

BENTON COUNTY WASHINGTON



COMPREHENSIVE ANNUAL FINANCIAL REPORT



For The Year Ended December 31, 2012

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR

BENTON COUNTY, WASHINGTON

For The Fiscal Year Ended

December 31, 2012

Prepared by the Benton County Auditor's Office

Brenda Chilton, Auditor

Van H. Pettey, CPA, CGMA, MBA, Chief Accountant

Patrick L. Powell, Accounting Services Officer

Aileen Coverdell, CPA, Financial Administrator

Rosie Sparks, Accounting Support Officer

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BENTON COUNTY, WASHINGTON
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2012

INTRODUCTORY SECTION

| | |
|------------------------------------------------------------------------|----|
| Letter of Transmittal | v |
| Certificate of Achievement for Excellence in Financial Reporting | ix |
| Organizational Chart..... | x |
| Directory of Elected and Appointed Officials | xi |

FINANCIAL SECTION

| | |
|------------------------------------------|---|
| Independent Auditor’s Report | 1 |
| Management Discussion and Analysis | 5 |

BASIC FINANCIAL STATEMENTS

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| Description of Basic Financial Statements | 21 |
| Government-wide Financial Statements: | |
| Statement of Net Position | 23 |
| Statement of Activities..... | 24 |
| Fund Financial Statements: | |
| Balance Sheet – Governmental Funds | 25 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 27 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Funds..... | 28 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balance of Governmental Funds to the Statement of Activities | 30 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund..... | 31 |
| Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Other Major Funds..... | 32 |
| Statement of Net Position – Proprietary Funds..... | 34 |
| Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds..... | 35 |
| Statement of Cash Flows – Proprietary Funds..... | 36 |
| Statement of Fiduciary Net Position – Agency Funds..... | 38 |
| Notes to the Basic Financial Statements | 39 |

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|-----------------------------------------------------------------|----|
| Infrastructure Assets – Modified Approach | 77 |
| Other Post Employment Benefit Schedule of Funding Progress..... | 81 |

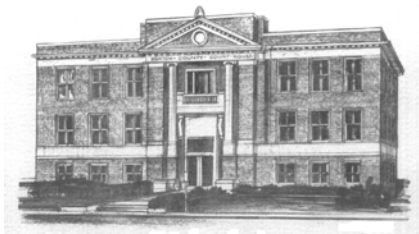
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

| | |
|---------------------------------------------------------------------------------------------------------------------|-----|
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 83 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds..... | 84 |
| Descriptions of Nonmajor Special Revenue Funds | 85 |
| Combining Balance Sheets – Nonmajor Special Revenue Funds | 87 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds..... | 96 |
| Descriptions of Nonmajor Debt Service Funds..... | 104 |
| Combining Balance Sheet – Nonmajor Debt Service Funds..... | 105 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds..... | 107 |
| Descriptions of Nonmajor Capital Project Funds..... | 109 |

| | |
|--------------------------------------------------------------------------------------------------------------------------|-----|
| Combining Balance Sheet – Nonmajor Capital Projects Funds | 110 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds | 111 |
| Schedule of Revenues – Budget and Actual – General Fund | 112 |
| Schedule of Expenditures – Budget and Actual – General Fund | 113 |
| Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Acquisition Fund | 119 |
| Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: | |
| Nonmajor Special Revenue Funds..... | 120 |
| Nonmajor Debt Service Funds | 141 |
| Nonmajor Capital Projects Funds..... | 146 |
| Description of Nonmajor Enterprise Funds..... | 149 |
| Descriptions of Internal Service Funds | 151 |
| Combining Statement of Net Position – Internal Service Funds | 152 |
| Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds..... | 154 |
| Combining Statement of Cash Flows – Internal Service Funds | 156 |
| Descriptions of Agency Funds | 161 |
| Combining Statement of Net Position – Agency Funds..... | 163 |
| Combining Statement of Changes in Assets and Liabilities – Agency Funds..... | 169 |
| Capital Assets Used in the Operation of Governmental Funds: Descriptions of Capital Asset Tables | 183 |
| Schedule by Source..... | 184 |
| Schedule by Function and Activity | 185 |
| Schedule of Changes by Function and Activity | 186 |

STATISTICAL SECTION

| | |
|------------------------------------------------------------------------|-----|
| Description of Statistical Section Schedules | 187 |
| Schedule 1 - Net Position by Component..... | 189 |
| Schedule 2 - Changes in Net Position | 190 |
| Schedule 3 - Fund Balances, Governmental Funds..... | 192 |
| Schedule 4 - Changes in Fund Balances, Governmental Funds | 193 |
| Schedule 5 - Assessed Value and Actual Value of Taxable Property | 194 |
| Schedule 6 - Direct and Overlapping Property Tax Rate | 195 |
| Schedule 7 - Principal Property Tax Payers | 196 |
| Schedule 8 - Property Tax Levies and Collections..... | 197 |
| Schedule 9 - Ratios of Outstanding Debt | 198 |
| Schedule 10 - Legal Debt Margin Information | 199 |
| Schedule 11 - Demographic and Economic Statistics | 200 |
| Schedule 12 - Principal Employers | 201 |
| Schedule 13 - County Government Employees by Function..... | 202 |
| Schedule 14 - Operating Indicators by Function | 203 |
| Schedule 15 - Capital Asset Statistics by Function | 204 |



BENTON COUNTY

BRENDA CHILTON, AUDITOR



Van H. Pettey, CPA, CGMA, MBA, Chief Accountant
Patti McKelvy, Licensing/Recording Supervisor
Stuart Holmes, Election Supervisor
Denise Webb, Office Manager-Richland
Shawn Bohlinger, Office Manager-Prosser

June 27, 2013

TO THE CITIZENS OF BENTON COUNTY

We are pleased to present, for your review, the 2012 Comprehensive Annual Financial Report (CAFR) of the Benton County government. The CAFR is designed to provide information to satisfy the public, legislative bodies, creditors, investors, students of public finance, and political scientists. The primary objective of the CAFR is to describe the County's financial condition and the financial results of its operations. The financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP), and audited in accordance with generally accepted auditing standards by the Office of the Washington State Auditor. This report is formatted to comply with the financial reporting model established by Government Accounting Standards Board (GASB) Statement 34. It is intended to improve financial reporting by including significant additional information not previously available in local government financial statements.

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

In addition to the fund-by-fund financial information in the County's financial statements, the report includes government-wide financial statements. The government-wide financial statements include a Statement of Net Assets that provides the total net equity of the County, including infrastructure, and the Statement of Activities that shows the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. The GASB 34 reporting model includes an emphasis on the County's major funds as shown in the Governmental Fund Statements. These statements combined with other information are further analyzed in the MD&A narrative section. The MD&A provides "financial highlights" and interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the County.

MANAGEMENT RESPONSIBILITY

Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including disclosure, rests with the County. We believe that the data contained in this CAFR is presented in a manner that fairly states the financial position and operational results of the County, as measured by the financial activity of its various funds. The CAFR includes all of the disclosures necessary to enable the reader to gain a general understanding of the County's financial affairs. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects.

THE REPORTING ENTITY AND ITS SERVICES

The Benton County government provides a range of municipal services, prescribed by statutes and/or prompted by public support, including: law enforcement and judicial services, construction and maintenance of roads and bridges, health and social services, cultural and recreational facilities, planning and zoning services, animal control, and general administrative services.

This CAFR includes financial data for all funds within the County. It also includes the activities of component units meeting the entity definition, within the County, as prescribed by the Governmental Accounting Standards Board Pronouncement 14 (GASB 14). A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. To prepare the financial statements of a reporting entity, GASB 14 requires the financial statements of all component units to be combined with the financial statements of the primary government. Furthermore, the primary government must have a separately elected governing body and be legally separate and fiscally independent from other state and local governmental entities.

INTERNAL CONTROLS

In developing and evaluating the County's accounting systems, County management has considered the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, not absolute assurance regarding: accountability for assets, safeguarding against their loss through unauthorized use or disposition; and the reliability of financial records as the basis for preparation of financial statements. The concept of reasonable assurance recognizes that the costs of control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgments by management.

Benton County management recognizes the importance of adequate internal controls, and constantly strives to improve the effectiveness and efficiency of administrative and financial controls. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions have been recorded properly.

There were no significant impacts on the current period financial statements that resulted from administering and/or changes in financial policies.

BUDGETARY CONTROLS

Budgetary control is maintained at the fund-department level. Budget overruns are prevented by a control structure at the voucher-approval level. Budget supplements, as requested by the responsible department directors or elected officials and properly authorized by the Board of County Commissioners, are required prior to execution of expenditures that would exceed appropriation(s).

Monthly budget ledgers and reports are available to the elected official or department director who is responsible for each particular fund or department. The monthly budget ledger provides a detailed listing of monthly expenditures by line item. The monthly budget report summarizes current month expenditures, year-to-date totals, budgeted amounts and adjustments, and unexpended amounts available until completion of the given budget period.

LONG-TERM FINANCIAL PLANNING

The Board of County Commissioners is committed to providing a high level of services at a reasonable cost to residents of Benton County and to maintaining a cooperative relationship with incorporated areas of the County. The annual budget serves as the foundation for the County's financial planning and control. At the request of the County Auditor's office all agencies of Benton County are required to submit requests for appropriations. A compilation of these requests and projections is submitted to the Board of County Commissioners. The Commissioners schedule budget hearings in October, November and in December. At the conclusion of the hearings, the Commissioners adopt the budget. Budget goals include avoiding creating future unsustainable obligations rather than cutting costs later when they may exceed revenues. The County also maintains a five-year Capital Facilities Plan that provides a planned and programmed approach to utilizing the County's financial resources in the most efficient manner to meet its service and facility needs.

ECONOMIC CONDITIONS AND OUTLOOK

The Tri-City economic growth slowed down in the first half of the year, which translated into a decrease in total employment of 1.4 percent, as stimulus funded projects phased out at the Hanford Nuclear Reservation. During 2012, the Tri-Cities economy lost 6,120 jobs. The federal economic stimulus package that provided \$2 billion in funding to Hanford came to an end in late 2011 resulting in layoffs. In addition, other spending decreases at Hanford contributed to additional layoffs. The Department of Energy (DOE) budget continues to be a dominant part of the overall economy with the construction of the waste vitrification plant, vital to the planned Hanford cleanup activities. Fluctuations in the activity levels at the Hanford area have historically influenced the economy of Benton County and will continue to do so in the future, however the area is experiencing a “discovery” in that more diversified industries are seeing an attractive area to conduct business. The area continues to be noted nationally as having good infrastructure, an intelligent workforce, affordable housing and a deepening local economy. These features should combine to decrease the impact of Hanford fluctuations in the future. The agricultural economy remains strong, however, water supply concerns to support irrigation casts uncertainty on continued agricultural growth. Efforts to address water needs in the future are a major part of Benton County governmental activities. The area is agriculturally diverse and has historically experienced relative economic stability during periods of unfavorable market prices in several crops. The area has been recognized as a significant viticulture area with wineries continuing to flourish. The state’s largest winery is located within the County. The majority of Washington State’s wine industry related jobs are in the Tri-Cities. As reported in previous comprehensive annual financial reports, the food processing industry continues to grow due to the presence and investment of industry leaders such as JR Simplot and ConAgra/Lamb Weston.

Benton County population has increased steadily from 138,900 in 1999 to 182,398 in 2012; an average annual increase of over 2.0%, this growth has an advantageous effect on local economic growth. Although housing construction employment is down, the real estate market is stable compared to other communities nationwide. Hanford activities have historically driven our economy, however, diversification of our economic foundation remains foremost in the minds of our regions leadership. Continued promotion of agriculture and food processing, energy technology, health services and tourism has reduced our reliance on Hanford activities. With the end of ARRA funding the challenge to our community will be to sustain employment levels. Water rights allocation and efforts to increase water storage capacity present uncertainties on the direction of the area’s agricultural economy. However, there is leadership working to find solutions, in a balanced manner, to best serve all interests. Benton County continues to work with Yakima County on these issues. The Healthcare industry continues to provide new jobs and strong growth to the local economy. It is likely that local agricultural output will continue to grow and attract additional investment in the local food processing industry. The wine industry continues to expand. The County plans to continue maintaining and developing good infrastructure, combining port, rail and road connections to major markets. With favorable federal DOE budget plans, resolution of water issues, and diversified economic development, Benton County does not anticipate significant employment fluctuations in the next few years.

MAJOR INITIATIVES AND SERVICE EFFORTS

The County has continued to make progress on its major capital projects and will continue making investments in capital and administrative improvements as outlined in the County’s Capital Improvement Plan. In 2012, projects and improvements included information technology updates with the purchase of computer servers, county wide upgrade of office productivity software, portfolio management software and improvements in the Court’s docket display systems. Vehicles were purchased for the Sheriff’s department and other county departments. Also, a restroom was completed at the Rattlesnake Shooting Facility.

The County is continuing to provide needed improvements to important infrastructure assets for the region’s economic development. The County Infrastructure budgeted expenditures to maintain roads and bridges for 2012 were over \$7.4 million. Actual expenditures were over \$5.5 million. Preservation accounted for \$2.0 million of the expenditures. Benton County currently has 858 miles of roads being maintained on behalf of the citizens of Benton County and the general traveling public.

INDEPENDENT AUDIT

The statutes of the State of Washington require an annual audit, by the Washington State Auditor's Office, of the books of account, financial records and the transactions of all administrative departments of Benton County. These legally mandated audits have been consistently performed.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Benton County for its comprehensive annual financial report for the fiscal year ended December 31, 2011. This was the ninth consecutive year that Benton County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report could not have been accomplished without the professional, efficient and dedicated services of the accounting department of the Auditor's Office. I wish to express my appreciation to these staff members for their contributions to the development of this report. Also, I appreciate the efforts of accounting staff members and managers in all County departments, who contributed information necessary for compilation of this report. I wish to express my thanks to the Benton County Board of Commissioners for their responsible interest in, and progressive support of, the conduct of financial operations and systems for Benton County government.

Respectfully Submitted,

A handwritten signature in cursive script that reads "Brenda Chilton".

**Brenda Chilton
Benton County Auditor**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Benton County
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2011

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



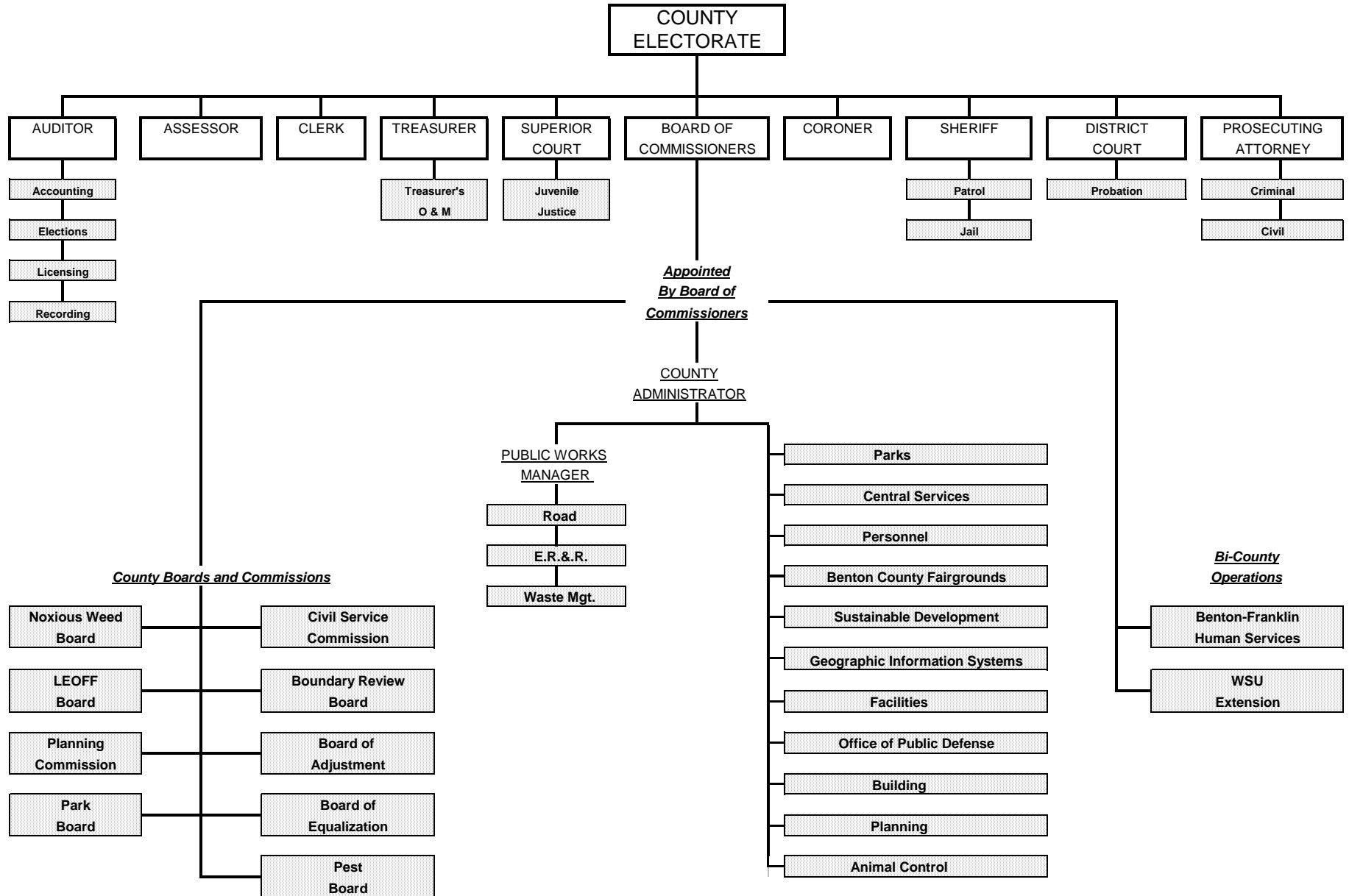
Christopher P. Moirill

President

Jeffrey R. Emer

Executive Director

BENTON COUNTY GOVERNMENT ORGANIZATIONAL CHART
2012



-X-

BENTON COUNTY, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2012

DIRECTORY OF COUNTY OFFICIALS

ELECTED OFFICIALS

| <u>Position</u> | <u>Name</u> | <u>Term</u> | <u>Expiration</u> |
|-------------------------|-------------------------------|-------------|-------------------|
| Board of Commissioners: | | | |
| District 1 | Honorable Leo Bowman | 4 | December 2012 |
| District 2 | Honorable Shon Small | 4 | December 2014 |
| District 3-Chairperson | Honorable James Beaver | 4 | December 2012 |
| Assessor | Honorable Barbara Wagner | 4 | December 2014 |
| Auditor | Honorable Brenda Chilton | 4 | December 2014 |
| Clerk | Honorable Josie Delvin | 4 | December 2014 |
| Coroner | Honorable John Hansens | 4 | December 2014 |
| District Court Judge | Honorable Terry M. Tanner | 4 | December 2014 |
| District Court Judge | Honorable Robert J. Ingvalson | 4 | December 2014 |
| District Court Judge | Honorable Dan Kathren | 4 | December 2014 |
| District Court Judge | Honorable Joseph Burrowes | 4 | December 2014 |
| District Court Judge | Honorable Katharine Butler | 4 | December 2014 |
| Prosecutor | Honorable Andrew Miller | 4 | December 2014 |
| Sheriff | Honorable Steve Keane | 4 | December 2014 |
| Superior Court Judge | Honorable Cameron Mitchell | 4 | December 2012 |
| Superior Court Judge | Honorable Craig Matheson | 4 | December 2012 |
| Superior Court Judge | Honorable Robert Swisher | 4 | December 2012 |
| Superior Court Judge | Honorable Carrie Runge | 4 | December 2012 |
| Superior Court Judge | Honorable Vic Vanderschoor | 4 | December 2012 |
| Superior Court Judge | Honorable Bruce Spanner | 4 | December 2012 |
| Treasurer | Honorable Duane Davidson | 4 | December 2014 |

APPOINTED OFFICIALS

| <u>Position</u> | <u>Name</u> | <u>Length in Position</u> |
|------------------------------|-----------------|---------------------------|
| County Administrator | David A. Sparks | 13 Years |
| Human Services Administrator | Ed Thornbrugh | 2 Year |

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Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

June 27, 2013

Board of Commissioners
Benton County
Prosser, Washington

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Benton County, Washington, as of and for the year ended December 31, 2012, 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 County'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 County'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of Benton County, Washington, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Road and Human Services funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 20, infrastructure modified approach information on pages 77 through 80 and information on postemployment benefits other than pensions on page 81 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and 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 as a whole. The accompanying information listed as **combining financial statements and supplementary information** is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and **Statistical** Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has 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 it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2013, 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. That report will be issued under separate cover in the County's Single Audit Report. 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.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley". The signature is written in dark ink and is positioned above the typed name.

TROY KELLEY
STATE AUDITOR

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Benton County's discussion and analysis offers readers of the County's financial statements a narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, and in the financial statements and notes to the financial statements (which immediately follow this discussion).

FINANCIAL HIGHLIGHTS

- The total assets of Benton County exceeded its liabilities at December 31, 2012 by over \$204 million dollars. Net position invested in capital assets (net of depreciation and related debt) account for 50% of this amount, with a value of approximately \$102.4 million. Of the remaining net position, \$65.7 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- Fund balance for the General Fund was over \$10.3 million at December 31, 2012.
- Fund balance for the County Road fund was over \$3.4 million at December 31, 2012.
- Fund balance for the Human Services fund was over \$5.5 million at December 31, 2012.
- Fund balance for the Capital Acquisition fund was over \$22.9 million at December 31, 2012.
- Benton County's total long-term debt at December 31, 2012 was over \$24.4 million, with a remaining capacity for non-voted debt at over \$198 million.

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 are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

There are two government-wide financial statements, which are designed to provide readers with a broad overview of Benton County's finances in a manner similar to a private-sector business. Classical government-wide financial statements distinguish functions of a governmental entity that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as enterprise "business-type activities"). Benton County does not have any enterprise "business-type activities", therefore, its government-wide financial statements reflect only "governmental activities". The governmental activities of Benton County include a full range of local government services provided to the public, such as law enforcement and public safety; the superior, juvenile, and district court systems; legal prosecution and indigent defense; jails and corrections; road construction and maintenance; animal control; community planning and development; parks and open space preservation; and

care and welfare of the disadvantaged and mentally ill. In addition, other general government services are provided, such as elections, property assessment, tax collection, and the issuance of licenses.

The statement of net position presents information on all of Benton County's assets and liabilities, with the difference between the two reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. 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. However, this is just one indicator of financial health of the County. Other indicators include the condition of the County's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the County.

The statement of activities presents information showing how the government's net position changed during 2012. Because it separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program), it shows to what extent each program has to rely on taxes for funding. All changes in net position are reported using the accrual basis of accounting, similar to the method used by most private-sector companies. The accrual basis of accounting requires that revenues be reported when they are earned and expenses are reported when the goods and services are received, regardless of the timing of the cash flow. Items such as uncollected taxes, unpaid vendor invoices for items received in 2012, and earned but unused vacation leave, are included in the statement of activities as revenue and expense, even though the cash associated with these items was not received or distributed in 2012.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 of Benton County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Proprietary Funds are used to account for a government's internal business activities, where all or part of the costs of activities are supported by fees and charges that are paid directly by those in county governmental operations who benefit from the activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund, Road Fund and the Capital Acquisition Fund, all of which are considered to be major funds, based on criteria established by GASB Statement #34. GASB Statement #34 defines a major fund as a fund whose assets, liabilities, revenues or expenditures comprise 1) at least 10% of the total dollar amount of the same category within either all government or all enterprise funds, as appropriate, and 2) at least 5% of the total dollar amount of all governmental and enterprise funds combined for the same category. Benton County has also elected to present

the Human Services Fund as a major fund because of its public interest to financial statement users. Data from the remaining governmental funds are combined into a single, aggregated presentation. The governmental fund financial statements can be found immediately following the government-wide financial statements. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements, outside of the basic financial statements

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

Because the focus of governmental fund financial statements is narrower than that of government-wide financial statements, it is useful to compare 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 reconciliation to the governmental activities column in the government-wide statements, in order to facilitate this comparison.

The County maintains budgetary controls over its operating funds. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget. Budgets for governmental funds are established in accordance with state law, and are adopted on a fund level, except for the General Fund, which is adopted on a department level. Capital outlays are approved on an item-by-item basis or project basis. A budgetary comparison statement is provided for the General Fund and all special revenue and capital funds, to demonstrate compliance with the budget.

Proprietary Funds

There are two types of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. As stated earlier, Benton County does not have any Enterprise Funds (business-type activities). Internal Service Funds (the second type of proprietary fund) accumulate and allocate costs internally among the County's various functions. The revenues and expenses of the internal service funds that are duplicated in other funds through allocations are eliminated in the government-wide statements, with the remaining balances included in the governmental activities column.

Proprietary fund statements follow the governmental fund statements in this report. They provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting.

Individual fund data for each of the non-major proprietary funds is provided in the form of combining statements. The proprietary fund combining statements follow the governmental fund combining statements in this report.

Fiduciary Funds

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

Benton County has one type of fiduciary fund: Agency Funds (which are clearing accounts for assets held by Benton County in its role as custodian until the funds are identified for use by the private parties, organizations, or government agencies to which they belong). The basic fiduciary fund financial statements can be found following the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Benton County's net position totals \$204,525,089 at December 31, 2012. Benton County's net position has increased in comparison to total net position of \$195,822,738 at December 31, 2011. This net increase of \$8,702,351 is discussed in the following paragraphs. The following table reflects the condensed Government-Wide Statement of Net Position for 2012 and the previous year comparable data.

Benton County's Net Position

| | <u>2012</u> | <u>2011</u> |
|-----------------------------------|--------------------|--------------------|
| Current and Other Assets | \$ 114,529,273 | \$ 107,871,055 |
| Capital Assets and Construction | | |
| In Progress (Net of Depreciation) | <u>126,972,927</u> | <u>126,439,353</u> |
| Total Assets | 241,502,200 | 234,310,408 |
| Long-Term Liabilities | 29,005,311 | 31,169,618 |
| Other Liabilities | <u>7,971,800</u> | <u>7,318,052</u> |
| Total Liabilities | 36,977,111 | 38,487,670 |
| Net Position: | | |
| Net Investment in Capital Assets | 102,434,308 | 99,475,184 |
| Restricted | 36,382,172 | 34,559,089 |
| Unrestricted | <u>65,708,609</u> | <u>61,788,465</u> |
| Total Net Position | \$ 204,525,089 | \$ 195,822,738 |

Benton County's total assets stand at over \$241 million as of December 31, 2012 (up from over \$234 million at December 31, 2011). Of this amount, over \$126.9 million is accounted for by capital assets (up from \$126.4 million in 2011), which includes infrastructure and construction in progress. Historically, infrastructure (roads, bridges, drainage systems, etc.) has not been included in capital asset reporting for governmental activities. GASB Statement #34 requires that all capital assets, including infrastructure, be reported. Out of \$126.9 million in net capital assets

reported at December 31, 2012, \$5.8 million, or 4.6%, (up from \$5.4 million, or 4.3% in 2011) is accounted for by infrastructure acquisitions and construction in progress during 2012 (including the right-of-way land associated with these projects).

Of the remaining County assets, over \$98.1 million were accounted for in cash, cash equivalents, equity in pooled investments and other investments (up from \$91.1 million in 2011), over \$9.4 million in accounts receivable (down from \$10.1 million in 2011), and over \$6.9 million spread among miscellaneous assets and joint ventures (compared to \$6.6 million in 2011). At December 31, 2012, cash/cash equivalents, equity in pooled investments and other investments accounted for 85.7% (up from 84.4% in 2011) of current and other assets, while accounts receivable accounted for 8.2% (down from 9.4% in 2011).

At December 31, 2012, the County had outstanding liabilities of over \$36.9 million (down from \$38.4 million in 2011), with over \$29.0 million in long-term liabilities (a decrease from nearly \$31.2 million in 2011). Of the long-term liabilities, over \$2.6 million was due within a year, with the remainder due over an extended period of time. Refer to the notes to the financial statements (Note 9.) for a more in depth discussion of long term debt.

Included in other liabilities in the table are approximately \$1.5 million in accounts payable and over \$6.4 million in accrued liabilities. The total other liabilities of \$7.97 million is up 8.8% from the total at December 31, 2011 (\$7.32 million). Over 81% of the balance in other liabilities (\$6.48 million) is due to accrued liabilities for wages payable and the various trust accounts.

Over half of the County's net position (50.1%) reflects its investment in capital, less any outstanding related debt used to acquire those assets. The County's capital assets are used to provide services to citizens. Consequently, investments in capital are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A little over \$36.3 million of the County's net position are subject to restrictions on how they may be used. The balance of over \$65.7 million (unrestricted net position), represents the amount that may be used to meet the County's ongoing obligations.

At December 31, 2012, Benton County reports positive balances in all categories of net position, for the government as a whole. There are no significant restrictions or other commitments that will impact the availability of fund resources for future use.

Statement of Changes in Net Position

The County's total net position increased by over \$8.7 million in 2012. Key elements in changes in net position are shown in the following table.

| | 2012 | 2011 |
|----------------------------------------------------------|----------------------------|----------------------------|
| | Governmental Activities | Governmental Activities |
| Revenues: | | |
| Program Revenues | | |
| Charges for Services | \$29,361,482 | \$39,678,488 |
| Operating Grants and Contributions | 8,915,961 | 8,891,473 |
| Capital Grants and Contributions | 1,803,065 | 1,344,774 |
| General Revenues | | |
| Taxes | 49,973,131 | 51,212,000 |
| Interest Earnings on Investments | 1,224,082 | 976,068 |
| Gain/(Loss) on Sale of Assets | 0 | 0 |
| Total Revenues | <u>91,277,721</u> | <u>102,102,803</u> |
| Program Expenses: | | |
| General Government | 25,844,971 | 24,539,863 |
| Public Safety | 35,027,971 | 35,717,729 |
| Physical Environment | 1,850,393 | 1,752,381 |
| Transportation | 7,910,646 | 8,183,961 |
| Economic Environment | 3,247,173 | 2,026,527 |
| Health and Human Services | 6,358,009 | 16,720,998 |
| Culture and Recreation | 1,127,892 | 1,109,123 |
| Interest on Long-Term Debt | 1,208,315 | 1,479,168 |
| Total Expenses | <u>82,575,371</u> | <u>91,529,750</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenses | 8,702,350 | 10,573,053 |
| Special Item | 0 | 0 |
| Change in Net Position | 8,702,350 | 10,573,053 |
| Net Position as of January 1 | <u>195,822,739</u> | <u>185,249,685</u> |
| Net Position as of December 31 | <u>\$204,525,089</u> | <u>\$195,822,738</u> |

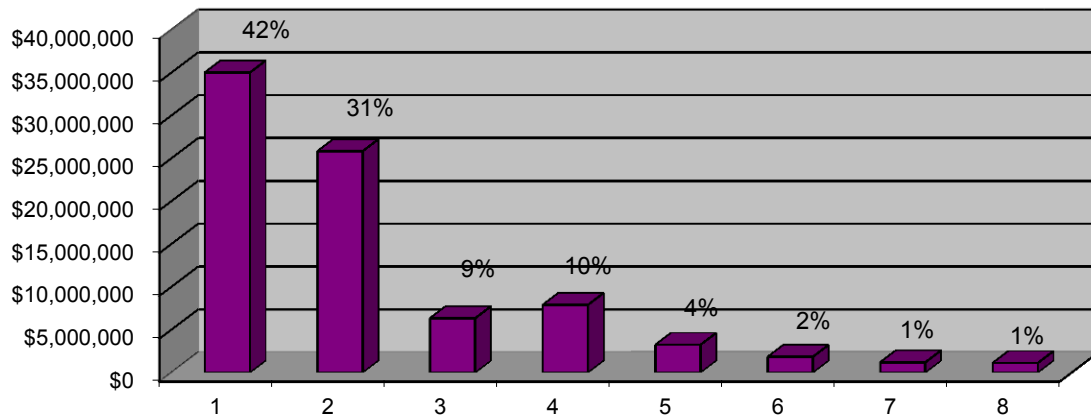
Total revenues for Benton County were over \$91.2 million, a 10.6% decrease (\$10.8 million) from 2011 total revenues. Program revenues decreased 19.7% (\$9.8 million) and accounted for 43.9% of total revenue sources. Significant changes in program revenues were in the areas of General Government (down \$0.2 million), Public Safety (down \$1.8 million) and Health & Human Services (down \$8.3 million). General Government revenue changes resulted from reduced retail sales and use taxes, reflecting the soft economy. Public Safety decreases were related to a decrease in jail contracts with outside entities. Decreases for Health & Human Services resulted from the distribution of outpatient dollars by the administrating entity going directly to providers rather than through the Health & human Services department and then to the providers. Within governmental activities, tax revenue decreased \$1.2 million and accounted for 54.7% of total

revenue sources. The remaining 1.3% of revenues was provided by interest income (up \$0.2 million due to reduced interest rates resulting from the recession and actions of the Federal Reserve).

Total expenses for the County were over \$82.6 million, a decrease of over \$8.9 million from 2011 (a 9.8% decrease). Governmental activities with the largest program expenses were in the areas of Public Safety, General Government, Transportation and Health & Human Services respectively. These four programs accounted for 91.0% of total government-wide expenses. General Government Services expenses increased 5.3% (approximately \$1.3 million). General Government increases were in the areas of judicial support for the courts and Prosecuting Attorney's office. Public Safety decreased 1.9% (approximately \$0.7 million) attributable to decreased jail contracts with outside entities and the managed reductions in expenditures to match those reductions in services to others. Transportation expenses decreased 3.3% (approximately \$0.3 million), and Health and Human Services expenses decreased 61.9% (over \$10.3 million) compared to 2011. Health and Human Services reductions were mainly due to the distribution of outpatient dollars by the administrating entity going directly to providers rather than through the Health & human Services department and then to the providers as recorded expenditures for the County.

The following illustrates, by program, where funds were spent in 2012.

Program Expenses - Government-wide



Legend

- | | | |
|------------------------------|-------------------------|-------------------------------|
| 1. Public Safety | 4. Transportation | 7. Interest on Long Term Debt |
| 2. General Government | 5. Economic Environment | 8. Culture and Recreation |
| 3. Health and Human Services | 6. Physical Environment | |

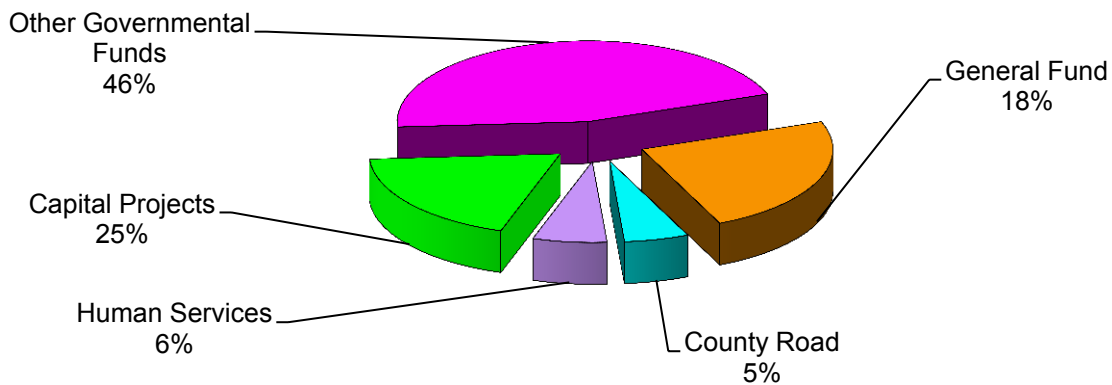
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, Benton County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Following are financial analyses of the County's governmental and proprietary funds.

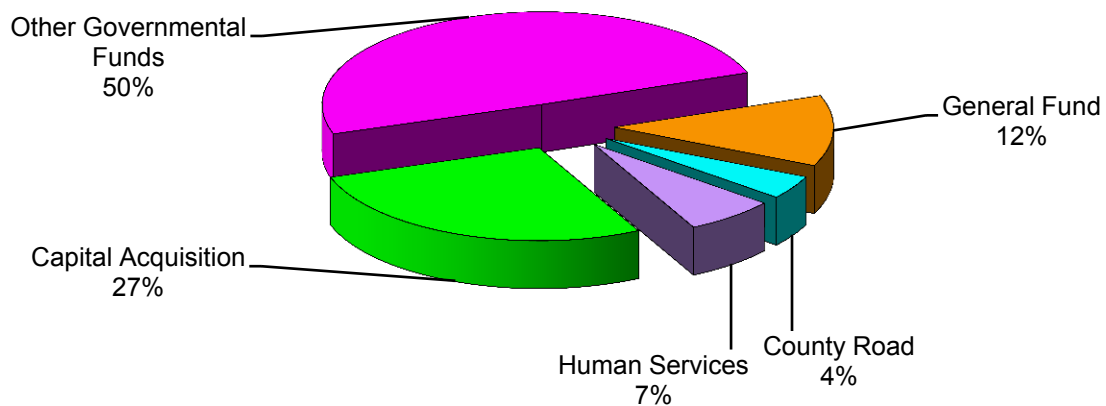
Governmental Funds Balance Sheet Analysis

The General Fund, County Road fund, Human Services fund and Capital Acquisition fund were the County's major funds in 2012. Together these funds accounted for 54.3% of total governmental fund assets and 50.4% of total governmental fund balance.

Total Assets – Governmental Funds



Fund Balance – Governmental Funds

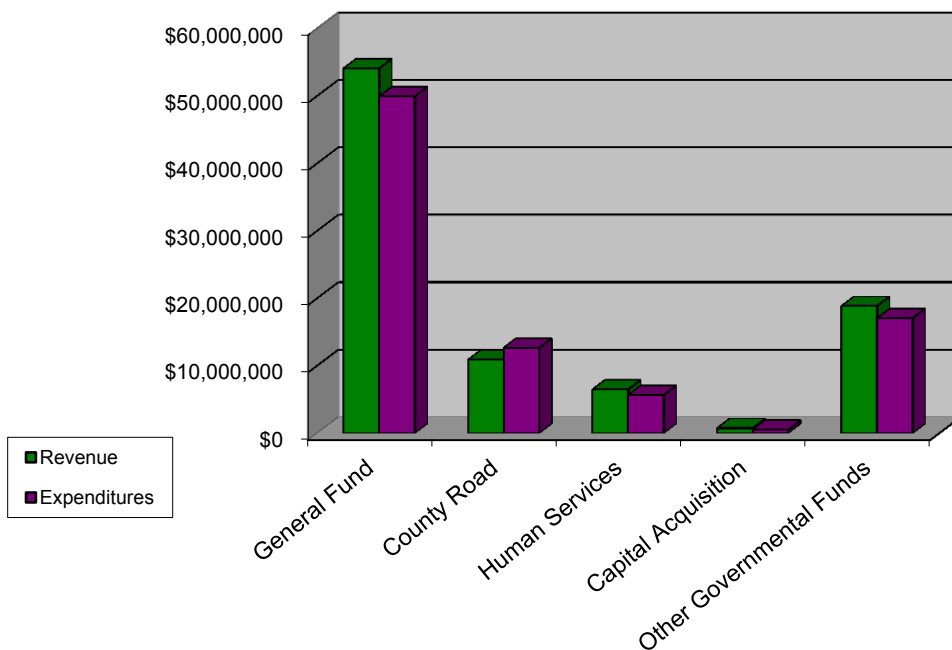


The focus of Benton County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of December 31, 2012, the county's governmental funds reported combined fund balances of over \$83.8 million. All of this amount is available for spending within the designated funds. The \$83.8 million compares to a combined ending fund balance of \$78.8 million in 2011, an increase of over \$5.0 million. In comparison to prior year, revenues are down 11% and expenditures decreased 9%; however, current year revenues exceeded expenditures by over \$5.2 million. Of the major governmental funds County Roads expended over \$1.8 million more than revenue received while the other governmental funds had an excess of revenues over expenditures for an approximate total of \$7.0 million. Proceeds from the sale of capital assets brought in \$67,760 and net transfers produced a deficit of \$282,536.

The General Fund is the chief operating fund of Benton County. On December 31, 2012, total fund balance of the General Fund was over \$10.3 million, down over \$4.9 million from 2011 all of which was unrestricted. Total assets in the General Fund amounted to over \$17.2 million, accounting for 18.5% of total governmental fund assets. General Fund total assets were down over \$3.5 million when compared to total assets of \$20.7 million at the end of 2011. Cash, cash equivalents and deposits with fiscal agents decreased by \$3.4 million compared to 2011 and liabilities increased by \$1.3 million. These changes are reflective of the increased Transfers Out to other funds, up \$6.6 million compared to 2011 which affected the decrease in General Fund balance.

Governmental Funds Revenue/Expenditure Analysis

The following chart shows the revenue and expenditure amounts for the four major governmental funds and for all other governmental funds.



The revenue indicators in the chart do not include one-time only financing sources or uses such as transfers (in and out), proceeds from new debt or the sale of assets. The General fund, County Road and Human Services funds account for 78.5% of all governmental fund revenue and 79.5% of all expenditures. The Capital Acquisition fund is considered a major fund by the merits of its total assets. In 2012, the Capital Acquisition fund received \$736,333 in revenue with most of this coming from intergovernmental resources and miscellaneous revenues.

The net change in fund balance for the General fund in 2012 was a decrease of over \$4.9 million. This increase is largely due to increased transfers out (\$6.6 million more than 2011) from the General Fund to the Capital Acquisition fund during the year. 2012 revenues decreased 4.3% (\$2.4 million) during the year reflecting increases in the areas of Property Taxes (\$0.5 million) and Other Taxes (\$0.2 million) and decreases in Retail Sales and Use Taxes (\$1.6 million) and Interest Earnings (\$0.2 million) and in Intergovernmental Services (\$1.3 million in grants and services). 2012 expenditures were relatively unchanged from 2011, increasing 2.1% (\$1.0 million). The Road fund had a net decrease in fund balance of over \$0.5 million reflecting efficient utilization of resources while dealing with reductions in funding from state and federal assistance. The Human Services fund had a net increase in fund balance of over \$0.8 million due to efficient management of resources during a period of changing requirement for administering flow-through funding to service providers. The Capital Acquisition fund had a net increase in fund balance of over \$6.5 million, largely due to Transfers In (\$6.3 million) to cover capital project funding in the future. Other governmental funds had an overall positive net change in fund balance of over \$3.0 million for 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Changes in Budget

In 2012, Benton County adopted a biennial budget. The following table shows the changes between the original and the final General Fund budget as of December 31, 2012.

**Benton County, Washington
General Fund Changes in Budget
As of December 31, 2012**

| | 2011/2012 | | |
|---------------------------------------------|---------------------|---------------------|----------------------------|
| | Original Budget | Final Budget | Changes Over (Under) |
| <i>Revenues</i> | | | |
| Taxes | \$56,080,442 | \$56,080,442 | \$ 0 |
| Licenses and Permits | 96,000 | 96,000 | 0 |
| Intergovernmental | 33,065,307 | 33,650,332 | 585,025 |
| Charges For Services | 7,817,395 | 7,817,395 | 0 |
| Fines and Forfeits | 6,014,051 | 6,014,051 | 0 |
| Miscellaneous Revenues | 2,662,038 | 2,667,038 | 5,000 |
| Total Revenues | <u>105,735,233</u> | <u>106,325,258</u> | <u>590,025</u> |
| <i>Expenditures</i> | | | |
| General Governmental Services | 43,706,640 | 43,913,467 | 206,827 |
| Public Safety | 49,632,513 | 50,759,222 | 1,126,709 |
| Physical Environment | 2,588,739 | 2,578,795 | (9,944) |
| Transportation | 0 | 0 | 0 |
| Economic Environment | 1,319,012 | 1,412,212 | 93,200 |
| Mental and Physical Health | 1,555,537 | 1,604,385 | 48,848 |
| Culture and Recreation | 1,023,248 | 1,023,248 | 0 |
| Capital Outlay | 886,328 | 981,612 | 95,284 |
| Total Expenditures | <u>100,712,017</u> | <u>102,272,941</u> | <u>1,560,924</u> |
| Excess (Deficit) Revenues Over Expenditures | <u>5,023,216</u> | <u>4,052,317</u> | <u>(970,899)</u> |
| <i>Other Financing Sources (Uses)</i> | | | |
| Sale of Capital Assets | 3,000 | 3,000 | 0 |
| Transfers In | 3,271,137 | 4,027,564 | 756,427 |
| Transfers Out | (8,387,883) | (15,173,411) | (6,785,528) |
| Total Other Financing Sources (Uses) | <u>(5,113,746)</u> | <u>(11,142,847)</u> | <u>(6,029,101)</u> |
| Excess (Deficit) Resources Over Uses | (90,530) | (7,090,530) | (7,000,000) |
| Fund Balance, January 1 | 7,100,000 | 7,100,000 | 0 |
| Fund Balance, December 31 | <u>\$ 7,009,470</u> | <u>\$ 9,470</u> | <u>(\$ 7,000,000)</u> |

Budgeted expenditure increases combined with transfer activity equaled budgeted revenue increases combined with transfers in.

The 2012 General Fund revenue and expenditure budgets were increased in the areas of:

The Sheriff Patrol budget was supplemented with several grants, donations and contractual changes for a total of \$488,825. The Planning department budget was supplemented by a \$93,200 grant from the Department of Ecology.

Transfers out of the General Fund were made to the following funds: Economic Development, Park Development, Capital Acquisition and to Fair Operations in the amounts of \$204,489, \$100,000, \$6,322,237 and \$373,274 respectively.

General Fund Budget to Actual

The following table shows the changes between the final budget of the General Fund and actual revenues and expenditures of the General Fund during 2011 and 2012.

**Benton County, Washington
General Fund – Budget vs. Actual
As of December 31, 2012**

| | 2011/2012 | | Variance Over (Under) |
|----------------------------------------------|------------------------------|---------------------------|-----------------------------|
| | Final Budget 2011/2012 | Actual Thru 12/31/2012 | |
| <i><u>Revenues</u></i> | | | |
| Taxes | \$56,080,442 | \$60,347,821 | \$4,267,379 |
| Licenses and Permits | 96,000 | 107,163 | 11,163 |
| Intergovernmental | 33,650,332 | 33,383,595 | (266,737) |
| Charges For Services | 7,817,395 | 7,948,687 | 131,292 |
| Fines and Forfeits | 6,014,051 | 5,743,320 | (270,731) |
| Miscellaneous Revenues | 2,667,038 | 3,079,815 | 412,777 |
| Total Revenues | <u>106,325,258</u> | <u>110,610,402</u> | <u>4,285,143</u> |
| <i><u>Expenditures</u></i> | | | |
| General Governmental Services | 43,913,467 | 42,179,023 | (1,734,444) |
| Public Safety | 50,759,222 | 49,496,989 | (1,262,233) |
| Physical Environment | 2,578,795 | 2,446,040 | (132,755) |
| Transportation | 0 | 0 | 0 |
| Economic Environment | 1,412,212 | 1,363,915 | (48,297) |
| Mental and Physical Health | 1,604,385 | 1,516,980 | (87,405) |
| Culture and Recreation | 1,023,248 | 902,060 | (121,188) |
| Capital Outlay | 981,612 | 979,596 | (2,016) |
| Total Expenditures | <u>102,272,941</u> | <u>98,884,602</u> | <u>(3,388,339)</u> |
| Excess (Deficit) Revenues Over Expenditures | <u>4,052,317</u> | <u>11,725,800</u> | <u>7,673,483</u> |
| <i><u>Other Financing Sources (Uses)</u></i> | | | |
| Sale of Capital Assets | 3,000 | 51,950 | 48,950 |
| Transfers In | 4,027,564 | 3,302,775 | (724,789) |
| Transfers Out | (15,173,411) | (14,901,256) | (272,155) |
| Total Other Financing Sources (Uses) | <u>(11,142,847)</u> | <u>(11,546,531)</u> | <u>403,684</u> |
| Excess (Deficit) Resources Over Uses | (7,090,530) | 179,269 | 7,269,799 |
| Fund Balance, January 1 | 7,100,000 | 10,171,184 | 3,071,184 |
| Fund Balance, December 31 | <u>\$ 9,470</u> | <u>\$10,350,453</u> | <u>\$10,340,983</u> |

A biennial budget cycle was implemented beginning with 2011. The above table compares the two year budget against the actual figures recognized in the two year cycle of that budget. Significant variances in the revenues include approximately \$4.3 million in retail sales and use taxes due to a conservative approach to budgeting taking into consideration that stimulus money was not included in the 2011-2012 budget in order to avoid balancing the budget on one-time money. Noteworthy expenditure decreases occurred in the General Governmental Services due to lower workforce cost and also in Public Safety due to a lower than projected jail occupancy rate.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Benton County's total investment in capital assets, including construction in progress, for its governmental activities as of December 31, 2012, amounts to nearly \$127 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, machinery and equipment, park facilities, infrastructure, and construction in progress on buildings and systems. The County has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the County expenses certain maintenance and preservation costs and does not report depreciation expense. Information about infrastructure assets is found in the Required Supplementary Information (RSI) section of the CAFR. Major capital asset events during the current year included the following:

- The infrastructure target is that no more than 20% of the arterial road pavements shall be rated below "Good". Benton County has taken a proactive approach to improve the condition of its roads. This is in part due to overlay and crack sealing programs. Assessments are performed on a biannual basis; the last assessment in 2012 had 98% of the arterial road pavements rated as "Good", exceeding the target.
- Infrastructure budgeted expenditures to maintain roads and bridges for 2012 were over \$7.6 million. Actual expenditures were over \$6.6 million. Preservation accounted for \$1.8 million of the expenditures.
- A contract with Tapani Underground Inc. was completed with a scope of work consisting of improvements to 2.6 miles of Clodfelter Road, by reconstructing a section of roadway from Bently Road to C. Williams Road and new construction of 1.6 miles of Locust Grove Road from Clodfelter Road to Edwards Road. This work consists of clearing, grubbing, removing pavement, excavation, embankment, culvert pipe installation, crushed surfacing, paving, erosion control, beam guardrail, pavement markings and other work. \$2.9 million of the \$3.5 million contract was expended in 2012.
- A contract with Inland Asphalt, Inc. was executed to complete the construction of 1.8 miles of Piert Road, from SR397 to Bowles Road. \$800K of the \$1.9 million contract was expended in 2012. This work consists of clearing, grubbing, removing pavement, excavation, embankment, culvert pipe installation, crushed surfacing, paving, erosion control, beam guardrail, two railroad crossings with lumination, pavement markings and other work.
- A continuing variety of projects for new road construction and expansion of existing roads were ongoing during the year. The County spent over \$0.2 million in 2012 on preliminary engineering and right-of-way for future road projects. Another \$.3 million was spent on completing projects from 2011.
- Improvements carried over from 2011 and completed in 2012 include an improved dishwasher for the Jail (\$153,103), enhanced sound system for Superior Courtrooms E and F (\$26,368) and a completed restroom for the Rattlesnake Mountain Shooting Facility (\$86,051).
- Seven vehicles were added to the fleet for the Sheriff (\$328,835).

- Human Services purchased a server (\$18,416).
- The Animal Control Facility had improvements made to the dog runs, walkways and drainage rock in the facility (\$10,747).
- Superior Courtrooms B & C had sound system improvements completed (\$25,339).
- The Treasurer purchased a portfolio management software program to provide greater returns for all county and non-county investment pools (\$38,121).
- The Fairgrounds purchased an excavator (\$33,898), completed kitchen improvements (\$13,974) and added a phone system compatible to that existing throughout the county (\$21,637).
- In addition to the restroom mentioned previously, Park development added fencing to the Horn Rapids Park (\$9,088).
- The Capital Projects fund purchased equipment to enhance the reliability of the existing wireless infrastructure throughout county facilities (\$13,170) and purchased equipment to improve the transfer of the county email system from Groupwise to Microsoft Exchange (\$11,952).
- The radio system for the Jail was improved with the addition of an 800 MHz bi-directional amplifier (\$11,797).
- At the end of 2012 Construction in Progress projects included remodeling projects for the Clerk's lobby, the Prosser Courthouse District Court and the Prosecuting Attorney's offices, (\$54,463), ongoing costs for realignment of the system for processing Real Estate Excise Tax documents, (eConvey, \$61,986 through 2012)), implementation of an "Information Technology Strategic Plan" with the purchase of Microsoft licenses to upgrade the county office productivity suites and migrate to Microsoft network and email platforms (\$284,012), an upgrade to the county's digital mapping data base (\$37,630), floor and control room upgrades to the jail (\$96,703), and studies for improving the Kennewick Annex facility and the Prosser Courthouse H & V system (\$5,880). Projects on going from 2011 included County Courthouse improvements (\$71,227), County facility studies for storage (\$8,000) a study for a new administration building (\$28,230) and a study for a Jail work release facility (\$18,845).

Additional information on Benton County's capital assets can be found in Note 6 and in the RSI section of this report.

Long-Term Debt

At December 31, 2012, Benton County had total bonded debt outstanding of over \$21.4 million, all of which is classified as governmental activity and backed by the full faith and credit of the County. An additional amount of \$420,000 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment.

