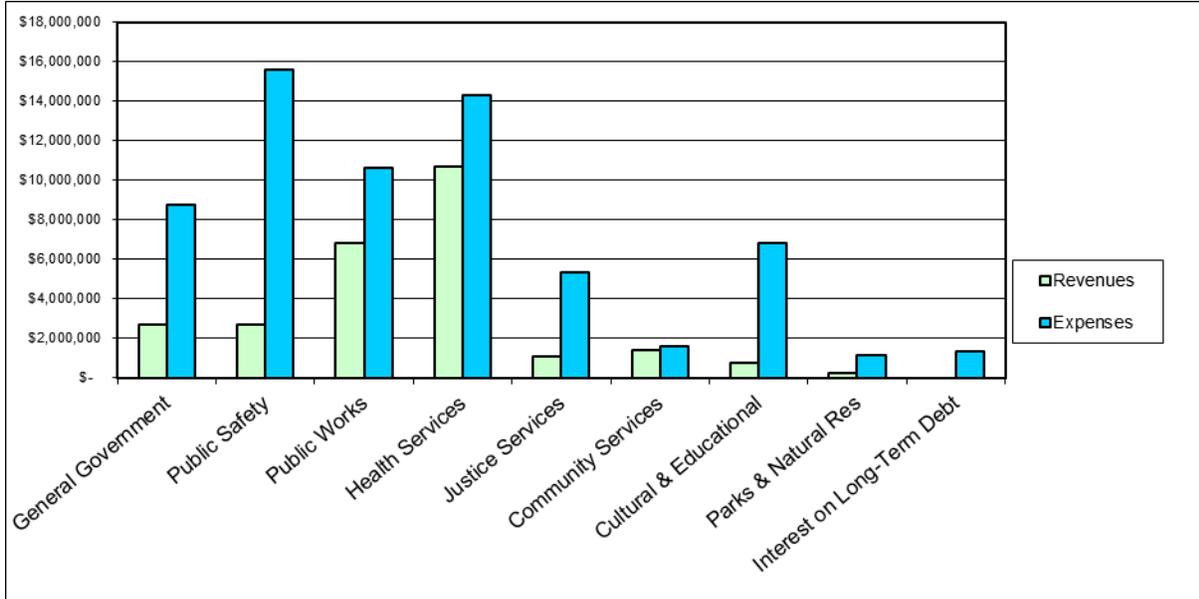
During FY 2016, the net position of business-type activities decreased by \$1,193,277. The impacts on the changes in net position for the business-type activities are indicated below.

- The most significant impact was due to pension expense for business-type activities. For the same reasons described above, pension expense for FY 2016 was \$2,645,212, whereas pension expense for FY 2015 was a negative \$1,220,589.
- A major contributor to the decrease was the operations of the County's Health Center. Revenues were up by \$177,267 and the expenses were up by \$4,929,060 (including the \$2,645,212 pension expense) over the prior year, the County's general fund contributed \$25,571 more than in the prior year. With the coming of healthcare reform, the County is closely monitoring the activities of the Health Center.

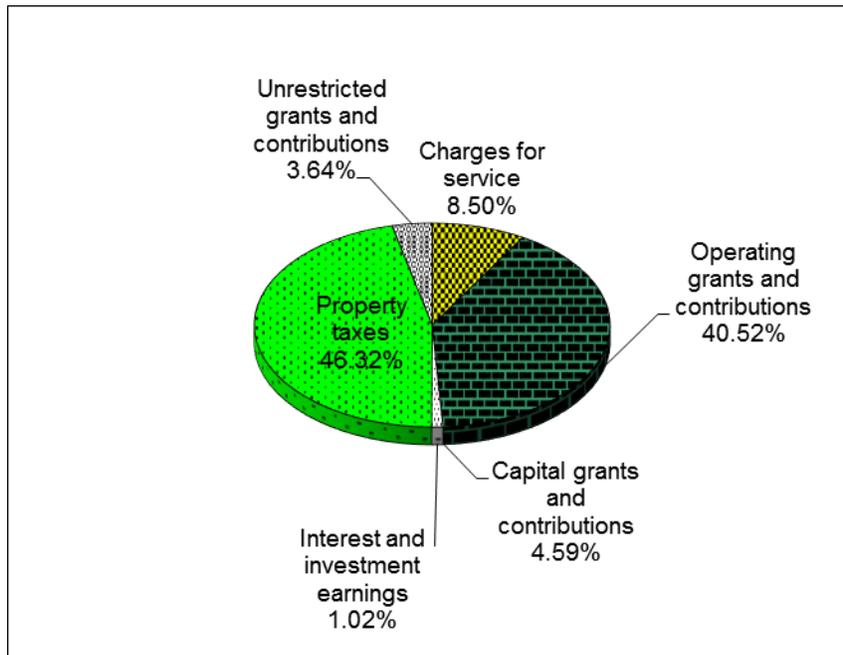
Management Discussion and Analysis - Continued

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

Expenses and Program Revenues – Governmental Activities



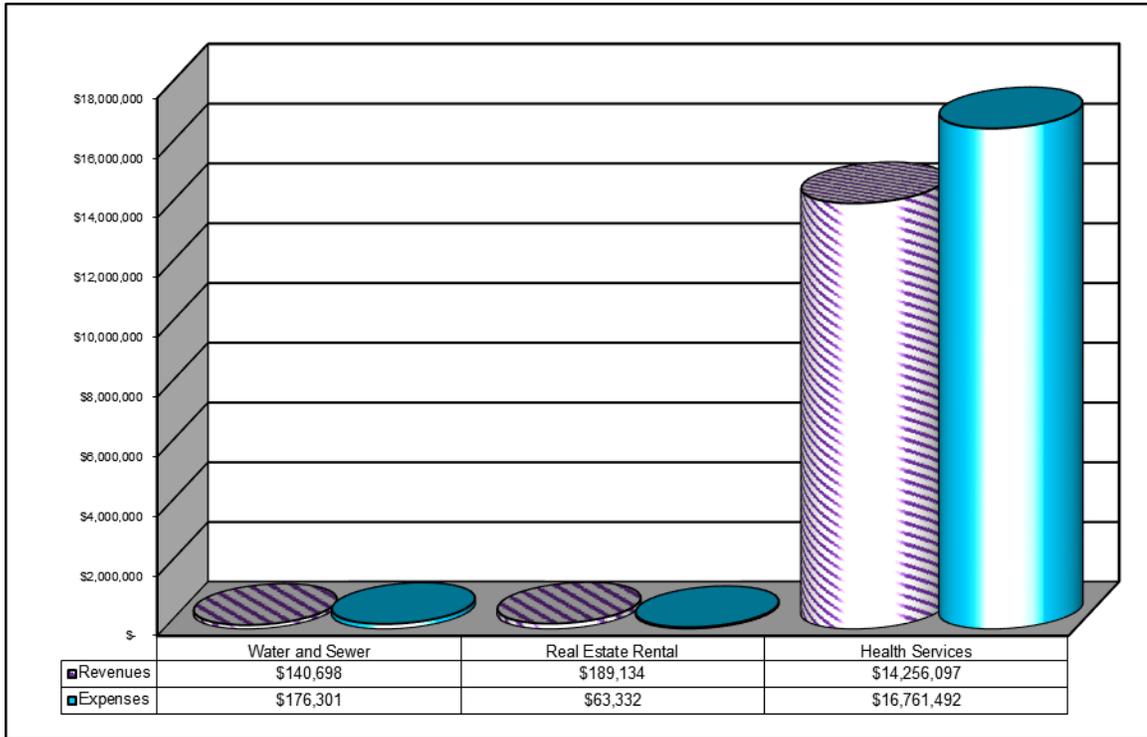
Revenues by Source - Governmental Activities



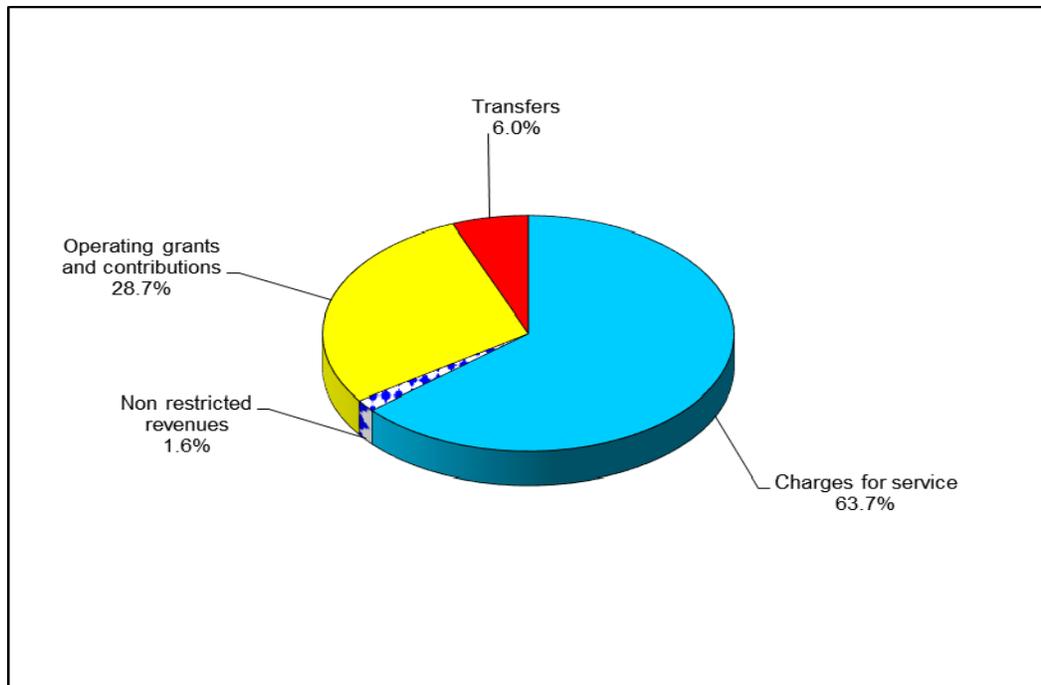
Management Discussion and Analysis - Continued

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

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



Management Discussion and Analysis - Continued

Financial Analysis of Governmental Funds

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

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

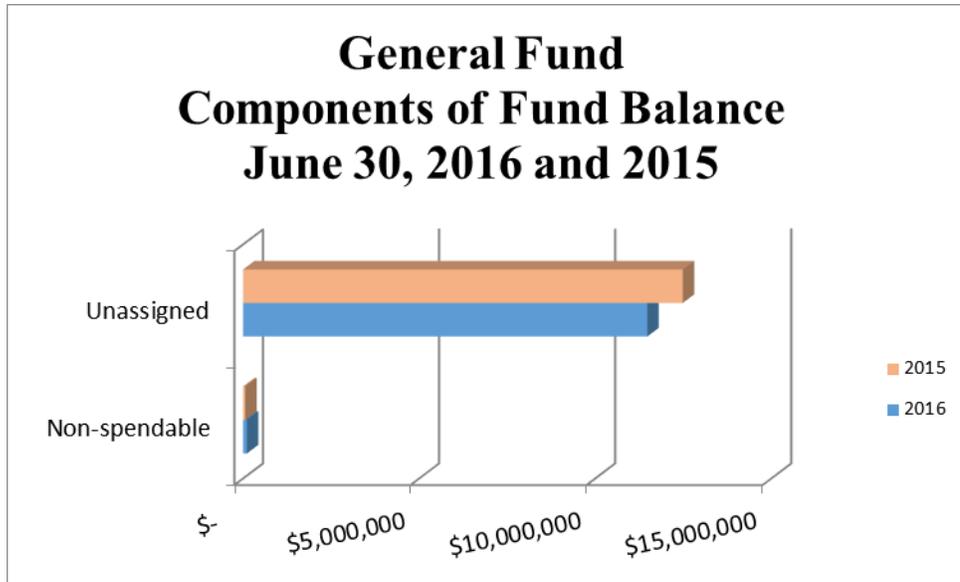
Under GASB 54, the General Fund is the only fund type that should have a positive unassigned fund balance. Unassigned fund balance may serve as a useful measure of a government’s net resources available for spending at the end of a fiscal year. See Footnote IV-H for more information on the details behind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

At June 30, 2016, the County’s governmental funds reported combined fund balances of \$26,502,498, a decrease of \$604,320 in comparison with the prior year. Approximately 44% of this amount (\$11,483,676) constitutes unassigned fund balance, which is available for spending at the county’s discretion. The remainder of the fund balance is either non-spendable, restricted, committed, or assigned to indicate that it is 1) not in spendable form, 2) legally required to be maintained intact 3) restricted for particular purposes, 4) committed for particular purposes, or 5) assigned for particular purposes.

Governmental funds -Fund balances

	2016	2015
Non-spendable	\$ 376,073	\$ 426,725
Restricted	6,722,909	6,661,975
Committed	7,916,865	7,540,101
Assigned	921	914
Unassigned	11,483,676	12,477,103
Total	<u>\$ 26,500,444</u>	<u>\$ 27,106,818</u>

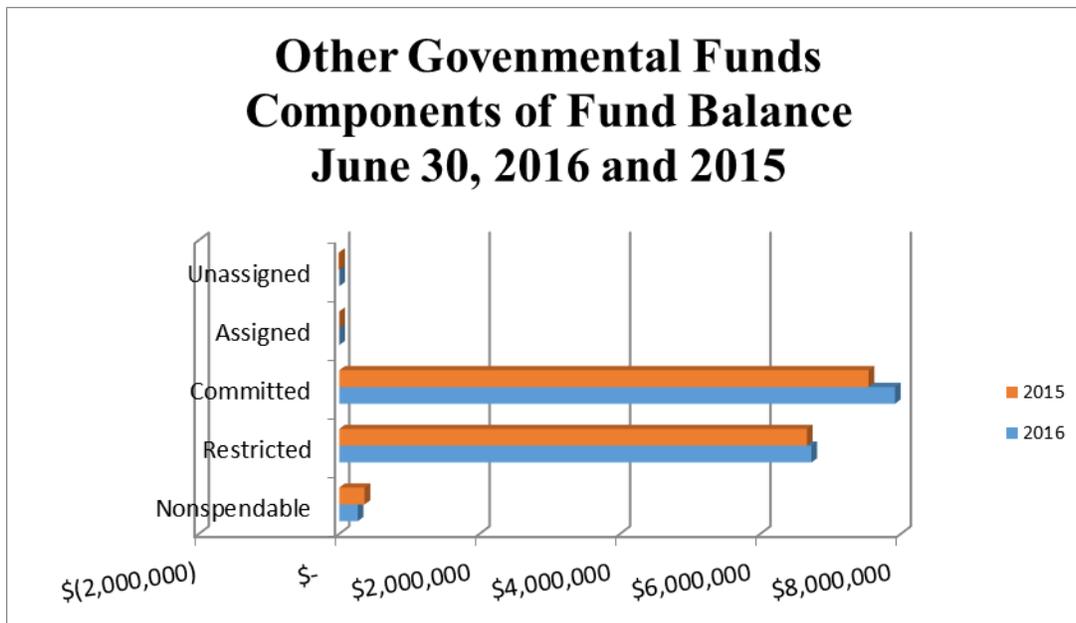
The *General Fund* is the chief operating fund of the County utilizing assets not otherwise restricted as to use. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11,483,676 while the total fund balance was \$11,596,110. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures plus transfers to other funds. Unassigned fund balance represents 30.6% of total general fund expenditures and transfers to other funds, while total fund balance represents approximately 30.9% of that same amount.



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

The fund balance of the General Fund decreased by \$960,250 or 7.6% during the current fiscal year. Key factors were as follows:

- A 4.2% increase in total revenue. The revenue increase was largely an increase in property tax revenue.
- An 11.6 % increase in expenditures, due largely to increases in payroll related costs.



Management Discussion and Analysis - Continued

Road Fund – fund balance decreased by \$123,787 or (4.7%). This decrease was due to a reduction of \$500,000 transfer from the General Fund to pay for road overlays from the prior year.

Local Option Levy Fund – fund balance increased by \$127,072 or 3.5%. This fund was established to account for a five year local option levy to fund selected county services. The increase is a result of an increase in property tax collections.

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

Unrestricted net position in the Health Center at the end of the year was \$(2,816,433), this is a decrease of \$1,486,105. As noted earlier in the discussion, pension related expenses were a major cause of this decrease. The County is monitoring the Health Center’s financial situation very closely.

General Fund Budgetary Highlights

Original budget compared to final budget. Differences between the original expenditure budget and the end of the first year of the biennium adjusted budget had total increases of \$3,286,335 or 4.3%. The County did not know the amount of funds to be received from the State of Oregon at the time of budget adoption. As a result, state revenues and related expenditures were not included in the original budget. Major components of these increases are summarized below:

- State funding for rental assistance - \$359,914.
- Mid-Valley Behavioral closeout - \$811,307
- Various state grants - \$1,043,568.
- Beginning balances not originally budgeted - \$851,937

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

<u>Revenue Source</u>	<u>Estimated Revenues</u>	<u>Actual Revenues</u>	<u>Percentage</u>
Taxes	\$ 33,049,700	\$ 16,239,929	49%
Licenses and permits	2,830,500	1,633,440	58%
Intergovernmental	29,702,721	12,780,279	43%
Charges for services	6,656,321	3,597,897	54%
Investment earnings	280,000	116,017	41%
Miscellaneous	143,590	228,338	159%

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

Management Discussion and Analysis - Continued

Capital Asset and Debt Administration

Capital assets. The County’s investment in capital assets for its governmental and business type activities at year-end amounts to \$157,090,250 (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	
	2016	2015	2016	2015	2016	2015
Land	\$ 10,524,279	\$ 10,835,652	\$ 295,298	\$ 295,298	\$ 10,819,577	\$ 11,130,950
Construction in progress	384,601	129,584	-	-	384,601	129,584
Land improvements	1,313,293	1,326,521	-	-	1,313,293	1,326,521
Buildings	11,181,831	13,379,426	1,693,701	1,601,289	12,875,532	14,980,715
Intangibles	260,853	222,941	30,451	18,400	291,304	241,341
Machinery and equipment	4,599,543	5,035,509	153,820	88,743	4,753,363	5,124,252
Infrastructure	124,636,719	125,381,087	2,015,861	2,076,711	126,652,580	127,457,798
Total	<u>\$ 152,901,119</u>	<u>\$ 156,310,720</u>	<u>\$ 4,189,131</u>	<u>\$ 4,080,441</u>	<u>\$ 157,090,250</u>	<u>\$ 160,391,161</u>

Major capital asset events this fiscal year included the following:

- Transfer of the Monroe Library to the City of Monroe of (\$2,187,830).
- Infrastructure improvement in the amount of \$2,473,295.

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 \$16,386,833. \$16,378,579 represents debt backed by the full faith and credit of the County; \$8,254 comprises capital lease obligations.

Benton County's Outstanding Debt

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bond/loan	\$ 800,000	\$ 980,000	\$ 206,280	\$ 223,566	\$ 1,006,280	\$ 1,203,566
Full faith and credit obligations	14,280,867	14,649,865	1,091,433	1,119,634	15,372,300	15,769,499
Revenue bonds	-	-	-	19,303	-	19,303
Capital leases	8,254	17,123	-	-	8,254	17,123
Total	<u>\$ 15,089,121</u>	<u>\$ 15,646,988</u>	<u>\$ 1,297,713</u>	<u>\$ 1,362,503</u>	<u>\$ 16,386,834</u>	<u>\$ 17,009,491</u>

Management Discussion and Analysis - Continued

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

Economic Factors and Next Biennium's Budgets and Rates

- The unemployment rate for Benton County at the close of the fiscal year was 4.4%. This is down 0.4% from the same time last year. The rate is not expected to significantly change before the end of the next fiscal year.
- **Key strategies in preparing the 2015-17 biennial budget were:**
 - Development of the 2015-17 budget was guided by a single overriding goal directed by the Board of Commissioners: produce a General Fund budget where current revenue equals current expenditures. Do not rely on prior year's surplus to finance ongoing operations.
- **Key resource assumptions:**
 - Growth in discretionary revenue, due to settlement of some large value appeals of taxable value and a 4% growth in assessed value.
 - Increases in charges for services in the Health programs.
 - There would be no increase in land based fees and charges.
 - General Fund ending balances from 2013-15 would be stronger than planned due to operational savings and modestly better revenue than estimated.
- **Key expenditure assumptions:**
 - Total cost of personnel salaries and wages would increase by 2.5% per year.
 - Medical insurance premiums would increase. However, since premiums from the prior biennium declined by nearly 20%, the cost of the increase is little changed in dollars from the prior biennium assumption.
 - Employee retirement costs (PERS) rates were essentially unchanged.

All of these factors were considered in preparing the County's budget for biennium 2015-17.

The County's adopted biennial budget for 2015-17 is \$207,920,050 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 \$86,838,816 as compared to \$76,064,365 for the previous biennium. The increase is primarily due to two factors: (1) an increase in the amount budgeted for pass-through contracts for mental health and development diversity services, and (2) an increase in the personnel cost due to hiring of additional staff, particularly in health services.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

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

June 30, 2016

	<i>Governmental Activities</i>	<i>Business-type Activities</i>	<i>Total</i>
ASSETS			
Cash and investments	\$ 30,530,109	\$ 2,986,782	\$ 33,516,891
Receivables:			
Accounts	784,749	495,544	1,280,293
Taxes and assessments	1,783,514	21,329	1,804,843
Intergovernmental	1,246,375	-	1,246,375
Internal balances	38,828	(38,828)	-
Loans	344,751	-	344,751
Inventory	363,106	188,310	551,416
Prepays	315,554	33,545	349,099
Capital assets:			
Land and construction in progress	10,908,880	295,298	11,204,178
Other capital assets (net of accumulated depreciation)	141,992,239	3,893,833	145,886,072
Total assets	188,308,105	7,875,813	196,183,918
DEFERRED OUTFLOWS OF RESOURCES			
Pension related items	2,367,361	540,945	2,908,306
LIABILITIES			
Accounts payable	1,925,988	335,856	2,261,844
Accrued payroll costs	1,282,680	336,618	1,619,298
Other accrued liabilities	186,503	3,376	189,879
Grant advance	8,685	-	8,685
Accrued interest	91,271	-	91,271
Noncurrent liabilities:			
Due within one year	1,010,564	108,596	1,119,160
Due in more than one year:	31,707,213	4,901,258	36,608,471
Total liabilities	36,212,904	5,685,704	41,898,608
DEFERRED INFLOWS OF RESOURCES			
Pension related items	2,981,951	681,379	3,663,330
NET POSITION			
Net investment in capital assets	152,092,865	3,971,366	156,064,231
Restricted for:			
Community services	505,115	-	505,115
Unrestricted	(1,117,369)	(1,921,691)	(3,039,060)
Total net position	\$ 151,480,611	\$ 2,049,675	\$ 153,530,286

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

BENTON COUNTY, OREGON

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
General government	\$ 8,743,552	\$ 631,958	\$ 2,037,407	\$ (6,074,187)	\$ -	\$ (6,074,187)
Public works	10,604,985	1,323,450	5,494,250	(3,787,285)	-	(3,787,285)
Public safety	15,575,923	372,932	2,329,772	(12,873,219)	-	(12,873,219)
Health services	14,318,572	908,068	9,750,292	(3,660,212)	-	(3,660,212)
Justice services	5,318,078	210,045	878,363	(4,229,670)	-	(4,229,670)
Community services	1,593,336	464,550	925,336	(203,450)	-	(203,450)
Cultural and educational services	6,849,860	575,172	212,012	(6,062,676)	-	(6,062,676)
Parks and natural resources	1,129,044	80,037	131,151	(917,856)	-	(917,856)
Interest on long-term debt	1,326,390	-	-	(1,326,390)	-	(1,326,390)
Total governmental activities	<u>65,459,740</u>	<u>4,566,212</u>	<u>21,758,583</u>	<u>(39,134,945)</u>	<u>-</u>	<u>(39,134,945)</u>
Business-type activities						
Water and sewer	176,301	140,698	-	-	(35,603)	(35,603)
Health services	16,761,492	9,730,312	4,525,785	-	(2,505,395)	(2,505,395)
Real estate rentals	63,332	186,134	3,000	-	125,802	125,802
Total business-type activities	<u>17,001,125</u>	<u>10,057,144</u>	<u>4,528,785</u>	<u>-</u>	<u>(2,415,196)</u>	<u>(2,415,196)</u>
Totals	<u>\$ 82,460,865</u>	<u>\$ 14,623,356</u>	<u>\$ 26,287,368</u>	(39,134,945)	(2,415,196)	(41,550,141)
General revenues:						
Property taxes				24,870,659	-	24,870,659
Unrestricted investment earnings				546,093	20,691	566,784
Grants and contributions not restricted to specific programs				1,952,954	256,649	2,209,603
Transfers				<u>(944,579)</u>	<u>944,579</u>	<u>-</u>
Total general revenues and transfers				<u>26,425,127</u>	<u>1,221,919</u>	<u>27,647,046</u>
Changes in net position				(12,709,818)	(1,193,277)	(13,903,095)
Net position - beginning				<u>164,190,429</u>	<u>3,242,952</u>	<u>167,433,381</u>
Net position - ending				<u>\$ 151,480,611</u>	<u>\$ 2,049,675</u>	<u>\$ 153,530,286</u>

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

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

June 30, 2016

	<u>General</u>	<u>Road</u>	<u>Local Option Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and investments	\$ 11,859,290	\$ 2,094,012	\$ 3,911,476	\$ 7,648,674	\$ 25,513,452
Receivables:					
Accounts	368,045	21,269	-	-	389,314
Taxes and assessments	1,135,302	-	462,684	185,528	1,783,514
Intergovernmental	643,179	556,636	-	46,560	1,246,375
Advances to other funds	38,828	-	-	1,306,257	1,345,085
Loans	-	-	-	344,751	344,751
Inventory	-	245,026	-	5,703	250,729
Prepays	112,434	7,037	2,449	3,424	125,344
Total assets	\$ 14,157,078	\$ 2,923,980	\$ 4,376,609	\$ 9,540,897	\$ 30,998,564
LIABILITIES					
Accounts payable	\$ 515,100	\$ 321,313	\$ 138,404	\$ 321,890	\$ 1,296,707
Accrued payroll costs	802,083	106,144	103,888	12,105	1,024,220
Other accrued liabilities	185,994	-	-	-	185,994
Due to other governments	14,315	-	-	-	14,315
Total liabilities	1,517,492	427,457	242,292	333,995	2,521,236
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	1,034,791	-	424,104	168,944	1,627,839
Unavailable revenue-uneared income	8,685	-	-	-	8,685
Unavailable revenue-loans receivable	-	-	-	340,360	340,360
Total deferred inflows of resources	1,043,476	-	424,104	509,304	1,976,884
FUND BALANCES					
Nonspendable	112,434	252,063	2,449	9,127	376,073
Restricted	-	2,244,460	3,707,764	770,685	6,722,909
Committed	-	-	-	7,916,865	7,916,865
Assigned	-	-	-	921	921
Unassigned	11,483,676	-	-	-	11,483,676
Total fund balances	11,596,110	2,496,523	3,710,213	8,697,598	26,500,444
Total liabilities, deferred inflows of resources and fund balances	\$ 14,157,078	\$ 2,923,980	\$ 4,376,609	\$ 9,540,897	\$ 30,998,564

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

BENTON COUNTY, OREGON

RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS

TO THE STATEMENT OF NET POSITION

June 30, 2016

Total fund balance (page 17)	\$ 26,500,444
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$157,760,600.	141,782,308
The Statement of Net Position reports receivables at their net realizable value; however, revenue not available to pay for current period expenditures are reported as unavailable in the funds.	1,968,199
The statement of net position reports a liability for the entity's proportionate share of the net pension liability related to its participation in Oregon Public Employee Retirement System (OPERS)	(8,672,455)
The government-wide statements report as a deferred outflow, contributions made to OPERS subsequent to the measurement date of June 30, 2015	1,872,949
The government-wide statements report as a deferred inflow amounts related to changes in assumptions and investment returns related to its participation in OPERS	(2,359,185)
Internal service funds are used by management to charge the costs of fleet management, management information systems, mail, photocopy, property management, central administration, worker's compensation, and telephone services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	8,120,279
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(2,361,851)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(15,370,077)
Net position of governmental activities (page 15)	\$ <u>151,480,611</u>

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

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

For the Year Ended June 30, 2016

	<u>General</u>	<u>Road</u>	<u>Local Option Levy</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes and assessments	\$ 16,239,928	\$ -	\$ 6,386,053	\$ 2,683,035	\$ 25,309,016
Licenses and permits	1,633,440	-	-	-	1,633,440
Intergovernmental	12,780,279	5,494,250	6,359	3,477,695	21,758,583
Charges for services	3,597,897	1,224,093	-	1,154,817	5,976,807
Interest	116,930	11,151	32,448	52,702	213,231
Miscellaneous	220,583	11,323	26,674	119,325	377,905
Total revenues	<u>34,589,057</u>	<u>6,740,817</u>	<u>6,451,534</u>	<u>7,487,574</u>	<u>55,268,982</u>
EXPENDITURES					
Current:					
General government	7,078,282	-	1,681	109,368	7,189,331
Public works	-	5,683,715	-	110,310	5,794,025
Public safety	10,714,661	-	3,472,820	-	14,187,481
Health services	10,042,207	-	343,347	2,344,873	12,730,427
Justice services	3,998,448	-	486,876	61,014	4,546,338
Community services	256,850	-	-	1,245,496	1,502,346
Cultural and educational services	635,652	-	-	3,816,934	4,452,586
Parks and natural resources	1,046,319	-	-	-	1,046,319
Debt service:					
Principal	-	-	-	397,200	397,200
Interest	-	-	-	1,279,129	1,279,129
Capital outlay	-	1,310,012	-	522,515	1,832,527
Total expenditures	<u>33,772,419</u>	<u>6,993,727</u>	<u>4,304,724</u>	<u>9,886,839</u>	<u>54,957,709</u>
Excess (deficiency) of revenues over (under) expenditures	<u>816,638</u>	<u>(252,910)</u>	<u>2,146,810</u>	<u>(2,399,265)</u>	<u>311,273</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,946,136	250,000	30,000	2,764,930	4,991,066
Transfers out	<u>(3,723,024)</u>	<u>(120,877)</u>	<u>(2,049,862)</u>	<u>(14,951)</u>	<u>(5,908,714)</u>
Total other financing sources (uses)	<u>(1,776,888)</u>	<u>129,123</u>	<u>(2,019,862)</u>	<u>2,749,979</u>	<u>(917,648)</u>
Net change in fund balances	(960,250)	(123,787)	126,948	350,714	(606,375)
Fund balances - beginning	<u>12,556,360</u>	<u>2,620,310</u>	<u>3,583,265</u>	<u>8,346,884</u>	<u>27,106,819</u>
Fund balances - ending	<u>\$ 11,596,110</u>	<u>\$ 2,496,523</u>	<u>\$ 3,710,213</u>	<u>\$ 8,697,598</u>	<u>\$ 26,500,444</u>

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

BENTON COUNTY, OREGON

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2016

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

<i>Net change in fund balances - total governmental funds (page 19)</i>	\$ (606,375)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current period.	(468,363)
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.	(1,310,640)
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.	(437,457)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	308,368
The changes in net pension liability (asset) and deferred inflows and outflows related to the entity's participation in OPERS are reported as pension expense on the statement of activities.	(7,159,257)
The net effect of various miscellaneous transactions involving capital assets (for example: sales, trade-ins, and donations) is to decrease net position.	(2,900,547)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(134,647)</u>
<i>Change in net position of governmental activities (page 16)</i>	<u>\$ (12,708,918)</u>

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

BENTON COUNTY, OREGON
STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2016

