

BENTON COUNTY WASHINGTON



COMPREHENSIVE ANNUAL FINANCIAL REPORT



For The Year Ended December 31, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR

BENTON COUNTY, WASHINGTON

For The Fiscal Year Ended

December 31, 2013

Prepared by the Benton County Auditor's Office

Brenda Chilton, Auditor

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

Aileen Coverdell, CPA, Financial Administrator

Rosie Sparks, Accounting Support Officer

THIS PAGE LEFT BLANK INTENTIONALLY.

BENTON COUNTY, WASHINGTON
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2013

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	4

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.....	36
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds.....	37
Statement of Cash Flows – Proprietary Funds.....	38
Statement of Fiduciary Assets and Liabilities – Agency Funds.....	40
Notes to the Basic Financial Statements	41

REQUIRED SUPPLEMENTARY INFORMATION

Infrastructure Assets – Modified Approach	81
Other Post Employment Benefit Schedule of Funding Progress.....	85

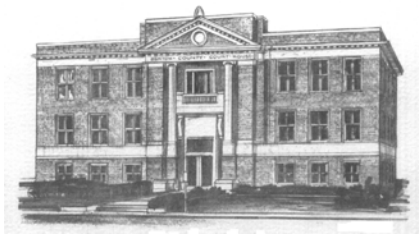
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

Combining Balance Sheet – Nonmajor Governmental Funds.....	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	88
Descriptions of Nonmajor Special Revenue Funds	89
Combining Balance Sheets – Nonmajor Special Revenue Funds	91
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	100
Descriptions of Nonmajor Debt Service Funds.....	108
Combining Balance Sheet – Nonmajor Debt Service Funds.....	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	111
Descriptions of Nonmajor Capital Project Funds.....	113

Combining Balance Sheet – Nonmajor Capital Projects Funds	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	115
Schedule of Revenues – Budget and Actual – General Fund	116
Schedule of Expenditures – Budget and Actual – General Fund	117
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Acquisition Fund	123
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Nonmajor Special Revenue Funds.....	124
Nonmajor Debt Service Funds	144
Nonmajor Capital Projects 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 Assets and Liabilities – Agency Funds	163
Combining Statement of Changes in Assets and Liabilities – Agency Funds.....	169

STATISTICAL SECTION

Description of Statistical Section Schedules	179
Schedule 1 - Net Position by Component.....	181
Schedule 2 - Changes in Net Position	182
Schedule 3 - Fund Balances, Governmental Funds	184
Schedule 4 - Changes in Fund Balances, Governmental Funds	185
Schedule 5 - Assessed Value and Actual Value of Taxable Property	186
Schedule 6 - Direct and Overlapping Property Tax Rate	187
Schedule 7 - Principal Property Tax Payers	188
Schedule 8 - Property Tax Levies and Collections.....	189
Schedule 9 - Ratios of Outstanding Debt	190
Schedule 10 - Legal Debt Margin Information	191
Schedule 11 - Demographic and Economic Statistics	192
Schedule 12 - Principal Employers	193
Schedule 13 - County Government Employees by Function.....	194
Schedule 14 - Operating Indicators by Function	195
Schedule 15 - Capital Asset Statistics by Function	196



BENTON COUNTY

BRENDA CHILTON, AUDITOR



Van H. Pettey, CPA, CGMA, Chief Accountant
Stuart Holmes, Election Administrator
Shawn Bohlinger, Licensing/Recording Supervisor
Hilda Rivera, Office Manager-Prosser
Deidra Beck, Office Manager-Richland

July 8, 2014

TO THE CITIZENS OF BENTON COUNTY

We are pleased to present, for your review, the 2013 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

“The comparatively robust economy we continue to enjoy would be the envy of many a community across this nation and it's expected to get even better. Business leaders see job growth ahead in the categories of tourism, health care, retail, manufacturing and agriculture. We've seen lots of new construction, with new medical buildings, restaurants and retail stores rising up around the Tri-Cities. Home construction and car sales are also helping to drive the economic engine. The number of jobs increased by 1 percent in 2013. While that's not a huge statistical leap, it's growth nonetheless, and we'll take it. A regional labor economist for Benton and Franklin counties says 3,500 new jobs have been added in the past five months alone. That's significant, especially to those 3,500 folks who have new jobs. Hanford layoffs have subsided for now and economists predict about a 1.7 percent overall job growth in the years ahead. Tourism officials say visitors accounted for \$43 million in spending in the Tri-Cities last year. Tourism is an industry with huge growth potential, especially as more services and attractions come online. We still have needs, like a performing arts center, developed waterfront and a concentration of wineries, but some of those things are already in the works. Retail sales saw growth last year, but not as high as the statewide increase of 7 percent in sales tax growth. Officials say there is still some hesitation by consumers here driven by uncertainties at Hanford. But with a newly approved budget for the year, the Department of Energy can begin to make long-term plans, which should steady the situation with cleanup operations. The impact of agriculture in the region has long been overlooked but now the industry is getting its due, with attention-getting growth in food processing and the wine industry. Jobs make the economy go round and agriculture keeps feeding the machine. Employment in the ag industry has grown 32 percent in the past 10 years. Local manufacturing businesses also play a big role in the employment picture, with companies like TiLite, the Bogert Group and Areva providing a large number of well-paying jobs and while we often associate aerospace manufacturing in our state with The Boeing Co. and Puget Sound, the Tri-Cities is home to 60 companies that play a part in that industry. The demand is so great for manufacturing employees that companies are challenged to find skilled entry-level workers. (There's a hint for job-seekers.) The future, indeed, continues to look bright for the Tri-Cities” {from the *Tri-City Herald*, (2014, February 17). ‘Our Voice: Economic outlook bright for Tri-City work force’. Retrieved from <http://www.tri-cityherald.com>}

Additional economic narratives and factors can be found in the Management’s Discussion and Analysis and statistical sections of this report.

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.

County facility infrastructure continues to provide modernizations to common areas such as the Courthouse entrance corridor, restrooms and relocating particular office areas such as the Sheriff and GIS. The District Court in Prosser received upgrades to improve the accessibility of the courtrooms. A new phone system has been installed expanding capacity and functionality. A new restroom facility has been constructed at the fairgrounds. This project consists of building a new main restroom. The new restroom would be double the capacity of the old one in order to accommodate the 100,000 patrons visiting the fair annually. The current restroom could be repurposed or demolished. The Sheriff’s department replaced vehicles that were damaged in accidents and also added a motorcycle to the patrol fleet. A high capacity washing machine was installed at the corrections facility. The Public Works department replaced some heavy equipment and vehicles.

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 2013 were over \$7.5 million. Actual expenditures were over \$6.8 million. Preservation accounted for \$1.5 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, 2012. This was the tenth 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 black ink that reads "Brenda Chilton". The signature is written in a cursive, flowing style.

Brenda Chilton
Benton County Auditor



Government Finance Officers Association

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

Presented to

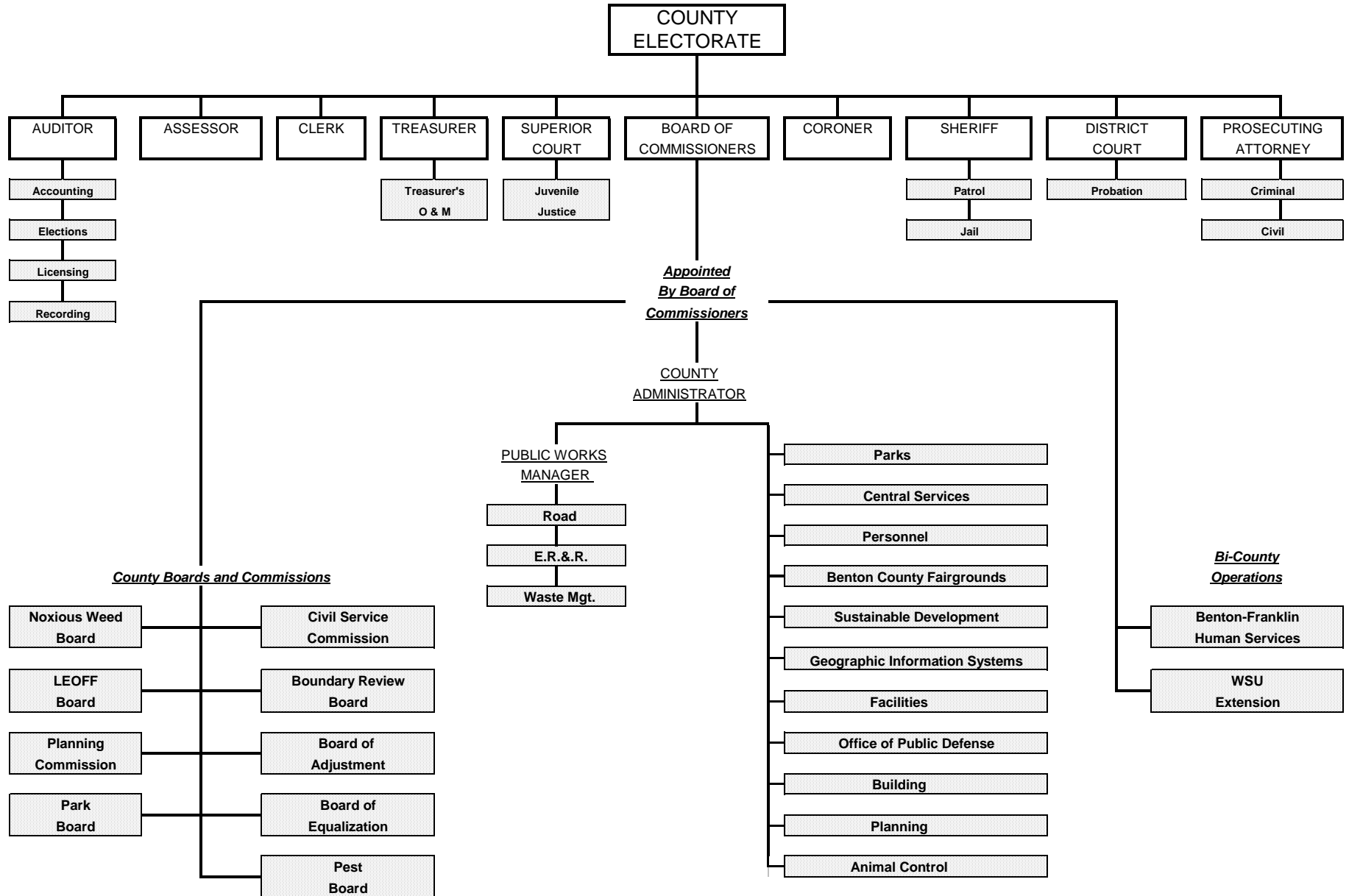
**Benton County
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

BENTON COUNTY GOVERNMENT ORGANIZATIONAL CHART
2013



-X-

BENTON COUNTY, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2013

DIRECTORY OF COUNTY OFFICIALS

ELECTED OFFICIALS

<u>Position</u>	<u>Name</u>	<u>Term</u>	<u>Expiration</u>
Board of Commissioners:			
District 1	Honorable Jerome Delvin	4	December 2016
District 2	Honorable Shon Small	4	December 2014
District 3 - Chairperson	Honorable James Beaver	4	December 2016
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 2016
Superior Court Judge	Honorable Salvador Mendoza, Jr.	4	December 2016
Superior Court Judge	Honorable Robert Swisher	4	December 2016
Superior Court Judge	Honorable Carrie Runge	4	December 2016
Superior Court Judge	Honorable Vic Vanderschoor	4	December 2016
Superior Court Judge	Honorable Bruce Spanner	4	December 2016
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	14 Years
Human Services Administrator	Ed Thornbrugh	3 Year

THIS PAGE LEFT BLANK INTENTIONALLY



Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

July 8, 2014

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, 2013, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, County Road, Human Services, 1/10 Percent Criminal Justice Jail - Juvenile and Rural County Capital 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 4 through 19, information on postemployment benefits other than pensions on page 85 and infrastructure modified approach information on pages 81 through 84 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. The accompanying information listed as **combining financial statements and supplementary information on pages 87 through 178** 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

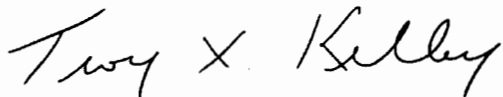
the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance 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 July 8, 2014, 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".

TROY KELLEY
STATE AUDITOR

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, 2013. 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, 2013 by over \$213.6 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 \$106.4 million. Of the remaining net position, \$67.3 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 \$12.5 million at December 31, 2013.
- Fund balance for the County Road fund was over \$4.2 million at December 31, 2013.
- Fund balance for the Human Services fund was over \$6.2 million at December 31, 2013.
- Fund balance for the 1/10% Criminal Justice fund was over \$9.8 million at December 31, 2013.
- Fund balance for the Rural County Capital fund was over \$10.2 million at December 31, 2013.
- Fund balance for the Capital Acquisition fund was over \$21.2 million at December 31, 2013.
- Benton County's total long-term debt at December 31, 2013 was over \$22.0 million, with a remaining capacity for non-voted debt at over \$210 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 2013. 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 2013, 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 2013.

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, 1/10% Criminal Justice Fund, Rural County Capital Fund and the Capital Acquisition Fund, all of which are considered to be major funds, based on criteria established by GASB Statement No. 34. GASB Statement No. 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 \$213,683,833 at December 31, 2013. Benton County's net position has increased in comparison to total net position of \$204,525,089 at December 31, 2012. This net increase of \$9,158,744 is discussed in the following paragraphs. The following table reflects the condensed Government-Wide Statement of Net Position for 2013 and the previous year comparable data.

Benton County's Net Position

	<u>2013</u>	<u>2012</u>
Current and Other Assets	\$ 119,672,609	\$ 114,529,273
Capital Assets and Construction		
In Progress (Net of Depreciation)	<u>128,427,471</u>	<u>126,972,927</u>
Total Assets	248,100,081	241,502,200
Long-Term Liabilities	26,615,368	29,005,311
Other Liabilities	<u>7,800,880</u>	<u>7,971,800</u>
Total Liabilities	34,416,248	36,977,111
Net Position:		
Net Investment in Capital Assets	106,452,919	102,434,308
Restricted	39,944,872	36,382,172
Unrestricted	<u>67,286,042</u>	<u>65,708,609</u>
Total Net Position	<u>\$ 213,683,833</u>	<u>\$ 204,525,089</u>

Benton County's total assets stand at over \$248 million as of December 31, 2013 (up from over \$241 million at December 31, 2012). Of this amount, over \$128.4 million is accounted for by capital assets (up from \$126.9 million in 2012), 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 No. 34 requires that all capital assets, including infrastructure, be reported. Out of the \$128.4 million in net capital assets reported at December 31, 2013, \$5.3 million, or 4.2%, (up from \$4.1 million in 2012) is accounted for by infrastructure acquisitions and construction in progress during 2013 (including the right-of-way land associated with these projects).