Benton County's total bonded debt had a net decrease of nearly \$2.0 million during 2012. Significant debt activity in 2012 included the repayment of debt according to the repayment

schedules. The County's remaining capacity for non-voted debt at December 31, 2012 was approximately \$198.9 million. On July 16, 2007, Benton County Road accepted the first draw on a loan from the Washington State Department of Community Trade and Economic Development in the amount of \$1,462,500. On July 24, 2008, an additional draw of \$812,500 was accepted by Benton County Road and on December 29, 2008 one more draw of \$812,500 was accepted. The final draw was completed on March 31, 2009, in the amount of \$162,500. This loan was for the development of the I-82 to SR397 Intertie Project. The loan is low-interest of 0.50% and the repayment term is approximately 20 years from completion of the project. On June 28, 1985, the County began receiving working advance funds from the Washington State Department of Social and Health Services (DSHS). The amount is currently at \$207,667. The amount has no repayment schedule and is available for use until DSHS requests its return. Benton County overall maintains an "A2" rating from Moody's for general obligation debt. During 2009, Standard and Poors raised its rating for Benton County's general obligation debt from "A+" to "AA" "based on a history of very strong operating reserves". Additional information on the County's long-term debt can be found in Note 9.

ECONOMIC FACTORS

There have been a series of voter initiatives over the past years, as well as State of Washington and Federal legal changes that have an ongoing impact on future finances of the County. A listing of conditions and decisions that affect the future financial condition of the County follows:

- Voters approved Referendum 47 in 1997, which limited property tax levy increases to the rate of inflation (as measured by the national Implicit Price Deflator); and repealed laws which allowed for stockpiling tax revenues.
- In November 1999, the voters in Washington approved Initiative 695, which eliminated the annual motor vehicle excise tax and replaced it with a \$30 annual fee on motor vehicles. Although this initiative was later ruled unconstitutional by the courts, the Legislature moved to enact the \$30 annual fee in special session.
- Voters also approved Initiative 747 in 2001, which capped property tax growth each year at a maximum of 1%, plus any additions for new construction. This initiative compounds the already limiting Referendum 47. In 2007 the Governor signed HB 2416, reinstating the 1% property tax limit adopted under Initiative 747. For the third straight year Benton County did not increase property tax.
- On November 29, 2007, the Washington State Legislature met in emergency session and amended RCW 84.55.005 and RCW 84.55.0101 to limit the increase in property tax growth to 1% plus new construction.
- Effective July 1, 2008, the Washington State Legislature adopted the Streamlined Sales Tax Bill that effected destination-based sourcing. Sales tax to be allocated on the basis of the destination of the sale rather than where the sale was made.
- The Washington State projected revenue budget shortfall and is nearly \$1 billion for the 2013-2014 biennium. The Governor proposed a mix of spending cuts, reform savings, fund shifts and revenue adjustments for the legislature to consider. Benton County expects to see a decrease in state funding in 2012.

- The unemployment rate (9.1% as of December 2012) in the County was lower than 2011, and higher than the State average of 7.7%. Decreases in employment at the Vitrification Project reduced jobs to around 3,000 by year-end after being increased since the low in June, 2006, due to site requirements and the budget revisions. The Vitrification Project construction is considered to be over 61% complete.
- During 2012, the Tri-Cities economy lost 2,620 jobs. Reduced employment during 2012 came from Hanford, professional and business services, retail trade, health services and the trade, transportation, warehousing and utilities sectors. Bright spots included manufacturing and construction which showed increases in employment. Budget uncertainty with the U.S. Department of Energy (DOE) Hanford Site cleanup adds to the difficulty of projecting levels of Hanford economic activity and employment. Hanford employment, a mainstay of the regional economy increased in 2009 when the Hanford Site received \$1.96 billion in federal American Recovery & Reinvestment Act (ARRA) money, which was estimated to retain or create about 4,000 Hanford related jobs. During 2011, as the ARRA funding came to an end, the Tri-Cities economy lost 6,120 jobs of which 2,111 jobs came from the three largest employers at Hanford. Fluctuations in the activity levels at Hanford have historically influenced Benton County's economy and will continue to do so in the future. However, Benton County continues to be noted nationally as having good infrastructure, an intelligent workforce, affordable housing and a deepening local economy which should help decrease the impact of Hanford fluctuations in the future by attracting more diversified industries to the area. Continued expansion of Pacific Northwest National Lab and private sector research in energy and biotechnology, continued development of the wine industry and agricultural "value added" processing, and increased tourism are offsetting this loss of Hanford jobs.
- Looking ahead to 2013, sales and use tax revenue outlook is uncertain with the effects of the Sequestration cuts still being determined and implemented at Hanford. Low interest rates will continue to limit interest earnings on invested funds

Requests for Information

This financial report is designed to provide a general overview of Benton County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Brenda Chilton, Auditor
Benton County Auditor's Office
P.O. Box 470
Prosser, Washington 99350-0470
(509) 786-5620

Basic Financial Statements

The basic financial statements and note disclosure comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). Basic financial statements are designed to be “liftable” from the Financial Section of the Comprehensive Annual Financial Report (CAFR) for widespread distribution to users requiring less detailed information than is contained in the full CAFR. Basic Financial Statements include:

Government-wide Financial Statements

- (1) **Government-wide Statement of Net Position** – presents information on all County governmental and proprietary assets and liabilities, with the difference reported as net position.
- (2) **Government-wide Statement of Activities** – presents information on all County governmental and proprietary revenues and expenses, with the difference reported as change in net assets.

Fund Financial Statements

- (3) **Balance Sheet – Governmental Funds** – presents the balance sheets for major funds and aggregate amounts for all other governmental funds.
- (4) **Reconciliation of the Balance Sheet to the Government-wide Statement of Net Position.**
- (5) **Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds** – presents information for each major fund and aggregate information for all other governmental funds.
- (6) **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities.**
- (7) **Statement of Revenues, Expenditures, and Changes in fund Balance – budget (GAAP Basis) and Actual** – presents budget information, along with actual results, on separate statements for each major fund which has a legally adopted budget. Departmental information is included for the General Fund, in accordance with the County’s legally adopted budget.
- (8) **Statement of Net Position – Proprietary Funds** – presents information on all assets and liabilities, with the difference reported as change in net assets for the internal service funds.

- (9) **Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds** – presents information for the County’s internal service funds.
- (10) **Statement of Cash Flows** – presents information on the sources and uses of cash for the County’s internal service funds.
- (11) **Statement of Fiduciary Net Position** – presents information on agency fund assets and liabilities.
- (12) **Notes to the Basic Financial Statements** – present disclosure and further detail information to assist the reader in better understanding the financial statements and the data presented within them.

BENTON COUNTY, WASHINGTON

Statement of Net Position

December 31, 2012

| | <u>Primary Government</u> <u>Governmental</u> <u>Activities</u> |
|-----------------------------------------------------------|-----------------------------------------------------------------------|
| <i>ASSETS</i> | |
| Cash/Cash Equivalents and Equity in Pooled Investments | \$ 95,856,109 |
| Deposits with Fiscal Agent | 2,303,322 |
| Receivables | 6,433,466 |
| Due From Other Governments | 2,983,361 |
| Inventories/Prepayments | 2,096,108 |
| Deferred Charges | 4,726 |
| Joint Ventures | 4,852,182 |
| Land | 2,711,839 |
| Infrastructure | 70,913,559 |
| Construction in Progress | 3,105,439 |
| Other Capital Assets (Net of Depreciation) | <u>50,242,089</u> |
| Total Assets | \$ <u><u>241,502,200</u></u> |
| <i>LIABILITIES</i> | |
| Accounts Payable and Other Current Liabilities | \$ 1,491,714 |
| Accrued Liabilities | 6,480,086 |
| Long-Term Liabilities: | |
| Due to Other Governments | 240,716 |
| Accrued Liabilities | 94,684 |
| Special Assessment Debt with Governmental Commitment | |
| Due In More Than One Year | 420,000 |
| Other Due Within One Year | 2,659,780 |
| Other Due In More Than One Year | <u>25,590,131</u> |
| Total Liabilities | <u>36,977,111</u> |
| <i>NET POSITION</i> | |
| Net Investment in Capital Assets | 102,434,308 |
| Restricted for: | |
| General Government | 10,817,188 |
| Public Safety | 9,928,381 |
| Mental & Health Services | 7,142,597 |
| Economic Environment | 4,425,910 |
| Transportation | 3,502,959 |
| Culture & Recreation | 532,122 |
| Utilities & Environment | 33,014 |
| Unrestricted (Deficit) | <u>65,708,609</u> |
| Total Net Position | \$ <u><u>204,525,089</u></u> |

BENTON COUNTY, WASHINGTON

Statement of Activities

Year Ended December 31, 2012

| Functions/Programs | Expenses | Program Revenues | | | Net (Expenses) Revenue and Changes in Net Position |
|------------------------------------------|----------------------|-------------------------|------------------------------------------|-------------------------------------|-------------------------------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government |
| Primary Government: | | | | | Governmental Activities |
| Governmental Activities: | | | | | |
| General Government | \$ 25,844,971 | \$ 13,903,466 | \$ 1,539,906 | \$ 0 | \$ (10,401,599) |
| Public Safety | 35,027,971 | 12,313,875 | 1,662,346 | 0 | (21,051,750) |
| Physical Environment | 1,850,393 | 587,162 | 259,404 | 0 | (1,003,827) |
| Transportation | 7,910,646 | 436,133 | 434,011 | 1,803,065 | (5,237,437) |
| Economic Environment | 3,247,173 | 691,318 | 52,225 | 0 | (2,503,630) |
| Health and Human Services | 6,358,009 | 1,388,200 | 4,967,343 | 0 | (2,466) |
| Culture and Recreation | 1,127,892 | 41,328 | 726 | 0 | (1,085,838) |
| Interest on Long Term Debt | 1,208,315 | 0 | 0 | 0 | (1,208,315) |
| Total Governmental Activities | <u>82,575,371</u> | <u>29,361,482</u> | <u>8,915,961</u> | <u>1,803,065</u> | <u>(42,494,863)</u> |
| Total Primary Government | \$ <u>82,575,371</u> | \$ <u>29,361,482</u> | \$ <u>8,915,961</u> | \$ <u>1,803,065</u> | <u>(42,494,863)</u> |
| General Revenues | | | | | |
| Taxes: | | | | | |
| Property | | | | | 24,496,055 |
| Sales | | | | | 16,140,979 |
| Entitlements, Impact & In-lieu Payments | | | | | 6,822,158 |
| Excise Taxes | | | | | 1,011,722 |
| Penalties & Interest on Delinquent Taxes | | | | | 1,502,217 |
| Interest and Investment Earnings | | | | | 1,224,082 |
| Total General Revenues and Transfers | | | | | <u>51,197,212</u> |
| Change in Net Position | | | | | 8,702,350 |
| Net Position as of January 1 | | | | | 195,822,739 |
| Net Position as of December 31 | | | | | \$ <u>204,525,089</u> |

See accompanying notes to the basic financial statements

Balance Sheet
 Governmental Funds
 December 31, 2012

| | Major Funds | | |
|--------------------------------------|-------------------|------------------|-------------------|
| | General Fund | County Road | Human Services |
| <i>ASSETS</i> | | | |
| Cash/Cash Equivalents | \$ 12,024,172 | \$ 3,769,977 | \$ 5,393,233 |
| Deposits with Fiscal Agent | 2,303,322 | 0 | 0 |
| Taxes Receivable | 553,090 | 192,295 | 10,615 |
| Accounts Receivable | 228,910 | 288,176 | 5,379 |
| Assessments Receivable | 0 | 0 | 0 |
| Interest Receivable | 74,223 | 1,371 | 0 |
| Due From Other Funds | 2,552 | 9,852 | 20,345 |
| Interfund Loans Receivable | 0 | 0 | 0 |
| Due From Other Governmental Units | 2,020,860 | 0 | 802,397 |
| Property Held In Trust | 15,864 | 0 | 0 |
| | <u>17,222,991</u> | <u>4,261,671</u> | <u>6,231,969</u> |
| Total Assets | \$ 17,222,991 | \$ 4,261,671 | \$ 6,231,969 |
| <i>LIABILITIES AND FUND BALANCES</i> | | | |
| <u>Liabilities</u> | | | |
| Accounts/Vouchers Payable | \$ 538,978 | \$ 193,655 | \$ 261,802 |
| Due To Other Funds | 324,791 | 166,087 | 55 |
| Interfund Loans Payable | 0 | 0 | 0 |
| Due To Other Governmental Units | 33,049 | 0 | 207,667 |
| Accrued Wages Payable | 2,932,129 | 265,308 | 188,470 |
| Custodial Accounts | 2,303,321 | 0 | 0 |
| Deferred Revenue | 740,270 | 192,295 | 10,615 |
| Total Liabilities | <u>6,872,538</u> | <u>817,345</u> | <u>668,609</u> |
| <u>Fund Balance</u> | | | |
| Restricted | 0 | 3,444,326 | 5,563,360 |
| Committed | 0 | 0 | 0 |
| Assigned | 0 | 0 | 0 |
| Unassigned | 10,350,453 | 0 | 0 |
| Total Fund Balances | <u>10,350,453</u> | <u>3,444,326</u> | <u>5,563,360</u> |
| Total Liabilities and Fund Balances | \$ 17,222,991 | \$ 4,261,671 | \$ 6,231,969 |

Balance Sheet
 Governmental Funds
 December 31, 2012

| | Major Funds | | Total |
|--------------------------------------|------------------------|--------------------------------|---------------|
| | Capital Acquisition | Other Governmental Funds | |
| <i>ASSETS</i> | | | |
| Cash/Cash Equivalents | \$ 22,884,664 | \$ 41,377,964 | \$ 85,450,010 |
| Deposits with Fiscal Agent | 0 | 0 | 2,303,322 |
| Taxes Receivable | 0 | 4,800 | 760,800 |
| Accounts Receivable | 43,285 | 731,033 | 1,296,783 |
| Assessments Receivable | 0 | 18,336 | 18,336 |
| Interest Receivable | 0 | 7 | 75,601 |
| Due From Other Funds | 0 | 309,089 | 341,838 |
| Interfund Loans Receivable | 0 | 70,000 | 70,000 |
| Due From Other Governmental Units | 0 | 160,104 | 2,983,361 |
| Property Held In Trust | 0 | 0 | 15,864 |
| Total Assets | \$ 22,927,949 | \$ 42,671,333 | \$ 93,315,913 |
| <i>LIABILITIES AND FUND BALANCES</i> | | | |
| <u>Liabilities</u> | | | |
| Accounts/Vouchers Payable | \$ 14,056 | \$ 237,543 | \$ 1,246,034 |
| Due To Other Funds | 0 | 85,055 | 575,988 |
| Interfund Loans Payable | 0 | 70,000 | 70,000 |
| Due To Other Governmental Units | 0 | 0 | 240,716 |
| Accrued Wages Payable | 0 | 652,583 | 4,038,490 |
| Custodial Accounts | 0 | 0 | 2,303,321 |
| Deferred Revenue | 0 | 23,136 | 966,316 |
| Total Liabilities | 14,056 | 1,068,317 | 9,440,865 |
| <u>Fund Balance</u> | | | |
| Restricted | 0 | 27,203,169 | 36,210,855 |
| Committed | 0 | 14,432,882 | 14,432,882 |
| Assigned | 22,913,893 | 0 | 22,913,893 |
| Unassigned | 0 | (33,035) | 10,317,418 |
| Total Fund Balances | 22,913,893 | 41,603,016 | \$ 83,875,048 |
| Total Liabilities and Fund Balances | \$ 22,927,949 | \$ 42,671,333 | |

BENTON COUNTY, WASHINGTON

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2012

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Total fund balances as shown on the Governmental Fund Balance Sheet: | \$ 83,875,048 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. This amount reflects the initial investment in capital assets, including construction in progress at 12/31/11. This amount does not include internal service fund capital assets, which are included as a reconciling item in a note further down on this page. | 204,593,521 |
| Life to date depreciation on capital assets is reflected in the statement of net position. This amount does not include internal service fund depreciation which is included reconciling item in a note further down on this page. | (77,217,998) |
| Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds. | 5,231,613 |
| Internal Service funds are used to charge the costs of services to individual funds. The assets and liabilities of the Internal Service funds are included in governmental activities in the statement of net position. | 16,501,406 |
| Long-term liabilities that are not due and payable in the current period and are not reported in the funds. | (28,458,501) |
| Total Net Position, as reflected on the Statement of Net Position: | \$ 204,525,089 |

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended December 31, 2012

| | Major Funds | | |
|-------------------------------------------------|--------------------------|-------------------------|-------------------------|
| | General Fund | County Roads | Human Services |
| <u>Revenues</u> | | | |
| Property Taxes | \$ 18,782,494 | \$ 5,266,722 | \$ 366,368 |
| Sales and Use Taxes | 8,980,898 | 0 | 0 |
| Other Taxes | 1,924,674 | 94,886 | 948 |
| Licenses and Permits | 55,857 | 3,600 | 0 |
| Intergovernmental | 16,041,767 | 5,354,908 | 5,953,851 |
| Charges for Services | 3,991,732 | 110,564 | 163,671 |
| Fines and Forfeits | 2,880,165 | 0 | 0 |
| Interest Earnings | 1,031,661 | 7,483 | 0 |
| Donations | 13,300 | 24,281 | 0 |
| Other Revenues | 399,475 | 19,354 | 1,265 |
| Total Revenues | <u>54,102,024</u> | <u>10,881,798</u> | <u>6,486,103</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| General Governmental Services | 21,445,122 | 337,250 | 0 |
| Public Safety | 25,044,342 | 0 | 0 |
| Physical Environment | 1,205,235 | 0 | 0 |
| Transportation | 0 | 9,318,296 | 0 |
| Economic Environment | 733,775 | 0 | 539,485 |
| Mental and Physical Health | 758,126 | 0 | 5,098,601 |
| Culture and Recreation | 461,735 | 0 | 0 |
| Debt Service: | | | |
| Principal | 0 | 197,748 | 0 |
| Interest | 0 | 12,854 | 0 |
| Capital Outlay | 296,213 | 2,790,145 | 18,416 |
| Total Expenditures | <u>49,944,548</u> | <u>12,656,293</u> | <u>5,656,502</u> |
| Excess (Deficit) Revenues Over Expenditures | <u>4,157,477</u> | <u>(1,774,495)</u> | <u>829,600</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Proceeds of Capital Assets | 34,384 | 0 | 0 |
| Transfers In | 1,651,979 | 1,232,221 | 4,514 |
| Transfers Out | (10,750,107) | 0 | (31,979) |
| Total Other Financing Source (Uses) | <u>(9,063,744)</u> | <u>1,232,221</u> | <u>(27,465)</u> |
| Net Change in Fund Balance | (4,906,268) | (542,274) | 802,135 |
| Fund Balance-January 1 | 15,256,720 | 3,986,600 | 4,761,225 |
| Fund Balance-December 31 | <u>\$ 10,350,453</u> | <u>\$ 3,444,326</u> | <u>\$ 5,563,360</u> |

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended December 31, 2012

| | Major Funds | | Total |
|-------------------------------------------------|--------------------------|--------------------------|--------------------------|
| | Capital Acquisition | Other Governmental Funds | |
| <u>Revenues</u> | | | |
| Property Taxes | \$ 0 | \$ 165,598 | \$ 24,581,182 |
| Sales and Use Taxes | 0 | 7,160,081 | 16,140,979 |
| Other Taxes | 46,955 | 446,475 | 2,513,939 |
| Licenses and Permits | 0 | 656,681 | 716,138 |
| Intergovernmental | 550,601 | 5,546,843 | 33,447,969 |
| Charges for Services | 20,777 | 3,191,370 | 7,478,114 |
| Fines and Forfeits | 0 | 2,195 | 2,882,360 |
| Interest Earnings | 0 | 103,683 | 1,142,827 |
| Donations | 0 | 76,425 | 114,006 |
| Other Revenues | 118,000 | 1,509,928 | 2,048,022 |
| Total Revenues | <u>736,333</u> | <u>18,859,280</u> | <u>91,065,538</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| General Governmental Services | 0 | 2,615,997 | 24,398,370 |
| Public Safety | 0 | 7,820,204 | 32,864,546 |
| Physical Environment | 0 | 668,658 | 1,873,892 |
| Transportation | 0 | 0 | 9,318,296 |
| Economic Environment | 50,000 | 1,931,923 | 3,255,183 |
| Mental and Physical Health | 0 | 0 | 5,856,727 |
| Culture and Recreation | 0 | 519,224 | 980,959 |
| Debt Service: | | | |
| Principal | 0 | 2,100,000 | 2,297,748 |
| Interest | 0 | 1,083,594 | 1,096,448 |
| Capital Outlay | 464,235 | 327,428 | 3,896,437 |
| Total Expenditures | <u>514,235</u> | <u>17,067,028</u> | <u>85,838,606</u> |
| Excess (Deficit) Revenues Over Expenditures | <u>222,098</u> | <u>1,792,252</u> | <u>5,226,932</u> |
| <u>Other Financing Sources (Uses)</u> | | | |
| Proceeds of Capital Assets | 33,376 | 0 | 67,760 |
| Transfers In | 6,322,237 | 7,402,582 | 16,613,533 |
| Transfers Out | 0 | (6,113,983) | (16,896,069) |
| Total Other Financing Source (Uses) | <u>6,355,613</u> | <u>1,288,599</u> | <u>(214,777)</u> |
| Net Change in Fund Balance | 6,577,711 | 3,080,850 | 5,012,155 |
| Fund Balance-January 1 | 16,336,182 | 38,522,165 | 78,862,893 |
| Fund Balance-December 31 | <u>\$ 22,913,893</u> | <u>\$ 41,603,016</u> | <u>\$ 83,875,048</u> |

BENTON COUNTY, WASHINGTON

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2012

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance: | \$ 5,012,155 |
| Internal Service Fund Interest, Misc Rev/Exp and Proceeds From Capital Asset Sales and Transfers | 215,073 |
| Governmental funds report capital outlays as expenditures and proceeds from the sale of capital assets as revenues. In the Statement of Activities, the cost of those assets is capitalized and depreciated over the period of the asset's useful life. When capital assets are disposed of, the difference between original cost and depreciation, and the proceeds are booked as a gain or (loss) on the sale. This entry takes into account the differences in how capital costs are treated between the Statement of Activities and the governmental fund statements. | 304,634 |
| Internal service fund expenses are allocated to other funds. The net expense of certain internal service fund activities is reported with governmental activities on the Statement of Activities. | 967,554 |
| The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This entry is the net effect of these differences in the treatment of long-term debt issuance and payments. | 2,297,748 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 176,685 |
| Some expenses reported in the statement of activities do not require the use of current financial resources, and accordingly, are not reported as expenditures in governmental funds. | (271,499) |
| Change in Net Position, as reflected on the Statement of Activities | \$ 8,702,350 |

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual General Fund For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|---------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|--------------------|--------------------|-----------------------------------------------|
| <i>Revenues</i> | | | | | |
| Taxes | \$ 56,080,442 | \$ 56,080,442 | \$ 30,659,755 | \$ 29,688,066 | \$ 4,267,379 |
| Licenses and Permits | 96,000 | 96,000 | 51,306 | 55,857 | 11,163 |
| Intergovernmental Revenues | 33,065,307 | 33,650,332 | 17,341,828 | 16,041,767 | (266,737) |
| Charges for Services | 7,817,395 | 7,817,395 | 3,956,955 | 3,991,732 | 131,292 |
| Fines and Forfeitures | 6,014,051 | 6,014,051 | 2,863,155 | 2,880,165 | (270,731) |
| Miscellaneous Revenue | 2,662,038 | 2,667,038 | 1,635,379 | 1,444,436 | 412,777 |
| Total Revenues | 105,735,233 | 106,325,258 | 56,508,378 | 54,102,024 | 4,285,144 |
| <i>Expenditures</i> | | | | | |
| General Government Services | 43,706,640 | 43,913,467 | 20,733,901 | 21,445,122 | (1,734,444) |
| Public Safety | 49,632,513 | 50,759,222 | 24,452,647 | 25,044,342 | (1,262,233) |
| Physical Environment | 2,588,739 | 2,578,795 | 1,240,805 | 1,205,235 | (132,755) |
| Economic Environment | 1,319,012 | 1,412,212 | 630,140 | 733,775 | (48,297) |
| Mental and Physical Health | 1,555,537 | 1,604,385 | 758,854 | 758,126 | (87,405) |
| Culture and Recreation | 1,023,248 | 1,023,248 | 440,325 | 461,735 | (121,188) |
| Capital Outlay | 886,328 | 981,612 | 683,383 | 296,213 | (2,016) |
| Total Expenditures | 100,712,017 | 102,272,941 | 48,940,055 | 49,944,548 | (3,388,339) |
| Excess(Deficiency) of Revenues over Expenditures | 5,023,216 | 4,052,317 | 7,568,323 | 4,157,477 | 7,673,483 |
| <i>Other Financing Sources (Uses)</i> | | | | | |
| Sale of Capital Assets | 3,000 | 3,000 | 17,566 | 34,384 | 48,950 |
| Transfers In | 3,271,137 | 4,027,564 | 1,650,796 | 1,651,979 | (724,789) |
| Transfers Out | (8,387,883) | (15,173,411) | (4,151,149) | (10,750,107) | (272,155) |
| Total Other Financing Sources (Uses) | (5,113,746) | (11,142,847) | (2,482,787) | (9,063,744) | 403,684 |
| Excess(Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses | (90,530) | (7,090,530) | 5,085,536 | (4,906,268) | 7,269,799 |
| Fund Balance, January 1 | 7,100,000 | 7,100,000 | 10,171,184 | 15,256,720 | 3,071,184 |
| Fund Balance, December 31 | \$ 7,009,470 | \$ 9,470 | \$ 15,256,720 | \$ 10,350,453 | \$ 10,340,983 |

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

County Road

Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------------------------|--------------------------------|-----------------------------|---------------------|---------------------|--------------------------------------------------|
| <u>Revenues</u> | | | | | |
| Property Taxes | \$ 10,262,408 | \$ 10,262,408 | \$ 5,041,019 | \$ 5,266,722 | \$ 45,333 |
| Excise and Other Taxes | 130,000 | 130,000 | 69,958 | 94,886 | 34,844 |
| Total Taxes | <u>10,392,408</u> | <u>10,392,408</u> | <u>5,110,977</u> | <u>5,361,608</u> | <u>80,177</u> |
| Licenses and Permits | 5,500 | 5,500 | 4,500 | 3,600 | 2,600 |
| Intergovernmental Revenues | 14,390,592 | 14,390,592 | 4,705,511 | 5,354,908 | (4,330,173) |
| Charges for Services | 362,700 | 362,700 | 168,892 | 110,564 | (83,244) |
| Interest Earnings | 30,000 | 30,000 | 5,910 | 7,483 | (16,607) |
| Donations | 342,000 | 342,000 | 0 | 24,281 | (317,719) |
| Miscellaneous Revenues | 6,000 | 6,000 | 14,051 | 19,354 | 27,405 |
| Total Revenues | <u>25,529,200</u> | <u>25,529,200</u> | <u>10,009,841</u> | <u>10,881,798</u> | <u>(4,637,561)</u> |
| <u>Expenditures</u> | | | | | |
| General Governmental Services | 1,026,100 | 1,026,100 | 166,935 | 337,250 | (521,915) |
| Transportation | 18,414,435 | 18,414,435 | 6,411,826 | 9,318,296 | (2,684,313) |
| Debt Service: | | | | | |
| Principal | 396,000 | 396,000 | 197,748 | 197,748 | (504) |
| Interest | 27,000 | 27,000 | 13,842 | 12,854 | (304) |
| Capital Outlay | 10,938,573 | 10,938,573 | 2,569,549 | 2,790,145 | (5,578,879) |
| Total Expenditures | <u>30,802,108</u> | <u>30,802,108</u> | <u>9,359,900</u> | <u>12,656,293</u> | <u>(8,785,915)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(5,272,908)</u> | <u>(5,272,908)</u> | <u>649,941</u> | <u>(1,774,495)</u> | <u>4,148,354</u> |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Intergovernmental Payments | (225,000) | (225,000) | 0 | 0 | 225,000 |
| Transfers In | 1,415,639 | 1,415,639 | 72,891 | 1,232,221 | (110,527) |
| Total Other Financing Sources (Uses) | <u>1,190,639</u> | <u>1,190,639</u> | <u>72,891</u> | <u>1,232,221</u> | <u>114,473</u> |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures | <u>(4,082,269)</u> | <u>(4,082,269)</u> | <u>722,832</u> | <u>(542,274)</u> | <u>4,262,827</u> |
| Fund Balance, January 1 | <u>4,082,269</u> | <u>4,082,269</u> | <u>3,263,767</u> | <u>3,986,600</u> | <u>3,168,098</u> |
| Fund Balance, December 31 | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 3,986,599</u> | <u>\$ 3,444,326</u> | <u>\$ 7,430,925</u> |

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

Human Services

Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------------------------|--------------------------------|-----------------------------|---------------------|---------------------|--------------------------------------------------|
| <u>Revenues</u> | | | | | |
| Property Taxes | \$ 680,000 | \$ 680,000 | \$ 347,184 | \$ 366,368 | \$ 33,552 |
| Excise and Other Taxes | 800 | 800 | 1,044 | 948 | 1,192 |
| Total Taxes | <u>680,800</u> | <u>680,800</u> | <u>348,228</u> | <u>367,316</u> | <u>34,744</u> |
| Licenses and Permits | 0 | 0 | 0 | 0 | 0 |
| Intergovernmental Revenues | 37,823,192 | 37,823,192 | 14,518,561 | 5,953,851 | (17,350,781) |
| Charges for Services | 130,200 | 130,200 | 76,772 | 163,671 | 110,243 |
| Interest Earnings | 0 | 0 | 0 | 0 | 0 |
| Donations | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous Revenues | 37,000 | 37,000 | 23,420 | 1,265 | (12,315) |
| Total Revenues | <u>38,671,192</u> | <u>38,671,192</u> | <u>14,966,981</u> | <u>6,486,103</u> | <u>(17,218,109)</u> |
| <u>Expenditures</u> | | | | | |
| General Governmental Services | 0 | 0 | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 | 0 | 0 |
| Economic Environment | 0 | 2,010,000 | 59,167 | 539,485 | (1,411,348) |
| Mental and Physical Health | 43,034,271 | 40,992,292 | 15,476,517 | 5,098,601 | (20,417,174) |
| Debt Service: | | | | | |
| Principal | 0 | 0 | 0 | 0 | 0 |
| Interest | 0 | 0 | 0 | 0 | 0 |
| Capital Outlay | 275,000 | 275,000 | 29,861 | 18,416 | (226,723) |
| Total Expenditures | <u>43,309,271</u> | <u>43,277,292</u> | <u>15,565,545</u> | <u>5,656,502</u> | <u>(22,055,245)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(4,638,079)</u> | <u>(4,606,100)</u> | <u>(598,564)</u> | <u>829,600</u> | <u>4,837,136</u> |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Redemption of Long-Term Debt | (207,667) | (207,667) | 0 | 0 | 207,667 |
| Proceeds of Capital Assets | 0 | 0 | 1,225 | 0 | 1,225 |
| Transfers In | 7,200 | 7,200 | 50,286 | 4,514 | 47,600 |
| Transfers Out | (31,137) | (63,116) | (30,796) | (31,979) | 341 |
| Total Other Financing Sources (Uses) | <u>(231,604)</u> | <u>(263,583)</u> | <u>20,715</u> | <u>(27,465)</u> | <u>256,833</u> |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures | <u>(4,869,683)</u> | <u>(4,869,683)</u> | <u>(577,849)</u> | <u>802,135</u> | <u>5,093,969</u> |
| Fund Balance, January 1 | 5,100,000 | 5,100,000 | 5,339,074 | 4,761,225 | 5,000,299 |
| Fund Balance, December 31 | <u>\$ 230,317</u> | <u>\$ 230,317</u> | <u>\$ 4,761,225</u> | <u>\$ 5,563,360</u> | <u>\$ 10,094,268</u> |

BENTON COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2012

| | Governmental Activities |
|-----------------------------------------|---------------------------------------|
| | <u>Internal Service Funds</u> |
| <i>ASSETS</i> | |
| <u>Current Assets</u> | |
| Cash/Cash Equivalents | \$ 10,406,099 |
| Accounts Receivable | 19,375 |
| Interest Receivable | 2,001 |
| Due From Other Funds | 243,255 |
| Inventories/Prepayments | 2,080,244 |
| Total Current Assets | <u>12,750,974</u> |
| <u>Noncurrent Assets</u> | |
| Projects In Progress | 100,096 |
| Capital Assets | |
| Land | 246,520 |
| Buildings | 3,023,609 |
| Improvements Other Than Buildings | 473,309 |
| Machinery and Equipment | 9,650,611 |
| Less Accumulated Depreciation | (9,044,559) |
| Total Noncurrent Assets | <u>4,449,585</u> |
| Total Assets | <u>\$ 17,200,559</u> |
| <i>LIABILITIES AND NET POSITION</i> | |
| <u>Current Liabilities</u> | |
| Accounts/Vouchers Payable | \$ 245,680 |
| Capital Leases Payable | 186,229 |
| Due To Other Funds | 9,104 |
| Accrued Wages Payable | 138,275 |
| Total Current Liabilities | <u>579,288</u> |
| <u>Noncurrent Liabilities</u> | |
| Compensated Absences | 21,353 |
| Capital Leases Payable | 98,512 |
| Total Noncurrent Liabilities | <u>119,865</u> |
| Total Liabilities | <u>699,153</u> |
| <u>Net Position</u> | |
| Net Investment in Capital Assets | 4,164,844 |
| Unrestricted | 12,336,562 |
| Total Net Position | <u>\$ 16,501,406</u> |

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

Year Ended December 31, 2012

| | Governmental Activities |
|----------------------------------------------|------------------------------|
| | <u>Internal Services</u> |
| | \$ |
| <u>Operating Revenues</u> | |
| Net Charges for Services | 5,773,044 |
| Other Operating Revenue | 1,936,643 |
| Total Operating Revenues | <u>7,709,687</u> |
| | |
| <u>Operating Expenses</u> | |
| Personal Services | 1,918,023 |
| Contractual services | 2,281,242 |
| Other Supplies and Expenses | 1,168,039 |
| Depreciation | 737,942 |
| Payment to Claimants | 636,886 |
| Total Operating Expenses | <u>6,742,133</u> |
| Operating Income (Loss) | <u>967,554</u> |
| | |
| <u>Non-Operating Revenue (Expenses)</u> | |
| Interest Revenue | 19,945 |
| Interest Expense | (111,867) |
| Gain (Loss) on Disposition of Capital Assets | 14,915 |
| Other Non-Operating Revenues (Expenses) | 9,545 |
| Total Non-Operating Revenue (Expenses) | <u>(67,462)</u> |
| Income (Loss) before Transfers | 900,092 |
| Transfers In | 282,535 |
| Change in Net Assets | <u>1,182,627</u> |
| Net Position as of January 1 | 15,318,779 |
| Net Position as of December 31 | <u>\$ 16,501,406</u> |

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2012

| | Governmental Activities |
|----------------------------------------------------------------------|------------------------------|
| | <u>Internal Services</u> |
| <u>Cash Flows From Operating Activities:</u> | |
| Receipts from Customers | \$ 178,408 |
| Receipts from Interfund Services Provided | 6,263,066 |
| Miscellaneous Receipts | 1,940,491 |
| Payments to Employees | (2,253,704) |
| Payments to Suppliers | (4,507,545) |
| Payments for Interfund Services Used | (385,493) |
| Net cash provided (used) by operating activities | <u>1,235,223</u> |
| <u>Cash Flows From Noncapital Financing Activities:</u> | |
| Transfers from Other Funds | 282,535 |
| Net cash provided (used) by noncapital financing activities | <u>282,535</u> |
| <u>Cash Flows From Capital And Related Financing Activities</u> | |
| Interest Paid on Capital Lease | (111,867) |
| Principal Paid on Capital Lease | (134,292) |
| Proceeds from sale of capital assets | 52,078 |
| Purchases of capital assets | (958,571) |
| Net cash provided (used) by capital and related financing activities | <u>(1,152,652)</u> |
| <u>Cash Flows From Investing Activities:</u> | |
| Proceeds from Sale of Investment | 6,983,900 |
| Purchase of Investments | (480,000) |
| Interest Earnings | 18,424 |
| Net Cash Provided by Investing Activities | <u>6,522,324</u> |
| Net Increase in Cash & Cash Equivalents | 6,887,430 |
| Balances as of January 1 | <u>3,518,669</u> |
| Balances as of December 31 | <u>\$ 10,406,099</u> |

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2012

| | Governmental Activities Internal Services |
|----------------------------------------------------------------------------------------------------|----------------------------------------------------|
| | <u> </u> |
| <u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u> | |
| Operating Income/(Loss) | \$ <u>967,554</u> |
| <u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u> | |
| Depreciation Expense | 737,942 |
| <u>Changes in assets and liabilities:</u> | |
| Receivables, net | 83,197 |
| Inventories | (352,416) |
| Accounts and other payables | <u>(201,055)</u> |
| Net Cash Provided by Operating Activities | \$ <u><u>1,235,223</u></u> |

BENTON COUNTY, WASHINGTON

Statement of Fiduciary Net Position

Agency Funds

December 31, 2012

| | Agency Funds |
|--------------------------|-----------------------|
| ASSETS | |
| Cash | \$ 34,223,709 |
| Investments | 124,436,173 |
| Taxes Receivable | 4,299,346 |
| Total Assets | <u>162,959,228</u> |
| LIABILITIES | |
| Warrants Payable | 11,040,158 |
| Vouchers Payable | 861,236 |
| Due to Other Governments | 151,057,834 |
| Total Liabilities | <u>\$ 162,959,228</u> |

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

INDEX

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES | 40 |
| A. Reporting Entity | 40 |
| B. Government-Wide and Fund Financial Statements..... | 40 |
| C. Measurement Focus, Basis of Accounting, and Financial Statement Presentations..... | 40 |
| D. Budgets and Budgetary Accounting..... | 42 |
| E. Assets, Liabilities, Fund Balance, Net Position or Equities | 43 |
| NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS | 47 |
| A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet And the Government-Wide Statement of Net Position..... | 47 |
| 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 ... | 47 |
| NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY | 49 |
| NOTE 4 – DEPOSITS AND INVESTMENTS..... | 49 |
| NOTE 5 – PROPERTY TAXES..... | 52 |
| NOTE 6 – CAPITAL ASSETS | 53 |
| NOTE 7 – PENSION PLANS | 55 |
| NOTE 8A – RISK POOL | 63 |
| NOTE 8B – UNPAID CLAIMS LIABILITIES | 66 |
| NOTE 8C – RISK MANAGEMENT | 66 |
| NOTE 9 – LONG-TERM DEBT | 66 |
| A. Advance Due to Other Governments | 66 |
| B. Special Assessment Bonds..... | 67 |
| C. Long-Term Debt..... | 67 |
| NOTE 10 – LEASES..... | 69 |
| A. Operating Leases..... | 69 |
| B. Capital Leases | 69 |
| NOTE 11 – CHANGES IN GENERAL LONG-TERM LIABILITIES..... | 70 |
| NOTE 12 – CONTINGENCIES AND LITIGATIONS..... | 70 |
| NOTE 13 – INTERFUND BALANCES AND TRANSFERS | 70 |
| A. Classification of Interfund Transactions | 70 |
| B. Interfund Reconciliations | 71 |
| NOTE 14 – RESTRICTED NET POSITION | 72 |
| NOTE 15 – JOINT VENTURES | 72 |
| A. Benton County Emergency Services..... | 72 |
| B. Bi-County Police Information Network..... | 73 |
| C. Metro Drug Forfeiture Fund..... | 73 |
| NOTE 16 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS | 74 |
| NOTE 17 – OTHER DISCLOSURES | 76 |
| A. Related Parties..... | 76 |

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Benton County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting Entity

Benton County was incorporated in March, 1905 and operates under the laws of the state of Washington applicable to a non-charter county. The County operates under a commissioner form of government and provides the following services to its constituents: police, road maintenance, planning and zoning, parks and recreation, judicial administration, health, social services, and general administrative services. As required by GAAP, the financial statements present Benton County, the primary government.

The County participates in three joint ventures. These include the Benton County Emergency Services (BCES), the Bi-County Police Information Network (BI-PIN) and the Metro Drug Forfeiture Fund. These organizations are not part of the County. The County's equity interest in these entities is presented in the Government-wide financial statements. See Note 15, Joint Ventures, which more fully describes these three organizations.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Benton County's reports present Governmental activities, which normally are supported by taxes and intergovernmental revenues. Benton County does not have, and, therefore, does not report any business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the 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. Additionally, the County's accounting system allocates a portion of its indirect costs to individual functions. These indirect costs have been included as part of the program expenses reported for the various functional activities.

Program revenue includes:

- Charges to customers for applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment.
- Grants and contributions that are restricted to meeting the operation 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 are used to report additional and more detailed information about the primary government. 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. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Agency fund financial statements do not have a measurement focus and are prepared using the accrual basis of accounting. Under the economic resources measurement focus, revenues are recorded when earned and expenses are recorded at the time liabilities are 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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Governmental fund financial statements are reported using the current financial resources measurement focus and 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 as 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. Revenues susceptible to accrual are earned interest, certain charges for services, and intergovernmental revenues, such as grants, where program expenditures are the prime factor for determining reimbursement. Other revenues such as sales based taxes, licenses, fines and fees are not considered susceptible for accrual since they are not generally measurable until received. Expenditures are generally recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Benton County reports the following major governmental funds:

- The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.
- The *County Road Fund*, funded with tax revenues and state and federal grants and assistance, accounts for the design, construction, and maintenance of County roads.
- The *Human Services Fund*, funded with tax revenues and state and federal grants and assistance, accounts for the financial operations of County health programs including, but not limited to, mental health, developmental disabilities, alcoholism and drug abuse treatment and prevention programs.
- The *Capital Acquisition Fund* accounts for the expenditures incurred for the acquisition or construction of capital assets that are not identified with other capital funds.

Additionally, the County reports the following fund types:

- *Internal Service Funds* account for equipment rental, central services, worker's compensation insurance, insurance management and accumulated leave, provided to other departments or agencies of the government, or to other governments on a cost reimbursement basis.
- *Agency Funds* are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. These funds account for the cash balances that the County holds for others (such as local taxing districts and other governmental entities) in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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 internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of personal services, contractual services, other supplies and expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

D. Budgets and Budgetary Accounting

1. Scope of Budget

Biennial appropriated budgets are adopted for the general and special revenue funds and for all proprietary funds on the modified accrual basis of accounting. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated into fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for biennially budgeted governmental funds only. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. National Council on Governmental Accounting (NCGA) Statement 1 does not require, and the financial statements do not present, budgetary comparisons for proprietary fund types.

Biennial appropriated budgets are adopted at the level of the fund, except in the general fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure ledgers are used to compare budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class.

Appropriations for governmental funds lapse at the end of the biennium.

2. Procedures for Adopting the Original Budget

The County's budget procedures are mandated by RCW 36.40. The steps in the budget process are as follows:

- a. Prior to the first Tuesday in September, in even number years, the County Auditor submits a proposed budget to the County Commission. This budget is based on priorities established by the Commission and estimates provided by County departments, during the preceding months, and balanced with revenue estimates made by the County Auditor.
- b. The Commission conducts public hearings on the proposed budget in October, November and December.
- c. The Commission makes its adjustments to the proposed budget and adopts, by resolution, a final balanced biennial budget no later than December 31.
- d. Within 30 days of adoption, the final biennial budget is available to the public.

3. Amending the Budget

The County Auditor is authorized to transfer budgeted amounts between the supplies and professional service categories of any department. Any revisions that alter the total expenditures of a department or fund, or that affect the number of authorized employee positions; salary ranges, hours, or other conditions of employment must be approved by the County Commission.

When the County Commission determines that it is in the best interest of the County to increase or decrease the appropriation for a particular fund or department, it may do so by resolution, approved by a simple majority, after holding two public hearings.

Unless stated otherwise, the budget amounts shown in the financial statements are the final authorized amounts as revised during the biennium.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriation, and other legally authorized changes.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

4. Deficit Fund Equity

At December 31, 2012, the following fund reported a deficit in its fund balance:

| Fund Number | Fund Name | Deficit |
|-------------|-----------------------------|----------|
| 109 | Treasurer's Investment Pool | \$33,035 |

Initial operations of this fund, including capital expenditures were financed via a \$70,000 Interfund Loan from the Treasurer's O&M fund. Based upon fee revenues generated to date, projections indicate that the fund will return to a positive fund balance before the loan is due to be paid off in 2015.

E. Assets, Liabilities, Fund Balance and Net Position

1. Cash/Cash Equivalents and Equity in Pooled Investments

It is the County's policy to invest all temporary cash surpluses. At December 31, 2012, the County Treasurer was holding \$99,858,610 in short-term residual investments of surplus cash as reported on the Benton County Treasurer's investment activity report. The County's portion of this amount, \$95,856,109, is classified on the Statement of Net Position as Cash/Cash Equivalents and Equity in Pooled Investments. The County's portion of this amount is classified on the Governmental Balance Sheet of the various funds as Cash/Cash Equivalents. The interest on these investments is credited to the General Fund.

The amounts reported as cash and cash equivalents also include compensating balances maintained with certain banks in lieu of payments for services rendered. The average compensating balances maintained during 2012 were approximately \$13,262,905.

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. Temporary Investments - See Note 4

3. Receivables

Taxes receivable consists of property taxes and related interest and penalties (See Note 5). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special Assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments and related interest and penalties. Deferred assessments on the fund financial statements consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2012, \$18,336 of special assessments receivable were delinquent.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

4. Amounts Due to and from Other Funds; Interfund Loans and Advances Receivable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “interfund loans receivable/payable” or “advances to/from other funds.” All other outstanding balances between funds are reported as “due to/from other funds.” A schedule of Interfund Loans and a separate schedule of Interfund receivables and payables (Due To/From) is included in Note 13.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve accounting in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased.

Inventories in proprietary funds are valued by the first in, first out (FIFO) method, which approximates the market value. In accordance with GASB Statement 54, nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, including items that are not expected to be converted to cash.

6. Capital Assets - See Note 6

7. Other Property and Investments - See Note 4.

8. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. In governmental funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for them. In proprietary funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

Vacation pay, which may be accumulated up to 240 hours, is payable upon resignation, retirement or death. Sick leave may be accumulated up to 1040 hours. Employees hired prior to July 1, 1992, are eligible for half of their accumulated sick leave upon voluntary termination, retirement or death. Employees hired on or after July 1, 1992, may be eligible for twenty-five percent of their accumulated sick leave upon retirement with a maximum amount of \$5,000.

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).

9. Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

10. Long-Term Debt - See Note 9

11. Deferred Revenues

This account includes amounts recognized as receivables, but not revenues, in governmental funds (i.e., tax assessments) because the revenue recognition criteria has not been met.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

12. Fund Balance Classifications

In February, 2009, the GASB issued Statement no. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). The County implemented GASB Statement 54 beginning in fiscal year 2011, including a reclassification of ending fund balances from the previous fiscal year ending December 31, 2010.

Fund balances for governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. For the classification of fund balances, the County considers amounts to have been spent when an expenditure is incurred for purposes for which fund balance is both available and can be used. In accordance with GASB Statement 54, the fund balances of the County are classified into the following categories: nonspendable, restricted, committed, assigned or unassigned.

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not is spendable form or (b) legally or contractually required to be maintained intact, including items that are not expected to be converted to cash.

Restricted fund balance includes amounts where constraints have been placed on the use of resources by either (a) external imposition by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposition by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by the Board of County Commissioners (BOCC). Committed amounts cannot be used for any other purpose unless the BOCC removes or changes the specified use by taking the same type of formal action (for example, resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned fund balance includes amounts that are constrained by the County Board of Commissioner's intent to be used for specific purposes, but are neither restricted nor committed. The BOCC has delegated the authority to assign amounts to be used for specific purposes to the County Administrator or his/her designee.

Unassigned fund balance represents fund balance that has not been restricted, committed or assigned.

It is the County's policy to use restricted amounts first, then committed, then assigned, and then unassigned, as they are needed.

13. Minimum Fund Balance Policy

To assure sufficient reserves are available to meet the respective operational needs during low revenue periods within a budget cycle, the Benton County Board of County Commissioners may require the following County funds to maintain a minimum fund balance at the close of or during any given fiscal year:

- General Fund. The County shall maintain a minimum unassigned fund balance in the range of 10% to 15% of appropriated expenditures.
- Capital Projects. A fund balance of at least \$500,000.
- Central Services. A fund balance of at least \$250,000.
- Election Reserve. A fund balance of at least \$500,000.
- Park Development. A fund balance of at least \$500,000.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

14. Detailed Fund Balance Constraints

| Fund Balances: | General Fund | Major Special Revenue Funds | | Major Capital Acquisition Fund | Other Funds | Total |
|------------------------------------|--------------|-----------------------------|----------------|--------------------------------|--------------|--------------|
| | | County Roads | Human Services | | | |
| Restricted for: | | | | | | |
| Health & welfare | | | \$5,563,360 | | | \$ 5,563,360 |
| Detention and/or correction | | | | | \$ 9,920,800 | 9,920,800 |
| Education | | | | | 91,185 | 91,185 |
| Financial/records services | | | | | 10,126,982 | 10,126,982 |
| Housing & community development | | | | | 3,782,056 | 3,782,056 |
| Judicial | | | | | 308,746 | 308,746 |
| Juvenile services | | | | | 7,581 | 7,581 |
| Legal | | | | | 210,144 | 210,144 |
| Mental & health services | | | | | 1,579,237 | 1,579,237 |
| Park facilities | | | | | 440,937 | 440,937 |
| Planning & community development | | | | | 488,638 | 488,638 |
| Transportation | | \$3,444,326 | | | 58,633 | 3,502,959 |
| Veterans services | | | | | 155,216 | 155,216 |
| Weed control | | | | | 33,014 | 33,014 |
| Committed to: | | | | | | |
| Central services | | | | | 1,626,170 | 1,626,170 |
| Cultural & recreational facilities | | | | | 4,533,891 | 4,533,891 |
| Debt service | | | | | 1,427,495 | 1,427,495 |
| Detention and/or correction | | | | | 179,024 | 179,024 |
| Garbage & solid waste utilities | | | | | 743,575 | 743,575 |
| Housing & community development | | | | | 129,216 | 129,216 |
| Judicial | | | | | 2,046,265 | 2,046,265 |
| Juvenile services | | | | | 1,352,488 | 1,352,488 |
| Law enforcement | | | | | 214,717 | 214,717 |
| Legislative | | | | | 1,193,398 | 1,193,398 |
| Substance abuse | | | | | 17,324 | 17,324 |
| Transportation | | | | | 969,319 | 969,319 |
| Assigned for: | | | | | | |
| Capital projects | | | | \$ 8,780,909 | | 8,780,909 |
| Capital contingencies | | | | 14,132,984 | | 14,132,984 |
| Unassigned: | \$10,350,453 | | | | (33,035) | 10,317,418 |
| Total fund balances | \$10,350,453 | \$3,444,326 | \$5,563,360 | \$22,913,893 | \$41,603,016 | \$83,875,048 |

15. Net Position

In July, 2011, the GASB issued Statement no. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of resources, and Net Position* (GASB 63). The County implemented GASB Statement 63 beginning in fiscal year 2011.

In Government-wide Statements and Internal Service Fund statements, net position consists of assets invested in capital assets (net of related debt), restricted and unrestricted net positions. The restricted net positions are restricted by governmental statutes, actions and third parties.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 2 – 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 reported in the government-wide statement of net position. One element of that reconciliation explains, “Other long-term assets are not available to pay for current period expenditures and, therefore are deferred in the funds.” The details of this reconciliation are as follows:

| | |
|---------------------------------------------------------------------------------------------------------|------------------------|
| Unavailable Deferred Revenue | \$ 966,316 |
| Deferred Charges - Bond Discounts | 4,726 |
| Interest Earned, unavailable for >90 days | 101,869 |
| A/R Superior & District Courts, Treasurers O&M | <u>4,158,702</u> |
| Net Adjustment to Increase Total Governmental Funds to Arrive At Net Position Governmental Funds | <u>\$5,231,613</u> |

Another element of that reconciliation explains, “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 reconciliation are as follows:

| | |
|------------------------------------------------------------------------------------------------------------|-------------------------|
| Bonds Payable | \$21,430,000 |
| Special Assessment Debt | 420,000 |
| Long-Term Loans | 2,372,978 |
| Compensated Absences | 3,033,893 |
| Less Internal Service Funds Amount | <u>(21,353)</u> |
| Net Compensated Absences | 3,012,540 |
| Interest Payable | 94,684 |
| OPEB Accrual | 1,092,674 |
| Deferred Charges - Bond Premiums | <u>35,625</u> |
| Net Adjustment to Reduce - Total Governmental Funds to Arrive at Net Position – Governmental Activities | <u>\$28,458,501</u> |

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains, “Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. When capital assets are disposed of, the difference between original cost minus depreciation, and the proceeds is booked as a gain or (loss) on the sale.

The details of this difference is as follows:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| Capital Outlay | \$ 3,896,437 |
| Donated Capital Assets | 6,009 |
| Change in Joint Venture Equity | (35,927) |
| Depreciation Expense | (5,764,157) |
| Other Capital Outlay (Road & Misc) | <u>2,202,272</u> |
| Net Adjustment to Increase Net Changes in Fund Balance - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities | <u>\$ 304,634</u> |

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Another element of that reconciliation states “The issuance of long-term debt (e.g. bonds) 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 when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

The details of this difference are as follows:

| | |
|------------------------------------------------------------------------------------------|---------------------|
| Net Issuance of Debt | \$ -0- |
| Principal Payments: | |
| General Obligation Debt | <u>2,297,748</u> |
| Net Adjustment to Increase Net Changes in Fund Balances | |
| Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities | <u>\$ 2,297,748</u> |

One further element of that reconciliation states “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.”