	<i>Business-type Activities</i>				<i>Governmental Activities</i>
	<i>Health Center</i>	<i>East Linn Clinic</i>	<i>Non-major Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,569,311	\$ 914,797	\$ 502,674	\$ 2,986,782	\$ 5,016,657
Accounts receivable	417,627	64,437	13,480	495,544	395,435
Inventory	176,947	11,363	-	188,310	112,377
Prepays	32,639	667	239	33,545	190,210
Total current assets	2,196,524	991,264	516,393	3,704,181	5,714,679
Noncurrent assets:					
Assessments receivable	-	-	21,329	21,329	-
Capital assets:					
Land and non-depreciable assets	-	-	295,298	295,298	1,595,479
Buildings	1,035,130	43,115	1,198,038	2,276,283	13,925,104
Intangibles	32,000	16,637	-	48,637	1,229,380
Machinery and equipment	133,203	56,265	27,230	216,698	8,627,413
Utility system	-	-	3,652,636	3,652,636	-
Less accumulated depreciation	(211,723)	(4,184)	(2,084,514)	(2,300,421)	(14,258,565)
Total capital assets (net of accumulated depreciation)	988,610	111,833	3,088,688	4,189,131	11,118,811
Total noncurrent assets	988,610	111,833	3,110,017	4,210,460	11,118,811
Total assets	3,185,134	1,103,097	3,626,410	7,914,641	16,833,490
DEFERRED OUTFLOWS OF RESOURCES					
Pension related items	474,054	66,891	-	540,945	494,412
LIABILITIES					
Current liabilities:					
Accounts payable	273,124	59,405	3,327	335,856	609,713
Accrued payroll	286,459	50,159	-	336,618	258,460
Compensated absences	53,569	6,132	-	59,701	85,509
Bonds/notes/loans payable	31,260	-	17,635	48,895	255,445
Leases payable	-	-	-	-	8,254
Customer deposits	-	-	3,376	3,376	509
Total current liabilities	644,412	115,696	24,338	784,446	1,223,144
Non-current liabilities:					
PERS bonds payable	1,060,173	-	-	1,060,173	2,385,448
Compensated absences	281,420	25,113	-	306,533	765,696
Net OPEB obligation	708,836	132,295	-	841,131	-
Advances from other funds	-	-	38,828	38,828	1,306,257
Notes/loans payable	-	-	188,644	188,644	615,000
Net pension liability	2,195,047	309,730	-	2,504,777	2,289,312
Total non-current liabilities	4,245,476	467,138	227,472	4,940,086	7,361,713
Total liabilities	4,889,888	582,834	251,810	5,724,532	8,584,857
DEFERRED INFLOWS OF RESOURCES					
Pension related items	597,123	84,256	-	681,379	622,766
NET POSITION					
Net investment in capital assets	988,610	111,833	2,870,923	3,971,366	8,985,808
Unrestricted	(2,816,433)	391,065	503,677	(1,921,691)	(865,529)
Total net position	\$ (1,827,823)	\$ 502,898	\$ 3,374,600	\$ 2,049,675	\$ 8,120,279

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

BENTON COUNTY, OREGON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2016

	<i>Business-type Activities</i>				<i>Governmental Activities</i>
	<i>Health Center</i>	<i>East Linn Clinic</i>	<i>Non-major Enterprise Funds</i>	<i>Totals</i>	<i>Internal Service Funds</i>
Operating Revenues					
Charges for services	\$ 8,465,330	\$ 1,264,982	\$ 326,832	\$ 10,057,144	\$ 14,840,485
Intergovernmental	3,163,868	1,361,917	3,000	4,528,785	-
Investment earnings	-	-	-	-	345,881
Miscellaneous	142,620	114,029	-	256,649	13,683
Total operating revenues	<u>11,771,818</u>	<u>2,740,928</u>	<u>329,832</u>	<u>14,842,578</u>	<u>15,200,049</u>
Operating Expenses					
Personnel services	8,754,646	1,595,238	-	10,349,884	9,006,952
Materials and services	5,453,268	921,175	145,411	6,519,854	6,545,557
Depreciation/amortization	31,639	4,184	88,803	124,626	900,852
Total operating expenses	<u>14,239,553</u>	<u>2,520,597</u>	<u>234,214</u>	<u>16,994,364</u>	<u>16,453,361</u>
Operating income (loss)	<u>(2,467,735)</u>	<u>220,331</u>	<u>95,618</u>	<u>(2,151,786)</u>	<u>(1,253,312)</u>
Nonoperating revenues (expenses)					
Investment earnings	11,971	4,513	4,207	20,691	20,343
Interest expense	(1,342)	-	(5,419)	(6,761)	(50,740)
Total nonoperating revenues (expenses)	<u>10,629</u>	<u>4,513</u>	<u>(1,212)</u>	<u>13,930</u>	<u>(30,397)</u>
Income (loss) before transfers	(2,457,106)	224,844	94,406	(2,137,856)	(1,283,709)
Transfers in	1,282,029	-	-	1,282,029	274,603
Transfers out	(284,185)	(53,265)	-	(337,450)	(301,534)
Change in net position	<u>(1,459,262)</u>	<u>171,579</u>	<u>94,406</u>	<u>(1,193,277)</u>	<u>(1,310,640)</u>
Total net position - beginning	<u>(368,561)</u>	<u>331,319</u>	<u>3,280,194</u>	<u>3,242,952</u>	<u>9,430,919</u>
Total net position - ending	<u>\$ (1,827,823)</u>	<u>\$ 502,898</u>	<u>\$ 3,374,600</u>	<u>\$ 2,049,675</u>	<u>\$ 8,120,279</u>

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

BENTON COUNTY, OREGON

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Year Ended June 30, 2016

	<i>Business-type Activities</i>				<i>Governmental</i>
	<i>Health</i>	<i>East Linn</i>	<i>Non-major</i>		<i>Internal</i>
	<i>Center</i>	<i>Clinic</i>	<i>Enterprise Funds</i>	<i>Totals</i>	<i>Service Funds</i>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 8,560,323	\$ 1,258,204	\$ 336,823	\$ 10,155,350	\$ 14,647,737
Grants	3,163,868	1,361,917	3,000	4,528,785	-
Investment earnings	-	-	-	-	265,426
Miscellaneous donations	142,620	114,029	-	256,649	3,877
Interest earnings distributed	-	-	-	-	(259,339)
Payments to suppliers	(5,539,603)	(884,959)	(146,286)	(6,570,848)	(6,140,681)
Paid to employees	(6,891,092)	(1,292,677)	-	(8,183,769)	(7,003,056)
Net cash provided (used) by operating activities	<u>(563,884)</u>	<u>556,514</u>	<u>193,537</u>	<u>186,167</u>	<u>1,513,964</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal paid on noncapital debt	(28,201)	-	-	(28,201)	(63,552)
Interest paid on noncapital debt	-	-	-	-	(558)
Transfers in	1,282,029	-	-	1,282,029	274,603
Transfers out	(284,185)	(53,265)	-	(337,450)	(301,534)
Net cash provided (used) by noncapital financing activities	<u>969,643</u>	<u>(53,265)</u>	<u>-</u>	<u>916,378</u>	<u>(91,041)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(58,482)	(116,017)	(58,817)	(233,316)	(913,777)
Disposition of capital assets	-	-	-	-	53,614
Assessments received	-	-	1,898	1,898	-
Loan from other funds	-	-	13,570	13,570	-
Principal paid on debt	-	-	(43,432)	(43,432)	(188,869)
Interest paid on debt	(1,342)	-	(5,419)	(6,761)	(50,182)
Net cash (used) by capital and related financing activities	<u>(59,824)</u>	<u>(116,017)</u>	<u>(92,200)</u>	<u>(268,041)</u>	<u>(1,099,214)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	11,971	4,513	4,207	20,691	20,343
Net increase (decrease) in cash and cash equivalents	357,906	391,745	105,544	855,195	344,052
<i>Cash and cash equivalents - beginning</i>	<u>1,211,405</u>	<u>523,052</u>	<u>397,130</u>	<u>2,131,587</u>	<u>4,672,605</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 1,569,311</u>	<u>\$ 914,797</u>	<u>\$ 502,674</u>	<u>\$ 2,986,782</u>	<u>\$ 5,016,657</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (2,467,735)	\$ 220,331	\$ 95,618	\$ (2,151,786)	\$ (1,253,312)
Adjustments to reconcile operating income (loss) to net cash provided by/(used in) operating activities:					
Depreciation/amortization	31,639	4,184	88,803	124,626	900,852
Change in assets and liabilities:					
Receivables	94,993	(6,778)	9,764	97,979	(267,191)
Prepays	6,760	(315)	1,276	7,721	(138,738)
Inventory	(48,543)	(4,587)	-	(53,130)	17,910
Net pension asset	838,487	118,314	-	956,801	874,496
Deferred inflows/outflows of resources	(1,221,486)	(172,357)	(760)	(1,394,603)	(1,289,760)
Net pension liability	2,195,047	309,730	-	2,504,777	2,289,312
Due to customers	-	-	(180)	(180)	-
Compensated absences	9,161	8,581	-	17,742	95,711
OPEB	(19,863)	25,695	-	5,832	-
Payables	17,656	53,716	(984)	70,388	284,684
<i>Net cash provided (used) by operating activities</i>	<u>\$ (563,884)</u>	<u>\$ 556,514</u>	<u>\$ 193,537</u>	<u>\$ 186,167</u>	<u>\$ 1,513,964</u>

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

BENTON COUNTY, OREGON
STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2016

	<i>Private-purpose Trust</i>	<i>Investment Trust</i>	<i>Agency Fund</i>
ASSETS			
Cash and investments	\$ 1,159,549	\$ (207)	\$ 193,441
Receivables:			
Notes	3,833	-	-
Accounts	-	-	16,049
Property taxes	-	-	7,221,893
Total assets	<u>1,163,382</u>	<u>(207)</u>	<u>7,431,383</u>
LIABILITIES			
Accounts payable	22,951	735	-
Due to other governmental agencies	-	-	7,431,383
Other liabilities	<u>8,592</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>31,543</u>	<u>735</u>	<u>\$ 7,431,383</u>
NET POSITION (DEFICIT)			
<i>Held in trust</i>	<u>\$ 1,131,839</u>	<u>\$ (942)</u>	

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

BENTON COUNTY, OREGON
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2016

	<i>Private-purpose Trust</i>	<i>Investment Trust</i>
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Private donations	\$ 107,995	\$ 74,400
Intergovernmental	57,881	-
Charges for services	55,974	-
Sale of timber	341,128	-
Tax foreclosure sale	91,653	
Interest earnings	8,363	
	<u>662,994</u>	<u>74,400</u>
Total additions		
DEDUCTIONS		
Personal services	28,629	-
Materials and services	268,677	-
Capital outlay	1,106	-
Transfers	-	77,524
	<u>298,412</u>	<u>77,524</u>
Total deductions		
Change in net position	364,582	(3,124)
Net position - beginning	<u>767,257</u>	<u>2,182</u>
Net position- ending	<u><u>\$ 1,131,839</u></u>	<u><u>\$ (942)</u></u>

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

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2016

I. Summary of significant accounting policies

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

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

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

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

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

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

Activities of all component units are included in these financial statements on a blended basis because the County Commissioners serve as the governing body of these Districts and the County has operational responsibility. Separately issued financial statements of the Library Service District are available from Benton County Finance. The remaining districts are not required by the state of Oregon to produce separately issued financial statements.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

I. Summary of significant accounting policies (continued)

C. Government-wide and Fund Financial Statements

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

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

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

The County reports the following major governmental funds:

- General** – This is the County’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Road** – Road Fund revenues come from state highway taxes and from road maintenance projects. The expenditures of the road fund are restricted under Article IX of the Constitution of the State of Oregon for construction, reconstruction, improvement, repair, maintenance, operation, use and policing of public highways, roads and streets within the County.
- Local Option Levy**– This fund accounts for a five-year local option property tax levy, restricted for health and safety functions.

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

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

Additionally, the government reports the following fund types:

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

I. Summary of significant accounting policies (continued)

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

Enterprise - These funds account for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

Internal service – These funds account for central administrative “overhead” services, rental of County space, costs of fleet services, personal computer support, mail and photocopy services, and worker’s compensation coverage provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

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

Agency – These funds are used to account for resources received and held 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.

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

I. Summary of significant accounting policies (continued)

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

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

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

Significant revenues that were measurable and available at June 30, 2016 under the modified accrual basis of accounting were as follows:

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

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

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

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

E. Assets, liabilities, and net position or equity

1. Cash, cash equivalents and investments

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

I. Summary of significant accounting policies (continued)

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

2. Receivables

Accounts – 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 inflows of resources and, accordingly, have not been recorded as revenues. Assessments receivable, which represent minor improvements benefiting specific property owners, are financed by and recorded in governmental funds. The receivables are offset by a deferred inflow of resources 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 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.

Loans – 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.

3. Interfund transactions

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

4. Inventory

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

I. Summary of significant accounting policies (continued)

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

5. Prepaids

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

6. Capital assets

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

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

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

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

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

7. Compensated absences

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

I. Summary of significant accounting policies (continued)

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

8. 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.

9. Funds with a deficit in net position

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

<u>Fund</u>	<u>Net (deficit)</u>
Health Clinic Fund	\$(1,827,823)
Management Service Fund	(1,147,968)
Health Management Service Fund	(1,994,165)

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

10. Pensions

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

I. Summary of significant accounting policies (continued)

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

Deferred inflows of resources and deferred outflows of resources – Statement No. 68 includes recognition of deferred inflows and outflows of resources associated with the difference between projected and actual earnings on pension plan investments. These differences are to be recognized in pension expense using a systematic and rational method over a closed five-year period. At the end of the current fiscal year, these balances, all related to pensions are shown below.

	Governmental Activities	Business-type Activities	Total
Net difference between projected and actual earnings on investments	\$ 2,297,835	\$ 525,058	\$ 2,822,893
Differences between employer contributions and employer's proportionate share of system contributions	<u>684,116</u>	<u>156,321</u>	<u>840,437</u>
Total deferred Inflows of Resources	<u>\$ 2,981,951</u>	<u>\$ 681,379</u>	<u>\$ 3,663,330</u>

II. Reconciliation of government-wide and fund financial statements

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

The governmental fund balance sheet includes reconciliation between *fund balance - total governmental funds* and *net position - governmental activities* as reported in the government-wide statement of net position. The details of this \$124,981,067 difference are as follows:

Capital assets, not reported in the funds	\$141,782,308
Long-term liabilities	(15,370,077)
Deferred inflows of resources	1,969,099
Pension related adjustments	(9,158,691)
Internal service fund Net Position	8,120,279
Compensated absences	<u>(2,361,851)</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$124,981,067</u>

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

Pension bonds	\$(11,824,973)
Accrued interest on long term debt	(91,271)
Net OPEB obligation	<u>(3,453,833)</u>
Net adjustment to long-term liabilities	<u>\$(15,370,077)</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

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 position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains, "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(468,363) difference are as follows:

Additions to capital assets	\$3,697,672
Depreciation expense	<u>(4,166,035)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$ (468,363)</u>

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$ (134,648) difference are as follows:

Change in OPEB obligation	(45,315)
Change in compensated absences	<u>(89,332)</u>
Net adjustment to <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>\$(134,647)</u>

III. Stewardship, compliance, and accountability

A. Budgetary information

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

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

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2016

III. Stewardship, compliance, and accountability (continued)

A. Budgetary information (continued)

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

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

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

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

B. Reconciliation of budgetary basis to GAAP basis fund balance

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

	General Fund	Road Fund	Local Option Fund	Nonmajor Funds
Fund balance - budgetary basis	\$ 12,364,667	\$ 2,357,656	\$ 3,812,378	\$ 7,393,345
Inventory	-	245,026	-	5,703
Intergovernmental receivable	(53)	-	-	-
Accrued payroll	(807,332)	(106,159)	(102,165)	(12,099)
Loans outstanding	38,828	-	-	1,310,649
	<u>38,828</u>	<u>-</u>	<u>-</u>	<u>1,310,649</u>
Fund balance - GAAP basis	<u>\$ 11,596,110</u>	<u>\$ 2,496,523</u>	<u>\$ 3,710,213</u>	<u>\$ 8,697,598</u>

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2016

III. Stewardship, compliance, and accountability (continued)

C. Excess of expenditures over appropriations

For the first year of the biennium ended June 30, 2017, 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 \$543,409 and the bank balance was \$1,617,754. The County manages custodial risk for deposits and investments in accordance with Oregon Revised Statutes.

ORS 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. Barring any exceptions, a bank depository is required to pledge collateral valued at least 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of State Treasurer. In the event of a bank failure, the entire pool of collateral pledged by all qualified Oregon public funds bank depositories is available to repay deposits of public funds of government entities. Of the County's bank deposits, \$735,745 was covered by FDIC and the remainder was subject to the State of Oregon collateral pool program.

Cash on hand	\$ 41,421
Deposits with financial institutions	543,409
Investments	34,284,844
Total cash and investments	<u>\$ 34,869,674</u>
Cash and investments on government-wide statement of net position	\$ 33,516,891
Cash and investments on Statement of Fiduciary net position	1,352,783
	<u>\$ 34,869,674</u>

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2016

IV. Detailed notes on all funds (continued)

A. Cash and investments (continued)

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

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

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

	Total	Quoted prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Corporate Notes	\$ 1,761,008	\$ -	\$ 1,761,008	\$ -
Municipalities	3,028,455	-	3,028,455	-
Federal Agency Securities	1,741,912	-	1,741,912	-
	<u>\$ 6,531,375</u>	<u>\$ -</u>	<u>\$ 6,531,375</u>	<u>\$ -</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

IV. Detailed notes on all funds (continued)

A. Cash and investments (continued)

Credit Risk

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

At year-end, the County held \$34,284,844 of investments.

Investment Type	Weighted Avg. to Maturity	% of Portfolio	Reported Amount
Local Government Investment Pool	Ave. 3 months	80.9%	\$ 27,753,469
Corporate Notes	Ave. 17.2 months	5.1%	1,761,008
Municipalities	Ave 35.3 months	8.8%	3,028,455
US Treasuries and Agency Securities	Ave. 27.6 months	5.1%	1,741,912
Subtotal for Portfolio Percentages		100.0%	\$ 34,284,844

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, 2016 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, 2016 included: Commercial Paper (1.7%), Corporate Notes (43.1%), Municipal Bonds (2.3%), U.S. Agency securities (29.4%), Asset backed securities (13.3%), and Temporary Liquidity Guarantee (.4%), Non US Gov't (4.7%). The credit risk associated with the investments was AAA rating (16.5.4%) AA rating (18.9%), A-1+ rating (6.1%), A rating (29.3%), BBB rating (2.6%) and not rated (26.6%).

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, 2016, the County's portfolio was invested in Corporate Notes (5.1%), Municipal Bonds (8.8%), and US Agencies (5.1%).

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2016****IV. Detailed notes on all funds (continued)****B. Receivables**

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

	Accounts	Taxes and assessments	Inter-governmental	Internal balances	Loans	Total
Governmental activities/funds						
General	\$ 368,045	\$ 1,135,302	\$ 643,179	\$ 38,828	\$ -	\$ 2,185,354
Road	21,269	-	556,636	-	-	577,905
Local Option Levy	-	462,684	-	-	-	462,684
Nonmajor governmental	-	185,528	46,560	1,306,257	344,751	1,883,096
Internal service	395,435	-	-	-	-	395,435
Total governmental activities	784,749	1,783,514	1,246,375	1,345,085	344,751	5,504,474
Business-type activities/proprietary funds:						
Health Center	417,627	-	-	-	-	417,627
East Linn Clinic	64,437	-	-	-	-	64,437
Nonmajor enterprise funds	13,480	-	-	-	-	13,480
Total business type activities	495,544	-	-	-	-	495,544
Grand total	\$ 1,280,293	\$ 1,783,514	\$ 1,246,375	\$ 1,345,085	\$ 344,751	\$ 6,000,018

In the governmental funds, it is anticipated that \$24,373 may not be collected within one year, accordingly, an allowance for doubtful accounts has been set up. There is an allowance of \$410,695 in the business-type county Health Center Fund.

C. Unavailable revenue

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

	Property Taxes	Loans	Total Deferred	Unearned Revenue	Total
Governmental Funds:					
General	\$ 1,034,791	\$ -	\$ 1,034,791	\$ 8,685	\$ 1,043,476
Local Option Levy	424,104	-	424,104	-	424,104
Nonmajor governmental	168,944	340,360	509,304	-	509,304
Total	\$ 1,627,839	\$ 340,360	\$ 1,968,199	\$ 8,685	\$ 1,976,884

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2016****IV. Detailed notes on all funds (continued)****C. Capital assets**

1. Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 10,835,652	\$ 322,947	\$ (634,320)	\$ 10,524,279
Construction in progress	129,584	424,946	(169,929)	384,601
Total capital assets, not being depreciated	<u>10,965,236</u>	<u>747,893</u>	<u>(804,249)</u>	<u>10,908,880</u>
Capital assets, being depreciated:				
Improvements, other than buildings	2,518,377	65,244	-	2,583,621
Intangibles	2,655,155	87,841	-	2,742,996
Buildings	21,291,444	332,508	(2,187,830)	19,436,122
Machinery and equipment	13,825,712	945,014	(203,666)	14,567,060
Infrastructure	257,951,058	2,473,295	-	260,424,353
Total capital assets, being depreciated	<u>298,241,746</u>	<u>3,903,902</u>	<u>(2,391,496)</u>	<u>299,754,152</u>
Less accumulated depreciation for:				
Improvements, other than buildings	(1,191,856)	(78,472)	-	(1,270,328)
Intangibles	(2,432,214)	(49,930)	-	(2,482,144)
Buildings	(7,912,018)	(405,476)	63,204	(8,254,290)
Machinery and equipment	(8,790,203)	(1,315,348)	138,033	(9,967,518)
Infrastructure	(132,569,971)	(3,217,662)	-	(135,787,633)
Total accumulated depreciation	<u>(152,896,262)</u>	<u>(5,066,888)</u>	<u>201,237</u>	<u>(157,761,913)</u>
Total capital assets, being depreciated, net	<u>145,345,484</u>	<u>(1,162,986)</u>	<u>(2,190,259)</u>	<u>141,992,239</u>
Governmental activities capital assets, net	<u>\$ 156,310,720</u>	<u>\$ (415,093)</u>	<u>\$ (2,994,508)</u>	<u>\$ 152,901,119</u>

	Balance July 1, 2015	Increases	Decreases	Balance June 30, 2016
Business-type activities				
Capital assets, not being depreciated:				
Land	\$ 295,298	\$ -	\$ -	\$ 295,298
Capital assets, being depreciated:				
Buildings	2,135,064	141,219	-	2,276,283
Machinery and equipment	141,237	75,461	-	216,698
Intangibles	32,000	16,637	-	48,637
Infrastructure	3,652,636	-	-	3,652,636
Total capital assets, being depreciated	<u>5,960,937</u>	<u>233,317</u>	<u>-</u>	<u>6,194,254</u>
Less accumulated depreciation for:				
Buildings	(533,775)	(48,806)	-	(582,581)
Machinery and equipment	(52,494)	(10,384)	-	(62,878)
Intangibles	(13,600)	(4,586)	-	(18,186)
Infrastructure	(1,575,925)	(60,851)	-	(1,636,776)
Total accumulated depreciation	<u>(2,175,794)</u>	<u>(124,627)</u>	<u>-</u>	<u>(2,300,421)</u>
Total capital assets, being depreciated, net	<u>3,785,143</u>	<u>108,690</u>	<u>-</u>	<u>3,893,833</u>
Business-type activities capital assets, net	<u>\$ 4,080,441</u>	<u>\$ 108,690</u>	<u>\$ -</u>	<u>\$ 4,189,131</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

IV. Detailed notes on all funds (continued)

C. Capital assets (continued)

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

Governmental activities:

General government	\$ 40,874
Public safety	619,970
Public works (including infrastructure)	3,238,311
Health services	8,034
Justice services	20,326
Community services	83,205
Cultural and educational services	70,648
Parks and natural resources	84,668
Capital assets held by the County's internal service funds are charged to the various functions based on their usage of the assets	900,852
Total depreciation expense - governmental activities	<u>\$ 5,066,888</u>

Business-type activities:

Water and sewer	\$ 60,849
Health services	35,824
Real estate rentals	27,954
Total depreciation expense - business-type activities	<u>\$ 124,627</u>

D. Interfund transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 1,946,136	\$ 3,723,024
Road	250,000	120,877
Local Option Levy	30,000	2,049,862
Nonmajor governmental	2,764,930	14,951
Total governmental	<u>4,991,066</u>	<u>5,908,714</u>
Health Clinic	1,282,029	284,185
East Linn	-	53,265
Total Enterprise	<u>1,282,029</u>	<u>337,450</u>
Internal service	274,603	301,534
Total transfers	<u>\$ 6,547,698</u>	<u>\$ 6,547,698</u>

\$1,729,276 of the transfers into the non-major governmental funds is to fund the payment of the PERS pension bonds from those funds having payroll expenditures. The General fund transferred \$1,282,029 to the Health Clinic fund to cover operating expenditures. The Local Option Levy fund transferred \$1,946,136 to the General fund for public safety expenditures.

BENTON COUNTY, OREGON**Notes to Basic Financial Statements****June 30, 2016****IV. Detailed notes on all funds (continued)****E. Long-term debt**Bonds and notes

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:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance July 1, 2015</u>	<u>Debt Incurred</u>	<u>Bond Maturities</u>	<u>Balance June 30, 2016</u>
Pension Obligation						
PERS bonds-2002	\$ 11,662,750	7.0%	\$ 8,849,499	\$ -	\$ 182,200	\$ 8,667,299
Pension Obligation						
PERS bonds-2004	\$ 7,490,000	4.9 to 6.1 %	6,920,000	-	215,000	6,705,000
Note payable	\$ 305,000	2.0%	223,566	-	17,286	206,280
Bond						
Sunset building	\$ 1,700,000	2.0 to 5.6%	980,000	-	180,000	800,000
Alsea County Service						
District bonds	\$ 32,900	4.50%	19,303	-	19,303	-
Total			<u>\$ 16,992,368</u>	<u>\$ -</u>	<u>\$ 613,789</u>	<u>\$16,378,579</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

IV. Detailed notes on all funds (continued)

E. Long-term debt (continued)

Bonded debt service requirements at June 30, 2016 (including interest payments of \$9,677,059) have the following maturities:

Fiscal year ending June 30,	PERS bonds	Sunset building bond	Note	Total
2017	\$ 1,753,926	\$ 227,443	\$ 21,600	\$ 2,002,969
2018	1,843,955	228,747	21,600	2,094,301
2019	1,930,835	228,315	21,600	2,180,750
2020	2,024,482	227,040	155,174	2,406,696
2021	2,119,683	-	-	2,119,683
2022-2026	10,965,314	-	-	10,965,314
2027-2028	4,285,925	-	-	4,285,925
	<u>\$ 24,924,120</u>	<u>\$ 911,545</u>	<u>\$ 219,974</u>	<u>\$ 26,055,639</u>

Annual debt service requirements to maturity are as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2017	\$ 642,914	\$ 1,360,055	\$ 2,002,969
2018	707,397	1,386,904	2,094,301
2019	769,081	1,411,669	2,180,750
2020	1,024,187	1,382,509	2,406,696
2021	1,255,000	864,683	2,119,683
2022-2026	8,040,000	2,925,314	10,965,314
2027-2028	3,940,000	345,925	4,285,925
	<u>\$ 16,378,579</u>	<u>\$ 9,677,059</u>	<u>\$ 26,055,638</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

IV. Detailed notes on all funds (continued)

E. Long-term debt (continued)

Full Faith and Credit Obligations

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

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

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

Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within one year
Governmental activities					
Bonds payable:					
Pension	\$ 14,649,865	\$ -	\$ 368,999	\$ 14,280,866	\$ 409,019
Sunset building	980,000	-	180,000	800,000	185,000
Other liabilities:					
Capital leases payable	17,123	-	8,869	8,254	8,254
Net OPEB obligation	3,408,516	45,317	-	3,453,833	n/a
Net pension liability	-	10,961,768	-	10,961,768	n/a
Compensated absences	3,028,014	2,450,803	2,265,761	3,213,056	408,291
	<u>22,083,518</u>	<u>13,457,888</u>	<u>2,823,629</u>	<u>32,717,777</u>	<u>1,010,564</u>
Business-type activities:					
Bonds payable:					
Pension	1,119,634	-	28,201	1,091,433	31,260
Alsea County Service District	19,303	-	19,303	-	-
Other liabilities:					
Note	223,566	-	17,286	206,280	17,635
Net OPEB obligation	835,299	5,832	-	841,131	n/a
Net pension liability	-	2,504,777	-	2,504,777	n/a
Compensated absences	348,492	366,230	348,489	366,233	59,701
	<u>2,546,294</u>	<u>2,876,839</u>	<u>413,279</u>	<u>5,009,854</u>	<u>108,596</u>
	<u>\$ 24,629,812</u>	<u>\$ 16,334,727</u>	<u>\$ 3,236,908</u>	<u>\$ 37,727,631</u>	<u>\$ 1,119,160</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

IV. Detailed notes on all funds (continued)

E. Long-term debt (continued)

Internal service funds predominantly serve the governmental activities. Accordingly, their long-term liabilities are included above with governmental activities. At year end \$851,205 of internal service funds compensated absences and \$2,455,893 of PERS bonds payable are included in the above amounts. Also, for the governmental activities, claims and judgments and compensated absences are generally liquidated by the funds that incur the costs (General, Road, Fair, Corner Preservation, Oregon Health Plan, Court Security, and Health Clinic Funds) .

Capital Leases:

The County has entered into capital leases to purchase equipment. At June 30, 2016, the lease payable consists of the following:

De Lage Landen, payable in monthly installments of \$591.78, including interest at 5.5%, due June 2017, secured by three photocopiers, original lease amount \$25,652, Purchase price of copiers was \$25,224, current book value is \$9,833.	\$ 6,909
GE Capital, payable in monthly installments of \$206.00, including interest at 6.5%, due January, 2017, secured by one photocopier, original lease amount \$8,634, Purchase price of copiers was \$8,634, current book value is \$2,574.	\$ 1,345

The future minimum lease obligations and the net present value of these minimum lease/note payments as of June 30, 2016 were as follows:

Year ending June 30,	<u>Governmental Activit</u> <u>Leases</u> <u>Payable</u>
2017	\$ 8,474
Total minimum lease payments	8,474
Less: amount representing interest	(220)
Present value of minimum lease payment	<u>\$ 8,254</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

IV. Detailed notes on all funds (continued)

F. Interfund payables and receivables

The composition of interfund balances as of June 30, 2016 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non-major enterprise	\$ 38,828
Non-major governmental	Internal Service	<u>1,306,257</u>
		<u>\$ 1,345,085</u>

The payables from the Internal Service Fund to the Block Grant and Building Development Funds are a result a 10-year loan, payable monthly with a 2% interest rate. The loan was used to purchase the Sunset building. The payable from South Third CSD and Alsea CSD to the General Fund are 10-year loans, payable annually with a 2% interest rate.

G. Fund balance

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

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

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

IV. Detailed notes on all funds (continued)

G. Fund balance (continued)

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

Fund Balances:	Local Option				Total
	General	Road	Levy	Non-major	
Nonspendable in form	\$ 112,434	\$ 252,063	\$ 2,449	\$ 9,127	\$ 376,073
Restricted for:					
Road construction & maintenance	-	2,244,460	-	-	2,244,460
Special transportation	-	-	-	317,367	317,367
Land corner preservation	-	-	-	171,936	171,936
Cultural services	-	-	-	107,526	107,526
Library services	-	-	-	20,512	20,512
Health and safety	-	-	3,707,764	-	3,707,764
Court security	-	-	-	132,073	132,073
Title III funds	-	-	-	21,271	21,271
	<u>-</u>	<u>2,244,460</u>	<u>3,707,764</u>	<u>770,685</u>	<u>6,722,909</u>
Committed to:					
Community service	-	-	-	450,642	450,642
Capital projects	-	-	-	2,407,670	2,407,670
Debt service	-	-	-	2,226,133	2,226,133
Health services	-	-	-	2,786,441	2,786,441
Cemetery operations	-	-	-	45,979	45,979
	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,916,865</u>	<u>7,916,865</u>
Assigned to a special district:	<u>-</u>	<u>-</u>	<u>-</u>	<u>921</u>	<u>921</u>
Unassigned:	<u>11,483,676</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,483,676</u>
Total Fund Balances	<u>\$ 11,596,110</u>	<u>\$ 2,496,523</u>	<u>\$ 3,710,213</u>	<u>\$ 8,697,598</u>	<u>\$ 26,500,444</u>

V. Other information

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the County carries commercial insurance. In addition, the County has set up a joint trust fund with Valley Landfills, Inc. to be used for any future environmental cleanup or damage control that may be required in the future as a result of landfill operations. As of June 30, 2016 management believes the County was not liable for any closure or post-closure care for the landfill operation.

There have been no settlements in excess of insurance coverage for the year ended June 30, 2016, or the three preceding fiscal years.