Of the remaining County assets, over \$104.0 million were accounted for in cash, cash equivalents, equity in pooled investments and other investments (up from \$98.1 million in 2012), over \$8.7 million in accounts receivable (down from \$9.4 million in 2012), and over \$6.8 million spread among miscellaneous assets and joint ventures (compared to \$6.9 million in 2012). At December 31, 2013, cash/cash equivalents, equity in pooled investments and other investments accounted for 85.7% (up from 83.7% in 2012) of current and other assets, while accounts receivable accounted for 7.3% (down from 8.2% in 2012).

At December 31, 2013, the County had outstanding liabilities of over \$34.4 million (down from \$36.9 million in 2012), with over \$23.5 million in long-term liabilities (a decrease from over \$29.0 million in 2012). Of the long-term liabilities, over \$2.7 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 \$2.0 million in accounts payable and over \$5.7 million in accrued liabilities. These liabilities of \$7.8 million are down 2.1% from the total at December 31, 2012 (\$7.97 million). Over 69% of the \$5.74 million balance of other liabilities is due to accrued liabilities for wages payable and the various trust accounts.

Over half of the County's net position (49.8%) 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 \$39.9 million of the County's net position are subject to restrictions on how they may be used. The balance of over \$67.2 million (unrestricted net position), represents the amount that may be used to meet the County's ongoing obligations.

At December 31, 2013, 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 \$9.1 million in 2013. Key elements in changes in net position are shown in the following table.

	2013	2012
	Governmental Activities	Governmental Activities
<u>Revenues:</u>		
Program Revenues		
Charges for Services	\$29,816,896	\$29,361,482
Operating Grants and Contributions	11,010,414	8,915,961
Capital Grants and Contributions	2,147,880	1,803,065
General Revenues		
Taxes	50,626,102	49,973,131
Interest Earnings on Investments	1,377,128	1,224,082
Total Revenues	<u>94,978,420</u>	<u>91,277,721</u>
<u>Program Expenses:</u>		
General Government	28,682,607	27,015,010
Public Safety	35,837,432	35,027,971
Transportation	7,971,222	7,910,646
Natural & Economic Environment	3,380,606	3,927,527
Social Services	7,893,886	6,358,009
Culture and Recreation	975,448	1,127,892
Interest on Long-Term Debt	1,078,475	1,208,315
Total Expenses	<u>85,819,675</u>	<u>82,575,371</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	9,158,745	8,702,350
Change in Net Position	9,158,745	8,702,350
Net Position as of January 1	<u>204,525,088</u>	<u>195,822,739</u>
<u>Net Position as of December 31</u>	<u>\$213,683,833</u>	<u>\$204,525,089</u>

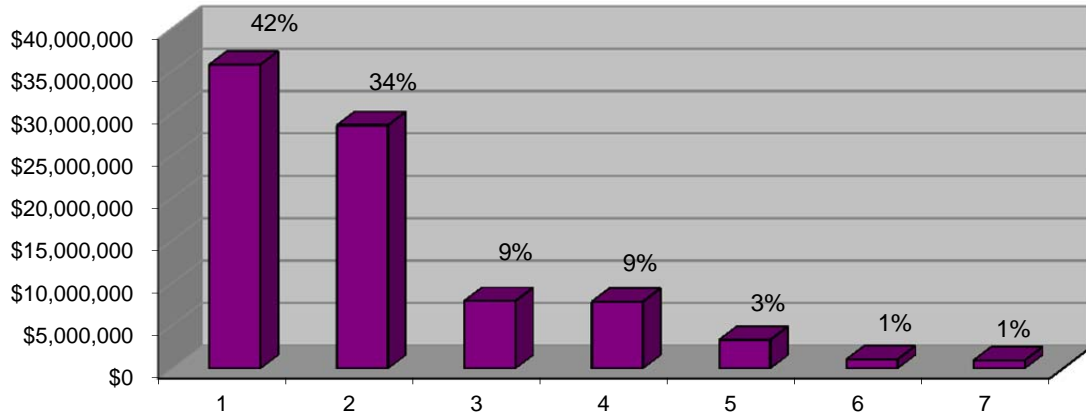
Total revenues for Benton County were over \$94.9 million, a 4.0% increase (\$3.7 million) from 2012 total revenues. Program revenues increased 7.2% (\$2.8 million) and accounted for 45.2% of total revenue sources. The major increase in program revenues was in the area of Transportation due to a significant increase in contributed property from developers and an increase in grant funding. General Government sales tax revenues are recovering from the earlier soft economy. Within governmental activities, tax revenue increased \$0.6 million and accounted for approximately 53.3% of total revenue sources. The remaining 1.4% of revenues was provided by interest income (up \$0.1 million due to reduced interest rates resulting from the recession and actions of the Federal Reserve).

Total expenses for the County were over \$85.8 million, an increase of over \$3.2 million from 2012 (a 3.9% increase). Governmental activities with the largest program expenses were in the areas of Public Safety, General Government, Transportation and Social Services respectively. These four programs accounted for 93.7% of total government-wide expenses. General Government

Services expenses increased by 6.2% (approximately \$1.6 million). Public Safety increased 2.3% (approximately \$0.8 million) attributable to an increased jail population and Social Services expenses increased 24.2% (over \$1.5 million) compared to 2012. In the prior year, Social Services experienced substantial reductions due to the distribution of outpatient dollars by the administrating entity going directly to providers rather than through the Social Services department and then to the providers as recorded expenditures for the County.

The following illustrates, by program, where funds were spent in 2013.

Program Expenses - Government-wide



Legend

- | | | |
|-----------------------|-------------------------------|---------------------------|
| 1. Public Safety | 4. Social Services | 7. Culture and Recreation |
| 2. General Government | 5. Natural & Economic Env. | |
| 3. Transportation | 6. Interest on Long Term Debt | |

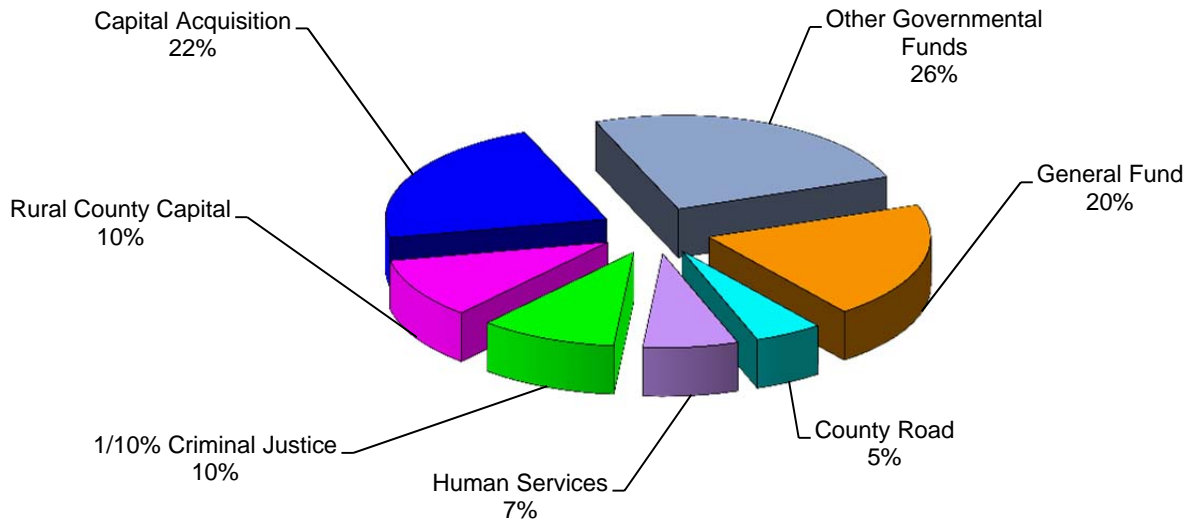
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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.

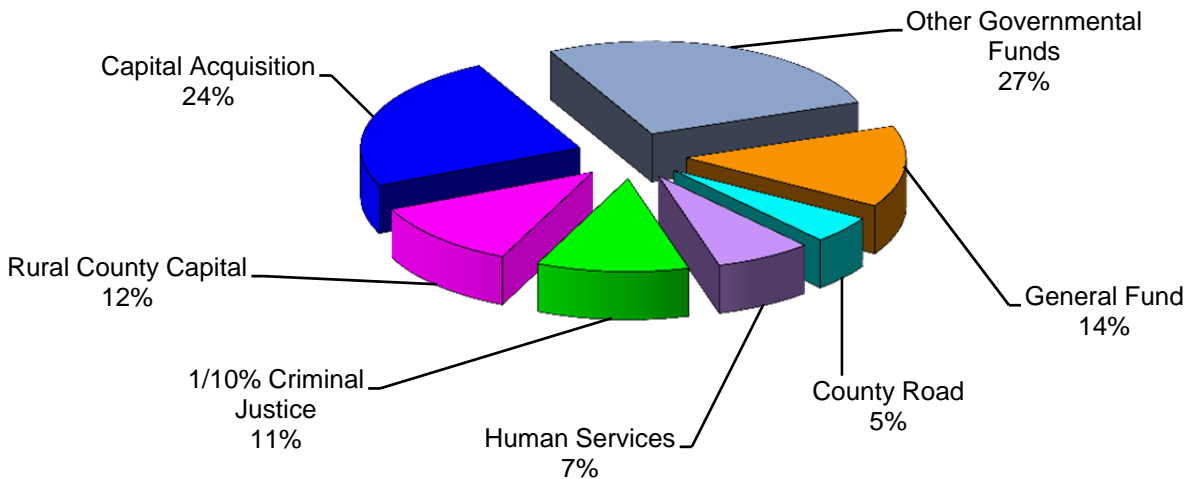
Governmental Funds Balance Sheet Analysis

The General fund, County Road fund, 1/10% Criminal Justice fund, Rural County Capital fund, Human Services fund and Capital Acquisition fund were the County's major funds in 2013. Together these funds accounted for 74.4% of total governmental fund assets and 72.9% of total governmental fund balance.

Total Assets – Governmental Funds



Fund Balance – Governmental Funds



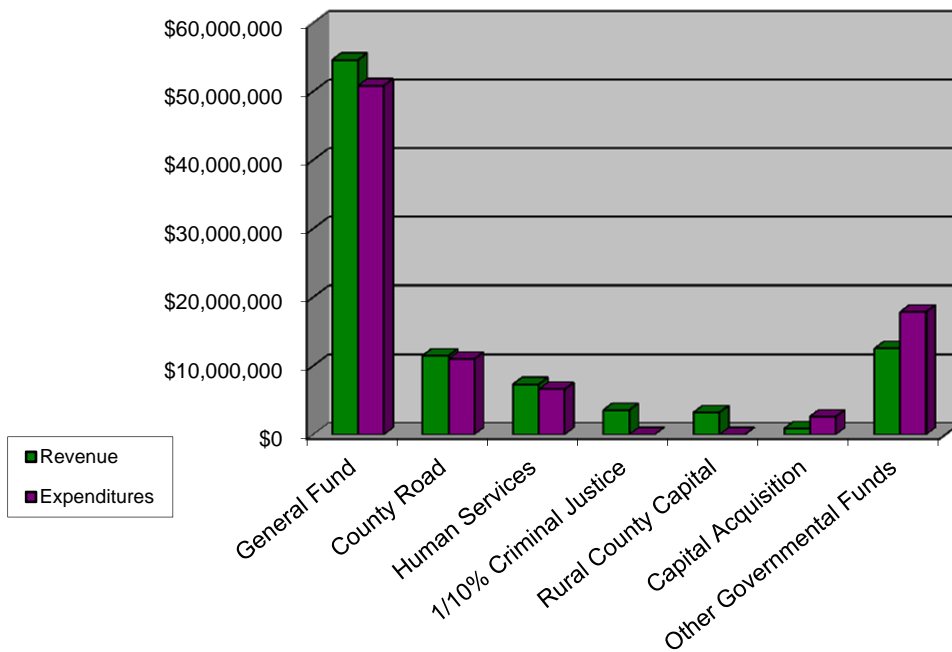
The focus of Benton County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year. As of December 31, 2013, the county’s governmental funds reported combined fund balances of over \$88.3 million. All of this amount is available for spending within the designated funds. The \$88.3 million compares to a combined ending fund balance of \$83.8 million in 2012, an increase of over \$4.5 million. In comparison to the prior year, revenues are up 2.7% and expenditures increased 3.6%; however, current year revenues exceeded expenditures by over \$4.4 million. Of the major governmental funds Human Services revenues exceeded expenditures over \$0.7 million while the other governmental funds had an excess of revenues

over expenditures for an approximate total of \$3.9 million. Proceeds from the sale of capital assets brought in \$55,927 and net transfers produced a deficit of \$241,198.

The General Fund is the chief operating fund of Benton County. On December 31, 2013, total fund balance of the General Fund was over \$12.5 million, an increase of over \$2.1 million from 2012 all of which was unassigned. Total assets in the General Fund amounted to over \$19.3 million, accounting for 19.7% of total governmental fund assets. General Fund total assets were up over \$2.2 million when compared to total assets of \$17.2 million at the end of 2012. Cash, cash equivalents, deposits with fiscal agents and investments increased by \$2.2 million compared to 2012 and liabilities decreased by \$1.4 million.

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, Human Services, 1/10% Criminal Justice and Rural County Capital funds account for 85.7% of all governmental fund revenue and 77.0% of all expenditures. The Capital Acquisition fund is considered a major fund by the merits of its total assets. In 2013, the Capital Acquisition fund received \$837,345 in revenue with most of this coming from intergovernmental resources and miscellaneous revenues. This year the 1/10% Criminal Justice fund and Rural County Capital fund were classified as major funds by the virtue of their asset values.

The net change in fund balance for the General fund in 2013 was an increase of over \$2.1 million. This increase is largely due to decreased transfers out (\$7.3 million less than 2012). 2013 general fund revenues increased .9% (\$0.4 million) and interest earnings rose slightly by \$0.2 million. Other revenue classifications were changed for 2013 due to the State Auditors Budget and Accounting Reporting System restructure project, therefore comparisons of some revenue classifications for current year to prior year are not presented. General fund expenditures increased by 1.8% or 0.9 million at the end of 2013. The Road fund had a net increase in fund balance of over \$0.7 million reflecting efficient utilization of resources while procuring additional funding from state and federal support programs. The Human Services fund had a net increase in fund balance of over \$0.7 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 decrease in fund balance of over \$1.7 million, mainly due to planned upgrades to facility infrastructures. Other governmental funds, including the 1/10% Criminal Justice and Rural County Capital funds, had an overall positive net change in fund balance of over \$2.4 million for 2013.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Changes in Budget

In 2012, Benton County adopted a budget for the 2013/2014 biennium. The following table shows the changes between the original and the final General Fund budget as of December 31, 2013.