The details of this difference are as follows:

| | |
|------------------------------------------------------------------------------------------|-------------------|
| Change in Accrual for Superior Court A/R | \$ 48,726 |
| Change in Accrual for District Court A/R | (17,828) |
| Change in Accrual for Treasurers O&M A/R | (3,587) |
| Amortization of Debt Premium | 1,875 |
| Change in Interest Receivable between 2011 & 2012 | 61,309 |
| Change in Deferred Tax Revenue between 2011 & 2012 | <u>86,190</u> |
| Net Adjustment to Increase Net Changes in Fund Balance - | |
| Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities | <u>\$ 176,685</u> |

One further element of that reconciliation states “Some expenses in the statement of activities that do not require the use of current financial resources, and accordingly, are not reported as expenditures in governmental funds.”

The details of this difference are as follows:

| | |
|------------------------------------------------------------------------------------------|---------------------|
| OPEB for LEOFF | \$ (142,266) |
| Change in Interest Payable between 2011 & 2012 | 6,744 |
| Amortization of Debt Discount | (8,364) |
| Change in Compensated Absences, 2011 to 2012 | (101,037) |
| Less Internal Service Funds Change | <u>(26,576)</u> |
| Net Change in Compensated Absences between 2011 & 2012 | <u>(127,613)</u> |
| Net Adjustment to Increase Net Changes in Fund Balance - | |
| Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities | <u>\$ (271,499)</u> |

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 3 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions, and there have been no expenditures exceeding legal appropriations in any of the funds of the County.

NOTE 4 - DEPOSITS AND INVESTMENTS

DEPOSITS

The County's deposits and certificates of deposit are fully covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). Interest bearing certificates of deposit amounting to \$2,000,000 are on the government-wide and agency fund financial statements at cost.

INVESTMENTS

Investment oversight is provided by the Benton County Finance Committee pursuant to RCW 36.29.020. The County Finance Committee consists of the County Treasurer as Chair, the County Auditor as Secretary and Chair of the Board of County Commissioners. All investments are subject to written policies and procedures adopted by the Finance Committee. The committee meets not less than quarterly to review the investment portfolio and performance. In July 2010, the Investment Policy received a Certification of Excellence from the Association of Public Treasurers of the United States and Canada. All County held investments are either insured or registered in the County's name and held by the County or its agent in the County's name. Due to the current economic environment, banks are not taking public funds for investing in Certificate of Deposits. Monies that normally would have been invested as Certificate of Deposits are currently being sent to the State Pool or invested through the Treasurer's Investment Pool (TIP). The philosophy in developing a Pool was to create a locally managed diversified investment option that would take advantage of the economies of scale, simplify administration and achieve a potentially higher yield than other available programs. The Benton County Treasurer's Investment Pool, administered by the Benton County Treasurer's Office, is an external investment pool.

The County uses a variety of financial institutions to determine the fair value of securities purchased on behalf of Benton County. A minimum of three quotes from brokers/dealers is used to determine the fair value of the securities on that specified date. A quarterly analysis is prepared for us by various financial institutions.

Benton County does not report any securities at amortized cost. All securities reported are disclosed using the securities fair market value.

As of December 31, 2012, the County had the following investments:

| <u>Investment</u> | <u>Weighted Average Maturity Years</u> | <u>Fair value of County's own investments</u> | <u>Fair value of invest- ments held by County as an agent for other local governments, individuals or private organizations</u> | <u>Total</u> |
|-------------------------------------------|--------------------------------------------|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| Certificates of Deposit | .19 | \$ 2,000,000 | \$ -0- | \$ 2,000,000 |
| Federal Farm Credit Bank | 2.03 | 10,031,680 | -0- | 10,031,680 |
| Federal Home Loan Bank | 1.91 | 6,020,203 | -0- | 6,020,203 |
| Federal Home Loan Mortgage Corporation | 2.79 | 14,049,403 | -0- | 14,049,403 |
| Federal National Mortgage Association | 3.43 | 27,080,568 | -0- | 27,080,568 |
| Municipal Bonds | 4.33 | 374,414 | -0- | 374,414 |
| State Pool | 1.00 | 40,500,000 | 124,436,173 | 164,936,173 |
| Total | | <u>\$100,056,268</u> | <u>\$124,436,173</u> | <u>\$224,492,441</u> |

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Interest rate risk - Investments. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Through its investment policy, the County manages its exposure to the risk that the market value of securities in the portfolio will fall due to changes in market interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and by investing operating funds primarily in shorter-term securities. The policy also states that no single security will be purchased with a maturity date of more than five and one-half years from the date of purchase without approval of the Treasurer or Chief Deputy Treasurer.

Credit risk - Investments. Credit risk is the risk that an issuer or other counterparts to an investment will not fulfill its obligations. The County investment policy minimizes its credit risk by limiting investments to selected types of securities and pre-qualifying the financial institutions, broker/dealers and intermediaries with which the County will do business. Presented below is the minimum rating required by the state statute and the actual rating as of the end of the year 2012 for each type of investment of which the Primary Government participates.

| <u>Investment Type</u> | <u>Minimum Rating</u> | <u>Year End Rating</u> |
|----------------------------------------|-----------------------|------------------------|
| Fixed Rate Agency Securities | AAA | AAA |
| Certificates of Deposit | N/A | N/A |
| State Local Government Investment Pool | N/R | N/R |

Management intends to hold the time deposits and securities until maturity. In accordance with GAAP applicable to regulated industries and GASB Statement #31, changes in fair value are reflected as unrealized income in the financial statements. Other gains or losses on investments sold or exchanged are recognized at the time transactions are completed.

With regards to the County’s participation in the Washington State Local Government Pool (LGIP), the State Treasurer’s Office maintains a third-party custodial arrangement with Bank of New York in order to provide the maximum degree of safety possible. All investment transactions conducted by the County are done on a delivery versus payment (DVP) basis. In addition, in 1995 the LGIP developed an Advisory Committee to aid the Office of the State Treasurer in an advisory and oversight capacity. Other forms of oversight include the annual state and independent audits that the LGIP undergoes and as a result of that extensive oversight, the LGIP publishes monthly, quarterly and annual reports that allow participants to stay abreast of LGIP issues and activity. The LGIP is an unrated 2a-7 like pool, as defined by GASB 31. Accordingly, participants’ balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited as most investments are either obligations of the US government, government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. The fair value of County shares in the LGIP is dollar for dollar equal to the value of pool shares.

External Investment Pool. The Benton County Treasurer’s Investment Pool is not registered with the SEC as an investment company. Oversight is provided by the Benton County Finance Committee. In 2012 the Board of Commissioners, Finance Committee and County Treasurer authorized the expansion of the Treasurer Investment Pool and with that expansion, an alternative investment vehicle is available not only to the County, but allows for participation by other legally separate entities such as special districts and public agencies, for which the County is ex officio treasurer. Participation in the Pool by districts and agencies is voluntary, with a signed Investment Service Agreement submitted to the County Treasurer. The County and districts are able take advantage of higher yielding investment opportunities by combining purchasing power while maintaining our objectives of safety, liquidity and yield. Currently, TIP has four participants but this encompasses thirty-four funds. It is expected that the growth of the Pool will continue.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The following schedule shows the types of investments, the fair value and the weighted average maturity in years of the Benton County Treasurer's Investment Pool as of December 31, 2012.

Benton County Treasurer's Investment Pool

| Investment | Weighted Average Maturity Years | Fair value of Treasurer Investment Pool Investments | Total |
|----------------------------------------|------------------------------------|-----------------------------------------------------------|---------------------|
| Certificates of Deposit | 0.00 | \$ -0- | \$ -0- |
| Federal Farm Credit Bank | 2.65 | 4,013,991 | 4,013,991 |
| Federal Home Loan Bank | 1.91 | 1,003,209 | 1,003,209 |
| Federal Home Loan Mortgage Corporation | 2.79 | 9,035,075 | 9,035,075 |
| Federal National Mortgage Association | 3.43 | 9,027,672 | 9,027,672 |
| Municipal Bonds | 4.33 | 374,414 | 374,414 |
| State Pool | 1.00 | \$12,200,538 | 12,200,538 |
| Total | | | \$35,654,899 |

Concentration of credit risk – Investments. Concentration of credit risk is the risk of loss attributed to the magnitude of the government's investment in a single issuer. The County's investment policy minimizes concentration risk by diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized. The investment policy sets forth maximum concentration guidelines whereby agency securities (combined) may comprise up to the following; US Treasury Obligations 100%, Washington LGIP 100%, US Agency (GSE) Securities 100%, FHLB 50%, FFCB 50%, FHLMC 50%, FNMA 50%, Other GSE's 10%, Bankers Acceptances (<360 days, A1/P1) 10%, Certificates of Deposit, including Bank Deposits 50%, Repos (<60 days) 20%, Registered Warrants 10% and Municipal GO Bonds (one of 3 highest ratings) 10%.

Presented below are investments in any one issuer in which the Primary Government participated as of December 31, 2012.

Benton County Investment Concentration

| Investment | Percentage of County's Investments | Percentage of invest- ments held by County as an agent for other local governments, individuals or private organizations | Total |
|----------------------------------------|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------|
| Certificates of Deposit (Banner Bank) | 0.9% | -0- | 0.9% |
| Federal Farm Credit Bank | 4.5% | -0- | 4.5% |
| Federal Home Loan Bank | 2.7% | -0- | 2.7% |
| Federal Home Loan Mortgage Corporation | 6.3% | -0- | 6.3% |
| Federal National Mortgage Association | 12.1% | -0- | 12.1% |
| Municipal Bonds | 0.2% | -0- | 0.2% |
| State Pool | 18.0% | 55.4% | 73.4% |
| Total | 44.7% | 55.4% | 100.0% |

Custodial credit risk – Investments. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. County policy dictates that all investment instruments other than non-negotiable certificates of deposit and monies placed with the Washington State Local Government Investment Pool are transacted on the delivery versus payment basis. This means that payment is made simultaneously with the receipt of the security. Securities are held in safekeeping in the County's name by an institution (custodian) under contract with the County Treasurer.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012*

NOTE 5 - PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the County for all taxing authorities. Collections are distributed following the close of each month.

Property taxes are levied and become an enforceable lien against properties on January 1, with collection beginning after the Treasurer has completed the tax roll for the current year's collection and provided the notification required. They may be paid in two installments—one half by April 30 and the second half by October 31. Interest is charged at the rate of 12% per annum, computed on a monthly basis from date of delinquency, until paid. A penalty of 3% of total delinquent tax is added on June 1 and an additional penalty of 8% is added December 1. On January 1, the assessed value of property is established for the next year's levy at 100% of market value.

Property taxes are recorded as a receivable when levied, offset by deferred revenue. During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections that occur in January. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The County may levy up to \$1.80 per \$1,000 of assessed valuation for general governmental services, subject to three limitations:

- Washington State law, RCW 84.55.010, limits the growth of regular property taxes to the lesser rate of the implicit price deflator per year or 1%, excluding new construction.
- RCW Chapter 84.52 establishes a limitation on the levies for ports, public utilities, state schools, emergency medical services, counties, roads, cities and towns. Counties, roads, cities, towns and all other regular levies are proportionately reduced if a composite rate of \$5.90 per thousand is exceeded. Levies not subject to the \$5.90 Aggregate Limit: State, Ports, Public Utility Districts, Emergency Medical Services, Affordable Housing, Conservation Futures, County Ferry Districts, Criminal Justice, and County Transit.
- The Washington State Constitution limits the total regular property taxes to 1% of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1% limit. Exceptions include port districts and public utility districts.

For 2012, the County levied the following property taxes:

| Purpose of Levy | Per \$1,000 | Levy Amount |
|--------------------------|-------------|--------------|
| General Government (A) | \$1.2407 | \$18,223,358 |
| County Roads (B) | 1.7671 | 5,725,110 |
| Human Services (A) | 0.0250 | 367,174 |
| Veterans' Assistance (A) | 0.0113 | 165,963 |
| Totals | \$3.0441 | \$24,481,605 |

(A) assessed value of \$14,686,962,152

(B) assessed value of \$ 3,239,819,340

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 6 – CAPITAL ASSETS

Capital assets include land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

Infrastructure assets are long-lived assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure include roads, bridges, drainage systems, water and sewer systems, and lighting systems. The County has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the County expenses certain maintenance and preservation costs and does not report depreciation expense. The total for Infrastructure on the government-wide Statement of Net Position is comprised all Infrastructure related capital expenses, including construction in progress and depreciation. Information about infrastructure assets is found in the Required Supplementary Information (RSI) section of the CAFR.

When capital assets are purchased, they are capitalized and depreciated in the government-wide financial statements and the proprietary fund statements. Capital assets are recorded as expenditures of the current period in the government fund financial statements.

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no records exist. Donated capital assets are valued at their estimated fair value on the date received.

Improvements to capital assets that materially add to the value or extend the life of the asset are capitalized. Other repairs and normal maintenance are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation of buildings, equipment, vehicles, and improvements is computed using the straight-line method. Estimated useful lives are the lesser of the projects' estimated lives or the following:

| | |
|-------------------------------|---------------------------------|
| Buildings - 20 years | Autos, Light Trucks – 5 years |
| Furniture & Equip - 10 years | Heavy Trucks – 7 years |
| Information Systems - 4 years | Land Improvements - 20 Years |
| Data Handling Equip - 4 years | Heavy Road Equipment - 10 Years |

Machinery and equipment purchased on capital leases are treated as capital assets indicating a constructive or actual transfer of the benefits and risks of ownership to the County, and are valued at the lesser of the fair value of the leased property or the net present value of the minimum lease payments required by the contract.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Capital asset activity for the year ended December 31, 2012, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|----------------------------------------------------|-----------------------|---------------------|---------------------|-----------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 2,654,787 | \$ 0 | \$ 0 | \$ 2,654,787 |
| Infrastructure | 50,876,995 | 4,654,706 | 1,178,319 | 54,353,382 |
| Construction in progress | 2,834,272 | 503,189 | 232,022 | 3,105,439 |
| Total capital assets, not being depreciated | <u>56,366,054</u> | <u>5,157,895</u> | <u>1,410,341</u> | <u>60,113,608</u> |
| Capital assets, being depreciated: | | | | |
| Quarries | 82,330 | 0 | 0 | 82,330 |
| Buildings | 87,379,539 | 86,051 | 0 | 87,465,590 |
| Improvements | 8,172,807 | 273,582 | 0 | 8,446,389 |
| Intangibles | 0 | 57,488 | 0 | 57,488 |
| Machinery and equipment | 12,976,899 | 1,319,448 | 1,194,058 | 13,102,289 |
| Infrastructure | 42,713,930 | 1,319,539 | 40,401 | 43,993,068 |
| Total capital assets being depreciated | <u>151,325,505</u> | <u>3,056,108</u> | <u>1,234,459</u> | <u>153,147,154</u> |
| Less accumulated depreciation for: | | | | |
| Quarries | (25,278) | 0 | 0 | (25,278) |
| Buildings | (43,939,789) | (2,883,991) | (12,379) | (46,811,401) |
| Improvements | (1,809,996) | (422,454) | 7,097 | (2,239,547) |
| Intangibles | 0 | (4,814) | 0 | (4,814) |
| Machinery and equipment | (9,919,071) | (1,302,413) | (1,447,579) | (9,773,905) |
| Infrastructure | (25,558,073) | (1,888,427) | (13,609) | (27,432,891) |
| Total accumulated depreciation | <u>(81,252,207)</u> | <u>(6,502,099)</u> | <u>(1,466,470)</u> | <u>(86,287,836)</u> |
| Total capital assets being depreciated, net | 70,073,298 | (3,445,991) | (232,011) | 66,859,318 |
| Governmental activities capital assets, net | <u>\$ 126,439,352</u> | <u>\$ 1,711,904</u> | <u>\$ 1,178,330</u> | <u>\$ 126,972,926</u> |

Depreciation expense was charged to functions as follows:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| General Government | 774,235 |
| Public Safety | 2,421,170 |
| Physical Environment | 0 |
| Transportation | 1,888,427 |
| Economic Environment | 2,680 |
| Health and Human Services | 520,678 |
| Culture and Recreation | 156,967 |
| | <u>5,764,157</u> |
| Depreciation on capital assets held by the County's internal service funds (included in the totals above) is charged to the various functions based upon their usage of the assets. | 737,942 |
| Total governmental activities depreciation expense | <u>\$ 6,502,099</u> |

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 7 - PENSION PLANS

Substantially all county full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in the Judicial Retirement System); employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; judges of district and municipal courts; and employees of local governments. Approximately 50 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2012, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

The monthly benefit is subject to a minimum for retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. If a survivor option is chosen, the benefit is reduced. Plan 1 members retiring from inactive status prior to the age of 65 may also receive actuarially reduced benefits. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

The survivor of a PERS Plan 1 member who dies after having earned ten years of service credit has the option, upon the member's death, of either a monthly survivor benefit or the lump sum of contributions plus interest.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65. or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. The surviving spouse or eligible child(ren) of a PERS Plan 2 member who dies after having earned ten years of service credit has the option of either a monthly benefit or a lump sum payment of the member's contributions plus interest.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 investments are made in the same portfolio as that of the PERS 2/3 defined benefit plan.

For DRS's fiscal year 2012, PERS Plan 3 employee contributions were \$95.2 million, and plan refunds paid out were \$66.2 million.

The defined benefit portion of PERS Plan 3 provides a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions.

PERS Plan 2 and Plan 3 members who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit.

PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Members who chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election; be subject to the benefit cap of 75 percent of AFC.; stop contributing to the Judicial Retirement Account (JRA); pay higher contributions and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; not be subject to benefit cap; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service.

There are 1,187 participating employers in PERS [1]. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

| | |
|--------------------------------------------------------------------|----------------|
| Retirees and Beneficiaries Receiving Benefits | 79,363 |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | 29,925 |
| Active Plan Members Vested | 105,578 |
| Active Plan Members Non-vested | 46,839 |
| Total | 261,705 |

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent, based on member choice. Two of the options are graduated rates dependent on the employee's age.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

Members Not Participating in JBM:

| | PERS Plan 1 | PERS Plan 2 | PERS Plan 3 |
|-----------|--------------------|--------------------|--------------------|
| Employer* | 7.21%** | 7.21%** | 7.21%*** |
| Employee | 6.00%**** | 4.64%**** | ***** |

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 10.74% for Plan 1 and 7.21% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Members Participating in JBM:

| | PERS Plan 1 | PERS Plan 2 | PERS Plan 3 |
|------------------------|--------------------|--------------------|--------------------|
| Employer-State Agency* | 9.71% | 9.71% | 9.71%** |
| Employer-Local Govt.* | 7.21% | 7.21% | 7.21%** |
| Employee-State Agency | 9.76% | 9.10% | 7.50%*** |
| Employee-Local Govt. | 12.26% | 11.60% | 7.50%*** |

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** Plan 3 defined benefit portion only.

***Minimum rate.

Both Benton County and the employees made the required contributions. The County's required contributions for the years ended December 31 were as follows:

| Year | PERS Plan 1 | PERS Plan 2 | PERS Plan 3 |
|-------------|--------------------|--------------------|--------------------|
| 2012 | \$86,475 | \$1,651,941 | \$160,384 |
| 2011 | \$82,990 | \$1,403,797 | \$136,052 |
| 2010 | \$81,450 | \$1,190,669 | \$106,265 |

Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2

Plan Description

The Legislature established LEOFF in 1970. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature.

LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' fiscal year 2012, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings upon separation from LEOFF covered employment.

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

| Term of Service | Percent of Final Average Salary |
|---------------------------|----------------------------------------|
| 20 or more years | 2.0% |
| 10 but less than 20 years | 1.5% |
| 5 but less than 10 years | 1.0% |

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability allowance or service retirement benefit.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's benefit.

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

Plan 2 members may retire at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53.

A disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

LEOFF Plan 2 members can receive service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while servicing in the uniformed services, or a surviving spouse or eligible child(ren), may request interruptive military service credit.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries. Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington state Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Legislation passed in 2009 provides to the Washington-state-registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

There are 373 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

| | |
|--------------------------------------------------------------------|---------------|
| Retirees and Beneficiaries Receiving Benefits | 9,947 |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | 656 |
| Active Plan Members Vested | 13,942 |
| Active Plan Members Non-vested | 3,113 |
| Total | 27,658 |

Funding Policy

Employer and employee contributions rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the requirements of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. For DRS's fiscal year 2012, the state contributed \$52.8 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

| | LEOFF Plan 1 | LEOFF Plan 2 |
|-----------|---------------------|---------------------|
| Employer* | 0.16% | 5.24% ** |
| Employee | 0.00% | 8.46% |
| State | N/A | 3.38% |

*The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for ports and universities is 8.62%.

Both Benton County and the employees made the required contributions. The County's required contributions for the years ended December 31 were as follows:

| | LEOFF Plan 1 | LEOFF Plan 2 |
|------|---------------------|---------------------|
| 2012 | \$0 | \$250,758 |
| 2011 | \$0 | \$229,517 |
| 2010 | \$165 | \$232,058 |

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012*

Public Safety Employees' Retirement System (PSERS) Plan 2

Plan Description

PSERS was created by the 2004 Legislature and became effective July 1, 2006. PSERS retirement benefit provisions have been established by Chapter 41.37 RCW and may be amended only by the State Legislature.

PSERS is a cost-sharing multiple-employer retirement system comprised of a single defined benefit plan, PSERS Plan 2.

PSERS membership included

- Full-time employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Full-time employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

A "covered employer" is one that participates in PSERS. Covered employers include the following:

- State of Washington agencies: Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor Control Board, Parks and Recreation Commission, and Washington State Patrol;
- Washington State counties;
- Washington State cities except for Seattle, Tacoma and Spokane; and
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

To be eligible for PSERS, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the plan accrue interest at a rate specified by the Director of DRS. During DRS's fiscal year 2012, the rate was five and one-half percent compounded quarterly. Members in PSERS Plan 2 can elect to withdraw total employee contributions and interest thereon upon separation from PSERS-covered employment.

PSERS Plan 2 members are vested after completing five years of eligible service.

PSERS members may retire with a monthly benefit of 2 percent of the average final compensation (AFC) at the age of 65 with five years of service, or at the age of 60 with at least 10 years of PSERS service credit, or at age 53 with 20 years of service. The AFC is the monthly average of the member's 60 consecutive highest-paid service credit months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a 3 percent per year reduction for each year between the age at retirement and age 60 applies.

PSERS Plan 3 provides disability benefits. There is no minimum amount of service credit required for eligibility. The monthly benefit is 2 percent of the AFC for each year of service. The AFC is based on the member's 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member's age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PSERS Plan 2 members can receive service credit for military service that interrupts employment. Additionally,

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

PSERS members who become totally incapacitated for continued employment while serving in the uniformed services or a surviving spouse or eligible child(ren), may request interruptive military service credit.

PSERS members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a PSERS Plan 2 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction. This provision applies to any member killed in the course of employment, if found eligible by the Director of the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PSERS member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

There are 76 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2011:

| | |
|--------------------------------------------------------------------|--------------|
| Retirees and Beneficiaries Receiving Benefits | 15 |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | 1 |
| Active Plan Members Vested | 167 |
| Active Plan Members Non-vested | 4,020 |
| Total | 4,203 |

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.37 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, are as follows:

| | PSERS Plan 2 |
|-----------|---------------------|
| Employer* | 8.87% |
| Employee | 6.36% |

- The employer rate includes an employer administrative expense fee of 0.16%.

Both Benton County and the employees made the required contributions. The County's required contributions for the years ended December 31 were as follows:

| | PSERS Plan 2 |
|------|---------------------|
| 2012 | \$447,762 |
| 2011 | \$402,094 |
| 2010 | \$364,652 |

NOTE 8A - RISK POOL

Benton County is one of twenty-seven member counties of the Washington Counties Risk Pool ("Pool"). Other members include: Adams, Chelan and Clallam, Clark, Columbia, Cowlitz and Douglas, Franklin, Garfield, Grays Harbor and Island, Jefferson, Kittitas, Lewis and Mason, Okanogan, Pacific, Pend Oreille and San Juan, Skagit, Skamania, Spokane and Thurston, Walla Walla, Whatcom and Yakima Counties. Kitsap, Klickitat and Whitman

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Counties are former Pool members, having terminated their memberships September 30th of 2010, 2002 and 2003 respectively.

Contingent Liability: The Pool is a cooperative program with joint liability amongst its participating members. Contingent liabilities occur when assets are not sufficient to cover liabilities. Deficits resulting from any of the Pool's fiscal years are financed by proportional reassessments (aka retroactive assessments) amongst the deficient year's membership. The Pool's reassessments receivable balance at December 31, 2012 was ZERO (\$0) as no contingent liabilities were known to exist at that time.

Joint Self-Insurance Liability Program: The Pool has provided its member counties occurrence-based, jointly self-insured and/or jointly purchased liability coverage since October 1, 1988 for 3rd-party bodily injury, personal injury, property damage, errors and omissions, and advertising injury, including public officials' errors and omissions. Total coverage limits have grown over time, from the \$1 million limit during the Pool's initial two months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million limit existing the past eight years. (Note: Additional limits of \$5 million were offered the past several years for acquisition as a member-by-member option.)

Except for the Pool's self-insured retention (the greater of the member's deductible or \$100,000), the initial coverage of at least \$10 million has been fully reinsured since October 1994 by superior-rated commercial carriers. Members annually select a deductible amount of \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000 for each occurrence. The remaining insurance (up to \$15 million) is acquired as "following form" excess insurance, also from superior-rated commercial carriers. There are no aggregate limits to the payments made for any one member county or all member counties combined.

The Pool's claims database increased during Py2012 with the addition of 634 new claims (and lawsuits) raising the 3rd-party liability claims to-date total submitted by member counties to 18,616. Estimates of total incurred losses (payments made plus reserved estimates for *open* claims) increased \$5.4 million during the year to \$242.8 million. The Py2012 amount represents just 34% of the corresponding \$16.0M increase in Py2011, 30% of the \$17.8M in Py2010, and only 26% of the \$20.8M annual average during Py2007 – Py2009.

Washington Counties Property Program ("WCPP"): Since the Pool began offering the jointly-purchased, fully-insured property insurance coverage to its membership as an individual county option in October 2005, participation has grown by more than 50% and the total value of covered properties has nearly doubled. Twenty six member counties with covered properties totaling nearly \$2.67 billion participated in this program during Py2012.

Coverage is for structures, vehicles, mobile equipment, EDP equipment, etc., and composite limits include \$500 million for normal (All Other Perils) exposures and \$200 million for catastrophe (Flood / Earthquake) exposures. Occurrence deductibles, which the participating counties select annually and which the counties are solely responsible for paying, range between \$5,000 and \$50,000 for the AOP coverage.

Superior-rated commercial insurers are responsible for covered losses exceeding the participant deductibles to the maximum limits of the policy. There were 7 claims filed during Py2012 by participating counties with incurred loss estimates totaling \$0.35 million. During the WCPP's first seven years as a WCRP optional insuring program, there have been 85 property claims filed with incurred-to-date losses totaling slightly more than \$11 million. With to-date premiums for this coverage totaling nearly \$16.5 million, the program's cumulative loss ratio is 0.667.

Other Insurances: Several member counties also use the Pool's producer (broker) for other insurance placements. Public officials bonds, crime (& fidelity), special events/concessionaires, Underground Storage Tanks and other environmental hazards insurance coverages are examples.

Background: The Pool was formed August 18, 1988 when several Washington counties approved an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW to provide its member counties with "joint" programs and services including self-insurance, purchasing of insurance, and contracting for or hiring of personnel to provide administrative services, claims handling and risk management. Washington's pools operate under Washington's "pooling" laws, more specifically Chapters 48.62 RCW and 200.100 WAC. They are overseen by the State Risk Manager and subject to fiscal audits performed annually by the State Auditor.

The Pool's mission is: To provide comprehensive and economical risk coverage; to reduce the frequency and severity of losses; and to decrease costs incurred in the managing and litigation of claims. The Pool's core values include: being committed to learn, understand and respond to the member counties' insurance needs; being committed to establish working relationships with all members that identify business issues and jointly develop solutions; member counties commit to allocate necessary resources to risk management in their own operations; the

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Pool's board of directors and professional staff share a commitment to manage the organization based on sound business principles, benchmarked industry standards and measurable outcomes; and being committed to continuous planning and innovation in product development and service delivery.

The enabling Interlocal Agreement was amended once (in 2000) to add a Membership Compact, a commitment to strengthen the Pool by helping its member counties implement and/or enhance local risk management efforts to reduce losses and support the best management of the Pool and its resources. The intent of the Compact was to obligate member counties to support these goals through three major elements; membership involvement, risk control practices, and a targeted risk management program.

A new member may be asked to pay modest admittance fees to cover that member's share of the Pool's organizational expenses and costs to analyze its loss data and risk profile. Members contract initially to remain in the Pool for at least five years. Counties may terminate their memberships at the conclusion of any Pool fiscal year following the initial term if the county timely files its required advance written notice. Otherwise, the Interlocal Agreement is renewed automatically for another year. Even after termination, a former member remains responsible for reassessments from the Pool for its proportional shares of any unresolved, unreported, and in-process claims for the periods that former member was a signatory to the Interlocal Agreement.

Governance / Oversight: The Pool is governed by a board of directors consisting of one director (and at least one alternate director) appointed by each member county. The Pool's board of directors, made up of both elected and appointed county officials, meets three times each year, with the summer meeting being the Pool's Annual Meeting. The board of directors is responsible for determining the 3rd-party liability coverage to be offered (approving the insuring document or coverage form), the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, for approval of the Pool's annual operating budget(s) and work program(s), and for approval of the member deposit assessment formulas applicable to the ensuing policy year.

Regular oversight of the Pool's operations is furnished by an 11-person executive committee. The committee members are elected by the Pool's board of directors from its membership to staggered, 3-year terms. The committee meets several times throughout the year to approve all Pool disbursements and examine the Pool's financial health; to approve any case settlement exceeding the member's deductible by at least \$50,000, and to review all claims with incurred loss estimates exceeding \$100,000; to evaluate the Executive Director and the Pool's operations and program deliverables; and to participate in the board's standing committees (finance, personnel, risk management, and underwriting) for development or review/revision of the organization's policies and coverage documents.

Staffing and Support Teams: The Pool's 6-person claims staff with more than ninety years of combined claims-handling experience handles or oversees the handling of the several hundred liability cases filed upon the Pool's member counties each year. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other Pool staffers provide various member services, e.g conducting risk assessments and compliance audits, coordinating numerous trainings, researching other coverages and marketing. Some address and support the organization's administrative needs.

Also, professionals from some of the most respected organizations worldwide are called upon regularly to address specific needs of the Pool. For example, independent actuarial services are furnished by PricewaterhouseCoopers, LLP; independent claims auditing is performed by Startegic Claims Direction with special claims audits frequently performed by the Pool's commercial reinsurers / insurers; insurance producer (broker) and advanced loss control services are provided by Arthur J. Gallagher Risk Management Services, Inc.; and coverage counsel is provided by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend Pool cases, as well as the examinations by and services from the State Risk Manager and the State Auditor.

Financial Summary: The following constitute the most significant highlights from the Pool's most recently completed Policy (Fiscal) Year (October 2011 through September 2012):

- *Net Operating Income* realized was \$1.8 million, a 132% year-over-year increase and nearly triple the annual average from the past ten years, 2002-11.
- *Total Assets* grew \$1.0 million (2%) to \$42.1 million. Current assets increased \$1.2 million (3%) while non-current assets decreased \$0.2 million (16%).
- Total *Claims Reserves* for the Pool's direct reserving exposures decreased 2% to \$14.7 million. This total includes: \$4.3 million for losses in the coverage layer retained by the Pool, down 23%; \$9.4 million for the

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

aggregated stop losses in the retained layers associated with the “corridor” program for automobile and general liabilities, up 10%; and \$1.0 million for unallocated loss adjustment expenses, up 17% from one year ago. *NOTE: The corridor program referenced is now six years old yet still not fully matured. Further, its occurrence coverage maximum was increased to \$1.0 million beginning with Py2010, up from the \$0.5 million level that existed during the program’s first three years, while the program’s occurrence minimum remains the greater of the applicable member’s deductible or \$100,000.*

- Net Position (formerly referred to as *Net Assets* and also known as *Members’ Equity*) increased \$1.8 million to nearly \$12.9 million as of September 30, 2012. Of that total, \$4.8 million is classified as *Restricted Net Position* — \$0.8 million to satisfy the State’s solvency provisions (WAC 200.100.03001) plus \$4.0 million for the Pool’s Underwriting Policy requirements – and another \$1.0 million is held as *Capital Assets* (net of debt). The remaining \$7.1 million held as *Non-Restricted Net Position*, up from \$4.4 million one year before, is available for use as directed by the Pool’s Board of Directors.

NOTE 8B - UNPAID CLAIMS LIABILITIES

Benton County maintains insurance coverage for the following: General liability, auto liability, property damage, excess workers' compensation and employers' liability, surety bonds, and employee dishonesty. These coverages insure against most normal hazards such as torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

Claims settlements and loss expenses are accrued in the Insurance Management Fund. This fund is responsible for collecting interfund premiums from insured funds and departments, and for purchasing insurance policies, and claim settlements. Every two years, Benton County has an actuarial review of the liability program that determines the interfund premiums to be allocated to each department. The interfund assessments are based on total budget dollars, worker hours and vehicle counts, as well as the loss history of each department. Claims settlements have not exceeded insurance coverage during the past three years.

Benton County maintains reserves at a funding confidence level as recommended by the actuary. The reserves are sufficient to cover estimated future payments on claims incurred and/or outstanding as of the year-end.

NOTE 8C - RISK MANAGEMENT

The County maintains insurance against most normal hazards, except for workers' compensation and unemployment, where it has elected to become self-insured. The County is required by the State to set aside for protection, to the Workers' Compensation Fund, \$100,000 in cash reserves. Workers' Compensation Fund reserves, at December 31, 2012, were \$2,816,755.

NOTE 9 - LONG-TERM DEBT

A. Advance Due to Other Governments

On June 28, 1985, Benton County entered into a contract with the Washington State Department of Social and Health Services (DSHS) and began receiving funding to be used as working advances for specific client services. The current amount of the advance is \$207,667. The contract has been renewed every two years since it was first signed. Since its inception, the contract with DSHS has required that the County “shall record” these advances as “Long-Term Payables in its financial records”. The County has complied with this requirement and listed them in the governmental balance sheets for the Human Services Special Revenue Fund and on the combining Balance Sheet for Governmental Funds as “Due To Other Governmental Units”. The County recognizes that this is a departure from GAAP but has chosen to continue presenting the advances in this manner since the amount is not material and presenting them in this format meets the specific contractual requirement mandated by the DSHS.

On July 16, 2007, Benton County accepted the first draw on a loan from the Washington State Department of Community Trade and Economic Development in the amount of \$1,462,500. On July 24, 2008, a second draw of \$812,500 was accepted by Benton County and on December 29, 2008 an additional draw of \$812,500 was accepted. The final draw was completed on March 31, 2009 in the amount of \$162,500. This loan was for the development of the I-82 to SR397 Intertie Project. The loan has a low-interest rate of 0.50% and the repayment term is approximately 20 years from completion of the project.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The completion of the Intertie road in 2008 resulted in a route jurisdictional transfer of the road to the state that was signed by the Governor and became effective July 26, 2009. Benton County remains accountable for the loan.

Public Works Trust Fund Loan debt service requirements to maturity are as follows:

| Year Ending December 31 | Trust Fund Loan | | |
|-------------------------|--------------------|-----------------|--------------------|
| | Principal | Interest | Total |
| 2013 | \$ 197,748 | \$ 11,865 | \$ 209,613 |
| 2014 | 197,748 | 10,876 | 208,624 |
| 2015 | 197,748 | 9,887 | 207,635 |
| 2016 | 197,748 | 8,899 | 206,647 |
| 2017 | 197,748 | 7,910 | 205,658 |
| 2018-2022 | 988,740 | 24,719 | 1,013,459 |
| 2023-2024 | 395,498 | 2,966 | 398,464 |
| Totals | \$2,372,978 | \$77,122 | \$2,450,100 |

B. Special Assessment Bonds

On May 1, 2003 Benton County issued \$382,995 in Special Assessment bonds payable by levy against real property in the County's Road Improvement District numbers 11 and 12. These bonds bear an interest rate of 2.05% to 5.55% and reach maturity in the year 2023. The principal outstanding on December 31, 2012 is \$135,000. There was \$13,463 in delinquent special assessment receivables on December 31, 2012. Debt service requirements for special assessment bonds will be met by the collection of assessment receivable that have been levied against property owners. Benton County has established a CRID Guaranty fund whereby the County will cover expenses if the property owners do not pay the assessments necessary to finance the debt. The County will recover all funds spent in this manner, as the assessments are liens against the property and subject to foreclosure.

On December 31, 2005, Benton County issued \$899,598 in Special Assessment bonds payable by levy against real property in the County's Road Improvement District numbers 15 and 16. These bonds bear an interest rate of 3.80% to 5.25% and reach maturity in the year 2025. The principal outstanding on December 31, 2012 is \$285,000. There was \$74,150 in delinquent special assessment receivables on December 31, 2012. Debt service requirements for special assessment bonds will be met by the collection of assessment receivable that have been levied against property owners. Benton County has established a CRID Guaranty fund whereby the County will cover expenses if the property owners do not pay the assessments necessary to finance the debt. The County will recover all funds spent in this manner, as the assessments are liens against the property and subject to foreclosure.

| Year Ending December 31 | Special Assessment Bonds | | |
|-------------------------|--------------------------|------------------|------------------|
| | Principal | Interest | Total |
| 2013 | \$ 0 | \$ 21,830 | \$ 21,830 |
| 2014 | 0 | 21,830 | 21,830 |
| 2015 | 0 | 21,830 | 21,830 |
| 2016 | 15,000 | 21,830 | 36,830 |
| 2017 | 20,000 | 21,087 | 41,087 |
| 2018-2022 | 265,000 | 74,428 | 339,428 |
| 2023-2025 | 120,000 | 11,840 | 131,840 |
| Totals | \$420,000 | \$194,675 | \$614,675 |

C. Long-Term Debt

The County issues general obligation bonds to finance the purchase of land and the acquisition or construction of buildings. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. General obligation bonds are being repaid from the applicable resources using debt service funds.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

On November 1, 2003 Benton County issued \$20,885,000 in General Obligation bonds to refinance portions of the bonds issued in July of 2000 and September of 1996. These bonds bear an interest rate of 2.00% to 5.00% and reach maturity in the year 2020. The principal outstanding on December 31, 2012 is \$14,995,000.

On July 15, 2006 Benton County issued \$7,245,000 in General Obligation bonds for the cost of acquiring, designing, constructing, furnishing and equipping a new facility to accommodate the Benton Franklin Health District Center. These bonds bear an interest rate of 3.95% to 4.75% and reach maturity in the year 2031. The principal outstanding on December 31, 2012 is \$6,435,000.

The annual requirements to amortize outstanding debt, including interest, are as follows:

| Year(s) | Health Building | CRID Special Assessment Debt 2005 | CRID Special Assessment Debt 2003 | G.O. Bonded Debt 2003 | Public Works Trust Fund Loan | Total Debt Payments |
|---------------|--------------------|-----------------------------------|-----------------------------------|-----------------------|------------------------------|---------------------|
| 2013 | \$ 514,438 | \$ 14,745 | \$ 7,085 | \$ 2,537,100 | \$ 209,613 | \$ 3,282,981 |
| 2014 | 515,212 | 14,745 | 7,085 | 2,538,300 | 208,624 | 3,283,966 |
| 2015 | 515,225 | 14,745 | 7,085 | 2,541,500 | 207,635 | 3,286,190 |
| 2016 | 514,813 | 14,745 | 22,085 | 2,541,500 | 206,647 | 3,299,790 |
| 2017 | 513,975 | 14,745 | 26,342 | 2,017,500 | 205,658 | 2,778,220 |
| 2018-2031 | 7,189,782 | 353,392 | 117,875 | 6,048,000 | 1,411,923 | 15,120,972 |
| Totals | \$9,763,445 | \$427,117 | \$187,557 | \$18,223,900 | \$2,450,100 | \$31,052,119 |

*Partially refunded with issuance of the 2003 General Obligation bonds.

General Obligation bonds currently outstanding are as follows:

| Purpose | Interest Rate | Amount |
|-----------------------------------------------------------|---------------|---------------------|
| Refinance portions of outstanding bonds for reduced rate | 2.77%-5.00% | \$14,995,000 |
| Juvenile Justice Center Jail | 3.00%-4.95% | 0 |
| Construction, expansion and renovations to Justice Center | 4.70%-5.10% | 0 |
| Health Building | 3.95%-4.75% | 6,435,000 |
| Total | | \$21,430,000 |

The annual debt service requirements to maturity for general obligation bonds are as follows:

| Year Ending December 31 | Governmental Activities | | |
|-------------------------|-------------------------|--------------------|---------------------|
| | Principal | Interest | Total |
| 2013 | \$ 2,070,000 | \$ 981,538 | \$ 3,051,538 |
| 2014 | 2,155,000 | 898,512 | 3,053,512 |
| 2015 | 2,245,000 | 811,725 | 3,056,725 |
| 2016 | 2,335,000 | 721,313 | 3,056,313 |
| 2017 | 1,925,000 | 606,475 | 2,531,475 |
| 2018-2022 | 7,000,000 | 1,618,524 | 8,618,524 |
| 2023-2027 | 1,870,000 | 696,720 | 2,566,720 |
| 2028-2031 | 1,830,000 | 222,538 | 2,052,538 |
| | \$21,430,000 | \$6,557,345 | \$27,987,345 |

At December 31, 2012, the County has \$1,427,495 available in debt service funds to service the general obligation bonded debt.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

The County's legal non-voted debt limit is \$220,304,432 with \$198,874,432 still available. The legal voted debt limit (with 3/5 vote) is \$367,174,054 with \$345,744,054 still available.

At December 31, 2012, the County estimates that it has \$205,803 of compensated absences due within one year.

NOTE 10 – LEASES

A. Operating Leases

The County leases copiers and other office machines and equipment under non-cancelable operating leases. Total cost for such leases was \$198,756 for the year ended December 31, 2012. The future minimum lease payments for these leases are as follows:

| Year Ending December 31 | Amount |
|----------------------------|------------------|
| 2013 | \$165,709 |
| 2014 | 125,719 |
| 2015 | 90,522 |
| 2016 | 42,977 |
| 2017 | 13,977 |
| 2018-2022 | -0- |
| Total | \$438,904 |

B. Capital Leases

The County has entered into lease agreements for financing telecommunication equipment with no down payment and no purchase option at the end of the lease. The equipment is accounted for in the Central Services Internal Service Fund.

These lease agreements qualify as capital leases for accounting purposes, and therefore have been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital leases are as follows:

| Asset | Central Services Internal Service Fund |
|-----------------------------------|-------------------------------------------|
| 2009 Telecommunications Equipment | \$ 345,735 |
| 2010 Telecommunications Equipment | 263,599 |
| Less Accumulated Depreciation | (418,830) |
| Total | \$ 190,504 |

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2012 were as follows:

| Year Ending December 31 | Amount |
|----------------------------------------------------|-------------------|
| 2013 | \$ 243,769 |
| 2014 | 99,258 |
| 2015 | 5,863 |
| 2016 | 0 |
| 2017 | 0 |
| Total Minimum Lease Payments | \$ 348,890 |
| Less: Interest | (64,149) |
| Present Value Of Minimum Lease Payments | \$ 284,741 |

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 11 – CHANGES IN GENERAL LONG-TERM LIABILITIES

During the year ended December 31, 2012, the following changes occurred in Long-Term Liabilities:

| Description | Balance 01/01/12 | Additions | Reductions | Balance 12/31/12 | Due Within One Year |
|------------------------------|---------------------|--------------------|--------------------|---------------------|---------------------------|
| Employee Leave Benefits* | \$ 2,932,856 | \$4,075,564 | \$3,974,527 | \$ 3,033,893 | \$ 205,803 |
| DSHS Working Advances | 207,667 | 0 | 0 | 207,667 | 0 |
| Economic Development Loan | 2,570,726 | 0 | 197,748 | 2,372,978 | 197,748 |
| 2003 CRID Special Assessment | 155,000 | 0 | 20,000 | 135,000 | 0 |
| 2005 CRID Special Assessment | 370,000 | 0 | 85,000 | 285,000 | 0 |
| Health Building | 6,650,000 | 0 | 215,000 | 6,435,000 | 225,000 |
| 2003 Refinancing | 16,775,000 | 0 | 1,780,000 | 14,995,000 | 1,845,000 |
| OPEB Benefit For LEOFF** | 950,408 | 365,359 | 223,093 | 1,092,674 | 0 |
| Capital Leases | 419,033 | 0 | 134,292 | 284,741 | 186,229 |
| Total Debt | \$31,030,690 | \$4,440,923 | \$6,629,660 | \$28,841,953 | \$2,659,780 |

*Departments are reimbursed leave expenditures from the Accumulated Leave fund.

**OPEB benefits for LEOFF obligations are liquidated through the Current Expense Fund.

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$21,353 of internal service funds compensated absences and \$284,741 of internal service funds capital leases are included in the above amounts.

NOTE 12 – CONTINGENCIES AND LITIGATIONS

The County participates in a number of federal and state grant assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. County management believes that such disallowances, if any, will be immaterial.

Benton County's financial statements include all material liabilities. There are no material contingent liabilities to record. In the opinion of management the County's insurance policies and self-insurance reserves are adequate to pay all known pending claims without adversely affecting the financial viability of the County.

NOTE 13 - INTERFUND BALANCES AND TRANSFERS

A. Classification of Interfund Transactions

Interfund transactions are classified as follows:

1. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payment in lieu of taxes, are similarly treated when they involve other funds of the County.
2. Transfers to support the operations of other funds are recorded as "Transfers" and classified with "Other Financing Sources or Uses".
3. Loans between funds are classified as interfund loans receivable and payable or as advances to and from other funds on the balance sheet depending on the time period for which the loan was made. Interfund loans do not affect total fund equity, but advances to other funds are offset by a reservation of fund equity. The County had one interfund loans as of December 31, 2012.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012*

B. Interfund Reconciliations

1. Interfund Due Tos & Due Froms

The composition of interfund Due Tos and Due Froms as of December 31, 2012, is as follows:

| Due To | Due From | Amount |
|-----------------------------|-----------------------------|-------------------|
| General Fund | County Roads | \$ 312 |
| | Human Services | 55 |
| | NonMajor Governmental Funds | 1,460 |
| | Internal Service Funds | 725 |
| | Sub-total | 2,552 |
| County Roads | General Fund | 30 |
| | NonMajor Governmental Funds | 1,443 |
| | Internal Service Funds | 8,379 |
| | Sub-total | 9,852 |
| Human Services | General Fund | 624 |
| | NonMajor Governmental Funds | 19,722 |
| | Sub-total | 20,346 |
| NonMajor Governmental Funds | General Fund | 309,087 |
| | Sub-total | 309,087 |
| Internal Service Funds | General Fund | 15,050 |
| | County Roads | 165,776 |
| | NonMajor Governmental Funds | 62,429 |
| | Sub-total | 243,255 |
| | Total | \$ 585,092 |

These interfund transactions usually involve the exchange of goods and services in a normal business relationship.

2. Transfers

Transfers represent subsidies and contributions provided to operating funds and capital project funds with no corresponding debt or promise to repay. Transfers out on non-major governmental funds generally represents debt service and capital project funding. Interfund transfers occurring between individual major funds, non-major governmental, and internal service funds of the County during the year ended December 31, 2012 are as follows:

| Transferring In Fund | Transferring Out Fund | Amount |
|-----------------------------|-----------------------------|----------------------|
| General Fund | NonMajor Governmental Funds | \$ 1,620,000 |
| | Major Governmental Funds | 31,979 |
| | Sub-total | 1,651,979 |
| County Roads | General Fund | 32,158 |
| | NonMajor Governmental Funds | 1,200,063 |
| | Sub-total | 1,232,221 |
| Capital Acquisition Fund | General Fund | 6,322,237 |
| | Sub-total | 6,322,237 |
| Human Services | General Fund | 4,514 |
| | Sub-total | 4,514 |
| NonMajor Governmental Funds | General Fund | 4,391,198 |
| | NonMajor Governmental Funds | 3,011,384 |
| | Sub-total | 7,402,582 |
| Internal Service Funds | NonMajor Governmental Funds | 282,535 |
| | Sub-total | 282,535 |
| | Total | \$ 16,896,068 |

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012*

3 Interfund Loans

One Interfund Loan arose during 2012 to finance cash flow requirements of a fund to manage its operations. The following table displays interfund activity during 2012::

| Borrowing Fund | Lending Fund | Balance 01/01/2012 | New Loan(s) | Repayments | Balance 12/31/2012 |
|-----------------------------|---------------------|---------------------------|--------------------|-------------------|---------------------------|
| Treasurer's Investment Pool | Treasurers O&M | \$-0- | \$70,000 | \$-0- | \$70,000 |
| | TOTALS | \$-0- | \$70,000 | \$-0- | \$70,000 |

NOTE 14 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$36,382,171 of restricted net position, of which \$36,210,855 is restricted by enabling legislation.

NOTE 15 - JOINT VENTURES

A. Benton County Emergency Services

Benton County Emergency Services (BCES), providing public safety communications and emergency management services, was formed January 1, 1997, when an Inter-local Agreement was entered into by the Cities of Kennewick, Richland, West Richland, Benton City, Prosser and the County. This Inter-local superseded an Inter-local Agreements previously associated with Benton County Emergency Management and the Southeast Communications Center Amended and restated January 5, 2012, the Public Utility District #1, a municipal corporation, was approved as a new member with limited participation. . These agreements shall continue indefinitely, unless terminated by a participant. Upon dissolution of the Inter-local Agreement, the net assets will be shared equitably among the participants.

Benton County Emergency Services is served by an Executive Board composed of the City Managers (or designees) of Kennewick and Richland, City Administrators for Prosser and West Richland, a Council member from Benton City and a County Commissioner.

BCES is comprised of three funds: the Southeast Communications (SECOMM), 800 MHz Radio and Benton County Emergency Management (BCEM).

1. SECOMM

The Southeast Communications Center (SECOMM) provides public safety communications services to three principal participating jurisdictions: The Cities of Kennewick and Richland and the County. The three principal participating jurisdictions own an equal share of net assets. Allocation of financial participation among the three principle jurisdictions is based on an equal share of capital expense, predetermined fixed costs, direct costs and percentages of use.

SECOMM also provides public safety communication services via contract to the City of West Richland, Benton County Fire Protection Districts #1, #2, #3, #4, #5 and #6. These agencies contract with SECOMM and are assessed on a cost per capita or cost per call basis.

2. 800 MHz Radio

The 800 MHz Radio fund provides communication infrastructure and technology for the dispatching of public safety agencies throughout Benton County. Participating agencies (Benton County Sheriff's Office, Jail, Juvenile Justice Center, Public Works, Public Utility District and Animal Control; the Cities of Richland, Kennewick, Prosser and West Richland, as well as the Areva Corporation) are charged an annual fee per radio to fund system maintenance and upgrades. The microwave system is accounted for separately within the fund and the user groups are charged a portion of costs based on the number of circuits utilized.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012*

3. BCEM

Benton County Emergency Management provides disaster response planning, event and response coordination and disaster recovery for the County and its political subdivisions per RCW 38.52. BCEM is funded by five grant programs: Radiological Emergency Preparedness, Emergency Management Program, Department of Energy Emergency Preparedness, Chemical Stockpile Emergency Preparedness, and State Homeland Security Program. The six participating jurisdictions of the Cities of Kennewick, Richland, West Richland, Prosser and Benton City as well as Benton County participate in the grant programs through the Inter-local Agreement for Emergency Management. Financial position is allocated based on equal shares of a predetermined basic charge and a variable charge calculated using population percentages and assessed valuations.

Effective January 1, 1997, the City of Richland assumed responsibility for operation of Benton County Emergency Services. As the Operating Jurisdiction, the City of Richland provides all of the necessary administrative services for the operation of BCES. The total amount paid by BCES in 2012 for these services was \$237,744. No distributions of income to Richland are expected since charges are assessed only to recover anticipated expenses.

The County's equity interests in SECOMM, 800 MHZ Radio and BCEM were \$1,093,271, \$3,294,061 and \$63,916 on December 31, 2012, which is reported as a capital asset in the government-wide statement of net assets. The change in equity is reflected in the government-wide statement of activities under Public Safety. The County does not anticipate any income distributions from BCEM since charges are assessed only to recover anticipated expenses. Complete and separate financial statements for BCES may be obtained at the Benton County Emergency Services, 651 Truman Avenue, Richland, WA.

B. Bi-County Police Information Network

The Bi-County Police Information Network (BI-PIN) was established November 24, 1982, when an Inter-local Agreement was entered into by five participant municipal corporations: the Cities of Kennewick, Pasco and Richland, and Benton and Franklin Counties. BI-PIN was established to assist the participating police and sheriff's departments in the deterrence and solution of criminal incidents. BI-PIN is served by an Executive Committee composed of the City Manager for each city and a member from each Board of County Commissioners. A liaison from the Bi-County Chiefs and Sheriffs is an ex-officio, non-voting member.

The allocation of financial participation among the participating jurisdictions is based upon the approved budget for that year and is billed quarterly in advance to each agency. On dissolution of the Inter-local Agreement, the net assets will be shared based upon participant contribution.

Effective January 1, 1992, the City of Kennewick assumed responsibility for operation of the BI-PIN system. As the Operating Jurisdiction, the City of Kennewick provides all of the necessary support services for the operation of BI-PIN. These services include accounting and legal services, risk management and information systems. The total amount paid by BI-PIN, in 2012, for these transactions was \$118,999.