V. Other information (continued)

B. Other post employment benefits (OPEB)

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

Implicit subsidy:

The County has not established a trust fund to supplement the costs for the net OPEB Obligation. The County does not pay any portion of the health insurance premium for retirees who stay on the County's health insurance plans; however, the retired employees receive an implicit benefit of lower healthcare premiums. Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans. At June 30, 2016, there were 8 retirees that were receiving the post-employment medical and 15 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, 2016, the County's combined plan contributions were \$167,491

Explicit subsidy:

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

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

BENTON COUNTY, OREGON
Notes to Basic Financial Statements
June 30, 2016

V. Other information (continued)

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

As of June 30, 2016, there were 17 participants currently eligible to receive benefits. For the fiscal year ended June 30, 2016, the County incurred \$167,491 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, 2016, the amount actually contributed to the plans, and the changes in the County’s net OPEB obligation:

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

<i>Determination of Annual Required Contribution</i>	
(1) Normal Cost at year end	\$ 198,154
(2) Amortization of UAAL	423,235
(3) Annual Required Contribution (ARC)	<u>\$ 621,389</u>
<i>Determination of Net OPEB Obligation</i>	
Annual Required Contribution (ARC)	\$ 621,389
Interest on prior year Net OPEB Obligation	148,534
Adjustment to ARC	<u>(510,281)</u>
Annual OPEB Cost	259,642
Explicit Benefits Payment	(147,017)
Implicit Benefit Payments	<u>(64,476)</u>
Increase in Net OPEB Obligation	48,149
Net OPEB Obligation - beginning of year	<u>4,243,816</u>
Net OPEB Obligation - end of year*	<u>\$ 4,291,965</u>
*Reported as follows:	
Governmental activities	\$ 3,453,833
Business-type activities	<u>841,131</u>
Total	<u>\$ 4,294,964</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

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

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

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	\$ 861,857	\$ 215,998	26%	\$ 645,859
6/30/2009	901,391	249,179	28%	1,298,071
6/30/2010	641,172	180,804	28%	1,758,439
6/30/2011	677,117	199,946	30%	2,235,610
6/30/2012	750,520	227,466	30%	2,758,664
6/30/2013	794,029	238,526	30%	3,314,167
6/30/2014	633,656	166,714	26%	3,781,109
6/30/2015	649,634	186,927	29%	4,243,815
6/30/2016	259,642	211,493	81%	4,291,964

* 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, 2014, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$3,410,622, and actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,410,622. The covered payroll (annual payroll of active employees covered by the plans) was \$25,552,647, and the ratio of UAAL to the covered payroll was 14.7 %.

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

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

Actuarial Methods and Assumptions

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

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

Health Cost Trend: It has been assumed that health care costs will increase 10.30% in the first year. In future years, the medical and vision cost trend varies from 5.00% to 6.75% depending upon the timing of the excise tax scheduled to affect health care benefits beginning in 2018. The trend then settles to an ultimate rate of 4.75%. It is also assumed that dental costs will increase 4.50% in all future years.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

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

Inflation Rate: 2.75% per year, was used to develop other economic assumptions

Retirement and Withdrawal Rates: The rates used are similar to the rates adopted by the Oregon PERS for its December 31, 2013 actuarial valuation of retirement benefits.

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

C. Retirement health insurance account

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

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

Participating employers are contractually required to contribute to RHIA at a rate assessed year by OPERS, currently .53% of annual covered OPERF payroll and .45% of OPSRP payroll. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded liabilities (or funding excess) of the plan over a period not to exceed thirty years. The County's contributions to RHIA for the years ended June 30, 2016, 2015 and 2014 respectively were \$123,599, \$125,213, and \$123,274, which equaled the required contributions each year. These rates and contributions are included in the PERS rates listed in Note V-F.

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

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 2016 was \$110,735.

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

E. Deferred compensation plan

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

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

F. Employee retirement systems and pension plans

Defined Benefit Pension Plan

1) Plan description

Employees of the County are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A.

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

OPERS produces an independently audited Comprehensive Annual Financial Report which can be found at: www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

2) Description of benefit terms

Plan benefits

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

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

Pension benefits

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

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

Death benefits

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

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

Disability benefits

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

2) Description of benefit terms (continued)

Plan benefits (continued)

1) Tier One/Tier Two Retirement Benefit (Chapter 238) (continued)

Benefit changes after retirement

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cost-of-living increase for fiscal year 2015 was capped at 1.5 percent for all benefit recipients. As a result of the *Moro Decision (Everice Moro et al v. State of Oregon et al)*, the cap on the cost-of-living increases are 2.0 percent for fiscal years 2016 and beyond.

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

Pension benefits.

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

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

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

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

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

Death benefits

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

2) Description of benefit terms (continued)

Plan benefits (continued)

Disability benefits

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

3) Contributions

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

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

Tier 1/tier 2 employer contribution rates for general service employees is 10.66% and 14.61% for public safety employees and the OPSRP employer contribution rates are 5.51% for general service employees and 9.62% for public safety employees. Employer contributions for the year ended June 30, 2016 were \$2,051,486, excluding amounts to fund employer specific liabilities.

4) Pension asset or liability, pension expense and deferred outflows of resources and deferred inflows of resources related to pensions

At June 30, 2016, the County reported a liability of \$13,466,545 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The County's proportion of the net pension asset was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

4) Pension asset or liability, etc. (continued)

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

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

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

4) Pension asset or liability, etc. (continued)

At June 30, 2015, the County's proportion was .23454908%, which was an increase of .00760875% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the County recognized pension expense of \$11,116,857. At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 726,184	\$ -
Change of assumptions	-	-
Net difference between projected and actual earnings on investments	-	2,822,892
Change in proportionate share	130,636	
Differences between employer contributions and employer's proportionate share of system contributions	-	840,438
Contributions subsequent to the MD	<u>2,051,486</u>	<u>N/A</u>
Total	<u>\$ 2,908,306</u>	<u>\$ 3,663,330</u>
Net Deferred Outflow/(Inflow) of Resources		<u>\$ (755,024)</u>

\$2,051,486 reported as deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,		
2017	\$	(1,353,014)
2018		(1,353,014)
2019		(1,353,014)
2020		1,233,329
2021		<u>19,200</u>
	<u>\$</u>	<u>(2,806,513)</u>

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

5) Actuarial valuations

Actuarial cost method

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

Tier One/Tier Two unfunded actuarial accrued liability amortization

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

Retiree healthcare unfunded actuarial accrued liability amortization

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

Asset valuation method

The actuarial value of assets equals the market value of assets, excluding the Contingency and Capital Preservation Reserves, and the Rate Guarantee Reserve when it is in positive surplus status. Market values are reported to the actuary by PERS.

Contribution rate stabilization method

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

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

5) Actuarial valuations (continued)

Allocation of liability for service segments

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

Allocation of benefits-in-force reserve

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

Economic assumptions

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

Demographic assumptions

Mortality tables

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

Retirement assumptions

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

Salary increase assumptions

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

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

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

5) Actuarial valuations (continued)

OPSRP unfunded actuarial accrued liability amortization

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

Economic assumptions

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

Retirement assumptions

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

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

Valuation Date	December 31, 2013
Measurement date	June 30, 2015
Experience Study	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial assumptions: Inflation rate Long-term expected rate of return Discount rate Projected salary increases Cost of living adjustments (COLA)	2.75 percent 7.75 percent 7.75 percent 3.75 percent Blend of 2.00% COLA and graded COLA (1.25%/0.15% in accordance with <i>Moro</i> decision; blend based on service
Asset Valuation Method	Market value of assets
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

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

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

Discount rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term expected rate of return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both actuaries capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model. For more information on the Plan's portfolio, assumed asset allocation and the long-term expected rate of return for each major asset class, calculated using both arithmetic and geometric means, see PERS audited financial statements.

The table below presents the assumptions for each of the asset classes in which the Plan was invested at the time based on the OIC's long-term target asset allocation.

Asset Class	Target Allocation*	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Core Fixed Income	7.20%	4.70%	4.50%	6.60%
Short-Term Bonds	8.00	3.76	3.70	3.45
Intermediate-Term Bonds	3.00	4.23	4.10	5.15
High Yield Bonds	1.80	7.21	6.66	11.10
Large Cap US Equities	11.65	8.60	7.20	17.90
Mid Cap US Equities	3.88	9.38	7.30	22.00
Small Cap US Equities	2.27	10.38	7.45	26.40
Developed Foreign Equities	14.21	8.73	6.90	20.55
Emerging Market Equities	5.49	11.51	7.40	31.70
Private Equity	20.00	11.95	8.26	30.00
Hedge Funds/Absolute Return	5.00	6.46	6.01	10.00
Real Estate (Property)	13.75	7.27	6.51	13.00
Real Estate (REITS)	2.50	8.41	6.76	19.45
Commodities	1.25	7.71	6.07	19.70
Assumed Inflation - Mean			2.75%	2.00%

* Based on the OIC Statement of Investment Objectives and Policy Framework for the Oregon Public Employees Retirement Fund, revised as of December 18, 2012, and the revised allocation adopted at the June 26, 2013 OIC meeting.

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Benefit Pension Plan (continued)

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

Depletion date projection

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

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

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

Based on these circumstances, it is OPERS independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

7) Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Current Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
Employers' Net Pension Liability			
County's proportionate share of net pension asset or liability	\$ 32,501,005	\$ 13,466,545	\$ (2,574,504)

BENTON COUNTY, OREGON

Notes to Basic Financial Statements

June 30, 2016

V. Other information (continued)

F. Employee retirement systems and pension plans (continued)

Defined Contribution Plan

Individual Account Program (IAP)

Participants in OPERS defined benefit pension plan also participate in the defined contribution plan.

Pension benefits

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

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

Death benefits

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

Contributions

The County makes the employee contributions of 6 percent of covered payroll to the plan. Contributions for the year ended June 30, 2015 were \$1,389,289.

Recordkeeping

PERS contracts with VOYA Financial to maintain IAP participant records.

G. Contingent liabilities

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

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

REQUIRED SUPPLEMENTARY INFORMATION

BENTON COUNTY, OREGON**GENERAL FUND***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)**For the Biennium ending June 30, 2017**As of June 30, 2016*

	<i>Budgeted Amounts</i>		<i>1st Year Actual</i>	<i>Variance with Final Budget</i>
	<i>Original</i>	<i>Final</i>		
REVENUES				
Taxes	\$ 33,049,700	\$ 33,049,700	\$ 16,239,929	\$ (16,809,771)
Licenses and permits	2,830,500	2,830,500	1,633,440	(1,197,060)
Intergovernmental	27,426,313	29,702,721	12,780,279	(16,922,442)
Charges for services	6,658,575	6,656,321	3,597,897	(3,058,424)
Interest	280,000	280,000	116,017	(163,983)
Miscellaneous	143,590	143,590	228,338	84,748
Total revenues	<u>70,388,678</u>	<u>72,662,832</u>	<u>34,595,900</u>	<u>(38,066,932)</u>
EXPENDITURES				
General government	15,512,262	15,352,360	7,348,286	8,004,074
Public safety	23,296,614	23,440,238	11,017,328	12,422,910
Health services	21,941,522	25,005,994	10,208,039	14,797,955
Justice services	9,358,748	9,491,748	4,111,670	5,380,078
Community services	541,478	541,478	256,850	284,628
Cultural and educational services	1,272,907	1,272,907	635,652	637,255
Parks and natural resources	2,283,766	2,283,766	1,073,980	1,209,786
Contingency	2,151,828	2,256,969	-	2,256,969
Total expenditures	<u>76,359,125</u>	<u>79,645,460</u>	<u>34,651,805</u>	<u>44,993,655</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,970,447)</u>	<u>(6,982,628)</u>	<u>(55,905)</u>	<u>6,926,723</u>
OTHER FINANCING SOURCES (USES)				
Loans	(13,570)	(13,570)	(13,570)	-
Operating transfers in	4,452,340	4,452,340	1,946,136	(2,506,204)
Operating transfers out	<u>(5,466,121)</u>	<u>(5,696,121)</u>	<u>(2,771,310)</u>	<u>2,924,811</u>
Total other financing sources (uses)	<u>(1,027,351)</u>	<u>(1,257,351)</u>	<u>(838,744)</u>	<u>418,607</u>
Net change in fund balance	(6,997,798)	(8,239,979)	(894,649)	7,345,330
Fund balances - beginning	<u>11,997,798</u>	<u>13,239,979</u>	<u>13,259,316</u>	<u>19,337</u>
Fund balances - ending	<u><u>\$ 5,000,000</u></u>	<u><u>\$ 5,000,000</u></u>	<u><u>\$ 12,364,667</u></u>	<u><u>\$ 7,364,667</u></u>

BENTON COUNTY, OREGON

ROAD FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<u>Budgeted Amounts</u>		<u>1st Year Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 13,404,158	\$ 13,404,158	\$ 5,494,250	\$ (7,909,908)
Charges for services	1,708,366	1,708,366	1,224,093	(484,273)
Interest	10,150	10,150	11,151	1,001
Miscellaneous	42,409	42,409	11,323	(31,086)
Total revenues	<u>15,165,083</u>	<u>15,165,083</u>	<u>6,740,817</u>	<u>(8,424,266)</u>
EXPENDITURES				
Public works:				
Personnel services	6,062,466	6,062,466	2,920,167	3,142,299
Materials and services	5,596,856	5,596,856	2,789,773	2,807,083
Capital Outlay	4,291,034	4,521,034	1,310,012	3,211,022
Contingency	2,083,727	2,083,727	-	2,083,727
Total expenditures	<u>18,034,083</u>	<u>18,264,083</u>	<u>7,019,952</u>	<u>11,244,131</u>
Excess (deficiency) of revenues over (under) expenditures	(2,869,000)	(3,099,000)	(279,135)	2,819,865
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>750,000</u>	<u>980,000</u>	<u>250,000</u>	<u>(730,000)</u>
Net change in fund balance	(2,119,000)	(2,119,000)	(29,135)	2,089,865
Fund balances - beginning	<u>2,119,000</u>	<u>2,119,000</u>	<u>2,386,791</u>	<u>267,791</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,357,656</u>	<u>\$ 2,357,656</u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<u>Budgeted Amounts</u>		<u>1st Year Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes	\$ 13,072,700	\$ 13,072,700	\$ 6,386,053	\$ (6,686,647)
Intergovernmental	-	-	6,359	6,359
Charges for services	-	-	26,674	26,674
Interest	120,000	120,000	32,448	(87,552)
Total revenues	<u>13,192,700</u>	<u>13,192,700</u>	<u>6,451,534</u>	<u>(6,741,166)</u>
Expenditures				
General government	3,104,562	3,104,562	1,681	3,102,881
Public safety	7,245,754	7,245,754	3,554,268	3,691,486
Health services	669,410	669,410	347,753	321,657
Justice services	1,164,188	1,164,188	499,688	664,500
Total expenditures	<u>12,183,914</u>	<u>12,183,914</u>	<u>4,403,390</u>	<u>7,780,524</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,008,786</u>	<u>1,008,786</u>	<u>2,048,144</u>	<u>1,039,358</u>
Other financing sources (uses)				
Transfers in	-	-	30,000	30,000
Transfers out	<u>(4,108,786)</u>	<u>(4,108,786)</u>	<u>(1,955,359)</u>	<u>2,153,427</u>
Total other financing sources (uses)	<u>(4,108,786)</u>	<u>(4,108,786)</u>	<u>(1,925,359)</u>	<u>2,183,427</u>
Net change in fund balance	(3,100,000)	(3,100,000)	122,785	3,222,785
Fund balances - beginning	<u>3,100,000</u>	<u>3,100,000</u>	<u>3,689,593</u>	<u>589,593</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,812,378</u></u>	<u><u>\$ 3,812,378</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

Benton County, Oregon

Other Postemployment Benefits

Schedule of Funding Progress

June 30, 2016

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Benton County, Oregon

Oregon Public Employees Retirement System

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

*Last 10 Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Proportion of the net pension liability (asset)	N/A	0.2269%	0.2345%	0.3455%						
Proportionate share of the net pension liability (asset)	N/A	\$ 11,581,098	\$ (5,144,090)	\$ 13,466,545						
Covered-employee-payroll	N/A	\$ 22,396,194	\$ 23,097,201	\$ 25,552,647						
Proportionate share of the net pension liability (asset) as a percentage of covered-employee-payroll	N/A	51.71%	-22.27%	52.70%						
Plan fiduciary net position as a percentage of the total pension liability	N/A	91.97%	103.59%	91.88%						

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

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

REQUIRED SUPPLEMENTARY INFORMATION

Benton County, Oregon

Oregon Public Employees Retirement System

Schedule of Benton County's Contributions

*Last 10 Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Contractually required contributions	N/A	\$ 1,926,117	\$ 2,161,309							
Contributions in relation to the contractually required contributions	N/A	<u>(1,926,117)</u>	<u>(2,161,309)</u>							
Contribution deficiency (excess)	N/A	<u>\$ -</u>	<u>\$ -</u>							
Covered-employee-payroll	N/A	\$ 23,097,201	\$ 25,552,647							
Contributions as a percentage of covered-employee-payroll	N/A	8.34%	8.46%							

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

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

BENTON COUNTY, OREGON

Notes to Required Supplementary Information

June 30, 2016

1. Reconciliation of Budgetary Basis to GAAP Basis Fund Balance

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

	General Fund	Road Fund	Local Option Fund
Fund balance - budgetary basis	\$ 12,364,667	\$ 2,357,656	\$ 3,812,378
Reserved for inventory	-	245,026	-
Accrued payroll	(807,385)	(106,159)	(102,165)
Intergovernmental receivable	38,828	-	-
Fund balance - GAAP basis	<u>\$ 11,596,110</u>	<u>\$ 2,496,523</u>	<u>\$ 3,710,213</u>

2. Stewardship, Compliance and Accountability

The Board of Commissioners adopts a resolution authorizing appropriations for each fund, which establishes the level by which expenditures cannot lawfully exceed appropriations. Appropriations are established at the program level for

SUPPLEMENTARY INFORMATION

MAJOR GOVERNMENTAL FUNDS

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

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

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

BENTON COUNTY, OREGON

GENERAL FUND

BALANCE SHEETS

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and investments	\$ 11,859,290	\$ 12,417,340
Property taxes receivable	1,135,302	1,409,054
Accounts receivable	368,045	1,132,222
Due from other funds	38,828	32,100
Intergovernmental receivables	643,179	657,386
Prepays	112,434	65,488
	<u>112,434</u>	<u>65,488</u>
Total assets	<u>\$ 14,157,078</u>	<u>\$ 15,713,590</u>
LIABILITIES		
Accounts payable	\$ 515,100	\$ 803,904
Accrued payroll and payroll taxes	802,083	735,931
Other accrued liabilities	185,994	195,022
Due to other governmental agencies	14,315	-
	<u>14,315</u>	<u>-</u>
Total liabilities	<u>1,517,492</u>	<u>1,734,857</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-health related	8,685	93,020
Unavailable revenue-property taxes	1,034,791	1,329,353
	<u>1,034,791</u>	<u>1,329,353</u>
Total deferred inflows of resources	<u>1,043,476</u>	<u>1,422,373</u>
FUND BALANCES		
Nonspendable	112,434	65,488
Unassigned	11,483,676	12,490,872
	<u>11,483,676</u>	<u>12,490,872</u>
Total fund balances	<u>11,596,110</u>	<u>12,556,360</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,157,078</u>	<u>\$ 15,713,590</u>

BENTON COUNTY, OREGON

GENERAL FUND

SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Taxes	\$ 16,239,928	\$ 15,653,301
Licenses and permits	1,633,440	1,557,590
Intergovernmental	12,780,279	11,985,563
Charges for services	3,597,897	3,715,150
Interest	116,930	70,941
Miscellaneous	220,583	218,888
Total revenues	<u>34,589,057</u>	<u>33,201,433</u>
EXPENDITURES		
General government	7,078,282	6,240,053
Public safety	10,714,661	9,850,262
Health services	10,042,207	8,726,006
Justice services	3,998,448	3,714,615
Community services	256,850	314,023
Cultural and educational services	635,652	479,083
Parks and natural resources	1,046,319	933,253
Total expenditures	<u>33,772,419</u>	<u>30,257,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>816,638</u>	<u>2,944,138</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	1,946,136	1,437,695
Transfers out	<u>(3,723,024)</u>	<u>(3,883,347)</u>
Total other financing sources (uses)	<u>(1,776,888)</u>	<u>(2,445,652)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(960,250)	498,486
Fund balance - beginning	<u>12,556,360</u>	<u>12,057,874</u>
Fund balance - ending	<u><u>\$ 11,596,110</u></u>	<u><u>\$ 12,556,360</u></u>

BENTON COUNTY, OREGON

GENERAL FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actuals</i>	
Revenues			
Taxes	\$ 33,049,700	\$ 16,239,929	\$ (16,809,771)
Licenses and permits	2,830,500	1,633,440	(1,197,060)
Intergovernmental	29,702,721	12,780,279	(16,922,442)
Charges for services	6,656,321	3,597,897	(3,058,424)
Interest	280,000	116,017	(163,983)
Miscellaneous	143,590	228,338	84,748
Total revenues	<u>72,662,832</u>	<u>34,595,900</u>	<u>(38,066,932)</u>
Expenditures			
General government	15,352,360	7,348,286	8,004,074
Public safety	23,440,238	11,017,328	12,422,910
Health services	25,005,994	10,208,039	14,797,955
Justice services	9,491,748	4,111,670	5,380,078
Community services	541,478	256,850	284,628
Cultural and educational services	1,272,907	635,652	637,255
Parks and natural resources	2,283,766	1,073,980	1,209,786
Contingency	2,256,969	-	2,256,969
Total expenditures	<u>79,645,460</u>	<u>34,651,805</u>	<u>44,993,655</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,982,628)</u>	<u>(55,905)</u>	<u>6,926,723</u>
Other financing sources (uses)			
Loans	(13,570)	(13,570)	-
Transfers in	4,452,340	1,946,136	(2,506,204)
Transfers out	(5,696,121)	(2,771,310)	2,924,811
Total other financing sources (uses)	<u>(1,257,351)</u>	<u>(838,744)</u>	<u>418,607</u>
Net change in fund balance	(8,239,979)	(894,649)	7,345,330
Fund balance - beginning	<u>13,239,979</u>	<u>13,259,316</u>	<u>19,337</u>
Fund balance - ending	<u>\$ 5,000,000</u>	<u>\$ 12,364,667</u>	<u>\$ 7,364,667</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 12,364,667	
Loans receivable		38,828	
Intergovernmental receivable		(53)	
Accrued payroll		(807,332)	
GAAP ending fund balance		<u><u>\$ 11,596,110</u></u>	

BENTON COUNTY, OREGON

ROAD FUND

BALANCE SHEETS

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and investments	\$ 2,094,012	\$ 2,203,433
Accounts receivable	21,269	37,652
Intergovernmental receivables	556,636	508,754
Prepays	7,037	3,689
Inventories	<u>245,026</u>	<u>338,020</u>
<i>Total assets</i>	<u>\$ 2,923,980</u>	<u>\$ 3,091,548</u>
LIABILITIES		
Accounts payable	\$ 321,313	\$ 366,737
Accrued payroll and payroll taxes	<u>106,144</u>	<u>104,501</u>
Total liabilities	<u>427,457</u>	<u>471,238</u>
FUND BALANCES		
Nonspendable	252,063	341,709
Restricted for road maintenance and improvement	<u>2,244,460</u>	<u>2,278,601</u>
Total fund balances	<u>2,496,523</u>	<u>2,620,310</u>
<i>Total liabilities and fund balances</i>	<u>\$ 2,923,980</u>	<u>\$ 3,091,548</u>

BENTON COUNTY, OREGON**ROAD FUND****STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Intergovernmental	\$ 5,494,250	\$ 5,012,556
Charges for services	1,224,093	1,116,867
Interest	11,151	8,066
Miscellaneous	11,323	13,921
	<u>6,740,817</u>	<u>6,151,410</u>
Total revenues		
EXPENDITURES		
Public Works		
Personal Services	2,800,948	2,640,778
Materials and services	2,882,767	2,741,609
Debt service	-	219,354
Capital outlay	1,310,012	967,884
	<u>6,993,727</u>	<u>6,569,625</u>
Total expenditures		
Excess (deficiency) of revenues over (under) expenditures	<u>(252,910)</u>	<u>(418,215)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	250,000	750,000
Transfers out	(120,877)	(106,440)
	<u>129,123</u>	<u>643,560</u>
Net other financing sources (uses)		
Net change in fund balances	(123,787)	225,345
Fund balances - beginning	<u>2,620,310</u>	<u>2,394,965</u>
Fund balances - ending	<u><u>\$ 2,496,523</u></u>	<u><u>\$ 2,620,310</u></u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Intergovernmental	\$ 13,404,158	\$ 5,494,250	\$ (7,909,908)
Charges for services	1,708,366	1,224,093	(484,273)
Interest	10,150	11,151	1,001
Miscellaneous	42,409	11,323	(31,086)
Total revenues	15,165,083	6,740,817	(8,424,266)
EXPENDITURES			
Public Works			
Personal services	6,062,466	2,920,167	3,142,299
Materials and services	5,596,856	2,789,773	2,807,083
Capital outlay	4,521,034	1,310,012	3,211,022
Contingency	2,083,727	-	2,083,727
Total expenditures	18,264,083	7,019,952	11,244,131
Excess (deficiency) of revenues over (under) expenditures	(3,099,000)	(279,135)	2,819,865
OTHER FINANCING SOURCES (USES)			
Transfers in	980,000	250,000	(730,000)
Net change in fund balance	(2,119,000)	(29,135)	2,089,865
Fund balances - beginning	2,119,000	2,386,791	267,791
Fund balances - ending	\$ -	\$ 2,357,656	\$ 2,357,656
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 2,357,656	
Accrued payroll		(106,159)	
Inventory		245,026	
GAAP ending fund balance		\$ 2,496,523	

BENTON COUNTY, OREGON
LOCAL OPTION LEVY FUND
BALANCE SHEETS
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and investments	\$ 3,911,476	\$ 3,801,098
Taxes receivable	462,684	540,007
Prepays	<u>2,449</u>	<u>395</u>
Total assets	<u>\$ 4,376,609</u>	<u>\$ 4,341,500</u>
LIABILITIES		
Accounts payable	\$ 138,404	\$ 141,363
Accrued payroll and payroll taxes	<u>103,888</u>	<u>106,329</u>
Total liabilities	<u>242,292</u>	<u>247,692</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	<u>424,104</u>	<u>510,543</u>
FUND BALANCES		
Nonspendable	2,449	395
Restricted	<u>3,707,764</u>	<u>3,582,870</u>
Total fund balances	<u>3,710,213</u>	<u>3,583,265</u>
Total liabilities and fund balances	<u>\$ 4,376,609</u>	<u>\$ 4,341,500</u>

BENTON COUNTY, OREGON**LOCAL OPTION LEVY FUND****STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**

For the Years Ended June 30, 2016 and June 30, 2015

	<u>2016</u>	<u>2015</u>
REVENUES		
Taxes and special assessments	\$ 6,386,053	\$ 6,148,050
Intergovernmental	6,359	3,881
Miscellaneous	26,674	-
Interest	32,448	19,997
	<hr/>	<hr/>
Total revenues	6,451,534	6,171,928
	<hr/>	<hr/>
EXPENDITURES		
General government	1,681	1,825
Public safety	3,472,820	3,628,441
Health services	343,347	341,240
Justice services	486,876	542,280
	<hr/>	<hr/>
Total expenditures	4,304,724	4,513,786
	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	2,146,810	1,658,142
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	30,000	-
Transfers out	(2,049,862)	(1,508,540)
	<hr/>	<hr/>
Net other financing sources (uses)	(2,019,862)	(1,508,540)
	<hr/>	<hr/>
Net change in fund balances	126,948	149,602
	<hr/>	<hr/>
Fund balances - beginning	3,583,265	3,433,663
	<hr/>	<hr/>
Fund balances - ending	\$ 3,710,213	\$ 3,583,265
	<hr/> <hr/>	<hr/> <hr/>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Taxes	\$ 13,072,700	\$ 6,386,053	\$ (6,686,647)
Intergovernmental	-	6,359	6,359
Miscellaneous	-	26,674	26,674
Interest	120,000	32,448	(87,552)
Total revenues	13,192,700	6,451,534	(6,741,166)
EXPENDITURES			
General government	3,104,562	1,681	3,102,881
Public safety	7,245,754	3,554,268	3,691,486
Health services	669,410	347,753	321,657
Justice services	1,164,188	499,688	664,500
Total expenditures	12,183,914	4,403,390	7,780,524
Excess (deficiency) of revenues over (under) expenditures	1,008,786	2,048,144	1,039,358
OTHER FINANCING SOURCES (USES)			
Transfers in	-	30,000	30,000
Transfers out	(4,108,786)	(1,955,359)	2,153,427
Total other financing sources (uses)	(4,108,786)	(1,925,359)	2,183,427
Net change in fund balance	(3,100,000)	122,785	3,222,785
Fund balances - beginning	3,100,000	3,689,593	589,593
Fund balances - ending	\$ -	\$ 3,812,378	\$ 3,812,378
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 3,812,378	
Accrued payroll		(102,165)	
GAAP ending fund balance		\$ 3,710,213	

NONMAJOR SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

BENTON COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2016

	<i>Special Revenue Funds</i>	<i>Debt Service Fund</i>	<i>Capital Projects Funds</i>	<i>Total</i>
ASSETS				
Cash and investments	\$ 4,002,879	\$ 2,226,133	\$ 1,419,662	\$ 7,648,674
Receivables:				
Taxes	185,528	-	-	185,528
Notes receivable	344,751	-	-	344,751
Intergovernmental	46,560	-	-	46,560
Advances to other funds	230,516	-	1,075,741	1,306,257
Inventory	5,703	-	-	5,703
Prepays	3,424	-	-	3,424
Total assets	\$ 4,819,361	\$ 2,226,133	\$ 2,495,403	\$ 9,540,897
LIABILITIES				
Accounts payable	\$ 234,157	\$ -	\$ 87,733	\$ 321,890
Accrued payroll costs	12,105	-	-	12,105
Total liabilities	246,262	-	87,733	333,995
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-loans receivable	340,360	-	-	340,360
Unavailable revenue-property taxes	168,944	-	-	168,944
Total deferred inflows of resources	509,304	-	-	509,304
FUND BALANCES				
Nonspendable	9,127	-	-	9,127
Restricted for:				
Library services	20,512	-	-	20,512
Land preservation	171,936	-	-	171,936
Transportation service	317,367	-	-	317,367
Cultural	107,526	-	-	107,526
Justice services	132,073	-	-	132,073
Title III program	21,271	-	-	21,271
Committed to:				
Cemetery operations	45,979	-	-	45,979
Health services	2,786,441	-	-	2,786,441
Community services	450,642	-	-	450,642
Debt service	-	2,226,133	-	2,226,133
Capital projects	-	-	2,407,670	2,407,670
Assigned to:				
Water services	921	-	-	921
Total fund balances	4,063,795	2,226,133	2,407,670	8,697,598
Total liabilities, deferred inflows of resources and fund balances	\$ 4,819,361	\$ 2,226,133	\$ 2,495,403	\$ 9,540,897

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

For the Year Ended June 30, 2016

	<i>Special Revenue Funds</i>	<i>Debt Service Fund</i>	<i>Capital Projects Funds</i>	<i>Total</i>
REVENUES				
Taxes	\$ 2,683,035	\$ -	\$ -	\$ 2,683,035
Intergovernmental	3,477,695	-	-	3,477,695
Charges for services	1,151,191	3,626	-	1,154,817
Interest	27,278	18,239	7,185	52,702
Miscellaneous	89,772	-	29,553	119,325
Total revenues	<u>7,428,971</u>	<u>21,865</u>	<u>36,738</u>	<u>7,487,574</u>
EXPENDITURES				
Current:				
General government	108,518	850	-	109,368
Public works	110,310	-	-	110,310
Health services	2,344,873	-	-	2,344,873
Justice services	61,014	-	-	61,014
Community services	1,245,496	-	-	1,245,496
Cultural and educational services	3,816,934	-	-	3,816,934
Debt service:				
Principal	-	397,200	-	397,200
Interest	-	1,279,129	-	1,279,129
Capital projects	-	-	522,515	522,515
Total expenditures	<u>7,687,145</u>	<u>1,677,179</u>	<u>522,515</u>	<u>9,886,839</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(258,174)</u>	<u>(1,655,314)</u>	<u>(485,777)</u>	<u>(2,399,265)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	431,364	1,729,276	604,290	2,764,930
Transfers out	(14,951)	-	-	(14,951)
Total other financing sources (uses)	<u>416,413</u>	<u>1,729,276</u>	<u>604,290</u>	<u>2,749,979</u>
Net change in fund balances	158,239	73,962	118,513	350,714
Fund balances - beginning	<u>3,905,556</u>	<u>2,152,171</u>	<u>2,289,157</u>	<u>8,346,884</u>
Fund balances - ending	<u>\$ 4,063,795</u>	<u>\$ 2,226,133</u>	<u>\$ 2,407,670</u>	<u>\$ 8,697,598</u>