**Benton County, Washington
General Fund Changes in Budget
As of December 31, 2013**

	2013/2014		Changes Over (Under)
	Original Budget	Final Budget	
<i>Revenues</i>			
Taxes	\$ 58,240,559	\$ 58,240,559	\$ 0
Licenses and Permits	136,975	136,975	0
Intergovernmental	8,265,717	8,513,721	248,004
Charges For Services	32,641,036	32,641,036	0
Fines and Forfeits	7,188,195	7,188,195	0
Miscellaneous Revenues	3,209,388	3,209,811	423
Total Revenues	<u>109,681,870</u>	<u>109,930,297</u>	<u>248,427</u>
<i>Expenditures</i>			
General Governmental Services	50,161,947	50,248,637	86,690
Public Safety	51,087,284	51,168,500	81,216
Utilities	0	0	0
Transportation	0	0	0
Natural & Economic Environment	2,002,233	2,003,430	1,197
Social Services	1,663,840	1,663,840	0
Culture and Recreation	943,813	943,813	0
Capital Outlay	132,775	199,043	66,268
Total Expenditures	<u>105,991,892</u>	<u>106,227,263</u>	<u>235,371</u>
Excess (Deficit) Revenues Over Expenditures	<u>3,689,978</u>	<u>3,703,034</u>	<u>13,056</u>
<i>Other Financing Sources (Uses)</i>			
Sale of Capital Assets	3,000	3,000	0
Transfers In	3,875,558	3,875,558	0
Transfers Out	(7,644,874)	(7,657,930)	(13,056)
Total Other Financing Sources (Uses)	<u>(3,766,316)</u>	<u>(3,779,372)</u>	<u>(13,056)</u>
Excess (Deficit) Resources Over Uses	(76,338)	(76,338)	0
Fund Balance, January 1	7,300,000	7,300,000	0
Fund Balance, December 31	<u>\$ 7,223,662</u>	<u>\$ 7,223,662</u>	<u>\$ 0</u>

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

The 2013 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 \$136,216. The Prosecuting Attorney's Office budget was supplemented by a \$112,211 grant from the state for DUI Rush Filing for repeat offenders.

Transfers out of the General Fund were made to the following funds: Juvenile, Jail Depreciation, Protective Inspection Services, Human Services and to the Road fund in the amounts of \$3,323,402, \$122,914, \$24,681, \$2,752, and \$13,056 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 2013.

Benton County, Washington General Fund – Budget vs. Actual As of December 31, 2013

	2013/2014		
	Final Budget 2013/2014	Actual Thru 12/31/2013	Variance Over (Under)
<u>Revenues</u>			
Taxes	\$ 58,240,559	\$ 29,738,984	(\$28,501,575)
Licenses and Permits	136,975	102,799	(34,176)
Intergovernmental	8,513,721	4,437,502	(4,076,219)
Charges For Services	32,641,036	15,274,888	(17,366,148)
Fines and Forfeits	7,188,195	3,490,117	(3,698,078)
Miscellaneous Revenues	3,209,811	1,556,280	(1,653,531)
Total Revenues	<u>109,930,297</u>	<u>54,600,571</u>	<u>(55,329,726)</u>
<u>Expenditures</u>			
General Governmental Services	50,248,637	23,314,402	(26,934,235)
Public Safety	51,168,500	25,145,053	(26,023,447)
Utilities	0	0	0
Transportation	0	0	0
Natural & Economic Environment	2,003,430	1,000,941	(1,002,489)
Social Services	1,663,840	796,744	(867,096)
Culture and Recreation	943,813	456,120	(487,693)
Capital Outlay	199,043	141,223	(57,820)
Total Expenditures	<u>106,227,263</u>	<u>50,854,483</u>	<u>(55,372,780)</u>
Excess (Deficit) Revenues Over Expenditures	<u>3,703,034</u>	<u>3,746,088</u>	<u>43,054</u>
<u>Other Financing Sources (Uses)</u>			
Sale of Capital Assets	3,000	2,676	(324)
Transfers In	3,875,558	1,922,314	(1,953,244)
Transfers Out	(7,657,930)	(3,486,805)	(4,171,125)
Total Other Financing Sources (Uses)	<u>(3,779,372)</u>	<u>(1,561,815)</u>	<u>(2,217,557)</u>
Excess (Deficit) Resources Over Uses	<u>(76,338)</u>	<u>2,184,273</u>	<u>2,260,611</u>
Fund Balance, January 1	7,300,000	10,350,453	3,050,453
Fund Balance, December 31	<u>\$ 7,223,662</u>	<u>\$ 12,534,726</u>	<u>\$ 5,311,064</u>

A biennial budget cycle was implemented in 2010 (for the 2011/2012 biennium). The above table compares the two year budget against the actual figures recognized in the first year of that budget for the current biennium. Comparing only one year of actual expenditures to a two year budget explains why variances are large. Revenues increased by approximately \$0.4 million which can be accounted for by the strengthening of the economy. However, a soft economy incurs higher expenditures to maintain governmental services. The Counties expenditures experienced an increase of over \$0.9 million.

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, 2013, amounts to over \$128 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 2013 had 97% of the arterial road pavements rated as "Good", exceeding the target.
- Infrastructure budgeted expenditures to maintain roads and bridges for 2013 were \$5.4 million. Actual expenditures were over \$5.1 million. Preservation accounted for \$1.6 million of the expenditures.
- A contract with Tapani, Inc. was completed with a scope of work consisting of improvement of 3.16 miles of Travis Road from Sellards Road north to Henson Road by clearing, grubbing, pulverizing the existing pavement, excavation, embankment, culvert pipe installation, crushed surfacing, paving with HMA CI ½ inch PG 70-28, erosion control, pavement markings and other work. Construction engineering and the construction contract totaled \$1.7 million..
- The Piert Road project, SR 397 to Bowles Road, was completed in 2013. Construction engineering and the remainder of the construction contract totaled \$1.4 million.
- 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 2013 on preliminary engineering and right-of-way for future road projects. There was no carryover on 2012 projects (except for the Piert Road project mentioned above).
- Improvements carried over from 2012 and completed in 2013 include the completion of the remodel of the Clerk's lobby at the Justice Center and an upgrade to the Jail security and control systems.
- Four vehicles, a motorcycle and the chassis for a Jail transport vehicle were purchased for the Sheriff's fleet for an approximate value of \$233,892. Two of the vehicles are to replace cars that were involved in accidents during 2011 and 2012.
- Two travel cars were purchased by the General fund to be placed in the Equipment and Revolving Fund. The approximate cost of these vehicles was \$40,000.

- The Capital Projects fund purchased equipment to upgrade the voice system costing over \$1.6 million.
- A new restroom facility is being constructed at the County Fairgrounds. Cost to date is \$156,898.
- Several higher-end scanners were purchased to initiate the County's commitment to "Go Green" and reduce the storage of paper.
- The Information Technology department purchased new servers and a new forensic computer for the Sheriff's Investigations department for a total cost of \$37,062.
- At the end of 2013 Construction in Progress projects included remodels for the Prosser Courthouse bathrooms, various department remodel projects and common area improvements.

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, 2013, Benton County had total bonded debt outstanding of over \$19.3 million, all of which is classified as governmental activity and backed by the full faith and credit of the County. An additional amount of \$315,000 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 \$2.1 million during 2013. 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 \$210.4 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 "Aa2" 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 sixth 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.
- As economic conditions improve the Economic and Revenue Forecast Council for Washington State projected a revenue budget surplus of over \$1 billion for the 2013-2015 biennium. The Governor proposed a mix of spending cuts, reform savings, fund shifts and revenue adjustments for the legislature to consider along with some increased spending. Benton County expects to see some increased state funding in 2014.
- The unemployment rate (8.1% as of December 2013) in the County was lower than 2012, and higher than the State average of 6.6%. Decreased employment at Hanford was below original estimates due to budget increases and total area employment increased 3.3% over 2012. Substantial construction progress was made at the Hanford Vitrification Project during 2013 according to the managing contractor, Bechtel National, Inc.
- Benton County economic activities slowed down and decreased in employment in 2012, as stimulus funded projects phased out at the Hanford Nuclear Reservation. The downsizing was felt throughout the region, however, its relative impacts decreased in 2013 as the diversifying local community increased its economic base in other industries. Combination of industries, agriculture and food processing, education and healthcare services, retail trade and food services, have helped lessen the impact of the job loss in professional and business services. Local population growth continues to drive demand for more educational services as well as healthcare, with just over 0.7 percent growth in 2012. This marks the slowest growth in these two industries since 2005; with previous five year average annual growth of 4.3 percent. The

slowdown seen in education and healthcare industries can largely be attributed to the national, state and local budget cuts and re-allocations. The good news is that the housing market here is stable with growing housing inventories, and affordable prices. The national and state housing sectors are expanding and growing, which is expected to drive economic growth even in the local area as consumer confidence in buying and selling homes increase. According to Washington state nonfarm projections, Tri-Cities (which included both Benton and Franklin Counties) are expected to be fastest growing area in the state through 2020, but it will be expected to be 1.2 percent points below that of the 2000 to 2010 period. Manufacturing and construction sectors are expected to lead the way in annual growth at 1.7 percent and 3.4 percent through 2016. In response to growth in manufacturing and agriculture, wholesale trade along with transportation and warehousing industries are expected to expand as well. Also, education and healthcare industries are expected to grow at 3.0 percent a year through 2016. As the economy becomes more stable and moves forward with new markets, new products and technology in research and development, manufacturing, and wine production and utilization are expected to play a big role in Benton County's future prosperity.

- 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

THIS PAGE LEFT BLANK INTENTIONALLY

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 position.

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 position 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, 2013

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
<i>ASSETS</i>	
Cash/Cash Equivalents and Equity in Pooled Investments	\$ 44,408,837
Deposits with Fiscal Agent	1,457,987
Investments	58,225,500
Receivables	5,355,387
Due From Other Governments	3,391,820
Inventories/Prepayments	2,232,410
Joint Ventures	4,600,668
Land	2,711,839
Infrastructure	74,930,212
Construction in Progress	2,766,889
Other Capital Assets (Net of Depreciation)	<u>48,018,531</u>
 Total Assets	 \$ <u><u>248,100,081</u></u>
 <i>LIABILITIES</i>	
Accounts Payable and Other Current Liabilities	\$ 2,056,286
Accrued Liabilities	5,744,594
Long-Term Liabilities:	
Due to Other Governments	309,802
Accrued Liabilities	86,266
Special Assessment Debt with Governmental Commitment	
Due In More Than One Year	315,000
Other Due Within One Year	2,705,094
Other Due In More Than One Year	<u>23,199,206</u>
 Total Liabilities	 <u>34,416,248</u>
 <i>NET POSITION</i>	
Net Investment in Capital Assets	106,452,919
Restricted for:	
General Government	11,996,013
Public Safety	11,143,544
Mental & Health Services	7,990,217
Economic Environment	3,962,131
Transportation	4,297,691
Culture & Recreation	455,502
Utilities & Environment	99,775
Unrestricted (Deficit)	<u>67,286,042</u>
 Total Net Position	 \$ <u><u>213,683,833</u></u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Activities
Year Ended December 31, 2013

	Program Revenues			Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions		
Functions/Programs					
Primary Government:					
Governmental Activities:					
General Government	\$ 28,682,607	\$ 13,405,906	\$ 1,378,512	\$	(13,898,189)
Public Safety	35,837,432	12,690,756	1,319,775	0	(21,826,901)
Transportation	7,971,222	473,247	2,118,751	2,147,880	(3,231,344)
Natural & Economic Environment	3,380,606	1,276,925	352,814	0	(1,750,867)
Social Services	7,893,886	1,587,305	5,809,947	0	(496,634)
Culture and Recreation	975,448	382,757	30,615	0	(562,076)
Interest on Long Term Debt	1,078,475	0	0	0	(1,078,475)
Total Governmental Activities	<u>85,819,675</u>	<u>29,816,896</u>	<u>11,010,414</u>	<u>2,147,880</u>	<u>(42,844,485)</u>
Total Primary Government	\$ <u>85,819,675</u>	\$ <u>29,816,896</u>	\$ <u>11,010,414</u>	\$ <u>2,147,880</u>	\$ <u>(42,844,485)</u>

General Revenues

Taxes:	
Property	25,365,057
Sales	17,115,363
Entitlements, Impact & In-lieu Payments	7,289,906
Excise Taxes	317,145
Penalties & Interest on Delinquent Taxes	538,631
Interest and Investment Earnings	1,377,128
Total General Revenues	<u>52,003,230</u>
Change in Net Position	9,158,745
Net Position as of January 1	204,525,088
Net Position as of December 31	<u>\$ 213,683,833</u>

See accompanying notes to the basic financial statements

Balance Sheet

Governmental Funds

December 31, 2013

	Major Funds			
	General Fund	County Road	Human Services	1/10% Criminal Justice Fund
ASSETS				
Cash/Cash Equivalents	\$ 4,671,454	\$ 4,022,210	\$ 1,812,584	\$ 3,054,477
Deposits with Fiscal Agent	1,457,987	0	0	0
Investments	10,433,969	2,962	4,185,710	6,838,198
Taxes Receivable	554,117	186,044	10,747	0
Accounts Receivable	883,280	9,114	1,054	0
Assessments Receivable	0	0	0	0
Interest Receivable	38,900	1,197	0	0
Due From Other Funds	2,696	8,476	24,378	0
Due From Other Governmental Units	1,332,638	655,043	816,632	0
Property Held In Trust	20,727	0	0	0
Total Assets	<u>\$ 19,395,769</u>	<u>\$ 4,885,046</u>	<u>\$ 6,851,105</u>	<u>\$ 9,892,675</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts/Vouchers Payable	\$ 662,607	\$ 17,654	\$ 131,998	\$ 0
Due To Other Funds	310,588	122,042	8,952	0
Due To Other Governmental Units	0	72,666	207,667	0
Accrued Wages Payable	3,005,664	247,813	213,866	0
Custodial Accounts	1,457,987	0	0	0
Total Liabilities	<u>5,436,846</u>	<u>460,175</u>	<u>562,483</u>	<u>0</u>
Deferred Inflows of Resources				
Grant Revenue Received in Advance	171,186	0	0	0
Unavailable Revenue - Property Tax	574,844	186,044	10,747	0
Unavailable Revenue - Court Judgments	678,167	0	0	0
Total Deferred Inflows of Resources	<u>1,424,197</u>	<u>186,044</u>	<u>10,747</u>	<u>0</u>
Fund Balance				
Restricted	0	4,238,828	6,277,875	9,892,675
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	12,534,726	0	0	0
Total Fund Balances	<u>12,534,726</u>	<u>4,238,828</u>	<u>6,277,875</u>	<u>9,892,675</u>
Total Liabilities, Fund Balances and Deferred Inflows of Resources	<u>\$ 19,395,769</u>	<u>\$ 4,885,046</u>	<u>\$ 6,851,105</u>	<u>\$ 9,892,675</u>