The County's equity interest in BI-PIN was \$371,960 on December 31, 2012. The change in equity is reflected in the government-wide statement of activities under Public Safety. Complete and separate financial statements for BI-PIN may be obtained at the City of Kennewick, 210 West Sixth Avenue, Kennewick, WA.

C. Metro Drug Forfeiture Fund

The Metropolitan Controlled Substance Enforcement Group (Metro) was established in 1987, when an Inter-local Agreement was entered into by six participating municipal corporations, the cities of Kennewick, Pasco, Richland, and West Richland, and Benton and Franklin Counties (West Richland has subsequently opted out of the task force). Metro was established to account for the proceeds of forfeitures, federal grants, and court ordered contributions, and to facilitate the disbursement of those proceeds for the purpose of drug enforcement and investigations.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Metro is served by an Executive Committee composed of the City Manager or designee of each of the cities and a member or designee from each of the Boards of County Commissioners of Benton and Franklin Counties. In addition, a Governing Board, consisting of the Chiefs of Police from the cities and the Sheriffs from the counties administers daily activity.

Effective July 1, 2009, the City of Kennewick assumed responsibility for the operation of Metro. As the Operating Jurisdiction, the City provides all necessary support services for the operation of Metro such as accounting, legal services and risk management.

The County's equity interest in Metro was \$28,974 on June 30, 2012. The County does not anticipate any income distribution from Metro since charges are assessed only to recover anticipated expense. Complete separate financial statements for Metro may be obtained at the City of Kennewick, 210 West Sixth Avenue, Kennewick, WA.

NOTE 16 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In addition to the pension benefits described in Note 7, the County provides post-retirement health care benefits, in accordance with RCW 41.26.150, to LEOFF Plan I employees who were employed on or before September 30, 1977. Currently, 17 retirees meet eligibility requirements.

The County reimburses 100 percent of the amount of validated claims for medical and hospitalization costs incurred by pre-Medicare retirees. The County also reimburses a fixed amount up to \$99.90 per month for nine employees and \$159.80 for one employee as a Medicare supplement for each retiree eligible for Medicare. Employer contributions are financed on pay-as-you-go basis. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred, but not yet reported to the County.

During the year, expenditures of \$223,093 were recognized for post-retirement health care.

During 2008, the County adopted GASB Statement No. 45 (GASB 45), Accounting and Financial reporting by Employers for Postemployment Benefits Other than Pensions. Accordingly, the government-wide financial statements include activity for the LEOFF retiree healthcare plan as discussed below. This liability is included in the long-term accrued liabilities in the accompanying December 31, 2012 Statement of Net Position.

Due to the size of the plan (less than 100 participants) the County elected to use the alternative measurement method permitted under GASB 45. A single retirement age of 56.24 was assumed for all active members for the purpose of determining the Actuarial Accrued Liability (AAL) and normal cost. Interest discount rates for retirement, disablement, termination, and mortality were assumed to follow the LEOFF 1 rates used in the June 30, 2007 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2007. The results were based on grouped data with 4 active groupings and 4 inactive groupings. The actuarial cost method used to determine the AAL was Projected Unit Credit. Medical inflation rates were expected to start at 8.5% and decrease to 5.0% for years beginning in 2016. A return on investment earnings rate of 4.5% was assumed. General inflation was projected at 3.5%. General salary increases (including inflation) were projected at 4.5%. The AAL and Net OPEB Obligation (NOO) are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purposes of this valuation and reflect a long-term perspective. The above described valuations for OPEB involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and any actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

As of January 1, 2012 the plan was unfunded as allowed by GASB 45. The accrued liability for benefits was \$4.4 million, and the actuarial value of plan assets was zero, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$4.4 million. The UAAL is being amortized on a closed basis. The remaining amortization period at January 1, 2011 was 11 years.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

Annual costs include the annual required contribution (ARC), an amount actuarially determined based on certain assumptions. The ARC represents the annual contribution to fund plan benefits that, if paid on an ongoing basis, would fully fund normal costs of benefits earned each year and would provide sufficient funding to amortize a portion of any unfunded actuarial liability over a period of 11 years as of January 1, 2012.

Calculations of OPEB benefits are based on the OPEB benefits provided under the terms of the LEOFF 1 plan in effect at the time of each valuation and on the costs paid by the County to that point. A summary of the components of annual OPEB cost, current employer contributions, and changes in the net OPEB obligation for 2012 follows:

**Components of Other Postemployment Employee Benefit Plan – LEOFF
Prior Three Years**

| | 2012 | 2011 | 2010 |
|-----------------------------------------------------|--------------------|------------------|------------------|
| Determination of Annual Required Contribution (ARC) | | | |
| Normal cost – 2011 | \$ -0- | \$ -0- | \$ -0- |
| Amortization of UAAL | 411,086 | 434,410 | 451,402 |
| ARC | \$411,086 | \$434,410 | \$451,402 |
| Annual OPEB Cost | | | |
| ARC | \$411,086 | \$434,410 | \$451,402 |
| NOO Interest | 42,768 | 34,010 | 24,027 |
| NOO Amortization | (88,496) | (70,373) | (49,717) |
| Annual OPEB Cost | \$365,359 | \$398,046 | \$425,712 |
| NOO | | | |
| Starting NOO | \$950,408 | \$755,774 | \$533,940 |
| Annual OPEB Cost | 365,359 | 398,046 | 425,712 |
| Less Contributions Paid to LEOFF Retirees | (223,093) | (203,412) | (203,878) |
| NOO | \$1,092,674 | \$950,408 | \$755,774 |
| Percentage of Annual OPEB Cost Contributed | 61.1% | 51.1% | 47.9% |

Funding Status

As of December 31, 2012, the most recent actuarial valuation date, the plan was 0% funded. The accrued liability for benefits was \$4,414,881 and the actuarial value of the assets was \$0 resulting in a UAAL of \$4,414,881. The annual covered payroll was \$0 and the ratio of the UAAL to annual covered payroll could not be calculated due to having zero as the divisor.

Additional information, presenting multi-year trend information about the actuarial value of plan assets relative to the AAL for benefits for OPEB is found in the Required Supplementary Information (RSI) section of the CAFR following the Notes. The same actuarial method used to determine the ARC for the County was employed to prepare the RSI.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2012

NOTE 17 – OTHER DISCLOSURES

A. Related Parties

In 2002 Benton County established a Public Facilities District as provided by RCW 36.100. The district was established to account for the receipting and disbursing of cash for the development of a regional center (convention, conference and/or special events center) at a cost of at least \$10 million.

The County has reviewed the District as a potential component unit. It is a legally separate entity. Although the District's board members are appointed by the Benton County Commissioners, the County receives no financial benefit and assumes no financial responsibility, whatsoever, for the District.

BENTON COUNTY

Required Supplementary Information

Information about Infrastructure Assets Reported Using the Modified Approach

As allowed by GASB Statement No. 34, Basic Financial Statements – Management’s Discussion and Analysis – for State and Local Governments, the County has adopted an alternative process for recording depreciation expense on selected infrastructure assets. Under this alternative method, referred to as the modified approach, the County expenses certain maintenance and preservation costs and does not report depreciation expense. Assets accounted for under the modified approach include approximately 344 lane miles of arterial roads and approximately 54 bridges that the County is responsible to maintain. Access roads are accounted for under the depreciation method in 2012.

In order to utilize the modified approach, the County is required to:

- Maintain an asset management system that includes an up-to-date inventory of eligible infrastructure assets.
- Perform condition assessments of eligible assets and summarize the results using a measurement scale.
- Estimate each year the annual amount to maintain and preserve the assets at the condition level established and disclosed by the County.
- Document that the assets are being preserved approximately at, or above, the established condition level.

ROADS

Measurement Scale

The Benton County Department of Public Works uses a number of methods to determine the condition of roadway pavements; however, the Pavement Condition Index (PCI) serves as the County’s primary method to measure and monitor pavement conditions of its arterial roads. The PCI is a visual analysis conducted by an engineering technician and includes a 5-point scale, as follows:

| Letter Grade | Number Rating | Verbal Group | Condition Group | Surface | Typical Maint/Repair |
|--------------|---------------|------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| A | 90-100 | Excellent | I | Pavements which have little or no distress. | Seal Cracks |
| B | 70-89 | Very Good | | | Single Chip Seal |
| C | 50-69 | Good | II & III | Pavements which have a significant level of distress, nonload related. Pavements which have a significant level of distress, load related. | Thin Overlay |
| D | 20-49 | Fair/Poor | IV | Pavements which have major distress. | Treat base with cement and thin overlay or thick overlay |
| E | 0-19 | Very Poor/Failed | V | Pavements which have extensive amounts of major distress. | Reconstruct Surface |

Established Condition Level

No more than 20% of the arterial road pavements shall be rated as “poor” or “very poor”.

Assessed Conditions

The County generally assesses condition on a biannual basis. The 2010 assessment was delayed until 2011; the biannual assessments is now scheduled for every odd numbered year. The following table reports the percentage of pavements meeting rating of “Good” or “Poor”, for the past three assessment years. “Good” represents ratings of A through C and “Poor” represents ratings of D and E.

| Rating | 2011 | 2008 | 2006 |
|--------|------|------|------|
| Good | 98% | 98% | 98% |
| Poor | 2% | 2% | 2% |

BRIDGES

The National Bridge Inspection Standards (NBIS) published in the Code of Federal Regulations defines a bridge as follows:

“A structure including supports erected over a depression or an obstruction, such as water, highway, or railway, and having a track or passageway for carrying traffic or other moving loads, and having an opening measured along the center of the roadway of more than 20 feet between under copings of abutments or spring lines of arches, or extreme ends of openings for multiple boxes: it may also include multiple pipes, where the clear distance between openings is less than half of the smaller contiguous opening.”

Measurement Scale

The sufficiency rating (SR) is the basis for establishing eligibility and priority for replacement or rehabilitation of bridges with Federal Highway Bridge Replacement and Rehabilitation Program

(HBRRP) funds. The sufficiency rating is a numeric value that indicates a bridge’s relative ability to serve its intended purpose. The value ranges from 100 (a bridge in new condition) to a 0 (a bridge incapable of carrying traffic). The sufficiency rating is the summation of four calculated values: Structural Adequacy and Safety, Serviceability and Functional Obsolescence, Essentiality for Public Use, and Special Reductions.

There are two types of deficient bridges – structurally deficient (SD) and functionally obsolete (FO). A structurally deficient bridge, as defined by the Federal Highway Administration (FHWA), is one whose condition or design has impacted its ability to adequately carry its intended traffic loads. A functionally obsolete bridge is one in which the deck geometry, load carrying capacity, clearance or approach roadway alignment has reduced its ability to adequately meet the traffic needs. Those bridges meeting the criteria for both SD and FO are only considered SD. The structural deficiency overrides the functional obsolescence and the bridge will be considered in the SD classification.

In general, the lower the sufficiency rating, the higher the priority. To qualify for replacement, a bridge must have a sufficiency rating of less than 50.0 and be structurally deficient or functionally obsolete. To be eligible for rehabilitation, a bridge must have a SR of 80.0 or less and be structurally deficient or functionally obsolete. The bridges must be greater than ten years old. Federal funding only applies to bridges or structures that meet the NBIS definition. Currently, sufficiency ratings prioritize the funding for these bridges or structures.

Bridges or structures 20 feet or less in length along the centerline of the roadway do not qualify for Federal funding. State and Local funding sources are used for these structures. There are no priority-rating systems established for the replacement fund from the Federal or State governments for these structures. The replacement priority is determined by the owner agency.

Established Condition Level

No more than 10% of the bridges shall be rated as “structurally deficient”.

Assessed Conditions

“Structurally deficient” results when a sufficiency rating of 50 or less is assessed to the summation of four calculated values (e.g. Structural Adequacy and Safety, Serviceability and Functional Obsolescence, Essentiality for Public Use, and Special Reductions). The following table reports the percentage of bridges whose condition was assessed as “structurally deficient” during the past five years.

| Calendar Year | Structurally Deficient |
|---------------|------------------------|
| 2012 | 0% |
| 2011 | 0% |
| 2010 | 0% |
| 2009 | 0% |
| 2008 | 0% |
| 2007 | 0% |

BUDGETED AND ESTIMATED COSTS TO MAINTAIN INFRASTRUCTURE

The following table presents the County’s estimate of spending necessary to preserve and maintain the roads and bridges at, or above, the “Established Condition Levels” cited above, and the actual amount spent during the past five fiscal years (in millions):

| Fiscal Year | Estimated Spending | Actual Spending |
|-------------|--------------------|-----------------|
| 2012 | 6.945 | 5.769 |
| 2011 | 7.015 | 5.463 |
| 2010 | 6.607 | 5.971 |
| 2009 | 5.576 | 5.609 |
| 2008 | 5.168 | 4.879 |

Required Supplementary Information

Other Post Employment Benefit Schedule of Funding Progress Year Ended December 31, 2012

Benton County LEOFF 1 Retiree Healthcare Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) – Entry Age (b) | Unfunded Actuarial Accrued Liabilities (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a)/c) |
|--------------------------------|-------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|--------------------------|---------------------------|---------------------------------------------------------------------|
| 12/31/2012 | \$ 0 | \$4,414,881 | \$4,414,881 | 0.00% | \$-0- | n/a |
| 12/31/2011 | \$ 0 | \$4,665,361 | \$4,665,361 | 0.00% | \$-0- | n/a |
| 12/31/2010 | \$ 0 | \$4,847,852 | \$4,847,852 | 0.00% | \$103,556 | 4,681.38% |
| 12/31/2009 | \$ 0 | \$5,057,431 | \$5,057,431 | 0.00% | \$102,782 | 4,920.54% |
| 12/31/2008 | \$ 0 | \$5,128,064 | \$5,128,064 | 0.00% | \$ 98,125 | 5,226.05% |

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BENTON COUNTY, WASHINGTON

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2012

| | Nonmajor Funds | | | Total |
|--------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Special Revenue | Debt Service | Capital Projects | |
| ASSETS | | | | |
| Cash/Cash Equivalents | \$ 39,933,486 | \$ 1,427,161 | \$ 17,317 | \$ 41,377,964 |
| Taxes Receivable | 4,800 | 0 | 0 | 4,800 |
| Accounts Receivable | 730,699 | 334 | 0 | 731,033 |
| Assessments Receivable | 18,336 | 0 | 0 | 18,336 |
| Interest Receivable | 0 | 0 | 7 | 7 |
| Due From Other Funds | 309,089 | 0 | 0 | 309,089 |
| Interfund Loans Receivable | 70,000 | 0 | 0 | 70,000 |
| Due From Other Governmental Units | 160,104 | 0 | 0 | 160,104 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Assets | \$ <u>41,226,514</u> | \$ <u>1,427,495</u> | \$ <u>17,324</u> | \$ <u>42,671,333</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| <u>Liabilities</u> | | | | |
| Accounts/Vouchers Payable | \$ 237,543 | \$ 0 | \$ 0 | \$ 237,543 |
| Due To Other Funds | 85,055 | 0 | 0 | 85,055 |
| Interfund Loans Payable | 70,000 | 0 | 0 | 70,000 |
| Accrued Wages Payable | 652,583 | 0 | 0 | 652,583 |
| Deferred Revenue | 23,136 | 0 | 0 | 23,136 |
| Total Liabilities | <u>1,068,317</u> | <u>0</u> | <u>0</u> | <u>1,068,317</u> |
| <u>Fund Balance</u> | | | | |
| Restricted | 27,203,169 | 0 | 0 | 27,203,169 |
| Committed | 12,988,063 | 1,427,495 | 17,324 | 14,432,882 |
| Unassigned | (33,035) | 0 | 0 | (33,035) |
| Total Fund Balances | <u>40,158,197</u> | <u>1,427,495</u> | <u>17,324</u> | <u>41,603,016</u> |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Liabilities and Fund Balances | \$ <u>41,226,514</u> | \$ <u>1,427,495</u> | \$ <u>17,324</u> | \$ <u>42,671,333</u> |

BENTON COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Funds

Year Ended December 31, 2012

| | Nonmajor Funds | | | Total |
|-------------------------------------------------|----------------------|---------------------|---------------------|----------------------|
| | Special Revenue | Debt Service | Capital Projects | |
| <u>Revenues</u> | | | | |
| Property Taxes | \$ 165,598 | \$ 0 | \$ 0 | \$ 165,598 |
| Sales and Use Taxes | 7,160,081 | 0 | 0 | 7,160,081 |
| Other Taxes | 446,475 | 0 | 0 | 446,475 |
| Licenses and Permits | 656,681 | 0 | 0 | 656,681 |
| Intergovernmental | 5,546,843 | 0 | 0 | 5,546,843 |
| Charges for Services | 3,191,370 | 0 | 0 | 3,191,370 |
| Fines and Forfeits | 2,195 | 0 | 0 | 2,195 |
| Interest Earnings | 36,158 | 67,485 | 40 | 103,683 |
| Donations | 76,425 | 0 | 0 | 76,425 |
| Other Revenues | 1,118,978 | 390,950 | 0 | 1,509,928 |
| Total Revenues | <u>18,400,805</u> | <u>458,435</u> | <u>40</u> | <u>18,859,280</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General Governmental Services | 2,615,997 | 0 | 0 | 2,615,997 |
| Public Safety | 7,820,204 | 0 | 0 | 7,820,204 |
| Physical Environment | 668,658 | 0 | 0 | 668,658 |
| Economic Environment | 1,931,923 | 0 | 0 | 1,931,923 |
| Culture and Recreation | 519,224 | 0 | 0 | 519,224 |
| Debt Service: | | | | |
| Principal | 0 | 2,100,000 | 0 | 2,100,000 |
| Interest | 0 | 1,083,594 | 0 | 1,083,594 |
| Capital Outlay | 327,428 | 0 | 0 | 327,428 |
| Total Expenditures | <u>13,883,434</u> | <u>3,183,594</u> | <u>0</u> | <u>17,067,028</u> |
| Excess (Deficit) Revenues Over Expenditures | <u>4,517,371</u> | <u>(2,725,159)</u> | <u>40</u> | <u>1,792,252</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | 4,668,198 | 2,734,384 | 0 | 7,402,582 |
| Transfers Out | (6,113,983) | 0 | 0 | (6,113,983) |
| Total Other Financing Source (Uses) | <u>(1,445,786)</u> | <u>2,734,384</u> | <u>0</u> | <u>1,288,599</u> |
| Net Change in Fund Balance | <u>3,071,585</u> | <u>9,225</u> | <u>40</u> | <u>3,080,850</u> |
| Fund Balance-January 1 | 37,086,611 | 1,418,270 | 17,284 | 38,522,165 |
| Fund Balance-December 31 | <u>\$ 40,158,197</u> | <u>\$ 1,427,495</u> | <u>\$ 17,324</u> | <u>\$ 41,603,016</u> |

SPECIAL REVENUE FUNDS

Special Revenue Funds are utilized to account for the proceeds from specific revenue sources other than Expendable Trusts or major capital projects that are legally restricted for the purposes so designated. Both revenues and expenditures are budgeted in compliance with the Revised Code of Washington 36.40. The modified accrual basis of accounting is applied. The descriptions of the funds are as follows:

County Road Improvement - A fund to account for PILT monies to be utilized by the Public Works Department to gain funding through state and federal highway programs to improve the County road system.

Flood Control - A fund to finance the control of waters subject to flood conditions.

Veterans' Assistance - A fund to finance emergency financial assistance to qualifying veterans and their dependents.

Auditor's O & M - Established, by the state, for restoration and preservation of recorded documents.

Treasurer's Investment Pool – A fund to collect fees from Treasurer Investment Pool participants in accordance with the County Investment policy.

Park Development - A fund to finance the planning, development and maintenance of a comprehensive parks and recreation program.

Election Reserve - Established to finance all County voter maintenance and elections.

Treasurer's O & M - A fund to account for extraordinary costs incurred collecting delinquent real and personal property taxes.

Paths and Trails Reserve - Established for the development of paths and trails within the County.

Benton Franklin Juvenile Center - A fund established to provide justice, detention and treatment services for juveniles.

Inmate Benevolence - A fund to account for the purchase and sale of personal supplies to prisoners.

Crime Victim Compensation - A fund established to provide assistance to the victims of crimes.

Fairgrounds Operating Budget - A fund created to provide for the operations of the fairgrounds.

Sheriff's Investigations - A fund created to support the special investigative needs of the Sheriff's office.

Canine and Boat Patrol - A fund established to maintain the Sheriff's canine and boat patrol programs.

Treasurer's Service Fee Fund - A fund established to collect fees charged for property tax payments using Automatic Clearing House (ACH) transactions and payment of expenses for administering the program.

REET Technology – A fund established per State of Washington Legislature SSHB 1240, section 2 to increase excise fees on Real Estate Excise Tax to provide for the development and implementation of an automated system for the electronic processing of the real estate excise tax compatible with the system developed by the Washington State Department of Revenue.

1/4 Percent Real Estate Excise Tax - A fund to account for the revenues generated by a special 1/4 of 1 percent excise tax levied on the sale of real property within the County.

Probation Assessment - A fund created to account for probation counseling in district court.

Central Services Computer Replacement - An accumulative reserve fund created to provide funding for the replacement of computer equipment.

SPECIAL REVENUE FUNDS

(CONTINUED)

1/10% Criminal Justice Jail-Juvenile - A fund established to collect the voted 1/10th of 1 percent sales tax to help finance the construction and M & O of an adult and juvenile jails.

Noxious Weed Control - A fund established to control noxious weeds within the County.

Sustainable Development - Established to promote economic development and diversity within the County.

Courthouse Facilitator - A fund established to provide legal document assistance to domestic violence litigants. Revenues are generated from domestic, probate and adoption filings.

Family Services - A fund created to provide family services within the juvenile court system.

Family Services Superior Court - Established to provide family services within the superior court system.

Jail Depreciation Reserve - Established for the purpose of holding the monies charged for depreciation on the County jail.

Distressed County Tax - A fund established to receive money from the Department of Revenue for sales tax in distressed rural areas for the purpose of financing public facilities.

Rural County Capital - A fund established for the purpose of financing public facilities.

Clerks Collection Fund - A fund providing tracking and collection of overdue Court costs and restitution fees.

Protective Inspection Services Fund - Established to provide tracking and collection of building permits and inspection services.

Pest Board - Providing tracking and collection of activities associated with pest control.

Work Crew Replacement - A fund established to track fees received from inmates, assigned to work crews, and assist in the purchase of replacement vehicles for the work crew program.

State Housing Income - To account for 60% of a surcharge on recording fees to fund housing projects for very low-income persons. Established by amendment to RCW 36.22, effective 6/13/02.

Vit Impact – A fund created to aid the County in accommodating the impact of labor force changes during the construction of the radioactive waste vitrification plant.

Homeless Housing & Assistance – A fund established per State of Washington Legislature SSHB 2163, to collect a surcharge of ten dollars on recorded documents by the County Auditor to prevent and end homelessness in the State of Washington.

Solid Waste Collection – A fund established to collect fees and assist in the planning and administration of solid waste management plans.

Trial Court Improvement – A fund established per State of Washington Legislature 2ESSB 5454 for improvements to superior and district court staffing, programs, facilities and services. An amount equal to 100 per cent of the State's contribution received by the county for district court judge's salaries is to be retained for the fund.

Historical Preservation – A fund established to promote historical preservation or historical programs, which may include preservation of historical documents.

Domestic Violence Assessment – A fund created per RCW 10.99.080, which established a penalty assessment for any person convicted of a crime involving domestic violence. The fund's purpose is to support domestic violence advocacy and domestic violence prevention and prosecution programs.

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

| <i>ASSETS</i> | County Road Improvement | Flood Control | Veteran's Assistance | Auditor's O & M |
|-----------------------------------------|-------------------------------|------------------|-------------------------|--------------------|
| Cash/Cash Equivalents | \$ 969,319 | \$ 58,633 | \$ 163,528 | \$ 474,880 |
| Taxes Receivable | 0 | 0 | 4,800 | 0 |
| Accounts Receivable | 0 | 0 | 0 | 549 |
| Assessments Receivable | 0 | 0 | 0 | 0 |
| Due From Other Funds | 0 | 0 | 0 | 2 |
| Interfund Loans Receivable | 0 | 0 | 0 | 0 |
| Due From Other Governments | 0 | 0 | 0 | 0 |
| | | | | |
| Total Assets | <u>\$ 969,319</u> | <u>\$ 58,633</u> | <u>\$ 168,328</u> | <u>\$ 475,431</u> |
| <i>LIABILITIES AND FUND BALANCE</i> | | | | |
| <u>Liabilities</u> | | | | |
| Vouchers Payable | \$ 0 | \$ 0 | \$ 8,312 | \$ 1,659 |
| Due To Other Funds | 0 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Accrued Liabilities | 0 | 0 | 0 | 4,469 |
| Deferred Revenue | 0 | 0 | 4,800 | 0 |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>13,112</u> | <u>6,128</u> |
| <u>Fund Balance</u> | | | | |
| Restricted | 0 | 58,633 | 155,216 | 469,303 |
| Committed | 969,319 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balance | <u>969,319</u> | <u>58,633</u> | <u>155,216</u> | <u>469,303</u> |
| | | | | |
| Total Liabilities and Fund Balance | <u>\$ 969,319</u> | <u>\$ 58,633</u> | <u>\$ 168,328</u> | <u>\$ 475,431</u> |

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

| <i>ASSETS</i> | Treasurer's Investment Pool | Park Development | Election Reserve | Treasurer's O & M |
|-----------------------------------------|-----------------------------------|-----------------------|-------------------------|-----------------------|
| Cash/Cash Equivalents | \$ 31,819 | \$ 379,483 | \$ 1,017,230 | \$ 213,706 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Accounts Receivable | 5,146 | 159 | 226,001 | 87 |
| Assessments Receivable | 0 | 0 | 0 | 0 |
| Due From Other Funds | 0 | 0 | 0 | 0 |
| Interfund Loans Receivable | 0 | 0 | 0 | 70,000 |
| Due From Other Governments | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>36,965</u> | \$ <u>379,642</u> | \$ <u>1,243,231</u> | \$ <u>283,793</u> |
| <i>LIABILITIES AND FUND BALANCE</i> | | | | |
| <u>Liabilities</u> | | | | |
| Vouchers Payable | \$ 0 | \$ 1,702 | \$ 5,743 | \$ 6 |
| Due To Other Funds | 0 | 1,439 | 0 | 0 |
| Interfund Loans Payable | 70,000 | 0 | 0 | 0 |
| Accrued Liabilities | 0 | 0 | 44,090 | 7,526 |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | <u>70,000</u> | <u>3,141</u> | <u>49,833</u> | <u>7,532</u> |
| <u>Fund Balance</u> | | | | |
| Restricted | 0 | 376,501 | 0 | 276,261 |
| Committed | 0 | 0 | 1,193,398 | 0 |
| Unassigned | (33,035) | 0 | 0 | 0 |
| Total Fund Balance | <u>(33,035)</u> | <u>376,501</u> | <u>1,193,398</u> | <u>276,261</u> |
| Total Liabilities and Fund Balance | \$ <u>36,965</u> | \$ <u>379,642</u> | \$ <u>1,243,231</u> | \$ <u>283,793</u> |

| <u>Paths and Trails Reserve</u> | <u>Benton Franklin Juvenile Center</u> | <u>Inmate Benevolence</u> | <u>Crime Victim Compen- sation</u> |
|---------------------------------------------|----------------------------------------------------|-------------------------------|------------------------------------------------|
| \$ 64,410 | \$ 1,291,978 | \$ 333,363 | \$ 196,754 |
| 0 | 0 | 0 | 0 |
| 26 | 249,456 | 31,243 | 8,650 |
| 0 | 0 | 0 | 0 |
| 0 | 309,087 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>\$ 64,436</u> | <u>\$ 1,850,521</u> | <u>\$ 364,606</u> | <u>\$ 205,404</u> |
| | | | |
| \$ 0 | \$ 108,226 | \$ 27,325 | \$ 2,936 |
| 0 | 1,748 | 1,063 | 0 |
| 0 | 0 | 0 | 0 |
| 0 | 388,059 | 12,118 | 18,802 |
| 0 | 0 | 0 | 0 |
| <u>0</u> | <u>498,033</u> | <u>40,506</u> | <u>21,738</u> |
| | | | |
| 64,436 | 0 | 324,100 | 183,666 |
| 0 | 1,352,488 | 0 | 0 |
| 0 | 0 | 0 | 0 |
| <u>64,436</u> | <u>1,352,488</u> | <u>324,100</u> | <u>183,666</u> |
| | | | |
| <u>\$ 64,436</u> | <u>\$ 1,850,521</u> | <u>\$ 364,606</u> | <u>\$ 205,404</u> |

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

| <i>ASSETS</i> | Fairgrounds Operating Budget | Sheriff's Investi- gations | Canine/Boat Patrol | Treasurer's Service Fee |
|-----------------------------------------|------------------------------------|----------------------------------|-----------------------|----------------------------|
| Cash/Cash Equivalents | \$ 705,878 | \$ 180,881 | \$ 40,248 | \$ 674 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Accounts Receivable | 128,273 | (20) | 0 | 0 |
| Assessments Receivable | 0 | 0 | 0 | 0 |
| Due From Other Funds | 0 | 0 | 0 | 0 |
| Interfund Loans Receivable | 0 | 0 | 0 | 0 |
| Due From Other Governments | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 834,151</u> | <u>\$ 180,861</u> | <u>\$ 40,248</u> | <u>\$ 674</u> |
| <i>LIABILITIES AND FUND BALANCE</i> | | | | |
| <u>Liabilities</u> | | | | |
| Vouchers Payable | \$ 7,195 | \$ 232 | \$ 1,825 | \$ 0 |
| Due To Other Funds | 0 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Accrued Liabilities | 10,930 | 0 | 4,335 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | <u>18,125</u> | <u>232</u> | <u>6,160</u> | <u>0</u> |
| <u>Fund Balance</u> | | | | |
| Restricted | 0 | 0 | 0 | 674 |
| Committed | 816,026 | 180,629 | 34,088 | 0 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balance | <u>816,026</u> | <u>180,629</u> | <u>34,088</u> | <u>674</u> |
| Total Liabilities and Fund Balance | <u>\$ 834,151</u> | <u>\$ 180,861</u> | <u>\$ 40,248</u> | <u>\$ 674</u> |

| <u>REET Technology</u> | <u>1/4 Percent Real Estate Excise Tax</u> | <u>Probation Assessment</u> | <u>Central Services Computer Replacement</u> | <u>1/10 Percent Criminal Justice Jail - Juvenile</u> | <u>Noxious Weed Control</u> |
|----------------------------|---------------------------------------------------|---------------------------------|----------------------------------------------------------|------------------------------------------------------------------|-------------------------------------|
| \$ 80,036 | \$ 1,579,237 | \$ 547,554 | \$ 1,644,262 | \$ 8,726,243 | \$ 47,546 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 38,258 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 13,033 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>80,036</u> | <u>1,579,237</u> | <u>585,812</u> | <u>1,644,262</u> | <u>8,726,243</u> | <u>60,579</u> |
| \$ 0 | \$ 0 | \$ 1,954 | \$ 0 | \$ 0 | \$ 459 |
| 0 | 0 | 0 | 18,092 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 41,424 | 0 | 0 | 14,073 |
| 0 | 0 | 0 | 0 | 0 | 13,033 |
| <u>0</u> | <u>0</u> | <u>43,378</u> | <u>18,092</u> | <u>0</u> | <u>27,565</u> |
| 80,036 | 1,579,237 | 0 | 0 | 8,726,243 | 33,014 |
| 0 | 0 | 542,434 | 1,626,170 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>80,036</u> | <u>1,579,237</u> | <u>542,434</u> | <u>1,626,170</u> | <u>8,726,243</u> | <u>33,014</u> |
| <u>\$ 80,036</u> | <u>\$ 1,579,237</u> | <u>\$ 585,812</u> | <u>\$ 1,644,262</u> | <u>\$ 8,726,243</u> | <u>\$ 60,579</u> |

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

| <i>ASSETS</i> | Sustainable Development | Courthouse Facilitator | Family Services | Family Services Superior Court |
|-----------------------------------------|----------------------------|---------------------------|----------------------|-----------------------------------------|
| Cash/Cash Equivalents | \$ 498,696 | \$ 31,134 | \$ 12,090 | \$ 16,551 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Accounts Receivable | 1,123 | 626 | 720 | 0 |
| Assessments Receivable | 0 | 0 | 0 | 0 |
| Due From Other Funds | 0 | 0 | 0 | 0 |
| Interfund Loans Receivable | 0 | 0 | 0 | 0 |
| Due From Other Governments | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 499,819</u> | <u>\$ 31,760</u> | <u>\$ 12,810</u> | <u>\$ 16,551</u> |
| <i>LIABILITIES AND FUND BALANCE</i> | | | | |
| <u>Liabilities</u> | | | | |
| Vouchers Payable | \$ 2,680 | \$ 399 | \$ 0 | \$ 0 |
| Due To Other Funds | 0 | 0 | 0 | 0 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Accrued Liabilities | 8,501 | 4,834 | 5,229 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | <u>11,181</u> | <u>5,233</u> | <u>5,229</u> | <u>0</u> |
| <u>Fund Balance</u> | | | | |
| Restricted | 488,638 | 26,527 | 7,581 | 16,551 |
| Committed | 0 | 0 | 0 | 0 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balance | <u>488,638</u> | <u>26,527</u> | <u>7,581</u> | <u>16,551</u> |
| Total Liabilities and Fund Balance | <u>\$ 499,819</u> | <u>\$ 31,760</u> | <u>\$ 12,810</u> | <u>\$ 16,551</u> |

| Jail Depreciation Reserve | Distressed County Tax | Rural County Capital | Clerk's Collection | Protective Inspection Services | Pest Board |
|---------------------------------|-----------------------------|-------------------------|-----------------------|--------------------------------------|-------------------|
| \$ 900,424 | \$ 111,752 | \$ 9,084,531 | \$ 1,518,615 | \$ 165,922 | \$ 97,524 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 382 | 0 | 0 | 17,537 | 5,785 | 0 |
| 0 | 0 | 0 | 0 | 0 | 5,303 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>900,806</u> | <u>111,752</u> | <u>9,084,531</u> | <u>1,536,152</u> | <u>171,707</u> | <u>102,827</u> |
| \$ 30,349 | \$ 0 | \$ 0 | \$ 1,075 | \$ 530 | \$ 0 |
| 0 | 0 | 0 | 0 | 3 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 31,246 | 41,958 | 6,339 |
| 0 | 0 | 0 | 0 | 0 | 5,303 |
| <u>30,349</u> | <u>0</u> | <u>0</u> | <u>32,321</u> | <u>42,491</u> | <u>11,642</u> |
| 870,457 | 111,752 | 9,084,531 | 0 | 0 | 91,185 |
| 0 | 0 | 0 | 1,503,831 | 129,216 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>870,457</u> | <u>111,752</u> | <u>9,084,531</u> | <u>1,503,831</u> | <u>129,216</u> | <u>91,185</u> |
| <u>\$ 900,806</u> | <u>\$ 111,752</u> | <u>\$ 9,084,531</u> | <u>\$ 1,536,152</u> | <u>\$ 171,707</u> | <u>\$ 102,827</u> |

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2012

| <i>ASSETS</i> | Work Crew Replacement | State Housing | Vit Impact | Homeless Housing & Assistance |
|-----------------------------------------|-----------------------------|---------------------|---------------------|-------------------------------------|
| Cash/Cash Equivalents | \$ 178,385 | \$ 1,767,172 | \$ 3,717,865 | \$ 2,057,465 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Accounts Receivable | 639 | 2,044 | 0 | 9,847 |
| Assessments Receivable | 0 | 0 | 0 | 0 |
| Due From Other Funds | 0 | 0 | 0 | 0 |
| Interfund Loans Receivable | 0 | 0 | 0 | 0 |
| Due From Other Governments | 0 | 0 | 0 | 0 |
| | | | | |
| Total Assets | <u>\$ 179,024</u> | <u>\$ 1,769,216</u> | <u>\$ 3,717,865</u> | <u>\$ 2,067,312</u> |
| <i>LIABILITIES AND FUND BALANCE</i> | | | | |
| <u>Liabilities</u> | | | | |
| Vouchers Payable | \$ 0 | \$ 21,283 | \$ 0 | \$ 13,468 |
| Due To Other Funds | 0 | 2,421 | 0 | 17,300 |
| Interfund Loans Payable | 0 | 0 | 0 | 0 |
| Accrued Liabilities | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 |
| Total Liabilities | <u>0</u> | <u>23,704</u> | <u>0</u> | <u>30,768</u> |
| <u>Fund Balance</u> | | | | |
| Restricted | 0 | 1,745,512 | 0 | 2,036,544 |
| Committed | 179,024 | 0 | 3,717,865 | 0 |
| Unassigned | 0 | 0 | 0 | 0 |
| Total Fund Balance | <u>179,024</u> | <u>1,745,512</u> | <u>3,717,865</u> | <u>2,036,544</u> |
| | | | | |
| Total Liabilities and Fund Balance | <u>\$ 179,024</u> | <u>\$ 1,769,216</u> | <u>\$ 3,717,865</u> | <u>\$ 2,067,312</u> |

| Solid Waste Collection | Trial Court Improvement | Historical Preservation | Domestic Violence Assessment | 2012 Totals |
|------------------------|-------------------------|-------------------------|------------------------------|----------------------|
| \$ 590,603 | \$ 304,991 | \$ 104,337 | \$ 27,767 | \$ 39,933,486 |
| 0 | 0 | 0 | 0 | 4,800 |
| 0 | 3,833 | 88 | 247 | 730,699 |
| 0 | 0 | 0 | 0 | 18,336 |
| 0 | 0 | 0 | 0 | 309,089 |
| 0 | 0 | 0 | 0 | 70,000 |
| <u>160,104</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>160,104</u> |
| <u>\$ 750,707</u> | <u>\$ 308,824</u> | <u>\$ 104,425</u> | <u>\$ 28,014</u> | <u>\$ 41,226,514</u> |
| \$ 16 | \$ 169 | \$ 0 | \$ 0 | \$ 237,543 |
| 2 | 42,987 | 0 | 0 | 85,055 |
| 0 | 0 | 0 | 0 | 70,000 |
| 7,114 | 0 | 0 | 1,536 | 652,583 |
| 0 | 0 | 0 | 0 | 23,136 |
| <u>7,132</u> | <u>43,156</u> | <u>0</u> | <u>1,536</u> | <u>1,068,317</u> |
| 0 | 265,668 | 104,425 | 26,478 | 27,203,169 |
| 743,575 | 0 | 0 | 0 | 12,988,063 |
| 0 | 0 | 0 | 0 | (33,035) |
| <u>743,575</u> | <u>265,668</u> | <u>104,425</u> | <u>26,478</u> | <u>40,158,197</u> |
| <u>\$ 750,707</u> | <u>\$ 308,824</u> | <u>\$ 104,425</u> | <u>\$ 28,014</u> | <u>\$ 41,226,514</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

| | County Road Improve- ment | Flood Control | Veteran's Assistance | Auditor's O & M |
|------------------------------------------------------|------------------------------------|------------------|-------------------------|--------------------|
| <u>Revenues</u> | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 165,598 | \$ 0 |
| Sales and Use Taxes | 0 | 0 | 0 | 0 |
| Other Taxes | 0 | 0 | 0 | 0 |
| Licenses and Permits | 0 | 0 | 0 | 0 |
| Intergovernmental | 784,146 | 885 | 5,014 | 79,030 |
| Charges for Services | 0 | 0 | 0 | 83,873 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| Interest Earnings | 3,202 | 117 | 0 | 0 |
| Donations | 0 | 0 | 0 | 0 |
| Other Revenue | 0 | 0 | 170 | 0 |
| Total Revenues | <u>787,348</u> | <u>1,002</u> | <u>170,782</u> | <u>162,903</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General Governmental Services | 0 | 0 | 0 | 176,212 |
| Public Safety | 0 | 0 | 0 | 0 |
| Physical Environment | 0 | 0 | 0 | 0 |
| Economic Environment | 0 | 0 | 122,182 | 0 |
| Culture and Recreation | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>122,182</u> | <u>176,212</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>787,348</u> | <u>1,002</u> | <u>48,601</u> | <u>(13,309)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | 0 | 0 | 0 | 0 |
| Transfers Out | (1,200,000) | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>(1,200,000)</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net change in fund balances | (412,652) | 1,002 | 48,601 | (13,309) |
| Fund Balance as of January 1 | 1,381,971 | 57,630 | 106,615 | 482,612 |
| Fund Balance, December 31 | <u>\$ 969,319</u> | <u>\$ 58,633</u> | <u>\$ 155,216</u> | <u>\$ 469,303</u> |

| Treasurer's Investment Pool | Park Development | Election Reserve | Treasurer's O & M | Paths and Trails Reserve | Benton Franklin Juvenile Center |
|-----------------------------------|---------------------|---------------------|----------------------|-----------------------------------|------------------------------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 7,736 | 0 | 14,769 | 3,210,839 |
| 0 | 14,471 | 336,472 | 91,381 | 0 | 153,662 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 22,301 | 602 | 0 | 553 | 139 | 0 |
| 0 | 726 | 0 | 0 | 0 | 75,253 |
| 0 | 4,641 | 4 | 597 | 0 | 1,986 |
| <u>22,301</u> | <u>20,440</u> | <u>344,212</u> | <u>92,531</u> | <u>14,908</u> | <u>3,441,740</u> |
| 17,968 | 0 | 815,182 | 129,666 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 7,081,355 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 36,011 | 0 | 0 | 0 | 0 |
| 38,120 | 19,975 | 0 | 0 | 0 | 0 |
| <u>56,088</u> | <u>55,986</u> | <u>815,182</u> | <u>129,666</u> | <u>0</u> | <u>7,081,355</u> |
| <u>(33,787)</u> | <u>(35,546)</u> | <u>(470,971)</u> | <u>(37,136)</u> | <u>14,908</u> | <u>(3,639,615)</u> |
| 0 | 100,000 | 0 | 0 | 0 | 3,741,080 |
| 0 | 0 | 0 | 0 | (64) | (12,000) |
| 0 | 100,000 | 0 | 0 | (64) | 3,729,080 |
| (33,787) | 64,454 | (470,971) | (37,136) | 14,844 | 89,464 |
| 752 | 312,047 | 1,664,369 | 313,397 | 49,592 | 1,263,024 |
| <u>\$ (33,035)</u> | <u>\$ 376,501</u> | <u>\$ 1,193,398</u> | <u>\$ 276,261</u> | <u>\$ 64,436</u> | <u>\$ 1,352,488</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

| <u>Revenues</u> | Inmate Benevolence | Juvenile Kitchen | Crime Victim Compen- sation | Fairgrounds Operating Budget |
|-------------------------------------------|-----------------------|---------------------|--------------------------------------|------------------------------------|
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Sales and Use Taxes | 0 | 0 | 0 | 0 |
| Other Taxes | 0 | 0 | 0 | 0 |
| Licenses and Permits | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 36,684 | 0 |
| Charges for Services | 397,058 | 0 | 220,895 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| Interest Earnings | 0 | 0 | 0 | 0 |
| Donations | 0 | 0 | 0 | 0 |
| Other Revenue | 187,856 | 0 | 0 | 248,441 |
| Total Revenues | <u>584,914</u> | <u>0</u> | <u>257,579</u> | <u>248,441</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General Governmental Services | 0 | 0 | 261,809 | 0 |
| Public Safety | 394,051 | 0 | 0 | 0 |
| Physical Environment | 0 | 0 | 0 | 0 |
| Economic Environment | 0 | 0 | 0 | 0 |
| Culture and Recreation | 0 | 0 | 0 | 392,837 |
| Capital Outlay | 0 | 0 | 0 | 69,510 |
| Total Expenditures | <u>394,051</u> | <u>0</u> | <u>261,809</u> | <u>462,347</u> |
| Excess (Deficiency) of | | | | |
| Revenues over Expenditures | <u>190,863</u> | <u>0</u> | <u>(4,230)</u> | <u>(213,905)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | 0 | 0 | 0 | 473,274 |
| Transfers Out | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>473,274</u> |
| Net change in fund balances | 190,863 | 0 | (4,230) | 259,369 |
| Fund Balance as of January 1 | 133,237 | 0 | 187,896 | 556,657 |
| Fund Balance, December 31 | <u>\$ 324,100</u> | <u>\$ 0</u> | <u>\$ 183,666</u> | <u>\$ 816,026</u> |

| Sheriff's Investi- gations | Canine/Boat Patrol | Treasurer's Service Fee | REET Technology | 1/4 Percent Real Estate Excise Tax | Probation Assessment |
|----------------------------------|-----------------------|----------------------------|--------------------|------------------------------------------|-------------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 375,420 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 12,130 | 74,075 | 0 | 0 | 0 | 0 |
| 0 | 0 | 418 | 0 | 0 | 535,020 |
| (1,590) | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 50 | 396 | 0 | 0 | 0 | 0 |
| 13,871 | 0 | 0 | 0 | 0 | 0 |
| <u>24,461</u> | <u>74,471</u> | <u>418</u> | <u>0</u> | <u>375,420</u> | <u>535,020</u> |
| 0 | 0 | 0 | 24,500 | 0 | 550,009 |
| 21,904 | 141,219 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 43,372 | 0 | 0 | 0 | 0 |
| <u>21,904</u> | <u>184,591</u> | <u>0</u> | <u>24,500</u> | <u>0</u> | <u>550,009</u> |
| <u>2,557</u> | <u>(110,120)</u> | <u>418</u> | <u>(24,500)</u> | <u>375,420</u> | <u>(14,989)</u> |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | (196,424) | 0 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(196,424)</u> | <u>0</u> |
| 2,557 | (110,120) | 418 | (24,500) | 178,996 | (14,989) |
| 178,072 | 144,208 | 256 | 104,536 | 1,400,241 | 557,423 |
| <u>\$ 180,629</u> | <u>\$ 34,088</u> | <u>\$ 674</u> | <u>\$ 80,036</u> | <u>\$ 1,579,237</u> | <u>\$ 542,434</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

| | Central Services Computer Replacement | 1/10 Percent Criminal Justice Jail - Juvenile | Noxious Weed Control | Sustainable Development |
|---------------------------------------|------------------------------------------------|--------------------------------------------------------|----------------------------|----------------------------|
| <u>Revenues</u> | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Sales and Use Taxes | 0 | 3,345,395 | 0 | 0 |
| Other Taxes | 0 | 0 | 0 | 71,055 |
| Licenses and Permits | 0 | 0 | 0 | 0 |
| Intergovernmental | 0 | 0 | 33,559 | 0 |
| Charges for Services | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 |
| Interest Earnings | 0 | 0 | 0 | 0 |
| Donations | 0 | 0 | 0 | 0 |
| Other Revenue | 326,199 | 0 | 240,573 | 0 |
| Total Revenues | <u>326,199</u> | <u>3,345,395</u> | <u>274,132</u> | <u>71,055</u> |
| <u>Expenditures</u> | | | | |
| Current: | | | | |
| General Governmental Services | 0 | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 | 0 |
| Physical Environment | 0 | 0 | 279,232 | 0 |
| Economic Environment | 0 | 0 | 0 | 161,564 |
| Culture and Recreation | 0 | 0 | 0 | 0 |
| Capital Outlay | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>279,232</u> | <u>161,564</u> |
| Excess (Deficiency) of | | | | |
| Revenues over Expenditures | <u>326,199</u> | <u>3,345,395</u> | <u>(5,099)</u> | <u>(90,508)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Transfers In | 0 | 0 | 0 | 204,489 |
| Transfers Out | (282,535) | (2,265,000) | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>(282,535)</u> | <u>(2,265,000)</u> | <u>0</u> | <u>204,489</u> |
| Net change in fund balances | 43,664 | 1,080,395 | (5,099) | 113,981 |
| Fund Balance as of January 1 | 1,582,506 | 7,645,848 | 38,113 | 374,657 |
| Fund Balance, December 31 | <u>\$ 1,626,170</u> | <u>\$ 8,726,243</u> | <u>\$ 33,014</u> | <u>\$ 488,638</u> |

| Courthouse Facilitator | Family Services | Family Services Superior Court | Jail Depreciation Reserve | Distressed County Tax | Rural County Capital |
|---------------------------|--------------------|-----------------------------------------|---------------------------------|-----------------------------|-------------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 3,035,781 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 30,820 | 11,291 | 0 | 0 | 0 |
| 0 | 0 | 0 | 55,115 | 0 | 0 |
| 51,792 | 0 | 5,820 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 2,207 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>51,792</u> | <u>30,820</u> | <u>17,111</u> | <u>57,322</u> | <u>0</u> | <u>3,035,781</u> |
| 75,267 | 0 | 0 | 0 | 0 | 0 |
| 0 | 42,328 | 0 | 139,347 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 115,569 | 0 | 0 |
| <u>75,267</u> | <u>42,328</u> | <u>0</u> | <u>254,916</u> | <u>0</u> | <u>0</u> |
| <u>(23,475)</u> | <u>(11,508)</u> | <u>17,111</u> | <u>(197,594)</u> | <u>0</u> | <u>3,035,781</u> |
| 0 | 0 | 0 | 122,884 | 0 | 0 |
| 0 | 0 | (20,000) | 0 | 0 | (2,037,960) |
| <u>0</u> | <u>0</u> | <u>(20,000)</u> | <u>122,884</u> | <u>0</u> | <u>(2,037,960)</u> |
| (23,475) | (11,508) | (2,889) | (74,710) | 0 | 997,821 |
| 50,002 | 19,089 | 19,440 | 945,167 | 111,752 | 8,086,710 |
| <u>\$ 26,527</u> | <u>\$ 7,581</u> | <u>\$ 16,551</u> | <u>\$ 870,457</u> | <u>\$ 111,752</u> | <u>\$ 9,084,531</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2012

| | Clerk's Collection | Protective Inspection Services | Pest Board | Work Crew Replacement | State Housing |
|------------------------------------------------------|-----------------------|--------------------------------------|------------------|-----------------------------|---------------------|
| <u>Revenues</u> | | | | | |
| Property Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Sales and Use Taxes | 0 | 0 | 0 | 0 | 0 |
| Other Taxes | 0 | 0 | 0 | 0 | 0 |
| Licenses and Permits | 0 | 614,570 | 0 | 0 | 0 |
| Intergovernmental | 713,917 | 0 | 0 | 336 | 0 |
| Charges for Services | 102 | 5,158 | 0 | 36,670 | 175,837 |
| Fines and Forfeitures | 0 | 0 | 0 | 0 | 0 |
| Interest Earnings | 0 | 0 | 0 | 237 | 3,686 |
| Donations | 0 | 0 | 0 | 0 | 0 |
| Other Revenue | 0 | 0 | 94,639 | 0 | 0 |
| Total Revenues | <u>714,019</u> | <u>619,728</u> | <u>94,639</u> | <u>37,243</u> | <u>179,523</u> |
| <u>Expenditures</u> | | | | | |
| Current: | | | | | |
| General Governmental Services | 493,894 | 0 | 0 | 0 | 0 |
| Public Safety | 0 | 0 | 0 | 0 | 0 |
| Physical Environment | 0 | 0 | 0 | 0 | 0 |
| Economic Environment | 0 | 697,037 | 0 | 0 | 261,148 |
| Culture and Recreation | 0 | 0 | 90,313 | 0 | 63 |
| Capital Outlay | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | <u>493,894</u> | <u>697,037</u> | <u>90,313</u> | <u>0</u> | <u>261,211</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>220,126</u> | <u>(77,309)</u> | <u>4,326</u> | <u>37,243</u> | <u>(81,688)</u> |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 0 | 26,471 | 0 | 0 | 0 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>26,471</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net change in fund balances | 220,126 | (50,838) | 4,326 | 37,243 | (81,688) |
| Fund Balance as of January 1 | 1,283,705 | 180,054 | 86,859 | 141,781 | 1,827,200 |
| Fund Balance, December 31 | <u>\$ 1,503,831</u> | <u>\$ 129,216</u> | <u>\$ 91,185</u> | <u>\$ 179,024</u> | <u>\$ 1,745,512</u> |

| Vit Impact | Homeless Housing & Assistance | Solid Waste Collection | Trial Court Improv- ment | Historical Preserva- tion | Domestic Violence Assess- ment | 2012 Totals |
|---------------------|-------------------------------------|------------------------------|-----------------------------------|---------------------------------|-----------------------------------------|----------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 165,598 |
| 778,905 | 0 | 0 | 0 | 0 | 0 | 7,160,081 |
| 0 | 0 | 0 | 0 | 0 | 0 | 446,475 |
| 0 | 0 | 0 | 0 | 0 | 0 | 656,681 |
| 0 | 96,611 | 302,880 | 119,116 | 0 | 0 | 5,546,843 |
| 0 | 820,198 | 160,112 | 56,856 | 45,575 | 0 | 3,191,370 |
| 0 | 0 | 0 | 0 | 0 | 3,785 | 2,195 |
| 0 | 3,114 | 0 | 0 | 0 | 0 | 36,158 |
| 0 | 0 | 0 | 0 | 0 | 0 | 76,425 |
| 0 | 0 | 0 | 0 | 0 | 0 | 1,118,978 |
| <u>778,905</u> | <u>919,923</u> | <u>462,992</u> | <u>175,972</u> | <u>45,575</u> | <u>3,785</u> | <u>18,400,805</u> |
| 0 | 0 | 0 | 54,692 | 13,907 | 2,891 | 2,615,997 |
| 0 | 0 | 0 | 0 | 0 | 0 | 7,820,204 |
| 0 | 0 | 389,426 | 0 | 0 | 0 | 668,658 |
| 0 | 689,993 | 0 | 0 | 0 | 0 | 1,931,923 |
| 0 | 0 | 0 | 0 | 0 | 0 | 519,224 |
| 0 | 0 | 0 | 40,882 | 0 | 0 | 327,428 |
| <u>0</u> | <u>689,993</u> | <u>389,426</u> | <u>95,574</u> | <u>13,907</u> | <u>2,891</u> | <u>13,883,434</u> |
| <u>778,905</u> | <u>229,931</u> | <u>73,566</u> | <u>80,398</u> | <u>31,668</u> | <u>894</u> | <u>4,517,371</u> |
| 0 | 0 | 0 | 0 | 0 | 0 | 4,668,198 |
| (100,000) | 0 | 0 | 0 | 0 | 0 | (6,113,983) |
| <u>(100,000)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(1,445,786)</u> |
| 678,905 | 229,931 | 73,566 | 80,398 | 31,668 | 894 | 3,071,585 |
| 3,038,960 | 1,806,613 | 670,009 | 185,270 | 72,757 | 25,584 | 37,086,611 |
| <u>\$ 3,717,865</u> | <u>\$ 2,036,544</u> | <u>\$ 743,575</u> | <u>\$ 265,668</u> | <u>\$ 104,425</u> | <u>\$ 26,478</u> | <u>\$ 40,158,197</u> |

DEBT SERVICE FUNDS

Debt Service Funds are established to account for the accumulation of resources to be used for the payment of general long-term debt, principal, interest and related costs. Expenditure limits are determined by the terms of each debt issue. The modified accrual basis of accounting is applied. The descriptions of the funds are as follows:

CRID #11 & #12 Debt Service – A fund to accumulate monies for the payment of principal and interest on the \$382,995 to make county road improvements to which the residents assessed will receive the benefit. Installments will be made over twenty years.