BENTON COUNTY, OREGON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

June 30, 2016

	<u>County School</u>	<u>Fair</u>	<u>Library Services District</u>	<u>Land Corner Preservation</u>	<u>Block Grant</u>	<u>Oregon Health Plan</u>
ASSETS						
Cash and investments	\$ -	\$ 128,160	\$ 89,293	\$ 175,783	\$ 215,735	\$ 2,781,981
Property taxes receivable	-	-	181,705	-	-	-
Notes receivable	-	-	-	-	344,751	-
Advances to other funds	-	-	-	-	230,516	-
Intergovernmental receivables	5,350	-	-	-	-	-
Inventory	-	-	-	5,703	-	-
Prepays	-	1,275	-	399	-	-
Total assets	\$ 5,350	\$ 129,435	\$ 270,998	\$ 181,885	\$ 791,002	\$ 2,781,981
LIABILITIES						
Accounts payable	\$ -	\$ 16,743	\$ 85,000	\$ 983	\$ -	\$ -
Accrued payroll costs	-	9,241	-	2,864	-	-
Total liabilities	-	25,984	85,000	3,847	-	-
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-loans receivable	-	-	-	-	340,360	-
Unavailable revenue-property taxes	-	-	165,486	-	-	-
Total deferred inflows of resources	-	-	165,486	-	340,360	-
FUND BALANCES						
Nonspendable	-	1,275	-	6,102	-	-
Restricted for:						
Library services	-	-	20,512	-	-	-
Land preservation	-	-	-	171,936	-	-
Cultural services	5,350	102,176	-	-	-	-
Justice services	-	-	-	-	-	-
Transportation service	-	-	-	-	-	-
Title III program	-	-	-	-	-	-
Committed to:						
Cemetery operations	-	-	-	-	-	-
Community service	-	-	-	-	450,642	-
Health services	-	-	-	-	-	2,781,981
Assigned to:						
Water services	-	-	-	-	-	-
Total fund balances	5,350	103,451	20,512	178,038	450,642	2,781,981
Total liabilities, deferred inflows of resources and fund balances	\$ 5,350	\$ 129,435	\$ 270,998	\$ 181,885	\$ 791,002	\$ 2,781,981

<i>Court Security</i>	<i>Special Transportation</i>	<i>Title III Projects</i>	<i>Cemetery Operations</i>	<i>Alesea Human Svs. CSD</i>	<i>West Lewellyn CSD</i>	<i>Total</i>
\$ 172,685	\$ 366,333	\$ 21,451	\$ 46,442	\$ 4,095	\$ 921	\$ 4,002,879
-	-	-	-	3,823	-	185,528
-	-	-	-	-	-	344,751
-	-	-	-	-	-	230,516
4,697	36,513	-	-	-	-	46,560
-	-	-	-	-	-	5,703
-	1,750	-	-	-	-	3,424
\$ 177,382	\$ 404,596	\$ 21,451	\$ 46,442	\$ 7,918	\$ 921	\$ 4,819,361
\$ 45,309	\$ 85,479	\$ 180	\$ 463	\$ -	\$ -	\$ 234,157
-	-	-	-	-	-	12,105
45,309	85,479	180	463	-	-	246,262
-	-	-	-	-	-	340,360
-	-	-	-	3,458	-	168,944
-	-	-	-	3,458	-	509,304
-	1,750	-	-	-	-	9,127
-	-	-	-	-	-	20,512
-	-	-	-	-	-	171,936
-	-	-	-	-	-	107,526
132,073	-	-	-	-	-	132,073
-	317,367	-	-	-	-	317,367
-	-	21,271	-	-	-	21,271
-	-	-	45,979	-	-	45,979
-	-	-	-	-	-	450,642
-	-	-	-	4,460	-	2,786,441
-	-	-	-	-	921	921
132,073	319,117	21,271	45,979	4,460	921	4,063,795
\$ 177,382	\$ 404,596	\$ 21,451	\$ 46,442	\$ 7,918	\$ 921	\$ 4,819,361

BENTON COUNTY, OREGON

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

NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended June 30, 2016

	<u>County School</u>	<u>Fair</u>	<u>Library Services District</u>	<u>Land Corner Preservation</u>	<u>Block Grant</u>	<u>Oregon Health Plan</u>
REVENUES						
Taxes	\$ -	\$ -	\$ 2,623,562	\$ -	\$ -	\$ -
Intergovernmental	149,195	53,667	9,150	-	-	2,468,088
Charges for services	-	575,172	-	99,357	-	-
Interest	237	265	1,258	1,300	1,490	19,171
Miscellaneous	-	78,219	-	-	8,900	-
Total revenues	<u>149,432</u>	<u>707,323</u>	<u>2,633,970</u>	<u>100,657</u>	<u>10,390</u>	<u>2,487,259</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public works	-	-	-	110,310	-	-
Health services	-	-	-	-	-	2,287,475
Justice services	-	-	-	-	-	-
Community services	-	-	-	-	1,524	-
Cultural and educational services	<u>144,082</u>	<u>973,103</u>	<u>2,699,749</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>144,082</u>	<u>973,103</u>	<u>2,699,749</u>	<u>110,310</u>	<u>1,524</u>	<u>2,287,475</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,350</u>	<u>(265,780)</u>	<u>(65,779)</u>	<u>(9,653)</u>	<u>8,866</u>	<u>199,784</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	393,000	-	-	-	-
Transfers out	<u>-</u>	<u>(11,140)</u>	<u>-</u>	<u>(3,589)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>381,860</u>	<u>-</u>	<u>(3,589)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,350	116,080	(65,779)	(13,242)	8,866	199,784
Fund balances - beginning	<u>-</u>	<u>(12,629)</u>	<u>86,291</u>	<u>191,280</u>	<u>441,776</u>	<u>2,582,197</u>
Fund balances - ending	<u>\$ 5,350</u>	<u>\$ 103,451</u>	<u>\$ 20,512</u>	<u>\$ 178,038</u>	<u>\$ 450,642</u>	<u>\$ 2,781,981</u>

<i>Court Security</i>	<i>Special Transportation</i>	<i>Title III Projects</i>	<i>Cemetery Operations</i>	<i>Alea Human Svs. CSD</i>	<i>West Lewellyn CSD</i>	<i>Total</i>
\$ -	\$ -	\$ -	\$ -	\$ 59,473	\$ -	\$ 2,683,035
117,748	679,847	-	-	-	-	3,477,695
-	462,962	-	13,700	-	-	1,151,191
963	1,968	227	358	35	6	27,278
-	1,278	-	1,375	-	-	89,772
<u>118,711</u>	<u>1,146,055</u>	<u>227</u>	<u>15,433</u>	<u>59,508</u>	<u>6</u>	<u>7,428,971</u>
-	-	31,829	76,689	-	-	108,518
-	-	-	-	-	-	110,310
-	-	-	-	57,398	-	2,344,873
61,014	-	-	-	-	-	61,014
-	1,243,972	-	-	-	-	1,245,496
-	-	-	-	-	-	3,816,934
<u>61,014</u>	<u>1,243,972</u>	<u>31,829</u>	<u>76,689</u>	<u>57,398</u>	<u>-</u>	<u>7,687,145</u>
<u>57,697</u>	<u>(97,917)</u>	<u>(31,602)</u>	<u>(61,256)</u>	<u>2,110</u>	<u>6</u>	<u>(258,174)</u>
-	15,864	-	22,500	-	-	431,364
-	-	-	(222)	-	-	(14,951)
-	15,864	-	22,278	-	-	416,413
57,697	(82,053)	(31,602)	(38,978)	2,110	6	158,239
<u>74,376</u>	<u>401,170</u>	<u>52,873</u>	<u>84,957</u>	<u>2,350</u>	<u>915</u>	<u>3,905,556</u>
<u>\$ 132,073</u>	<u>\$ 319,117</u>	<u>\$ 21,271</u>	<u>\$ 45,979</u>	<u>\$ 4,460</u>	<u>\$ 921</u>	<u>\$ 4,063,795</u>

BENTON COUNTY, OREGON

COUNTY SCHOOL FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Intergovernmental	\$ 600,000	\$ 149,195	\$ (450,805)
Interest	-	237	237
Total revenues	600,000	149,432	(450,568)
EXPENDITURES			
Cultural and educational services:			
Materials and services	600,000	144,082	455,918
Net change in fund balance	-	5,350	5,350
<i>Fund balances - beginning</i>	-	-	-
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 5,350</u>	<u>\$ 5,350</u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Intergovernmental	\$ 100,000	\$ 53,667	\$ (46,333)
Charges for services	1,124,476	575,172	(549,304)
Interest	-	265	265
Miscellaneous	96,000	78,219	(17,781)
Total revenues	<u>1,320,476</u>	<u>707,323</u>	<u>(613,153)</u>
EXPENDITURES			
Cultural and educational services:			
Personal services	643,712	309,895	333,817
Materials and services	1,377,764	676,236	701,528
Capital outlay	50,000	1,500	48,500
Contingency	35,000	-	35,000
Total expenditures	<u>2,106,476</u>	<u>987,631</u>	<u>1,118,845</u>
Excess (deficiency) of revenues over (under) expenditures	(786,000)	(280,308)	505,692
OTHER FINANCING SOURCES			
Transfers in	786,000	393,000	(393,000)
Net change in fund balance	-	112,692	112,692
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 112,692</u></u>	<u><u>\$ 112,692</u></u>
Reconciliation to GAAP Basis:			
Budget basis ending deficit fund balance		\$ 112,692	
Accrued Payroll		<u>(9,241)</u>	
GAAP ending deficit fund balance		<u><u>\$ 103,451</u></u>	

BENTON COUNTY, OREGON

LIBRARY SERVICE DISTRICT

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Taxes	\$ 5,404,137	\$ 2,623,562	\$ (2,780,575)
Intergovernmental	13,454	9,150	(4,304)
Interest	1,000	1,258	258
Total revenues	5,418,591	2,633,970	(2,784,621)
EXPENDITURES			
Cultural and educational services:			
Materials and services	5,418,591	2,699,749	2,718,842
Net change in fund balance	-	(65,779)	(65,779)
<i>Fund balances - beginning</i>	-	86,291	86,291
<i>Fund balances - ending</i>	<u>\$ -</u>	<u>\$ 20,512</u>	<u>\$ 20,512</u>

BENTON COUNTY, OREGON

LAND CORNER PRESERVATION FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<u>Biennium</u>		
	<u>Total Budget</u>	<u>1st Year Actual</u>	<u>Variance with Budget</u>
REVENUES			
Charges for services	\$ 192,444	\$ 99,357	\$ (93,087)
Interest	2,030	1,300	(730)
Total revenues	<u>194,474</u>	<u>100,657</u>	<u>(93,817)</u>
EXPENDITURES			
Public works:			
Personal services	161,587	78,921	82,666
Materials and services	71,742	35,387	36,355
Capital Outlay	<u>111,145</u>	<u>-</u>	<u>111,145</u>
Total expenditures	<u>344,474</u>	<u>114,308</u>	<u>230,166</u>
Net change in fund balance	(150,000)	(13,651)	136,349
Fund balances - beginning	<u>150,000</u>	<u>188,844</u>	<u>38,844</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 175,193</u>	<u>\$ 175,193</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 175,193	
Accrued Payroll		(2,858)	
Inventory		<u>5,703</u>	
GAAP ending fund balance		<u>\$ 178,038</u>	

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>Ist Year Actual</i>	
REVENUES			
Interest	\$ 2,000	\$ 1,490	\$ (510)
EXPENDITURES			
Community services			
Materials and services	<u>268,800</u>	<u>1,524</u>	<u>267,276</u>
Excess (deficiency) of revenues over (under) expenditures	(266,800)	(34)	266,766
OTHER FINANCING SOURCES			
Loans repaid	<u>32,400</u>	<u>8,900</u>	<u>(23,500)</u>
Net change in fund balance	(234,400)	8,866	243,266
Fund balances - beginning	<u>234,400</u>	<u>206,868</u>	<u>(27,532)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 215,734</u>	<u>\$ 215,734</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 215,734	
Loans receivable		4,392	
Advances to other funds		<u>230,516</u>	
GAAP ending fund balance		<u>\$ 450,642</u>	

BENTON COUNTY, OREGON

OREGON HEALTH PLAN FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2015

	<i>Biennium</i>		
	<i>Total Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Intergovernmental	\$ 4,758,123	\$ 2,468,088	\$ (2,290,035)
Interest	34,949	19,171	(15,778)
Total revenues	4,793,072	2,487,259	(2,305,813)
EXPENDITURES			
Health services:			
Materials and services	4,593,072	2,287,475	2,305,597
Contingency	3,000,000	-	3,000,000
Total expenditures	7,593,072	2,287,475	5,305,597
Excess (deficiency) of revenues over (under) expenditures	(2,800,000)	199,784	2,999,784
Fund balances - beginning	2,800,000	2,582,197	(217,803)
Fund balances - ending	\$ -	\$ 2,781,981	\$ 2,781,981

BENTON COUNTY, OREGON

COURT SECURITY FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2015

	Biennium		
	Total Budget	1st Year Actual	Variance with Budget
REVENUES			
Intergovernmental	\$ 57,000	\$ 117,748	\$ 60,748
Interest	-	963	963
Total revenues	57,000	118,711	61,711
EXPENDITURES			
Justice:			
Personnel services	110,836	12,621	98,215
Materials and services	6,164	3,084	3,080
Capital outlay	-	45,309	(45,309)
Total expenditures	117,000	61,014	55,986
Net change in fund balance	(60,000)	57,697	117,697
Fund balances - beginning	60,000	74,376	14,376
Fund balances - ending	\$ -	\$ 132,073	\$ 132,073

BENTON COUNTY, OREGON
SPECIAL TRANSPORTATION FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (BUDGET AND ACTUAL)
For the Biennium Ending June 30, 2017
As of June 30, 2016

	<i>Biennium Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Intergovernmental	\$ 1,669,353	\$ 679,847	\$ (989,506)
Charges for services	833,300	462,962	(370,338)
Miscellaneous	2,400	1,278	(1,122)
Interest	4,000	1,968	(2,032)
Total revenues	<u>2,509,053</u>	<u>1,146,055</u>	<u>(1,362,998)</u>
EXPENDITURES			
Community services:			
Materials and services	2,375,077	1,198,634	1,176,443
Capital outlay	130,000	45,338	84,662
Contingency	220,704		220,704
Total expenditures	<u>2,725,781</u>	<u>1,243,972</u>	<u>1,481,809</u>
Excess (deficiency) of revenues over (under) expenditures	(216,728)	(97,917)	118,811
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>31,728</u>	<u>15,864</u>	<u>-</u>
Net change in fund balance	(185,000)	(82,053)	102,947
Fund balances - beginning	<u>185,000</u>	<u>401,170</u>	<u>216,170</u>
Fund balances - ending	<u><u>\$ -</u></u>	<u><u>\$ 319,117</u></u>	<u><u>\$ 319,117</u></u>

BENTON COUNTY, OREGON

TITLE III PROJECTS FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Interest	\$ -	\$ 227	\$ 227
EXPENDITURES			
General government:			
Materials and services	<u>55,500</u>	<u>31,829</u>	<u>23,671</u>
Net change in fund balance	(55,500)	(31,602)	23,898
Fund balances - beginning	<u>55,500</u>	<u>52,873</u>	<u>(2,627)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 21,271</u>	<u>\$ 21,271</u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		
	<i>Total Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Charges for services	\$ 26,000	\$ 13,700	\$ (12,300)
Miscellaneous	-	1,375	-
Interest	1,200	358	(842)
Total revenues	<u>27,200</u>	<u>15,433</u>	<u>(13,142)</u>
EXPENDITURES			
General government:			
Personnel services	11,300	4,152	7,148
Materials and services	32,288	21,082	11,206
Capital outlay	45,000	51,836	(6,836)
Contingency	42,612	-	42,612
Total expenditures	<u>131,200</u>	<u>77,070</u>	<u>54,130</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(104,000)</u>	<u>(61,637)</u>	<u>40,988</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	22,500	22,500	-
Transfers out	<u>(12,000)</u>	<u>-</u>	<u>12,000</u>
Total other financing sources (uses)	<u>10,500</u>	<u>22,500</u>	<u>12,000</u>
Net change in fund balance	(93,500)	(39,137)	52,988
Fund balances - beginning	<u>93,500</u>	<u>85,116</u>	<u>(8,384)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 45,979</u>	<u>\$ 44,604</u>

BENTON COUNTY, OREGON

ALSEA HUMAN SERVICES COUNTY SERVICE DISTRICT

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<u>Total Budget</u>	<u>Actual</u>	<u>Variance with Budget</u>
REVENUES			
Taxes	\$ 58,040	\$ 59,473	\$ 1,433
Interest	<u>30</u>	<u>35</u>	<u>5</u>
Total revenues	<u>58,070</u>	<u>59,508</u>	<u>1,438</u>
EXPENDITURES			
Cultural and educational services:			
Materials and services	58,070	57,398	672
Contingency	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>59,070</u>	<u>57,398</u>	<u>1,672</u>
Net change in fund balance	(1,000)	2,110	3,110
Fund balances - beginning	<u>1,000</u>	<u>2,350</u>	<u>1,350</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 4,460</u>	<u>\$ 4,460</u>

BENTON COUNTY, OREGON

WEST LEWELLYN SERVICE DISTRICT

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		
	<i>Total Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Interest	\$ -	\$ 6	\$ 6
<i>Fund balances - beginning</i>	<u>-</u>	<u>915</u>	<u>903</u>
<i>Fund balances - ending</i>	<u><u>\$ -</u></u>	<u><u>\$ 921</u></u>	<u><u>\$ 909</u></u>

NON-MAJOR DEBT SERVICE FUND

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

BENTON COUNTY, OREGON

DEBT SERVICE FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 3,346,000	\$ 1,732,902	\$ (1,613,098)
Interest	49,000	18,239	(30,761)
Total revenues	<u>3,395,000</u>	<u>1,751,141</u>	<u>(1,643,859)</u>
EXPENDITURES			
Debt service:			
Materials and services	1,800	850	950
Principal and interest	<u>3,433,500</u>	<u>1,676,329</u>	<u>1,757,171</u>
Total expenditures	<u>3,435,300</u>	<u>1,677,179</u>	<u>1,758,121</u>
Net change in fund balance	(40,300)	73,962	114,262
Fund balance - beginning	<u>2,120,000</u>	<u>2,152,171</u>	<u>32,171</u>
Fund balance - ending	<u><u>\$ 2,079,700</u></u>	<u><u>\$ 2,226,133</u></u>	<u><u>\$ 146,433</u></u>

NON-MAJOR CAPITAL PROJECTS FUNDS

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

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

BENTON COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 June 30, 2016

	<i>General Capital Improvements</i>	<i>Building Development Reserve</i>	<i>Total</i>
ASSETS			
Cash and investments	\$ 407,410	\$ 1,012,252	\$ 1,419,662
Intergovernmental receivables	-	-	-
Advances to other funds	-	1,075,741	1,075,741
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 407,410</u>	<u>\$ 2,087,993</u>	<u>\$ 2,495,403</u>
LIABILITIES			
Accounts payable	\$ 87,733	\$ -	\$ 87,733
FUND BALANCES			
Committed for capital projects	<u>319,677</u>	<u>2,087,993</u>	<u>2,407,670</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 407,410</u>	<u>\$ 2,087,993</u>	<u>\$ 2,495,403</u>

BENTON COUNTY, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS

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

For the Year Ended June 30, 2016

	<u>General Capital Improvements</u>	<u>Building Development Reserve</u>	<u>Total</u>
REVENUES			
Interest	\$ -	\$ 7,185	\$ 7,185
Miscellaneous	<u>29,553</u>	<u>-</u>	<u>29,553</u>
Total revenues	<u>29,553</u>	<u>7,185</u>	<u>36,738</u>
EXPENDITURES			
Capital projects:			
Materials and services	74,162	300	74,462
Capital outlay	<u>448,053</u>	<u>-</u>	<u>448,053</u>
Total expenditures	<u>522,215</u>	<u>300</u>	<u>522,515</u>
Excess (deficiency) of revenues over (under) expenditures	(492,662)	6,885	(485,777)
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>604,290</u>	<u>-</u>	<u>604,290</u>
Net change in fund balances	111,628	6,885	118,513
Fund balances - beginning	<u>208,049</u>	<u>2,081,108</u>	<u>2,289,157</u>
Fund balances - ending	<u>\$ 319,677</u>	<u>\$ 2,087,993</u>	<u>\$ 2,407,670</u>

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

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium Budget</i>	<i>1st Year Actual</i>	<i>Variance with Budget</i>
REVENUES			
Miscellaneous	\$ 20,000	\$ 29,553	\$ 9,553
EXPENDITURES			
Capital projects			
Materials and services	4,845	74,162	(69,317)
Capital outlay	1,364,238	448,053	916,185
Total expenditures	1,369,083	522,215	846,868
Excess (deficiency) of revenues over (under) expenditures	(1,349,083)	(492,662)	(837,315)
OTHER FINANCING SOURCES			
Transfers in	1,167,580	604,290	(563,290)
Net change in fund balance	(181,503)	111,628	293,131
Fund balances - beginning	181,503	208,049	26,546
Fund balances - ending	<u>\$ -</u>	<u>\$ 319,677</u>	<u>\$ 319,677</u>

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

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<u>Biennium Budget</u>	<u>1st Year Actual</u>	<u>Variance with Budget</u>
REVENUES			
Interest	\$ 20,000	\$ 7,185	\$ (12,815)
EXPENDITURES			
Capital projects:			
Materials and services	20,600	300	20,300
Contingency	1,234,400	-	1,234,400
	<u>1,255,000</u>	<u>300</u>	<u>1,254,700</u>
Total expenditures			
	<u>1,255,000</u>	<u>300</u>	<u>1,254,700</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,235,000)</u>	<u>6,885</u>	<u>1,241,885</u>
OTHER FINANCING SOURCES			
Transfers in	50,000	-	(50,000)
Loan principal	80,000	-	(80,000)
Loan interest	100,000	-	(100,000)
	<u>230,000</u>	<u>-</u>	<u>(230,000)</u>
Net other financing sources (uses)			
	<u>230,000</u>	<u>-</u>	<u>(230,000)</u>
Net change in fund balance	(1,005,000)	6,885	1,011,885
Fund balances - beginning	<u>1,005,000</u>	<u>1,005,367</u>	<u>367</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 1,012,252</u>	<u>\$ 1,012,252</u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 1,012,252	
Interfund loan		<u>1,075,741</u>	
GAAP ending fund balance		<u>\$ 2,087,993</u>	

ENTERPRISE FUNDS

Major Enterprise Funds

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

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

Non-major Enterprise Funds

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

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

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

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

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

BENTON COUNTY, OREGON**HEALTH CENTER FUND**

STATEMENTS OF NET POSITION

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash	\$ 1,569,311	\$ 1,211,405
Accounts receivable (net of doubtful accounts)	417,627	512,620
Inventory	176,947	128,404
Prepays	32,639	39,399
Total current assets	<u>2,196,524</u>	<u>1,891,828</u>
Noncurrent assets:		
Net pension asset	-	838,487
Capital assets:		
Buildings	1,035,130	995,844
Equipment	133,203	114,007
Intangibles	32,000	32,000
Less accumulated depreciation	(211,723)	(180,084)
Total capital assets (net of accumulated depreciation)	<u>988,610</u>	<u>961,767</u>
Total assets	<u>3,185,134</u>	<u>3,692,082</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	474,054	313,957
LIABILITIES		
Current liabilities:		
Accounts payable	273,124	317,676
Accrued payroll	286,459	224,251
Bonds payable	31,260	28,201
Compensated absences	53,569	47,010
Total current liabilities	<u>644,412</u>	<u>617,138</u>
Long-term liabilities:		
PERS bonds payable	1,060,173	1,091,433
Net OPEB obligation	708,836	728,699
Compensated absences	281,420	278,818
Net pension liability	2,195,047	-
Total long-term liabilities	<u>4,245,476</u>	<u>2,098,950</u>
Total liabilities	<u>4,889,888</u>	<u>2,716,088</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	597,123	1,658,512
NET POSITION		
Investment in capital assets	988,610	961,767
Unrestricted	(2,816,433)	(1,330,328)
Total net position	<u>\$ (1,827,823)</u>	<u>\$ (368,561)</u>

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

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 8,465,330	\$ 8,588,086
Intergovernmental	3,163,868	3,665,670
Miscellaneous	142,620	124,009
Total operating revenues	<u>11,771,818</u>	<u>12,377,765</u>
OPERATING EXPENSES		
Personal services	8,754,646	5,447,779
Materials and services	5,453,268	5,125,101
Depreciation	31,639	30,883
Total operating expenses	<u>14,239,553</u>	<u>10,603,763</u>
Operating income (loss)	<u>(2,467,735)</u>	<u>1,774,002</u>
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(1,342)	(3,935)
Investment earnings	11,971	2,826
Net nonoperating revenues/expenses	<u>10,629</u>	<u>(1,109)</u>
Income (loss) before transfers	(2,457,106)	1,772,893
TRANSFERS		
Transfers out	(284,185)	(268,360)
Transfers in	1,282,029	1,257,458
Change in net position	(1,459,262)	2,761,991
Total net position - beginning	<u>(368,561)</u>	<u>(3,130,552)</u>
Total net position - ending	<u><u>\$ (1,827,823)</u></u>	<u><u>\$ (368,561)</u></u>

BENTON COUNTY, OREGON

HEALTH CENTER FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 8,560,323	\$ 9,131,556
Intergovernmental	3,163,868	3,665,670
Miscellaneous donations	142,620	124,212
Payments to suppliers	(5,539,603)	(5,292,825)
Payroll costs	(6,891,092)	(6,466,683)
<i>Net cash provided (used) by operating activities</i>	<u>(563,884)</u>	<u>1,161,930</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	(284,185)	(268,360)
Principal paid on noncapital debt	(28,201)	(25,087)
Interest expense	-	(3,935)
Interfund borrowing	-	(913,727)
Transfers in	1,282,029	1,257,458
<i>Net cash provided by noncapital financing activities</i>	<u>969,643</u>	<u>46,349</u>
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Change in capital assets	(58,482)	-
<i>Net cash (used) by capital and related financing activities</i>	<u>(58,482)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	11,971	2,826
<i>Net cash provided by investing activities</i>	<u>11,971</u>	<u>2,826</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	359,248	1,211,105
<i>Cash and cash equivalents - beginning</i>	<u>1,211,405</u>	<u>300</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 1,570,653</u>	<u>\$ 1,211,405</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ (2,467,735)	\$ 1,774,002
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	31,639	30,883
Disposition of capital asset	-	203
Change in assets and liabilities:		
Receivables	94,993	543,470
Inventory	(48,543)	(46,631)
Prepays	6,760	(15,575)
Compensated absences	9,161	(55,836)
Pension asset	838,487	(838,487)
Deferred inflows/outflows of resources	(1,221,486)	1,656,550
Net pension liability	2,195,047	(1,887,720)
OPEB	(19,863)	112,682
Payables	17,656	(111,611)
<i>Net cash provided (used) by operating activities</i>	<u>\$ (563,884)</u>	<u>\$ 1,161,930</u>

BENTON COUNTY, OREGON**HEALTH CENTER FUND***SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGET AND ACTUAL)**For the Biennium Ending June 30, 2017**As of June 30, 2016*

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 15,874,444	\$ 8,465,330	\$ (7,409,114)
Intergovernmental	6,936,242	3,163,868	(3,772,374)
Interest	5,581	11,971	6,390
Miscellaneous	293,754	142,620	(151,134)
Total revenues	<u>23,110,021</u>	<u>11,783,789</u>	<u>(11,326,232)</u>
EXPENDITURES			
<i>Health services</i>			
Personal services	15,434,331	7,241,946	8,192,385
Materials and services	9,893,347	5,450,417	4,442,930
Capital outlay	70,000	63,675	6,325
Contingency	300,000	-	300,000
Total expenditures	<u>25,697,678</u>	<u>12,756,038</u>	<u>12,941,640</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,587,657)</u>	<u>(972,249)</u>	<u>1,615,408</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>2,187,657</u>	<u>1,253,828</u>	<u>(933,829)</u>
Total other financing sources (uses)	<u>2,187,657</u>	<u>1,253,828</u>	<u>(933,829)</u>
Change in fund balance	(400,000)	281,579	681,579
Fund balance - beginning	<u>400,000</u>	<u>1,349,898</u>	<u>949,898</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 1,631,477</u>	<u>\$ 1,631,477</u>

BENTON COUNTY, OREGON
EAST LINN CLINIC FUND
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash	\$ 914,797	\$ 523,052
Accounts receivable (net of doubtful accounts)	64,437	57,659
Prepays	667	352
Inventory	11,363	6,776
Total current assets	<u>991,264</u>	<u>587,839</u>
Non-current assets:		
Net pension asset	-	118,314
Capital assets:		
Buildings	43,115	-
Equipment	56,265	-
Intangibles	16,637	-
Less accumulated depreciation	(4,184)	-
Total capital assets (net of accumulated depreciation)	<u>111,833</u>	<u>-</u>
Total assets	<u>1,103,097</u>	<u>706,153</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	<u>66,891</u>	<u>44,301</u>
LIABILITIES		
Current liabilities:		
Accounts payable	59,405	18,287
Accrued payroll	50,159	37,561
Accrued compensated absences	6,132	10,592
Total current liabilities	<u>115,696</u>	<u>66,440</u>
Long-term liabilities:		
Compensated absences	25,113	12,072
Net OPEB obligation	132,295	106,600
Net pension liability	309,730	-
Total long-term liabilities	<u>467,138</u>	<u>118,672</u>
Total liabilities	<u>582,834</u>	<u>185,112</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	<u>84,256</u>	<u>234,023</u>
NET POSITION		
Investment in capital assets	111,833	-
Unrestricted	391,065	331,319
Total net position	<u><u>\$ 502,898</u></u>	<u><u>\$ 331,319</u></u>

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

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 1,264,982	\$ 1,176,207
Intergovernmental	1,361,917	675,569
Miscellaneous	114,029	105,938
	<u>2,740,928</u>	<u>1,957,714</u>
OPERATING EXPENSES		
Personnel services	1,595,238	717,396
Materials and services	921,175	511,273
Depreciation	4,184	-
	<u>2,520,597</u>	<u>1,228,669</u>
Operating income	220,331	729,045
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	4,513	443
	<u>224,844</u>	<u>729,488</u>
TRANSFERS		
Transfers out	(53,265)	(39,258)
Change in net position	171,579	690,230
Total net position - beginning	<u>331,319</u>	<u>(358,911)</u>
Total net position - ending	<u><u>\$ 502,898</u></u>	<u><u>\$ 331,319</u></u>

BENTON COUNTY, OREGON**EAST LINN CLINIC FUND**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 1,258,204	\$ 1,200,592
Grants	1,361,917	675,569
Miscellaneous donations	114,029	105,938
Payments to suppliers	(884,959)	(520,943)
Payroll costs	(1,292,677)	(839,954)
<i>Net cash provided by operating activities</i>	<u>556,514</u>	<u>621,202</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interfund borrowing	-	(59,635)
Transfers out	(53,265)	(39,258)
<i>Net cash (used) by noncapital financing activities</i>	<u>(53,265)</u>	<u>(98,893)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Assets purchased	(116,017)	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earnings	4,513	443
<i>Net increase (decrease) in cash and cash equivalents</i>	391,745	522,752
<i>Cash and cash equivalents - beginning</i>	523,052	300
<i>Cash and cash equivalents - ending</i>	<u>\$ 914,797</u>	<u>\$ 523,052</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 220,331	\$ 729,045
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	4,184	-
Change in assets and liabilities:		
Receivables	(6,778)	24,385
Inventory	(4,587)	(1,205)
Prepays	(315)	261
Compensated absences	8,581	2,277
Pension asset	118,314	(118,314)
Net pension liability	309,730	(266,365)
Deferred outflows/inflows	(172,357)	233,746
OPEB	25,695	19,296
Payables	53,716	(1,924)
<i>Net cash provided by operating activities</i>	<u>\$ 556,514</u>	<u>\$ 621,202</u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		
	<i>Total</i>	<i>1st Year</i>	<i>Variance</i>
	<i>Budget</i>	<i>Actual</i>	<i>with Budget</i>
REVENUES			
Charges for services	\$ 3,403,095	\$ 1,264,982	\$ (2,138,113)
Intergovernmental	3,123,742	1,361,917	(1,761,825)
Interest	1,015	4,513	3,498
Miscellaneous	239,646	114,028	(125,618)
	<hr/>	<hr/>	<hr/>
Total revenues	6,767,498	2,745,440	(4,022,058)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
<i>Health services</i>			
Personal services	4,147,377	1,354,081	2,793,296
Materials and services	2,275,013	921,175	1,353,838
Capital outlay	116,108	116,017	91
Contingency	529,000	-	529,000
	<hr/>	<hr/>	<hr/>
Total expenditures	7,067,498	2,391,273	4,676,225
	<hr/>	<hr/>	<hr/>
Change in fund balance	(300,000)	354,167	654,167
	<hr/>	<hr/>	<hr/>
<i>Fund balance - beginning</i>	300,000	531,992	231,992
	<hr/>	<hr/>	<hr/>
<i>Fund balance - ending</i>	\$ -	\$ 886,159	\$ 886,159
	<hr/>	<hr/>	<hr/>

BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2016

	<i>Business-type Activities - Non-major Enterprise Funds</i>					<i>Totals</i>
	<i>Enterprise Operations</i>	<i>Alsea CSD</i>	<i>Alpine CSD</i>	<i>Cascade View CSD</i>	<i>South Third CSD</i>	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 339,668	\$ 56,070	\$ 19,708	\$ 78,144	\$ 9,084	\$ 502,674
Accounts receivable	-	6,619	2,293	3,443	1,125	13,480
Prepays	-	53	133	-	53	239
Total current assets	<u>339,668</u>	<u>62,742</u>	<u>22,134</u>	<u>81,587</u>	<u>10,262</u>	<u>516,393</u>
Noncurrent assets:						
Assessments receivable	-	-	-	-	21,329	21,329
Capital assets:						
Land and non-depreciable assets	261,450	-	33,848	-	-	295,298
Buildings	1,198,038	-	-	-	-	1,198,038
Machinery and equipment	19,746	3,742	1,871	1,871	-	27,230
Utility system	-	977,423	786,939	250,000	1,638,274	3,652,636
Less accumulated depreciation	(440,254)	(818,267)	(347,142)	(211,871)	(266,980)	(2,084,514)
Total capital assets (net of accumulated depreciation)	<u>1,038,980</u>	<u>162,898</u>	<u>475,516</u>	<u>40,000</u>	<u>1,371,294</u>	<u>3,088,688</u>
Total noncurrent assets	<u>1,038,980</u>	<u>162,898</u>	<u>475,516</u>	<u>40,000</u>	<u>1,392,623</u>	<u>3,110,017</u>
Total assets	<u>1,378,648</u>	<u>225,640</u>	<u>497,650</u>	<u>121,587</u>	<u>1,402,885</u>	<u>3,626,410</u>
LIABILITIES						
Current liabilities:						
Accounts payable	117	1,068	208	438	1,496	3,327
Bonds/notes payable	17,635	-	-	-	-	17,635
Customer deposits	-	3,376	-	-	-	3,376
Total current liabilities	<u>17,752</u>	<u>4,444</u>	<u>208</u>	<u>438</u>	<u>1,496</u>	<u>24,338</u>
Non-current liabilities:						
Advance from other funds	-	11,486	-	-	27,342	38,828
Bonds/notes payable	188,644	-	-	-	-	188,644
Total non-current liabilities	<u>188,644</u>	<u>11,486</u>	<u>-</u>	<u>-</u>	<u>27,342</u>	<u>227,472</u>
Total liabilities	<u>206,396</u>	<u>15,930</u>	<u>208</u>	<u>438</u>	<u>28,838</u>	<u>251,810</u>
NET POSITION						
Net investment in capital assets	832,701	151,412	475,516	40,000	1,371,294	2,870,923
Unrestricted	339,551	58,298	21,926	81,149	2,753	503,677
Total net position	<u>\$ 1,172,252</u>	<u>\$ 209,710</u>	<u>\$ 497,442</u>	<u>\$ 121,149</u>	<u>\$ 1,374,047</u>	<u>\$ 3,374,600</u>

BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS

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

For the Year Ended June 30, 2016

	<i>Business-type Activities - Nonmajor Enterprise Funds</i>					<i>Totals</i>
	<i>Enterprise Operations</i>	<i>Alea CSD</i>	<i>Alpine CSD</i>	<i>Cascade View CSD</i>	<i>South Third CSD</i>	
Operating Revenues						
Charges for services	\$ 186,134	\$ 66,069	\$ 23,349	\$ 33,521	\$ 17,759	\$ 326,832
Intergovernmental	3,000	-	-	-	-	3,000
Total operating revenues	<u>189,134</u>	<u>66,069</u>	<u>23,349</u>	<u>33,521</u>	<u>17,759</u>	<u>329,832</u>
Operating Expenses						
Materials and services	31,065	46,258	21,331	27,083	19,674	145,411
Depreciation/amortization	27,954	11,074	17,980	10,000	21,795	88,803
Total operating expenses	<u>59,019</u>	<u>57,332</u>	<u>39,311</u>	<u>37,083</u>	<u>41,469</u>	<u>234,214</u>
Operating income (loss)	<u>130,115</u>	<u>8,737</u>	<u>(15,962)</u>	<u>(3,562)</u>	<u>(23,710)</u>	<u>95,618</u>
Nonoperating revenues (expenses)						
Investment earnings	2,028	423	133	550	1,073	4,207
Interest expense	(4,313)	(464)	-	-	(642)	(5,419)
Nonoperating revenues/(expenses)	<u>(2,285)</u>	<u>(41)</u>	<u>133</u>	<u>550</u>	<u>431</u>	<u>(1,212)</u>
Change in net position	127,830	8,696	(15,829)	(3,012)	(23,279)	94,406
Total net position - beginning	<u>1,044,422</u>	<u>201,014</u>	<u>513,271</u>	<u>124,161</u>	<u>1,397,326</u>	<u>3,280,194</u>
Total net position - ending	<u><u>\$ 1,172,252</u></u>	<u><u>\$ 209,710</u></u>	<u><u>\$ 497,442</u></u>	<u><u>\$ 121,149</u></u>	<u><u>\$ 1,374,047</u></u>	<u><u>\$ 3,374,600</u></u>

BENTON COUNTY, OREGON
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2016

	<i>Business-type Activities - Nonmajor Enterprise Funds</i>					<i>Totals</i>
	<i>Enterprise Operations</i>	<i>Alesea CSD</i>	<i>Alpine CSD</i>	<i>Cascade View CSD</i>	<i>South Third CSD</i>	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 192,379	\$ 66,901	\$ 24,809	\$ 34,830	\$ 17,904	\$ 336,823
Grants	3,000	-	-	-	-	3,000
Payments to suppliers	(30,948)	(45,620)	(20,363)	(27,284)	(22,071)	(146,286)
Net cash provided (used) by operating activities	164,431	21,281	4,446	7,546	(4,167)	193,537
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Assessments received	-	-	-	-	1,898	1,898
Principal paid on debt	(17,287)	(21,387)	-	-	(4,758)	(43,432)
Interest paid on debt	(4,313)	(464)	-	-	(642)	(5,419)
Capital assets purchased	(58,817)	-	-	-	-	(58,817)
Loan from other funds	-	13,570	-	-	-	13,570
Net cash provided (used) by capital and related financing activities	(80,417)	(8,281)	-	-	(3,502)	(92,200)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	2,028	423	133	550	1,073	4,207
Net increase (decrease) in cash and cash equivalents	86,042	13,423	4,579	8,096	(6,596)	105,544
<i>Cash and cash equivalents - beginning</i>	253,626	42,647	15,129	70,048	15,680	397,130
<i>Cash and cash equivalents - ending</i>	\$ 339,668	\$ 56,070	\$ 19,708	\$ 78,144	\$ 9,084	\$ 502,674
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 130,115	\$ 8,737	\$ (15,962)	\$ (3,562)	\$ (23,710)	\$ 95,618
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation/amortization	27,954	11,074	17,980	10,000	21,795	88,803
Change in assets and liabilities:						
Receivables	6,245	(155)	1,460	1,309	905	9,764
Prepays	-	(13)	1,342	-	(53)	1,276
Customer deposits	-	987	(528)	(639)	-	(180)
Deferred inflows/outflows	-	-	-	-	(760)	(760)
Payables	117	651	154	438	(2,344)	(984)
Net cash provided (used) by operating activities	\$ 164,431	\$ 21,281	\$ 4,446	\$ 7,546	\$ (4,167)	\$ 193,537

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 339,668	\$ 253,626
Accounts receivable	-	6,245
Total current assets	<u>339,668</u>	<u>259,871</u>
Noncurrent assets:		
Capital assets		
Land	261,450	261,450
Buildings	1,198,038	1,139,221
Equipment	19,746	19,746
Less accumulated depreciation	<u>(440,254)</u>	<u>(412,300)</u>
Total capital assets (net of accumulated depreciation)	<u>1,038,980</u>	<u>1,008,117</u>
Total assets	<u>1,378,648</u>	<u>1,267,988</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	117	-
Current portion of note payable	<u>17,635</u>	<u>17,286</u>
Total current liabilities	<u>17,752</u>	<u>17,286</u>
Long-term liabilities:		
Note payable	<u>188,644</u>	<u>206,280</u>
Total liabilities	<u>206,396</u>	<u>223,566</u>
 NET POSITION		
Net investment in capital assets	832,701	784,551
Unrestricted	<u>339,551</u>	<u>259,871</u>
Total net position	<u>\$ 1,172,252</u>	<u>\$ 1,044,422</u>

BENTON COUNTY, OREGON**ENTERPRISE OPERATIONS FUND**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 186,134	\$ 165,270
Intergovernmental	3,000	-
Total operating revenues	<u>189,134</u>	<u>165,270</u>
OPERATING EXPENSES		
Materials and services	31,065	23,432
Depreciation	27,954	29,121
Total operating expenses	<u>59,019</u>	<u>52,553</u>
Operating income	<u>130,115</u>	<u>112,717</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	2,028	1,102
Interest expense	(4,313)	(4,656)
Nonoperating revenues (expense)	<u>(2,285)</u>	<u>(3,554)</u>
Income before transfers	127,830	109,163
Transfers out	<u>-</u>	<u>(28,147)</u>
Change in net position	127,830	81,016
Total net position beginning	<u>1,044,422</u>	<u>963,406</u>
Total net position - ending	<u><u>\$ 1,172,252</u></u>	<u><u>\$ 1,044,422</u></u>

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND
STATEMENTS OF CASH FLOWS
For the Years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 192,379	\$ 169,035
Grants	3,000	-
Payroll costs	-	(23,452)
Payments to suppliers	(30,948)	(26,273)
<i>Net cash provided by operating activities</i>	<u>164,431</u>	<u>119,310</u>
CASH FLOWS USED BY CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on debt	(17,287)	(16,944)
Interest paid on debt	(4,313)	(4,656)
Capital assets purchased	(58,817)	-
Net cash (used for) capital and related financing activities	<u>(80,417)</u>	<u>(21,600)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers out	-	(28,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>2,028</u>	<u>1,102</u>
Net increase in cash and cash equivalents	86,042	70,665
<i>Cash and cash equivalents - beginning</i>	<u>253,626</u>	<u>182,961</u>
<i>Cash and cash equivalents - ending</i>	<u><u>\$ 339,668</u></u>	<u><u>\$ 253,626</u></u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 130,115	\$ 112,717
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	27,954	29,121
Change in assets and liabilities:		
Receivables	6,245	3,765
Compensated absences	-	(7,490)
OPEB	-	(11,789)
Payables	117	(7,014)
<i>Net cash provided by operating activities</i>	<u><u>\$ 164,431</u></u>	<u><u>\$ 119,310</u></u>

BENTON COUNTY, OREGON
ENTERPRISE OPERATIONS FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 334,976	\$ 186,134	\$ (148,842)
Intergovernmental	3,000	3,000	-
Interest	2,800	2,028	(772)
Total revenues	<u>340,776</u>	<u>191,162</u>	<u>(149,614)</u>
EXPENDITURES			
<i>General government</i>			
Materials and services	93,018	31,066	61,952
Capital outlay	82,000	58,817	23,183
Debt service	43,200	21,600	21,600
Contingency	274,058	-	274,058
Total expenditures	<u>492,276</u>	<u>111,483</u>	<u>380,793</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,500)</u>	<u>79,679</u>	<u>231,179</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,500	-	(12,500)
Transfers out	(103,000)	-	103,000
Total other financing sources (uses)	<u>(90,500)</u>	<u>0</u>	<u>90,500</u>
Change in fund balance	(242,000)	79,679	321,679
Fund balance - beginning	<u>242,000</u>	<u>267,361</u>	<u>25,361</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 347,040</u></u>	<u><u>\$ 347,040</u></u>

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 56,070	\$ 42,647
Prepays	53	40
Accounts receivable	6,619	6,464
Total current assets	<u>62,742</u>	<u>49,151</u>
Noncurrent assets:		
Capital assets:		
Utility system	977,423	977,423
Equipment	3,742	3,742
Less accumulated depreciation	(818,267)	(807,193)
Total capital assets (net of accumulated depreciation)	<u>162,898</u>	<u>173,972</u>
Total assets	<u>225,640</u>	<u>223,123</u>
LIABILITIES		
Current liabilities:		
Accounts payable	1,068	417
Due to other funds	-	1,069
Customer deposits	3,376	2,389
Total current liabilities	<u>4,444</u>	<u>3,875</u>
Non-current liabilities:		
Advances from other funds	11,486	-
Bonds payable, net of current portion	-	18,234
Total non-current liabilities	<u>11,486</u>	<u>18,234</u>
Total liabilities	<u>15,930</u>	<u>22,109</u>
NET POSITION		
Net investment in capital assets	151,412	154,669
Unrestricted	58,298	46,345
Total net position	<u>\$ 209,710</u>	<u>\$ 201,014</u>

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 66,069	\$ 55,585
Intergovernmental	-	141
Total operating revenues	<u>66,069</u>	<u>55,726</u>
OPERATING EXPENSES		
Materials and services	46,258	45,637
Depreciation/amortization	<u>11,074</u>	<u>11,074</u>
Total operating expenses	<u>57,332</u>	<u>56,711</u>
Operating income (loss)	<u>8,737</u>	<u>(985)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	423	221
Interest expense	<u>(464)</u>	<u>(855)</u>
Nonoperating revenues (expenses)	<u>(41)</u>	<u>(634)</u>
Change in net position	8,696	(1,619)
Total net position - beginning	<u>201,014</u>	<u>202,633</u>
Total net position - ending	<u><u>\$ 209,710</u></u>	<u><u>\$ 201,014</u></u>

BENTON COUNTY, OREGON
ALSEA COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 66,901	\$ 57,161
Payments to suppliers	(45,620)	(50,299)
Grants	-	141
Net cash provided by operating activities	<u>21,281</u>	<u>7,003</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Loan from other funds	13,570	-
Principal paid on debt	(21,387)	(1,166)
Interest paid on debt	(464)	(855)
 Net cash (used) by capital and related financing activities	 <u>(8,281)</u>	 <u>(2,021)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	423	221
 Increase in cash and cash equivalents	 13,423	 5,203
Cash and cash equivalents - beginning	<u>42,647</u>	<u>37,444</u>
Cash and cash equivalents - ending	<u><u>\$ 56,070</u></u>	<u><u>\$ 42,647</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ 8,737	\$ (985)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization	11,074	11,074
Change in assets and liabilities:		
Receivables	(155)	657
Prepays	(13)	40
Customer deposits	987	919
Payables	651	(4,702)
Net cash provided (used) by operating activities	<u><u>\$ 21,281</u></u>	<u><u>\$ 7,003</u></u>

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

For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Variance with Budget</u>	<u>Budget Basis</u>	<u>Actual GAAP Adjustments</u>	<u>GAAP Basis</u>
REVENUES					
Charges for services	\$ 62,708	\$ 3,361	\$ 66,069	\$ -	\$ 66,069
Interest	350	73	423	-	423
Total revenues	<u>63,058</u>	<u>3,434</u>	<u>66,492</u>	<u>-</u>	<u>66,492</u>
EXPENDITURES					
Utility services	54,234	7,976	46,258	-	46,258
Debt service	22,305	454	21,851	(21,387)	464
Capital outlay/depreciation	1,000	1,000	-	11,074	11,074
Contingency	41,554	41,554	-	-	-
Total expenditures	<u>119,093</u>	<u>50,984</u>	<u>68,109</u>	<u>(10,313)</u>	<u>57,796</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(56,035)</u>	<u>54,418</u>	<u>(1,617)</u>	<u>10,313</u>	<u>8,696</u>
OTHER FINANCING SOURCES (USES)					
Loan receipts	14,000	(430)	13,570	(13,570)	-
Transfers in	2,355	-	2,355	(2,355)	-
Transfers out	(2,355)	-	(2,355)	2,355	-
Total other financing sources (uses)	<u>14,000</u>	<u>(430)</u>	<u>13,570</u>	<u>(13,570.00)</u>	<u>-</u>
Change in fund balance	(42,035)	53,988	11,953	(3,257)	8,696
Fund balance - beginning	<u>42,035</u>	<u>5,025</u>	<u>47,060</u>	<u>153,954</u>	<u>201,014</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 59,013</u>	<u>\$ 59,013</u>	<u>\$ 150,697</u>	<u>\$ 209,710</u>

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 19,708	\$ 15,129
Prepaid expenses	133	1,475
Accounts receivable	<u>2,293</u>	<u>3,753</u>
Total current assets	<u>22,134</u>	<u>20,357</u>
Noncurrent assets:		
Capital assets:		
Land	33,848	33,848
Utility system	786,939	786,939
Equipment	1,871	1,871
Less accumulated depreciation	<u>(347,142)</u>	<u>(329,162)</u>
Total capital assets (net of accumulated depreciation)	<u>475,516</u>	<u>493,496</u>
Total assets	<u>497,650</u>	<u>513,853</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	208	54
Customer deposits	<u>-</u>	<u>528</u>
Total current liabilities	<u>208</u>	<u>582</u>
 NET POSITION		
Investment in capital assets	475,516	493,496
Unrestricted	<u>21,926</u>	<u>19,775</u>
Total net position	<u>\$ 497,442</u>	<u>\$ 513,271</u>

BENTON COUNTY, OREGON**ALPINE COUNTY SERVICE DISTRICT****STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION***For the Years Ended June 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 23,349	\$ 25,150
 OPERATING EXPENSES		
Materials and services	21,331	27,676
Depreciation/amortization	<u>17,980</u>	<u>17,980</u>
 Total operating expenses	<u>39,311</u>	<u>45,656</u>
 Operating (loss)	(15,962)	(20,506)
 NONOPERATING REVENUES		
Investment earnings	<u>133</u>	<u>92</u>
 Change in net position	(15,829)	(20,414)
 Total net position - beginning	<u>513,271</u>	<u>533,685</u>
 Total net position - ending	<u><u>\$ 497,442</u></u>	<u><u>\$ 513,271</u></u>

BENTON COUNTY, OREGON
ALPINE COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 24,809	\$ 29,661
Payments to suppliers	(20,363)	(27,633)
Net cash provided by operating activities	<u>4,446</u>	<u>2,028</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	133	92
Net increase in cash and cash equivalents	4,579	2,120
Cash and cash equivalents - beginning	<u>15,129</u>	<u>13,009</u>
Cash and cash equivalents - ending	<u>\$ 19,708</u>	<u>\$ 15,129</u>
Reconciliation of operating (loss) to net cash provided by operating activities:		
Operating (loss)	\$ (15,962)	\$ (20,506)
Adjustments to reconcile operating (loss) to net cash provided by operating activities:		
Depreciation/amortization	17,980	17,980
Change in assets and liabilities:		
Receivables	1,460	4,276
Prepays	1,342	40
Customer deposits	(528)	235
Payables	154	3
Net cash provided by operating activities	<u>\$ 4,446</u>	<u>\$ 2,028</u>

BENTON COUNTY, OREGON

ALPINE COUNTY SERVICE DISTRICT

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

For the Year Ended June 30, 2016

	<u>Budget</u>	<u>Variance with Budget</u>	<u>Budget Basis</u>	<u>Actual GAAP Adjustments</u>	<u>GAAP Basis</u>
REVENUES					
Charges for services	\$ 26,200	\$ (2,851)	\$ 23,349	\$ -	\$ 23,349
Interest	-	133	133	-	133
Total revenues	<u>26,200</u>	<u>(2,718)</u>	<u>23,482</u>	<u>-</u>	<u>23,482</u>
EXPENDITURES					
Materials and services	27,613	6,282	21,331	-	21,331
Capital outlay (depreciation)	100	100	-	17,980	17,980
Contingency	<u>21,987</u>	<u>21,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>49,700</u>	<u>28,369</u>	<u>21,331</u>	<u>17,980</u>	<u>39,311</u>
Excess (deficiency) of revenues over (under) expenditures	(23,500)	25,651	2,151	(17,980)	(15,829)
Fund balance - beginning	<u>23,500</u>	<u>(3,828)</u>	<u>19,672</u>	<u>493,599</u>	<u>513,271</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 21,823</u>	<u>\$ 21,823</u>	<u>\$ 475,619</u>	<u>\$ 497,442</u>

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

June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 78,144	\$ 70,048
Accounts receivable	3,443	4,752
Total current assets	<u>81,587</u>	<u>74,800</u>
Noncurrent assets:		
Capital assets:		
Utility system	250,000	250,000
Equipment	1,871	1,871
Less accumulated depreciation	<u>(211,871)</u>	<u>(201,871)</u>
Total capital assets (net of accumulated depreciation)	<u>40,000</u>	<u>50,000</u>
Total assets	<u>121,587</u>	<u>124,800</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	438	-
Customer deposits	<u>-</u>	<u>639</u>
Total current liabilities	<u>438</u>	<u>639</u>
 NET POSITION		
Investment in capital assets	40,000	50,000
Unrestricted	<u>81,149</u>	<u>74,161</u>
Total net position	<u><u>\$ 121,149</u></u>	<u><u>\$ 124,161</u></u>

BENTON COUNTY, OREGON

CASCADE VIEW COUNTY SERVICE DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 33,521	\$ 35,790
OPERATING EXPENSES		
Materials and services	27,083	24,952
Depreciation/amortization	<u>10,000</u>	<u>10,000</u>
Total operating expenses	<u>37,083</u>	<u>34,952</u>
Operating income (loss)	(3,562)	838
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	<u>550</u>	<u>680</u>
Change in net position	(3,012)	1,518
Total net position - beginning	<u>124,161</u>	<u>122,643</u>
Total net position - ending	<u><u>\$ 121,149</u></u>	<u><u>\$ 124,161</u></u>

BENTON COUNTY, OREGON
CASCADE VIEW COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 34,830	\$ 36,008
Payments to suppliers	(27,284)	(24,952)
Net cash provided by operating activities	<u>7,546</u>	<u>11,056</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>550</u>	<u>680</u>
Net increase in cash and cash equivalents	8,096	11,736
<i>Cash and cash equivalents - beginning</i>	<u>70,048</u>	<u>58,312</u>
<i>Cash and cash equivalents - ending</i>	<u><u>\$ 78,144</u></u>	<u><u>\$ 70,048</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (3,562)	\$ 838
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization	10,000	10,000
Change in assets and liabilities:		
Receivables	1,309	(325)
Customer deposits	(639)	543
Payables	438	-
Net cash provided by operating activities	<u><u>\$ 7,546</u></u>	<u><u>\$ 11,056</u></u>

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

Year Ended June 30, 2016

	<u>Budget</u>	<u>Variance with Budget</u>	<u>Actual</u>		
			<u>Budget Basis</u>	<u>GAAP Adjustments</u>	<u>GAAP Basis</u>
REVENUES					
Charges for services	\$ 35,000	\$ (1,479)	\$ 33,521	\$ -	\$ 33,521
Interest	-	550	550	-	550
Total revenues	<u>35,000</u>	<u>(929)</u>	<u>34,071</u>	<u>-</u>	<u>34,071</u>
EXPENDITURES					
Materials and services	36,983	9,900	27,083	-	27,083
Capital outlay (depreciation)	1,000	1,000	-	10,000	10,000
Operating contingency	<u>55,240</u>	<u>55,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>93,223</u>	<u>66,140</u>	<u>27,083</u>	<u>10,000</u>	<u>37,083</u>
Excess (deficiency) of revenues over (under) expenditures	(58,223)	65,211	6,988	(10,000)	(3,012)
Fund balance - beginning	<u>58,223</u>	<u>15,938</u>	<u>74,161</u>	<u>50,000</u>	<u>124,161</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 81,149</u>	<u>\$ 81,149</u>	<u>\$ 40,000</u>	<u>\$ 121,149</u>

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 9,084	\$ 15,680
Prepaid expenses	53	-
Accounts receivables	<u>1,125</u>	<u>2,030</u>
Total current assets	<u>10,262</u>	<u>17,710</u>
Noncurrent assets:		
Assessments receivable	<u>21,329</u>	<u>23,227</u>
Capital assets:		
Utility system	1,638,274	1,638,274
Less accumulated depreciation	<u>(266,980)</u>	<u>(245,185)</u>
Total capital assets (net of accumulated depreciation)	<u>1,371,294</u>	<u>1,393,089</u>
Total noncurrent assets	<u>1,392,623</u>	<u>1,416,316</u>
Total assets	<u>1,402,885</u>	<u>1,434,026</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	1,496	3,840
Customer deposits	-	760
Total current liabilities	<u>1,496</u>	<u>4,600</u>
Long-term liabilities:		
Advances from other funds	<u>27,342</u>	<u>32,100</u>
Total liabilities	<u>28,838</u>	<u>36,700</u>
 NET POSITION		
Investment in capital assets	1,371,294	1,393,089
Unrestricted	<u>2,753</u>	<u>4,237</u>
Total net position	<u>\$ 1,374,047</u>	<u>\$ 1,397,326</u>

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 17,759	\$ 18,448
OPERATING EXPENSES		
Materials and services	19,674	19,546
Depreciation	21,795	21,795
Total operating expenses	41,469	41,341
Operating (loss)	(23,710)	(22,893)
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	1,073	1,314
Interest expense	(642)	(1,381)
Nonoperating revenues (expenses)	431	(67)
Change in net position	(23,279)	(22,960)
Total net position - beginning	1,397,326	1,420,286
Total net position - ending	\$ 1,374,047	\$ 1,397,326

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 17,904	\$ 19,701
Payments to suppliers	(22,071)	(16,718)
Net cash provided (used) by operating activities	<u>(4,167)</u>	<u>2,983</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Assessments received	1,898	5,562
Principal paid on debt	(4,758)	(88,925)
Loans from other funds	-	35,000
Interest paid on debt	(642)	(1,381)
Net cash (used) by capital and related financing activities	<u>(3,502)</u>	<u>(49,744)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,073	1,314
Net (decrease) in cash and cash equivalents	<u>(6,596)</u>	<u>(45,447)</u>
<i>Cash and cash equivalents - beginning</i>	<u>15,680</u>	<u>61,127</u>
<i>Cash and cash equivalents - ending</i>	<u><u>\$ 9,084</u></u>	<u><u>\$ 15,680</u></u>
 Reconciliation of operating (loss) to net cash provided (used) by operating activities:		
Operating (loss)	\$ (23,710)	\$ (22,893)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	21,795	21,795
Change in assets and liabilities:		
Receivables	905	813
Prepaid expenses	(53)	440
Deferred inflows/outflows of resources	(760)	440
Payables	(2,344)	2,388
Net cash provided (used) by operating activities	<u><u>\$ (4,167)</u></u>	<u><u>\$ 2,983</u></u>

BENTON COUNTY, OREGON
SOUTH THIRD COUNTY SERVICE DISTRICT

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

For the Year Ended June 30, 2016

	<i>Budget</i>	<i>Variance with Budget</i>	<i>Actual</i>		
			<i>Budget Basis</i>	<i>GAAP Adjustments</i>	
				<i>GAAP Basis</i>	
REVENUES					
Charges for services	\$ 18,240	\$ (481)	\$ 17,759	\$ -	\$ 17,759
Interest	100	(8)	92	-	92
Total revenues	18,340	(489)	17,851	-	17,851
EXPENDITURES					
Materials and services	20,150	476	19,674	-	19,674
Depreciation	-	-	-	21,795	21,795
Debt service	5,400	-	5,400	(4,758)	642
Operating contingency	7,722	7,722	-	-	-
Total expenditures	33,272	8,198	25,074	17,037	42,111
Excess (deficiency) of revenues over (under) expenditures	(14,932)	7,709	(7,223)	(17,037)	(24,260)
OTHER FINANCING SOURCES (USES)					
Assessments received	3,100	(222)	2,878	(1,897)	981
Change in fund balance	(11,832)	7,487	(4,345)	(18,934)	(23,279)
Fund balance - beginning	11,832	1,278	13,110	1,384,216	1,397,326
Fund balance - ending	\$ -	\$ 8,765	\$ 8,765	\$ 1,365,282	\$ 1,374,047

INTERNAL SERVICE FUNDS

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

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

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

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

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

BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2016

	<i>Intergovernmental Service</i>	<i>Management Service</i>	<i>Health Mgmt Services</i>	<i>Employee Benefits Trust</i>	<i>Interest Clearing</i>	<i>Totals</i>
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,061,682	\$ 697,523	\$ 439,550	\$ 1,817,902	\$ -	\$ 5,016,657
Accounts receivable	327,392	-	3,406	-	64,637	395,435
Inventory	108,818	-	3,559	-	-	112,377
Prepays	87,174	96,061	4,770	-	2,205	190,210
Total current assets	2,585,066	793,584	451,285	1,817,902	66,842	5,714,679
Capital assets:						
Land	1,388,651	-	-	-	-	1,388,651
Land improvements	206,828	-	-	-	-	206,828
Buildings	13,881,196	43,908	-	-	-	13,925,104
Machinery and equipment	8,541,921	17,116	49,881	-	18,495	8,627,413
Intangibles	54,895	610,102	564,383	-	-	1,229,380
Less accumulated depreciation	(13,089,126)	(577,786)	(574,083)	-	(17,570)	(14,258,565)
Total capital assets (net of accumulated depreciation)	10,984,365	93,340	40,181	-	925	11,118,811
Total assets	13,569,431	886,924	491,466	1,817,902	67,767	16,833,490
DEFERRED OUTFLOWS OF RESOURCES						
Pension related items	125,057	154,140	215,215	-	-	494,412
LIABILITIES						
Current liabilities:						
Accounts payable	344,219	118,453	48,751	98,290	-	609,713
Payroll payable	61,136	88,155	107,979	1,190	-	258,460
Compensated absences	21,371	30,129	34,009	-	-	85,509
Deposits payable	509	-	-	-	-	509
Other accrued liabilities	-	5,254	-	-	-	5,254
Lease payable	8,254	-	-	-	-	8,254
Loans and bonds payable	203,492	23,775	28,178	-	-	255,445
Total current liabilities	638,981	265,766	218,917	99,480	-	1,223,144
Long-term liabilities:						
PERS bonds payable	620,865	808,934	955,649	-	-	2,385,448
Compensated absences	300,578	206,448	258,670	-	-	765,696
Advances from other funds	1,306,257	-	-	-	-	1,306,257
Bonds payable	615,000	-	-	-	-	615,000
Net pension liability	579,061	713,727	996,524	-	-	2,289,312
Total long-term liabilities	3,421,761	1,729,109	2,210,843	-	-	7,361,713
Total liabilities	4,060,742	1,994,875	2,429,760	99,480	-	8,584,857
DEFERRED INFLOWS OF RESOURCES						
Pension related items	157,523	194,157	271,086	-	-	622,766
NET POSITION						
Net investment capital assets	8,851,362	93,340	40,181	-	925	8,985,808
Unrestricted	624,861	(1,241,308)	(2,034,346)	1,718,422	66,842	(865,529)
Total net position	\$ 9,476,223	\$ (1,147,968)	\$ (1,994,165)	\$ 1,718,422	\$ 67,767	\$ 8,120,279

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

For the Year Ended June 30, 2016

	<i>Intergovernmental Service</i>	<i>Management Service</i>	<i>Health Mgmt Services</i>	<i>Employee Benefits Trust</i>	<i>Interest Clearing</i>	<i>Totals</i>
OPERATING REVENUES						
Charges for services	\$ 3,816,434	\$ 3,576,384	\$ 3,882,014	\$ 669,549	\$ -	\$ 11,944,381
Space rental	1,727,941	-	-	-	-	1,727,941
Sales of materials	1,168,163	-	-	-	-	1,168,163
Investment earnings	-	-	-	-	345,881	345,881
Miscellaneous	9,806	86	2,963	-	828	13,683
Total operating revenues	<u>6,722,344</u>	<u>3,576,470</u>	<u>3,884,977</u>	<u>669,549</u>	<u>346,709</u>	<u>15,200,049</u>
OPERATING EXPENSES						
Personal services	2,160,048	3,063,207	3,723,359	60,338	-	9,006,952
Materials and services	3,958,029	1,117,219	697,973	487,916	284,420	6,545,557
Depreciation/amortization	877,836	15,992	3,325	-	3,699	900,852
Total operating expenses	<u>6,995,913</u>	<u>4,196,418</u>	<u>4,424,657</u>	<u>548,254</u>	<u>288,119</u>	<u>16,453,361</u>
Operating income (loss)	<u>(273,569)</u>	<u>(619,948)</u>	<u>(539,680)</u>	<u>121,295</u>	<u>58,590</u>	<u>(1,253,312)</u>
NONOPERATING REVENUES (EXPENSES)						
Interest expense	(50,182)	-	-	(558)	-	(50,740)
Interest income	1,658	3,461	2,647	12,577	-	20,343
Total nonoperating revenues/(expenses)	<u>(48,524)</u>	<u>3,461</u>	<u>2,647</u>	<u>12,019</u>	<u>-</u>	<u>(30,397)</u>
Income (loss) before transfers	(322,093)	(616,487)	(537,033)	133,314	58,590	(1,283,709)
Transfers in	112,133	137,049	25,421	-	-	274,603
Transfers out	(69,153)	(104,781)	(126,363)	(1,237)	-	(301,534)
Change in net position	<u>(279,113)</u>	<u>(584,219)</u>	<u>(637,975)</u>	<u>132,077</u>	<u>58,590</u>	<u>(1,310,640)</u>
Net position - beginning	<u>9,755,336</u>	<u>(563,749)</u>	<u>(1,356,190)</u>	<u>1,586,345</u>	<u>9,177</u>	<u>9,430,919</u>
Net position - ending	<u>\$ 9,476,223</u>	<u>\$ (1,147,968)</u>	<u>\$ (1,994,165)</u>	<u>\$ 1,718,422</u>	<u>\$ 67,767</u>	<u>\$ 8,120,279</u>