See accompanying notes to the basic financial statements

Balance Sheet

Governmental Funds

December 31, 2013

	Major Funds			Total
	Rural County Capital Fund	Capital Acquisition	Other Governmental Funds	
ASSETS				
Cash/Cash Equivalents	\$ 3,147,409	\$ 5,872,722	\$ 12,073,494	\$ 34,654,350
Deposits with Fiscal Agent	0	0	0	1,457,987
Investments	7,128,162	15,918,951	12,437,764	56,945,716
Taxes Receivable	0	0	4,859	755,766
Accounts Receivable	0	0	118,927	1,012,375
Assessments Receivable	0	0	17,421	17,421
Interest Receivable	0	0	2,404	42,501
Due From Other Funds	0	0	21,731	57,282
Due From Other Governmental Units	0	53,442	531,347	3,389,102
Property Held In Trust	0	0	0	20,727
Total Assets	\$ 10,275,571	\$ 21,845,115	\$ 25,207,947	\$ 98,353,228
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts/Vouchers Payable	\$ 0	\$ 644,839	\$ 378,598	\$ 1,835,696
Due To Other Funds	0	0	191,964	633,547
Due To Other Governmental Units	0	0	29,469	309,802
Accrued Wages Payable	0	0	682,157	4,149,500
Custodial Accounts	0	0	0	1,457,987
Total Liabilities	0	644,839	1,282,188	8,386,532
Deferred Inflows of Resources				
Grant Revenue Received in Advance	0	0	0	171,186
Unavailable Revenue - Property Tax	0	0	22,280	793,914
Unavailable Revenue - Court Judgments	0	0	0	678,167
Total Deferred Inflows of Resources	0	0	22,280	1,643,267
Fund Balance				
Restricted	10,275,571	0	9,088,738	39,773,687
Committed	0	0	14,814,741	14,814,741
Assigned	0	21,200,276	0	21,200,276
Unassigned	0	0	0	12,534,726
Total Fund Balances	10,275,571	21,200,276	23,903,479	\$ 88,323,429
Total Liabilities, Fund Balances and Deferred Inflows of Resources	\$ 10,275,571	\$ 21,845,115	\$ 25,207,947	

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position December 31, 2013

Total fund balances as shown on the Governmental Fund Balance Sheet:	\$ 88,323,429
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 12/31/13. 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.	210,983,911
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.	(81,978,520)
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	5,167,822
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.	17,383,248
Long-term liabilities that are not due and payable in the current period and are not reported in the funds.	(26,196,056)
Total Net Position, as reflected on the Statement of Net Position:	\$ 213,683,833

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Funds
 For the Year Ended December 31, 2013

	Major Funds			
	General Fund	County Roads	Human Services	1/10% Criminal Justice Fund
<u>Revenues</u>				
Property Taxes	\$ 19,512,929	\$ 5,298,370	\$ 382,125	\$ 0
Sales and Use Taxes	9,840,239	0	0	3,559,071
Other Taxes	385,816	101,785	1,305	0
Licenses and Permits	102,799	4,500	0	0
Intergovernmental	4,437,502	5,721,406	5,862,274	0
Charges for Services	15,274,888	346,589	1,018,415	0
Fines and Forfeits	3,490,117	0	0	0
Interest Earnings	1,253,372	12,501	0	0
Donations	8,198	0	0	0
Other Revenues	294,711	1,623	56,111	0
Total Revenues	54,600,571	11,486,774	7,320,230	3,559,071
<u>Expenditures</u>				
Current:			0	
General Governmental Services	23,314,402	335,941	0	0
Public Safety	25,145,053	0	0	0
Transportation	0	5,643,635	0	0
Natural & Economic Environment	1,000,941	0	0	0
Social Services	796,744	0	6,590,932	0
Culture and Recreation	456,120	0	0	0
Debt Service:				
Principal	0	197,748	0	0
Interest	0	11,865	0	0
Capital Outlay	141,223	4,813,186	0	0
Total Expenditures	50,854,483	11,002,375	6,590,932	0
Excess (Deficit) Revenues Over Expenditures	3,746,088	484,399	729,298	3,559,071
<u>Other Financing Sources (Uses)</u>				
Proceeds of Capital Assets	2,676	0	0	0
Transfers In	1,922,314	310,103	2,752	0
Transfers Out	(3,486,805)	0	(17,535)	(2,392,639)
Total Other Financing Source (Uses)	(1,561,815)	310,103	(14,783)	(2,392,639)
Net Change in Fund Balance	2,184,273	794,502	714,515	1,166,432
Fund Balance-January 1	10,350,453	3,444,326	5,563,360	8,726,243
Fund Balance-December 31	\$ 12,534,726	\$ 4,238,828	\$ 6,277,875	\$ 9,892,675

See accompanying notes to the basic financial statements

Statement of Revenues, Expenditures, and Changes in Fund Balance

Governmental Funds

For the Year Ended December 31, 2013

	Major Funds			Total
	Rural County Capital Fund	Capital Acquisition	Other Governmental Funds	
<u>Revenues</u>				
Property Taxes	\$ 0	\$ 0	\$ 172,720	\$ 25,366,144
Sales and Use Taxes	3,228,140	0	487,913	17,115,363
Other Taxes	0	0	366,870	855,776
Licenses and Permits	0	0	776,632	883,931
Intergovernmental	0	545,300	2,378,355	18,944,837
Charges for Services	0	175,045	7,037,265	23,852,202
Fines and Forfeits	0	0	7,557	3,497,674
Interest Earnings	0	0	135,431	1,401,304
Donations	0	0	6,319	14,517
Other Revenues	0	117,000	1,145,563	1,615,008
 Total Revenues	 <u>3,228,140</u>	 <u>837,345</u>	 <u>12,514,625</u>	 <u>93,546,755</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	0	0	2,667,043	26,317,386
Public Safety	0	0	8,779,916	33,924,969
Transportation	0	0	0	5,643,635
Natural & Economic Environment	0	0	2,414,353	3,415,294
Social Services	0	0	101,637	7,489,313
Culture and Recreation	0	0	394,543	850,663
Debt Service:				
Principal	0	0	2,175,000	2,372,748
Interest	0	0	1,004,521	1,016,386
Capital Outlay	0	2,599,537	328,763	7,882,709
 Total Expenditures	 <u>0</u>	 <u>2,599,537</u>	 <u>17,865,776</u>	 <u>88,913,103</u>
Excess (Deficit) Revenues Over Expenditures	 <u>3,228,140</u>	 <u>(1,762,192)</u>	 <u>(5,351,151)</u>	 <u>4,633,652</u>
<u>Other Financing Sources (Uses)</u>				
Proceeds of Capital Assets	0	48,575	4,676	55,927
Transfers In	0	0	6,598,974	8,834,143
Transfers Out	(2,037,100)	0	(1,141,262)	(9,075,341)
 Total Other Financing Source (Uses)	 <u>(2,037,100)</u>	 <u>48,575</u>	 <u>5,462,388</u>	 <u>(185,271)</u>
Net Change in Fund Balance	1,191,040	(1,713,617)	111,237	4,448,381
Fund Balance-January 1	9,084,531	22,913,893	23,792,242	83,875,048
Fund Balance-December 31	<u>\$ 10,275,571</u>	<u>\$ 21,200,276</u>	<u>\$ 23,903,479</u>	<u>\$ 88,323,429</u>

See accompanying notes to the basic financial statements

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, 2013

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$ 4,448,381
Internal Service Fund Interest, Misc Rev/Exp and Proceeds From Capital Asset Sales and Transfers	136,477
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.	1,629,867
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.	745,365
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 position. This entry is the net effect of these differences in the treatment of long-term debt issuance and payments.	2,372,748
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(65,129)
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.	(108,964)
Change in Net Position, as reflected on the Statement of Activities	\$ 9,158,745

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

General Fund

For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<i>Revenues</i>				
Taxes	\$ 58,240,559	\$ 58,240,559	\$ 29,738,984	\$ (28,501,575)
Licenses and Permits	136,975	136,975	102,799	(34,176)
Intergovernmental Revenues	8,265,717	8,513,721	4,437,502	(4,076,219)
Charges for Services	32,641,036	32,641,036	15,274,888	(17,366,148)
Fines and Forfeitures	7,188,195	7,188,195	3,490,117	(3,698,078)
Miscellaneous Revenue	3,209,388	3,209,811	1,556,280	(1,653,531)
Total Revenues	109,681,870	109,930,297	54,600,571	(55,329,726)
<i>Expenditures</i>				
General Government Services	50,161,947	50,248,637	23,314,402	(26,934,235)
Public Safety	51,087,284	51,168,500	25,145,053	(26,023,447)
Natural & Economic Environment	2,002,233	2,003,430	1,000,941	(1,002,489)
Social Services	1,663,840	1,663,840	796,744	(867,096)
Culture and Recreation	943,813	943,813	456,120	(487,693)
Capital Outlay	132,775	199,043	141,223	(57,820)
Total Expenditures	105,991,892	106,227,263	50,854,483	(55,372,780)
Excess(Deficiency) of Revenues over Expenditures	3,689,978	3,703,034	3,746,088	43,054
<i>Other Financing Sources (Uses)</i>				
Sale of Capital Assets	3,000	3,000	2,676	(324)
Transfers In	3,875,558	3,875,558	1,922,314	(1,953,244)
Transfers Out	(7,644,874)	(7,657,930)	(3,486,805)	(4,171,125)
Total Other Financing Sources (Uses)	(3,766,316)	(3,779,372)	(1,561,815)	(2,217,557)
Excess(Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	(76,338)	(76,338)	2,184,273	2,260,611
Fund Balance, January 1	7,300,000	7,300,000	10,350,453	3,050,453
Fund Balance, December 31	<u>\$ 7,223,662</u>	<u>\$ 7,223,662</u>	<u>\$ 12,534,726</u>	<u>\$ 5,311,064</u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual County Road Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$ 10,707,300	\$ 10,707,300	\$ 5,298,370	\$ (5,408,930)
Excise and Other Taxes	150,000	150,000	101,785	(48,215)
Total Taxes	<u>10,857,300</u>	<u>10,857,300</u>	<u>5,400,155</u>	<u>(5,457,145)</u>
Licenses and Permits	8,200	8,200	4,500	(3,700)
Intergovernmental Revenues	14,444,852	14,444,852	5,721,406	(8,723,446)
Charges for Services	2,111,400	2,111,400	346,589	(1,764,811)
Interest Earnings	10,000	10,000	12,501	2,501
Donations	15,000	15,000	0	(15,000)
Miscellaneous Revenues	14,400	14,400	1,623	(12,777)
Total Revenues	<u>27,461,152</u>	<u>27,461,152</u>	<u>11,486,774</u>	<u>(15,974,378)</u>
<u>Expenditures</u>				
General Governmental Services	770,300	770,300	335,941	(434,359)
Transportation	18,211,053	18,211,053	5,643,635	(12,567,418)
Debt Service:				
Principal	396,000	396,000	197,748	(198,252)
Interest	27,000	27,000	11,865	(15,135)
Capital Outlay	11,544,367	11,544,367	4,813,186	(6,731,181)
Total Expenditures	<u>30,948,720</u>	<u>30,948,720</u>	<u>11,002,375</u>	<u>(19,946,345)</u>
Excess (Deficiency) of Revenues over Expenditures	(3,487,568)	(3,487,568)	484,399	3,971,967
<u>Other Financing Sources (Uses)</u>				
Intergovernmental Payments	(228,000)	(228,000)	0	228,000
Transfers In	2,119,675	2,119,675	310,103	(1,809,572)
Total Other Financing Sources (Uses)	<u>1,891,675</u>	<u>1,891,675</u>	<u>310,103</u>	<u>(1,581,572)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(1,595,893)	(1,595,893)	794,502	2,390,395
Fund Balance, January 1	1,631,893	1,631,893	3,444,326	1,812,433
Fund Balance, December 31	<u>\$ 36,000</u>	<u>\$ 36,000</u>	<u>\$ 4,238,828</u>	<u>\$ 4,202,828</u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual Human Services Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Property Taxes	\$ 696,000	\$ 696,000	\$ 382,125	\$ (313,875)
Excise and Other Taxes	2,000	2,000	1,305	(695)
Total Taxes	<u>698,000</u>	<u>698,000</u>	<u>383,430</u>	<u>(314,570)</u>
Intergovernmental Revenues	15,467,230	15,467,230	5,862,274	(9,604,956)
Charges for Services	1,992,000	1,992,000	1,018,415	(973,585)
Miscellaneous Revenues	115,800	115,800	56,111	(59,689)
Total Revenues	<u>18,273,030</u>	<u>18,273,030</u>	<u>7,320,230</u>	<u>(10,952,800)</u>
<u>Expenditures</u>				
Social Services	21,063,267	21,202,846	6,590,932	(14,611,914)
Capital Outlay	414,579	275,000	0	(275,000)
Total Expenditures	<u>21,477,846</u>	<u>21,477,846</u>	<u>6,590,932</u>	<u>(14,886,914)</u>
Excess (Deficiency) of Revenues over Expenditures	(3,204,816)	(3,204,816)	729,298	3,934,114
<u>Other Financing Sources (Uses)</u>				
Redemption of Long-Term Debt	(207,667)	(207,667)	0	207,667
Transfers In	6,200	6,200	2,752	(3,448)
Transfers Out	(66,000)	(66,000)	(17,535)	48,465
Total Other Financing Sources (Uses)	<u>(267,467)</u>	<u>(267,467)</u>	<u>(14,783)</u>	<u>252,684</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(3,472,283)	(3,472,283)	714,515	4,186,798
Fund Balance, January 1	4,300,000	4,300,000	5,563,360	1,263,360
Fund Balance, December 31	<u>\$ 827,717</u>	<u>\$ 827,717</u>	<u>\$ 6,277,875</u>	<u>\$ 5,450,158</u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual 1/10 Percent Criminal Justice Jail - Juvenile Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Taxes	\$ 6,240,000	\$ 6,240,000	\$ 3,559,071	\$ (2,680,929)
Total Revenues	6,240,000	6,240,000	3,559,071	(2,680,929)
<u>Expenditures</u>				
Public Safety	158,605	200,000	0	(200,000)
Total Expenditures	158,605	200,000	0	(200,000)
Excess (Deficiency) of Revenues over Expenditures	6,081,395	6,040,000	3,559,071	(2,480,929)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(4,785,278)	(4,785,278)	(2,392,639)	2,392,639
Total Other Sources (Uses)	(4,785,278)	(4,785,278)	(2,392,639)	2,392,639
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,296,117	1,254,722	1,166,432	(88,290)
Fund Balance as of January 1	8,600,000	8,600,000	8,726,243	126,243
Fund Balance as of December 31	\$ 9,896,117	\$ 9,854,722	\$ 9,892,675	\$ 37,953

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

Rural County Capital

Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Taxes	\$ 5,900,000	\$ 5,900,000	\$ 3,228,140	\$ (2,671,860)
Total Revenues	5,900,000	5,900,000	3,228,140	(2,671,860)
<u>Expenditures</u>				
General Government Services	400,000	400,000	0	(400,000)
Total Expenditures	400,000	400,000	0	(400,000)
Excess (Deficiency) of Revenues over Expenditures	5,500,000	5,500,000	3,228,140	(2,271,860)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(4,075,400)	(4,075,400)	(2,037,100)	2,038,300
Total Other Sources (Uses)	(4,075,400)	(4,075,400)	(2,037,100)	2,038,300
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,424,600	1,424,600	1,191,040	(233,560)
Fund Balance as of January 1	9,000,000	9,000,000	9,084,531	84,531
Fund Balance as of December 31	\$ 10,424,600	\$ 10,424,600	\$ 10,275,571	\$ (149,029)