CRID #15 Debt Service – A fund to accumulate monies for the payment of principal and interest on the \$803,109 to make county road improvements to which the residents assessed will receive the benefit. Installments will be made over twenty years.

CRID #16 Debt Service – A fund to accumulate monies for the payment of principal and interest on the \$96,489 to make county road improvements to which the residents assessed will receive the benefit. Installments will be made over twenty years.

Health Building Bond - A fund to accumulate monies for payment of principal and interest on the \$7,245,000 in General Obligation bonds issued for the cost of acquiring, designing, constructing, furnishing and equipping a new facility to accommodate the Benton Franklin Health District Center.

Justice Center Expansion Refunding Bond – A fund to accumulate monies for the payment of principal and interest on \$23,615,000 (issued 2000) for the Justice Center and Jail Expansion Project and principal and interest on \$5,410,000 (issued 2001) for Completion of the third floor of the Jail. The year 2000 bonds are part of the 2003 Refunding bond (reducing the outstanding portion to \$6,865,000 at 12/31/03); installments are made annually with maturity at 2020. The 2001 bonds are paid in annual installments with maturity at 2021. The 2003 Refunding bonds, used to reduce the above mentioned bonds, are paid in annual installments over twenty years.

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2012

| | <u>CRID #11 & #12 Debt Service</u> | <u>CRID #15 Debt Service</u> | <u>CRID #16 Debt Service</u> |
|------------------------------------|------------------------------------------------|--------------------------------------|--------------------------------------|
| <i>ASSETS</i> | | | |
| Cash/Cash Equivalents | \$ 41,404 | \$ 2,444 | \$ 1,564 |
| Lease Payments Receivable | <u>330</u> | <u>4</u> | <u>0</u> |
| Total Assets | <u>\$ 41,734</u> | <u>\$ 2,448</u> | <u>\$ 1,564</u> |
| <i>FUND BALANCE</i> | | | |
| <u>Fund Balance</u> | | | |
| Committed | 41,734 | 2,448 | 1,564 |
| Unassigned | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Fund Balance | <u>41,734</u> | <u>2,448</u> | <u>1,564</u> |
| Total Liabilities and Fund Balance | <u>\$ 41,734</u> | <u>\$ 2,448</u> | <u>\$ 1,564</u> |

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2012

| | <u>Health Building Bond</u> | <u>Justice Center Bond</u> | <u>2012 Total</u> |
|------------------------------------|-------------------------------------|------------------------------------|-----------------------|
| <i>ASSETS</i> | | | |
| Cash/Cash Equivalents | \$ 64,263 | \$ 1,317,486 | \$ 1,427,161 |
| Lease Payments Receivable | <u>0</u> | <u>0</u> | <u>334</u> |
| Total Assets | <u>\$ 64,263</u> | <u>\$ 1,317,486</u> | <u>\$ 1,427,495</u> |
| <i>FUND BALANCE</i> | | | |
| <u>Fund Balance</u> | | | |
| Committed | 64,263 | 1,317,486 | 1,427,495 |
| Unreserved | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Fund Balance | <u>64,263</u> | <u>1,317,486</u> | <u>1,427,495</u> |
| Total Liabilities and Fund Balance | <u>\$ 64,263</u> | <u>\$ 1,317,486</u> | <u>\$ 1,427,495</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2012

| | CRID #11 & #12 <u>Debt Service</u> | CRID #15 <u>Debt Service</u> | CRID #16 <u>Debt Service</u> |
|------------------------------------------------------|------------------------------------------|------------------------------------|------------------------------------|
| <u>Revenues</u> | | | |
| Interest | \$ 25,231 | \$ 38,818 | \$ 3,435 |
| Other Revenue | 34,502 | 58,433 | 3,999 |
| Total Revenues | <u>59,733</u> | <u>97,251</u> | <u>7,434</u> |
| <u>Expenditures</u> | | | |
| Debt Service: | | | |
| Principal | 20,000 | 80,000 | 5,000 |
| Interest | 8,060 | 17,670 | 1,330 |
| Total Expenditures | <u>28,060</u> | <u>97,670</u> | <u>6,330</u> |
| Excess (Deficiency) of Revenues over Expenditures | 31,674 | (418) | 1,104 |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers In | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balance | 31,674 | (418) | 1,104 |
| Fund Balance as of January 1 | 10,060 | 2,866 | 460 |
| Fund Balance as of December 31 | <u>\$ 41,734</u> | <u>\$ 2,448</u> | <u>\$ 1,564</u> |

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2012

| | Health Building Bond | Justice Center Bond | 2012 Total |
|------------------------------------------------------|----------------------------|---------------------------|---------------------|
| <u>Revenues</u> | | | |
| Interest | \$ 0 | \$ 0 | \$ 67,485 |
| Other Revenue | 294,016 | 0 | 390,950 |
| Total Revenues | <u>294,016</u> | <u>0</u> | <u>458,435</u> |
| <u>Expenditures</u> | | | |
| Debt Service: | | | |
| Principal | 215,000 | 1,780,000 | 2,100,000 |
| Interest | 298,575 | 757,960 | 1,083,594 |
| Total Expenditures | <u>513,575</u> | <u>2,537,960</u> | <u>3,183,594</u> |
| Excess (Deficiency) of Revenues over Expenditures | (219,559) | (2,537,960) | (2,725,159) |
| <u>Other Financing Sources (Uses)</u> | | | |
| Transfers In | 196,424 | 2,537,960 | 2,734,384 |
| Total Other Financing Sources (Uses) | <u>196,424</u> | <u>2,537,960</u> | <u>2,734,384</u> |
| Net Change in Fund Balance | (23,135) | 0 | 9,225 |
| Fund Balance as of January 1 | 87,398 | 1,317,486 | 1,418,270 |
| Fund Balance as of December 31 | <u>\$ 64,263</u> | <u>\$ 1,317,486</u> | <u>\$ 1,427,495</u> |

CAPITAL PROJECTS FUNDS

Capital Projects Funds are established to account for programs involving the acquisition or construction of major capital facilities and other capital assets. Both revenues and expenditures are budgeted in compliance with the procedures established in the Revised Code of Washington. The modified accrual basis of accounting is applied. The descriptions of the funds are as follows:

Detox Center Construction - A fund to account for the cost of constructing the Detoxification Center.

Health Building Construction - A fund to account for the cost of constructing the Benton Franklin Health District Center.

BENTON COUNTY, WASHINGTON

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2012

| <i>ASSETS</i> | <u>Detox Center Construction</u> | <u>Health Building Construction</u> | <u>2012 Totals</u> |
|------------------------------------|------------------------------------------|---------------------------------------------|------------------------|
| Cash/Cash Equivalents | \$ 17,317 | \$ 0 | \$ 17,317 |
| Interest Receivable | <u>7</u> | <u>0</u> | <u>7</u> |
| Total Assets | <u>\$ 17,324</u> | <u>\$ 0</u> | <u>\$ 17,324</u> |
| <i>FUND BALANCE</i> | | | |
| <u>Fund Balance</u> | | | |
| Committed | <u>17,324</u> | <u>0</u> | <u>17,324</u> |
| Total Fund Balance | <u>17,324</u> | <u>0</u> | <u>17,324</u> |
| Total Liabilities and Fund Balance | <u>\$ 17,324</u> | <u>\$ 0</u> | <u>\$ 17,324</u> |

BENTON COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Capital Projects Funds
 For the Year Ended December 31, 2012

| | Detox Center Construction | Health Building Construction | 2012 Totals |
|----------------------------------|---------------------------------|------------------------------------|------------------|
| <u>Revenues</u> | | | |
| Interest Earnings | \$ 40 | \$ 0 | \$ 40 |
| Total Revenues | <u>40</u> | <u>0</u> | <u>40</u> |
| <u>Expenditures</u> | | | |
| Current: | | | |
| Capital Outlay | 0 | 0 | 0 |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of | | | |
| Revenues over Expenditures | <u>40</u> | <u>0</u> | <u>40</u> |
| Net change in fund balances | 40 | 0 | 40 |
| Fund Balance as of January 1 | 17,284 | 0 | 17,284 |
| Fund Balance, December 31 | <u>\$ 17,324</u> | <u>\$ 0</u> | <u>\$ 17,324</u> |

BENTON COUNTY, WASHINGTON

Schedule of Revenues - Budget (GAAP Basis) and Actual

General Fund

For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------|--------------------------------|-----------------------------|----------------------|----------------------|-----------------------------------------------|
| <i><u>Taxes</u></i> | | | | | |
| General Property Taxes | \$ 36,543,742 | \$ 36,543,742 | \$ 18,300,110 | \$ 18,782,494 | \$ 538,862 |
| Retail Sales and Use Taxes | 15,908,000 | 15,908,000 | 10,613,662 | 8,980,898 | 3,686,560 |
| Excise Taxes | 728,400 | 728,400 | 354,227 | 422,457 | 48,284 |
| Interest and Penalty on Taxes | 2,900,300 | 2,900,300 | 1,391,756 | 1,502,217 | (6,327) |
| Total Taxes | 56,080,442 | 56,080,442 | 30,659,755 | 29,688,066 | 4,267,379 |
| <i><u>Licenses and Permits</u></i> | | | | | |
| Non-Business Licenses and Permits | 96,000 | 96,000 | 51,306 | 55,857 | 11,163 |
| Total Licenses and Permits | 96,000 | 96,000 | 51,306 | 55,857 | 11,163 |
| <i><u>Intergovernmental Revenues</u></i> | | | | | |
| Federal Grants | 155,000 | 155,000 | 65,401 | 37,411 | (52,188) |
| Federal Entitlements | 203,600 | 203,600 | 102,627 | 105,529 | 4,556 |
| Federal Shared Revenues | 1,639,324 | 1,791,034 | 817,843 | 947,570 | (25,621) |
| State Grants | 1,264,912 | 1,490,142 | 681,709 | 770,173 | (38,260) |
| State Shared Revenues | 2,356,663 | 2,356,663 | 1,137,016 | 1,045,283 | (174,364) |
| State Entitlements | 2,108,400 | 2,108,400 | 1,100,969 | 1,166,343 | 158,912 |
| Intergovernmental Service Revenues | 25,337,408 | 25,545,493 | 13,436,263 | 11,969,457 | (139,773) |
| Total Intergovernmental Revenues | 33,065,307 | 33,650,332 | 17,341,828 | 16,041,767 | (266,737) |
| <i><u>Charges For Services</u></i> | | | | | |
| General Government | 5,135,973 | 5,135,973 | 2,576,458 | 2,712,924 | 153,409 |
| Security of Persons and Property | 1,467,920 | 1,467,920 | 759,926 | 638,476 | (69,518) |
| Physical Environment | 0 | 0 | 17,490 | 10,815 | 28,305 |
| Economic Environment | 52,800 | 52,800 | 20,735 | 22,575 | (9,490) |
| Interfund Charges | 1,160,702 | 1,160,702 | 582,346 | 606,942 | 28,586 |
| Total Charges for Services | 7,817,395 | 7,817,395 | 3,956,955 | 3,991,732 | 131,292 |
| <i><u>Fines and Forfeitures</u></i> | | | | | |
| Superior Court Penalties | 998,100 | 998,100 | 506,255 | 490,897 | (948) |
| Civil Penalties | 37,000 | 37,000 | 18,532 | 18,930 | 462 |
| Non-Parking Infractions | 2,400,001 | 2,400,001 | 1,147,636 | 1,201,908 | (50,457) |
| Civil Parking Infractions | 50 | 50 | 235 | 561 | 746 |
| Criminal Traffic Penalties | 973,000 | 973,000 | 419,767 | 406,293 | (146,940) |
| Non-Traffic Penalties | 392,800 | 392,800 | 141,897 | 127,608 | (123,295) |
| Criminal Costs | 1,213,100 | 1,213,100 | 628,833 | 633,969 | 49,702 |
| Total Fines and Forfeitures | 6,014,051 | 6,014,051 | 2,863,155 | 2,880,165 | (270,731) |
| <i><u>Miscellaneous Revenues</u></i> | | | | | |
| Sale of Capital Assets | 3,000 | 3,000 | 17,566 | 34,384 | 48,950 |
| Transfers In | 3,271,137 | 4,027,564 | 1,650,796 | 1,651,979 | (724,789) |
| Interest Earnings | 1,909,900 | 1,909,900 | 1,240,661 | 1,031,661 | 362,422 |
| Rents and Royalties | 485,136 | 485,136 | 232,029 | 217,169 | (35,938) |
| Interfund/Interdepartmental | 216,502 | 216,502 | 106,400 | 108,249 | (1,853) |
| Contributions & Donations | 20,500 | 25,500 | 10,298 | 13,300 | (1,902) |
| Other Miscellaneous Revenue | 30,000 | 30,000 | 45,991 | 74,057 | 90,048 |
| Total Miscellaneous Revenue | 5,936,175 | 6,697,602 | 3,303,741 | 3,130,798 | (263,063) |
| TOTAL REVENUES | \$ 109,009,370 | \$ 110,355,822 | \$ 58,176,740 | \$ 55,788,387 | \$ 3,609,305 |

BENTON COUNTY, WASHINGTON

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|-----------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <i>GENERAL GOVERNMENT</i> | | | | | |
| <u>County Commissioners</u> | | | | | |
| Personnel | \$ 1,626,980 | \$ 1,600,924 | \$ 778,014 | \$ 813,379 | \$ (9,531) |
| Personnel Benefits | 503,323 | 519,379 | 238,923 | 258,549 | (21,907) |
| Supplies | 25,438 | 32,108 | 12,264 | 14,593 | (5,251) |
| Other Services and Charges | 47,056 | 42,223 | 17,456 | 12,691 | (12,076) |
| Interfund Charges | 245,813 | 253,976 | 128,898 | 122,893 | (2,185) |
| Total County Commissioners | \$ 2,448,610 | \$ 2,448,610 | \$ 1,175,555 | \$ 1,222,105 | \$ (50,950) |
| <u>Superior Court</u> | | | | | |
| Personnel | \$ 3,274,436 | \$ 3,251,655 | \$ 1,602,024 | \$ 1,583,254 | \$ (66,377) |
| Personnel Benefits | 733,427 | 733,427 | 343,618 | 348,440 | (41,369) |
| Supplies | 39,700 | 29,041 | 6,332 | 11,886 | (10,823) |
| Other Services and Charges | 328,798 | 359,824 | 139,885 | 132,497 | (87,442) |
| Intergovernmental Services | 800 | 1,300 | 210 | 530 | (560) |
| Interfund Charges | 446,784 | 455,367 | 220,895 | 230,235 | (4,237) |
| Total Superior Court | \$ 4,823,945 | \$ 4,830,614 | \$ 2,312,963 | \$ 2,306,843 | \$ (210,808) |
| <u>County Clerk</u> | | | | | |
| Personnel | \$ 2,327,649 | \$ 2,318,549 | \$ 1,104,290 | \$ 1,129,751 | \$ (84,507) |
| Personnel Benefits | 962,605 | 962,605 | 446,716 | 479,360 | (36,529) |
| Supplies | 42,692 | 42,092 | 15,020 | 20,136 | (6,936) |
| Other Services and Charges | 428,186 | 437,886 | 145,943 | 180,855 | (111,088) |
| Interfund Charges | 485,115 | 485,115 | 240,178 | 242,099 | (2,838) |
| Total County Clerk | \$ 4,246,247 | \$ 4,246,247 | \$ 1,952,148 | \$ 2,052,201 | \$ (241,898) |
| <u>District Court</u> | | | | | |
| Personnel | \$ 3,658,710 | \$ 3,628,710 | \$ 1,781,218 | \$ 1,830,254 | \$ (17,238) |
| Personnel Benefits | 1,315,131 | 1,280,131 | 610,891 | 658,379 | (10,862) |
| Supplies | 109,344 | 126,344 | 56,868 | 65,878 | (3,598) |
| Other Services and Charges | 668,485 | 724,485 | 342,733 | 361,192 | (20,560) |
| Interfund Charges | 484,254 | 476,254 | 232,146 | 236,243 | (7,866) |
| Total District Court | \$ 6,235,924 | \$ 6,235,924 | \$ 3,023,855 | \$ 3,151,946 | \$ (60,123) |
| <u>County Auditor</u> | | | | | |
| Personnel | \$ 1,670,317 | \$ 1,670,317 | \$ 815,766 | \$ 843,026 | \$ (11,525) |
| Personnel Benefits | 646,157 | 646,157 | 300,462 | 324,252 | (21,443) |
| Supplies | 19,302 | 20,851 | 11,106 | 9,183 | (562) |
| Other Services and Charges | 94,955 | 93,406 | 46,446 | 41,812 | (5,148) |
| Interfund Charges | 580,963 | 580,963 | 288,232 | 290,533 | (2,198) |
| Total County Auditor | \$ 3,011,694 | \$ 3,011,694 | \$ 1,462,011 | \$ 1,508,807 | \$ (40,876) |

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>County Treasurer</u> | | | | | |
| Personnel | \$ 1,309,905 | \$ 1,271,505 | \$ 612,776 | \$ 642,348 | \$ (16,381) |
| Personnel Benefits | 505,266 | 509,066 | 231,280 | 252,796 | (24,990) |
| Supplies | 26,732 | 31,932 | 13,122 | 17,768 | (1,042) |
| Other Services and Charges | 161,542 | 190,942 | 88,159 | 86,150 | (16,633) |
| Interfund Charges | 504,159 | 504,159 | 246,947 | 246,778 | (10,434) |
| Total County Treasurer | \$ 2,507,604 | \$ 2,507,604 | \$ 1,192,285 | \$ 1,245,840 | \$ (69,479) |
| <u>Board of Equalization</u> | | | | | |
| Personnel | \$ 57,417 | \$ 54,377 | \$ 26,393 | \$ 25,500 | \$ (2,484) |
| Personnel Benefits | 4,392 | 4,392 | 2,019 | 1,951 | (422) |
| Supplies | 800 | 800 | 279 | 154 | (367) |
| Other Services and Charges | 8,928 | 11,968 | 5,581 | 4,671 | (1,716) |
| Interfund Charges | 7,921 | 7,921 | 3,653 | 3,723 | (545) |
| Total Board of Equalization | \$ 79,458 | \$ 79,458 | \$ 37,925 | \$ 35,998 | \$ (5,535) |
| <u>County Assessor</u> | | | | | |
| Personnel | \$ 2,561,127 | \$ 2,538,527 | \$ 1,151,236 | \$ 1,228,279 | \$ (159,011) |
| Personnel Benefits | 961,258 | 961,258 | 421,227 | 466,566 | (73,464) |
| Supplies | 36,714 | 35,714 | 16,129 | 13,705 | (5,880) |
| Other Services and Charges | 75,676 | 90,476 | 37,574 | 35,705 | (17,197) |
| Interfund Charges | 744,371 | 753,171 | 365,126 | 377,893 | (10,152) |
| Total County Assessor | \$ 4,379,146 | \$ 4,379,146 | \$ 1,991,293 | \$ 2,122,148 | \$ (265,705) |
| <u>County Prosecuting Attorney</u> | | | | | |
| Personnel | \$ 5,621,462 | \$ 5,623,867 | \$ 2,617,135 | \$ 2,752,850 | \$ (253,882) |
| Personnel Benefits | 1,984,750 | 1,984,750 | 893,750 | 984,875 | (106,125) |
| Supplies | 75,932 | 81,422 | 35,404 | 37,992 | (8,026) |
| Other Services and Charges | 384,771 | 379,281 | 152,664 | 147,060 | (79,557) |
| Interfund Charges | 451,774 | 451,774 | 220,402 | 223,282 | (8,090) |
| Total County Prosecuting Attorney | \$ 8,518,689 | \$ 8,521,094 | \$ 3,919,355 | \$ 4,146,059 | \$ (455,680) |
| <u>Personnel Department</u> | | | | | |
| Personnel | \$ 329,107 | \$ 314,372 | \$ 161,179 | \$ 151,883 | \$ (1,310) |
| Personnel Benefits | 117,192 | 117,192 | 53,821 | 55,130 | (8,241) |
| Supplies | 9,000 | 8,137 | 915 | 1,189 | (6,033) |
| Other Services and Charges | 41,852 | 57,450 | 21,466 | 34,844 | (1,140) |
| Interfund Charges | 66,808 | 66,808 | 32,125 | 31,874 | (2,810) |
| Total Personnel Department | \$ 563,959 | \$ 563,959 | \$ 269,506 | \$ 274,919 | \$ (19,534) |
| <u>L.E.O.F.F.</u> | | | | | |
| Personnel Benefits | \$ 341,362 | \$ 344,079 | \$ 162,215 | \$ 180,013 | \$ (1,851) |
| Other Services and Charges | 97,302 | 94,585 | 44,293 | 45,390 | (4,902) |
| Total L.E.O.F.F. | \$ 438,664 | \$ 438,664 | \$ 206,508 | \$ 225,403 | \$ (6,753) |

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>GIS Department</u> | | | | | |
| Personnel | \$ 354,238 | \$ 354,238 | \$ 174,198 | \$ 179,160 | \$ (881) |
| Personnel Benefits | 132,854 | 131,354 | 62,222 | 67,006 | (2,126) |
| Supplies | 2,000 | 3,500 | 676 | 2,468 | (356) |
| Other Services and Charges | 12,186 | 12,186 | 4,907 | 5,589 | (1,690) |
| Interfund Charges | 140,089 | 140,089 | 69,110 | 67,545 | (3,435) |
| Total GIS Department | \$ 641,367 | \$ 641,367 | \$ 311,112 | \$ 321,767 | \$ (8,488) |
| <u>Indigent Public Defense</u> | | | | | |
| Personnel | \$ 527,043 | \$ 505,774 | \$ 250,908 | \$ 254,846 | \$ (20) |
| Personnel Benefits | 187,069 | 170,079 | 83,951 | 85,209 | (919) |
| Supplies | 9,674 | 6,650 | 2,998 | 3,649 | (3) |
| Other Services and Charges | 4,091,198 | 4,210,906 | 2,094,863 | 2,108,087 | (7,956) |
| Interfund Charges | 59,914 | 60,429 | 29,540 | 29,688 | (1,201) |
| Total Indigent Public Defense Department | \$ 4,874,898 | \$ 4,953,838 | \$ 2,462,260 | \$ 2,481,479 | \$ (10,099) |
| <u>Adult & Juvenile Drug Court</u> | | | | | |
| Personnel | \$ 91,258 | \$ 186,251 | \$ 87,049 | \$ 88,131 | \$ (11,071) |
| Personnel Benefits | 27,701 | 57,957 | 26,968 | 27,663 | (3,326) |
| Supplies | 3,250 | 8,000 | 1,400 | 4,934 | (1,666) |
| Other Services and Charges | 74,990 | 148,916 | 69,084 | 49,857 | (29,975) |
| Intergovernmental Services | 316 | 316 | 306 | - | (10) |
| Interfund Charges | 1,342 | 2,730 | 886 | 1,845 | 1 |
| Total Adult & Juvenile Drug Court | \$ 198,857 | \$ 404,170 | \$ 185,693 | \$ 172,430 | \$ (46,047) |
| <u>Non-Departmental</u> | | | | | |
| Personnel Benefits | \$ 150,800 | \$ 150,800 | \$ 23,405 | \$ 0 | \$ (127,395) |
| Other Services and Charges | 577,982 | 491,482 | 205,806 | 174,836 | (110,840) |
| Intergovernmental Services | 8,796 | 8,796 | 2,221 | 2,341 | (4,234) |
| Transfers Out | 8,387,883 | 15,173,411 | 4,151,149 | 10,750,107 | (272,155) |
| Total Non-Departmental | \$ 9,125,461 | \$ 15,824,489 | \$ 4,382,581 | \$ 10,927,284 | \$ (514,624) |
| TOTAL GENERAL GOVERNMENT | \$ 52,094,523 | \$ 59,086,878 | \$ 24,885,050 | \$ 32,195,229 | \$ (2,006,599) |
| <u>PUBLIC SAFETY</u> | | | | | |
| <u>County Sheriff-Administration</u> | | | | | |
| Personnel | \$ 1,167,907 | \$ 1,171,822 | \$ 572,866 | \$ 593,342 | \$ (5,613) |
| Personnel Benefits | 362,481 | 373,931 | 179,851 | 185,200 | (8,879) |
| Supplies | 26,370 | 33,136 | 14,634 | 13,719 | (4,783) |
| Other Services and Charges | 54,522 | 47,672 | 20,880 | 17,952 | (8,840) |
| Intergovernmental Services | 1,061 | 1,061 | 481 | 257 | (323) |
| Interfund Charges | 192,250 | 192,884 | 92,202 | 97,271 | (3,411) |
| Total County Sheriff-Administration | \$ 1,804,591 | \$ 1,820,506 | \$ 880,915 | \$ 907,743 | \$ (31,848) |
| <u>Civil Service</u> | | | | | |
| Personnel | \$ 48,411 | \$ 48,411 | \$ 23,910 | \$ 24,384 | \$ (117) |
| Personnel Benefits | 20,099 | 20,099 | 9,400 | 10,172 | (527) |
| Supplies | 6,000 | 11,000 | 6,328 | 954 | (3,718) |
| Other Services and Charges | 68,110 | 63,110 | 10,565 | 10,316 | (42,229) |
| Interfund Charges | 25,997 | 25,997 | 12,998 | 13,000 | 0 |
| Total Civil Service | \$ 168,617 | \$ 168,617 | \$ 63,200 | \$ 58,826 | \$ (46,591) |

BENTON COUNTY, WASHINGTON

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|--------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>County Sheriff-Patrol</u> | | | | | |
| Personnel | \$ 7,207,085 | \$ 7,933,724 | \$ 3,671,169 | \$ 4,056,288 | \$ (206,267) |
| Personnel Benefits | 2,160,531 | 2,153,006 | 1,031,029 | 1,071,831 | (50,146) |
| Supplies | 449,414 | 782,977 | 350,196 | 378,929 | (53,852) |
| Other Services and Charges | 254,747 | 251,535 | 100,988 | 116,021 | (34,526) |
| Intergovernmental Services | 197,335 | 220,885 | 90,252 | 128,635 | (1,999) |
| Interfund Charges | 1,332,606 | 1,436,358 | 678,726 | 740,039 | (17,593) |
| Total County Sheriff-Patrol | \$ 11,601,718 | \$ 12,778,485 | \$ 5,922,360 | \$ 6,491,742 | \$ (364,383) |
| <u>County Sheriff-Traffic Control</u> | | | | | |
| Personnel | \$ 600,783 | \$ 576,526 | \$ 282,034 | \$ 285,308 | \$ (9,184) |
| Personnel Benefits | 184,058 | 163,508 | 75,194 | 83,030 | (5,284) |
| Supplies | 47,424 | 60,624 | 29,373 | 29,813 | (1,438) |
| Other Services and Charges | 14,300 | 9,741 | 1,302 | 6,040 | (2,399) |
| Intergovernmental Services | 2,426 | 5,585 | 1,692 | 3,893 | (0) |
| Interfund Charges | 66,267 | 66,267 | 29,843 | 34,737 | (1,687) |
| Total County Sheriff-Traffic Control | \$ 915,258 | \$ 882,251 | \$ 419,437 | \$ 442,822 | \$ (19,992) |
| <u>County Sheriff-Corrections</u> | | | | | |
| Personnel | \$ 17,480,392 | \$ 17,413,819 | \$ 8,628,181 | \$ 8,634,020 | \$ (151,618) |
| Personnel Benefits | 6,684,081 | 6,590,181 | 3,084,081 | 3,215,177 | (290,924) |
| Supplies | 1,085,016 | 1,239,756 | 662,414 | 426,855 | (150,487) |
| Other Services and Charges | 3,487,964 | 3,443,313 | 1,715,894 | 1,640,846 | (86,573) |
| Intergovernmental Services | 308,202 | 397,250 | 182,373 | 213,642 | (1,235) |
| Interfund Charges | 3,187,042 | 3,186,955 | 1,534,981 | 1,611,038 | (40,936) |
| Total County Sheriff-Corrections | \$ 32,232,697 | \$ 32,271,274 | \$ 15,807,923 | \$ 15,741,578 | \$ (721,773) |
| <u>County Sheriff-Communications and Records</u> | | | | | |
| Personnel | \$ 643,556 | \$ 611,556 | \$ 285,647 | \$ 315,171 | \$ (10,738) |
| Personnel Benefits | 256,308 | 258,098 | 113,443 | 129,157 | (15,498) |
| Supplies | 13,812 | 11,412 | 5,277 | 5,238 | (897) |
| Other Services and Charges | 36,467 | 38,777 | 19,703 | 15,512 | (3,562) |
| Intergovernmental Services | 1,365,455 | 1,323,912 | 653,188 | 668,187 | (2,537) |
| Interfund Charges | 124,281 | 124,581 | 60,628 | 61,352 | (2,601) |
| Total County Sheriff-Communications and Records | \$ 2,439,879 | \$ 2,368,336 | \$ 1,137,886 | \$ 1,194,617 | \$ (35,833) |
| <u>Animal Control</u> | | | | | |
| Personnel | \$ 260,076 | \$ 224,901 | \$ 119,182 | \$ 98,060 | \$ (7,658) |
| Personnel Benefits | 91,293 | 93,061 | 41,789 | 40,471 | (10,801) |
| Supplies | 36,100 | 33,928 | 11,692 | 16,879 | (5,357) |
| Other Services and Charges | 13,550 | 43,160 | 16,422 | 20,976 | (5,762) |
| Intergovernmental Services | - | 487 | - | 487 | (0) |
| Interfund Charges | 12,832 | 18,314 | 7,084 | 10,843 | (387) |
| Total Animal control | \$ 413,851 | \$ 413,851 | \$ 196,169 | \$ 187,716 | \$ (29,966) |
| <u>Non-Departmental</u> | | | | | |
| Intergovernmental Services | \$ 55,902 | \$ 55,902 | \$ 24,756 | \$ 19,298 | \$ (11,848) |
| Total Non-Departmental | \$ 55,902 | \$ 55,902 | \$ 24,756 | \$ 19,298 | \$ (11,848) |
| TOTAL PUBLIC SAFETY | \$ 49,632,513 | \$ 50,759,222 | \$ 24,452,647 | \$ 25,044,342 | \$ (1,262,233) |

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|-----------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <i>PHYSICAL ENVIRONMENT</i> | | | | | |
| <u>Facilities Department</u> | | | | | |
| Personnel | \$ 742,622 | \$ 799,775 | \$ 382,576 | \$ 358,497 | \$ (58,702) |
| Personnel Benefits | 301,765 | 310,787 | 146,269 | 147,642 | (16,876) |
| Supplies | 171,140 | 153,359 | 62,585 | 67,841 | (22,933) |
| Other Services and Charges | 1,105,800 | 1,059,449 | 522,914 | 504,359 | (32,175) |
| Interfund Charges | 198,630 | 185,839 | 92,070 | 91,700 | (2,069) |
| Total Facilities Department | \$ 2,519,957 | \$ 2,509,209 | \$ 1,206,415 | \$ 1,170,039 | \$ (132,755) |
| <u>Non-Departmental</u> | | | | | |
| Intergovernmental Services | \$ 68,782 | \$ 69,586 | \$ 34,390 | \$ 35,195 | \$ (1) |
| Total Non-Departmental | \$ 68,782 | \$ 69,586 | \$ 34,390 | \$ 35,195 | \$ (1) |
| TOTAL PHYSICAL ENVIRONMENT | \$ 2,588,739 | \$ 2,578,795 | \$ 1,240,805 | \$ 1,205,235 | \$ (132,755) |
| <i>ECONOMIC ENVIRONMENT</i> | | | | | |
| <u>Planning Department</u> | | | | | |
| Personnel | \$ 813,932 | \$ 813,932 | \$ 397,434 | \$ 414,217 | \$ (2,282) |
| Personnel Benefits | 301,574 | 301,574 | 139,281 | 151,046 | (11,248) |
| Supplies | 10,270 | 12,170 | 3,771 | 6,406 | (1,993) |
| Other Services and Charges | 61,510 | 152,810 | 23,546 | 100,769 | (28,495) |
| Interfund Charges | 131,726 | 131,726 | 66,109 | 61,337 | (4,280) |
| Total Planning Department | \$ 1,319,012 | \$ 1,412,212 | \$ 630,140 | \$ 733,775 | \$ (48,297) |
| TOTAL ECONOMIC ENVIRONMENT | \$ 1,319,012 | \$ 1,412,212 | \$ 630,140 | \$ 733,775 | \$ (48,297) |
| <i>MENTAL AND PHYSICAL HEALTH</i> | | | | | |
| <u>County Coroner</u> | | | | | |
| Personnel | \$ 317,395 | \$ 353,395 | \$ 168,154 | \$ 180,263 | \$ (4,978) |
| Personnel Benefits | 102,221 | 89,721 | 42,583 | 45,830 | (1,308) |
| Supplies | 13,208 | 18,408 | 7,259 | 9,487 | (1,662) |
| Other Services and Charges | 186,670 | 173,470 | 90,104 | 48,984 | (34,382) |
| Interfund Charges | 57,723 | 63,223 | 31,098 | 31,742 | (383) |
| Total County Coroner | \$ 677,217 | \$ 698,217 | \$ 339,198 | \$ 316,306 | \$ (42,713) |
| <u>TB Hospital</u> | | | | | |
| Supplies | \$ 24,600 | \$ 24,600 | \$ 1,808 | \$ (70) | \$ (22,862) |
| Other Services and Charges | 22,500 | 22,500 | 2,237 | 2,339 | (17,924) |
| Intergovernmental Services | 93,750 | 93,750 | 46,875 | 42,969 | (3,906) |
| Total TB Hospital | \$ 140,850 | \$ 140,850 | \$ 50,920 | \$ 45,238 | \$ (44,692) |
| <u>Non-Department</u> | | | | | |
| Intergovernmental Services | \$ 737,470 | \$ 765,318 | \$ 368,735 | \$ 396,582 | \$ (1) |
| Total Non-Departmental | \$ 737,470 | \$ 765,318 | \$ 368,735 | \$ 396,582 | \$ (1) |
| TOTAL MENTAL AND PHYSICAL HEALTH | \$ 1,555,537 | \$ 1,604,385 | \$ 758,854 | \$ 758,126 | \$ (87,405) |

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|---------------------------------|--------------------------------|-----------------------------|----------------------|----------------------|-----------------------------------------------|
| <i>CULTURE AND RECREATION</i> | | | | | |
| <u>WSU Extension Department</u> | | | | | |
| Personnel | \$ 205,135 | \$ 199,405 | \$ 85,397 | \$ 81,253 | \$ (32,755) |
| Personnel Benefits | 50,810 | 50,810 | 21,502 | 22,926 | (6,382) |
| Supplies | 12,162 | 14,306 | 4,690 | 8,676 | (940) |
| Other Services and Charges | 205,030 | 204,886 | 93,940 | 103,061 | (7,885) |
| Intergovernmental Services | 0 | 0 | 174 | 0 | 174 |
| Interfund Charges | 83,879 | 87,609 | 41,257 | 44,503 | (1,849) |
| Total WSU Extension Department | \$ <u>557,016</u> | \$ <u>557,016</u> | \$ <u>246,960</u> | \$ <u>260,419</u> | \$ <u>(49,637)</u> |
| <u>Parks Department</u> | | | | | |
| Personnel | \$ 247,897 | \$ 211,141 | \$ 93,751 | \$ 88,477 | \$ (28,914) |
| Personnel Benefits | 97,069 | 97,269 | 35,798 | 36,389 | (25,082) |
| Supplies | 46,788 | 62,135 | 18,902 | 30,305 | (12,928) |
| Other Services and Charges | 46,904 | 67,813 | 30,550 | 32,822 | (4,441) |
| Interfund Charges | 27,574 | 27,874 | 14,365 | 13,324 | (185) |
| Total Parks Department | \$ <u>466,232</u> | \$ <u>466,232</u> | \$ <u>193,365</u> | \$ <u>201,317</u> | \$ <u>(71,550)</u> |
| TOTAL CULTURE AND RECREATION | \$ <u>1,023,248</u> | \$ <u>1,023,248</u> | \$ <u>440,325</u> | \$ <u>461,735</u> | \$ <u>(121,188)</u> |
| <i>CAPITAL OUTLAY</i> | | | | | |
| Public Safety | \$ 886,328 | \$ 970,864 | \$ 683,383 | \$ 285,465 | \$ (2,016) |
| Physical Environment | 0 | 10,748 | 0 | 10,747 | (1) |
| TOTAL CAPITAL OUTLAY | \$ <u>886,328</u> | \$ <u>981,612</u> | \$ <u>683,383</u> | \$ <u>296,213</u> | \$ <u>(2,016)</u> |
| TOTAL EXPENDITURES | \$ <u>109,099,900</u> | \$ <u>117,446,352</u> | \$ <u>53,091,204</u> | \$ <u>60,694,654</u> | \$ <u>(3,660,494)</u> |

BENTON COUNTY, WASHINGTON

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

Capital Acquisition

Years Ended December 31, 2011 and 2012

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------------|----------------------|--------------------------------------------------|
| <u>Revenues</u> | | | | | |
| Other Taxes | \$ 130,000 | \$ 130,000 | \$ 100,801 | \$ 46,955 | \$ 17,756 |
| Intergovernmental Revenues | 2,170,000 | 2,170,000 | 483,880 | 550,601 | (1,135,519) |
| Charges for Services | 0 | 0 | 0 | 20,777 | 20,777 |
| Miscellaneous Revenues | 200,000 | 200,000 | 683,412 | 118,000 | 601,412 |
| Total Revenues | <u>2,500,000</u> | <u>2,500,000</u> | <u>1,268,093</u> | <u>736,333</u> | <u>(495,574)</u> |
| <u>Expenditures</u> | | | | | |
| Economic Environment | 100,000 | 100,000 | 0 | 50,000 | (50,000) |
| Capital Outlay | 10,300,000 | 10,300,000 | 660,767 | 464,235 | (9,174,998) |
| Total Expenditures | <u>10,400,000</u> | <u>10,400,000</u> | <u>660,767</u> | <u>514,235</u> | <u>(9,224,998)</u> |
| Excess (Deficiency) of Revenues over Expenditures | (7,900,000) | (7,900,000) | 607,326 | 222,098 | 8,729,424 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Proceeds of Capital Assets | 0 | 0 | 0 | 33,376 | 33,376 |
| Transfers In | 0 | 0 | 0 | 6,322,237 | 6,322,237 |
| Total Other Financing Sources (Uses) | <u>0</u> | <u>0</u> | <u>0</u> | <u>6,355,613</u> | <u>6,355,613</u> |
| Excess (Deficiency) of Revenues and Other Sources over Expenditures | (7,900,000) | (7,900,000) | 607,326 | 6,577,711 | 15,085,037 |
| Fund Balance, January 1 | 8,900,000 | 8,900,000 | 15,728,856 | 16,336,182 | 23,165,038 |
| Fund Balance, December 31 | <u>\$ 1,000,000</u> | <u>\$ 1,000,000</u> | <u>\$ 16,336,182</u> | <u>\$ 22,913,893</u> | <u>\$ 38,250,075</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Years Ended December 31, 2011 and 2012

| County Road Improvement | | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 1,200,000 | \$ 1,200,000 | \$ 688,782 | \$ 784,146 | \$ 272,928 |
| Interest Earnings | 3,000 | 3,000 | 1,629 | 3,202 | 1,831 |
| Total Revenues | 1,203,000 | 1,203,000 | 690,411 | 787,348 | 274,759 |
| <u>Expenditures</u> | | | | | |
| Transportation | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues over Expenditures | 1,203,000 | 1,203,000 | 690,411 | 787,348 | 274,759 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (1,200,000) | (1,200,000) | 0 | (1,200,000) | 0 |
| Total Other Sources (Uses) | (1,200,000) | (1,200,000) | 0 | (1,200,000) | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | 3,000 | 3,000 | 690,411 | (412,652) | 274,759 |
| Fund Balance as of January 1 | 691,000 | 691,000 | 691,560 | 1,381,971 | 1,382,531 |
| Fund Balance as of December 31 | \$ 694,000 | \$ 694,000 | \$ 1,381,971 | \$ 969,319 | \$ 1,657,290 |

| Flood Control | | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 2,000 | \$ 2,000 | \$ 900 | \$ 885 | \$ (215) |
| Interest Earnings | 300 | 300 | 115 | 117 | (68) |
| Total Revenues | 2,300 | 2,300 | 1,015 | 1,002 | (283) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues over Expenditures | 2,300 | 2,300 | 1,015 | 1,002 | (283) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (113,750) | (113,750) | 0 | 0 | 113,750 |
| Total Other Sources (Uses) | (113,750) | (113,750) | 0 | 0 | 113,750 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (111,450) | (111,450) | 1,015 | 1,002 | 113,467 |
| Fund Balance as of January 1 | 111,450 | 111,450 | 56,615 | 57,630 | 2,795 |
| Fund Balance as of December 31 | \$ 0 | \$ 0 | \$ 57,630 | \$ 58,633 | \$ 116,263 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Years Ended December 31, 2011 and 2012

| Veteran's Assistance | | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|-------------------|-------------------|-----------------------------------------------|
| <u>Revenues</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| Taxes | \$ 350,000 | \$ 350,000 | \$ 156,911 | \$ 165,598 | \$ (27,491) |
| Intergovernmental | 7,000 | 7,000 | 4,238 | 5,014 | 2,252 |
| Miscellaneous | 0 | 0 | 146 | 170 | 316 |
| Total Revenues | <u>357,000</u> | <u>357,000</u> | <u>161,295</u> | <u>170,782</u> | <u>(24,923)</u> |
| | | | | | |
| <u>Expenditures</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| Economic Environment | 313,027 | 313,027 | 133,886 | 122,182 | (56,960) |
| Total Expenditures | <u>313,027</u> | <u>313,027</u> | <u>133,886</u> | <u>122,182</u> | <u>(56,960)</u> |
| | | | | | |
| Excess (Deficiency) of Revenues over Expenditures | 43,973 | 43,973 | 27,409 | 48,601 | 32,037 |
| Fund Balance as of January 1 | 95,000 | 95,000 | 79,206 | 106,615 | 90,821 |
| Fund Balance as of December 31 | <u>\$ 138,973</u> | <u>\$ 138,973</u> | <u>\$ 106,615</u> | <u>\$ 155,216</u> | <u>\$ 122,858</u> |

| Auditor's O & M | | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|-------------------|-------------------|-----------------------------------------------|
| <u>Revenues</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| Intergovernmental | \$ 200,000 | \$ 200,000 | \$ 84,611 | \$ 79,030 | \$ (36,359) |
| Charges For Services | 160,000 | 160,000 | 76,925 | 83,873 | 798 |
| Total Revenues | <u>360,000</u> | <u>360,000</u> | <u>161,536</u> | <u>162,903</u> | <u>(35,561)</u> |
| | | | | | |
| <u>Expenditures</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| General Government Services | 594,030 | 594,030 | 167,202 | 176,212 | (250,616) |
| Capital Outlay | 128,835 | 128,835 | 11,366 | 0 | (117,469) |
| Total Expenditures | <u>722,865</u> | <u>722,865</u> | <u>178,568</u> | <u>176,212</u> | <u>(368,085)</u> |
| | | | | | |
| Excess (Deficiency) of Revenues over Expenditures | (362,865) | (362,865) | (17,032) | (13,309) | 332,524 |
| Fund Balance as of January 1 | 363,206 | 363,206 | 499,644 | 482,612 | 619,050 |
| Fund Balance as of December 31 | <u>\$ 341</u> | <u>\$ 341</u> | <u>\$ 482,612</u> | <u>\$ 469,303</u> | <u>\$ 951,574</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Years Ended December 31, 2011 and 2012

Treasurer's Investment Pool

| Revenues | Original | Final | 2011 | 2012 | Variance with |
|---------------------------------------------------|----------|-----------|--------|-------------|---------------|
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| | Budget | Budget | Actual | Actual | Over (Under) |
| Interest Earnings | \$ 5,000 | \$ 73,000 | \$ 0 | \$ 22,301 | \$ (50,699) |
| Total Revenues | 5,000 | 73,000 | 0 | 22,301 | (50,699) |
| Expenditures | | | | | |
| General Government Services | 0 | 22,000 | 0 | 17,968 | (4,032) |
| Capital Outlay | 0 | 51,000 | 0 | 38,120 | (12,880) |
| Total Expenditures | 0 | 73,000 | 0 | 56,088 | (16,912) |
| Excess (Deficiency) of Revenues over Expenditures | 5,000 | 0 | 0 | (33,787) | (33,787) |
| Fund Balance as of January 1 | 752 | 752 | 752 | 752 | 752 |
| Fund Balance as of December 31 | \$ 5,752 | \$ 752 | \$ 752 | \$ (33,035) | \$ (33,035) |

Park Development

| Revenues | Original | Final | 2011 | 2012 | Variance with |
|----------------------------------------------------------------------------------------------|-----------|--------------|------------|------------|---------------|
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| | Budget | Budget | Actual | Actual | Over (Under) |
| Charges For Services | \$ 25,000 | \$ 25,000 | \$ 18,398 | \$ 14,471 | \$ 7,869 |
| Interest Earnings | 2,000 | 2,000 | 183 | 602 | (1,215) |
| Donations | 2,000 | 2,000 | 923 | 726 | (351) |
| Miscellaneous | 4,900 | 4,900 | 3,756 | 4,641 | 3,497 |
| Total Revenues | 33,900 | 33,900 | 23,260 | 20,440 | 9,800 |
| Expenditures | | | | | |
| Culture and Recreation | 50,000 | 164,153 | 14,152 | 36,011 | (113,990) |
| Capital Outlay | 47,771 | 133,618 | 75,164 | 19,975 | (38,479) |
| Total Expenditures | 97,771 | 297,771 | 89,316 | 55,986 | (152,469) |
| Excess (Deficiency) of Revenues over Expenditures | (63,871) | (263,871) | (66,056) | (35,546) | 162,269 |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 0 | 0 | 0 | 100,000 | 100,000 |
| Total Other Sources (Uses) | 0 | 0 | 0 | 100,000 | 100,000 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (63,871) | (263,871) | (66,056) | 64,454 | 262,269 |
| Fund Balance as of January 1 | 63,871 | 63,871 | 378,103 | 312,047 | 626,279 |
| Fund Balance as of December 31 | \$ 0 | \$ (200,000) | \$ 312,047 | \$ 376,501 | \$ 888,548 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| | Election Reserve | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 0 | \$ 0 | \$ 0 | \$ 7,736 | \$ 7,736 |
| Charges For Services | 854,775 | 854,775 | 464,990 | 336,472 | (53,314) |
| Miscellaneous | 0 | 0 | 0 | 4 | 4 |
| Total Revenues | 854,775 | 854,775 | 464,990 | 344,212 | (45,574) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 1,882,016 | 1,882,016 | 708,464 | 815,182 | (358,370) |
| Total Expenditures | 1,882,016 | 1,882,016 | 708,464 | 815,182 | (358,370) |
| Excess (Deficiency) of Revenues over Expenditures | (1,027,241) | (1,027,241) | (243,474) | (470,971) | 312,796 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 1,000,000 | 1,000,000 | 500,000 | 0 | (500,000) |
| Total Other Sources (Uses) | 1,000,000 | 1,000,000 | 500,000 | 0 | (500,000) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (27,241) | (27,241) | 256,526 | (470,971) | (187,204) |
| Fund Balance as of January 1 | 1,244,005 | 1,244,005 | 1,407,843 | 1,664,369 | 1,828,207 |
| Fund Balance as of December 31 | \$ 1,216,764 | \$ 1,216,764 | \$ 1,664,369 | \$ 1,193,398 | \$ 1,641,003 |

| | Treasurer's O & M | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Charges For Services | \$ 226,000 | \$ 226,000 | \$ 99,120 | \$ 91,381 | \$ (35,500) |
| Interest Earnings | 3,300 | 3,300 | 565 | 553 | (2,182) |
| Miscellaneous | 0 | 0 | 400 | 597 | 997 |
| Total Revenues | 229,300 | 229,300 | 100,085 | 92,531 | (36,685) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 405,871 | 409,871 | 127,948 | 129,666 | (152,257) |
| Capital Outlay | 4,000 | 0 | 0 | 0 | 0 |
| Total Expenditures | 409,871 | 409,871 | 127,948 | 129,666 | (152,257) |
| Excess (Deficiency) of Revenues over Expenditures | (180,571) | (180,571) | (27,863) | (37,136) | 115,572 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Sale of Fixed Assets | 1,000 | 1,000 | 0 | 0 | (1,000) |
| Total Other Sources (Uses) | 1,000 | 1,000 | 0 | 0 | (1,000) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (179,571) | (179,571) | (27,863) | (37,136) | 114,572 |
| Fund Balance as of January 1 | 343,005 | 343,005 | 341,260 | 313,397 | 311,652 |
| Fund Balance as of December 31 | \$ 163,434 | \$ 163,434 | \$ 313,397 | \$ 276,261 | \$ 426,224 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| | Paths and Trails Reserve | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 30,625 | \$ 30,625 | \$ 14,817 | \$ 14,769 | \$ (1,039) |
| Interest Earnings | 125 | 125 | 70 | 139 | 84 |
| Total Revenues | 30,750 | 30,750 | 14,887 | 14,908 | (955) |
| <u>Expenditures</u> | | | | | |
| Culture and Recreation | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues over Expenditures | 30,750 | 30,750 | 14,887 | 14,908 | (955) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (100,889) | (100,889) | (67) | (64) | 100,758 |
| Total Other Sources (Uses) | (100,889) | (100,889) | (67) | (64) | 100,758 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (70,139) | (70,139) | 14,820 | 14,844 | 99,803 |
| Fund Balance as of January 1 | 70,139 | 70,139 | 34,772 | 49,592 | 14,225 |
| Fund Balance as of December 31 | \$ 0 | \$ 0 | \$ 49,592 | \$ 64,436 | \$ 114,028 |

| | Benton Franklin Juvenile Center | | | | |
|----------------------------------------------------------------------------------------------------|---------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 6,633,070 | \$ 6,633,070 | \$ 3,144,819 | \$ 3,210,839 | \$ (277,412) |
| Charges For Services | 439,962 | 439,962 | 146,573 | 153,662 | (139,727) |
| Donations | 335,944 | 335,944 | 278,892 | 75,253 | 18,201 |
| Miscellaneous | 0 | 0 | 8,418 | 1,986 | 10,404 |
| Total Revenues | 7,408,976 | 7,408,976 | 3,578,702 | 3,441,740 | (388,534) |
| <u>Expenditures</u> | | | | | |
| Public Safety | 15,486,058 | 15,486,058 | 7,097,490 | 7,081,355 | (1,307,213) |
| Capital Outlay | 0 | 0 | 12,772 | 0 | 12,772 |
| Total Expenditures | 15,486,058 | 15,486,058 | 7,110,262 | 7,081,355 | (1,294,441) |
| Excess (Deficiency) of Revenues over Expenditures | (8,077,082) | (8,077,082) | (3,531,560) | (3,639,615) | 905,907 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 7,446,247 | 7,446,247 | 3,682,171 | 3,741,080 | (22,997) |
| Transfers Out | (24,000) | (24,000) | (12,000) | (12,000) | 0 |
| Total Other Sources (Uses) | 7,422,247 | 7,422,247 | 3,670,171 | 3,729,080 | (22,997) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (654,835) | (654,835) | 138,611 | 89,464 | 882,910 |
| Fund Balance as of January 1 | 1,008,885 | 1,008,885 | 1,124,413 | 1,263,024 | 1,378,552 |
| Fund Balance as of December 31 | \$ 354,050 | \$ 354,050 | \$ 1,263,024 | \$ 1,352,488 | \$ 2,261,462 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Years Ended December 31, 2011 and 2012

| | Inmate Benevolence | | | | |
|--------------------------------|--------------------|------------------|-------------------|-------------------|---------------------|
| | Original | Final | 2011 | 2012 | Variance with |
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| <u>Revenues</u> | <u>Budget</u> | <u>Budget</u> | <u>Actual</u> | <u>Actual</u> | <u>Over (Under)</u> |
| Charges For Services | \$ 1,004,200 | \$ 1,004,200 | \$ 453,343 | \$ 397,058 | \$ (153,799) |
| Miscellaneous | 304,200 | 304,200 | 154,310 | 187,856 | 37,966 |
| Total Revenues | <u>1,308,400</u> | <u>1,308,400</u> | <u>607,653</u> | <u>584,914</u> | <u>(115,833)</u> |
| <u>Expenditures</u> | | | | | |
| Public Safety | 1,365,946 | 1,365,946 | 496,589 | 394,051 | (475,306) |
| Total Expenditures | <u>1,365,946</u> | <u>1,365,946</u> | <u>496,589</u> | <u>394,051</u> | <u>(475,306)</u> |
| Excess (Deficiency) of | | | | | |
| Revenues over Expenditures | (57,546) | (57,546) | 111,064 | 190,863 | 359,473 |
| Fund Balance as of January 1 | 59,000 | 59,000 | 22,173 | 133,237 | 96,410 |
| Fund Balance as of December 31 | <u>\$ 1,454</u> | <u>\$ 1,454</u> | <u>\$ 133,237</u> | <u>\$ 324,100</u> | <u>\$ 455,883</u> |

| | Crime Victim Compensation | | | | |
|--------------------------------|---------------------------|------------------|-------------------|-------------------|---------------------|
| | Original | Final | 2011 | 2012 | Variance with |
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| <u>Revenues</u> | <u>Budget</u> | <u>Budget</u> | <u>Actual</u> | <u>Actual</u> | <u>Over (Under)</u> |
| Intergovernmental | \$ 73,452 | \$ 73,452 | \$ 33,469 | \$ 36,684 | \$ (3,299) |
| Charges For Services | 400,000 | 400,000 | 221,866 | 220,895 | 42,761 |
| Donations | 0 | 0 | 1,000 | 0 | 1,000 |
| Total Revenues | <u>473,452</u> | <u>473,452</u> | <u>256,335</u> | <u>257,579</u> | <u>40,462</u> |
| <u>Expenditures</u> | | | | | |
| General Government Services | 613,583 | 613,583 | 257,668 | 261,809 | (94,106) |
| Total Expenditures | <u>613,583</u> | <u>613,583</u> | <u>257,668</u> | <u>261,809</u> | <u>(94,106)</u> |
| Excess (Deficiency) of | | | | | |
| Revenues over Expenditures | (140,131) | (140,131) | (1,333) | (4,230) | 134,568 |
| Fund Balance as of January 1 | 190,272 | 190,272 | 189,229 | 187,896 | 186,853 |
| Fund Balance as of December 31 | <u>\$ 50,141</u> | <u>\$ 50,141</u> | <u>\$ 187,896</u> | <u>\$ 183,666</u> | <u>\$ 321,421</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