BENTON COUNTY, OREGON
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2016

	<i>Intergovernmental Service</i>	<i>Management Service</i>	<i>Health Mgmt Services</i>	<i>Employee Benefits Trust</i>	<i>Interest Clearing</i>	<i>Totals</i>
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 6,518,321	\$ 3,576,384	\$ 3,883,483	\$ 669,549	\$ -	\$ 14,647,737
Miscellaneous	-	86	2,963	-	828	3,877
Investment earnings	-	-	-	-	265,426	265,426
Payments to suppliers	(3,907,336)	(1,116,475)	(693,513)	(398,275)	(25,081)	(6,140,680)
Interest earnings distributed	-	-	-	-	(259,339)	(259,339)
Payroll costs	(1,653,114)	(2,424,736)	(2,861,123)	(64,083)	-	(7,003,056)
Net cash provided (used) by operating activities	957,871	35,259	331,810	207,191	(18,166)	1,513,965
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Principal paid on noncapital debt	(16,682)	(21,449)	(25,421)	-	-	(63,552)
Interest paid on noncapital debt	-	-	-	(558)	-	(558)
Transfers out	(69,154)	(104,781)	(126,363)	(1,237)	-	(301,535)
Transfers in	112,133	137,049	25,421	-	-	274,603
Net cash provided (used) by noncapital financing activities	26,297	10,819	(126,363)	(1,795)	-	(91,042)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on debt	(188,869)	-	-	-	-	(188,869)
Interest paid on debt	(50,182)	-	-	-	-	(50,182)
Acquisition of capital assets	(913,777)	-	-	-	-	(913,777)
Disposition of capital assets	53,614	-	-	-	-	53,614
Net cash (used) by capital and related financing activities	(1,099,214)	-	-	-	-	(1,099,214)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest received	1,658	3,461	2,647	12,577	-	20,343
Net cash provided by investing activities	1,658	3,461	2,647	12,577	-	20,343
Net increase (decrease) in cash and cash equivalents	(113,388)	49,539	208,094	217,973	(18,166)	344,052
Cash and cash equivalents - beginning	2,175,070	647,984	231,456	1,599,929	18,166	4,672,605
Cash and cash equivalents - ending	\$ 2,061,682	\$ 697,523	\$ 439,550	\$ 1,817,902	\$ -	\$ 5,016,657
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ (273,568)	\$ (619,948)	\$ (539,680)	\$ 121,295	\$ 58,590	\$ (1,253,311)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation/amortization	877,836	15,992	3,325	-	3,699	900,852
Change in assets and liabilities:						
Receivables	(204,023)	-	1,469	-	(64,637)	(267,191)
Inventory	19,790	-	(1,880)	-	-	17,910
Prepays	(86,365)	(54,201)	1,828	-	-	(138,738)
Net pension asset	221,196	272,637	380,663	-	-	874,496
Net pension liability	579,061	713,727	996,524	-	-	2,289,312
Deferred inflows/outflows	(322,232)	(397,170)	(554,540)	-	(15,818)	(1,289,760)
Compensated absences	22,400	41,675	31,636	-	-	95,711
Payables	123,776	62,547	12,465	85,896	-	284,684
Net cash provided (used) by operating activities	\$ 957,871	\$ 35,259	\$ 331,810	\$ 207,191	\$ (18,166)	\$ 1,513,965

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENTS OF NET POSITION

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,061,682	\$ 2,175,070
Accounts receivable	327,392	123,369
Inventory	108,818	128,608
Prepaid expenses	87,174	809
Total current assets	<u>2,585,066</u>	<u>2,427,856</u>
Noncurrent assets:		
Net pension asset	<u>-</u>	<u>221,196</u>
Capital assets:		
Land	1,388,651	1,388,651
Work in process	-	31,390
Land improvements	206,828	206,828
Intangibles	54,895	54,895
Buildings	13,881,196	13,665,016
Equipment	8,541,921	7,989,682
Less accumulated depreciation	<u>(13,089,126)</u>	<u>(12,334,424)</u>
Total capital assets (net of accumulated depreciation)	<u>10,984,365</u>	<u>11,002,038</u>
Total noncurrent assets	<u>10,984,365</u>	<u>11,223,234</u>
Total assets	<u>13,569,431</u>	<u>13,651,090</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	<u>125,057</u>	<u>82,823</u>
LIABILITIES		
Current liabilities:		
Accounts payable	344,219	226,952
Lease payable	8,254	8,870
Accrued payroll	61,136	54,627
Bonds payable	203,492	196,682
Deposits	509	509
Compensated absences	<u>21,371</u>	<u>28,259</u>
Total current liabilities	<u>638,981</u>	<u>515,899</u>
Long-term liabilities:		
PERS bonds payable	620,865	639,357
Lease payable	-	8,253
Advances from other funds	1,306,257	1,306,257
Bonds payable	615,000	800,000
Net pension liability	579,061	-
Compensated absences	<u>300,578</u>	<u>271,290</u>
Total long-term liabilities	<u>3,421,761</u>	<u>3,025,157</u>
Total liabilities	<u>4,060,742</u>	<u>3,541,056</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	<u>157,523</u>	<u>437,521</u>
NET ASSETS		
Net investment in capital assets	8,851,362	10,004,915
Unrestricted	<u>624,861</u>	<u>(249,579)</u>
Total net position	<u><u>\$ 9,476,223</u></u>	<u><u>\$ 9,755,336</u></u>

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 3,816,434	\$ 3,024,334
Space rental	1,727,941	1,677,378
Intergovernmental	-	40,454
Sale of materials	1,168,163	783,000
Miscellaneous	9,806	128,743
	<u>6,722,344</u>	<u>5,653,909</u>
Total operating revenues		
OPERATING EXPENSES		
Personal services	2,160,048	1,260,951
Materials and services	3,958,029	3,213,527
Depreciation	877,836	822,526
	<u>6,995,913</u>	<u>5,297,004</u>
Total operating expenses		
Operating income (loss)	<u>(273,569)</u>	<u>356,905</u>
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	1,658	4,091
Interest expsns	(50,182)	(58,005)
	<u>(48,524)</u>	<u>(53,914)</u>
Net nonoperating revenues (expenses)		
Income (loss) before transfers	(322,093)	302,991
Transfers in	112,133	97,041
Transfers out	(69,153)	(64,557)
	<u>(279,113)</u>	<u>335,475</u>
Change in net position		
Total net position - beginning	<u>9,755,336</u>	<u>9,419,861</u>
Total net position - ending	<u><u>\$ 9,476,223</u></u>	<u><u>\$ 9,755,336</u></u>

BENTON COUNTY, OREGON
INTERGOVERNMENTAL SERVICE FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 6,518,321	\$ 6,224,090
Grants	-	40,454
Payments to suppliers	(3,907,337)	(3,260,994)
Payroll costs	(1,653,114)	(1,526,076)
Net cash provided by operating activities	<u>957,870</u>	<u>1,477,474</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on noncapital debt	(16,682)	(14,840)
Transfers out	(69,153)	(64,557)
Transfers in	112,133	97,041
Net cash provided by noncapital financing activities	<u>26,298</u>	<u>17,644</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(913,777)	(841,584)
Principal paid on capital debt	(188,869)	(183,401)
Interest paid on capital debt	(50,182)	(58,005)
Disposition of capital assets	53,614	85,899
Net cash (used) by capital and related financing activities	<u>(1,099,214)</u>	<u>(997,091)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>1,658</u>	<u>4,091</u>
Net increase (decrease) in cash and cash equivalents	(113,388)	502,118
<i>Cash and cash equivalents - beginning</i>	<u>2,175,070</u>	<u>1,672,952</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 2,061,682</u>	<u>\$ 2,175,070</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (273,569)	\$ 356,905
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization	877,836	822,526
Change in assets and liabilities:		
Receivables	(204,023)	610,635
Inventory	19,790	(6,393)
Prepays	(86,365)	3,471
Net pension asset	221,196	(221,196)
Net pension liability	579,061	(497,987)
Deferred inflows/outflows	(322,232)	437,003
Compensated absences	22,400	18,784
Payables	123,776	(46,274)
Net cash provided by operating activities	<u>\$ 957,870</u>	<u>\$ 1,477,474</u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 10,286,263	\$ 5,495,295	\$ (4,790,968)
Sale of materials and equipment	2,671,559	1,270,857	(1,400,702)
Interest earnings	3,000	1,658	(1,342)
Miscellaneous	12,180	9,806	(2,374)
Total revenues	12,973,002	6,777,616	(6,195,386)
EXPENDITURES			
<i>General government</i>			
Personal services	3,647,516	1,728,776	1,918,740
Materials and services	7,026,805	3,442,010	3,584,795
Capital outlay	2,382,888	1,438,665	944,223
Debt service	637,628	230,183	407,445
Contingency	1,253,896	-	1,253,896
Total expenditures	14,948,733	6,839,634	8,109,099
Excess (deficiency) of revenues over (under) expenditures	(1,975,731)	(62,018)	1,913,713
OTHER FINANCING SOURCES (USES)			
Transfers in	318,402	95,451	(222,951)
Change in fund balance	(1,657,329)	33,433	1,690,762
Fund balance - beginning	1,657,329	2,189,304	531,975
Fund balance - ending	\$ -	\$ 2,222,737	\$ 2,222,737

BENTON COUNTY, OREGON**MANAGEMENT SERVICE FUND****STATEMENTS OF NET POSITION**

June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 697,523	\$ 647,984
Prepays	96,061	41,860
Total current assets	<u>793,584</u>	<u>689,844</u>
Noncurrent assets:		
Net pension asset	<u>-</u>	<u>272,637</u>
Capital assets:		
Buildings	43,908	43,908
Intangibles	610,102	610,102
Equipment	17,116	17,116
Accumulated depreciation	<u>(577,786)</u>	<u>(561,794)</u>
Total capital assets, net of accumulated depreciation	<u>93,340</u>	<u>109,332</u>
Total noncurrent assets	<u>93,340</u>	<u>381,969</u>
Total assets	<u>886,924</u>	<u>1,071,813</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	<u>154,140</u>	<u>102,084</u>
LIABILITIES		
Current liabilities:		
Accounts payable	118,453	65,518
Accrued payroll	88,155	80,553
Other accrued liabilities	5,254	3,244
Bonds payable	23,775	21,449
Compensated absences	<u>30,129</u>	<u>18,994</u>
Total current liabilities	<u>265,766</u>	<u>189,758</u>
Long-term liabilities:		
PERS bonds payable	808,934	832,709
Net pension liability	713,727	-
Compensated absences	<u>206,448</u>	<u>175,908</u>
Total long-term liabilities	<u>1,729,109</u>	<u>1,008,617</u>
Total liabilities	<u>1,994,875</u>	<u>1,198,375</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	<u>194,157</u>	<u>539,271</u>
NET POSITION		
Investment in capital assets	93,340	109,332
Unrestricted	<u>(1,241,308)</u>	<u>(673,081)</u>
Total net position	<u><u>\$ (1,147,968)</u></u>	<u><u>\$ (563,749)</u></u>

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

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 3,576,384	\$ 3,089,288
Miscellaneous	86	388
Total operating revenues	<u>3,576,470</u>	<u>3,089,676</u>
OPERATING EXPENSES		
Personal services	3,063,207	1,776,366
Materials and services	1,117,219	980,626
Depreciation	15,992	15,992
Total operating expenses	<u>4,196,418</u>	<u>2,772,984</u>
Operating income (loss)	(619,948)	316,692
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	<u>3,461</u>	<u>2,057</u>
Income (loss) before transfers	(616,487)	318,749
Transfers in	137,049	117,571
Transfers out	<u>(104,781)</u>	<u>(93,561)</u>
Change in net position	(584,219)	342,759
Total net position - beginning	<u>(563,749)</u>	<u>(906,508)</u>
Total net position - ending	<u><u>\$ (1,147,968)</u></u>	<u><u>\$ (563,749)</u></u>

BENTON COUNTY, OREGON**MANAGEMENT SERVICE FUND**

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 3,576,384	\$ 3,089,288
Miscellaneous revenues	86	388
Payments to suppliers	(1,116,475)	(922,560)
Payroll costs	(2,424,736)	(2,092,084)
<i>Net cash provided by operating activities</i>	<u>35,259</u>	<u>75,032</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on noncapital debt	(21,449)	(19,080)
Transfers out	(104,781)	(93,561)
Transfers in	137,049	117,571
<i>Net cash provided by noncapital financing activities</i>	<u>10,819</u>	<u>4,930</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	3,461	2,057
<i>Net increase (decrease) in cash and cash equivalents</i>	49,539	82,019
<i>Cash and cash equivalents - beginning</i>	<u>647,984</u>	<u>565,965</u>
<i>Cash and cash equivalents - ending</i>	<u><u>\$ 697,523</u></u>	<u><u>\$ 647,984</u></u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income	\$ (619,948)	\$ 316,692
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization	15,992	15,992
Change in assets and liabilities:		
Prepays	(54,201)	49,967
Net pension asset	272,637	(272,637)
Net pension liability	713,727	(613,798)
Deferred inflows/outflows	(397,170)	538,633
Compensated absences	41,675	23,312
Payables	62,547	16,871
<i>Net cash provided by operating activities</i>	<u><u>\$ 35,259</u></u>	<u><u>\$ 75,032</u></u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	Biennium		Variance with Budget
	Budget	1st Year Actual	
REVENUES			
Charges for services	\$ 7,438,292	\$ 3,576,384	\$ (3,861,908)
Interest earnings	1,500	3,461	1,961
Miscellaneous	2,000	86	(1,914)
Total revenues	<u>7,441,792</u>	<u>3,579,931</u>	<u>(3,861,861)</u>
EXPENDITURES			
General government			
Personal services	5,462,317	2,537,119	2,925,198
Materials and services	2,504,446	1,117,219	1,387,227
Capital outlay	5,000	-	5,000
Contingency	236,229	-	236,229
Total expenditures	<u>8,207,992</u>	<u>3,654,338</u>	<u>4,553,654</u>
Excess (deficiency) of revenues over (under) expenditures	(766,200)	(74,407)	691,793
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>231,200</u>	<u>115,600</u>	<u>(115,600)</u>
Change in fund balance	(535,000)	41,193	576,193
Fund balance - beginning	<u>535,000</u>	<u>588,043</u>	<u>53,043</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 629,236</u>	<u>\$ 629,236</u>

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 439,550	\$ 231,456
Accounts receivable	3,406	4,875
Inventory	3,559	1,679
Prepays	4,770	6,598
	<u>451,285</u>	<u>244,608</u>
Noncurrent assets:		
Net pension asset	<u>-</u>	<u>380,663</u>
Capital assets:		
Equipment	49,881	49,881
Intangibles	564,383	564,383
Less accumulated depreciation	<u>(574,083)</u>	<u>(570,757)</u>
Total capital assets (net of accumulated depreciation)	<u>40,181</u>	<u>43,507</u>
	<u>40,181</u>	<u>424,170</u>
	<u>491,466</u>	<u>668,778</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	<u>215,215</u>	<u>142,533</u>
LIABILITIES		
Current liabilities:		
Accounts payable	48,751	44,240
Accrued payroll	107,979	100,026
Bonds payable	28,178	25,421
Compensated absences	34,009	30,058
	<u>218,917</u>	<u>199,745</u>
Long-term liabilities:		
PERS bonds payable	955,649	983,827
Net pension liability	996,524	-
Compensated absences	258,670	230,985
	<u>2,210,843</u>	<u>1,214,812</u>
	<u>2,429,760</u>	<u>1,414,557</u>
DEFERRED INFLOWS OF RESOURCES		
Pension related items	<u>271,086</u>	<u>752,944</u>
NET POSITION		
Investment in capital assets	40,181	43,507
Unrestricted	<u>(2,034,346)</u>	<u>(1,399,697)</u>
	<u>\$ (1,994,165)</u>	<u>\$ (1,356,190)</u>

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

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 3,882,014	\$ 3,285,518
Miscellaneous	2,963	508
Total operating revenues	<u>3,884,977</u>	<u>3,286,026</u>
OPERATING EXPENSES		
Personal services	3,723,359	2,151,000
Materials and services	697,973	639,244
Depreciation	3,325	5,681
Total operating expenses	<u>4,424,657</u>	<u>2,795,925</u>
Operating income (loss)	(539,680)	490,101
NONOPERATING REVENUES		
Investment earnings	<u>2,647</u>	<u>1,760</u>
Income (loss) before transfers	(537,033)	491,861
TRANSFERS		
Operating transfers in	25,421	22,613
Operating transfers out	<u>(126,363)</u>	<u>(111,748)</u>
Change in net position	(637,975)	402,726
Total net position - beginning	<u>(1,356,190)</u>	<u>(1,758,916)</u>
Total net position - ending	<u><u>\$ (1,994,165)</u></u>	<u><u>\$ (1,356,190)</u></u>

BENTON COUNTY, OREGON
HEALTH MANAGEMENT SERVICES FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 3,883,483	\$ 3,287,103
Miscellaneous receipts	2,963	2,538
Payment to suppliers	(693,513)	(645,976)
Payroll costs	(2,861,123)	(2,637,726)
Net cash provided by operating activities	<u>331,810</u>	<u>5,939</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal paid on noncapital debt	(25,421)	(22,613)
Transfers in	25,421	22,613
Transfers out	(126,363)	(111,748)
Net cash (used) by noncapital financing activities	<u>(126,363)</u>	<u>(111,748)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>2,647</u>	<u>1,760</u>
Net increase (decrease) in cash and cash equivalents	208,094	(104,049)
<i>Cash and cash equivalents - beginning</i>	<u>231,456</u>	<u>335,505</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 439,550</u>	<u>\$ 231,456</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	\$ (539,680)	\$ 490,101
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation/amortization	3,325	5,681
Disposition of capital assets	-	2,030
Change in assets and liabilities:		
Receivables	1,469	1,585
Prepays	1,828	(802)
Inventory	(1,880)	641
Net pension asset	380,663	(380,663)
Net pension liability	996,524	(857,001)
Deferred inflows/outflows	(554,540)	752,053
Compensated absences	31,636	(4,923)
Payables	12,465	(2,763)
Net cash provided by operating activities	<u>\$ 331,810</u>	<u>\$ 5,939</u>

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 7,524,990	\$ 3,882,014	\$ (3,642,976)
Interest earnings	-	2,647	2,647
Miscellaneous	1,400	2,963	1,563
Total revenues	<u>7,526,390</u>	<u>3,887,624</u>	<u>(3,638,766)</u>
EXPENDITURES			
<i>Health services</i>			
Personal services	6,308,450	2,995,440	3,313,010
Materials and services	1,272,922	696,367	576,555
Capital outlay	-	1,605	(1,605)
Contingency	95,018	-	95,018
Total expenditures	<u>7,676,390</u>	<u>3,693,412</u>	<u>3,982,978</u>
Change in fund balance	(150,000)	194,212	344,212
<i>Fund balance - beginning</i>	<u>150,000</u>	<u>100,343</u>	<u>(49,657)</u>
<i>Fund balance - ending</i>	<u>\$ -</u>	<u>\$ 294,555</u>	<u>\$ 294,555</u>

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND
 STATEMENTS OF NET POSITION
 June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,817,902	\$ 1,599,929
 LIABILITIES		
Current liabilities:		
Accounts payable	98,290	8,649
Accrued payroll	<u>1,190</u>	<u>4,935</u>
 Total liabilities	 <u>99,480</u>	 <u>13,584</u>
 NET POSITION		
Unrestricted	<u>\$ 1,718,422</u>	<u>\$ 1,586,345</u>

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

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Charges for services	\$ 669,549	\$ 614,185
Intergovernmental	-	2,142
Total operating revenues	<u>669,549</u>	<u>616,327</u>
OPERATING EXPENSES		
Personal services	60,338	84,289
Materials and services	<u>487,916</u>	<u>259,311</u>
Total operating expenses	<u>548,254</u>	<u>343,600</u>
Operating income	121,295	272,727
NONOPERATING REVENUES		
Interest expense	(558)	-
Investment earnings	<u>12,577</u>	<u>7,255</u>
Income before transfers	133,314	279,982
Transfers out	<u>(1,237)</u>	<u>(1,192)</u>
Change in net position	132,077	278,790
Total net position - beginning	<u>1,586,345</u>	<u>1,307,555</u>
Total net position - ending	<u>\$ 1,718,422</u>	<u>\$ 1,586,345</u>

BENTON COUNTY, OREGON
EMPLOYEE BENEFITS TRUST FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 669,549	\$ 616,327
Payments to suppliers	(398,275)	(288,925)
Payroll costs	(64,083)	(79,354)
Net cash provided by operating activities	<u>207,191</u>	<u>248,048</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest expense	(558)	-
Transfers out	(1,237)	(1,192)
Net cash used by noncapital financing activities	<u>(1,795)</u>	<u>(1,192)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<u>12,577</u>	<u>7,255</u>
Net increase in cash and cash equivalents	217,973	254,111
<i>Cash and cash equivalents - beginning</i>	<u>1,599,929</u>	<u>1,345,818</u>
<i>Cash and cash equivalents - ending</i>	<u>\$ 1,817,902</u>	<u>\$ 1,599,929</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 121,295	\$ 272,727
Adjustments to reconcile operating income to net cash provided by operating activities:		
Payables	85,896	(24,679)
Net cash provided by operating activities	<u>\$ 207,191</u>	<u>\$ 248,048</u>

BENTON COUNTY, OREGON

EMPLOYEE BENEFITS TRUST FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Budget</i>	<i>1st year Actual</i>	
REVENUES			
Charges for services	\$ 916,070	\$ 669,549	\$ (246,521)
Interest earnings	21,200	12,578	(8,622)
Total revenues	937,270	682,127	(255,143)
EXPENDITURES			
<i>General government</i>			
Personal services	250,000	66,346	183,654
Materials and services	781,456	488,475	292,981
Contingency	1,055,814	-	1,055,814
Total expenditures	2,087,270	554,821	1,532,449
Excess (deficiency) of revenues over (under) expenditures	(1,150,000)	127,306	1,277,306
OTHER FINANCING SOURCES (USES)			
Transfers out	(295,000)	-	295,000
Change in fund balance	(1,445,000)	127,306	1,572,306
Fund balance - beginning	1,445,000	1,591,280	146,280
Fund balance - ending	\$ -	\$ 1,718,586	\$ 1,718,586

BENTON COUNTY, OREGON
INTEREST CLEARING FUND
STATEMENTS OF NET POSITION
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
ASSETS		
Current assets:		
Cash	\$ -	\$ 18,166
Prepaid expenses	2,205	2,205
Interest receivable	<u>64,637</u>	<u>-</u>
Total current assets	<u>66,842</u>	<u>20,371</u>
Capital assets:		
Equipment	18,495	18,495
Accumulated depreciation	<u>(17,570)</u>	<u>(13,871)</u>
Total capital assets, net of accumulated depreciation	<u>925</u>	<u>4,624</u>
Total assets	<u>67,767</u>	<u>24,995</u>
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-interest receivable	<u>-</u>	<u>15,818</u>
 NET POSITION		
Investment in capital assets	925	4,624
Unrestricted	<u>66,842</u>	<u>4,553</u>
Total net position	<u>\$ 67,767</u>	<u>\$ 9,177</u>

BENTON COUNTY, OREGON

INTEREST CLEARING FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Investment earnings	\$ 345,881	\$ 182,413
Miscellaneous	828	672
Total revenues	<u>346,709</u>	<u>183,085</u>
OPERATING EXPENSES		
Materials and services	284,420	185,734
Depreciation	<u>3,699</u>	<u>3,699</u>
Total operating expenses	<u>288,119</u>	<u>189,433</u>
Operating income (loss)	58,590	(6,348)
<i>Total net position - beginning</i>	<u>9,177</u>	<u>15,525</u>
<i>Total net position - ending</i>	<u><u>\$ 67,767</u></u>	<u><u>\$ 9,177</u></u>

BENTON COUNTY, OREGON
INTEREST CLEARING FUND
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment earnings	\$ 265,426	\$ 203,411
Miscellaneous revenues	828	672
Payments to suppliers	(25,081)	(24,449)
Interest earnings distributed	(259,339)	(161,468)
<i>Net cash provided (used) by operating activities</i>	<u>(18,166)</u>	<u>18,166</u>
<i>Cash and cash equivalents - beginning</i>	<u>18,166</u>	<u>-</u>
<i>Cash and cash equivalents - ending</i>	<u><u>\$ -</u></u>	<u><u>\$ 18,166</u></u>
Reconciliation of operating income (loss) to net cash (used) by operating activities:		
Operating income (loss)	\$ 58,590	\$ (6,348)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation/amortization	3,699	3,699
Prepays	-	(1)
Receivables	(64,637)	5,180
Deferred inflows/outflows	(15,818)	15,818
Payables	-	(182)
<i>Net cash (used) by operating activities</i>	<u><u>\$ (18,166)</u></u>	<u><u>\$ 18,166</u></u>

BENTON COUNTY, OREGON

INTEREST CLEARING FUND

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

For the Biennium Ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Miscellaneous	\$ 10,000	\$ 828	\$ (9,172)
Interest	1,000,000	345,881	(654,119)
Total revenues	1,010,000	346,709	(663,291)
EXPENDITURES			
Materials and services	1,010,000	284,420	725,580
Excess (deficiency) of revenues over (under) expenditures	-	62,289	62,289
<i>Fund balance - beginning</i>	-	59,788	59,788
<i>Fund balance - ending</i>	<u>\$ -</u>	<u>\$ 122,077</u>	<u>\$ 122,077</u>

FIDUCIARY FUNDS

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

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

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

BENTON COUNTY, OREGON
PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF NET POSITION
 June 30, 2016

	<u>Trust</u>	<u>Tax Title Land</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 857,940	\$ 301,609	\$ 1,159,549
Notes receivable	-	3,833	3,833
	<hr/>	<hr/>	<hr/>
Total assets	857,940	305,442	1,163,382
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts payable	22,869	82	22,951
Other liabilities	8,342	250	8,592
	<hr/>	<hr/>	<hr/>
Total liabilities	31,211	332	31,543
	<hr/>	<hr/>	<hr/>
NET POSITION			
<i>Held in trust</i>	\$ 826,729	\$ 305,110	\$ 1,131,839
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

BENTON COUNTY, OREGON
PRIVATE-PURPOSE TRUST FUNDS

COMBINING STATEMENT OF CHANGES IN NET POSITION
For the Year Ended June 30, 2016

	<u>Trust</u>	<u>Tax Title Land</u>	<u>Totals</u>
ADDITIONS			
Private donations/grants	\$ 107,995	\$ -	\$ 107,995
Intergovernmental	57,881	-	57,881
Charges for services	49,420	6,554	55,974
Timber sales	341,128	-	341,128
Tax foreclosure sales	-	91,653	91,653
Interest earnings	5,820	2,543	8,363
	<u>562,244</u>	<u>100,750</u>	<u>662,994</u>
DEDUCTIONS			
Personal services	28,629	-	28,629
Materials and services	256,310	12,367	268,677
Capital outlay	1,106	-	1,106
	<u>286,045</u>	<u>12,367</u>	<u>298,412</u>
Change in net position	276,199	88,383	364,582
<i>Net position - beginning</i>	<u>550,530</u>	<u>216,727</u>	<u>767,257</u>
<i>Net position - ending</i>	<u>\$ 826,729</u>	<u>\$ 305,110</u>	<u>\$ 1,131,839</u>

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

For the Biennium ending June 30, 2017

As of June 30, 2016

	<i>Biennium</i>		<i>Variance Favorable (Unfavorable)</i>
	<i>Total Budget</i>	<i>1st Year Actual</i>	
REVENUES			
Charges for services	\$ 107,400	\$ 49,420	\$ (57,980)
Intergovernmental	120,292	57,881	(62,411)
Interest	6,000	5,820	(180)
Miscellaneous	485,258	449,123	(36,135)
Total revenues	718,950	562,244	(156,706)
EXPENDITURES			
General government	720	-	720
Public safety	124,750	34,351	90,399
Justice services	138,700	42,593	96,107
Cultural and educational	30,100	14,404	15,696
Trust	983,726	194,697	789,029
Total expenditures	1,277,996	286,045	991,951
Excess (deficiency) of revenues over (under) expenditures	(559,046)	276,199	835,245
OTHER FINANCING SOURCES (USES)			
Transfers out	(25,000)	-	25,000
Change in fund balance	(584,046)	276,199	860,245
Fund balance - beginning	584,046	550,530	(33,516)
Fund balance - ending	\$ -	\$ 826,729	\$ 826,729

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, 2017

As of June 30, 2016

	Biennium		Variance Favorable (Unfavorable)
	Total Budget	1st Year Actual	
REVENUES			
Charges for services	\$ 8,000	\$ 6,554	\$ (1,446)
Interest	6,200	2,543	(3,657)
Tax foreclosure sales	50,000	95,662	45,662
Total revenues	<u>64,200</u>	<u>104,759</u>	<u>40,559</u>
EXPENDITURES			
General Government			
Materials and services	78,000	12,367	65,633
Contingency	206,200	-	206,200
Total expenditures	<u>284,200</u>	<u>12,367</u>	<u>271,833</u>
Excess (deficiency) of revenues over (under) expenditures	(220,000)	92,392	312,392
Fund balance - beginning	<u>220,000</u>	<u>208,885</u>	<u>(11,115)</u>
Fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 301,277</u></u>	<u><u>\$ 301,277</u></u>
Reconciliation to GAAP Basis:			
Budget basis ending fund balance		\$ 301,277	
Notes receivable		3,833	
GAAP ending fund balance		<u><u>\$ 305,110</u></u>	

BENTON COUNTY, OREGON
PROPERTY TAX DISTRIBUTION AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the Year Ended June 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2016</u>
ASSETS				
Cash and investments	\$ 949,843	\$ 223,242,781	\$ 223,999,183	\$ 193,441
Accounts receivable	20	16,049	20	16,049
Property taxes receivable	8,262,443	99,603,044	100,643,594	7,221,893
Total assets	<u>\$ 9,212,306</u>	<u>\$ 322,861,874</u>	<u>\$ 324,642,797</u>	<u>\$ 7,431,383</u>
LIABILITIES				
Due to other governmental agencies	<u>\$ 9,212,306</u>	<u>\$ 292,767,853</u>	<u>\$ 294,548,776</u>	<u>\$ 7,431,383</u>

OTHER FINANCIAL SCHEDULES

BENTON COUNTY, OREGON**SCHEDULE OF BONDS PAYABLE***For the Year Ended June 30, 2016*

	<u><i>Date of Issue</i></u>	<u><i>Amount of Original Issue</i></u>	<u><i>Balance July 1, 2015</i></u>	<u><i>Bond Issuance</i></u>	<u><i>Bond Maturities</i></u>	<u><i>Balance June 30, 2016</i></u>
<i>General obligation bonds</i>						
2011 Sunset building bonds	1/6/2011	\$ 1,700,000	<u>\$ 980,000</u>	<u>\$ -</u>	<u>\$ 180,000</u>	<u>\$ 800,000</u>
<i>Pension obligation bonds</i>						
2002 PERS pension bonds	3/13/2002	\$ 11,662,750	8,849,499	-	182,200	8,667,299
2004 PERS pension bonds	05/27/04	\$ 7,490,000	<u>6,920,000</u>	<u>-</u>	<u>215,000</u>	<u>6,705,000</u>
<i>Total Pension obligation bonds</i>			<u>16,749,499</u>	<u>-</u>	<u>577,200</u>	<u>16,172,299</u>
<i>Enterprise fund bonds</i>						
Alsea County Service Dist. Bonds Series 1998	06/25/98	\$ 32,900	<u>19,303</u>	<u>-</u>	<u>19,303</u>	<u>-</u>
<i>Total all bonds</i>			<u>\$ 17,748,802</u>	<u>\$ -</u>	<u>\$ 776,503</u>	<u>\$ 16,972,299</u>

BENTON COUNTY, OREGON**SCHEDULE OF BOND INTEREST REQUIREMENTS TO MATURITY***For the Year Ended June 30, 2016*

	<u>Interest Rates</u>	<u>Balance July 1, 2015</u>	<u>New Debt</u>	<u>Coupons Maturing (Early Payoffs)</u>	<u>Balance June 30, 2016</u>
General obligation bonds					
2011 Sunset building bonds	2.0% to 5.6%	\$ 218,561	\$ -	\$ 107,016	\$ 111,545
Pension obligation bonds					
2002 PERS pension bonds	7%	8,143,915	-	1,675,876	6,468,039
2004 PERS pension bonds	7%	3,929,963	-	846,181	3,083,782
Total pension obligation bonds		12,073,878	-	2,522,057	9,551,821
Enterprise fund bonds					
Alsea CSD	4.5%	7,601	-	7,601	-
Total all bonds		\$ 12,300,040	\$ -	\$ 2,636,674	\$ 9,663,366

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

June 30, 2016

<i>Year of Maturity</i>	<i>Sunset building bonds</i>		<i>Note</i>		<i>PERS Pension Bonds</i>		<i>Total</i>	
	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>	<i>Principal</i>	<i>Interest</i>
2017	\$ 185,000	\$ 42,443	\$ 17,635	\$ 3,965	\$ 440,279	\$ 1,313,648	\$ 642,914	\$ 1,360,056
2018	195,000	33,747	17,991	3,609	494,406	1,349,548	707,397	1,386,904
2019	205,000	23,315	18,354	3,246	545,727	1,385,108	769,081	1,411,669
2020	215,000	12,040	152,300	2,874	656,887	1,367,595	1,024,187	1,382,509
2021	-	-	-	-	1,255,000	864,683	1,255,000	864,683
2022	-	-	-	-	1,440,000	782,639	1,440,000	782,639
2023	-	-	-	-	1,635,000	688,509	1,635,000	688,509
2024	-	-	-	-	1,855,000	581,605	1,855,000	581,605
2025	-	-	-	-	770,000	459,746	770,000	459,746
2026	-	-	-	-	2,340,000	412,815	2,340,000	412,815
2027	-	-	-	-	2,620,000	259,057	2,620,000	259,057
2028	-	-	-	-	1,320,000	86,868	1,320,000	86,868
Total	\$ 800,000	\$ 111,545	\$ 206,280	\$ 13,694	\$ 15,372,299	\$ 9,551,821	\$ 16,378,579	\$ 9,677,060

BENTON COUNTY, OREGON

SUNSET BUILDING BOND

DEBT SERVICE SCHEDULE

June 30, 2016

<i>Year of Maturity</i>	<i>Payment Amount</i>	<i>Principal</i>	<i>Interest</i>	<i>Balance</i>
2016				\$ 800,000
2017	\$ 227,443	\$ 185,000	\$ 42,443	615,000
2018	228,748	195,000	33,748	420,000
2019	228,315	205,000	23,315	215,000
2020	227,040	215,000	12,040	-
Total	\$ 911,546	\$ 800,000	\$ 111,546	

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

June 30, 2016

<u>Year of Maturity</u>	<u>Payment Amount</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2016				\$ 8,667,299
2017	\$ 1,093,205	\$ 185,278	\$ 907,927	8,482,021
2018	1,148,205	189,407	958,798	8,292,614
2019	1,203,205	190,727	1,012,478	8,101,887
2020	1,263,206	246,887	1,016,319	7,855,000
2021	1,323,068	785,000	538,068	7,070,000
2022	1,384,295	900,000	484,295	6,170,000
2023	1,447,645	1,025,000	422,645	5,145,000
2024	1,517,433	1,165,000	352,433	3,980,000
2025	272,630	-	272,630	3,980,000
2026	1,747,630	1,475,000	272,630	2,505,000
2027	1,826,593	1,655,000	171,593	850,000
2028	908,225	850,000	58,225	-
Total	<u>\$ 15,135,340</u>	<u>\$ 8,667,299</u>	<u>\$ 6,468,041</u>	

BENTON COUNTY, OREGON

2004 PERS PENSION BOND DEBT SERVICE SCHEDULE

June 30, 2015

<u>Year of Maturity</u>	<u>Payment Amount</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2016				\$ 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	\$ 9,788,782	\$ 6,705,000	\$ 3,083,782	

BENTON COUNTY, OREGON

SCHEDULE OF CASH ON HAND AND CASH TRANSACTIONS OF INDEPENDENTLY

ELECTED OFFICIALS

For the Year Ended June 30, 2016

There is no cash on hand or cash transactions of independently elected officials for fiscal year ending June 30, 2016.