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2013

	Governmental Activities
	<u>Internal Service Funds</u>
<i>ASSETS</i>	
<u>Current Assets</u>	
Cash/Cash Equivalents	\$ 9,754,486
Investments	1,279,784
Accounts Receivable	7,643
Interest Receivable	3,067
Due From Other Funds	605,759
Due from Other Governmental Units	2,717
Inventories/Prepayments	2,211,683
Total Current Assets	<u>13,865,139</u>
<u>Noncurrent Assets</u>	
Projects In Progress	21,816
Capital Assets	
Land	246,520
Buildings	3,023,609
Improvements Other Than Buildings	473,309
Machinery and Equipment	9,455,063
Less Accumulated Depreciation	(9,197,569)
Total Noncurrent Assets	<u>4,022,748</u>
Total Assets	<u>\$ 17,887,887</u>
 <i>LIABILITIES AND NET POSITION</i>	
<u>Current Liabilities</u>	
Accounts/Vouchers Payable	\$ 220,590
Capital Leases Payable	92,707
Due To Other Funds	29,492
Accrued Wages Payable	137,106
Total Current Liabilities	<u>479,895</u>
<u>Noncurrent Liabilities</u>	
Compensated Absences	18,938
Capital Leases Payable	5,805
Total Noncurrent Liabilities	<u>24,743</u>
Total Liabilities	<u>504,639</u>
<u>Net Position</u>	
Net Investment in Capital Assets	3,924,236
Unrestricted	13,459,012
Total Net Position	<u>\$ 17,383,248</u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

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

Proprietary Funds

Year Ended December 31, 2013

	Governmental Activities
	<u>Internal Services</u>
	\$
<u>Operating Revenues</u>	
Net Charges for Services	7,422,377
Other Operating Revenue	585,619
	<u>8,007,996</u>
<u>Operating Expenses</u>	
Personal Services	2,035,335
Contractual services	1,983,698
Other Supplies and Expenses	1,052,111
Depreciation	995,251
Payment to Claimants	1,196,236
	<u>7,262,631</u>
Total Operating Expenses	<u>7,262,631</u>
Operating Income (Loss)	<u>745,365</u>
<u>Non-Operating Revenue (Expenses)</u>	
Interest Revenue	29,781
Interest Expense	(62,089)
Gain (Loss) on Disposition of Capital Assets	25,064
Other Non-Operating Revenues (Expenses)	(97,477)
	<u>(104,721)</u>
Total Non-Operating Revenue (Expenses)	<u>(104,721)</u>
Income (Loss) before Transfers	640,644
Transfers In	241,198
	<u>881,842</u>
Change in Net Position	<u>881,842</u>
Net Position as of January 1	16,501,406
Net Position as of December 31	<u>\$ 17,383,248</u>

See accompanying notes to the basic financial statements

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2013

	Governmental Activities
	<u>Internal Services</u>
<u>Cash Flows From Operating Activities:</u>	
Receipts from Customers	\$ 104,167
Receipts from Interfund Services Provided	7,316,847
Miscellaneous Receipts	602,117
Payments to Employees	(2,252,384)
Payments to Suppliers	(4,372,737)
Payments for Interfund Services Used	(181,585)
Net cash provided (used) by operating activities	<u>1,216,424</u>
<u>Cash Flows From Noncapital Financing Activities:</u>	
Transfers from Other Funds	241,198
Net cash provided (used) by noncapital financing activities	<u>241,198</u>
<u>Cash Flows From Capital And Related Financing Activities</u>	
Interest Paid on Capital Lease	(62,089)
Principal Paid on Capital Lease	(186,229)
Proceeds from sale of capital assets	98,486
Purchases of capital assets	(709,756)
Net cash provided (used) by capital and related financing activities	<u>(859,588)</u>
<u>Cash Flows From Investing Activities:</u>	
Interest Earnings	30,137
Net Cash Provided by Investing Activities	<u>30,137</u>
Net Increase in Cash & Cash Equivalents	628,171
Balances as of January 1	<u>10,406,099</u>
Balances as of December 31	<u>\$ 11,034,270</u>

See accompanying notes to the basic financial statements

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2013

	Governmental Activities Internal Services
	<u> </u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>	
Operating Income/(Loss)	\$ <u>745,365</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u>	
Depreciation Expense	995,251
Other Non-Cash Revenue/Expense	(29,557)
<u>Changes in assets and liabilities:</u>	
Receivables, net	(354,911)
Inventories	(131,440)
Accounts and other payables	<u>(8,285)</u>
Net Cash Provided by Operating Activities	\$ <u><u>1,216,423</u></u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Fiduciary Assets and Liabilities

Agency Funds

December 31, 2013

	Agency Funds
ASSETS	
Cash, cash equivalents and pooled investments	\$ 216,274,470
Taxes Receivable	4,338,840
Total Assets	<u>220,613,310</u>
LIABILITIES	
Warrants Payable	12,035,160
Vouchers Payable	4,529,531
Due to Other Governments	204,048,619
Total Liabilities	<u>\$ 220,613,310</u>

See accompanying notes to the basic financial statements

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	42
A. Reporting Entity	42
B. Government-Wide and Fund Financial Statements.....	42
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentations.....	42
D. Budgets and Budgetary Accounting.....	44
E. Assets, Liabilities, Fund Balance, Deferred Inflows and Net Position.....	45
NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	49
A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet And the Government-Wide Statement of Net Position.....	49
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 ...	49
NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY	51
NOTE 4 – DEPOSITS AND INVESTMENTS.....	51
NOTE 5 – PROPERTY TAXES.....	54
NOTE 6 – CAPITAL ASSETS	55
NOTE 7 – PENSION PLANS	57
NOTE 8A – RISK POOL	65
NOTE 8B – UNPAID CLAIMS LIABILITIES	68
NOTE 8C – RISK MANAGEMENT	68
NOTE 9 – LONG-TERM DEBT	69
A. Advance Due to Other Governments	69
B. Special Assessment Bonds.....	69
C. Long-Term Debt.....	70
NOTE 10 – LEASES.....	71
A. Operating Leases.....	71
B. Capital Leases	71
NOTE 11 – CHANGES IN GENERAL LONG-TERM LIABILITIES.....	72
NOTE 12 – CONTINGENCIES AND LITIGATIONS.....	73
NOTE 13 – INTERFUND BALANCES AND TRANSFERS	73
A. Classification of Interfund Transactions	73
B. Interfund Reconciliations	73
NOTE 14 – RESTRICTED NET POSITION	74
NOTE 15 – JOINT VENTURES	74
A. Benton County Emergency Services.....	74
B. Bi-County Police Information Network.....	75
C. Metro Drug Forfeiture Fund.....	76
NOTE 16 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS	76
NOTE 17 – OTHER DISCLOSURES	78
A. Related Organizations	78
B. Adjustments to 2012 Statement of Activities.....	78

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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, 2013

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 *1/10% Criminal Justice Fund*, funded with sales tax revenue to assist the financing of the construction, maintenance and operation of the adult and juvenile jails.
- The *Rural County Capital Fund*, funded with retail sales tax for the purpose of financing public facilities.
- 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, 2013

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, 2013

E. Assets, Liabilities, Fund Balance, Deferred Inflows 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, 2013, the County Treasurer was holding \$230,987,333 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, \$44,408,829, is classified on the Statement of Net Position as Cash/Cash Equivalents and Equity in Pooled Investments. The County's portion 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 2013 were approximately \$11,601,014.

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, 2013, \$17,421 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.

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

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

(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.

12. Deferred Inflows of Resources

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.

Deferred inflows of resources in the fund financial statements include delinquent taxes and court judgments that are earned, but not yet available under the modified accrual basis of accounting.

13. 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.

By resolution number 11-793 dated December 13, 2011 the County has adopted the Budget Policies and Procedures authorizing fund balance designation and operational use.

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,

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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), the highest level of decision-making authority for the County. Committed amounts cannot be used for any other purpose unless the BOCC removes or changes the specified use through formal action by resolution. 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. During the current reporting period, a designee was not assigned.

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.

14. 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, 2013

15. Detailed Fund Balance Constraints

Fund Balances:	General Fund	County Roads	Major Special Revenue Funds			Rural County Capital Fund	Major Capital Acquisition	Other Funds	Total
			Human Services	1/10% Criminal Justice Fund	Fund		Fund		
Restricted for:									
Detention and/or Correction				9,892,675			1,241,214	11,133,889	
Education							94,395	94,395	
Financial and Records Services					10,275,571		909,529	11,185,100	
Public Defense (General Fund)	-							-	
Housing & Community Dev							3,372,000	3,372,000	
Judicial							467,518	467,518	
Juvenile Services							9,655	9,655	
Legal							172,209	172,209	
Mental & Health Services			6,277,875				1,712,342	7,990,217	
Park Facilities							361,107	361,107	
Planning & Community Dev							358,876	358,876	
Transportation		4,238,828					58,863	4,297,691	
Veterans Services							231,255	231,255	
Weed Control							99,775	99,775	
Committed to:								-	
Central services							1,692,318	1,692,318	
Cultural & Recreational Facilities							4,488,330	4,488,330	
Debt Service							1,426,863	1,426,863	
Detention and/or Correction							210,246	210,246	
Garbage & Solid Waste Utilities							741,353	741,353	
Housing & Community Dev							179,865	179,865	
Judicial							2,182,277	2,182,277	
Juvenile Services							1,291,737	1,291,737	
Law Enforcement							189,825	189,825	
Legislative							921,716	921,716	
Substance Abuse							17,385	17,385	
Transportation							1,472,826	1,472,826	
Assigned to:								-	
Capital Projects							21,200,276	21,200,276	
Unassigned								-	
General Fund	12,534,726							12,534,726	
	12,534,726	4,238,828	6,277,875	9,892,675	10,275,571	21,200,276	23,903,479	88,323,430	

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

16. Net Position

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.

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 Revenue – Property Taxes	\$ 793,914
Grant Revenue Received in Advance	171,186
Bond Discounts	7,940
Interest Earned, unavailable for >90 days	47,912
A/R Superior & District Courts, Treasurers O&M	<u>4,146,870</u>
 Net Adjustment to Increase Total Governmental Funds to Arrive At Net Position Governmental Funds	 <u>\$5,167,822</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	\$19,360,000
Special Assessment Debt	315,000
Long-Term Loans	2,175,230
Compensated Absences	3,038,252
Less Internal Service Funds Amount	<u>(18,938)</u>
Net Compensated Absences	3,019,314
Interest Payable	86,266
OPEB Accrual	1,206,496
Bond Premiums	<u>33,750</u>
Net Adjustment to Reduce - Total Governmental Funds to Arrive at Net Position – Governmental Activities	 <u>\$26,196,056</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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The details of this difference is as follows:

Capital Outlay	\$ 7,882,709
Donated Capital Assets	1,564,492
Change in Joint Venture Equity	(251,514)
Depreciation Expense	(5,870,469)
Other Capital Outlay (Road & Misc.)	<u>(1,695,351)</u>
Net Adjustment to Increase Net Changes in Fund Balance - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ 1,629,867</u>

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>2,372,748</u>
Net Adjustment to Increase Net Changes in Fund Balances Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ 2,372,748</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	\$ 37,286
Change in Accrual for District Court A/R	(34,544)
Change in Accrual for Treasurers O&M A/R	(14,573)
Amortization of Debt Premium	1,875
Change in Interest Receivable between 2012 & 2013	(53,957)
Change in Deferred Tax Revenue between 2012 & 2013	<u>(1,216)</u>
Net Adjustment to Increase Net Changes in Fund Balance - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities	<u>\$ (65,129)</u>

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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		\$ (113,822)
Change in Interest Payable between 2012 & 2013		8,418
Amortization of Debt Discount		3,214
Change in Compensated Absences, 2012 to 2013	(4,359)	
Less Internal Service Funds Change	<u>(2,415)</u>	
Net Change in Compensated Absences between 2012 & 2013		<u>(6,774)</u>
Net Adjustment to Increase Net Changes in Fund Balance - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities		<u>\$ (108,964)</u>

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, certificates of deposit and securities 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 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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

As of December 31, 2013, the County had the following investments:

<u>Investment</u>	<u>Weighted Average Maturity Years</u>	<u>Fair value of County's investments</u>	<u>Fair value of investments held by County as an agent for other local governments, individuals or private organizations</u>	<u>Total</u>
Certificates of Deposit	.44	\$ 2,000,000	\$ -0-	\$ 2,000,000
Federal Agricultural Mortgage Corporation	3.42	7,350,795	-0-	7,350,795
Federal Farm Credit Bank	2.14	20,203,967	-0-	20,203,967
Federal Home Loan Bank	1.69	17,465,421	-0-	17,465,421
Federal Home Loan Mortgage Corporation	2.62	27,585,971	-0-	27,585,971
Federal National Mortgage Association	2.50	29,018,110	-0-	29,018,110
Municipal Bonds	3.85	1,084,733	-0-	1,084,733
Treasuries	1.38	12,006,085	-0-	12,006,085
State Pool	1.00	114,000,000	80,646,621	194,646,621
Total		<u>\$230,715,082</u>	<u>\$80,646,621</u>	<u>\$311,361,703</u>

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 counterpart 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 Investment 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

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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. The TIP has grown from four participants with thirty-four funds to ten participants encompassing 58 funds in 2013. It is expected that the growth of the Pool will continue.

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, 2013.

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 Agricultural Mortgage Corporation	3.30	3,422,985	3,422,985
Federal Farm Credit Bank	2.04	12,485,945	12,485,945
Federal Home Loan Bank	1.34	7,495,345	7,495,345
Federal Home Loan Mortgage Corporation	2.53	13,217,277	13,217,277
Federal National Mortgage Association	2.67	13,968,120	13,968,120
Municipal Bonds	3.40	896,077	896,077
Treasuries	1.43	7,003,825	7,003,825
State Pool	1.00	\$64,770,291	64,770,291
Total			\$123,259,865

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%.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Presented below are investments in any one issuer in which the Primary Government participated as of December 31, 2013.

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)	0.64%	-0-	0.64%
Federal Agricultural Mortgage Corporation	2.36%	-0-	2.36%
Federal Farm Credit Bank	6.49%	-0-	6.49%
Federal Home Loan Bank	5.61%	-0-	5.61%
Federal Home Loan Mortgage Corporation	8.86%	-0-	8.86%
Federal National Mortgage Association	9.32%	-0-	9.32%
Municipal Bonds	0.35%	-0-	0.35%
Treasuries	3.86%	-0-	3.86%
<u>State Pool</u>	<u>36.61%</u>	<u>25.90%</u>	<u>62.51%</u>
Total	<u><u>74.10%</u></u>	<u><u>25.90%</u></u>	<u><u>100.0%</u></u>

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. Currently, safekeeping is with Bank of New York Mellon.