Fairgrounds Operating Budget

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Miscellaneous | \$ 538,656 | \$ 538,656 | \$ 258,448 | \$ 248,441 | \$ (31,767) |
| Total Revenues | 538,656 | 538,656 | 258,448 | 248,441 | (31,767) |
| <u>Expenditures</u> | | | | | |
| Culture and Recreation | 957,868 | 960,898 | 413,190 | 392,837 | (154,872) |
| Capital Outlay | 618,638 | 615,608 | 71,783 | 69,510 | (474,315) |
| Total Expenditures | 1,576,506 | 1,576,506 | 484,973 | 462,347 | (629,187) |
| Excess (Deficiency) of Revenues over Expenditures | (1,037,850) | (1,037,850) | (226,525) | (213,905) | 597,420 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Sale of Fixed Assets | 0 | 0 | 6,567 | 0 | 6,567 |
| Transfers In | 522,670 | 522,670 | 100,000 | 473,274 | 50,604 |
| Transfers Out | 0 | 0 | 0 | 0 | 0 |
| Total Other Sources (Uses) | 522,670 | 522,670 | 106,567 | 473,274 | 57,171 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (515,180) | (515,180) | (119,958) | 259,369 | 654,591 |
| Fund Balance as of January 1 | 648,939 | 648,939 | 676,615 | 556,657 | 584,333 |
| Fund Balance as of December 31 | \$ 133,759 | \$ 133,759 | \$ 556,657 | \$ 816,026 | \$ 1,238,924 |

Sheriff's Investigations

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 20,000 | \$ 20,000 | \$ 10,975 | \$ 12,130 | \$ 3,105 |
| Fines and Forfeitures | 0 | 0 | 6,784 | (1,590) | 5,194 |
| Donations | 0 | 0 | 0 | 50 | 50 |
| Miscellaneous | 0 | 0 | 0 | 13,871 | 13,871 |
| Total Revenues | 20,000 | 20,000 | 17,759 | 24,461 | 22,220 |
| <u>Expenditures</u> | | | | | |
| Public Safety | 117,010 | 117,010 | 22,538 | 21,904 | (72,568) |
| Capital Outlay | 30,000 | 30,000 | 0 | 0 | (30,000) |
| Total Expenditures | 147,010 | 147,010 | 22,538 | 21,904 | (102,568) |
| Excess (Deficiency) of Revenues over Expenditures | (127,010) | (127,010) | (4,779) | 2,557 | 124,788 |
| Fund Balance as of January 1 | 180,000 | 180,000 | 182,851 | 178,072 | 180,923 |
| Fund Balance as of December 31 | \$ 52,990 | \$ 52,990 | \$ 178,072 | \$ 180,629 | \$ 305,711 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Years Ended December 31, 2011 and 2012

Canine and Boat Patrol

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 376,626 | \$ 409,570 | \$ 118,865 | \$ 74,075 | \$ (216,630) |
| Charges For Services | 1,000 | 1,000 | 0 | 0 | (1,000) |
| Donations | 0 | 0 | 129 | 396 | 525 |
| Total Revenues | 377,626 | 410,570 | 118,994 | 74,471 | (217,105) |
| <u>Expenditures</u> | | | | | |
| Public Safety | 341,233 | 296,289 | 130,657 | 141,219 | (24,413) |
| Capital Outlay | 0 | 44,944 | 0 | 43,372 | (1,572) |
| Total Expenditures | 341,233 | 341,233 | 130,657 | 184,591 | (25,985) |
| Excess (Deficiency) of Revenues over Expenditures | 36,393 | 69,337 | (11,663) | (110,120) | (191,120) |
| Fund Balance as of January 1 | 102,000 | 102,000 | 155,871 | 144,208 | 198,079 |
| Fund Balance as of December 31 | \$ 138,393 | \$ 171,337 | \$ 144,208 | \$ 34,088 | \$ 6,959 |

Treasurer's Service Fee

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Charges For Services | \$ 0 | \$ 0 | \$ 256 | \$ 418 | \$ 674 |
| Total Revenues | 0 | 0 | 256 | 418 | 674 |
| <u>Expenditures</u> | | | | | |
| General Government Services | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues over Expenditures | 0 | 0 | 256 | 418 | 674 |
| Fund Balance as of January 1 | 0 | 0 | 0 | 256 | 256 |
| Fund Balance as of December 31 | \$ 0 | \$ 0 | \$ 256 | \$ 674 | \$ 930 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

REET Technology

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Revenues | 0 | 0 | 0 | 0 | 0 |
| <u>Expenditures</u> | | | | | |
| General Government Services | 148,900 | 148,900 | 44,355 | 24,500 | (80,045) |
| Total Expenditures | 148,900 | 148,900 | 44,355 | 24,500 | (80,045) |
| Excess (Deficiency) of Revenues over Expenditures | (148,900) | (148,900) | (44,355) | (24,500) | 80,045 |
| Fund Balance as of January 1 | 148,900 | 148,900 | 148,891 | 104,536 | 104,527 |
| Fund Balance as of December 31 | \$ 0 | \$ 0 | \$ 104,536 | \$ 80,036 | \$ 184,572 |

1/4 Percent Real Estate Excise Tax

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Taxes | \$ 700,000 | \$ 700,000 | \$ 187,352 | \$ 375,420 | \$ (137,228) |
| Total Revenues | 700,000 | 700,000 | 187,352 | 375,420 | (137,228) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues over Expenditures | 700,000 | 700,000 | 187,352 | 375,420 | (137,228) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (815,518) | (815,518) | (246,424) | (196,424) | 372,670 |
| Total Other Sources (Uses) | (815,518) | (815,518) | (246,424) | (196,424) | 372,670 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (115,518) | (115,518) | (59,072) | 178,996 | 235,442 |
| Fund Balance as of January 1 | 1,809,579 | 1,809,579 | 1,459,313 | 1,400,241 | 1,049,975 |
| Fund Balance as of December 31 | \$ 1,694,061 | \$ 1,694,061 | \$ 1,400,241 | \$ 1,579,237 | \$ 1,285,417 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Special Revenue Funds
 Years Ended December 31, 2011 and 2012

| | Probation Assessment | | | | |
|--------------------------------|----------------------|--------------------|------------|------------|------------------------------|
| | Original | Final | 2011 | 2012 | Variance with |
| | Biennial Budget | Biennial Budget | Actual | Actual | Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Charges For Services | \$ 1,139,120 | \$ 1,139,120 | \$ 577,603 | \$ 535,020 | \$ (26,497) |
| Total Revenues | 1,139,120 | 1,139,120 | 577,603 | 535,020 | (26,497) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 1,199,950 | 1,199,950 | 558,529 | 550,009 | (91,412) |
| Total Expenditures | 1,199,950 | 1,199,950 | 558,529 | 550,009 | (91,412) |
| Excess (Deficiency) of | | | | | |
| Revenues over Expenditures | (60,830) | (60,830) | 19,074 | (14,989) | 64,915 |
| Fund Balance as of January 1 | 525,001 | 525,001 | 538,349 | 557,423 | 570,771 |
| Fund Balance as of December 31 | \$ 464,171 | \$ 464,171 | \$ 557,423 | \$ 542,434 | \$ 635,686 |

| | Central Services Computer Replacement | | | | |
|----------------------------------------------------------------------------------------------------|---------------------------------------|--------------------|--------------|--------------|------------------------------|
| | Original | Final | 2011 | 2012 | Variance with |
| | Biennial Budget | Biennial Budget | Actual | Actual | Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Miscellaneous | \$ 776,277 | \$ 776,277 | \$ 349,158 | \$ 326,199 | \$ (100,920) |
| Total Revenues | 776,277 | 776,277 | 349,158 | 326,199 | (100,920) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of | | | | | |
| Revenues over Expenditures | 776,277 | 776,277 | 349,158 | 326,199 | (100,920) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (580,200) | (580,200) | (157,309) | (282,535) | 140,356 |
| Total Other Sources (Uses) | (580,200) | (580,200) | (157,309) | (282,535) | 140,356 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | 196,077 | 196,077 | 191,849 | 43,664 | 39,436 |
| Fund Balance as of January 1 | 1,274,800 | 1,274,800 | 1,390,657 | 1,582,506 | 1,698,363 |
| Fund Balance as of December 31 | \$ 1,470,877 | \$ 1,470,877 | \$ 1,582,506 | \$ 1,626,170 | \$ 1,737,799 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| 1/10 Percent Criminal Justice Jail - Juvenile | | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| Taxes | \$ 6,000,000 | \$ 6,000,000 | \$ 3,594,498 | \$ 3,345,395 | \$ 939,893 |
| Total Revenues | 6,000,000 | 6,000,000 | 3,594,498 | 3,345,395 | 939,893 |
| <u>Expenditures</u> | | | | | |
| Public Safety | 200,000 | 177,088 | 0 | 0 | (177,088) |
| Total Expenditures | 200,000 | 177,088 | 0 | 0 | (177,088) |
| Excess (Deficiency) of Revenues over Expenditures | 5,800,000 | 5,822,912 | 3,594,498 | 3,345,395 | 1,116,981 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (5,359,555) | (5,382,467) | (2,679,778) | (2,265,000) | 437,689 |
| Total Other Sources (Uses) | (5,359,555) | (5,382,467) | (2,679,778) | (2,265,000) | 437,689 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | 440,445 | 440,445 | 914,720 | 1,080,395 | 1,554,670 |
| Fund Balance as of January 1 | 6,500,000 | 6,500,000 | 6,731,128 | 7,645,848 | 7,876,976 |
| Fund Balance as of December 31 | \$ 6,940,445 | \$ 6,940,445 | \$ 7,645,848 | \$ 8,726,243 | \$ 9,431,646 |

| Noxious Weed Control | | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| Intergovernmental | \$ 60,800 | \$ 60,800 | \$ 28,432 | \$ 33,559 | \$ 1,191 |
| Miscellaneous | 540,086 | 540,086 | 239,667 | 240,573 | (59,846) |
| Total Revenues | 600,886 | 600,886 | 268,099 | 274,132 | (58,655) |
| <u>Expenditures</u> | | | | | |
| Physical Environment | 650,104 | 650,104 | 297,631 | 279,232 | (73,242) |
| Capital Outlay | 20,000 | 20,000 | 0 | 0 | (20,000) |
| Total Expenditures | 670,104 | 670,104 | 297,631 | 279,232 | (93,242) |
| Excess (Deficiency) of Revenues over Expenditures | (69,218) | (69,218) | (29,532) | (5,099) | 34,587 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Sale of Fixed Assets | 2,000 | 2,000 | 0 | 0 | (2,000) |
| Total Other Sources (Uses) | 2,000 | 2,000 | 0 | 0 | (2,000) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (67,218) | (67,218) | (29,532) | (5,099) | 32,587 |
| Fund Balance as of January 1 | 100,000 | 100,000 | 67,645 | 38,113 | 5,758 |
| Fund Balance as of December 31 | \$ 32,782 | \$ 32,782 | \$ 38,113 | \$ 33,014 | \$ 38,345 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| | Sustainable Development | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Taxes | \$ 148,300 | \$ 148,300 | \$ 71,055 | \$ 71,055 | \$ (6,190) |
| Total Revenues | 148,300 | 148,300 | 71,055 | 71,055 | (6,190) |
| <u>Expenditures</u> | | | | | |
| Economic Environment | 437,442 | 437,442 | 158,227 | 161,564 | (117,652) |
| Total Expenditures | 437,442 | 437,442 | 158,227 | 161,564 | (117,652) |
| Excess (Deficiency) of Revenues over Expenditures | (289,142) | (289,142) | (87,172) | (90,508) | 111,462 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 0 | 0 | 0 | 204,489 | 204,489 |
| Total Other Sources (Uses) | 0 | 0 | 0 | 204,489 | 204,489 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (289,142) | (289,142) | (87,172) | 113,981 | 315,951 |
| Fund Balance as of January 1 | 470,000 | 470,000 | 461,829 | 374,657 | 366,486 |
| Fund Balance as of December 31 | \$ 180,858 | \$ 180,858 | \$ 374,657 | \$ 488,638 | \$ 682,437 |

| | Courthouse Facilitator | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Charges For Services | \$ 147,500 | \$ 147,500 | \$ 58,700 | \$ 51,792 | \$ (37,008) |
| Total Revenues | 147,500 | 147,500 | 58,700 | 51,792 | (37,008) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 161,845 | 161,845 | 71,410 | 75,267 | (15,168) |
| Total Expenditures | 161,845 | 161,845 | 71,410 | 75,267 | (15,168) |
| Excess (Deficiency) of Revenues over Expenditures | (14,345) | (14,345) | (12,710) | (23,475) | (21,840) |
| Fund Balance as of January 1 | 55,925 | 55,925 | 62,712 | 50,002 | 56,789 |
| Fund Balance as of December 31 | \$ 41,580 | \$ 41,580 | \$ 50,002 | \$ 26,527 | \$ 34,949 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

Family Services

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Licenses and Permits | \$ 57,420 | \$ 57,420 | \$ 29,190 | \$ 30,820 | \$ 2,590 |
| Total Revenues | 57,420 | 57,420 | 29,190 | 30,820 | 2,590 |
| <u>Expenditures</u> | | | | | |
| Public Safety | 87,087 | 87,087 | 34,252 | 42,328 | (10,507) |
| Total Expenditures | 87,087 | 87,087 | 34,252 | 42,328 | (10,507) |
| Excess (Deficiency) of Revenues over Expenditures | (29,667) | (29,667) | (5,062) | (11,508) | 13,097 |
| Fund Balance as of January 1 | 29,667 | 29,667 | 24,151 | 19,089 | 13,573 |
| Fund Balance as of December 31 | \$ 0 | \$ 0 | \$ 19,089 | \$ 7,581 | \$ 26,670 |

Family Services Superior Court

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Licenses and Permits | \$ 18,000 | \$ 18,000 | \$ 15,931 | \$ 11,291 | \$ 9,222 |
| Charges For Services | 0 | 0 | 0 | 5,820 | 5,820 |
| Total Revenues | 18,000 | 18,000 | 15,931 | 17,111 | 15,042 |
| <u>Expenditures</u> | | | | | |
| General Government Services | 0 | 0 | 0 | 0 | 0 |
| Total Expenditures | 0 | 0 | 0 | 0 | 0 |
| Excess (Deficiency) of Revenues over Expenditures | 18,000 | 18,000 | 15,931 | 17,111 | 15,042 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (40,000) | (40,000) | (20,000) | (20,000) | 0 |
| Total Other Sources (Uses) | (40,000) | (40,000) | (20,000) | (20,000) | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (22,000) | (22,000) | (4,069) | (2,889) | 15,042 |
| Fund Balance as of January 1 | 22,000 | 22,000 | 23,509 | 19,440 | 20,949 |
| Fund Balance as of December 31 | \$ 0 | \$ 0 | \$ 19,440 | \$ 16,551 | \$ 35,991 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| Jail Depreciation Reserve | | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|-------------------|-------------------|-----------------------------------------------|
| <u>Revenues</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| Intergovernmental | \$ 121,396 | \$ 121,396 | \$ 61,179 | \$ 55,115 | \$ (5,102) |
| Interest Earnings | 6,000 | 6,000 | 1,838 | 2,207 | (1,955) |
| Total Revenues | <u>127,396</u> | <u>127,396</u> | <u>63,017</u> | <u>57,322</u> | <u>(7,057)</u> |
| <u>Expenditures</u> | | | | | |
| Public Safety | 487,142 | 487,142 | 103,689 | 139,347 | (244,106) |
| Capital Outlay | 300,000 | 300,000 | 173,109 | 115,569 | (11,322) |
| Total Expenditures | <u>787,142</u> | <u>787,142</u> | <u>276,798</u> | <u>254,916</u> | <u>(255,428)</u> |
| Excess (Deficiency) of Revenues over Expenditures | (659,746) | (659,746) | (213,781) | (197,594) | 248,371 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 235,494 | 235,494 | 116,821 | 122,884 | 4,211 |
| Total Other Sources (Uses) | <u>235,494</u> | <u>235,494</u> | <u>116,821</u> | <u>122,884</u> | <u>4,211</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (424,252) | (424,252) | (96,960) | (74,710) | 252,582 |
| Fund Balance as of January 1 | 975,000 | 975,000 | 1,042,127 | 945,167 | 1,012,294 |
| Fund Balance as of December 31 | <u>\$ 550,748</u> | <u>\$ 550,748</u> | <u>\$ 945,167</u> | <u>\$ 870,457</u> | <u>\$ 1,264,876</u> |

| Distressed County Tax Credit | | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|-------------------|-------------------|-----------------------------------------------|
| <u>Revenues</u> | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Revenues | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>Expenditures</u> | | | | | |
| General Government Services | 111,752 | 111,752 | 0 | 0 | (111,752) |
| Total Expenditures | <u>111,752</u> | <u>111,752</u> | <u>0</u> | <u>0</u> | <u>(111,752)</u> |
| Excess (Deficiency) of Revenues over Expenditures | (111,752) | (111,752) | 0 | 0 | 111,752 |
| Fund Balance as of January 1 | 111,752 | 111,752 | 111,752 | 111,752 | 111,752 |
| Fund Balance as of December 31 | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 111,752</u> | <u>\$ 111,752</u> | <u>\$ 223,504</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| Rural County Capital | | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Taxes | \$ 5,500,000 | \$ 5,500,000 | \$ 3,215,438 | \$ 3,035,781 | \$ 751,219 |
| Total Revenues | 5,500,000 | 5,500,000 | 3,215,438 | 3,035,781 | 751,219 |
| <u>Expenditures</u> | | | | | |
| General Government Services | 400,000 | 400,000 | 0 | 0 | (400,000) |
| Total Expenditures | 400,000 | 400,000 | 0 | 0 | (400,000) |
| Excess (Deficiency) of Revenues over Expenditures | 5,100,000 | 5,100,000 | 3,215,438 | 3,035,781 | 1,151,219 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (4,076,120) | (4,076,120) | (2,038,160) | (2,037,960) | 0 |
| Total Other Sources (Uses) | (4,076,120) | (4,076,120) | (2,038,160) | (2,037,960) | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | 1,023,880 | 1,023,880 | 1,177,278 | 997,821 | 1,151,219 |
| Fund Balance as of January 1 | 6,700,000 | 6,700,000 | 6,909,432 | 8,086,710 | 8,296,142 |
| Fund Balance as of December 31 | \$ 7,723,880 | \$ 7,723,880 | \$ 8,086,710 | \$ 9,084,531 | \$ 9,447,361 |

| Clerk's Collection Fund | | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 1,550,000 | \$ 1,550,000 | \$ 694,016 | \$ 713,917 | \$ (142,067) |
| Charges For Services | 0 | 0 | 11 | 102 | 113 |
| Total Revenues | 1,550,000 | 1,550,000 | 694,027 | 714,019 | (141,954) |
| <u>Expenditures</u> | | | | | |
| General Government Services | 1,025,102 | 1,025,102 | 467,192 | 493,894 | (64,017) |
| Total Expenditures | 1,025,102 | 1,025,102 | 467,192 | 493,894 | (64,017) |
| Excess (Deficiency) of Revenues over Expenditures | 524,898 | 524,898 | 226,835 | 220,126 | (77,937) |
| Fund Balance as of January 1 | 950,000 | 950,000 | 1,056,870 | 1,283,705 | 1,390,575 |
| Fund Balance as of December 31 | \$ 1,474,898 | \$ 1,474,898 | \$ 1,283,705 | \$ 1,503,831 | \$ 1,312,638 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| Protective Inspection Services | | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|-------------------|-------------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Licenses and Permits | \$ 1,392,167 | \$ 1,392,167 | \$ 734,671 | \$ 614,570 | \$ (42,926) |
| Charges For Services | 13,760 | 13,760 | 5,959 | 5,158 | (2,643) |
| Total Revenues | <u>1,405,927</u> | <u>1,405,927</u> | <u>740,630</u> | <u>619,728</u> | <u>(45,569)</u> |
| <u>Expenditures</u> | | | | | |
| Economic Environment | 1,504,851 | 1,504,851 | 686,708 | 697,037 | (121,106) |
| Total Expenditures | <u>1,504,851</u> | <u>1,504,851</u> | <u>686,708</u> | <u>697,037</u> | <u>(121,106)</u> |
| Excess (Deficiency) of Revenues over Expenditures | (98,924) | (98,924) | 53,922 | (77,309) | 75,537 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 52,942 | 52,942 | 26,471 | 26,471 | 0 |
| Total Other Sources (Uses) | <u>52,942</u> | <u>52,942</u> | <u>26,471</u> | <u>26,471</u> | <u>0</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (45,982) | (45,982) | 80,393 | (50,838) | 75,537 |
| Fund Balance as of January 1 | 70,197 | 70,197 | 99,661 | 180,054 | 209,518 |
| Fund Balance as of December 31 | <u>\$ 24,215</u> | <u>\$ 24,215</u> | <u>\$ 180,054</u> | <u>\$ 129,216</u> | <u>\$ 285,055</u> |

| Pest Board | | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|------------------|------------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Miscellaneous | \$ 186,966 | \$ 186,966 | \$ 94,396 | \$ 94,639 | \$ 2,069 |
| Total Revenues | <u>186,966</u> | <u>186,966</u> | <u>94,396</u> | <u>94,639</u> | <u>2,069</u> |
| <u>Expenditures</u> | | | | | |
| Culture and Recreation | 267,966 | 257,693 | 95,141 | 90,313 | (72,239) |
| Capital Outlay | 0 | 10,273 | 0 | 0 | (10,273) |
| Total Expenditures | <u>267,966</u> | <u>267,966</u> | <u>95,141</u> | <u>90,313</u> | <u>(82,512)</u> |
| Excess (Deficiency) of Revenues over Expenditures | (81,000) | (81,000) | (745) | 4,326 | 84,581 |
| Fund Balance as of January 1 | 81,000 | 81,000 | 87,604 | 86,859 | 93,463 |
| Fund Balance as of December 31 | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 86,859</u> | <u>\$ 91,185</u> | <u>\$ 178,044</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

Work Crew Replacement

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 12,000 | \$ 12,000 | \$ 392 | \$ 336 | \$ (11,272) |
| Charges For Services | 110,000 | 110,000 | 37,945 | 36,670 | (35,385) |
| Interest Earnings | 2,000 | 2,000 | 0 | 237 | (1,763) |
| Total Revenues | 124,000 | 124,000 | 38,337 | 37,243 | (48,420) |
| <u>Expenditures</u> | | | | | |
| Capital Outlay | 50,000 | 50,000 | 26,102 | 0 | (23,898) |
| Total Expenditures | 50,000 | 50,000 | 26,102 | 0 | (23,898) |
| Excess (Deficiency) of Revenues over Expenditures | 74,000 | 74,000 | 12,235 | 37,243 | (24,522) |
| Fund Balance as of January 1 | 130,000 | 130,000 | 129,546 | 141,781 | 141,327 |
| Fund Balance as of December 31 | \$ 204,000 | \$ 204,000 | \$ 141,781 | \$ 179,024 | \$ 116,805 |

State Housing

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Charges For Services | \$ 242,000 | \$ 242,000 | \$ 164,525 | \$ 175,837 | \$ 98,362 |
| Interest Earnings | 8,000 | 8,000 | 2,009 | 3,686 | (2,305) |
| Total Revenues | 250,000 | 250,000 | 166,534 | 179,523 | 96,057 |
| <u>Expenditures</u> | | | | | |
| Economic Environment | 514,500 | 514,500 | 67,820 | 261,148 | (185,532) |
| Culture and Recreation | 900,000 | 852,400 | 261 | 63 | (852,076) |
| Total Expenditures | 1,414,500 | 1,366,900 | 68,081 | 261,211 | (1,037,608) |
| Excess (Deficiency) of Revenues over Expenditures | (1,164,500) | (1,116,900) | 98,453 | (81,688) | 1,133,665 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | 0 | (47,600) | (47,600) | 0 | 0 |
| Total Other Sources (Uses) | 0 | (47,600) | (47,600) | 0 | 0 |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (1,164,500) | (1,164,500) | 50,853 | (81,688) | 1,133,665 |
| Fund Balance as of January 1 | 1,600,000 | 1,600,000 | 1,776,347 | 1,827,200 | 2,003,547 |
| Fund Balance as of December 31 | \$ 435,500 | \$ 435,500 | \$ 1,827,200 | \$ 1,745,512 | \$ 3,137,212 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

| | Vit Impact | | | | |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Taxes | \$ 1,400,000 | \$ 1,400,000 | \$ 1,089,069 | \$ 778,905 | \$ 467,974 |
| Intergovernmental | 0 | 0 | 54,913 | 0 | 54,913 |
| Total Revenues | 1,400,000 | 1,400,000 | 1,143,982 | 778,905 | 522,887 |
| <u>Expenditures</u> | | | | | |
| Capital Outlay | 300,000 | 300,000 | 0 | 0 | (300,000) |
| Total Expenditures | 300,000 | 300,000 | 0 | 0 | (300,000) |
| Excess (Deficiency) of Revenues over Expenditures | 1,100,000 | 1,100,000 | 1,143,982 | 778,905 | 822,887 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers Out | (200,000) | (200,000) | (172,824) | (100,000) | (72,824) |
| Total Other Sources (Uses) | (200,000) | (200,000) | (172,824) | (100,000) | (72,824) |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | 900,000 | 900,000 | 971,158 | 678,905 | 750,063 |
| Fund Balance as of January 1 | 2,000,000 | 2,000,000 | 2,067,802 | 3,038,960 | 3,106,762 |
| Fund Balance as of December 31 | \$ 2,900,000 | \$ 2,900,000 | \$ 3,038,960 | \$ 3,717,865 | \$ 3,856,825 |

| | Homeless Housing & Assistance | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 115,000 | \$ 115,000 | \$ 87,970 | \$ 96,611 | \$ 69,581 |
| Charges For Services | 1,000,000 | 1,000,000 | 716,417 | 820,198 | 536,615 |
| Interest Earnings | 2,000 | 2,000 | 639 | 3,114 | 1,753 |
| Total Revenues | 1,117,000 | 1,117,000 | 805,026 | 919,923 | 607,949 |
| <u>Expenditures</u> | | | | | |
| Economic Environment | 1,582,464 | 1,582,464 | 318,461 | 689,993 | (574,011) |
| Total Expenditures | 1,582,464 | 1,582,464 | 318,461 | 689,993 | (574,011) |
| Excess (Deficiency) of Revenues over Expenditures | (465,464) | (465,464) | 486,565 | 229,931 | 1,181,960 |
| Fund Balance as of January 1 | 930,000 | 930,000 | 1,320,048 | 1,806,613 | 2,196,661 |
| Fund Balance as of December 31 | \$ 464,536 | \$ 464,536 | \$ 1,806,613 | \$ 2,036,544 | \$ 3,378,621 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

Solid Waste Collection Fund

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 0 | \$ 225,850 | \$ 165,739 | \$ 302,880 | \$ 242,769 |
| Charges For Services | 300,000 | 300,000 | 171,811 | 160,112 | 31,923 |
| Total Revenues | 300,000 | 525,850 | 337,550 | 462,992 | 274,692 |
| <u>Expenditures</u> | | | | | |
| Physical Environment | 462,353 | 688,203 | 241,493 | 389,426 | (57,284) |
| Total Expenditures | 462,353 | 688,203 | 241,493 | 389,426 | (57,284) |
| Excess (Deficiency) of Revenues over Expenditures | (162,353) | (162,353) | 96,057 | 73,566 | 331,976 |
| Fund Balance as of January 1 | 600,000 | 600,000 | 573,952 | 670,009 | 643,961 |
| Fund Balance as of December 31 | \$ 437,647 | \$ 437,647 | \$ 670,009 | \$ 743,575 | \$ 975,937 |

Trial Court Improvement

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Intergovernmental | \$ 233,952 | \$ 233,952 | \$ 118,248 | \$ 119,116 | \$ 3,412 |
| Charges For Services | 0 | 0 | 21,914 | 56,856 | 78,770 |
| Total Revenues | 233,952 | 233,952 | 140,162 | 175,972 | 82,182 |
| <u>Expenditures</u> | | | | | |
| General Government Services | 240,000 | 122,750 | 50,167 | 54,692 | (17,891) |
| Capital Outlay | 0 | 117,250 | 42,502 | 40,882 | (33,866) |
| Total Expenditures | 240,000 | 240,000 | 92,669 | 95,574 | (51,757) |
| Excess (Deficiency) of Revenues over Expenditures | (6,048) | (6,048) | 47,493 | 80,398 | 133,939 |
| Fund Balance as of January 1 | 50,000 | 50,000 | 137,777 | 185,270 | 273,047 |
| Fund Balance as of December 31 | \$ 43,952 | \$ 43,952 | \$ 185,270 | \$ 265,668 | \$ 406,986 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

Historical Preservation

| | Original | | Final | | 2011 | 2012 | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------|--------|-----------------------------------------------|
| | Biennial Budget | Biennial Budget | Biennial Budget | Biennial Budget | | | |
| <u>Revenues</u> | | | | | Actual | Actual | |
| Charges For Services | \$ 84,000 | \$ 84,000 | \$ 38,498 | \$ 45,575 | \$ | \$ | 73 |
| Total Revenues | 84,000 | 84,000 | 38,498 | 45,575 | | | 73 |
| <u>Expenditures</u> | | | | | | | |
| General Government Services | 207,000 | 207,000 | 54,328 | 13,907 | | | (138,765) |
| Total Expenditures | 207,000 | 207,000 | 54,328 | 13,907 | | | (138,765) |
| Excess (Deficiency) of Revenues over Expenditures | (123,000) | (123,000) | (15,830) | 31,668 | | | 138,838 |
| Fund Balance as of January 1 | 123,000 | 123,000 | 88,587 | 72,757 | | | 38,344 |
| Fund Balance as of December 31 | \$ 0 | \$ 0 | \$ 72,757 | \$ 104,425 | \$ | \$ | 177,182 |

Domestic Violence Assessment

| | Original | | Final | | 2011 | 2012 | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------|--------|-----------------------------------------------|
| | Biennial Budget | Biennial Budget | Biennial Budget | Biennial Budget | | | |
| <u>Revenues</u> | | | | | Actual | Actual | |
| Fines and Forfeitures | \$ 11,094 | \$ 11,094 | \$ 4,463 | \$ 3,785 | \$ | \$ | (2,846) |
| Total Revenues | 11,094 | 11,094 | 4,463 | 3,785 | | | (2,846) |
| <u>Expenditures</u> | | | | | | | |
| General Government Services | 25,563 | 25,563 | 2,115 | 2,891 | | | (20,557) |
| Total Expenditures | 25,563 | 25,563 | 2,115 | 2,891 | | | (20,557) |
| Excess (Deficiency) of Revenues over Expenditures | (14,469) | (14,469) | 2,348 | 894 | | | 17,711 |
| Fund Balance as of January 1 | 24,249 | 24,249 | 23,236 | 25,584 | | | 24,571 |
| Fund Balance as of December 31 | \$ 9,780 | \$ 9,780 | \$ 25,584 | \$ 26,478 | \$ | \$ | 42,282 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Special Revenue Funds

Years Ended December 31, 2011 and 2012

Summary

| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
|----------------------------------------------------------------------------------------------------|--------------------------------|-----------------------------|----------------------|----------------------|-----------------------------------------------|
| <u>Revenues</u> | | | | | |
| Taxes | \$ 14,098,300 | \$ 14,098,300 | \$ 8,314,323 | \$ 7,772,155 | \$ 1,988,178 |
| Licenses and Permits | 1,467,587 | 1,467,587 | 779,792 | 656,681 | (31,114) |
| Intergovernmental | 10,635,921 | 10,894,715 | 5,312,365 | 5,546,843 | (35,507) |
| Charges For Services | 6,147,317 | 6,147,317 | 3,274,854 | 3,191,370 | 318,907 |
| Fines and Forfeitures | 11,094 | 11,094 | 11,247 | 2,195 | 2,348 |
| Interest Earnings | 31,725 | 99,725 | 7,048 | 36,158 | (56,519) |
| Donations | 337,944 | 337,944 | 280,944 | 76,425 | 19,425 |
| Miscellaneous | 2,351,085 | 2,351,085 | 1,108,699 | 1,118,978 | (123,408) |
| Total Revenues | <u>35,080,973</u> | <u>35,407,767</u> | <u>19,089,272</u> | <u>18,400,805</u> | <u>2,082,310</u> |
| <u>Expenditures</u> | | | | | |
| General Government Services | 7,015,612 | 6,924,362 | 2,509,378 | 2,615,997 | (1,798,987) |
| Public Safety | 18,084,476 | 18,016,620 | 7,885,215 | 7,820,204 | (2,311,201) |
| Physical Environment | 1,112,457 | 1,338,307 | 539,124 | 668,658 | (130,526) |
| Economic Environment | 4,352,284 | 4,352,284 | 1,365,102 | 1,931,923 | (1,055,260) |
| Culture and Recreation | 2,175,834 | 2,235,144 | 522,744 | 519,224 | (1,193,176) |
| Capital Outlay | 1,499,244 | 1,801,528 | 412,798 | 327,428 | (1,061,302) |
| Total Expenditures | <u>34,239,907</u> | <u>34,668,245</u> | <u>13,234,361</u> | <u>13,883,434</u> | <u>(7,550,450)</u> |
| Excess (Deficiency) of Revenues over Expenditures | 841,066 | 739,522 | 5,854,911 | 4,517,371 | 9,632,760 |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Sale of Capital Assets | 3,000 | 3,000 | 6,567 | 0 | 3,567 |
| Transfers In | 9,257,353 | 9,257,353 | 4,425,463 | 4,668,198 | (163,693) |
| Transfers Out | (12,510,032) | (12,580,544) | (5,374,162) | (6,113,983) | 1,092,399 |
| Total Other Sources (Uses) | <u>(3,249,679)</u> | <u>(3,320,191)</u> | <u>(942,132)</u> | <u>(1,445,786)</u> | <u>932,274</u> |
| Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses | (2,408,613) | (2,580,669) | 4,912,779 | 3,071,585 | 10,565,033 |
| Fund Balance as of January 1 | 30,452,594 | 30,452,594 | 32,173,832 | 37,086,611 | 38,807,849 |
| Fund Balance as of December 31 | <u>\$ 28,043,981</u> | <u>\$ 27,871,925</u> | <u>\$ 37,086,611</u> | <u>\$ 40,158,197</u> | <u>\$ 49,372,883</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Debt Service Funds

Years Ended December 31, 2011 and 2012

| | CRID #11 & #12 Debt Service | | | | |
|----------------------------|-----------------------------|-----------|-----------|-----------|---------------|
| | Original | Final | | | Variance with |
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| | Budget | Budget | Actual | Actual | Over (Under) |
| <u>Revenues</u> | | | | | |
| Interest Earnings | \$ 12,757 | \$ 24,906 | \$ 11,183 | \$ 25,231 | \$ 11,508 |
| Other Revenue | 15,000 | 35,000 | 14,623 | 34,502 | 14,125 |
| Total Revenues | 27,757 | 59,906 | 25,806 | 59,733 | 25,633 |
| <u>Expenditures</u> | | | | | |
| Debt Service | | | | | |
| Principal | 25,000 | 40,000 | 15,000 | 20,000 | (5,000) |
| Interest | 11,735 | 22,817 | 8,778 | 8,060 | (5,980) |
| Total Expenditures | 36,735 | 62,817 | 23,778 | 28,060 | (10,980) |
| Excess (Deficiency) of | | | | | |
| Revenues over Expenditures | (8,978) | (2,911) | 2,028 | 31,674 | 36,613 |
| Fund Balance, January 1 | 13,200 | 8,000 | 8,032 | 10,060 | 10,092 |
| Fund Balance, December 31 | \$ 4,222 | \$ 5,089 | \$ 10,060 | \$ 41,734 | \$ 46,705 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Debt Service Funds

Years Ended December 31, 2011 and 2012

| | CRID #15 (Cottonwood Springs) Debt Service | | | | |
|----------------------------|--------------------------------------------|------------|-----------|-----------|---------------|
| | Original | Final | | | Variance with |
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| | Budget | Budget | Actual | Actual | Over (Under) |
| <u>Revenues</u> | | | | | |
| Interest Earnings | \$ 24,382 | \$ 153,320 | \$ 30,533 | \$ 38,818 | \$ (83,969) |
| Other Revenue | 5,000 | 5,000 | 47,390 | 58,433 | 100,823 |
| Total Revenues | 29,382 | 158,320 | 77,923 | 97,251 | 16,854 |
| <u>Expenditures</u> | | | | | |
| Debt Service | | | | | |
| Principal | 10,000 | 115,000 | 59,000 | 80,000 | 24,000 |
| Interest | 23,352 | 46,704 | 17,698 | 17,670 | (11,337) |
| Total Expenditures | 33,352 | 161,704 | 76,698 | 97,670 | 12,664 |
| Excess (Deficiency) of | | | | | |
| Revenues over Expenditures | (3,970) | (3,384) | 1,225 | (418) | 4,191 |
| Fund Balance, January 1 | 5,000 | 5,000 | 1,641 | 2,866 | (493) |
| Fund Balance, December 31 | \$ 1,030 | \$ 1,616 | \$ 2,866 | \$ 2,448 | \$ 3,698 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Debt Service Funds
 Years Ended December 31, 2011 and 2012

| | CRID #16 (Spirit Lane) Debt Service | | | | |
|------------------------------------------------------|-------------------------------------|---------------|---------------|--------------|-----------------|
| | Original | Final | 2011 | 2012 | Variance with |
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| | Budget | Budget | Actual | Actual | Over (Under) |
| <u>Revenues</u> | | | | | |
| Interest Earnings | \$ 5,439 | \$ 14,538 | \$ 4,237 | \$ 3,435 | \$ (6,866) |
| Other Revenue | 0 | 0 | 4,583 | 3,999 | 8,582 |
| Total Revenues | 5,439 | 14,538 | 8,820 | 7,434 | 1,716 |
| <u>Expenditures</u> | | | | | |
| Debt Service | | | | | |
| Principal | 5,000 | 40,000 | 16,000 | 5,000 | (19,000) |
| Interest | 5,416 | 22,817 | 4,992 | 1,330 | (16,495) |
| Total Expenditures | 10,416 | 62,817 | 20,992 | 6,330 | (35,495) |
| Excess (Deficiency) of Revenues over Expenditures | (4,977) | (48,279) | (12,172) | 1,104 | 36,107 |
| Fund Balance, January 1 | 5,000 | 5,000 | 12,632 | 460 | 8,092 |
| Fund Balance, December 31 | \$ 23 | \$ (43,279) | \$ 460 | \$ 1,564 | \$ 45,303 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Debt Service Funds
 Years Ended December 31, 2011 and 2012

| | Health Building Bond | | | | |
|------------------------------------------------------|----------------------|------------|------------|------------|---------------|
| | Original | Final | | | Variance with |
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| | Budget | Budget | Actual | Actual | Over (Under) |
| <u>Revenues</u> | | | | | |
| Other Revenue | \$ 266,196 | \$ 646,146 | \$ 325,883 | \$ 294,016 | \$ (26,247) |
| Total Revenues | 266,196 | 646,146 | 325,883 | 294,016 | (26,247) |
| <u>Expenditures</u> | | | | | |
| Debt Service | | | | | |
| Principal | 200,000 | 420,000 | 205,000 | 215,000 | 0 |
| Interest | 314,673 | 605,248 | 306,672 | 298,575 | (1) |
| Total Expenditures | 514,673 | 1,025,248 | 511,672 | 513,575 | (1) |
| Excess (Deficiency) of Revenues over Expenditures | (248,477) | (379,102) | (185,789) | (219,559) | (26,246) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 248,473 | 492,848 | 246,424 | 196,424 | (50,000) |
| Total Other Financing Sources (Uses) | 248,473 | 492,848 | 246,424 | 196,424 | (50,000) |
| Excess (Deficit) Resources Over Uses | -4 | 113,746 | 60,635 | (23,135) | (76,246) |
| Fund Balance, January 1 | 26,761 | 26,761 | 26,763 | 87,398 | 87,400 |
| Fund Balance, December 31 | \$ 26,757 | \$ 140,507 | \$ 87,398 | \$ 64,263 | \$ 11,154 |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Debt Service Funds

Years Ended December 31, 2011 and 2012

| | Justice Center Bond | | | | |
|------------------------------------------------------|---------------------|--------------|--------------|--------------|----------------|
| | Original | Final | 2011 | 2012 | Variance with |
| | Biennial | Biennial | 2011 | 2012 | Final Budget |
| | Budget | Budget | Actual | Actual | Over (Under) |
| <u>Revenues</u> | | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Revenues | 0 | 0 | 0 | 0 | 0 |
| <u>Expenditures</u> | | | | | |
| Debt Service | | | | | |
| Principal | 1,895,000 | 4,020,000 | 5,220,000 | 1,780,000 | 2,980,000 |
| Interest | 1,061,863 | 1,885,675 | 978,038 | 757,960 | (149,677) |
| Total Expenditures | 2,956,863 | 5,905,675 | 6,198,038 | 2,537,960 | 2,830,323 |
| Excess (Deficiency) of Revenues over Expenditures | (2,956,863) | (5,905,675) | (6,198,038) | (2,537,960) | (292,363) |
| <u>Other Financing Sources (Uses)</u> | | | | | |
| Transfers In | 2,956,863 | 5,905,675 | 2,952,938 | 2,537,960 | (414,777) |
| Total Other Financing Sources (Uses) | 2,956,863 | 5,905,675 | 2,952,938 | 2,537,960 | (414,777) |
| Excess (Deficit) Resources Over Uses | 0 | 0 | (3,245,100) | 0 | (3,245,100) |
| Fund Balance, January 1 | 3,995,402 | 3,995,402 | 4,562,586 | 1,317,486 | 1,884,670 |
| Fund Balance, December 31 | \$ 3,995,402 | \$ 3,995,402 | \$ 1,317,486 | \$ 1,317,486 | \$ (1,360,430) |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Capital Projects Funds

Years Ended December 31, 2011 and 2012

| | Detox Center Construction | | | | |
|------------------------------------------------------|--------------------------------|-----------------------------|------------------|------------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | Variance with Final Budget Over (Under) |
| <u>Revenues</u> | | | | | |
| Interest Earnings | \$ 300 | \$ 300 | \$ 26 | \$ 40 | \$ (234) |
| Total Revenues | <u>300</u> | <u>300</u> | <u>26</u> | <u>40</u> | <u>(234)</u> |
| <u>Expenditures</u> | | | | | |
| Mental and Physical Health | 8,200 | 8,200 | 0 | 0 | (8,200) |
| Capital Outlay | 9,000 | 9,000 | 0 | 0 | (9,000) |
| Total Expenditures | <u>17,200</u> | <u>17,200</u> | <u>0</u> | <u>0</u> | <u>(17,200)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(16,900)</u> | <u>(16,900)</u> | <u>26</u> | <u>40</u> | <u>16,966</u> |
| Fund Balance, January 1 | 17,200 | 17,200 | 17,258 | 17,284 | 17,342 |
| Fund Balance, December 31 | <u>\$ 300</u> | <u>\$ 300</u> | <u>\$ 17,284</u> | <u>\$ 17,324</u> | <u>\$ 34,308</u> |

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual

Nonmajor Capital Projects Funds

Years Ended December 31, 2011 and 2012

| | Health Building Construction | | | | Variance with Final Budget Over (Under) |
|------------------------------------------------------|--------------------------------|-----------------------------|----------------|----------------|-----------------------------------------------|
| | Original Biennial Budget | Final Biennial Budget | 2011 Actual | 2012 Actual | |
| <u>Revenues</u> | | | | | |
| Taxes | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Total Revenues | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| <u>Expenditures</u> | | | | | |
| Physical Environment | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Total Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Fund Balance, January 1 | 0 | 0 | 0 | 0 | 0 |
| Fund Balance, December 31 | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> | <u>\$ 0</u> |

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BENTON COUNTY WASHINGTON

Nonmajor Enterprise Funds

**AT THIS TIME BENTON COUNTY DOES NOT HAVE ANY
NONMAJOR ENTERPRISE FUNDS**

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INTERNAL SERVICE FUNDS

Internal Service Funds are established to account for the financing of goods and services provided by one department, agency or government unit to other departments or agencies of Benton County, or to other governments, on a cost reimbursement basis. The accrual basis of accounting is applied. A description of the funds are as follows:

Equipment Rental and Revolving - A fund to finance the maintenance, operations and acquisition of goods used by the County Road Department and other Benton County funds.

Central Services - A fund to finance the operations of the data processing center which provides services to all Benton County departments.

Workers' Compensation - A fund to finance the County's self-insurance program for all Benton County employees.

Insurance Management - A fund to finance the costs of liability, property and unemployment compensations claims.

Accumulated Leave - A fund to finance the vacation buy-outs, and vacation and sick leave severance pay for terminated employees.