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2017

As of June 30, 2016

<i>Fund</i>	<i>Biennium</i>		
	<i>Budget</i>	<i>1st year Actuals</i>	<i>Variance with Budget</i>
General			
General government	\$ 16,924,457	\$ 7,348,286	\$ 9,576,171
Public safety	23,627,501	11,017,328	12,610,173
Health services	25,375,994	10,208,039	15,167,955
Justice services	9,529,357	4,111,670	5,417,687
Community services	631,478	256,850	374,628
Cultural and educational services	1,272,907	635,652	637,255
Parks and natural resources	2,283,766	1,073,980	1,209,786
Interfund loans and transfers	5,709,691	2,784,880	2,924,811
	<u>85,355,151</u>	<u>37,436,685</u>	<u>47,918,466</u>
Road			
Public works	16,180,356	7,019,952	9,160,404
Contingency	2,083,727	-	2,083,727
	<u>18,264,083</u>	<u>7,019,952</u>	<u>11,244,131</u>
County school			
Cultural and educational services	600,000	144,082	455,918
Fair			
Cultural and educational services	2,071,476	987,631	1,083,845
Contingency	35,000	-	35,000
	<u>2,106,476</u>	<u>987,631</u>	<u>1,118,845</u>
Library			
Cultural and educational services	5,418,591	2,699,749	2,718,842
Land corner preservation			
Public works	344,474	114,308	230,166
Block grant			
Community services	268,800	1,524	267,276
Oregon Health Plan			
Health services	4,593,072	2,287,475	2,305,597
Contingency	3,000,000	-	3,000,000
	<u>7,593,072</u>	<u>2,287,475</u>	<u>5,305,597</u>
Court security			
Public safety	117,000	61,014	55,986
Local Option Levy			
General government	3,104,562	1,681	3,102,881
Public safety	7,245,754	3,554,268	3,691,486
Health services	669,410	347,753	321,657
Justice services	1,164,188	499,688	664,500
Interfund loans and transfers	4,108,786	1,925,359	2,183,427
	<u>16,292,700</u>	<u>6,328,749</u>	<u>9,963,951</u>
Special transportation			
Community services	2,505,077	1,243,972	1,261,105
Contingency	220,704	-	220,704
	<u>2,725,781</u>	<u>1,243,972</u>	<u>1,481,809</u>
Title III Projects			
General government	55,500	31,829	23,671
Cemetery operations			
General government	88,588	77,070	11,518
Contingency	42,612	-	42,612
Interfund loans and transfers out	12,000	-	12,000
	<u>143,200</u>	<u>77,070</u>	<u>66,130</u>

BENTON COUNTY, OREGON

SCHEDULE OF EXPENDITURES COMPARED TO APPROPRIATIONS, continued

BY PROGRAM WITHIN FUND

For the Biennium Ending June 30, 2017

As of June 30, 2016

<i>Fund</i>	<i>Biennium</i>		<i>Variance with Budget</i>
	<i>Budget</i>	<i>Actual</i>	
Debt service			
Debt service	\$ 3,435,300	\$ 1,677,179	\$ 1,758,121
General capital improvement			
Capital improvement	1,369,083	522,215	846,868
Building development			
Capital improvement	20,600	300	20,300
Contingency	1,234,400	-	1,234,400
	1,255,000	300	1,254,700
Health center			
Health services	25,397,678	12,756,038	12,641,640
Contingency	300,000	-	300,000
	25,697,678	12,756,038	12,941,640
Enterprise operations			
General government	175,018	89,883	85,135
Interfund loans and transfers out	103,000	-	103,000
Debt service	43,200	21,600	21,600
Contingency	274,058	-	274,058
	595,276	111,483	483,793
East Linn Clinic			
Health services	6,538,498	2,391,273	4,147,225
Contingency	529,000	-	529,000
	7,067,498	2,391,273	4,676,225
Intergovernmental service			
General government	13,057,209	6,609,451	6,447,758
Debt service	637,628	230,183	407,445
Contingency	1,253,896	-	1,253,896
	14,948,733	6,839,634	8,109,099
Management services			
General government	7,971,763	3,654,338	4,317,425
Contingency	236,229	-	236,229
	8,207,992	3,654,338	4,553,654
Health management services			
Health services	7,581,372	3,693,412	3,887,960
Contingency	95,018	-	95,018
	7,676,390	3,693,412	3,982,978
Employee benefits trust			
General government	1,031,456	554,821	476,635
Contingency	1,055,814	-	1,055,814
Interfund loans and transfers	295,000	-	295,000
	2,382,270	554,821	1,827,449
Interest clearing			
General government	1,010,000	284,420	725,580
Tax title land			
General government	78,000	12,367	65,633
Contingency	206,200	-	206,200
	284,200	12,367	271,833
Trust			
Expendable trusts	1,277,996	286,045	991,951
Interfund loans and transfers	25,000	-	25,000
	1,302,996	286,045	1,016,951

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	173-177
<i>These schedules contain trend information to help the reader understand how the county’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	178-182
<i>These schedules contain information to help the reader assess the county’s most significant local revenue source, the property tax.</i>	
Debt Capacity	183-186
<i>These schedules present information to help the reader assess the affordability of the county’s current level of outstanding debt and the county’s ability to issue debt in the future.</i>	
Demographic and Economic Information	187-189
<i>These schedules present information to help the reader understand the environment within which the county’s financial activities take place.</i>	
Operating Information	190-193
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the county’s financial report relates to the services the county provides and the activities it performs.</i>	

BENTON COUNTY, OREGON

NET POSITION BY COMPONENT

Last Ten Fiscal Years

(accrual basis of accounting)

	<i>Fiscal Year</i>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities										
Net investment in capital assets	\$ 158,763,985	\$ 156,896,506	\$ 156,021,588	\$ 154,462,134	\$ 152,679,953	\$ 153,090,589	\$ 156,168,532	\$ 155,842,941	\$ 155,313,597	\$ 152,092,865
Restricted	8,171,405	8,378,244	7,371,937	6,560,693	6,466,464	6,404,796	7,233,315	10,078,229	1,353,403	505,115
Unrestricted	10,929,425	11,121,171	14,485,428	16,087,602	16,000,448	16,881,425	12,521,618	13,171,392	7,523,429	(1,117,369)
<i>Total governmental activities net position</i>	<u>\$ 177,864,815</u>	<u>\$ 176,395,921</u>	<u>\$ 177,878,953</u>	<u>\$ 177,110,429</u>	<u>\$ 175,146,865</u>	<u>\$ 176,376,810</u>	<u>\$ 175,923,465</u>	<u>\$ 179,092,562</u>	<u>\$ 164,190,429</u>	<u>\$ 151,480,611</u>
Business-type activities										
Net investment in capital assets	\$ 3,336,209	\$ 3,239,364	\$ 3,173,327	\$ 3,860,192	\$ 3,791,252	\$ 3,836,999	\$ 3,799,473	\$ 3,854,493	\$ 3,837,572	\$ 3,971,366
Restricted	-	-	-	-	-	158,864	69,924	-	-	-
Unrestricted	408,774	409,936	1,128,866	165,612	155,050	410,044	-	(1,220,217)	(594,620)	(1,921,691)
<i>Total business-type activities net position</i>	<u>\$ 3,744,983</u>	<u>\$ 3,649,300</u>	<u>\$ 4,302,193</u>	<u>\$ 4,025,804</u>	<u>\$ 3,946,302</u>	<u>\$ 4,405,907</u>	<u>\$ 3,869,397</u>	<u>\$ 2,634,276</u>	<u>\$ 3,242,952</u>	<u>\$ 2,049,675</u>
Primary government										
Net investment in capital assets	\$ 162,100,194	\$ 160,135,870	\$ 159,194,915	\$ 158,322,326	\$ 156,471,205	\$ 156,927,588	\$ 159,968,005	\$ 159,697,434	\$ 159,151,169	\$ 156,064,231
Restricted	8,171,405	8,378,244	7,371,937	6,560,693	6,466,464	6,563,660	7,303,239	10,078,229	1,353,403	505,115
Unrestricted	11,338,199	11,531,107	15,614,294	16,253,214	16,155,498	17,291,469	12,521,618	11,951,175	6,928,809	(3,039,060)
<i>Total primary government net position</i>	<u>\$ 181,609,798</u>	<u>\$ 180,045,221</u>	<u>\$ 182,181,146</u>	<u>\$ 181,136,233</u>	<u>\$ 179,093,167</u>	<u>\$ 180,782,717</u>	<u>\$ 179,792,862</u>	<u>\$ 181,726,838</u>	<u>\$ 167,433,381</u>	<u>\$ 153,530,286</u>

BENTON COUNTY, OREGON

CHANGES IN NET POSITION

Last Ten Fiscal Years

(accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
<i>Governmental activities:</i>										
General Government	\$ 6,253,902	\$ 5,995,490	\$ 6,083,054	\$ 5,488,294	\$ 5,974,241	\$ 5,660,555	\$ 6,031,263	\$ 5,846,712	\$ 4,976,140	\$ 8,743,552
Public Safety	8,899,853	9,314,042	10,338,460	11,195,709	13,460,495	12,168,468	13,335,832	13,736,386	12,499,917	15,575,923
Public Works	6,708,519	7,932,117	7,612,696	7,110,962	7,200,818	7,985,526	7,476,465	6,969,781	5,617,078	10,604,985
Health Services	16,554,060	8,214,487	8,448,774	8,405,362	8,661,889	8,781,340	9,940,966	10,583,124	9,139,022	14,318,572
Justice Services	3,491,553	3,559,078	4,162,405	4,625,489	4,438,804	4,169,027	4,517,889	4,265,765	3,525,885	5,318,078
Community Services	2,138,212	2,327,565	2,143,131	1,618,529	1,889,082	1,758,078	1,911,830	1,871,668	1,588,730	1,593,336
Cultural & Educational	3,994,969	3,875,346	3,489,717	3,944,696	4,129,899	4,061,012	4,093,227	3,959,851	4,028,555	6,849,860
Animal Control**	208,382	212,025	182,522	-	-	-	-	-	-	-
Parks and natural resources	839,371	841,688	1,228,293	1,037,999	997,588	821,451	874,587	1,057,516	841,117	1,129,044
Interest on long-term debt	1,134,285	1,058,837	1,070,434	1,089,561	1,259,880	1,251,396	1,292,619	1,272,135	1,303,125	1,326,390
Total governmental activities	<u>50,223,106</u>	<u>43,330,675</u>	<u>44,759,486</u>	<u>44,516,601</u>	<u>48,012,696</u>	<u>46,656,853</u>	<u>49,474,678</u>	<u>49,562,938</u>	<u>43,519,569</u>	<u>65,459,740</u>
<i>Business-type activities:</i>										
Water and sewer	195,998	201,002	204,097	208,614	204,597	207,315	196,496	205,105	180,896	176,301
Health Services	4,693,128	7,212,117	7,879,739	8,561,927	9,919,857	10,540,489	10,849,132	11,800,869	11,836,365	16,761,492
Real estate rental	106,051	180,059	114,954	149,369	175,949	168,918	135,238	263,085	57,209	63,332
Total business-type activities	<u>4,995,177</u>	<u>7,593,178</u>	<u>8,198,790</u>	<u>8,919,910</u>	<u>10,300,403</u>	<u>10,916,722</u>	<u>11,180,866</u>	<u>12,269,059</u>	<u>12,074,470</u>	<u>17,001,125</u>
Total expenses	<u>\$ 55,218,283</u>	<u>\$ 50,923,853</u>	<u>\$ 52,958,276</u>	<u>\$ 53,436,511</u>	<u>\$ 58,313,099</u>	<u>\$ 57,573,575</u>	<u>\$ 60,655,544</u>	<u>\$ 61,831,997</u>	<u>\$ 55,594,039</u>	<u>\$ 82,460,865</u>
Program Revenues										
<i>Governmental activities:</i>										
Charges for services										
General government	\$ 1,497,735	\$ 2,585,399	\$ 1,152,423	\$ 392,662	\$ 870,803	\$ 639,669	\$ 620,195	\$ 2,048,709	\$ 597,107	\$ 631,958
Public safety	215,355	83,975	162,018	436,469	386,503	333,937	383,639	231,320	509,904	372,932
Public works	983,336	1,168,813	885,287	1,101,095	898,775	1,220,387	957,208	657,668	1,216,642	1,323,450
Health services	890,657	472,173	530,300	694,000	698,137	755,497	790,090	279,957	882,893	908,068
Cultural & educational	606,439	613,814	584,750	589,883	616,365	603,482	659,469	622,872	649,993	575,172
Other activities	648,333	632,023	608,067	574,378	657,808	628,654	772,922	731,709	749,258	754,632
Operating grants and contributions	23,749,161	18,346,695	15,466,732	15,360,470	16,553,564	18,317,824	17,997,624	20,285,957	18,445,198	21,758,583
Capital grants and contributions	1,645,852	1,005,203	1,389,700	1,524,618	1,687,754	2,253,077	3,443,181	3,044,492	637,000	-
Total governmental activities	<u>30,236,868</u>	<u>24,908,095</u>	<u>20,779,277</u>	<u>20,673,575</u>	<u>22,369,709</u>	<u>24,752,527</u>	<u>25,624,328</u>	<u>27,902,684</u>	<u>23,687,995</u>	<u>26,324,795</u>
<i>Business-type activities:</i>										
Charges for services	1,901,996	3,789,311	5,005,555	3,834,036	5,703,747	5,976,448	6,165,678	6,517,918	10,064,536	10,057,144
Operating grants and contributions	1,804,110	2,656,297	2,854,493	3,345,381	3,283,512	3,833,903	3,219,578	3,604,780	4,341,380	4,528,785
Capital grants and contributions	-	-	31,602	413,417	-	-	12,986	-	-	-
Total business-type activities	<u>3,706,106</u>	<u>6,445,608</u>	<u>7,891,650</u>	<u>7,592,834</u>	<u>8,987,259</u>	<u>9,810,351</u>	<u>9,398,242</u>	<u>10,122,698</u>	<u>14,405,916</u>	<u>14,585,929</u>
Total program revenues	<u>\$ 33,942,974</u>	<u>\$ 31,353,703</u>	<u>\$ 28,670,927</u>	<u>\$ 28,266,409</u>	<u>\$ 31,356,968</u>	<u>\$ 34,562,878</u>	<u>\$ 35,022,570</u>	<u>\$ 38,025,382</u>	<u>\$ 38,093,911</u>	<u>\$ 40,910,724</u>
Net (Expense)/Revenue:										
Governmental activities	\$ (19,986,238)	\$ (18,422,580)	\$ (23,980,209)	\$ (23,843,026)	\$ (25,642,987)	\$ (21,904,326)	\$ (23,850,350)	\$ (21,660,254)	\$ (19,831,574)	\$ (39,134,945)
Business-type activities	(1,289,071)	(1,147,570)	(307,140)	(1,327,076)	(1,313,144)	(1,106,371)	(1,782,624)	(2,146,361)	2,331,446	(2,415,196)
Total net expense	<u>\$ (21,275,309)</u>	<u>\$ (19,570,150)</u>	<u>\$ (24,287,349)</u>	<u>\$ (25,170,102)</u>	<u>\$ (26,956,131)</u>	<u>\$ (23,010,697)</u>	<u>\$ (25,632,974)</u>	<u>\$ (23,806,615)</u>	<u>\$ (17,500,128)</u>	<u>\$ (41,550,141)</u>

(continued)

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

(accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Revenues and Other Changes in Net Position										
<i>Governmental activities:</i>										
Property taxes	\$ 15,843,655	\$ 16,522,469	\$ 15,777,749	\$ 19,637,761	\$ 20,739,324	\$ 21,627,730	\$ 22,420,622	\$ 22,300,341	\$ 24,800,396	\$ 24,870,659
Interest and investment earnings	837,604	1,081,341	477,069	199,615	149,574	340,985	390,339	409,691	319,390	546,093
Gain on sale of capital assets	23,333	-	-	-	-	-	-	-	-	-
Unrestricted grants and contributions	5,181,384	335,464	10,142,867	4,276,211	4,017,614	2,413,947	1,796,791	2,681,602	2,754,639	1,952,954
Transfers	(1,425,120)	(985,589)	(934,444)	(1,039,085)	(1,227,089)	(1,248,391)	(1,210,747)	(562,283)	(921,692)	(944,579)
Total general revenues, transfers and special items	<u>20,460,856</u>	<u>16,953,685</u>	<u>25,463,241</u>	<u>23,074,502</u>	<u>23,679,423</u>	<u>23,134,271</u>	<u>23,397,005</u>	<u>24,829,351</u>	<u>26,952,733</u>	<u>26,425,127</u>
<i>Business-type activities:</i>										
Property taxes	25,871	35,915	-	-	-	-	-	-	-	-
Interest and investment earnings	30,253	30,383	22,397	11,602	6,553	6,758	10,820	7,619	6,678	20,691
Unrestricted grants and contributions	-	-	3,192	-	-	310,827	24,547	341,338	229,945	256,649
Transfers	1,425,120	985,589	934,444	1,039,085	1,227,089	1,248,391	1,210,747	562,283	921,692	944,579
Total business-type activities	<u>1,481,244</u>	<u>1,051,887</u>	<u>960,033</u>	<u>1,050,687</u>	<u>1,233,642</u>	<u>1,565,976</u>	<u>1,246,114</u>	<u>911,240</u>	<u>1,158,315</u>	<u>1,221,919</u>
Total primary government	<u>\$ 21,942,100</u>	<u>\$ 18,005,572</u>	<u>\$ 26,423,274</u>	<u>\$ 24,125,189</u>	<u>\$ 24,913,065</u>	<u>\$ 24,700,247</u>	<u>\$ 24,643,119</u>	<u>\$ 25,740,591</u>	<u>\$ 28,111,048</u>	<u>\$ 27,647,046</u>
Change in Net Position										
Governmental activities	\$ 474,618	\$ (1,468,895)	\$ 1,483,032	\$ (768,524)	\$ (1,963,564)	\$ 1,229,945	\$ (453,345)	\$ 3,169,097	\$ 7,121,159	\$ (12,709,818)
Business-type activities	192,173	(95,683)	652,893	(276,389)	(79,502)	459,605	(536,510)	(1,235,121)	3,489,761	(1,193,277)
Total change in net position	<u>\$ 666,791</u>	<u>\$ (1,564,578)</u>	<u>\$ 2,135,925</u>	<u>\$ (1,044,913)</u>	<u>\$ (2,043,066)</u>	<u>\$ 1,689,550</u>	<u>\$ (989,855)</u>	<u>\$ 1,933,976</u>	<u>\$ 10,610,920</u>	<u>\$ (13,903,095)</u>

** Discontinued program in 2009

BENTON COUNTY, OREGON
FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011**</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 52,980	\$ 23,589	\$ 74,810	\$ 46,367	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	9,283,503	12,112,411	10,580,970	9,327,049	-	-	-	-	-	-
Nonspendable	-	-	-	-	38,392	27,261	108,108	154,272	65,488	112,434
Unassigned	-	-	-	-	9,689,403	11,641,085	11,343,422	11,903,602	12,490,872	11,483,676
Total general fund	\$ 9,336,483	\$ 12,136,000	\$ 10,655,780	\$ 9,373,416	\$ 9,727,795	\$ 11,668,346	\$ 11,451,530	\$ 12,057,874	\$ 12,556,360	\$ 11,596,110
All Other Governmental Funds										
Reserved	\$ 2,687,101	\$ 2,852,175	\$ 3,094,725	\$ 3,588,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	5,903,250	5,562,402	9,387,243	10,961,972	-	-	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	1,916,578	1,867,407	716,170	610,637	361,237	263,639
Restricted	-	-	-	-	3,668,409	2,725,606	3,447,211	2,794,059	6,661,975	6,722,909
Committed	-	-	-	-	8,883,147	8,605,498	8,393,188	10,555,068	7,540,101	7,916,865
Assigned	-	-	-	-	895	899	903	909	914	921
Unassigned	-	-	-	-	(136,263)	(150,767)	(23,629)	(58,603)	(13,769)	-
Total all other governmental funds	\$ 8,590,351	\$ 8,414,577	\$ 12,481,968	\$ 14,550,946	\$ 14,332,766	\$ 13,048,643	\$ 12,533,843	\$ 13,902,070	\$ 14,550,458	\$ 14,904,334

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

BENTON COUNTY, OREGON
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(modified accrual basis of accounting)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues										
Taxes and assessments	\$ 15,839,147	\$ 16,505,930	\$ 20,817,693	\$ 19,448,143	\$ 20,699,795	\$ 21,648,477	\$ 22,040,850	\$ 22,000,823	\$ 24,396,994	\$ 25,309,016
Licenses and permits	1,471,110	1,459,885	1,376,143	1,449,657	1,234,550	1,269,629	1,237,166	1,389,790	1,557,590	1,633,440
Fines	1,221	438	350	880	204	150	6,243	125	-	-
Charges for services	7,062,564	5,336,417	5,076,303	4,996,002	5,068,301	5,404,131	5,442,001	5,782,684	6,024,288	5,976,807
Intergovernmental	28,496,020	19,146,945	19,980,677	19,316,038	20,428,636	19,908,995	21,813,385	24,337,917	19,945,363	21,758,583
Interest earnings	1,197,030	1,081,341	477,069	186,329	180,135	118,175	174,574	197,630	138,970	213,231
Miscellaneous	288,975	570,461	253,706	377,416	472,021	1,884,325	203,917	306,916	443,601	377,905
Total Revenues	54,356,067	44,101,417	47,981,941	45,774,465	48,083,642	50,233,882	50,918,136	54,015,885	52,506,806	55,268,982
Expenditures										
<i>Current:</i>										
General government	6,244,460	5,652,011	5,740,372	5,423,514	6,036,261	6,215,265	6,288,843	6,219,191	6,310,009	6,947,441
Public works	6,980,264	6,952,944	7,389,515	4,649,132	4,504,956	4,741,839	5,219,542	5,413,965	5,490,363	5,794,025
Public safety	8,233,238	7,718,476	8,756,196	11,010,726	11,821,582	12,487,004	12,936,508	12,913,561	13,472,529	14,168,442
Health services	17,568,946	8,454,002	8,585,535	8,733,928	9,037,982	9,676,017	9,953,018	11,243,590	10,909,694	12,711,979
Justice services	3,726,609	3,375,050	4,105,520	4,259,393	4,325,385	4,333,394	4,427,537	4,395,081	4,265,584	4,432,964
Community services	2,042,067	2,412,342	2,034,672	1,490,571	1,876,556	1,833,553	1,821,025	1,865,303	1,596,301	1,502,346
Cultural and educational services	4,101,275	3,940,814	3,955,956	3,943,098	4,248,516	4,092,907	4,094,072	3,996,378	4,094,562	4,452,586
Animal control ^(a)	234,708	213,167	182,978	-	-	-	-	-	-	-
Parks and natural resources	891,495	918,559	1,132,592	990,241	895,829	849,876	831,591	983,652	926,330	1,046,319
<i>Debt service:</i>										
Principal	1,547,889	253,376	425,949	162,877	199,292	235,781	272,775	895,246	568,177	397,200
Interest	1,134,285	1,058,837	1,070,434	1,089,561	1,116,919	1,151,073	1,199,152	1,222,784	1,247,430	1,279,129
<i>Capital Outlay</i>	214,246	376,694	652,716	2,030,739	2,432,855	2,788,140	3,559,870	3,404,841	1,591,094	2,225,278
Total expenditures	52,919,482	41,326,272	44,032,435	43,783,780	46,496,133	48,404,849	50,603,933	52,553,592	50,472,073	54,957,709
Excess of revenues over (under) Expenditures	1,436,585	2,775,145	3,949,506	1,990,685	1,587,509	1,829,033	314,203	1,462,293	2,034,733	311,273
Other Financing Sources (Uses)										
Loans/bond sales/leases	-	10,646	-	-	-	-	-	-	-	-
Sale of capital assets	6,975	-	-	-	-	-	-	-	-	-
Transfers in	3,586,612	2,746,114	3,913,716	4,166,367	4,996,420	5,646,070	5,357,154	4,276,124	4,636,445	4,991,066
Transfers out	(5,078,845)	(2,908,163)	(5,276,051)	(5,370,438)	(6,283,634)	(6,794,412)	(6,427,235)	(4,558,686)	(5,524,304)	(5,908,714)
Total other financing sources (uses)	(1,485,258)	(151,403)	(1,362,335)	(1,204,071)	(1,287,214)	(1,148,342)	(1,070,081)	(282,562)	(887,859)	(917,648)
Net change in fund balances	\$ (48,673)	\$ 2,623,742	\$ 2,587,171	\$ 786,614	\$ 300,295	\$ 680,691	\$ (755,878)	\$ 1,179,731	\$ 1,146,874	\$ (606,375)
Debt service as a percentage of noncapital expenditures	5.37%	3.38%	3.71%	3.08%	3.21%	3.13%	3.21%	4.55%	3.88%	3.27%
Addition to capital assets	\$ 2,954,122	\$ 2,542,711	\$ 3,748,132	\$ 3,159,048	\$ 5,450,165	\$ 4,112,684	\$ 4,695,475	\$ 5,987,761	\$ 3,685,469	\$ 3,697,672

(a) Animal Control discontinued in FY 2009

BENTON COUNTY, OREGON

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

Last Ten Fiscal Years

<i>Fiscal Yr Ended June 30,</i>	<i>Residential Property</i>	<i>Commercial Industrial Property</i>	<i>Tract Property</i>	<i>EFU/Non EFU Farm Property</i>	<i>Forest Property</i>	<i>Miscellaneous Property</i>	<i>Total Taxable Assessed Value</i>	<i>Total Direct Tax Rate</i>	<i>Estimated Actual Taxable Value</i>	<i>Assessed Value ^(c) as a Percentage of Actual Value</i>
2016	\$ 3,868,296,385	\$ 1,088,637,956	\$ 1,177,722,577	\$ 328,361,175	\$ 277,867,521	\$ 860,207,637	\$ 7,601,093,251	\$ 3.1052	\$ 10,037,212,708	75.73%
2015	3,733,789,432	1,084,423,467	1,141,735,842	316,386,578	267,556,405	824,206,058	7,368,097,782	3.1052	9,380,669,703	78.55%
2014	3,604,466,322	1,019,221,673	1,104,133,571	305,844,517	258,037,369	788,604,970	7,080,308,422	3.1052	9,318,725,836	75.98%
2013	3,502,005,751	1,079,185,246	1,072,155,187	296,149,659	258,002,290	732,934,791	6,940,432,924	2.9665	8,820,036,502	78.69%
2012	3,300,652,684	1,492,787,943	1,012,248,673	281,844,128	248,193,954	572,464,569	6,908,191,951	2.8852	9,435,565,562	73.21%
2011	3,194,815,220	1,438,082,269	979,673,997	272,747,621	241,438,173	557,493,492	6,684,250,772	2.8452	9,475,693,402	70.54%
2010	3,165,722,147	1,179,585,679	968,859,589	271,985,198	236,682,116	555,723,379	6,378,558,108	2.7952	9,888,538,348	64.50%
2009	3,065,642,070	1,175,145,566	920,423,064	259,908,026	224,554,560	548,090,430	6,193,763,716	3.1052	9,896,171,431	62.59%
2008	2,889,510,212	1,182,963,837	881,358,774	247,416,012	208,803,396	513,215,731	5,923,267,962	2.4652	9,125,470,608	64.91%
2007	2,734,528,229	1,313,564,082	845,826,454	238,314,445	197,515,307	340,299,746	5,670,048,263	2.4641	8,432,112,831	67.24%

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

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

(c) Includes tax-exempt property.