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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

- 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 2013, the County levied the following property taxes:

Purpose of Levy	Per \$1,000	Levy Amount
General Government (A)	\$1.2433	\$19,044,096
County Roads (B)	1.6736	5,818,466
Human Services (A)	0.0250	382,946
Veterans' Assistance (A)	0.0113	173,091
Totals	\$2.9532	\$25,418,599

(A) assessed value of \$15,317,827,385

(B) assessed value of \$ 3,476,619,994

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

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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.

Capital asset activity for the year ended December 31, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 2,654,787	\$ 0	\$ 0	\$ 2,654,787
Infrastructure	54,353,382	6,084,048	2,111,674	58,325,756
Construction in progress	3,105,439	2,049,209	2,387,759	2,766,889
Total capital assets, not being depreciated	<u>60,113,608</u>	<u>8,133,257</u>	<u>4,499,433</u>	<u>63,747,432</u>
Capital assets, being depreciated:				
Quarries	82,330	0	0	82,330
Buildings	87,465,590	0	0	87,465,590
Improvements	8,446,389	102,097	0	8,548,486
Intangibles	57,488	305,602	0	363,090
Machinery and equipment	13,102,289	1,351,040	970,490	13,482,839
Infrastructure	43,993,068	2,083,470	162,745	45,913,793
Total capital assets being depreciated	<u>153,147,154</u>	<u>3,842,209</u>	<u>1,133,235</u>	<u>155,856,128</u>
Less accumulated depreciation for:				
Quarries	(25,278)	0	0	(25,278)
Buildings	(46,811,401)	(2,871,128)	0	(49,682,529)
Improvements	(2,239,547)	(439,354)	0	(2,678,901)
Intangibles	(4,814)	(52,572)	0	(57,386)
Machinery and equipment	(9,773,905)	(536,921)	(888,167)	(9,422,659)
Infrastructure	(27,432,891)	(1,970,494)	(94,048)	(29,309,337)
Total accumulated depreciation	<u>(86,287,836)</u>	<u>(5,870,469)</u>	<u>(982,215)</u>	<u>(91,176,090)</u>
Total capital assets being depreciated, net	66,859,318	(2,028,260)	151,020	64,680,038
Governmental activities capital assets, net	<u>\$ 126,972,926</u>	<u>\$ 6,104,997</u>	<u>\$ 4,650,453</u>	<u>\$ 128,427,470</u>

Depreciation expense was charged to functions as follows:

General Government	412,455
Public Safety	1,946,461
Utilities	0
Transportation	1,970,494
Natural & Economic Environment	844
Social Services	418,731
Culture and Recreation	126,233
	<u>4,875,218</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.

Total governmental activities depreciation expense	<u>\$ 5,870,469</u>
--	---------------------

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 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.

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 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 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 2013, 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.

Plan 1 members are eligible for retirement from active status at any age with at least 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. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

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. The benefit 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 benefit 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, if hired prior to May 1, 2013:

- 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 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. 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. Members who do not choose a contribution rate default to a 5 percent rate. 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, 2013

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 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS's fiscal year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 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, and were hired before May 1, 2013, 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.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

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 members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the estate of a PERS member who dies 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.

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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	82,242
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	30,515
Active Plan Members Vested	106,317
Active Plan Members Non-vested	44,273
Total	263,347

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.

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, 2013, are as follows:

Members Not Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21%**	9.21%**	9.21%***
Employee	6.00%****	4.92%****	*****

- * The employer rates include the employer administrative expense fee currently set at 0.18%.
- ** The employer rate for state elected officials is 13.73% for Plan 1 and 9.21% 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 4.92% for Plan 2.
- ***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Members Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	11.71%	11.71%	11.71%**
Employer-Local Govt.*	9.21%	9.21%	9.21%**
Employee-State Agency	9.76%	9.80%	7.50%***
Employee-Local Govt.	12.26%	12.30%	7.50%***

- * The employer rates include the employer administrative expense fee currently set at 0.18%.
- ** Plan 3 defined benefit portion only.
- ***Minimum rate.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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
2013	\$83,110	\$1,961,648	\$180,383
2012	\$86,475	\$1,651,941	\$160,384
2011	\$82,990	\$1,403,797	\$136,052

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 2013, 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).

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 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.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

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

Plan 2 members are eligible for retirement 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 benefit 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.

A one-time duty-related death benefit is provided to the beneficiary 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.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

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.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	10,189
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	689
Active Plan Members Vested	14,273
Active Plan Members Non-vested	2,633
Total	27,784

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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 recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. 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 2013, the state contributed \$54.2 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, 2013, are as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.18%	5.23% **
Employee	0.00%	8.41%
State	N/A	3.36%

*The employer rates include the employer administrative expense fee currently set at 0.18%.

** The employer rate for ports and universities is 8.59%.

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
2013	\$0	\$264,105
2012	\$0	\$250,758
2011	\$0	\$229,517

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 includes:

- PERS 2 or 3 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
- Employees, hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

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.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

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 2013, 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, in lieu of any retirement benefit, 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 2 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 members meeting specific eligibility requirements have the option available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the estate 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 75 participating employers in PSERS. Membership in PSERS consisted of the following as of the latest actuarial valuation date for the plan of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	27
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	60
Active Plan Members Vested	2,083
Active Plan Members Non-vested	2,167
Total	4,337

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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, are as follows:

	PSERS Plan 2
Employer*	10.54%
Employee	6.36%

- The employer rate includes an employer administrative expense fee of 0.18%.

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
2013	\$500,022
2012	\$447,762
2011	\$402,094

NOTE 8A - RISK POOL

Benton County is a member of the Washington Counties Risk Pool ("Pool"). Other Washington counties that are Pool 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 Counties are former Pool members, having voluntarily terminated their memberships beginning October 1st of 2010, 2002 and 2003 respectively.

Background: The Pool was formed August 18, 1988 after an Interlocal (Cooperative) Agreement under Chapter 39.34 RCW was approved by several Washington counties. The agreement and cooperative created a mechanism to provide 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 the state's "pooling" laws and regulations, more specifically, RCW 48.62 RCW and WAC 200.100. They must be first approved and then are overseen by the State Risk Manager, and they are subject to annual fiscal audits performed and issued by the State Auditor's Office.

Noteworthy is the definition of "insurer" within RCW 48.01.050 for application of the Washington Insurance Code, which reflects the following:

Two or more local government entities, under any provision of law, that join together and organize to form an organization for the purpose of jointly self-insuring or self-funding are not an "insurer" under this code.

Thus, under Washington law the Pool is not an insurance company, and therefore, not subject to the rules governing insurance policy interpretation.

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. Its 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 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.

A Membership Compact was added as an addendum to the Interlocal Agreement in 2000. It constitutes a commitment to strengthen the Pool by helping member counties implement and/or enhance their local risk management efforts to reduce losses and support the best management of the Pool and its resources. It obligates member counties to support these goals through three major elements – membership involvement, risk control practices, and a targeted risk management program(s).

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

New members may be asked to pay modest fees to cover any costs to analyze the member's loss data and risk profile, but they are normally only required to contribute their proportional shares on their entry year's insuring assessments. Members contract initially under the Interlocal Agreement to remain in the Pool for at least five years. Following the initial term, a county may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files its required advance written notice; otherwise, the Interlocal Agreement and memberships automatically renew for another year. Even after termination, former members remain responsible for reassessments by the Pool for the members' proportional shares of any unresolved, unreported, and in-process claims for the periods that the former members were signatories to the Interlocal Agreement.

Joint Self-Insurance Liability Program ("JSILP"): The Pool, which recently celebrated its Silver Anniversary, has been providing its membership with occurrence-based, jointly purchased and/or jointly self-insured 3rd-party liability coverage since October 1, 1988 for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by an occurrence during the policy period and occurring anywhere in the world. Total coverage limits have grown from the \$1 million limit that existed during the Pool's initial two insuring months to \$5 million, then to \$10 million and onto \$15 million before reaching the \$20 million occurrence limit that has existed since October 1, 2003. (Note: Additional occurrence limits of \$5 million have been available for many years for member counties to choose as an individual county-by-county option.) There are no aggregate limits to the payments the WCRP makes for any one member county or all member counties combined.

The initial \$10 million in coverage is jointly self-insured. The remaining JSILP coverage, up to \$15 million, is acquired as "following form" excess insurance from higher rated commercial carriers. Member counties annually select a deductible amount applicable to each occurrence from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000.

Reinsurance is acquired from higher rated carriers as well to protect the Pool directly and its member counties indirectly from larger-valued losses. The reinsuring program is written with a self-insured retention ("SIR") equal to the greater of the applicable member's deductible or \$100,000. The reinsuring agreements also include first and second layer corridor elements – to \$1 million and from \$1 to \$2 million – with cumulative (WCRP) retentions of \$2.95 and \$0.65 million and annual aggregate limits of \$40 and \$20 million respectively.

616 third-party liability claims (and lawsuits) were reported to the Pool by its member counties during Py2013, and added to the Pool's administrative database. This represented a 3% reduction in year-over-year filings and a continuation of recent years' decline in annual filings. The new filings raised the to-date total (Oct 1988 – Sep 2013) to 19,232. Total incurred losses (payments made plus reserve estimates for *open* claims) increased \$8.1 million during Py2013 to \$250.9 million. The annual amount is 50% more than the corresponding Py2012 amount of \$5.4M, but it represents just 51% of the Py2011 increase of \$16.0M, 46% of the \$17.8M in Py2010, and only 39% of the \$20.8M annual average for Py2007 through Py2009. Only 327 claims remained classified as 'open' at year-end. With 307 additional claims projected by the actuary from all years as incurred but not yet reported ("IBNR"), the Pool's estimated ultimate claims totaled 19,539 as of September 30, 2013.

The independent actuary's projection of total reserves for claims that are expected to be the Pool's responsibility decreased slightly (-1%) from Py2012 to \$14.6 million. This amount includes \$3.4 million (-21% from Py2012) for losses within the Pool's self-insured retention, \$10.0 million (+7%) for losses subject to the "corridor" programs with the Pool's reinsurers, \$0.2 million for losses within the Py2013 quota-shared (10%) upper reinsured layer, and \$1.0 million (+3%) for estimated unallocated loss adjustment expenses. *NOTE: The corridor programs involving the WCRP's first (and now second) layer reinsurers began seven years ago. These programs included an occurrence coverage maximum of \$0.5 million during the first three years, \$1.0 million during the next three years, and of both \$1.0 million and \$2.0 million beginning with Py2013. Occurrence coverage minimums have remained since the corridor program began the greater of the applicable member deductible or \$100,000.*

Washington Counties Property Program ("WCPP"): Beginning with Py2006 (October 1, 2005), WCRP added property insurance as a county-by-county option that is jointly-purchased from a consortium of higher rated commercial carriers. Since the initial offering, both participation and the total values of covered properties have nearly doubled. Twenty six WCRP counties with covered properties totaling over \$2.7 billion participated in the optional insuring program during Py2013.

The WCPP includes All Other Peril coverage limits of \$500 million per occurrence for losses to buildings and contents, vehicles, mobile/contractors equipment, EDP and communication equipment, etc., as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. All Other Perils coverage limits apply to any occurrence, even those affecting more than one participating county, and there are no

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

annual (AOP) aggregate limitations. Flood and Earthquake coverages each include annual aggregate limits of \$200 million. The WCPP coverage also includes sublimited items, e.g. Equipment Breakdown / Boiler & Machinery (\$100 million), Special Flood Hazard Areas (\$25 million). And there are endorsements for Green Construction Upgrades, Reproduction Coverage for Historic Structures, and Terrorism (\$20 million).

AOP occurrence deductibles, which the participating counties select annually and which the counties are solely responsible for paying, range between \$5,000 and \$50,000. Higher deductibles are applicable to losses resulting from catastrophe relevant losses.

There were 15 claims filed during Py2013 by participating counties with loss estimates totaling \$2.6 million and losses paid by fiscal year-end of \$1.5 million. During its initial eight years as a WCRP optional insuring program, there have been 103 WCPP claims filed with to-date incurred losses totaling \$15.5 million and losses paid through fiscal 2013 of \$8.9 million. Considering the fact that to-date WCPP premiums have totaled \$22.2 million, the WCPP's cumulative loss ratio is below 0.7.

Other Insurances: Several member counties also use the Pool's contracted producer (broker) to secure other (specialty) insurances. Examples include public officials bonds and crime (and fidelity), cyber risks/security, special events/concessionaires, underground storage tank and other environmental hazards insurance coverages.

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 Board, which is 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 a) determining the extent of the 3rd-party self-insured liability coverage to be offered (approving the insuring document or coverage form), b) selecting the reinsurance program(s) to acquire and the excess insurance(s) to be jointly purchased or offered for optional purchase by the member counties, c) approving the Pool's annual operating budget(s) and work program(s), and d) approving the members' deposit assessment and reassessment formulas for the policy year ensuing and for any deficient prior period(s).

Regular oversight of the Pool's operations is provided by an 11-person executive committee selected from and by the WCRP Board. Committee members are elected to staggered, 3-year terms. The Committee meets several times throughout each policy year to: a) approve all WCRP disbursements and review the Pool's financial health; b) approve case settlements exceeding the applicable member's deductible by at least \$50,000; c) review all claims with incurred loss estimates exceeding \$100,000; and d) evaluate the Pool's operations and program deliverables as well as the Executive Director's performance. Committee members are expected 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 multi-person claims staff with years of combined experience handles or oversees the handling of the several hundred liability cases each year filed upon and submitted by the Pool's member counties. This includes establishing reserves for covered events and estimating undiscounted future cash payments for losses and their related claims adjustment expenses. Other WCRP staffers provide various member services, e.g. conducting member and potential member risk assessments and compliance audits, coordinating numerous Pool-sponsored trainings, researching other coverages, and marketing the Pool and its risk management services. Some address and support the organization's administrative needs.