BENTON COUNTY, WASHINGTON

Combining Statement of Net Position
Internal Service Funds
December 31, 2012

| Assets | <u>Equipment Rental & Revolving</u> | <u>Central Services</u> | <u>Workers' Compensation</u> |
|--------------------------------------|-------------------------------------------------|-----------------------------|----------------------------------|
| <u>Current Assets</u> | | | |
| Cash/Cash Equivalents | \$ 4,602,728 | \$ 678,054 | \$ 2,850,426 |
| Accounts Receivable | 10,856 | 2,523 | 3,984 |
| Interest Receivable | 2,001 | 0 | 0 |
| Due From Other Funds | 173,376 | 69,591 | 0 |
| Inventory/Prepayments | 2,080,244 | 0 | 0 |
| Total Current Assets | <u>6,869,205</u> | <u>750,168</u> | <u>2,854,409</u> |
| <u>Noncurrent Assets</u> | | | |
| Projects In Progress | 0 | 61,986 | 0 |
| Capital Assets | | | |
| Land | 246,520 | 0 | 0 |
| Buildings | 3,023,609 | 0 | 0 |
| Improvements Other Than Buildings | 357,918 | 115,391 | 0 |
| Machinery and Equipment | 7,230,545 | 2,272,232 | 0 |
| Less Accumulated Depreciation | (7,348,105) | (1,607,433) | 0 |
| Total noncurrent assets | <u>3,510,487</u> | <u>842,176</u> | <u>0</u> |
| Total Assets | <u>\$ 10,379,692</u> | <u>\$ 1,592,344</u> | <u>\$ 2,854,409</u> |
| <u>Liabilities</u> | | | |
| <u>Current Liabilities</u> | | | |
| Accounts/Vouchers Payable | \$ 58,346 | \$ 114,460 | \$ 28,736 |
| Capital Leases Payable | 0 | 186,229 | 0 |
| Due To Other Funds | 9,104 | 0 | 0 |
| Accrued Wages Payable | 39,525 | 86,109 | 8,919 |
| Total Current Liabilities | <u>106,975</u> | <u>386,798</u> | <u>37,654</u> |
| <u>Noncurrent Liabilities</u> | | | |
| Compensated Absences | 21,353 | 0 | 0 |
| Capital Leases Payable | 0 | 98,512 | 0 |
| Total Noncurrent Liabilities | <u>21,353</u> | <u>98,512</u> | <u>0</u> |
| Total Liabilities | <u>128,328</u> | <u>485,310</u> | <u>37,654</u> |
| <u>Net Position</u> | | | |
| Net Investment in Capital Assets | 3,510,487 | 557,435 | 0 |
| Unrestricted | 6,740,877 | 549,599 | 2,816,755 |
| Total Net Position | <u>\$ 10,251,364</u> | <u>\$ 1,107,034</u> | <u>\$ 2,816,755</u> |

BENTON COUNTY, WASHINGTON

Combining Statement of Net Position
Internal Service Funds
December 31, 2012

| Assets | <u>Insurance Management</u> | <u>Accumulated Leave</u> | <u>2012 Total</u> |
|--------------------------------------|---------------------------------|------------------------------|-----------------------|
| <u>Current Assets</u> | | | |
| Cash/Cash Equivalents | \$ 1,394,341 | \$ 880,550 | \$ 10,406,099 |
| Accounts Receivable | 2,013 | 0 | 19,375 |
| Interest Receivable | 0 | 0 | 2,001 |
| Due From Other Funds | 0 | 288 | 243,255 |
| Inventory/Prepayments | 0 | 0 | 2,080,244 |
| Total Current Assets | <u>1,396,353</u> | <u>880,838</u> | <u>12,750,974</u> |
| <u>Noncurrent Assets</u> | | | |
| Projects In Progress | 38,110 | 0 | 100,096 |
| Capital Assets | | | |
| Land | 0 | 0 | 246,520 |
| Buildings | 0 | 0 | 3,023,609 |
| Improvements Other Than Buildings | 0 | 0 | 473,309 |
| Machinery and Equipment | 147,834 | 0 | 9,650,611 |
| Less Accumulated Depreciation | (89,021) | 0 | (9,044,559) |
| Total noncurrent assets | <u>96,923</u> | <u>0</u> | <u>4,449,585</u> |
| Total Assets | <u>\$ 1,493,276</u> | <u>\$ 880,838</u> | <u>\$ 17,200,559</u> |
| <u>Liabilities</u> | | | |
| <u>Current Liabilities</u> | | | |
| Accounts/Vouchers Payable | \$ 44,138 | \$ 0 | \$ 245,680 |
| Capital Leases Payable | 0 | 0 | 186,229 |
| Due To Other Funds | 0 | 0 | 9,104 |
| Accrued Wages Payable | 3,722 | 0 | 138,275 |
| Total Current Liabilities | <u>47,861</u> | <u>0</u> | <u>579,288</u> |
| <u>Noncurrent Liabilities</u> | | | |
| Compensated Absences | 0 | 0 | 21,353 |
| Capital Leases Payable | 0 | 0 | 98,512 |
| Total Noncurrent Liabilities | <u>0</u> | <u>0</u> | <u>119,865</u> |
| Total Liabilities | <u>47,861</u> | <u>0</u> | <u>699,153</u> |
| <u>Net Position</u> | | | |
| Net Investment in Capital Assets | 96,923 | 0 | 4,164,844 |
| Unrestricted | 1,348,493 | 880,838 | 12,336,562 |
| Total Net Position | <u>\$ 1,445,415</u> | <u>\$ 880,838</u> | <u>\$ 16,501,406</u> |

BENTON COUNTY, WASHINGTON

Page 1 of 2

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds Year Ended December 31, 2012

| | Equipment Rental & Revolving | Central Services | Workers' Compensation |
|-------------------------------------------|------------------------------------|---------------------|--------------------------|
| <u>Operating Revenues:</u> | | | |
| Charges For Services | \$ 2,096,769 | \$ 2,686,660 | \$ 0 |
| Cost of Goods Sold | (589,080) | 0 | 0 |
| Miscellaneous | 0 | 0 | 1,339,101 |
| Total Operating Revenue | <u>1,507,689</u> | <u>2,686,660</u> | <u>1,339,101</u> |
| <u>Operating Expenses:</u> | | | |
| Personal services | 90,384 | 1,089,629 | 301,251 |
| Contractual services | 30,838 | 995,204 | 98,442 |
| Other supplies and expenses | 768,261 | 366,520 | 10,390 |
| Depreciation | 423,841 | 309,026 | |
| Payment to Claimants | 0 | 0 | 440,432 |
| Total Operating Expenses | <u>1,313,324</u> | <u>2,760,379</u> | <u>850,515</u> |
| Operating Income (Loss) | <u>194,365</u> | <u>(73,719)</u> | <u>488,586</u> |
| <u>Non-Operating Revenues (Expenses):</u> | | | |
| Interest Revenue | 12,262 | 0 | 4,931 |
| Interest Expense | 0 | (111,867) | 0 |
| Gain (Loss) on Capital Asset Disposal | 12,790 | 2,125 | 0 |
| Other Non-Operating Revenues (Expenses) | 4,685 | 0 | 0 |
| Total Non-Operating Revenues (Expenses) | <u>29,737</u> | <u>(109,742)</u> | <u>4,931</u> |
| Net Income (Loss) Before Transfers | 224,102 | (183,462) | 493,516 |
| Transfers In | <u>0</u> | <u>282,535</u> | <u>0</u> |
| Changes in Net Assets | 224,102 | 99,073 | 493,516 |
| Net Position as of January 1 | 10,027,262 | 1,007,961 | 2,323,239 |
| Net Position as of December 31 | <u>\$ 10,251,364</u> | <u>\$ 1,107,034</u> | <u>\$ 2,816,755</u> |

BENTON COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds Year Ended December 31, 2012

| | Insurance Management | Accumulated Leave | 2012 Total |
|-------------------------------------------|-------------------------|----------------------|----------------------|
| <u>Operating Revenues:</u> | | | |
| Charges For Services | \$ 1,578,696 | \$ 0 | \$ 6,362,124 |
| Cost of Goods Sold | | 0 | (589,080) |
| Miscellaneous | 10,536 | 587,006 | 1,936,643 |
| Total Operating Revenue | <u>1,589,232</u> | <u>587,006</u> | <u>7,709,687</u> |
| <u>Operating Expenses:</u> | | | |
| Personal services | 46,704 | 390,054 | 1,918,023 |
| Contractual services | 1,156,758 | 0 | 2,281,242 |
| Other supplies and expenses | 22,868 | 0 | 1,168,039 |
| Depreciation | 5,075 | 0 | 737,942 |
| Payment to Claimants | 196,455 | 0 | 636,886 |
| Total Operating Expenses | <u>1,427,860</u> | <u>390,054</u> | <u>6,742,133</u> |
| Operating Income (Loss) | <u>161,372</u> | <u>196,952</u> | <u>967,554</u> |
| <u>Non-Operating Revenues (Expenses):</u> | | | |
| Interest Revenue | 2,752 | 0 | 19,945 |
| Interest Expense | 0 | 0 | (111,867) |
| Gain (Loss) on Capital Asset Disposal | 0 | 0 | 14,915 |
| Other Non-Operating Revenues (Expenses) | 4,860 | 0 | 9,545 |
| Total Non-Operating Revenues (Expenses) | <u>7,612</u> | <u>0</u> | <u>(67,462)</u> |
| Net Income (Loss) Before Transfers | 168,984 | 196,952 | 900,092 |
| Transfers In | <u>0</u> | <u>0</u> | <u>282,535</u> |
| Changes in Net Assets | 168,984 | 196,952 | 1,182,627 |
| Net Position as of January 1 | 1,276,431 | 683,886 | 15,318,779 |
| Net Position as of December 31 | <u>\$ 1,445,415</u> | <u>\$ 880,838</u> | <u>\$ 16,501,406</u> |

BENTON COUNTY, WASHINGTON

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2012

| | Equipment Rental & Revolving | Central Services | Workers' Compensation |
|----------------------------------------------------------------------|------------------------------------|---------------------|--------------------------|
| <u>Cash Flows From Operating Activities:</u> | | | |
| Receipts from Customers | \$ 178,408 | \$ 0 | \$ 0 |
| Receipts from interfund services provided | 2,003,368 | 2,675,174 | 6,913 |
| Miscellaneous Receipts | 3,848 | 0 | 1,339,101 |
| Payments to Employees | (427,102) | (1,089,196) | (300,861) |
| Payments to Suppliers | (1,220,168) | (1,384,347) | (539,001) |
| Payments for interfund services used | (214,443) | (165,991) | 0 |
| Net cash provided (used) by operating activities | <u>323,911</u> | <u>35,640</u> | <u>506,153</u> |
| <u>Cash Flows From Noncapital Financing Activities:</u> | | | |
| Transfers from other funds | <u>0</u> | <u>282,535</u> | <u>0</u> |
| Net cash provided (used) by noncapital financing activities | <u>0</u> | <u>282,535</u> | <u>0</u> |
| <u>Cash Flows From Capital And Related Financing Activities</u> | | | |
| Interest Paid On Capital Lease | 0 | (111,867) | 0 |
| Principal Paid On Capital Lease | 0 | (134,292) | 0 |
| Proceeds from Sale of Capital Assets | 44,040 | 3,178 | 0 |
| Purchases of capital assets | (845,355) | (113,216) | 0 |
| Net cash provided (used) by capital and related financing activities | <u>(801,315)</u> | <u>(356,197)</u> | <u>0</u> |
| <u>Cash Flows From Investing Activities:</u> | | | |
| Proceeds from Sale of Investment | 5,449,900 | 0 | 900,000 |
| Purchase of Investments | (480,000) | 0 | 0 |
| Interest Received | 10,741 | 0 | 4,931 |
| Net Cash Provided by Investing Activities | <u>4,980,641</u> | <u>0</u> | <u>904,931</u> |
| Net Increase in Cash & Cash Equivalents | 4,503,236 | (38,022) | 1,411,084 |
| Balances as of January 1 | 99,492 | 716,077 | 1,439,342 |
| Balances as of December 31 | <u>\$ 4,602,728</u> | <u>\$ 678,055</u> | <u>\$ 2,850,426</u> |

BENTON COUNTY, WASHINGTON

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2012

| | Insurance Management | Accumulated Leave | 2012 Total |
|----------------------------------------------------------------------|-------------------------|----------------------|----------------------|
| <u>Cash Flows From Operating Activities:</u> | | | |
| Receipts from Customers | \$ 0 | \$ 0 | \$ 178,408 |
| Receipts from interfund services provided | 1,577,899 | (288) | 6,263,066 |
| Miscellaneous Receipts | 10,536 | 587,006 | 1,940,491 |
| Payments to Employees | (46,491) | (390,055) | (2,253,704) |
| Payments to Suppliers | (1,364,029) | 0 | (4,507,545) |
| Payments for interfund services used | (1,452) | (3,607) | (385,493) |
| Net cash provided (used) by operating activities | <u>176,464</u> | <u>193,056</u> | <u>1,235,223</u> |
| <u>Cash Flows From Noncapital Financing Activities:</u> | | | |
| Transfers from other funds | <u>0</u> | <u>0</u> | <u>282,535</u> |
| Net cash provided (used) by noncapital financing activities | <u>0</u> | <u>0</u> | <u>282,535</u> |
| <u>Cash Flows From Capital And Related Financing Activities</u> | | | |
| Interest Paid On Capital Lease | 0 | 0 | (111,867) |
| Principal Paid On Capital Lease | 0 | 0 | (134,292) |
| Proceeds from Sale of Capital Assets | 4,860 | 0 | 52,078 |
| Purchases of capital assets | <u>0</u> | <u>0</u> | <u>(958,571)</u> |
| Net cash provided (used) by capital and related financing activities | <u>4,860</u> | <u>0</u> | <u>(1,152,652)</u> |
| <u>Cash Flows From Investing Activities:</u> | | | |
| Proceeds from Sale of Investment | 634,000 | 0 | 6,983,900 |
| Purchase of Investments | 0 | 0 | (480,000) |
| Interest Received | 2,752 | 0 | 18,424 |
| Net Cash Provided by Investing Activities | <u>636,752</u> | <u>0</u> | <u>6,522,324</u> |
| Net Increase in Cash & Cash Equivalents | 818,076 | 193,056 | 6,887,430 |
| Balances as of January 1 | 576,264 | 687,494 | 3,518,669 |
| Balances as of December 31 | <u>\$ 1,394,340</u> | <u>\$ 880,550</u> | <u>\$ 10,406,099</u> |

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2012

| | <u>Equipment Rental & Revolving</u> | <u>Central Services</u> | <u>Workers' Compensation</u> |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------|----------------------------------|
| Operating Income/(Loss) | \$ <u>194,365</u> | \$ <u>(73,719)</u> | \$ <u>488,586</u> |
| <i><u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u></i> | | | |
| Depreciation Expense | 423,841 | 309,026 | 0 |
| Changes in assets and liabilities: | | | |
| Receivables, net | 88,854 | (11,486) | 6,913 |
| Inventories | (352,416) | 0 | 0 |
| Accounts and other payables | <u>(30,733)</u> | <u>(188,181)</u> | <u>10,654</u> |
| Net cash provided by operating activities | <u>\$ 323,911</u> | <u>\$ 35,640</u> | <u>\$ 506,153</u> |

Combining Statement of Cash Flow:
 Internal Service Funds
 Year Ended December 31, 2012

| | <u>Insurance Management</u> | <u>Accumulated Leave</u> | <u>2012 Total</u> |
|-----------------------------------------------------------------------------------------------------------|---------------------------------|------------------------------|-----------------------|
| Operating Income/(Loss) | \$ 161,372 | \$ 196,952 | \$ 967,554 |
| <i><u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u></i> | | | |
| Depreciation Expense | 5,075 | 0 | 737,942 |
| Changes in assets and liabilities: | | | |
| Receivables, net | (797) | (288) | 83,197 |
| Inventories | 0 | 0 | (352,416) |
| Accounts and other payables | <u>10,814</u> | <u>(3,608)</u> | <u>(201,055)</u> |
| Net cash provided by operating activities | <u>\$ 176,464</u> | <u>\$ 193,056</u> | <u>\$ 1,235,223</u> |

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AGENCY FUNDS

Agency Funds are used to account for monies held by Benton County as an agent for other governmental units. Many independent governmental entities are required by statute to deposit and disburse all funds through the Benton County Treasurer's Office. These funds do not represent assets of Benton County, who has custodial responsibility only. Therefore, it does not require measurement of the results of operations. Each agency is responsible for preparation of its own annual report.

Similar individual Agency Funds have been grouped on a functional basis to enhance communication and the understanding of the financial statements. A description of each funds is as follows:

Benton Franklin Health - A fund to account for the receipting and disbursing of cash for health services provided to Benton and Franklin Counties.

Mosquito Control - Funds to account for the receipting and disbursing of cash for mosquito control services within the district.

Weed District - Established for the receipting and disbursing of cash for the control of weeds within the district.

Greater Columbia Regional Support Network - A fund to account for the receipting and disbursing of cash for human services provided in Benton, Franklin, Asotin, Columbia, Garfield, Kittitas, Klickitat, Skamania, Walla Walla, Whitman and Yakima Counties.

Kennewick Abatement - Used to account for the receipting and disbursing of cash to cleanup neglected and derelict property within Kennewick.

Rural Library - Established for the receipting and disbursing of cash for the rural mobile library.

Cities - Funds to account for the receipting of property taxes for Prosser, Kennewick, Benton City, Richland, West Richland and associated city bonds.

State and Trust Funds - Funds to account for the receipting and disbursing of cash for State General, State Schools, State Map and Survey Fees, State Public Safety and Education, State Building Code, State Marriage Licenses, School Excise, Department of Energy, Treasurer's Suspense, Dispute Resolution Center, Leasehold Excise Trust, Franklin County Trust, Advance Deposits, Clerks Unclaimed Restitution, Over and Short, State Gun Permits, State Playground, Interest Suspense, Impact Fee, P.E.T.T. Trust, and Refund Tax..

School Districts - Funds to account for the receipting and disbursing of cash for school districts which are Kennewick, Richland, Finley, Paterson, Benton City, Prosser and Grandview.

Port Districts - Funds to account for the receipting and disbursing of cash for port districts which are Benton and Kennewick.

Hospital Districts - Funds to account for the receipting and disbursing of cash for the Prosser and Kennewick Hospital Districts.

Water Districts - Funds to account for the receipting and disbursing of cash for water districts which are Tri-City Estates, Plymouth and County Well.

AGENCY FUNDS

(CONTINUED)

Irrigation Districts - Funds to account for the receipting and disbursing of cash for irrigation districts which are Benton, Columbia, Grandview, Kiona, Badger Mountain, Columbia Power and Water.

Fire Districts - Funds to account for the receipting and disbursing of cash for fire districts.

Drainage Districts - Funds to account for the receipting and disbursing of cash for drainage districts.

Diking District - A fund to account for the receipting and disbursing of cash for the diking district.

Air Pollution Control - A fund to account for the receipting and disbursing of cash for the Air Pollution Control Board.

Warrant Clearing Funds - Funds to account for receipting and disbursing of cash for payroll warrants and voucher warrants.

Emergency Dispatch EDC - Established for the receipting and disbursing of cash for the Emergency Dispatch Center.

Hanford Economic Development - A fund for receipt of program funds on behalf of the Hanford Area Economic Investment Fund Committee.

Public Facilities District - A fund to account for the receipting and disbursing of cash as provided by RCW 35.100, for the development of a regional center (convention, conference and/or special events center) at a cost of at least ten million dollars.

CRID Guaranty Fund - A fund created, as required by bond covenants for the County Road Improvement Districts, to ensure bond payments can be met in the event assessments for the County Road Improvement Districts are not fully collected.

County Road Suspense - A fund to receive damage deposits to cover activities involving County roads that may create a liability. Upon satisfactory inspection of work done, the deposit is returned.

Benton City Library - A fund to account for the receipting of funds for bond payments for construction of the Benton City Library.

Law Library Transfer - A fund to account for collection of funds to transmit to Franklin County for joint-county Law Library administration.

Benton Conservation District - A fund to account for the receipting and disbursing of cash for the Benton Conservation District.

Combining Statements of Net Position

Agency Funds

December 31, 2012

| | Benton Franklin Health | Mosquito Control | Weed District | Greater Columbia Behavioral Health |
|-------------------------------------|------------------------------|---------------------|------------------|---------------------------------------------|
| ASSETS | | | | |
| Cash | \$ 1,552,780 | \$ 221,633 | \$ 14,185 | \$ 3,384,980 |
| Temporary Investments, at Cost | 0 | 1,177,088 | 50,000 | 4,100,000 |
| Taxes Receivable | 0 | 44,436 | 0 | 0 |
| Total Assets | \$ 1,552,780 | \$ 1,443,157 | \$ 64,185 | \$ 7,484,980 |
| LIABILITIES AND NET POSITION | | | | |
| LIABILITIES | | | | |
| Warrants Payable | \$ 0 | \$ 132,657 | \$ 0 | \$ 0 |
| Vouchers Payable | 552,404 | 0 | 296 | 0 |
| Due to Other Governmental Units | 1,000,376 | 1,310,500 | 63,889 | 7,484,980 |
| Total Liabilities | \$ 1,552,780 | \$ 1,443,157 | \$ 64,185 | \$ 7,484,980 |

Combining Statements of Net Position

Agency Funds

December 31, 2012

| | Kennewick Abatement | Rural Library | Cities | State and Trust Funds |
|-------------------------------------|------------------------|-------------------|---------------------|--------------------------|
| ASSETS | | | | |
| Cash | \$ 282 | \$ 24,272 | \$ 352,966 | \$ 1,268,464 |
| Temporary Investments, at Cost | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 113,538 | 743,207 | 956,371 |
| Total Assets | \$ 282 | \$ 137,810 | \$ 1,096,173 | \$ 2,224,835 |
| LIABILITIES AND NET POSITION | | | | |
| LIABILITIES | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 282 | 137,810 | 1,096,173 | 2,224,835 |
| Total Liabilities | \$ 282 | \$ 137,810 | \$ 1,096,173 | \$ 2,224,835 |

Combining Statements of Net Position

Agency Funds

December 31, 2012

| School Districts | Port Districts | Hospital Districts | Water Districts | Irrigation Districts | Fire Districts |
|-----------------------|----------------------|-----------------------|--------------------|-------------------------|---------------------|
| \$ 15,425,606 | \$ 1,345,870 | \$ 2,184 | \$ 124,516 | \$ 5,354,340 | \$ 987,123 |
| 102,493,180 | 11,867,982 | 0 | 57,150 | 22,000 | 4,359,768 |
| 1,980,148 | 151,375 | 62,087 | 0 | 0 | 244,501 |
| <u>\$ 119,898,934</u> | <u>\$ 13,365,227</u> | <u>\$ 64,271</u> | <u>\$ 181,666</u> | <u>\$ 5,376,340</u> | <u>\$ 5,591,392</u> |
| | | | | | |
| \$ 9,156,971 | \$ 97,343 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 277 | 154,922 | 140,290 |
| 110,741,963 | 13,267,884 | 64,271 | 181,389 | 5,221,418 | 5,451,102 |
| <u>\$ 119,898,934</u> | <u>\$ 13,365,227</u> | <u>\$ 64,271</u> | <u>\$ 181,666</u> | <u>\$ 5,376,340</u> | <u>\$ 5,591,392</u> |

Combining Statements of Net Position

Agency Funds

December 31, 2012

| | Drainage Districts | Diking District | Clean Air Authority | County Payroll & Warrant Clearing Funds |
|-------------------------------------|-----------------------|--------------------|---------------------------|--------------------------------------------------|
| ASSETS | | | | |
| Cash | \$ 4,175 | \$ 5,892 | \$ 228,211 | \$ 1,653,185 |
| Temporary Investments, at Cost | 42,170 | 0 | 266,835 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ 46,345 | \$ 5,892 | \$ 495,046 | \$ 1,653,185 |
| LIABILITIES AND NET POSITION | | | | |
| LIABILITIES | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 1,653,187 |
| Vouchers Payable | 1 | 39 | 13,007 | 0 |
| Due to Other Governmental Units | 46,344 | 5,853 | 482,039 | (2) |
| Total Liabilities | \$ 46,345 | \$ 5,892 | \$ 495,046 | \$ 1,653,185 |

Combining Statements of Net Position

Agency Funds

December 31, 2012

| Emergency Dispatch EDC | Hanford Economic Development | Public Facilities District | CRID Guaranty Fund | County Road Suspense | Benton City Library |
|------------------------------|------------------------------------|----------------------------------|--------------------------|----------------------------|---------------------------|
| \$ 135,757 | \$ 2,011,435 | \$ 16,726 | \$ 66,426 | \$ 24,016 | \$ 11,147 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 3,683 |
| <u>\$ 135,757</u> | <u>\$ 2,011,435</u> | <u>\$ 16,726</u> | <u>\$ 66,426</u> | <u>\$ 24,016</u> | <u>\$ 14,830</u> |

| | | | | | |
|-------------------|---------------------|------------------|------------------|------------------|------------------|
| \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 135,757 | 2,011,435 | 16,726 | 66,426 | 24,016 | 14,830 |
| <u>\$ 135,757</u> | <u>\$ 2,011,435</u> | <u>\$ 16,726</u> | <u>\$ 66,426</u> | <u>\$ 24,016</u> | <u>\$ 14,830</u> |

Combining Statements of Net Position

Agency Funds

December 31, 2012

| | Law Library Transfer | Benton Conservation District | <u>Totals</u> 2012 |
|-------------------------------------|----------------------------|------------------------------------|---------------------------|
| ASSETS | | | |
| Cash | \$ 6,491 | \$ 1,047 | \$ 34,223,709 |
| Temporary Investments, at Cost | 0 | 0 | 124,436,173 |
| Taxes Receivable | 0 | 0 | 4,299,346 |
| Total Assets | \$ 6,491 | \$ 1,047 | \$ 162,959,228 |
| LIABILITIES AND NET POSITION | | | |
| LIABILITIES | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 11,040,158 |
| Vouchers Payable | 0 | 0 | 861,236 |
| Due to Other Governmental Units | 6,491 | 1,047 | 151,057,834 |
| Total Liabilities | \$ 6,491 | \$ 1,047 | \$ 162,959,228 |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|-----------------------------------------------|----------------------|---------------------|---------------------|------------------------|
| <u>Benton Franklin Health District</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 794,229 | \$ 8,720,682 | \$ 7,962,131 | \$ 1,552,780 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>794,229</u> | \$ <u>8,720,682</u> | \$ <u>7,962,131</u> | \$ <u>1,552,780</u> |

| | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 6,767,864 | \$ 6,767,864 | \$ 0 |
| Vouchers Payable | 0 | 552,404 | 0 | 552,404 |
| Due to Other Governmental Units | (967,808) | 1,000,376 | (967,808) | 1,000,376 |
| Total Liabilities | \$ <u>(967,808)</u> | \$ <u>8,320,644</u> | \$ <u>5,800,056</u> | \$ <u>1,552,780</u> |

Mosquito Control

| | | | | |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 28,062 | \$ 2,029,102 | \$ 1,835,531 | \$ 221,633 |
| Temporary Investments | 1,401,088 | 865,000 | 1,089,000 | 1,177,088 |
| Taxes Receivable | 53,840 | 1,241,861 | 1,251,265 | 44,436 |
| Total Assets | \$ <u>1,482,990</u> | \$ <u>4,135,963</u> | \$ <u>4,175,796</u> | \$ <u>1,443,157</u> |

| | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 3,470 | \$ 1,358,468 | \$ 1,229,281 | \$ 132,657 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 1,479,520 | 1,310,500 | 1,479,520 | 1,310,500 |
| Total Liabilities | \$ <u>1,482,990</u> | \$ <u>2,668,968</u> | \$ <u>2,708,801</u> | \$ <u>1,443,157</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|-----------------------------|----------------------|------------------|------------------|------------------------|
| <u>Weed District</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 13,491 | \$ 21,288 | \$ 20,594 | \$ 14,185 |
| Temporary Investments | 50,000 | 0 | 0 | 50,000 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>63,491</u> | \$ <u>21,288</u> | \$ <u>20,594</u> | \$ <u>64,185</u> |

| | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 20,626 | \$ 20,626 | \$ 0 |
| Vouchers Payable | 264 | 296 | 264 | 296 |
| Due to Other Governmental Units | 63,227 | 63,889 | 63,227 | 63,889 |
| Total Liabilities | \$ <u>63,491</u> | \$ <u>84,811</u> | \$ <u>84,117</u> | \$ <u>64,185</u> |

Greater Columbia Behavioral Health

| | | | | |
|-----------------------|---------------------|----------------------|----------------------|---------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 1,844,408 | \$ 54,279,603 | \$ 52,739,031 | \$ 3,384,980 |
| Temporary Investments | 4,100,000 | 1,000,000 | 1,000,000 | 4,100,000 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>5,944,408</u> | \$ <u>55,279,603</u> | \$ <u>53,739,031</u> | \$ <u>7,484,980</u> |

| | | | | |
|---------------------------------|---------------------|----------------------|----------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 52,882,456 | \$ 52,882,456 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 5,944,408 | 7,484,980 | 5,944,408 | 7,484,980 |
| Total Liabilities | \$ <u>5,944,408</u> | \$ <u>60,367,436</u> | \$ <u>58,826,864</u> | \$ <u>7,484,980</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|-------------|----------------------|-----------|------------|------------------------|
|-------------|----------------------|-----------|------------|------------------------|

Kennewick Abatement

Assets

| | | | | |
|-----------------------|-------------|------------------|------------------|---------------|
| Cash | \$ 0 | \$ 12,006 | \$ 11,724 | \$ 282 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ 0 | \$ 12,006 | \$ 11,724 | \$ 282 |

Liabilities

| | | | | |
|---------------------------------|-------------|---------------|-------------|---------------|
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 0 | 282 | 0 | 282 |
| Total Liabilities | \$ 0 | \$ 282 | \$ 0 | \$ 282 |

Rural Library

Assets

| | | | | |
|-----------------------|-------------------|---------------------|---------------------|-------------------|
| Cash | \$ 23,123 | \$ 3,401,313 | \$ 3,400,164 | \$ 24,272 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 114,989 | 3,223,940 | 3,225,391 | 113,538 |
| Total Assets | \$ 138,112 | \$ 6,625,253 | \$ 6,625,555 | \$ 137,810 |

Liabilities

| | | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 138,113 | 137,810 | 138,113 | 137,810 |
| Total Liabilities | \$ 138,113 | \$ 137,810 | \$ 138,113 | \$ 137,810 |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|-----------------------|----------------------|----------------------|----------------------|------------------------|
| <u>Cities</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 271,523 | \$ 32,302,504 | \$ 32,221,061 | \$ 352,966 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 755,618 | 28,903,210 | 28,915,621 | 743,207 |
| Total Assets | \$ <u>1,027,141</u> | \$ <u>61,205,714</u> | \$ <u>61,136,682</u> | \$ <u>1,096,173</u> |

| | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 1,027,141 | 1,096,173 | 1,027,141 | 1,096,173 |
| Total Liabilities | \$ <u>1,027,141</u> | \$ <u>1,096,173</u> | \$ <u>1,027,141</u> | \$ <u>1,096,173</u> |

State and Trust Funds

| | | | | |
|-----------------------|---------------------|----------------------|----------------------|---------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 1,463,754 | \$ 52,135,188 | \$ 52,330,478 | \$ 1,268,464 |
| Temporary Investments | 349,918 | 0 | 349,918 | 0 |
| Taxes Receivable | 888,047 | 34,032,995 | 33,964,671 | 956,371 |
| Total Assets | \$ <u>2,701,719</u> | \$ <u>86,168,183</u> | \$ <u>86,645,067</u> | \$ <u>2,224,835</u> |

| | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 2,701,718 | 2,224,835 | 2,701,718 | 2,224,835 |
| Total Liabilities | \$ <u>2,701,718</u> | \$ <u>2,224,835</u> | \$ <u>2,701,718</u> | \$ <u>2,224,835</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|--------------------------------|-----------------------|-----------------------|-----------------------|------------------------|
| <u>School Districts</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 8,126,862 | \$ 419,181,649 | \$ 411,882,905 | \$ 15,425,606 |
| Temporary Investments | 112,959,884 | 87,197,992 | 97,664,696 | 102,493,180 |
| Taxes Receivable | 2,005,712 | 65,110,247 | 65,135,811 | 1,980,148 |
| Total Assets | \$ <u>123,092,458</u> | \$ <u>571,489,888</u> | \$ <u>574,683,412</u> | \$ <u>119,898,934</u> |

| | | | | |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 7,177,074 | \$ 160,442,839 | \$ 158,462,942 | \$ 9,156,971 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 115,915,383 | 110,741,963 | 115,915,383 | 110,741,963 |
| Total Liabilities | \$ <u>123,092,457</u> | \$ <u>271,184,802</u> | \$ <u>274,378,325</u> | \$ <u>119,898,934</u> |

Port Districts

| | | | | |
|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 2,179,310 | \$ 27,041,965 | \$ 27,875,405 | \$ 1,345,870 |
| Temporary Investments | 12,274,627 | 4,971,555 | 5,378,200 | 11,867,982 |
| Taxes Receivable | 151,758 | 5,322,477 | 5,322,860 | 151,375 |
| Total Assets | \$ <u>14,605,695</u> | \$ <u>37,335,997</u> | \$ <u>38,576,465</u> | \$ <u>13,365,227</u> |

| | | | | |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 217,492 | \$ 12,557,813 | \$ 12,677,962 | \$ 97,343 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 14,388,204 | 13,267,884 | 14,388,204 | 13,267,884 |
| Total Liabilities | \$ <u>14,605,696</u> | \$ <u>25,825,697</u> | \$ <u>27,066,166</u> | \$ <u>13,365,227</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|----------------------------------|----------------------|---------------------|---------------------|------------------------|
| <u>Hospital Districts</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 2,559 | \$ 1,915,624 | \$ 1,915,999 | \$ 2,184 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 63,427 | 1,910,309 | 1,911,649 | 62,087 |
| Total Assets | <u>\$ 65,986</u> | <u>\$ 3,825,933</u> | <u>\$ 3,827,648</u> | <u>\$ 64,271</u> |

| | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 65,986 | 64,271 | 65,986 | 64,271 |
| Total Liabilities | <u>\$ 65,986</u> | <u>\$ 64,271</u> | <u>\$ 65,986</u> | <u>\$ 64,271</u> |

Water Districts

| | | | | |
|-----------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 104,285 | \$ 114,019 | \$ 93,788 | \$ 124,516 |
| Temporary Investments | 62,389 | 17,085 | 22,324 | 57,150 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 166,674</u> | <u>\$ 131,104</u> | <u>\$ 116,112</u> | <u>\$ 181,666</u> |

| | | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 116,336 | \$ 116,336 | \$ 0 |
| Vouchers Payable | 11,840 | 277 | 11,840 | 277 |
| Due to Other Governmental Units | 150,297 | 181,389 | 150,297 | 181,389 |
| Total Liabilities | <u>\$ 162,137</u> | <u>\$ 298,002</u> | <u>\$ 278,473</u> | <u>\$ 181,666</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|------------------------------------|----------------------|----------------------|----------------------|------------------------|
| <u>Irrigation Districts</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 4,975,561 | \$ 15,462,739 | \$ 15,083,960 | \$ 5,354,340 |
| Temporary Investments | 2,449,512 | 1,773,215 | 4,200,727 | 22,000 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>7,425,073</u> | \$ <u>17,235,954</u> | \$ <u>19,284,687</u> | \$ <u>5,376,340</u> |

| | | | | |
|---------------------------------|---------------------|----------------------|----------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 14,785,500 | \$ 14,785,500 | \$ 0 |
| Vouchers Payable | 3,076,447 | 154,922 | 3,076,447 | 154,922 |
| Due to Other Governmental Units | 4,190,148 | 5,221,418 | 4,190,148 | 5,221,418 |
| Total Liabilities | \$ <u>7,266,595</u> | \$ <u>20,161,840</u> | \$ <u>22,052,095</u> | \$ <u>5,376,340</u> |

Fire Districts

| | | | | |
|-----------------------|---------------------|----------------------|----------------------|---------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 973,798 | \$ 5,881,348 | \$ 5,868,023 | \$ 987,123 |
| Temporary Investments | 4,588,619 | 3,796,948 | 4,025,799 | 4,359,768 |
| Taxes Receivable | 230,347 | 6,493,369 | 6,479,215 | 244,501 |
| Total Assets | \$ <u>5,792,764</u> | \$ <u>16,171,665</u> | \$ <u>16,373,037</u> | \$ <u>5,591,392</u> |

| | | | | |
|---------------------------------|---------------------|----------------------|----------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 262,907 | \$ 5,770,113 | \$ 6,033,020 | \$ 0 |
| Vouchers Payable | 0 | 140,290 | 0 | 140,290 |
| Due to Other Governmental Units | 5,529,859 | 5,451,102 | 5,529,859 | 5,451,102 |
| Total Liabilities | \$ <u>5,792,766</u> | \$ <u>11,361,505</u> | \$ <u>11,562,879</u> | \$ <u>5,591,392</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|----------------------------------|----------------------|-----------------|------------------|------------------------|
| <u>Drainage Districts</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 2,044 | \$ 4,546 | \$ 2,415 | \$ 4,175 |
| Temporary Investments | 50,170 | 0 | 8,000 | 42,170 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>52,214</u> | \$ <u>4,546</u> | \$ <u>10,415</u> | \$ <u>46,345</u> |

| | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 2 | \$ 10,415 | \$ 10,417 | \$ 0 |
| Vouchers Payable | 0 | 1 | 0 | 1 |
| Due to Other Governmental Units | 52,142 | 46,344 | 52,142 | 46,344 |
| Total Liabilities | \$ <u>52,144</u> | \$ <u>56,760</u> | \$ <u>62,559</u> | \$ <u>46,345</u> |

Diking District

| | | | | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| <i>Assets</i> | | | | |
| Cash | \$ 5,442 | \$ 6,524 | \$ 6,074 | \$ 5,892 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>5,442</u> | \$ <u>6,524</u> | \$ <u>6,074</u> | \$ <u>5,892</u> |

| | | | | |
|---------------------------------|-----------------|------------------|------------------|-----------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 6,073 | \$ 6,073 | \$ 0 |
| Vouchers Payable | 0 | 39 | 0 | 39 |
| Due to Other Governmental Units | 5,442 | 5,853 | 5,442 | 5,853 |
| Total Liabilities | \$ <u>5,442</u> | \$ <u>11,965</u> | \$ <u>11,515</u> | \$ <u>5,892</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|-----------------------------------|----------------------|-------------------|-------------------|------------------------|
| <u>Clean Air Authority</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 121,133 | \$ 680,314 | \$ 573,236 | \$ 228,211 |
| Temporary Investments | 266,835 | 0 | 0 | 266,835 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 387,968</u> | <u>\$ 680,314</u> | <u>\$ 573,236</u> | <u>\$ 495,046</u> |

| | | | | |
|---------------------------------|-------------------|---------------------|-------------------|-------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 556,591 | \$ 556,591 | \$ 0 |
| Vouchers Payable | 4,630 | 8,377 | 0 | 13,007 |
| Due to Other Governmental Units | 383,338 | 482,039 | 383,338 | 482,039 |
| Total Liabilities | <u>\$ 387,968</u> | <u>\$ 1,047,007</u> | <u>\$ 939,929</u> | <u>\$ 495,046</u> |

County Payroll & Warrant Clearing Funds

| | | | | |
|-----------------------|---------------------|-----------------------|-----------------------|---------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 3,155,625 | \$ 153,880,142 | \$ 155,382,582 | \$ 1,653,185 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 3,155,625</u> | <u>\$ 153,880,142</u> | <u>\$ 155,382,582</u> | <u>\$ 1,653,185</u> |

| | | | | |
|---------------------------------|---------------------|-----------------------|-----------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 3,155,627 | \$ 153,880,142 | \$ 155,382,582 | \$ 1,653,187 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | (2) | (2) | (2) | (2) |
| Total Liabilities | <u>\$ 3,155,625</u> | <u>\$ 153,880,140</u> | <u>\$ 155,382,580</u> | <u>\$ 1,653,185</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|----------------------------------------|----------------------|---------------------|---------------------|------------------------|
| <u>Emergency Dispatch - EDC</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 131,907 | \$ 1,604,624 | \$ 1,600,774 | \$ 135,757 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 131,907</u> | <u>\$ 1,604,624</u> | <u>\$ 1,600,774</u> | <u>\$ 135,757</u> |

| | | | | |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 131,907 | 135,757 | 131,907 | 135,757 |
| Total Liabilities | <u>\$ 131,907</u> | <u>\$ 135,757</u> | <u>\$ 131,907</u> | <u>\$ 135,757</u> |

Hanford Economic Development

| | | | | |
|-----------------------|---------------------|-------------------|---------------------|---------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 137,658 | \$ 186,888 | \$ (1,686,889) | \$ 2,011,435 |
| Temporary Investments | 3,183,139 | 0 | 3,183,139 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 3,320,797</u> | <u>\$ 186,888</u> | <u>\$ 1,496,250</u> | <u>\$ 2,011,435</u> |

| | | | | |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 3,320,797 | 2,011,435 | 3,320,797 | 2,011,435 |
| Total Liabilities | <u>\$ 3,320,797</u> | <u>\$ 2,011,435</u> | <u>\$ 3,320,797</u> | <u>\$ 2,011,435</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|------------------------------------------|----------------------|-------------------|-------------------|------------------------|
| <u>Public Facilities District</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 22,886 | \$ 228,231 | \$ 234,391 | \$ 16,726 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>22,886</u> | \$ <u>228,231</u> | \$ <u>234,391</u> | \$ <u>16,726</u> |

| | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 22,886 | 16,726 | 22,886 | 16,726 |
| Total Liabilities | \$ <u>22,886</u> | \$ <u>16,726</u> | \$ <u>22,886</u> | \$ <u>16,726</u> |

CRID Guaranty Fund

| | | | | |
|-----------------------|------------------|------------------|------------------|------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 115 | \$ 66,569 | \$ 258 | \$ 66,426 |
| Temporary Investments | 66,426 | 0 | 66,426 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>66,541</u> | \$ <u>66,569</u> | \$ <u>66,684</u> | \$ <u>66,426</u> |

| | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 66,541 | 66,426 | 66,541 | 66,426 |
| Total Liabilities | \$ <u>66,541</u> | \$ <u>66,426</u> | \$ <u>66,541</u> | \$ <u>66,426</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|------------------------------------|----------------------|-------------------|-------------------|------------------------|
| <u>County Road Suspense</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 65,516 | \$ 139,688 | \$ 181,188 | \$ 24,016 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | <u>\$ 65,516</u> | <u>\$ 139,688</u> | <u>\$ 181,188</u> | <u>\$ 24,016</u> |

| | | | | |
|---------------------------------|------------------|-------------------|-------------------|------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 181,188 | \$ 181,188 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 65,516 | 24,016 | 65,516 | 24,016 |
| Total Liabilities | <u>\$ 65,516</u> | <u>\$ 205,204</u> | <u>\$ 246,704</u> | <u>\$ 24,016</u> |

Benton City Library

| | | | | |
|-----------------------|------------------|-------------------|-------------------|------------------|
| <i>Assets</i> | | | | |
| Cash | \$ 1,321 | \$ 60,378 | \$ 50,552 | \$ 11,147 |
| Temporary Investments | 13,681 | 0 | 13,681 | 0 |
| Taxes Receivable | 3,983 | 60,400 | 60,700 | 3,683 |
| Total Assets | <u>\$ 18,985</u> | <u>\$ 120,778</u> | <u>\$ 124,933</u> | <u>\$ 14,830</u> |

| | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 303 | \$ 0 | \$ 303 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 18,680 | 14,830 | 18,680 | 14,830 |
| Total Liabilities | <u>\$ 18,983</u> | <u>\$ 14,830</u> | <u>\$ 18,983</u> | <u>\$ 14,830</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|------------------------------------|----------------------|------------------|------------------|------------------------|
| <u>Law Library Transfer</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 9,544 | \$ 80,687 | \$ 83,740 | \$ 6,491 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>9,544</u> | \$ <u>80,687</u> | \$ <u>83,740</u> | \$ <u>6,491</u> |

| | | | | |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 9,544 | 6,491 | 9,544 | 6,491 |
| Total Liabilities | \$ <u>9,544</u> | \$ <u>6,491</u> | \$ <u>9,544</u> | \$ <u>6,491</u> |

Benton Conservation District

| | | | | |
|-----------------------|---------------|-------------------|-------------------|-----------------|
| <i>Assets</i> | | | | |
| Cash | \$ 495 | \$ 199,943 | \$ 199,391 | \$ 1,047 |
| Temporary Investments | 0 | 0 | 0 | 0 |
| Taxes Receivable | 0 | 0 | 0 | 0 |
| Total Assets | \$ <u>495</u> | \$ <u>199,943</u> | \$ <u>199,391</u> | \$ <u>1,047</u> |

| | | | | |
|---------------------------------|---------------|-----------------|---------------|-----------------|
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Vouchers Payable | 0 | 0 | 0 | 0 |
| Due to Other Governmental Units | 495 | 1,047 | 495 | 1,047 |
| Total Liabilities | \$ <u>495</u> | \$ <u>1,047</u> | \$ <u>495</u> | \$ <u>1,047</u> |

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2012

| Description | Balance January 1 | Additions | Deductions | Balance December 31 |
|---------------------------------|-----------------------|-------------------------|-------------------------|------------------------|
| <u>All Agency Funds</u> | | | | |
| <i>Assets</i> | | | | |
| Cash | \$ 24,454,651 | 779,637,564 | 769,868,506 | 34,223,709 |
| Temporary Investments | 141,816,288 | 99,621,795 | 117,001,910 | 124,436,173 |
| Taxes Receivable | 4,267,721 | 146,298,808 | 146,267,183 | 4,299,346 |
| Total Assets | \$ <u>170,538,660</u> | \$ <u>1,025,558,167</u> | \$ <u>1,033,137,599</u> | \$ <u>162,959,228</u> |
| <i>Liabilities</i> | | | | |
| Warrants Payable | \$ 10,816,875 | \$ 409,336,424 | \$ 409,113,141 | \$ 11,040,158 |
| Vouchers Payable | 3,093,181 | 856,606 | 3,088,551 | 861,236 |
| Due to Other Governmental Units | 154,703,482 | 151,057,834 | 154,703,482 | 151,057,834 |
| Total Liabilities | \$ <u>168,613,538</u> | \$ <u>561,250,864</u> | \$ <u>566,905,174</u> | \$ <u>162,959,228</u> |

Capital Assets Used in the Operation of Governmental Funds

These are assets used in operations funded by governmental funds. This includes all capital assets of the County, including those used in Internal Service Funds.

Schedule of Capital Assets by Source – A report that summarizes major funding sources for County capital assets.

Schedule of Capital Assets by Function and Activity – A report allocating components of capital assets (land, building, construction in progress, improvements, and machinery and equipment) to various County functions and programs.

Schedule of Changes in Capital Assets by Function and Activity – A report that shows additions and deletions of total capital assets within separate County functions and programs.

BENTON COUNTY, WASHINGTON

Capital Assets

Schedule By Source

December 31, 2012 and 2011

| | 2012 | 2011 |
|--------------------------|----------------------|----------------------|
| Capital Assets: | | |
| Land | \$2,737,117 | \$2,737,117 |
| Buildings | 87,465,590 | 87,379,539 |
| Intangibles | 57,488 | 0 |
| Improvements | 8,446,389 | 8,172,807 |
| Infrastructure | 86,816,394 | 82,318,755 |
| Equipment | 13,102,289 | 12,976,899 |
| Construction in Progress | 14,635,495 | 14,106,442 |
| Total Capital Assets | <u>\$213,260,762</u> | <u>\$207,691,559</u> |

Investments in Capital Assets By Source:

| | | |
|--------------------------|----------------------|----------------------|
| General Fund | \$44,589,034 | \$44,928,876 |
| Special Revenue Fund | 97,888,600 | 92,373,492 |
| General Obligation Bonds | 51,186,963 | 51,186,963 |
| Capital Projects Funds | 19,596,165 | 19,202,228 |
| Total Capital Assets | <u>\$213,260,762</u> | <u>\$207,691,559</u> |

BENTON COUNTY, WASHINGTON

Capital Assets
 Schedule By Function and Activity
 December 31, 2012

| | Land | Building | Intangibles | Improve- ments Other Than Buildings | Infra- structure | Equipment | Construction In Progress | Total |
|-------------------------------------------|--------------------|---------------------|-----------------|----------------------------------------------|---------------------|---------------------|--------------------------------|----------------------|
| GENERAL GOVERNMENT: | | | | | | | | |
| Legislative | \$1,701,597 | \$2,371,048 | \$0 | \$331,192 | \$0 | \$37,642 | \$0 | \$4,441,479 |
| Judicial | - | 8,698,778 | - | 3,433,523 | - | 374,142 | 366,301 | 12,872,744 |
| Elections | - | - | - | - | - | 63,098 | - | 63,098 |
| Financial & Records | - | 883,840 | 38,121 | 155,354 | - | 44,453 | 24,500 | 1,146,268 |
| Legal | - | 14,033,166 | - | 9,667 | - | 130,157 | 12,748 | 14,185,738 |
| Facilities & General Government | - | 160,941 | 19,367 | 1,507,927 | - | (1,246,427) | 567,457 | 1,009,265 |
| Total General Government Services | 1,701,597 | 26,147,773 | 57,488 | 5,437,663 | - | (596,935) | 971,006 | 33,718,592 |
| PUBLIC SAFETY: | | | | | | | | |
| Security of Persons | - | 38,677,385 | - | 790,976 | - | 4,464,966 | 2,098,916 | 46,032,243 |
| Juvenile Probation | - | 7,101,324 | - | 152,781 | - | 202,360 | (1) | 7,456,464 |
| Total Public Safety | - | 45,778,709 | - | 943,757 | - | 4,667,326 | 2,098,915 | 53,488,707 |
| PHYSICAL ENVIRONMENT: | | | | | | | | |
| Other Physical Environment | - | - | - | - | - | 628,837 | - | 628,837 |
| Total Physical Environment | - | - | - | - | - | 628,837 | - | 628,837 |
| TRANSPORTATION: | | | | | | | | |
| Transportation | 246,520 | 3,023,609 | - | 357,917 | 86,816,394 | 7,260,627 | 11,530,056 | 109,235,123 |
| Total Transportation | 246,520 | 3,023,609 | - | 357,917 | 86,816,394 | 7,260,627 | 11,530,056 | 109,235,123 |
| ECONOMIC ENVIRONMENT: | | | | | | | | |
| Sustainable Development | - | - | - | - | - | 1,288 | - | 1,288 |
| Planning | - | 264,337 | - | - | - | 7,013 | - | 271,350 |
| Building | - | - | - | - | - | 1,523 | - | 1,523 |
| Total Economic Environment | - | 264,337 | - | - | - | 9,824 | - | 274,161 |
| MENTAL AND PHYSICAL HEALTH: | | | | | | | | |
| Mental & Physical Health | - | 9,476,716 | - | 362,759 | - | 523,700 | - | 10,363,175 |
| Total Mental & Physical Health | - | 9,476,716 | - | 362,759 | - | 523,700 | - | 10,363,175 |
| CULTURE & RECREATION: | | | | | | | | |
| Parks & Recreation | 789,000 | 535,958 | - | 791,253 | - | 170,242 | 34,843 | 2,321,296 |
| Benton County Fair | - | 1,940,387 | - | 553,040 | - | 420,038 | 675 | 2,914,140 |
| Cooperative Extension | - | 298,101 | - | - | - | 18,630 | - | 316,731 |
| Total Culture & Recreation | 789,000 | 2,774,446 | - | 1,344,293 | - | 608,910 | 35,518 | 5,552,167 |
| Total Capital Assets | \$2,737,117 | \$87,465,590 | \$57,488 | \$8,446,389 | \$86,816,394 | \$13,102,289 | \$14,635,495 | \$213,260,762 |

BENTON COUNTY, WASHINGTON

Capital Assets

Schedule Of Changes By Function And Activity

December 31, 2012

| | Governmental Funds Capital Assets 01/01/12 | Additions | Deletions | Governmental Funds Capital Assets 12/31/12 |
|-------------------------------------------|-----------------------------------------------------|--------------------|--------------------|-----------------------------------------------------|
| GENERAL GOVERNMENT: | | | | |
| Legislative | \$4,441,478 | \$0 | \$0 | \$4,441,478 |
| Judicial | 12,793,375 | 93,422 | 14,052 | 12,872,745 |
| Elections | 66,848 | 0 | 3,750 | 63,098 |
| Financial & Records | 1,086,931 | 62,621 | 3,283 | 1,146,269 |
| Legal | 14,181,982 | 12,748 | 8,993 | 14,185,737 |
| Facilities & General Government | 579,958 | 452,109 | 22,802 | 1,009,265 |
| Total General Government Services | 33,150,572 | 620,900 | 52,880 | 33,718,592 |
| PUBLIC SAFETY: | | | | |
| Security of Persons | 46,196,917 | 590,439 | 755,113 | 46,032,243 |
| Juvenile Probation | 7,456,464 | 0 | 0 | 7,456,464 |
| Total Public Safety | 53,653,381 | 590,439 | 755,113 | 53,488,707 |
| PHYSICAL ENVIRONMENT: | | | | |
| Other Physical Environment | 628,837 | 0 | 0 | 628,837 |
| Total Physical Environment | 628,837 | 0 | 0 | 628,837 |
| TRANSPORTATION: | | | | |
| Transportation | 104,166,779 | 6,819,600 | 1,751,256 | 109,235,123 |
| Total Transportation | 104,166,779 | 6,819,600 | 1,751,256 | 109,235,123 |
| ECONOMIC ENVIRONMENT: | | | | |
| Sustainable Development | 1,288 | 0 | 0 | 1,288 |
| Planning | 272,355 | 0 | 1,005 | 271,350 |
| Building | 1,523 | 0 | 0 | 1,523 |
| Total Economic Environment | 275,166 | 0 | 1,005 | 274,161 |
| MENTAL & PHYSICAL HEALTH: | | | | |
| Mental & Physical Health | 10,344,759 | 18,416 | 0 | 10,363,175 |
| Total Mental & Physical Health | 10,344,759 | 18,416 | 0 | 10,363,175 |
| CULTURE & RECREATION: | | | | |
| Parks & Recreation | 2,308,897 | 95,139 | 82,740 | 2,321,296 |
| Benton County Fair | 2,846,437 | 69,509 | 1,806 | 2,914,140 |
| Cooperative Extension | 316,731 | 0 | 0 | 316,731 |
| Total Culture & Recreation | 5,472,065 | 164,648 | 84,546 | 5,552,167 |
| Total Capital Assets | \$207,691,559 | \$8,214,003 | \$2,644,800 | \$213,260,762 |

STATISTICAL SECTION

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

| Contents | Beginning on Page |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|
| Financial Trends <i>These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time. (Schedules 1, 2, 3 and 4)</i> | 189 |
| Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax. (Schedules 5, 6, 7 and 8)</i> | 194 |
| Debt Capacity <i>These schedules contain information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future. (Schedules 9 and 10)</i> | 198 |
| Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within the government’s financial activities. (Schedules 11 and 12)</i> | 200 |
| Operating Information <i>These schedules contain services and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs. (Schedules 13, 14 and 15)</i> | 202 |

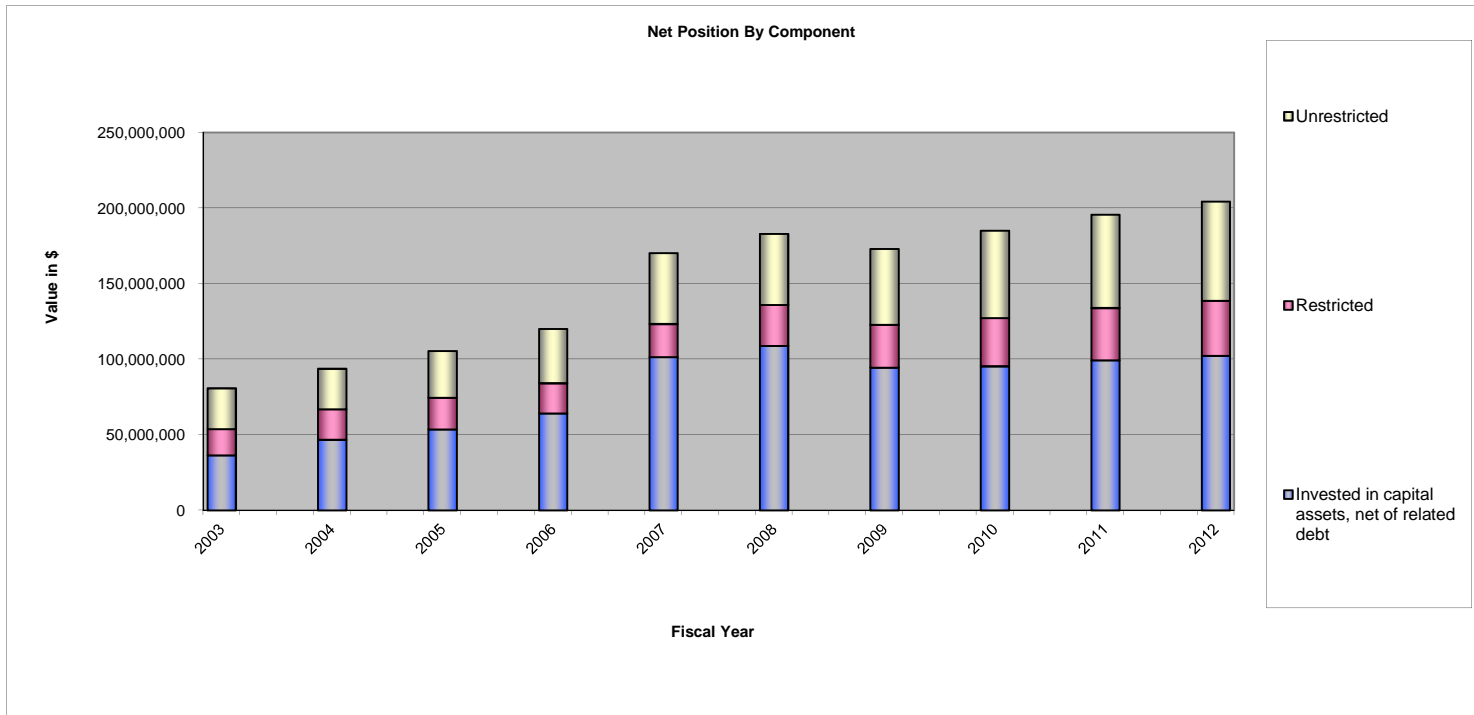
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

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Schedule 1
Benton County
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|----------------------------------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
| Primary Government | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 36,438,948 | \$ 46,718,373 | \$ 53,549,131 | \$ 64,186,239 | \$ 101,465,625 | \$ 108,992,884 | \$ 94,518,358 | \$ 95,456,488 | \$ 99,475,184 | \$ 102,434,308 |
| Restricted | | | | | | | | | | |
| General Government | 3,110,827 | 3,735,395 | 4,279,679 | 4,579,782 | 5,846,928 | 7,372,120 | 8,435,251 | 9,749,695 | 11,008,355 | 10,817,188 |
| Public Safety | 4,174,356 | 5,299,950 | 5,682,178 | 6,253,941 | 6,772,694 | 7,042,973 | 7,334,369 | 7,819,579 | 8,743,341 | 9,928,381 |
| Mental & Health Services | 4,920,055 | 5,556,850 | 6,210,595 | 4,803,792 | 3,980,997 | 5,416,394 | 6,250,106 | 6,798,387 | 6,161,466 | 7,142,597 |
| Economic Environment | 647,623 | 679,321 | 1,602,660 | 1,655,829 | 1,775,981 | 2,420,826 | 2,834,825 | 3,637,430 | 4,115,085 | 4,425,910 |
| Transportation | 3,521,684 | 3,902,355 | 2,075,571 | 1,416,422 | 2,582,449 | 4,229,497 | 3,003,673 | 3,320,381 | 4,044,230 | 3,502,959 |
| Culture & Recreation | 902,082 | 891,994 | 1,057,273 | 1,151,302 | 858,231 | 520,694 | 366,894 | 500,479 | 448,498 | 532,122 |
| Utilities & Environment | 183,366 | 182,378 | 176,488 | 183,757 | 156,800 | 119,864 | 85,464 | 67,645 | 38,113 | 33,014 |
| Unrestricted | 26,963,709 | 26,800,576 | 30,923,843 | 35,913,033 | 46,922,799 | 46,993,878 | 50,376,888 | 57,899,600 | 61,788,465 | 65,708,609 |
| Total Primary Government | | | | | | | | | | |
| Governmental Activities Net Position | <u>\$ 80,862,650</u> | <u>\$ 93,767,192</u> | <u>\$ 105,557,418</u> | <u>\$ 120,144,097</u> | <u>\$ 170,362,504</u> | <u>\$ 183,109,130</u> | <u>\$ 173,205,828</u> | <u>\$ 185,249,684</u> | <u>\$ 195,822,737</u> | <u>\$ 204,525,089</u> |

Note: Restricted portions reclassified to meet requirements of GASB 63 implemented in 2011.