BENTON COUNTY, OREGON

AVERAGE PROPERTY TAX RATES - DIRECT AND OVERLAPPING JURISDICTIONS

(per \$1,000 of Assessed Value)

Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
County Direct Rates										
General	\$ 2.2041	\$ 2.2052	\$ 2.2052	\$ 2.2052	\$ 2.2052	\$ 2.2052	\$ 2.2052	\$ 2.2052	\$ 2.2052	\$ 2.2052
Local Option	0.2600	0.2600	0.9000	0.5900	0.6400	0.6800	0.7613	0.9000	0.9000	0.9000
Total direct rate	<u>\$ 2.4641</u>	<u>\$ 2.4652</u>	<u>\$ 3.1052</u>	<u>\$ 2.7952</u>	<u>\$ 2.8452</u>	<u>\$ 2.8852</u>	<u>\$ 2.9665</u>	<u>\$ 3.1052</u>	<u>\$ 3.1052</u>	<u>\$ 3.1052</u>
City and Town Rates										
Adair Village	\$ 2.5894	\$ 2.5894	\$ 2.5894	\$ 2.5894	\$ 2.5894	\$ 2.5894	\$ 2.5894	\$ 2.5894	\$ 2.5894	\$ 2.5894
Albany	7.8663	7.8618	7.1726	7.1379	7.1222	7.5155	7.4974	7.6592	7.5890	7.5175
Corvallis	5.6406	5.6219	5.6448	5.6251	5.5939	5.5567	5.5567	5.8369	6.1893	6.1755
Monroe	5.0419	4.7815	4.7864	4.6690	6.8640	7.1100	7.1666	6.9925	6.8742	7.1317
Philomath	4.8221	4.8314	4.8493	4.8518	4.8238	4.8283	4.8082	4.7925	4.7996	4.7918
School District Rates										
Linn-Benton ESD	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049	0.3049
Willamette Region ESD	0.2967	0.2967	0.2967	0.2967	0.2967	0.2967	0.2967	0.2967	0.2967	0.2967
Greater Albany SD8	4.8882	6.1657	6.2036	6.2304	6.2160	6.1893	6.2006	6.3161	6.3172	6.3172
Alsea SD7	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811	5.0811
Central School 13J	7.5827	8.3134	8.2674	8.1169	8.0909	8.0870	8.1229	8.0697	8.4158	7.9951
Central Linn SD	4.9981	5.0361	5.2137	5.0612	5.0345	4.6179	4.6179	4.6179	4.6179	4.6179
Corvallis SD 509J	6.1644	7.2494	7.2183	7.6710	7.6546	7.6457	7.6102	7.6150	7.7500	7.6865
Harrisburg SD7	6.2797	6.2815	6.3056	6.1016	6.1666	6.0778	6.1439	5.9787	5.9291	5.8371
Linn-Benton CC	0.6805	0.6733	0.6767	0.6822	0.6736	0.6814	0.5019	0.5019	0.5019	0.5019
Lane CC	0.8496	0.8306	0.8705	0.8534	0.8589	0.8782	0.8640	0.8646	0.8616	0.8198
Monroe UH1J School	4.6341	4.6341	4.6341	4.6341	4.6341	4.6341	4.6341	4.6341	4.6341	4.6341
Philomath SD17	7.6105	7.4906	7.5695	7.4160	7.5726	7.4608	7.5239	9.2915	9.2103	8.9009
Other Special District Rates										
Alsea Cemetery	0.0786	0.1654	0.1654	0.1654	0.0691	0.0677	0.0659	-	0.1654	-
Benton County Library	0.3947	0.3947	0.3947	0.3947	0.3947	0.3947	0.3947	0.3947	0.3947	0.3947
North Albany Service Dist	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	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Junction City Water	0.3111	0.3115	0.2965	0.2859	0.2886	0.2806	0.2523	0.2523	0.2523	0.2523

Continued

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

	<i>2007</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>
Rural Fire District Rates										
Adair RFD	\$ 2.0438	\$ 2.0085	\$ 2.0027	\$ 2.0040	\$ 1.9675	\$ 1.7512	\$ 1.7512	\$ 1.7512	\$ 1.7512	\$ 1.7512
N Albany RFD	1.4071	2.3171	1.4071	1.4071	1.4071	1.4071	1.4071	1.4071	1.4071	1.4071
Albany RFD (Linn)	2.1500	0.9100	0.9100	0.9100	0.9100	0.9100	0.8000	0.8000	0.8000	0.8000
Alsea RFD	1.1363	1.1363	1.1363	1.1363	1.1363	1.1363	1.1363	1.1363	1.1363	1.1363
Blod/Summ RFD9	1.0638	1.0638	1.0638	1.0638	1.0638	1.0638	1.0638	1.0638	1.0638	1.0638
Corvallis RFD	2.1140	2.1140	2.1140	2.1140	2.1140	2.1140	2.1140	2.1140	2.1140	2.1140
Halsey Shedd RFD	0.9894	0.9894	0.9894	0.9894	0.9894	0.9894	0.9894	0.0989	0.9894	0.9894
Harrisburg Fire and Rescue	1.1299	1.1299	1.1299	1.1299	1.1299	1.1299	1.1299	1.1299	1.1299	1.1299
Hosk/Kings RFD8	2.4916	2.8484	3.3533	3.4125	2.4893	2.6950	3.0267	2.7764	3.0065	3.0268
Monroe RFPD #5	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854	1.6854
Palestine RFD	2.0595	2.0595	2.1500	2.1500	2.1500	2.1500	2.1500	2.1500	2.1500	2.1500
Philomath RFD	2.8698	1.5080	1.5080	1.5080	1.5080	1.5080	1.5080	1.5080	1.5080	1.5080
Road District Rates										
Brownly-Marshall	0.9301	0.9301	0.9301	0.9301	0.9301	0.9301	0.9301	0.9301	0.9301	0.9301
Country Estates	0.5606	0.5606	0.5606	0.6100	1.0000	1.0000	1.0000	1.0000	1.0806	1.0850
Chinook Drive	1.4533	1.8033	1.8033	1.8033	1.8033	1.8033	1.8033	1.8033	1.8033	1.8033
McDonald Forest	0.6298	0.6298	0.6298	0.6298	0.6298	0.6298	0.6298	0.6298	0.6298	0.6298
Mary's River Estates	2.9414	2.9414	2.9414	2.2060	2.2060	2.2060	2.2060	2.7500	2.9414	2.7500
North F Street	1.2086	1.2086	1.2086	1.2086	1.2086	1.2086	1.2086	1.2086	1.2086	1.2086
Oakwood Heights	0.5876	0.5876	0.5876	0.5876	0.5876	0.5876	0.5876	0.5876	0.5876	0.5876
Ridgewood	0.6435	4.0135	0.6435	0.6435	0.6435	0.6435	0.6435	0.6435	0.6435	0.6435
Rosewood Estates	1.4916	1.4916	1.4916	1.4916	1.4916	1.4916	1.4916	1.4916	1.4916	1.4916
Vineyard Mountain ^(a)	1.5244	1.5244	1.5244	1.5244	1.5244	1.5244	1.5244	1.5244	1.5244	1.5244
Westwood Hills	0.1233	0.1204	0.0575	0.0552	0.0536	0.0522	0.0505	0.0495	0.0481	0.0468

(a) Tax year 2013 Vineyard Mountain Road District was consolidated in County Code 933 from 945

BENTON COUNTY, OREGON
PRINCIPAL PROPERTY TAXPAYERS

Current and Nine Years Ago

<i>Taxpayer</i>	<i>2015-2016</i>			<i>2006-2007</i>		
	<i>Taxes Assessed</i>	<i>Rank</i>	<i>Percentage of County Total Assessed Amount (a)</i>	<i>Taxes Assessed</i>	<i>Rank</i>	<i>Percentage of County Total Assessed Amount (a)</i>
HEWLETT PACKARD CO	\$ 3,714,038	1	2.95%	\$ 6,929,841	1	8.19%
COMCAST CORPORATION	866,583	2	0.69%			0.00%
PACIFICORP	554,639	3	0.44%	317,965	5	0.38%
HOLLINGSWORTH & VOSE FIBER COMPANY	447,590	4	0.36%	356,404	4	0.42%
NORTHWEST NATURAL GAS CO	402,467	5	0.32%	367,357	3	0.43%
STARKER FOREST INC	392,896	6	0.31%	273,276	6	0.32%
AVERY INVESTMENTS LLC (AKA JERRY JONES)	373,670	7	0.30%	195,614	10	0.23%
WITHAM HILL OAKS APARTMENTS LLC	303,624	8	0.24%	198,533	9	0.23%
AMERICAN CAMPUS COMMUNITIES INC	289,266	9	0.23%			0.00%
GEORGIA PACIFIC WOOD PRODUCTS LLC	261,302	10	0.00%			0.00%
QWEST CORPORATION (AKA CENTURYLINK)	-		0.00%	398,137	2	0.47%
PIONEER TELEPHONE	-		0.00%	270,377	7	0.32%
WAREHOOF LLC	-		0.00%	247,545	8	0.29%
Notes: (a) Benton County Total Taxes Assessed	\$ 125,752,129			\$ 84,632,943		

BENTON COUNTY, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

<i>Fiscal Year Ended June 30,</i>	<i>Taxes Levied for the Fiscal Year</i>	<i>Collected within the Fiscal Year of the Levy</i>		<i>Collections in Subsequent Years</i>	<i>Total Collections to Date</i>	
		<i>Amount</i>	<i>Percentage of Levy</i>		<i>Amount</i>	<i>Percentage of Levy</i>
2016	\$ 26,141,893	\$ 25,551,273	97.74%	\$ -	\$ 25,551,273	97.74%
2015	25,367,725	24,660,935	97.21%	460,046	25,120,981	99.03%
2014	24,277,701	23,560,513	97.05%	470,444	24,030,957	98.98%
2013	23,055,986	22,477,491	97.49%	418,758	22,896,249	99.31%
2012	22,191,531	21,690,593	97.74%	386,667	22,077,260	99.49%
2011	21,230,735	20,713,539	97.56%	513,444	21,226,983	99.98%
2010	20,128,916	19,648,508	97.61%	478,116	20,126,624	99.99%
2009	19,289,036	18,801,697	97.47%	485,799	19,287,496	99.99%
2008	14,674,875	14,380,105	97.99%	293,453	14,673,558	99.99%
2007	14,068,092	13,776,267	97.93%	291,001	14,067,268	99.99%

Source:

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

BENTON COUNTY, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Outstanding Debt</i>	<i>Percentage of Personal Income ^(b)</i>	<i>Population ^(b)</i>	<i>Per Capita</i>
	<i>General Obligation Bonds (a)</i>	<i>Notes and Capital Leases</i>	<i>General Obligation Bonds</i>	<i>Notes</i>				
2016	\$ 15,080,866	\$ 8,254	\$ 1,091,433	\$ 206,280	\$ 16,386,833	0.48%	87,572	\$ 187
2015	15,629,865	17,123	1,138,937	223,566	17,009,491	0.49%	86,316	197
2014	16,133,112	240,366	1,144,721	240,510	17,758,709	0.51%	86,591	205
2013	16,590,976	828,318	1,167,104	257,119	18,843,517	0.57%	86,430	218
2012	17,004,384	1,001,195	1,186,471	273,399	19,465,449	0.62%	85,995	226
2011	17,383,424	6,838	1,203,211	289,357	18,882,830	0.60%	88,735	213
2010	15,414,189	13,540	1,217,361	305,000	16,950,090	0.53%	86,725	195
2009	15,560,616	21,192	1,228,928	-	16,810,736	0.56%	86,120	195
2008	15,973,702	10,689	1,237,968	-	17,222,359	0.60%	85,300	202
2007	16,216,013	4,199	1,245,745	-	17,465,957	0.64%	84,125	n/a

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

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

BENTON COUNTY, OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>General Obligation Bonds (a)</i>	<i>Less: Amounts Available in Debt Service Fund (b)</i>	<i>Total</i>	<i>Percentage of Estimated Actual Taxable Value^(c) of Property</i>	<i>Per Capita^(d)</i>
2016	\$ 16,172,299	\$ 2,226,133	\$ 13,946,166	0.14%	\$ 159
2015	16,768,802	2,152,171	14,616,631	0.16%	169
2014	17,277,833	2,168,313	15,109,520	0.16%	174
2013	17,758,080	1,657,868	16,100,212	0.18%	186
2012	18,190,855	1,571,860	16,618,995	0.18%	193
2011	18,586,635	1,430,834	17,155,801	0.18%	193
2010	16,631,550	1,261,198	15,370,352	0.16%	177
2009	16,789,541	1,061,245	15,728,296	0.16%	183
2008	17,211,670	1,072,153	16,139,517	0.18%	189
2007	17,461,758	924,222	16,537,536	0.20%	197

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

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

BENTON COUNTY, OREGON

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^(a)

June 30, 2015

<i>Governmental Unit</i>	<i>Gross Debt Outstanding</i>	<i>Percentage Applicable to Benton County</i>	<i>Amount Applicable to Benton County</i>
Debt repaid with property taxes			
City of Corvallis	\$ 43,010,680	100.00%	\$ 43,010,680
City of Monroe	1,350,000	100.00%	1,350,000
City of Philomath	6,248,077	100.00%	6,248,077
Benton Cty School District # 17J (Philomath)	32,792,897	99.32%	32,570,627
Benton Cty School District #509J (Corvallis)	45,323,932	97.93%	44,386,180
Benton Cty School District # 1J (Monroe)	1,984,467	96.48%	1,914,517
Hoskins-Kings Valley RFD	75,000	81.75%	61,313
Linn Benton Community College	63,365,000	52.45%	33,232,725
City of Albany	48,276,484	27.79%	13,414,973
Linn Cty School District # 8J (Greater Albany)	47,624,284	25.27%	12,035,990
Linn Cty School District #552 (Central Linn)	1,365,409	0.00%	7
Linn Cty School District # 7J (Harrisburg)	1,674,522	0.80%	13,440
Lane Community College	127,940,000	0.46%	592,490
Polk Cty School District # 13J (Central)	78,356,304	0.34%	264,061
Willamette ESD	24,562,231	0.01%	2,677
Harrisburg Rural Fire Department 6	105,000	0.00%	1
Subtotal, overlapping debt			189,097,758
County Direct Debt			15,089,120
Total Direct and Overlapping Debt			\$ 204,186,878

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

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

Source:

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

BENTON COUNTY, OREGON
LEGAL DEBT MARGIN INFORMATION
June 30, 2016

Estimated Real Market Taxable Value		<u>\$10,037,212,708</u>
Debt Limit (2% of True cash value)		\$200,744,254
Outstanding General Obligation Indebtedness as of June 30, 2016		
Governmental Activities-General Obligation Debt	\$ 15,080,866	
Business-type Activities-General Obligation Debt	1,091,433	
Less: Amount set aside for repayment of general obligation debt	<u>(2,226,133)</u>	
Net Indebtedness subject to debt limit		<u>\$13,946,166</u>
Net debt contracting margin		<u>\$186,798,088</u>
Percentage of net debt contracting margin available		<u>93.05%</u>
Percentage of net debt contracting power exhausted		<u>6.95%</u>

Last Ten Fiscal Years

<u>Year</u>	<u>Debt Limit</u>	<u>Outstanding Indebtness June 30</u>	<u>Percentage of Net Debt Contracting Margin Available</u>
2016	\$ 200,744,254	\$ 13,946,166	93.05%
2015	187,613,394	14,616,631	92.21%
2014	186,374,517	15,109,520	91.89%
2013	176,400,730	16,100,212	90.87%
2012	188,711,311	16,618,995	91.19%
2011	189,513,868	17,155,801	90.95%
2010	197,770,767	15,370,352	92.23%
2009	197,923,429	15,728,299	92.05%
2008	182,509,412	16,139,517	91.16%
2007	168,642,257	16,537,536	90.19%

BENTON COUNTY, OREGON
PLEDGED REVENUE COVERAGE

Last Ten Fiscal Years

<i>Fiscal Year</i>	<i>Special Assessments</i>			
	<i>Special Assessment Collections*</i>	<i>Debt Service</i>		<i>Coverage</i>
		<i>Principal</i>	<i>Interest</i>	
2016	\$ 2,879	\$ 4,758	\$ 642	53.3%
2015	6,874	86,025	681	7.9%
2014	12,697	9,983	4,477	87.8%
2013	13,753	9,927	4,533	95.1%
2012	8,555	9,626	4,834	59.2%
2011	12,207	8,924	5,536	84.4%
2010	15,082	37,137	7,323	33.9%
2009	15,795	8,093	6,367	109.2%
2008	51,913	6,740	7,720	359.0%
2007	42,285	54,362	10,098	65.6%

* Collections include prepayments and foreclosures

BENTON COUNTY, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Calendar Years

<i>Year</i>	<i>Population</i> ^(e)	<i>Median Age</i> ^(e)	<i>Per Capita Personal Income</i> ^(c)	<i>Personal Income</i> ^(c) <i>(thousands of dollars)</i>	<i>Public School Enrollment</i> ^(b)	<i>Civilian Labor Force</i> ^(a)	<i>Unemployment Rate</i> ^(a)	<i>% Change CPI</i> ^(d)
2016	87,572	32.3	\$ 39,698	\$ 3,426,549	8,877	36,163	4.4%	1.2%
2015	86,316	32.3	40,502	3,507,101	8,840	38,330	4.8%	2.4%
2014	86,591	32.4	40,069	3,463,368	8,668	39,960	5.5%	2.5%
2013	86,430	32.4	38,482	3,309,917	8,626	39,670	6.5%	2.3%
2012	85,995	32.4	36,833	3,149,832	8,608	38,670	6.4%	2.9%
2011	88,735	31.9	37,033	3,162,207	8,772	36,220	6.6%	1.3%
2010	86,725	n/a	37,958	3,194,129	8,895	37,190	7.0%	0.1%
2009	86,120	33.4	36,020	3,015,555	9,030	37,850	8.1%	3.3%
2008	85,300	33.1	35,166	2,882,116	9,064	37,120	3.8%	3.9%
2007	84,125	33.1	33,925	2,745,973	9,103	38,020	4.7%	3.4%

Note: Population is based on survey estimates on July 1 for the following fiscal year (July 1, 2015 for FY 2015-16).

n/a Information not available.

Source:

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

**BENTON COUNTY, OREGON
PRINCIPAL EMPLOYERS**

***Current Year and Eight Years Ago**

<i>Employer</i>	<i>2016</i>			<i>2007</i>		
	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total County Employment</i>	<i>Employees</i>	<i>Rank</i>	<i>Percentage of Total County Employment</i>
OREGON STATE UNIVERSITY	10,430	1	27.21%	7,393	1	19.92%
SAMARITAN HEALTH SERVICES	2,632	2	6.87%	1,300	3	3.50%
HEWLETT-PACKARD	1,550	3	4.04%	3,500	2	9.43%
CORVALLIS CLINIC	620	4	1.62%	580	6	1.56%
CORVALLIS SCHOOL DISTRICT 509-J	550	5	1.43%	759	4	2.04%
CITY OF CORVALLIS	427	6	1.11%	430	7	1.16%
CH2M HILL	400	7	1.04%	385	9	1.04%
BENTON COUNTY	381	8	0.99%	365	8	0.98%
FISERV	247	9	0.00%	310	10	0.84%
ATS SYSTEMS	190	10	0.50%	-	-	0.00%
HOLIDAY TREE FARM	-	-	0.00%	700	5	1.89%
Notes: Benton County labor force	<u>38,330</u>			<u>37,120</u>		

*Note: Data not available prior to 2007

Source: Corvallis Chamber of Commerce, Corvallis OR

BENTON COUNTY, OREGON

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY PROGRAM/FUNCTION

Last Ten Fiscal Years

<u>Program/Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government	88.90	96.44	97.44	95.14	94.24	91.58	85.59	84.89	89.59	90.00
Public safety	65.50	83.91	84.91	88.64	86.64	83.38	75.75	74.75	78.27	79.00
Public works	37.90	40.28	40.28	37.99	37.99	36.10	28.53	28.53	30.12	31.00
Health services	118.99	137.21	137.21	146.22	146.15	143.02	140.24	137.88	164.94	206.00
Justice services	31.50	40.30	40.29	40.59	40.59	40.20	37.50	37.50	37.50	37.00
Community services	3.00	3.00	3.00	3.00	3.00	2.02	-	-	-	-
Cultural and educational services	4.00	6.57	6.57	7.21	7.21	6.20	4.00	4.00	3.00	3.00
Animal control	1.75	1.75	0.75	0.60	0.17	0.20	-	-	-	-
Parks and natural resources	7.45	8.46	8.46	9.34	9.34	9.39	6.64	6.64	7.50	9.00
Total all programs/functions	358.99	417.92	418.91	428.73	425.33	412.09	378.25	374.19	410.92	455.00

Source: Benton County Budget Office

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

<u>Program/Function</u>	<i>Fiscal Year Ended June 30, 2016</i>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General government										
Budget										
Oregon Budget Law procedural/appropriation violations	2	5	10	0	1	1	2	2	2	0
County Counsel										
Two-day contract turn around	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Finance/Tax										
Certificate for Excellence in Financial Reporting	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	N/A
Percent of monthly finance reports closed within 10 working days of month-end	100%	80%	92%	92%	100%	100%	100%	100%	100%	100%
Properties foreclosed	3	3	0	0	9	5	1	4	5	2
Human Resources										
Applications processed	70	1374	1682	1286	1283	1883	2821	2217	3987	3153
Training events planned and conducted	15	20	31	12	11	5	13	8	11	25
Information Resource Management										
Scheduled computer replacements (% completed)	100%	89%	100%	100%	100%	100%	100%	88%	100%	90%
Operate at 98% of available prime time (M-F 8AM - 5PM)	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Records and Elections										
Documents processed	15,485	15,680	14,123	13,451	13,299	16,009	18,652	13,196	12,583	14,099
BOPTA petitions	59	101	101	212	185	123	104	48	60	46
New voter registrations	4,570	5,000	4,678	2,536	4,349	3,204	4,603	2,437	3,527	3,519
Average voter turnout	63.7%	64.0%	53.0%	48.0%	40.0%	48.0%	35.0%	37.1%	60.7%	51.8%
Marriage licenses processed	531	532	524	439	551	517	485	559	574	504
Public works										
Corner histories researched and documented	57	60	52	46	29	24	91	153	114	141
% of bridges in good condition (*Sufficiency rating >70)	80.0%	82.0%	80.0%	79.0%	85.0%	81.0%	80.7%	80.7%	78.0%	75.0%
Miles of pavement sealed	0.70	14.20	9.22	3.70	8.29	3.80	7.50	15.00	16.00	24.79
Miles of structural pavement overlays	0.00	0.30	0.71	5.70	2.40	1.95	0.50	0.10	0.25 ^(a)	5
Public safety										
Fatal Accidents	N/A	1	4	3	1	6	4	4	2	5
Jail Bookings	3750	3262	3300	3379	3815	3959	3572	2913	2778	3613
Calls For Service	5700	5311	5244	5461	5659	5412	5522	6743 ^(b)	N/A	6948
Arrests	1365	1210	1372	1643	1981	1815	2079	2239	N/A	2106
Warrants	424	251	296	444	531	497	545	479	N/A	537

BENTON COUNTY, OREGON
OPERATING INDICATORS BY PROGRAM/FUNCTION

Last Ten Fiscal Years

<u>Program/Function</u>	<i>Fiscal Year Ended June 30, 2016</i>									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
(continued)										
Health services										
Communicable disease investigations	256	393	408	179	474	464	517	500	618	500
Septic site evaluations and permits issued	N/A	257	139	128	101	112	128	114	142	126
DD clients served	380	433	481	448	489	537	532	523	526	646
Cultural and educational services										
Fair receipts	\$ 409,477	\$ 446,382	\$ 337,226	\$ 310,087	\$ 323,220	\$ 315,376	\$ 316,880	\$ 243,666	\$ 292,237	\$ 364,423
Fair attendance	36,215	35,103	31,944	35,103	38,925	31,209	31,300	28,000	30,000	23,370
Animal control										
Dog licenses issued	4,694	4,404	4,469	3,941	4,006	3,536	3,724	3,707	3,560	3,635
Parks and natural resources										
Number of Reservation Groups	N/A	N/A	N/A	N/A	N/A	119	125	126	114	108
Number of Reported Users	N/A	N/A	N/A	N/A	N/A	7,771	9,648	9,306	9,795	12,066
Yearly Revenue	N/A	N/A	N/A	N/A	N/A	\$12,870	\$14,775	\$17,155	\$18,235	\$31,925
(% rating "good" or "better" on surveys)										
Reservation process	100.0%	100.0%	97%	97%	96%	96%	96%	98%	93%	N/A
Condition of group picnic area	94.0%	90.0%	93%	98%	100%	100%	96%	100%	98%	N/A
Condition of restrooms	82.0%	82.0%	88%	94%	98%	98%	94%	96%	88%	N/A
Kitchen shelter/food prep area	96.0%	90.0%	92%	97%	100%	100%	94%	96%	88%	N/A
Sports fields/play areas	94.0%	85.0%	92%	92%	98%	98%	92%	94%	95%	N/A
Roadways, paths, parking	93.0%	88.0%	90%	92%	98%	98%	92%	96%	93%	N/A
Park appearance/maintenance	95.0%	88.0%	95%	97%	100%	100%	100%	100%	98%	N/A

NOTE:

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

N/A: Information not available for indicators

Source: Benton County Budget Office

BENTON COUNTY, OREGON
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years

<u>Program/Function</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Public works										
Miles of roads	467	467	460	460	460	460	460	461	461	445
Luminaries	14	14	14	14	14	14	14	15	15	10
Bridges	104	104	104	104	104	103	103	103	101 ^(c)	101
Culverts	2,037	2,037	2,002	2,003	2,003	2,003	2,001	2,001	2,001	5,745
Public safety										
Sheriff Stations	2	2	2	2	2	2	2	2	2	2
Patrol Cars	28	29	29	25	25	22	23	24	28	29
Health services										
Clinics in operation	3	4 ^(b)	4	4	4	4	4	4	4	6
Parks and natural resources										
Number of Parks	16	16	16	14	14	15	16	16	16	16
Total acreage	1,417	1,417	1,417	1,360	1,414	1,440	1,476	1,476	1,476	1,476
Number of Playgrounds	3	3	3	3	3	3	3	3	3	3
Number of Sports Fields	9	9	9	5	5	5	5	5	5	5
Miles of Trails	20	20	20	20	20	20	20	21	21	21
Trust Program										
Libraries ^(a)	5	5	5	5	5	5	5	5	5	5
Total Volumes in Collection	358,130	363,398	344,557	347,465	345,279	357,917	362,200	367,850	366,788	367,485
Cultural and Educational										
Fairgrounds acreage	29	29	29	29	29	29	29	29	29	29
Number of Buildings	20	19	18	19	20	20	20	20	20	20
Rental square footage	101,066	101,066	101,066	96,266	108,141	108,141	108,141	108,141	108,141	108,141
Non-rental square footage	16,448	14,912	14,912	17,859	17,984	17,984	17,984	17,984	17,984	17,984

NOTE:

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

(b) East Linn Health Center opened in January 2008

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

COMPLIANCE SECTION



INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Commissioners
BENTON COUNTY
Corvallis, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of BENTON COUNTY as of and for the year ended June 30, 2016, and have issued our report thereon dated January 30, 2017.

Compliance

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

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

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

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

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

Internal Control OAR 162-10-0230

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

Restriction on Use

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

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 30, 2017

By:



Bradley G. Bingenheimer, Member



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

Board of County Commissioners
BENTON COUNTY
Corvallis, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and remaining fund information of BENTON COUNTY, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 30, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Compliance and Other Matters

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

Purpose of this Report

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

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 30, 2017



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

Board of County Commissioners
BENTON COUNTY
Corvallis, Oregon

Report on Compliance for Each Major Federal Program

We have audited the County’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2016. 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.

Management’s Responsibility

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

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of the County’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the County, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2016-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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

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

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

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

Boldt Carlisle & Smith

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
January 30, 2017

BENTON COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2016

Section I Summary of Auditors' Results

Financial Statements

Type of auditor's report issued:	<i>Unmodified</i>
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal awards

Internal control over major federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major federal programs:	<i>Unmodified</i>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes

Identification of major federal programs:

CFDA	
<u>Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants and Children
93.224	Consolidated Health Center - Federally Qualified Health Center

Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee:	No

Section II - Financial Statement Findings

None reported

Section III - Federal Award Findings and Questioned Costs

Finding 2016-001:

DEPARTMENT OF AGRICULTURE

10.557 Special Supplemental Nutrition Program for Women, Infants and Children

DEPARTMENT OF HEALTH AND HUMAN SERVICES

93.224 Consolidated Health Center - Federally Qualified Health Center

Criteria:

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

Condition:

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

Cause:

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

Effect:

Unallowable costs could be charged to the program.

Questions Costs

None

Perspective

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

Recommendations

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

Management's Response

Management agrees and will develop written procedures over the determination of allowable costs.

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

June 30, 2016

<i>Federal Grantor/Pass through Grantor</i>	<i>Federal CFDA number</i>	<i>Expenditures</i>
U.S. Department of Agriculture		
Passed through State Department of Admin. Services		
Schools & Roads-Grants to the States (Federal Forest Revenues)	10.665	\$ 113,391
Passed through State Health Department		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	245,263
Total U.S. Department of Agriculture		358,654
U.S. Department of the Interior		
Direct Programs		
Payments in Lieu of Taxes	15.226	119,458
Distribution of Receipts to State & Local Gov'ts (O & C) -Title I	15.227	697,069
State Wildlife Grants	15.634	31,289
Passed through Oregon Parks and Recreation Department		
Certified Local Government Grant	15.904	12,000
Total U.S. Department of the Interior		859,816
U.S. Department of Justice		
Passed through State Justice Division		
Crime Victim Assistance	16.575	67,677
Edward Byrne Memorial State & Local Law Enforcement Assistance Discretionary Grants Program	16.580	4,197
Drug Court Discretionary Grant Program	16.585	106,859
State Criminal Alien Assistance Program	16.606	3,385
Total US Department of Justice		182,118
U.S. Department of Transportation		
Federal Highway Administration		
Formula Grants for Rural Areas	20.509	160,123
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	274,460
Bus and Bus Facilities Formula Program	20.526	36,838
State and Community Highway Safety	20.600	26,377
Total U.S. Department of Transportation		497,798
U.S.Environmental Protection Agency		
Passed through State Health Department		
State Public Water System Supervision	66.432	11,632
Capitalization Grants for Drinking Water State Revolving Funds	66.468	8,192
Total U.S. Environmental Protection Agency		19,824

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

June 30, 2016

<i>Federal Grantor/Pass through Grantor</i>	<i>Federal CFDA number</i>	<i>Expenditures</i>
U.S. Department of Health and Human Services		
Direct Programs:		
Consolidated Health Centers - Federally Qualified Health Center	93.224	\$ 2,844,409
Passed through Oregon Health Authority		
Maternal and Child Health Services Block Grant to the States	93.994	7,274
Maternal and Child Health Services Block Grant to the States - Oregon Mothers Care	93.994	9,600
Maternal and Child Health Services Block Grant to the States - Title V	93.994	25,485
Subtotal - Maternal & Child Health Services Block Grant to the States		42,359
Public Health Emergency Response - Bioterrorism	93.069	84,468
Environmental Public Health & Emergency Response	93.070	5,000
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	14,076
Sodium Reduction in Communities	93.082	64,736
Project Grants & Cooperative Agreements for Tuberculosis Control Programs	93.116	10,058
Family Planning/Services - Title X	93.217	46,705
Assistance Programs for Chronic Disease Prevention & Control	93.945	42,840
Total - Oregon Health Authority		310,242
Passed through State Mental Health Division		
Block Grants for Community Mental Health Services	93.958	60,997
Block Grant for the Prevention & Treatment of Substance Abuse	93.959	146,332
Subtotal - State Mental Health Division		207,329
Passed through Oregon Youth Services Commission		
Child Support Enforcement	93.563	95,801
Total U.S. Department of Health and Human Services		3,457,781
Department of Homeland Security		
Direct Programs:		
FEMA Disaster	97.036	3,855
Passed through the Department of Oregon State Police		
Emergency Management Performance Grants	97.042	95,832
Passed through State Emergency Management Division		
State Homeland Security Program	97.073	30,748
Total U.S. Department of Homeland Security		130,435
Total Federal Financial Assistance		\$ 5,506,426

BENTON COUNTY, OREGON

Notes to Schedule of Expenditures of Federal Awards

June 30, 2016

Note 1 – Purpose of this schedule

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

Note 2 – Significant accounting policies

- A. Reporting entity** – The reporting entity is fully described in Note ??? to the County's basic financial statements. The schedule includes all federal programs administered by Benton County for the fiscal year ended June 30, 2016.
- B. Basis of presentation** – The information in the schedule is presented in accordance with the Uniform Guidance.
- C. Federal financial assistance** – Pursuant to the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, is included in federal financial assistance and is reported on the schedule (if applicable). Federal financial assistance does not include direct federal cash assistance to individuals. Solicited contracts between the County and the federal government for which the federal government procures tangible goods or services are not considered to be federal financial assistance.

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

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

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

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

Note 4 – Schedule of federal awards by Cluster

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