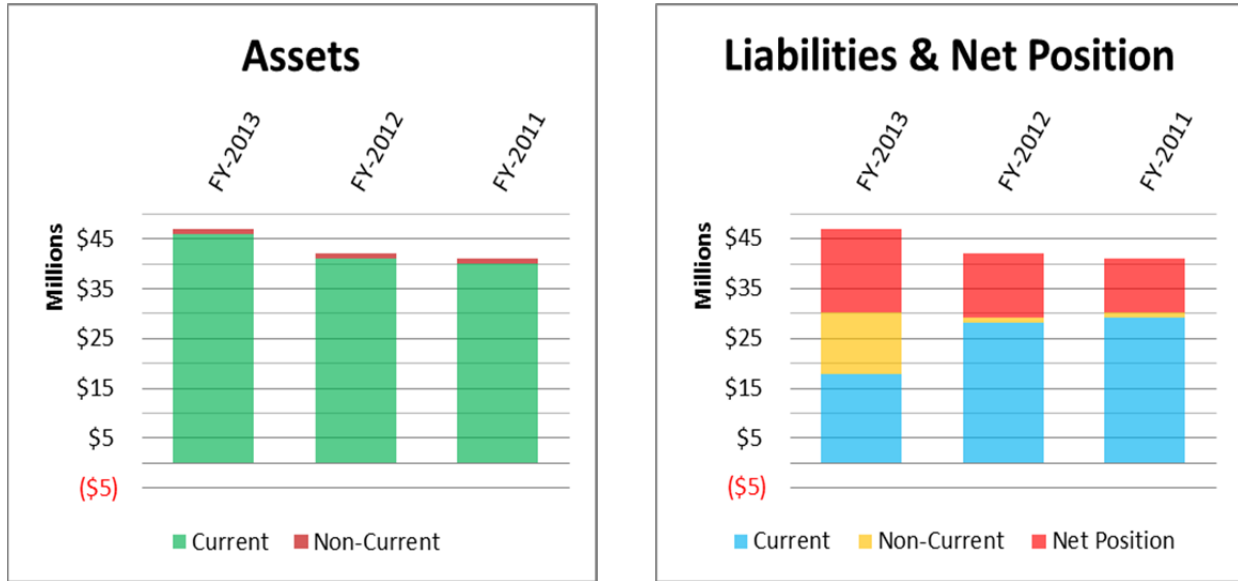
Professionals from some of the more respected organizations worldwide are regularly called upon to address various needs of the Pool. More specifically, independent actuarial services are furnished by PricewaterhouseCoopers, LLP. Independent claims auditing is performed by Startegic Claims Direction LLC, and special claims audits are occasionally performed by the Pool's commercial reinsurers/insurers. Insurance producer (broker) and advanced loss control and prevention services are provided by Arthur J. Gallagher Risk Management Services, Inc.. Coverage counsel is furnished by J. William Ashbaugh of Hackett Beecher & Hart. These professionals are in addition to the many contracted and in-county attorneys assigned to defend the numerous Pool-covered cases, as well as the examinations by and services from both the State Risk Manager and State Auditor's Offices.

Financial Summary: During fiscal 2013, Pool assets grew 11% (+\$4.8 million) and liabilities by 3% (+\$1.0 million). Its net (financial) position, which is commonly referred to as "net assets" and sometimes as "owners' equity", improved 30% (+\$3.9 million) during the Pool's Silver Anniversary year to \$16.7 million as of September 30, 2013. Much of the net position is 'restricted' (\$12.5 million) to address the Board of Directors' recently revised requirements in section D of its Underwriting Policy. *NOTE: This policy revision resulted in the Pool's own restriction increasing \$7.5 million (+187%) and the unrestricted declining \$3.8 million (-53%). The (State Risk Manager's) solvency provisions in WAC 200.100.03001(3) required \$0.9 million for satisfaction, a year-over-year*

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

increase of \$0.1 million (+15%). Another \$0.9 million is invested in capital assets (net of debt). The remaining \$3.3 million is unrestricted.

\$3.75 million in operating income was experienced during Py2013, an increase of 111% from Py2012. Operating revenues were 'flat', but expenses declined nearly \$2.0 million (-15%). This reduction was in part due to even more favorable adjustments by the independent actuary, PricewaterhouseCoopers LLP ("PwC"), to the Pool's claims-related reserves, and to the reduction (-26%) in the premiums to acquire the reinsurance, excess insurance and property insurance policies requested by the Board.



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 of the Pool resulting from any fiscal year are financed by reassessments (aka retroactive assessments) placed upon the deficient year's membership in proportion with the deposit assessments initially levied and collected. The Pool's reassessments receivable balance at December 31, 2013 was ZERO (\$0) as there were no known contingent liabilities at that time.

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, 2013, were \$3,073,159.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

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.

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
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	197,748	6,921	204,669
2019-2023	988,740	19,775	1,008,515
2024	197,750	989	198,739
Totals	\$2,175,230	\$65,257	\$2,240,487

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, 2013 is \$85,000. There was \$13,405 in delinquent special assessment receivables on December 31, 2013. 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, 2013 is \$230,000. There was \$69,585 in delinquent special assessment receivables on December 31, 2013. 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.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

Year Ending December 31	Special Assessment Bonds		
	Principal	Interest	Total
2014	0	16,520	16,520
2015	0	16,520	16,520
2016	0	16,520	16,520
2017	0	16,520	16,520
2018	5,000	16,520	21,520
2019-2023	240,000	58,882	298,882
2024-2025	70,000	5,512	75,512
Totals	\$315,000	\$146,994	\$461,994

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.

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, 2013 is \$13,150,000.

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, 2013 is \$6,210,000.

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
2014	\$515,212	\$11,950	\$4,570	\$2,538,300	\$208,624	\$3,278,656
2015	515,225	11,950	4,570	2,541,500	207,635	3,280,880
2016	514,813	11,950	4,570	2,541,500	206,647	3,279,480
2017	513,975	11,950	4,570	2,017,500	205,658	2,753,653
2018	512,713	11,950	9,570	2,014,500	204,669	2,753,402
2019-2031	6,677,069	281,861	92,533	4,033,500	1,207,254	12,292,217
Totals	\$9,249,007	341,611	\$120,383	\$15,686,800	\$2,240,487	\$27,638,288

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

General Obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Refinance portions of outstanding bonds for reduced rate	2.77%-5.00%	\$13,150,000
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%	6,210,000
Total		\$19,360,000

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

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
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	2,015,000	512,213	2,527,213
2019-2023	5,325,000	1,277,309	6,602,309
2024-2028	1,955,000	612,647	2,567,647
2029-2031	1,405,000	135,613	1,540,613
	\$19,360,000	\$5,575,807	\$24,935,807

At December 31, 2013, the County has \$1,426,863 available in debt service funds to service the general obligation bonded debt.

The County's legal non-voted debt limit is \$229,767,411 with \$210,407,411 still available. The legal voted debt limit (with 3/5 vote) is \$382,945,685 with \$363,585,685 still available.

At December 31, 2013, the County estimates that it has \$259,639 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 \$183,948 for the year ended December 31, 2013. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2014	\$163,426
2015	128,229
2016	87,232
2017	49,645
2018	18,482
2019-2023	-0-
Total	\$447,014

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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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	(528,783)
Total	\$ 80,551

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2013 were as follows:

Year Ending December 31	Amount
2014	\$ 99,258
2015	5,863
2016	0
2017	0
2018	0
Total Minimum Lease Payments	\$ 105,121
Less: Interest	(6,609)
Present Value Of Minimum Lease Payments	\$ 98,512

NOTE 11 – CHANGES IN GENERAL LONG-TERM LIABILITIES

During the year ended December 31, 2013, the following changes occurred in Long-Term Liabilities:

Description	Balance 01/01/13	Additions	Reductions	Balance 12/31/13	Due Within One Year
Employee Leave Benefits*	\$ 3,033,893	\$3,906,459	\$3,902,100	\$ 3,038,252	\$ 259,639
DSHS Working Advances	207,667	0	0	207,667	0
Economic Development Loan	2,372,978	0	197,748	2,175,230	197,748
2003 CRID Special Assessment	135,000	0	50,000	85,000	0
2005 CRID Special Assessment	285,000	0	55,000	230,000	0
Health Building	6,435,000	0	225,000	6,210,000	235,000
2003 Refinancing	14,995,000	0	1,845,000	13,150,000	1,920,000
OPEB Benefit For LEOFF**	1,092,674	326,946	213,124	1,206,496	0
Capital Leases	284,741	0	186,229	98,512	92,707
Total Debt	\$28,841,953	\$4,233,405	\$6,674,201.	\$26,401,157	\$2,705,094

*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 \$18,938 of internal service funds compensated absences and \$98,512 of internal service funds capital leases are included in the above amounts.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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, 2013.

B. Interfund Reconciliations

1. Interfund Due To & Due From

The composition of interfund Due To and Due From as of December 31, 2013, is as follows:

Due To	Due From	Amount
General Fund	County Road	\$ 710
	Human Services	526
	NonMajor Governmental Funds	1,460
	Sub-total	2,696
County Road	NonMajor Governmental Funds	6
	Internal Service Funds	8,470
	Sub-total	8,476
Human Services	General Fund	678
	NonMajor Governmental Funds	23,700
	Sub-total	24,378
NonMajor Governmental Funds	County Road	7,500
	NonMajor Governmental Funds	14,231
	Sub-total	21,731
Internal Service Funds	General Fund	309,910
	County Road	113,832
	Human Services	8,426
	NonMajor Governmental Funds	152,569
	Internal Service Fund	21,022
	Sub-total	605,759
Total		\$663,040

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

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

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, 2013 are as follows:

Transferring In Fund	Transferring Out Fund	Amount
General Fund	NonMajor Governmental Funds	\$ 1,904,779
	Major Governmental Funds	17,535
	Sub-total	1,922,314
County Roads	General Fund	13,056
	NonMajor Governmental Funds	297,047
	Sub-total	310,103
Human Services	General Fund	2,752
	Sub-total	2,752
NonMajor Governmental Funds	General Fund	3,470,997
	NonMajor Governmental Funds	3,127,977
	Sub-total	6,598,974
Internal Service Funds	NonMajor Governmental Funds	241,198
	Sub-total	241,198
	Total	\$ 9,075,341

3 Interfund Loans

One Interfund Loan arose during 2012 to finance cash flow requirements of a fund to manage its operations. The loan was repaid in 2013. The following table displays interfund activity during 2013::

Borrowing Fund	Lending Fund	Balance 01/01/2013	New Loan(s)	Repayments	Balance 12/31/2013
Treasurer's Investment Pool	Treasurers O&M	\$70,000	\$-0-	\$70,000	\$-0-
	TOTALS	\$70,000	\$-0-	\$70,000	\$-0-

NOTE 14 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$39,945,002 of restricted net position, of which \$39,773,834 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 position will be shared equitably among the participants.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

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 position. 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.

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 2013 for these services was \$237,666. 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 \$1,290,466, \$2,978,243 and \$37,725 on December 31, 2013, which is reported as a capital asset in the government-wide statement of net position. 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

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013*

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 position 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 2013, for these transactions was \$119,000.

The County's equity interest in BI-PIN was \$279,315 on December 31, 2013. 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.

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 \$14,919 on June 30, 2013. 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, 16 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. During 2013 the County did not reimburse a fixed amount per month for any employee as a Medicare supplement for retirees 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 \$213,124 were recognized for post-retirement health care.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

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, 2013 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, 2013 the plan was unfunded as allowed by GASB 45. The accrued liability for benefits was \$4.1 million, and the actuarial value of plan assets was zero, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$4.1 million. The UAAL is being amortized on a closed basis. The remaining amortization period at January 1, 2011 was 10 years.

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 10 years as of January 1, 2014.

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 2013 follows:

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

	2013	2012	2011
Determination of Annual Required Contribution (ARC)			
Normal cost	\$ -0-	\$ -0-	\$ -0-
Amortization of UAAL	379,518	411,086	434,410
ARC	\$379,518	\$411,086	\$434,410
Annual OPEB Cost			
ARC	\$379,518	\$411,086	\$434,410
NOO Interest	49,170	42,768	34,010
NOO Amortization	(101,743)	(88,496)	(70,373)
Annual OPEB Cost	\$326,946	\$365,359	\$398,046
NOO			
Starting NOO	\$1,092,674	\$950,408	\$755,774
Annual OPEB Cost	326,946	365,359	398,046
Less Contributions Paid to LEOFF Retirees	(213,124)	(223,093)	(203,412)
NOO	\$1,206,496	\$1,092,674	\$950,408
Percentage of Annual OPEB Cost Contributed	65.1%	61.1%	51.1%

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Funding Status

As of December 31, 2013, the most recent actuarial valuation date, the plan was 0% funded. The accrued liability for benefits was \$4,075,856 and the actuarial value of the assets was \$0 resulting in a UAAL of \$4,075,856. 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.

NOTE 17 – OTHER DISCLOSURES

A. Related Organizations

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.

The Benton County Commissioners, by statute, are the governing board for the Benton City Library Capital Facility Area (BCLCFA). However, it is a separate quasi-municipal corporation and management and supervision of the project to build a library in Benton City were contractually transferred to the Building Committee for construction and the Mid-Columbia Library District for acquiring equipment, furnishings and collections and administering the finances of the BCLCFA.

B. Adjustments to 2012 Statement of Activities

In 2013, the State Auditor’s Office of Washington implemented changes to the Budget, Accounting & Reporting System (BARS) which dictates how entities in Washington report their financial results. It was recognized that expenditures/expenses which Benton County included in the Physical Environment category in prior years (currently the Utilities category) had now been assigned to the General Government and Natural & Economic Environment categories. For comparison purposes it is necessary to adjust the 2012 Statement of Activities to reflect those changes. The Statement of Activities Adjustments for 2012 are presented below:

	2012 Financial Statement	Adjustment	2012 Revised Financial Statement
<u>Revenues:</u>			
Program Revenues			
Charges for Services	\$ 29,361,482	\$ -0-	\$ 29,361,482
Operating Grants & Contributions	8,915,961	-0-	8,915,961
Capital Grants & Contributions	1,803,065	-0-	1,803,065
General Revenues			
Taxes	49,973,131	-0-	49,973,131
Interest & Investment Earnings	1,224,082	-0-	1,224,082
Total Revenues	<u>\$91,277,721</u>	<u>-0-</u>	<u>\$91,277,721</u>

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2013

Program Expenses

General Government	25,844,971	1,170,039	27,015,010
Public Safety	35,027,971	-0-	35,027,971
Physical Environment (now Utilities)	1,850,393	(1,850,393)	-0-
Transportation	7,910,646		7,910,646
Economic Environment (now Natural & Economic Environment)	3,247,173	680,354	3,927,527
Health & Human Services (now Social Services)	6,358,009	-0-	6,358,009
Culture & Recreation	1,127,892	-0-	1,127,892
Interest on Long-Term Debt	1,208,315	-0-	1,208,315
Total Expenses Before Transfers	82,575,371	-0-	82,575,371
Excess (Deficiency) of Revenues Over (Under) Expenses	8,702,350	-0-	8,702,350
Change In Net Position	8,702,350	-0-	8,702,350
Net Position as of January 1, 2012	195,822,739	-0-	195,822,739
Net Position as of December 31, 2012	\$204,525,089	\$ -0-	\$204,525,089

THIS PAGE LEFT BLANK INTENTIONALLY

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 338 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 2013.