Schedule 2
Benton County
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$ 19,960,305 | \$ 19,237,830 | \$ 19,769,075 | \$ 20,946,603 | \$ 22,654,827 | \$ 26,751,559 | \$ 25,289,893 | \$ 24,603,860 | \$ 24,539,863 | \$ 25,844,971 |
| Public Safety | 23,313,840 | 24,791,746 | 27,118,360 | 29,192,761 | 31,439,134 | 34,142,757 | 32,807,474 | 31,525,425 | 35,717,729 | 35,027,971 |
| Physical Environment | 1,516,816 | 1,460,833 | 1,676,805 | 1,485,752 | 1,600,702 | 1,698,156 | 1,821,594 | 1,815,012 | 1,752,381 | 1,850,393 |
| Transportation | 5,910,098 | 4,511,620 | 5,741,602 | 6,174,304 | 7,200,342 | 7,763,252 | 7,636,972 | 9,195,881 | 8,183,961 | 7,910,646 |
| Economic Environment | 1,906,037 | 1,693,824 | 1,712,083 | 1,780,568 | 1,822,219 | 2,013,292 | 2,171,535 | 2,014,223 | 2,026,527 | 3,247,173 |
| Health and Human Services | 14,582,677 | 14,812,223 | 15,370,272 | 15,560,496 | 16,410,189 | 17,373,655 | 17,827,426 | 18,064,698 | 16,720,998 | 6,358,009 |
| Culture and Recreation | 1,032,619 | 998,294 | 1,139,141 | 1,059,185 | 1,180,327 | 1,237,290 | 1,199,733 | 1,015,100 | 1,109,123 | 1,127,892 |
| Interest and fiscal changes | 1,229,041 | 1,496,917 | 1,435,502 | 1,529,252 | 1,653,392 | 1,587,467 | 1,640,445 | 1,605,040 | 1,479,168 | 1,208,315 |
| Total Governmental Activities Expenses | <u>69,451,433</u> | <u>69,003,287</u> | <u>73,962,840</u> | <u>77,728,921</u> | <u>83,961,132</u> | <u>92,567,428</u> | <u>90,395,071</u> | <u>89,839,240</u> | <u>91,529,750</u> | <u>82,575,371</u> |
| Total Primary Government Expenses | <u>\$ 69,451,433</u> | <u>\$ 69,003,287</u> | <u>\$ 73,962,840</u> | <u>\$ 77,728,921</u> | <u>\$ 83,961,132</u> | <u>\$ 92,567,428</u> | <u>\$ 90,395,071</u> | <u>\$ 89,839,240</u> | <u>\$ 91,529,750</u> | <u>\$ 82,575,371</u> |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges For Services: | | | | | | | | | | |
| General Government | \$ 8,405,642 | \$ 9,310,422 | \$ 10,069,959 | \$ 9,979,860 | \$ 14,622,117 | \$ 12,285,730 | \$ 13,551,792 | \$ 13,284,330 | \$ 14,107,073 | \$ 13,903,466 |
| Public Safety | 5,872,715 | 10,578,733 | 11,357,917 | 11,694,841 | 12,168,674 | 12,621,522 | 13,273,943 | 13,017,960 | 14,167,933 | 12,313,875 |
| Physical Environment | 168,576 | 152,867 | 136,215 | 768,299 | 501,371 | 499,063 | 512,745 | 515,406 | 579,539 | 587,162 |
| Transportation | 76,757 | 177,832 | 182,042 | 327,323 | 354,285 | 510,277 | 709,859 | 657,251 | 311,699 | 436,133 |
| Economic Environment | 53,720 | 746,101 | 709,185 | 629,595 | 769,714 | 557,202 | 642,725 | 808,977 | 813,307 | 691,318 |
| Health and Human Services | 10,413,014 | 10,214,751 | 10,258,097 | 7,415,805 | 8,069,499 | 9,751,746 | 10,758,553 | 11,502,414 | 9,656,202 | 1,388,200 |
| Culture and Recreation | 11,425 | 15,367 | 12,274 | 13,009 | 14,420 | 20,254 | 54,360 | 34,031 | 42,735 | 41,328 |
| Operating Grants and Contributions | | | | | | | | | | |
| General Government | 2,625,076 | 980,814 | 1,632,352 | 1,613,522 | 1,096,503 | 1,834,727 | 1,566,441 | 1,294,318 | 1,288,242 | 1,539,906 |
| Public Safety | 571,247 | 997,943 | 1,805,727 | 1,977,588 | 1,882,803 | 2,782,701 | 2,130,005 | 1,911,475 | 1,652,244 | 1,662,346 |
| Physical Environment | 0 | 161,252 | 3,427 | 181,590 | 199,844 | 211,459 | 242,069 | 240,515 | 142,788 | 259,404 |
| Transportation | 1,436,755 | 3,821,677 | 2,587,299 | 6,053,031 | 1,067,858 | 362,600 | 374,895 | 113,112 | 504,836 | 434,011 |
| Economic Environment | 0 | 0 | 0 | 481,000 | 171,940 | 121,773 | 0 | 40,000 | 40,000 | 52,225 |
| Health and Human Services | 3,742,147 | 4,161,908 | 4,727,027 | 6,337,706 | 6,286,239 | 7,726,479 | 6,337,967 | 5,702,524 | 5,262,440 | 4,967,343 |
| Culture and Recreation | 0 | 0 | 0 | 2,020 | 0 | 3,058 | 1,434 | 844 | 923 | 726 |
| Capital Grants and Contributions | | | | | | | | | | |
| General Government | 0 | 0 | 0 | 0 | 0 | 108,000 | 9,950 | 185,611 | 0 | 0 |
| Public Safety | 0 | 0 | 0 | 0 | 0 | 612,000 | 307,889 | 25,580 | 0 | 0 |
| Transportation | 3,009,709 | 1,181,940 | 1,155,706 | 1,546,854 | 1,086,129 | 7,544,879 | 4,395,467 | 2,720,352 | 1,344,774 | 1,803,065 |
| Culture and Recreation | 0 | 0 | 0 | 0 | 0 | 0 | 30,000 | 0 | 0 | 0 |
| Total Governmental Activities Program Revenues | <u>36,386,783</u> | <u>42,501,607</u> | <u>44,637,227</u> | <u>49,022,043</u> | <u>48,291,396</u> | <u>57,553,470</u> | <u>54,900,094</u> | <u>52,054,700</u> | <u>49,914,735</u> | <u>40,080,508</u> |
| Total Primary Governmental Program Revenues | <u>\$ 36,386,783</u> | <u>\$ 42,501,607</u> | <u>\$ 44,637,227</u> | <u>\$ 49,022,043</u> | <u>\$ 48,291,396</u> | <u>\$ 57,553,470</u> | <u>\$ 54,900,094</u> | <u>\$ 52,054,700</u> | <u>\$ 49,914,735</u> | <u>\$ 40,080,508</u> |

Schedule 2
Benton County
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental activities | \$ (33,064,650) | \$ (26,501,680) | \$ (29,325,613) | \$ (28,706,878) | \$ (35,669,736) | \$ (35,013,958) | \$ (35,494,977) | \$ (37,784,539) | \$ (41,615,015) | \$ (42,494,863) |
| Total Primary Government Net Expense | <u>\$ (33,064,650)</u> | <u>\$ (26,501,680)</u> | <u>\$ (29,325,613)</u> | <u>\$ (28,706,878)</u> | <u>\$ (35,669,736)</u> | <u>\$ (35,013,958)</u> | <u>\$ (35,494,977)</u> | <u>\$ (37,784,539)</u> | <u>\$ (41,615,015)</u> | <u>\$ (42,494,863)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes | \$ 17,640,163 | \$ 17,442,253 | \$ 18,133,295 | \$ 19,452,029 | \$ 20,700,845 | \$ 21,920,801 | \$ 22,736,062 | \$ 23,469,352 | \$ 23,766,386 | \$ 24,496,055 |
| Sales Taxes | 11,451,749 | 11,203,214 | 11,936,960 | 11,754,555 | 14,093,856 | 14,255,307 | 15,303,528 | 16,119,769 | 18,512,667 | 16,140,979 |
| Entitlements, Impact & In-lieu Payments | 5,695,201 | 5,740,859 | 5,973,771 | 6,202,020 | 6,489,188 | 6,306,603 | 6,528,772 | 6,592,827 | 6,756,755 | 6,822,158 |
| Excise Taxes | 872,061 | 870,302 | 907,365 | 913,107 | 1,370,006 | 1,191,799 | 815,185 | 969,288 | 784,438 | 1,011,722 |
| Penalties & Interest on Delinquent Taxes | 1,262,187 | 1,759,010 | 2,619,755 | 1,333,541 | 1,343,153 | 1,040,355 | 1,254,176 | 1,300,278 | 1,391,756 | 1,502,217 |
| Interest and Investment Earnings | 1,524,940 | 1,185,681 | 1,946,478 | 3,346,026 | 4,472,551 | 3,045,720 | 2,033,256 | 1,376,880 | 976,068 | 1,224,082 |
| Gain (Loss) on Disposal of Capital Assets | 48,420 | 49,742 | (401,785) | 292,278 | (5,539) | 0 | 0 | 0 | 0 | 0 |
| Total Governmental Activities | <u>38,494,721</u> | <u>38,251,061</u> | <u>41,115,839</u> | <u>43,293,557</u> | <u>48,464,060</u> | <u>47,760,585</u> | <u>48,670,979</u> | <u>49,828,395</u> | <u>52,188,068</u> | <u>51,197,213</u> |
| Total Primary Government | <u>\$ 38,494,721</u> | <u>\$ 38,251,061</u> | <u>\$ 41,115,839</u> | <u>\$ 43,293,557</u> | <u>\$ 48,464,060</u> | <u>\$ 47,760,585</u> | <u>\$ 48,670,979</u> | <u>\$ 49,828,395</u> | <u>\$ 52,188,068</u> | <u>\$ 51,197,213</u> |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities: | \$ 5,430,071 | \$ 11,749,381 | \$ 11,790,226 | \$ 14,586,679 | \$ 12,794,324 | \$ 12,746,627 | \$ 13,176,002 | \$ 12,043,855 | \$ 10,573,053 | \$ 8,702,350 |
| Special Items | 0 | 0 | 0 | 0 | 0 | 0 | (23,079,303) | 0 | 0 | 0 |
| Prior Period Adjustments | 6,319,613 | 0 | 1,155,161 | 0 | 37,424,083 | 0 | 0 | 0 | 0 | 0 |
| Total Primary Government | <u>\$ 11,749,684</u> | <u>\$ 11,749,381</u> | <u>\$ 12,945,387</u> | <u>\$ 14,586,679</u> | <u>\$ 50,218,407</u> | <u>\$ 12,746,627</u> | <u>\$ (9,903,301)</u> | <u>\$ 12,043,855</u> | <u>\$ 10,573,053</u> | <u>\$ 8,702,350</u> |

Schedule 3
Benton County
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|-------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| General Fund | | | | | | | | | | |
| Reserved | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ n/a | \$ n/a |
| Unreserved | 5,994,906 | 8,510,304 | 10,242,415 | 9,680,612 | 12,126,011 | 9,921,367 | 13,155,021 | 10,171,184 | n/a | n/a |
| Nondspendable | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0 | 0 |
| Restricted | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0 | 0 |
| Committed | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0 | 0 |
| Assigned | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0 | 0 |
| Unassigned | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 15,256,720 | 10,350,453 |
| Total General Fund | <u>\$ 5,994,906</u> | <u>\$ 8,510,304</u> | <u>\$ 10,242,415</u> | <u>\$ 9,680,612</u> | <u>\$ 12,126,011</u> | <u>\$ 9,921,367</u> | <u>\$ 13,155,021</u> | <u>\$ 10,171,184</u> | <u>\$ 15,256,720</u> | <u>\$ 10,350,453</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ n/a | \$ n/a |
| Unreserved | | | | | | | | | | |
| Special Revenue Funds | 22,384,114 | 25,639,757 | 26,425,786 | 26,080,558 | 28,381,720 | 34,058,435 | 35,999,991 | 40,776,672 | n/a | n/a |
| Debt Service Funds | 977,810 | 6,376,045 | 8,408,563 | 2,621,894 | 4,084,707 | 4,810,167 | 4,653,335 | 4,611,654 | n/a | n/a |
| Capital Project Funds | 8,923,023 | 399,422 | 1,251,657 | 17,815,247 | 13,533,826 | 13,806,461 | 10,642,261 | 15,746,114 | n/a | n/a |
| Nondspendable | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0 | 0 |
| Restricted | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 34,475,402 | 36,210,855 |
| Committed | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 12,794,588 | 14,432,882 |
| Assigned | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 16,336,182 | 22,913,893 |
| Unassigned | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 0 | (33,035) |
| Total All Other Governmental Funds | <u>\$ 32,284,947</u> | <u>\$ 32,415,224</u> | <u>\$ 36,086,006</u> | <u>\$ 46,517,699</u> | <u>\$ 46,000,253</u> | <u>\$ 52,675,063</u> | <u>\$ 51,295,587</u> | <u>\$ 61,134,440</u> | <u>\$ 63,606,172</u> | <u>\$ 73,524,595</u> |

Note: GASB 54, implemented for reporting in 2011 and all years thereafter, requires fund balances to be reported in revised categories.

Schedule 4
Benton County
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|-------------------------------------------------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
| Revenues | | | | | | | | | | |
| Property Taxes | \$ 16,201,824 | \$ 17,739,803 | \$ 18,192,075 | \$ 19,647,961 | \$ 20,875,201 | \$ 21,787,622 | \$ 22,723,653 | \$ 23,367,693 | \$ 23,845,224 | \$ 24,581,182 |
| Sales and Use Taxes | 11,451,749 | 11,203,214 | 11,936,960 | 11,754,555 | 14,093,856 | 14,255,307 | 15,303,528 | 16,119,769 | 18,512,667 | 16,140,979 |
| Other Taxes | 2,422,600 | 2,629,312 | 3,527,119 | 2,246,649 | 2,713,159 | 2,232,154 | 2,069,361 | 2,269,566 | 2,176,193 | 2,513,939 |
| Licenses and Permits | 760,154 | 772,766 | 693,387 | 598,850 | 711,706 | 577,218 | 645,162 | 819,963 | 835,598 | 716,138 |
| Intergovernmental | 31,721,262 | 38,069,563 | 39,242,276 | 41,959,915 | 38,521,702 | 49,090,114 | 46,484,608 | 44,079,808 | 42,362,145 | 33,447,969 |
| Charges For Services | 4,586,199 | 5,098,564 | 5,604,006 | 6,208,952 | 6,608,491 | 6,760,389 | 7,620,887 | 7,637,515 | 7,477,473 | 7,478,114 |
| Fines and Forfeits | 1,807,706 | 1,857,088 | 2,145,672 | 2,526,708 | 2,680,187 | 2,742,650 | 3,000,729 | 2,954,936 | 2,874,402 | 2,882,360 |
| Interest Earnings | 1,492,427 | 1,155,287 | 1,865,970 | 2,799,243 | 4,344,341 | 3,124,697 | 1,987,266 | 1,168,240 | 1,299,598 | 1,142,827 |
| Donations | 4 | 8,285 | 81,672 | 132,997 | 35,600 | 268,588 | 420,059 | 428,397 | 291,242 | 114,006 |
| Other Revenues | 1,321,053 | 1,239,989 | 1,670,949 | 2,231,404 | 1,956,538 | 1,996,662 | 2,025,100 | 2,065,541 | 2,606,481 | 2,048,022 |
| Total Revenues | <u>71,764,978</u> | <u>79,773,871</u> | <u>84,960,086</u> | <u>90,107,234</u> | <u>92,540,781</u> | <u>102,835,401</u> | <u>102,280,353</u> | <u>100,911,427</u> | <u>102,281,023</u> | <u>91,065,538</u> |
| Expenditures | | | | | | | | | | |
| General Government | 19,230,963 | 17,938,791 | 18,848,797 | 19,584,676 | 21,463,027 | 23,158,568 | 23,955,685 | 23,648,816 | 23,410,214 | 24,398,370 |
| Public Safety | 20,556,695 | 23,595,674 | 24,539,264 | 26,484,434 | 28,703,107 | 30,705,627 | 31,937,631 | 32,030,793 | 32,337,862 | 32,864,546 |
| Physical Environment | 1,464,463 | 1,446,088 | 1,682,255 | 1,475,784 | 1,582,296 | 1,719,845 | 1,808,406 | 1,827,963 | 1,779,929 | 1,873,892 |
| Transportation | 5,733,667 | 4,833,720 | 5,398,354 | 5,264,463 | 5,778,465 | 5,909,461 | 7,295,118 | 7,418,940 | 6,411,826 | 9,318,296 |
| Economic Environment | 1,842,483 | 1,663,350 | 1,728,510 | 1,754,073 | 1,798,525 | 2,025,279 | 2,171,970 | 1,864,919 | 2,054,409 | 3,255,183 |
| Health and Human Services | 14,207,643 | 14,785,292 | 15,325,570 | 15,493,813 | 16,340,498 | 17,034,595 | 17,323,317 | 17,565,729 | 16,235,371 | 5,856,727 |
| Culture and Recreation | 1,001,123 | 928,241 | 1,059,552 | 968,052 | 1,076,839 | 1,115,700 | 1,071,650 | 1,000,867 | 963,069 | 980,959 |
| Debt Service | | | | | | | | | | |
| Principal | 1,395,000 | 1,417,995 | 1,555,000 | 1,779,598 | 1,785,000 | 1,976,029 | 2,282,750 | 2,412,748 | 5,712,748 | 2,297,748 |
| Interest | 1,229,041 | 1,496,917 | 1,435,502 | 1,529,252 | 1,653,392 | 1,587,467 | 1,515,175 | 1,428,485 | 1,330,020 | 1,096,448 |
| Capital Outlay | 11,729,244 | 8,475,581 | 8,648,954 | 13,214,142 | 11,666,488 | 14,406,699 | 10,997,478 | 4,562,946 | 4,356,358 | 3,896,437 |
| Total Expenditures | <u>78,390,322</u> | <u>76,581,649</u> | <u>80,221,758</u> | <u>87,548,287</u> | <u>91,847,637</u> | <u>99,639,270</u> | <u>100,359,182</u> | <u>93,762,205</u> | <u>94,591,805</u> | <u>85,838,606</u> |
| Excess of revenues over (under) | | | | | | | | | | |
| Expenditures | <u>(6,625,344)</u> | <u>3,192,222</u> | <u>4,738,328</u> | <u>2,558,947</u> | <u>693,144</u> | <u>3,196,131</u> | <u>1,921,171</u> | <u>7,149,222</u> | <u>7,689,218</u> | <u>5,226,932</u> |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Refunding Bonds Issued | 20,885,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Payment To Bond Escrow Agent | (20,885,000) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Long-Term Debt Issued | 376,370 | 0 | 874,290 | 7,291,875 | 1,462,500 | 1,625,000 | 162,500 | 0 | 0 | 0 |
| Sales of Capital Assets | 322,494 | 30,779 | 34,057 | 270,832 | 41,108 | 78,954 | 9,960 | 43,638 | 25,358 | 67,760 |
| Transfers In | 14,049,045 | 6,553,141 | 12,353,708 | 14,816,472 | 12,505,523 | 15,822,931 | 12,062,271 | 15,478,555 | 9,398,798 | 16,613,533 |
| Transfers Out | (16,122,430) | (7,130,467) | (12,597,490) | (15,068,236) | (12,774,322) | (16,252,850) | (12,301,723) | (15,816,399) | (9,556,107) | (16,896,069) |
| Total Other Financing Sources (Uses) | <u>(1,374,521)</u> | <u>(546,547)</u> | <u>664,565</u> | <u>7,310,943</u> | <u>1,234,809</u> | <u>1,274,035</u> | <u>(66,992)</u> | <u>(294,206)</u> | <u>(131,951)</u> | <u>(214,777)</u> |
| Net Change in Fund Balance | <u>\$ (7,999,865)</u> | <u>\$ 2,645,675</u> | <u>\$ 5,402,893</u> | <u>\$ 9,869,890</u> | <u>\$ 1,927,953</u> | <u>\$ 4,470,166</u> | <u>\$ 1,854,179</u> | <u>\$ 6,855,016</u> | <u>\$ 7,557,267</u> | <u>\$ 5,012,155</u> |
| Debt Service As A Percentage Of Non-capital Expenditures | 3.94% | 4.28% | 4.18% | 4.45% | 4.29% | 4.18% | 4.25% | 4.31% | 7.80% | 4.14% |

**Schedule 5
Benton County
Assessed Value and Actual Value of Taxable Property,*
Last Ten Fiscal Years**

| Fiscal Year | Real Property*** | | | | | Personal Property | Total | Direct Tax Rate** |
|-------------|----------------------|--------------------------------|-----------------------|---------------|----------------|-------------------|-----------|-------------------|
| | Residential Property | Commercial/Industrial Property | Agricultural Property | Other | | | | |
| 2003 | \$ 4,702,784,451 | \$ 2,350,983,900 | \$ 484,379,681 | \$ 56,420,003 | \$ 521,126,214 | \$ 8,115,694,249 | \$ 1.5494 | |
| 2004 | 5,167,763,508 | 2,619,113,070 | 526,995,536 | 59,193,580 | 538,018,099 | 8,911,083,793 | 1.5052 | |
| 2005 | 5,760,557,087 | 2,671,742,094 | 545,985,611 | 61,880,110 | 525,847,375 | 9,566,012,276 | 1.4745 | |
| 2006 | 6,302,944,573 | 2,736,265,798 | 564,118,796 | 62,530,317 | 546,883,878 | 10,212,743,362 | 1.4790 | |
| 2007 | 6,746,158,802 | 2,797,585,490 | 587,486,411 | 63,745,490 | 564,133,229 | 10,759,109,422 | 1.4865 | |
| 2008 | 7,338,010,484 | 2,948,117,905 | 702,572,620 | 89,363,449 | 597,997,310 | 11,676,061,768 | 1.4440 | |
| 2009 | 7,617,167,773 | 3,617,272,826 | 743,230,017 | 95,083,293 | 651,948,254 | 12,724,702,163 | 1.3766 | |
| 2010 | 7,914,872,656 | 3,900,855,051 | 785,857,175 | 90,671,913 | 680,615,147 | 13,372,871,942 | 1.3433 | |
| 2011 | 8,276,196,922 | 4,020,634,941 | 830,931,571 | 72,647,253 | 703,226,989 | 13,903,637,676 | 1.3265 | |
| 2012 | \$ 8,734,686,809 | \$ 4,263,081,225 | \$ 888,163,047 | \$ 71,643,418 | \$ 729,387,653 | \$ 14,686,962,152 | \$ 1.2771 | |

194

Source: Benton County Assessor

Notes: The county physically inspects and values all taxable real property at least once every six years with statistical updates annually where needed. Property is assessed at actual market value.

*Property is assessed at the legal market value determined by the Benton County Assessor's office.

**Per \$1,000 of value.

***For years 2003 through 2006 the split of values between categories are estimates based on yearly new construction and ratios of actual values of 2007 properties. Going forward from 2007, figures are actual values. (Personal Property values and Total Property values are actual and are based on Assessor Office records.)

Schedule 6
Benton County
Direct and Overlapping Property Tax Rate,
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

| | Year Taxes Are Payable | | | | | | | | | |
|-------------------------------|------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| County Direct Rates | | | | | | | | | | |
| General | \$ 1.5104 | \$ 1.4689 | \$ 1.4382 | \$ 1.4427 | \$ 1.4502 | \$ 1.4077 | \$ 1.3403 | \$ 1.3070 | \$ 1.2902 | \$ 1.2408 |
| Mental Health Board | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 | 0.0250 |
| Indigent Soldier | 0.0113 | 0.0113 | 0.0113 | 0.0113 | 0.0113 | 0.0113 | 0.0113 | 0.0113 | 0.0113 | 0.0113 |
| Coliseum Refund | - | - | - | - | - | - | - | - | - | - |
| Welch Foods Refund | - | - | - | - | - | - | - | - | - | - |
| Twin City Food Refund | - | - | - | - | - | - | - | - | - | - |
| Johnson Controls Refund | - | - | - | - | - | - | - | - | - | - |
| APT Refund | 0.0027 | - | - | - | - | - | - | - | - | - |
| Total direct rate | 1.5494 | 1.5052 | 1.4745 | 1.4790 | 1.4865 | 1.4440 | 1.3766 | 1.3433 | 1.3265 | 1.2771 |
| Other Rates | | | | | | | | | | |
| Consolidated Road District #1 | 1.9007 | 1.7956 | 1.7279 | 1.8772 | 1.8915 | 1.9364 | 1.9215 | 1.8795 | 1.8364 | 1.7671 |
| Mosquito Control District | 0.1643 | 0.1853 | 0.1706 | 0.1704 | 0.1403 | 0.1403 | 0.1328 | 0.1536 | 0.1279 | 0.0931 |
| State of Washington School | 2.9130 | 2.9222 | 2.7894 | 2.5735 | 2.2554 | 1.9808 | 1.9240 | 2.0057 | 2.1478 | 2.3154 |
| City Rates | | | | | | | | | | |
| Prosser | 3.4148 | 3.4851 | 3.5764 | 3.6774 | 3.3378 | 3.4212 | 3.3279 | 3.2636 | 3.3112 | 3.4555 |
| Kennewick | 2.8232 | 2.6267 | 2.5404 | 2.4399 | 2.4922 | 2.4398 | 2.3709 | 2.2534 | 2.2424 | 2.1955 |
| Benton City | 1.7912 | 1.5753 | 1.6754 | 1.6516 | 1.3627 | 1.2937 | 1.2975 | 1.2954 | 1.2474 | 1.2366 |
| West Richland | 2.0410 | 1.8548 | 1.7621 | 1.7646 | 1.7697 | 1.6170 | 1.6038 | 1.6095 | 1.6281 | 1.5641 |
| Richland | 3.4214 | 3.4113 | 3.2942 | 3.3071 | 3.3073 | 3.3674 | 3.1392 | 3.1399 | 3.0121 | 2.9654 |
| School District Rates | | | | | | | | | | |
| Prosser | 5.6902 | 5.9370 | 5.5041 | 5.3871 | 5.1390 | 4.9855 | 5.0403 | 4.7172 | 4.6196 | 3.2717 |
| Grandview | 5.1079 | 4.8068 | 4.1985 | 3.9230 | 4.1787 | 3.7469 | 3.7649 | 3.9779 | 3.9900 | 4.3051 |
| Kennewick | 5.9892 | 5.4543 | 5.1892 | 4.8999 | 4.9956 | 4.8215 | 4.7821 | 4.9633 | 4.9195 | 4.9063 |
| Paterson | 0.5504 | 1.0550 | 0.9701 | 1.0076 | 1.0613 | 0.9905 | 0.9108 | 0.8737 | 0.8595 | 0.8058 |
| Benton City | 5.3203 | 4.8142 | 5.1516 | 5.1301 | 5.1515 | 5.2820 | 5.6287 | 5.8592 | 5.9969 | 6.0482 |
| Finley | 6.9424 | 7.2406 | 6.5206 | 6.5660 | 6.5771 | 6.2499 | 6.2906 | 6.1774 | 4.7882 | 3.5745 |
| Richland | 3.8714 | 5.4609 | 4.9912 | 4.7611 | 4.7534 | 4.4902 | 4.1694 | 4.3251 | 4.4235 | 4.2985 |
| Hospital Rates | | | | | | | | | | |
| Prosser | 0.8653 | 0.8396 | 0.8185 | 0.8069 | 0.7538 | 0.7364 | 0.7057 | 0.3815 | 0.3811 | 0.3822 |
| Kennewick | 0.1788 | 0.1663 | 0.1604 | 0.1508 | 0.1594 | 0.1551 | 0.1506 | 0.1467 | 0.1456 | 0.1418 |
| Fire District Rates | | | | | | | | | | |
| District #1 | 1.5786 | 1.6021 | 1.4984 | 1.5218 | 1.5292 | 1.6574 | 1.6451 | 1.6373 | 1.5846 | 1.5157 |
| District #2 | 2.2468 | 2.0709 | 2.0897 | 2.0363 | 1.8223 | 2.2886 | 2.2833 | 2.2700 | 2.2649 | 2.2605 |
| District #3 | 1.5449 | 1.4865 | 1.4259 | 1.3793 | 1.3029 | 1.2739 | 1.2667 | 1.2221 | 1.1988 | 1.2150 |
| District #4 | 1.7821 | 1.6125 | 1.5330 | 1.2733 | 1.5000 | 1.5000 | 1.5000 | 1.5000 | 2.0000 | 1.9857 |
| District #5 | 0.9137 | 0.9194 | 0.8693 | 0.8207 | 0.8282 | 0.8121 | 0.7505 | 0.7150 | 0.7219 | 0.6818 |
| District #6 | 1.2896 | 1.2588 | 1.2550 | 1.2645 | 1.2764 | 1.2179 | 0.9664 | 0.9376 | 0.9376 | 0.8677 |
| Port Rates | | | | | | | | | | |
| Port of Kennewick | 0.4251 | 0.3939 | 0.3755 | 0.3690 | 0.3729 | 0.3603 | 0.3507 | 0.3429 | 0.3410 | 0.3315 |
| Port of Benton | 0.5066 | 0.4956 | 0.4879 | 0.4815 | 0.4687 | 0.4557 | 0.4215 | 0.4225 | 0.4276 | 0.4196 |
| Library Rates | | | | | | | | | | |
| Rural Library | 0.4982 | 0.4731 | 0.4598 | 0.4501 | 0.4501 | 0.4372 | 0.4214 | 0.4014 | 0.3926 | 0.3803 |
| Benton City Library | \$ - | \$ - | \$ 0.2299 | \$ 0.2421 | \$ 0.2033 | \$ 0.1925 | \$ 0.1748 | \$ 0.1678 | \$ 0.1617 | \$ 0.1457 |

Source: Benton County Assessor

**Schedule 7
Benton County
Principal Property Tax Payers,
Current Year and Nine Years Ago**

106

| <u>Taxpayer</u> | <u>Fiscal Year 2012</u> | | | <u>Fiscal Year 2003</u> | | |
|--------------------------------------------------------------------|-------------------------|-------------|----------------------------------------------------------|-------------------------|-------------|----------------------------------------------------------|
| | <u>Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> | <u>Assessed Value</u> | <u>Rank</u> | <u>Percentage of Total County Taxable Assessed Value</u> |
| AREVA, Inc. (Formerly Framatome/ANP/Siemens Power Corp.) | \$ 95,370,230 | 1 | 0.65% | \$ 71,229,880 | 3 | 0.88% |
| K2H Farms Inc. | 93,898,700 | 2 | 0.64% | 73,464,760 | 2 | 0.91% |
| Burlington Northern - Santa Fe Railroad | 77,330,506 | 3 | 0.53% | 37,072,158 | 8 | 0.46% |
| Battelle Memorial Institute | 71,641,680 | 4 | 0.49% | 37,435,160 | 7 | 0.46% |
| Columbia Center Mall Partnership | 71,436,220 | 5 | 0.49% | 57,941,010 | 4 | 0.71% |
| Wyckoff Farms, Inc. | 66,997,266 | 6 | 0.46% | ---- | ---- | ---- |
| Ste. Michelle Vintners, Inc. | 65,508,070 | 7 | 0.45% | 47,401,450 | 5 | 0.58% |
| GTE Northwest | 60,987,709 | 8 | 0.42% | 75,859,755 | 1 | 0.93% |
| Extended Legacy, LLC | 60,800,400 | 9 | 0.41% | ---- | ---- | ---- |
| Centurian Properties III LLC | 54,348,270 | 10 | 0.37% | ---- | ---- | ---- |
| Northwest Pipeline Corp. | ---- | ---- | ---- | 36,739,657 | 9 | 0.45% |
| Agrium US, Inc. (previously Prodicta LLC, Union Oil of California) | ---- | ---- | ---- | 27,209,890 | 10 | 0.34% |
| ConAgra/Lamb-Weston, Inc. | ---- | ---- | ---- | 40,981,380 | 6 | 0.50% |
| Total | <u>\$ 718,319,051</u> | | <u>4.89%</u> | <u>\$ 505,335,100</u> | | <u>6.23%</u> |

Source: Benton County Assessor

**Schedule 8
Benton County
Property Tax Levies and Collections,
Last Ten Fiscal Years**

| Fiscal Year | Taxes Levied for the Fiscal Year (Original Levy) | | Total Adjusted Levy | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|-------------|--------------------------------------------------|-------------|---------------------|----------------------------------------------|--------|---------------------------------|-----------------------------|----------|
| | Adjustments | Amount | | Percentage of Original Levy | Amount | | Percentage of Adjusted Levy | |
| 2003 | \$ 12,944,626 | \$ (42,660) | \$ 12,901,966 | \$ 12,466,397 | 96.31% | \$ 435,514 | \$ 12,901,911 | 99.9996% |
| 2004 | 13,823,835 | (16,365) | 13,807,470 | 13,417,366 | 97.06% | 390,021 | 13,807,387 | 99.999% |
| 2005 | 14,521,156 | (23,684) | 14,497,472 | 14,102,359 | 97.12% | 394,761 | 14,497,120 | 100.00% |
| 2006 | 15,508,773 | (71,429) | 15,437,344 | 15,018,380 | 96.84% | 418,810 | 15,437,190 | 100.00% |
| 2007 | 16,422,214 | (28,015) | 16,394,199 | 16,056,402 | 97.77% | 337,613 | 16,394,015 | 100.00% |
| 2008 | 17,313,644 | (52,472) | 17,261,172 | 16,855,853 | 97.36% | 403,920 | 17,259,773 | 99.99% |
| 2009 | 17,984,295 | (84,878) | 17,899,417 | 17,488,445 | 97.24% | 404,431 | 17,892,876 | 99.96% |
| 2010 | 18,429,005 | (97,297) | 18,331,708 | 17,990,084 | 97.62% | 285,855 | 18,275,939 | 99.70% |
| 2011 | 18,962,606 | (31,207) | 18,931,399 | 18,579,517 | 97.98% | 213,805 | 18,793,322 | 99.27% |
| 2012 | \$ 19,274,946 | \$ (15,894) | \$ 19,259,052 | \$ 18,890,044 | 98.00% | \$ 0 | \$ 18,890,044 | 98.08% |

Source: Benton County Treasurer

Note: The information in this schedule relates to the county's own property tax levies, and does not include those it collects on behalf of other governments.

**Schedule 9
Benton County
Ratios of Outstanding Debt,
Last Ten Fiscal Years**

| Fiscal Year | General Bonded Debt Outstanding | | | | CRID Special Assessment Debt | Advances Due To Other Governments*** | Capital Leases | Total Primary Government | Net GO Bond As % of Actual Value* of Taxable Property | Net GO Bond As % of Personal Income** | Net GO Bonds Per Capita** |
|-------------|---------------------------------|------------------------------------------------|---------------|------------|------------------------------|--------------------------------------|----------------|--------------------------|-------------------------------------------------------|---------------------------------------|---------------------------|
| | General Obligation (GO) Bonds | Less: Amounts Restricted to Repaying Principal | Total | | | | | | | | |
| 2003 | \$ 54,150,000 | \$ (20,485,000) | \$ 33,665,000 | \$ 382,995 | \$ 207,667 | \$ - | \$ 34,255,662 | 0.41% | 0.72% | \$ 219.18 | |
| 2004 | 33,665,000 | (1,395,000) | 32,270,000 | 360,000 | 207,667 | 0 | 32,837,667 | 0.36% | 0.66% | 207.27 | |
| 2005 | 32,270,000 | (1,535,000) | 30,735,000 | 1,239,598 | 207,667 | 0 | 32,182,265 | 0.32% | 0.61% | 194.86 | |
| 2006 | 37,980,000 | (1,600,000) | 36,380,000 | 1,095,000 | 207,667 | 0 | 37,682,667 | 0.36% | 0.70% | 228.00 | |
| 2007 | 36,380,000 | (1,680,000) | 34,700,000 | 955,000 | 1,670,167 | 0 | 37,325,167 | 0.32% | 0.60% | 214.64 | |
| 2008 | 34,700,000 | (1,745,000) | 32,955,000 | 810,000 | 3,209,139 | 0 | 36,974,139 | 0.28% | 0.52% | 197.84 | |
| 2009 | 32,955,000 | (2,010,000) | 30,945,000 | 735,000 | 3,173,889 | 326,494 | 35,180,383 | 0.24% | 0.48% | 180.84 | |
| 2010 | 30,945,000 | (2,095,000) | 28,850,000 | 615,000 | 2,976,141 | 518,203 | 32,959,344 | 0.22% | 0.42% | 163.48 | |
| 2011 | 28,850,000 | (5,425,000) | 23,425,000 | 525,000 | 2,778,393 | 419,033 | 27,147,426 | 0.17% | 0.33% | 129.65 | |
| 2012 | \$ 23,425,000 | \$ (1,995,000) | \$ 21,430,000 | \$ 420,000 | \$ 2,580,645 | \$ 284,741 | \$ 24,715,386 | 0.15% | 0.30% | 117.49 | |

Source: Benton County Treasurer

Note: 2012 "Percentage of Personal Income" calculated using 2011 personal income data, which is the most recent available. In 2003 there were \$20,885,000 of G.O. bonds that were refinanced.

*See schedule 5 for property value data.

** Population and personal income data can be found in Schedule 11. 2011 data used for 2012

***Revised to reflect Long-Term Advances from DSHS to Human Services

Schedule 10
Benton County
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

| | Fiscal Year | | | | | | | | | |
|-----------------------------------------------------------------------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
| Assessed Value of Property | \$ 8,115,694 | \$ 8,911,084 | \$ 9,566,012 | \$ 10,212,743 | \$ 10,759,109 | \$ 11,676,062 | \$ 12,724,702 | \$ 13,372,872 | \$ 13,903,638 | \$ 14,686,962 |
| Debt Limit 1.5% of Assessed Value (Statutory Limitation non-voted) | 121,735 | 133,666 | 143,490 | 153,191 | 161,387 | 175,141 | 190,871 | 200,593 | 208,555 | 220,304 |
| Debt Limit 2.5% of Assessed Value (Statutory Limitation voted and non-voted) | 202,892 | 222,777 | 239,150 | 255,319 | 268,978 | 291,902 | 318,118 | 334,322 | 347,591 | 367,174 |
| Amount of Debt Applicable to Limit General Obligation Bonds | 54,150 | 33,665 | 32,270 | 37,980 | 36,380 | 34,700 | 32,955 | 30,945 | 28,850 | 23,425 |
| Less: Resources Restricted to Paying Principal | <u>(20,485)</u> | <u>(1,395)</u> | <u>(1,535)</u> | <u>(1,600)</u> | <u>(1,680)</u> | <u>(1,745)</u> | <u>(2,010)</u> | <u>(2,095)</u> | <u>(5,425)</u> | <u>(1,995)</u> |
| Total net debt applicable to limit | 33,665 | 32,270 | 30,735 | 36,380 | 34,700 | 32,955 | 30,945 | 28,850 | 23,425 | 21,430 |
| Legal Debt Margin (non-voted) | <u>\$ 88,070</u> | <u>\$ 101,396</u> | <u>\$ 112,755</u> | <u>\$ 116,811</u> | <u>\$ 126,687</u> | <u>\$ 142,186</u> | <u>\$ 159,926</u> | <u>\$ 171,743</u> | <u>\$ 185,130</u> | <u>\$ 198,874</u> |
| Total net debt applicable to the limit as a percentage of non-voted debt limit | 27.65% | 24.14% | 21.42% | 23.75% | 21.50% | 18.82% | 16.21% | 14.38% | 11.23% | 9.73% |
| as a % of voted and non-voted debt limit | 16.59% | 14.49% | 12.85% | 14.25% | 12.90% | 11.29% | 9.73% | 8.63% | 6.74% | 5.84% |

**Schedule 11
Benton County
Demographic and Economic Statistics,
Last Ten Fiscal Years**

| Fiscal Year | Population* | Personal Income* (thousands of dollars) | Per Capita Personal Income | Year-End Unemployment Rate |
|--------------------|--------------------|----------------------------------------------------|-----------------------------------|-----------------------------------|
| 2003 | 153,596 | \$ 4,665,361 | \$ 30,374 | 6.90% |
| 2004 | 155,689 | 4,877,107 | 31,326 | 5.70% |
| 2005 | 157,726 | 5,035,609 | 31,926 | 6.40% |
| 2006 | 159,564 | 5,228,549 | 32,768 | 5.70% |
| 2007 | 161,669 | 5,749,548 | 35,564 | 5.10% |
| 2008 | 166,573 | 6,340,552 | 38,065 | 6.20% |
| 2009 | 171,122 | 6,443,140 | 37,652 | 8.30% |
| 2010 | 176,472 | 6,832,146 | 38,715 | 7.50% |
| 2011 | 180,678 | 7,172,962 | 39,700 | 9.50% |
| 2012 | 182,398 | \$ N/A | \$ N/A | 9.10% |

Notes: Data Provided by: Washington State Employment Security Department
Office of Financial Management Census 2010 results
for Washington State
Bureau of Economic Analysis

*2003-2011 data revised to reflect adjusted Bureau of Economic Analysis totals.

**Schedule 12
Benton County
Principal Employers,
Current Year and Nine Years Ago**

| <u>Employer</u> | <u>Fiscal Year 2012</u> | | | <u>Fiscal Year 2003</u> | | |
|----------------------------------------------------------|-------------------------|-------------|----------------------------------------------|-------------------------|-------------|----------------------------------------------|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| Battelle Memorial Institute | 4,485 | 1 | 5.17% | 3,850 | 2 | 4.99% |
| URS | 3,500 | 2 | 4.04% | ---- | ---- | ---- |
| CH2M Hill Hanford Group, Inc. | 3,260 | 3 | 3.76% | 1,441 | 6 | 1.87% |
| ConAgra/Lamb-Weston, Inc. | 3,057 | 4 | 3.53% | 1,800 | 5 | 2.33% |
| Bechtel National, Inc., Waste Treatment Project | 2,850 | 5 | 3.29% | 2,650 | 3 | 3.43% |
| Kadlec Medical Center | 2,175 | 6 | 2.51% | 1,047 | 9 | 1.36% |
| Kennewick School District | 1,969 | 7 | 2.27% | 2,000 | 4 | 2.59% |
| Washington River Protection Solutions | 1,686 | 8 | 1.95% | ---- | ---- | ---- |
| Mission Support Alliance | 1,478 | 9 | 1.71% | ---- | ---- | ---- |
| Richland School District | 1,222 | 10 | 1.41% | 1,100 | 8 | 1.42% |
| Energy Northwest (Washington Public Power Supply System) | 1,222 | 10 | 1.41% | 1,406 | 7 | 1.82% |
| Kennewick General Hospital | ---- | ---- | ---- | 812 | 10 | 1.05% |
| Fluor Hanford, Inc./Fluor Federal Services | ---- | ---- | ---- | 4,225 | 1 | 5.47% |
| Total | 26,904 | | 31.04% | 20,331 | | 26.33% |

Sources: Tri-City Industrial Development Council (TRIDEC)
Washington State Employment Security Department

**Schedule 13
Benton County
County Government Employees by Function,
Last Ten Fiscal Years**

| Function/Program | Full-time Equivalent Employees as of December 31 | | | | | | | | | |
|-------------------------------------|--------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
| General Government Full-time | 314 | 317 | 320 | 317 | 315 | 284 | 288 | 295 | 298 | 349 |
| General Government Part-time | 12 | 12 | 12 | 11 | 10 | 41 | 35 | 42 | 42 | 0 |
| Total | <u>326</u> | <u>329</u> | <u>332</u> | <u>328</u> | <u>325</u> | <u>325</u> | <u>323</u> | <u>337</u> | <u>340</u> | <u>349</u> |
| Public Safety Full-time | 190 | 203 | 209 | 208 | 208 | 219 | 221 | 218 | 217 | 218 |
| Public Safety Part-time | 10 | 10 | 10 | 14 | 13 | 2 | - | 1 | 3 | 0 |
| Total | <u>200</u> | <u>213</u> | <u>219</u> | <u>222</u> | <u>221</u> | <u>221</u> | <u>221</u> | <u>219</u> | <u>220</u> | <u>218</u> |
| Physical Environment Full-time | 23 | 24 | 25 | 25 | 26 | 26 | 26 | 25 | 23 | 25 |
| Physical Environment Part-time | - | - | - | 1 | 1 | 1 | 1 | 1 | 2 | 0 |
| Total | <u>23</u> | <u>24</u> | <u>25</u> | <u>26</u> | <u>27</u> | <u>27</u> | <u>27</u> | <u>26</u> | <u>25</u> | <u>25</u> |
| Transportation Full-time | 40 | 41 | 40 | 39 | 39 | 41 | 43 | 39 | 39 | 39 |
| Transportation Part-time | 4 | 4 | 4 | 4 | 4 | 2 | - | 0 | 2 | 0 |
| Total | <u>44</u> | <u>45</u> | <u>44</u> | <u>43</u> | <u>43</u> | <u>43</u> | <u>43</u> | <u>39</u> | <u>41</u> | <u>39</u> |
| Economic Environment Full-time | 8 | 10 | 9 | 10 | 7 | 6 | 7 | 7 | 7 | 8 |
| Economic Environment Part-time | 1 | 1 | 1 | 1 | 1 | 2 | 1 | 1 | 1 | 0 |
| Total | <u>9</u> | <u>11</u> | <u>10</u> | <u>11</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> | <u>8</u> |
| Health and Human Services Full-time | 34 | 37 | 38 | 32 | 37 | 36 | 36 | 35 | 33 | 38 |
| Health and Human Services Part-time | 1 | 1 | 1 | 2 | 2 | 3 | 3 | 4 | 4 | 0 |
| Total | <u>35</u> | <u>38</u> | <u>39</u> | <u>34</u> | <u>39</u> | <u>39</u> | <u>39</u> | <u>39</u> | <u>37</u> | <u>38</u> |
| Culture and Recreation Full-time | 12 | 12 | 11 | 9 | 9 | 8 | 6 | 7 | 7 | 9 |
| Culture and Recreation Part-time | - | - | - | 3 | 3 | 4 | 6 | 3 | 3 | 0 |
| Total | <u>12</u> | <u>12</u> | <u>11</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>12</u> | <u>10</u> | <u>10</u> | <u>9</u> |
| Internal Service Full-time | 22 | 23 | 21 | 20 | 22 | 21 | 21 | 18 | 22 | 21 |
| Internal Service Part-time | - | - | - | - | - | 1 | 1 | 1 | 1 | 0 |
| Total | <u>22</u> | <u>23</u> | <u>21</u> | <u>20</u> | <u>22</u> | <u>22</u> | <u>22</u> | <u>19</u> | <u>23</u> | <u>21</u> |
| | | | | | | | | | | |
| Total Full-time | 643 | 667 | 673 | 660 | 663 | 641 | 648 | 644 | 646 | 707 |
| Total Part-time | 28 | 28 | 28 | 36 | 34 | 56 | 47 | 53 | 58 | 0 |
| Total County Employees | <u>671</u> | <u>695</u> | <u>701</u> | <u>696</u> | <u>697</u> | <u>697</u> | <u>695</u> | <u>697</u> | <u>704</u> | <u>707</u> |

202

Source: County Payroll Office

**Schedule 14
Benton County
Operating Indicators by Function,
Last Ten Fiscal Years**

| Function/Program | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Justice and Law Enforcement | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Calls For Service (Sheriff) | 23,048 | 23,272 | 29,119 | 28,928 | 31,323 | 33,621 | 39,448 | 38,505 | 40,614 | 40,811 |
| Warrants Served | 1,046 | 834 | 569 | 598 | 1,084 | 1,130 | 1,583 | 1,931 | 1,261 | 1,088 |
| Arrests | 2,418 | 1,946 | 2,035 | 2,121 | 2,243 | 2,320 | 3,978 | 3,548 | 4,281 | 3,885 |
| Arraignments | N/A | 5,909 | 6,093 | 5,936 | 6,015 | 6,026 | 6,074 | 5,603 | 5,891 | 5,573 |
| Average daily jail population | 342 | 602 | 653 | 708 | 687 | 675 | 668 | 625 | 624 | 561 |
| Prosecuting Attorney | | | | | | | | | | |
| Adult Felony Cases Filed | 1,255 | 1,684 | 1,732 | 1,570 | 1,258 | 1,247 | 1,222 | 1,284 | 1,462 | 1,465 |
| Juvenile Cases Filed | 1,099 | 1,013 | 1,095 | 935 | 1,090 | 855 | 972 | 830 | 777 | 725 |
| Juvenile Justice | | | | | | | | | | |
| Juvenile Offender Arrests | 3,198 | 2,941 | 3,000 | 2,419 | 2,457 | 2,173 | 2,002 | 1,836 | 1,634 | 1,544 |
| Detention Days Served | 14,838 | 15,447 | 16,872 | 17,874 | 15,785 | 15,237 | 15,330 | 11,180 | 11,783 | 11,937 |
| Courts | | | | | | | | | | |
| District Court Violation Filings | 53,738 | 52,551 | 47,341 | 59,648 | 60,894 | 53,684 | 59,594 | 53,078 | 54,267 | 57,862 |
| District Court Hearings Held | 59,904 | 63,490 | 56,699 | 58,283 | 63,221 | 66,258 | 69,498 | 67,796 | 65,729 | 67,833 |
| Superior Court Trials | 325 | 282 | 299 | 334 | 350 | 360 | 315 | 275 | 316 | 291 |
| Superior Court Cases Completed | 6,830 | 7,112 | 7,638 | 8,969 | 8,292 | 7,241 | 8,418 | 8,131 | 8,550 | 7,940 |
| Health Services* | | | | | | | | | | |
| Clients Assisted | | | | | | | | | | |
| Mental Health | 4,429 | 5,065 | 6,112 | 4,150 | 3,694 | 3,520 | 4,298 | 4,122 | 7,238 | 7,556 |
| Substance Abuse | 1,032 | 1,113 | 1,347 | 1,646 | 1,264 | 1,777 | 2,010 | 1,246 | 1,513 | 1,178 |
| Developmental Disabilities | 376 | 374 | 435 | 429 | 510 | 535 | 514 | 523 | 481 | 504 |
| Prevention | 1,022 | 146 | 271 | 226 | 172 | 170 | 550 | 816 | 304 | 541 |
| Housing** | N/A | N/A | N/A | N/A | N/A | 171 | 924 | 405 | 825 | 1,369 |
| Economic Environment | | | | | | | | | | |
| Actions requiring a permit | 1,021 | 1,012 | 902 | 871 | 1,075 | 464 | 689 | 674 | 639 | 588 |
| Public Works | | | | | | | | | | |
| Centerline miles of road maintained: | | | | | | | | | | |
| County Rural Roads | 739 | 746 | 743 | 744 | 742 | 743 | 744 | 745 | 746 | 747 |
| County Urban Roads | 141 | 136 | 136 | 136 | 120 | 118 | 118 | 115 | 112 | 111 |

203

*Statistics maintained on a July of one year through June of the next year fiscal period.

**New Program in 2008

Source: County Budget Office and individual county departments

**Schedule 15
Benton County
Capital Asset Statistics by Function,
Last Ten Fiscal Years**

| Function/Program | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|---------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Justice and Law Enforcement | | | | | | | | | | |
| Correction facility capacities | 782 | 782 | 782 | 782 | 782 | 782 | 782 | 782 | 782 | 782 |
| Parks and Land Use | | | | | | | | | | |
| Number of recreational facilities | 11 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Recreational acreage: | | | | | | | | | | |
| Developed | 654.8 | 654.8 | 654.8 | 654.8 | 654.8 | 654.8 | 654.8 | 654.8 | 654.8 | 654.8 |
| Undeveloped | 1,869.5 | 2,443.5 | 2,443.5 | 2,443.5 | 2,443.5 | 2,443.5 | 2,443.5 | 2,516.5 | 2,516.5 | 2,516.5 |
| Public Works | | | | | | | | | | |
| Miles of Rural Road | 739 | 746 | 743 | 744 | 742 | 743 | 744 | 745 | 746 | 747 |
| Miles of Urban Road | 141 | 136 | 136 | 136 | 120 | 118 | 118 | 115 | 112 | 111 |
| Bridges | 56 | 55 | 55 | 55 | 54 | 54 | 54 | 54 | 54 | 54 |
| Active vehicles in vehicle replacement plan | 110 | 106 | 111 | 111 | 113 | 111 | 115 | 115 | 115 | 120 |

Source: County Budget Office and individual County departments