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	89-100	Excellent	I	Pavements which have little or no distress.	Seal Cracks
B	67-88	Good			Single Chip Seal
C	49-66	Fair	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	21-48	Poor	IV	Pavements which have major distress.	Treat base with cement and thin overlay or thick overlay
E	0-20	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 assessment 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	2013	2011	2008
Good	97%	98%	98%
Poor	3%	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
2013	0%
2012	0%
2011	0%
2010	0%
2009	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
2013	7.102	5.160
2012	6.945	5.769
2011	7.015	5.463
2010	6.607	5.971
2009	5.576	5.609

Required Supplementary Information

Other Post Employment Benefit Schedule of Funding Progress Year Ended December 31, 2013

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)
12/31/2013	\$ 0	\$4,075,856	\$4,075,856	0.00%	\$-0-	n/a
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%

THIS PAGE LEFT BLANK INTENTIONALLY

BENTON COUNTY, WASHINGTON

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2013

	Nonmajor Funds			Total
	Special Revenue	Debt Service	Capital Projects	
ASSETS				
Cash/Cash Equivalents	\$ 11,668,035	\$ 388,080	\$ 17,379	\$ 12,073,494
Investments	11,398,988	1,038,776	0	12,437,764
Taxes Receivable	4,859	0	0	4,859
Accounts Receivable	118,927	0	0	118,927
Assessments Receivable	17,421	0	0	17,421
Interest Receivable	2,391	7	6	2,404
Due From Other Funds	21,731	0	0	21,731
Due From Other Governmental Units	531,347	0	0	531,347
Total Assets	\$ 23,763,699	\$ 1,426,863	\$ 17,385	\$ 25,207,947
LIABILITIES AND FUND BALANCES				
<u>Liabilities</u>				
Accounts/Vouchers Payable	\$ 378,598	\$ 0	\$ 0	\$ 378,598
Due To Other Funds	191,964	0	0	191,964
Due To Other Governmental Units	29,469	0	0	29,469
Accrued Wages Payable	682,157	0	0	682,157
Total Liabilities	1,282,188	0	0	1,282,188
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	22,280	0	0	22,280
Total Deferred Inflows of Resources	22,280	0	0	22,280
<u>Fund Balance</u>				
Restricted	9,088,738	0	0	9,088,738
Committed	13,370,493	1,426,863	17,385	14,814,741
Total Fund Balances	22,459,231	1,426,863	17,385	23,903,479
Total Liabilities, Fund Balances and Deferred Inflows of Resources	\$ 23,763,699	\$ 1,426,863	\$ 17,385	\$ 25,207,947

BENTON COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

Year Ended December 31, 2013

	Nonmajor Funds			Total
	Special Revenue	Debt Service	Capital Projects	
<u>Revenues</u>				
Property Taxes	\$ 172,720	\$ 0	\$ 0	\$ 172,720
Sales and Use Taxes	487,913	0	0	487,913
Other Taxes	366,870	0	0	366,870
Licenses and Permits	776,632	0	0	776,632
Intergovernmental	2,378,355	0	0	2,378,355
Charges for Services	7,037,265	0	0	7,037,265
Fines and Forfeits	3,785	3,772	0	7,557
Interest Earnings	100,473	34,897	61	135,431
Donations	6,319	0	0	6,319
Other Revenues	741,835	403,728	0	1,145,563
 Total Revenues	<u>12,072,167</u>	<u>442,397</u>	<u>61</u>	<u>12,514,625</u>
 <u>Expenditures</u>				
Current:				
General Governmental Services	2,667,043	0	0	2,667,043
Public Safety	8,779,916	0	0	8,779,916
Natural & Economic Environment	2,414,353	0	0	2,414,353
Social Services	101,637	0	0	101,637
Culture and Recreation	394,543	0	0	394,543
Debt Service:				
Principal	0	2,175,000	0	2,175,000
Interest	1,154	1,003,367	0	1,004,521
Capital Outlay	328,763	0	0	328,763
 Total Expenditures	<u>14,687,409</u>	<u>3,178,367</u>	<u>0</u>	<u>17,865,776</u>
 Excess (Deficit) Revenues Over Expenditures	<u>(2,615,242)</u>	<u>(2,735,970)</u>	<u>61</u>	<u>(5,351,151)</u>
 <u>Other Financing Sources (Uses)</u>				
Proceeds of Capital Assets	4,676	0	0	4,676
Transfers In	3,863,636	2,735,338	0	6,598,974
Transfers Out	(1,141,262)	0	0	(1,141,262)
Total Other Financing Source (Uses)	<u>2,727,050</u>	<u>2,735,338</u>	<u>0</u>	<u>5,462,388</u>
 Net Change in Fund Balance	<u>111,808</u>	<u>(632)</u>	<u>61</u>	<u>111,237</u>
 Fund Balance-January 1	22,347,423	1,427,495	17,324	23,792,242
 Fund Balance-December 31	<u>\$ 22,459,231</u>	<u>\$ 1,426,863</u>	<u>\$ 17,385</u>	<u>\$ 23,903,479</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)

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.

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 SSB 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, 2013

<i>ASSETS</i>	County Road Improvement	Flood Control	Veteran's Assistance	Auditor's O & M
Cash/Cash Equivalents	\$ 1,472,312	\$ 58,843	\$ 68,110	\$ 121,767
Investments	0	0	171,789	298,732
Taxes Receivable	0	0	4,859	0
Accounts Receivable	0	0	0	428
Assessments Receivable	0	0	0	0
Interest Receivable	514	20	0	0
Due From Other Funds	0	0	0	0
Due From Other Governments	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$ 1,472,826</u>	<u>\$ 58,863</u>	<u>\$ 244,758</u>	<u>\$ 420,927</u>
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 0	\$ 8,644	\$ 529
Due To Other Funds	0	0	0	584
Due To Other Governments	0	0	0	0
Accrued Liabilities	0	0	0	14,431
	<u>0</u>	<u>0</u>	<u>8,644</u>	<u>15,544</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>8,644</u>	<u>15,544</u>
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	4,859	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>4,859</u>	<u>0</u>
 <u>Fund Balance</u>				
Restricted	0	58,863	231,255	405,383
Committed	1,472,826	0	0	0
	<u>1,472,826</u>	<u>58,863</u>	<u>231,255</u>	<u>405,383</u>
Total Fund Balance	<u>1,472,826</u>	<u>58,863</u>	<u>231,255</u>	<u>405,383</u>
Total Liabilities, Fund Balances and Deferred Inflows of Resources	<u>\$ 1,472,826</u>	<u>\$ 58,863</u>	<u>\$ 244,758</u>	<u>\$ 420,927</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2013

<i>ASSETS</i>	Treasurer's Investment Pool	Park Development	Election Reserve	Treasurer's O & M
Cash/Cash Equivalents	\$ 24,135	\$ 345,524	\$ 219,990	\$ 235,860
Investments	0	0	475,512	0
Taxes Receivable	0	0	0	0
Accounts Receivable	7,330	0	0	0
Assessments Receivable	0	0	0	0
Interest Receivable	24	124	0	66
Due From Other Funds	0	0	0	0
Due From Other Governments	0	0	293,059	0
Total Assets	\$ 31,489	\$ 345,648	\$ 988,561	\$ 235,926
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 2,248	\$ 4,028	\$ 20
Due To Other Funds	0	0	1,147	319
Due To Other Governments	0	0	29,469	0
Accrued Liabilities	0	0	32,201	8,172
Total Liabilities	0	2,248	66,845	8,511
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
 <u>Fund Balance</u>				
Restricted	31,489	343,400	0	227,415
Committed	0	0	921,716	0
Total Fund Balance	31,489	343,400	921,716	227,415
 Total Liabilities, Fund Balances and Deferred Inflows of Resources	 \$ 31,489	 \$ 345,648	 \$ 988,561	 \$ 235,926

<u>Paths and Trails Reserve</u>	<u>Benton Franklin Juvenile Center</u>	<u>Inmate Benevolence</u>	<u>Crime Victim Compen- sation</u>	<u>Fairgrounds Operating Budget</u>
\$ 17,702	\$ 594,166	\$ 160,764	\$ 49,415	\$ 319,107
0	1,085,018	354,327	111,326	457,975
0	0	0	0	0
0	1,601	2,575	4,152	0
0	0	0	0	0
5	0	0	0	0
0	0	0	0	7,500
0	214,449	0	0	0
<u>\$ 17,707</u>	<u>\$ 1,895,234</u>	<u>\$ 517,666</u>	<u>\$ 164,893</u>	<u>\$ 784,582</u>
\$ 0	\$ 88,279	\$ 53,849	\$ 1,192	\$ 100,933
0	99,671	215	724	2,074
0	0	0	0	0
0	415,547	17,862	19,121	14,244
0	603,497	71,926	21,037	117,251
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
17,707	0	445,740	143,856	0
0	1,291,737	0	0	667,331
<u>17,707</u>	<u>1,291,737</u>	<u>445,740</u>	<u>143,856</u>	<u>667,331</u>
<u>\$ 17,707</u>	<u>\$ 1,895,234</u>	<u>\$ 517,666</u>	<u>\$ 164,893</u>	<u>\$ 784,582</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2013

<i>ASSETS</i>	Sheriff's Investi- gations	Canine/Boat Patrol	Treasurer's Service Fee	REET Technology
Cash/Cash Equivalents	\$ 55,221	\$ 6,230	\$ 350	\$ 21,995
Investments	128,137	24,389	858	54,041
Taxes Receivable	0	0	0	0
Accounts Receivable	8	0	0	0
Assessments Receivable	0	0	0	0
Interest Receivable	0	0	0	0
Due From Other Funds	0	0	0	0
Due From Other Governments	0	0	0	0
Total Assets	\$ 183,366	\$ 30,619	\$ 1,208	\$ 76,036
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 12,877	\$ 7,118	\$ 0	\$ 0
Due To Other Funds	0	213	0	0
Due To Other Governments	0	0	0	0
Accrued Liabilities	0	3,952	0	0
Total Liabilities	12,877	11,283	0	0
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
 <u>Fund Balance</u>				
Restricted	0	0	1,208	76,036
Committed	170,489	19,336	0	0
Total Fund Balance	170,489	19,336	1,208	76,036
 Total Liabilities, Fund Balances and Deferred Inflows of Resources	 \$ 183,366	 \$ 30,619	 \$ 1,208	 \$ 76,036

<u>1/4 Percent Real Estate Excise Tax</u>	<u>Probation Assessment</u>	<u>Central Services Computer Replacement</u>	<u>Noxious Weed Control</u>	<u>Sustainable Development</u>
\$ 505,163	\$ 136,645	\$ 494,444	\$ 30,562	\$ 100,897
1,207,179	350,053	1,240,940	84,474	270,574
0	0	0	0	0
0	39,798	0	0	0
0	0	0	12,347	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 1,712,342</u>	<u>\$ 526,496</u>	<u>\$ 1,735,384</u>	<u>\$ 127,383</u>	<u>\$ 371,471</u>
\$ 0	\$ 1,499	\$ 0	\$ 4,680	\$ 3,569
0	1,590	43,066	485	331
0	0	0	0	0
<u>0</u>	<u>43,691</u>	<u>0</u>	<u>10,096</u>	<u>8,695</u>
<u>0</u>	<u>46,780</u>	<u>43,066</u>	<u>15,261</u>	<u>12,595</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>12,347</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>12,347</u>	<u>0</u>
1,712,342	0	0	99,775	358,876
<u>0</u>	<u>479,716</u>	<u>1,692,318</u>	<u>0</u>	<u>0</u>
<u>1,712,342</u>	<u>479,716</u>	<u>1,692,318</u>	<u>99,775</u>	<u>358,876</u>
<u>\$ 1,712,342</u>	<u>\$ 526,496</u>	<u>\$ 1,735,384</u>	<u>\$ 127,383</u>	<u>\$ 371,471</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2013

<i>ASSETS</i>	<u>Courthouse Facilitator</u>	<u>Family Services</u>	<u>Family Services Superior Court</u>	<u>Jail Depreciation Reserve</u>
Cash/Cash Equivalents	\$ 3,475	\$ 3,074	\$ 6,859	\$ 793,825
Investments	6,697	5,827	15,771	0
Taxes Receivable	0	0	0	0
Accounts Receivable	354	854	96	0
Assessments Receivable	0	0	0	0
Interest Receivable	0	0	0	277
Due From Other Funds	0	0	0	0
Due From Other Governments	0	0	0	1,372
Total Assets	\$ 10,526	\$ 9,755	\$ 22,726	\$ 795,474
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 0	\$ 0	\$ 0
Due To Other Funds	208	100	0	0
Due To Other Governments	0	0	0	0
Accrued Liabilities	5,030	0	0	0
Total Liabilities	5,238	100	0	0
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
 <u>Fund Balance</u>				
Restricted	5,288	9,655	22,726	795,474
Committed	0	0	0	0
Total Fund Balance	5,288	9,655	22,726	795,474
 Total Liabilities, Fund Balances and Deferred Inflows of Resources	 \$ 10,526	 \$ 9,755	 \$ 22,726	 \$ 795,474

Distressed County Tax	Clerk's Collection	Protective Inspection Services	Pest Board	Work Crew Replacement
\$ 16,417	\$ 508,355	\$ 88,215	\$ 28,281	\$ 210,174
40,335	1,206,375	151,445	72,957	0
0	0	0	0	0
0	6,396	140	0	0
0	0	0	5,074	0
0	0	0	0	72
0	14,231	0	0	0
0	0	0	0	0
<u>56,752</u>	<u>1,735,357</u>	<u>239,800</u>	<u>106,312</u>	<u>210,246</u>
\$ 0	\$ 233	\$ 395	\$ 47	\$ 0
0	1,145	15,865	236	0
0	0	0	0	0
0	31,418	43,675	6,560	0
0	32,796	59,935	6,843	0
0	0	0	5,074	0
0	0	0	5,074	0
56,752	0	0	94,395	0
0	1,702,561	179,865	0	210,246
<u>56,752</u>	<u>1,702,561</u>	<u>179,865</u>	<u>94,395</u>	<u>210,246</u>
<u>\$ 56,752</u>	<u>\$ 1,735,357</u>	<u>\$ 239,800</u>	<u>\$ 106,312</u>	<u>\$ 210,246</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2013

<i>ASSETS</i>	State Housing	Vit Impact	Homeless Housing & Assistance	Solid Waste Collection
Cash/Cash Equivalents	\$ 1,254,254	\$ 1,137,538	\$ 2,210,728	\$ 199,109
Investments	0	2,683,461	0	493,060
Taxes Receivable	0	0	0	0
Accounts Receivable	969	0	4,940	46,430
Assessments Receivable	0	0	0	0
Interest Receivable	492	0	797	0
Due From Other Funds	0	0	0	0
Due From Other Governments	0	0	8,751	13,716
Total Assets	\$ 1,255,715	\$ 3,820,999	\$ 2,225,216	\$ 752,315
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 49,006	\$ 0	\$ 36,225	\$ 3,227
Due To Other Funds	1,789	0	21,911	273
Due To Other Governments	0	0	0	0
Accrued Liabilities	0	0	0	7,462
Total Liabilities	50,795	0	58,136	10,962
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
Total Deferred Inflows of Resources	0	0	0	0
 <u>Fund Balance</u>				
Restricted	1,204,920	0	2,167,080	0
Committed	0	3,820,999	0	741,353
Total Fund Balance	1,204,920	3,820,999	2,167,080	741,353
 Total Liabilities, Fund Balances and Deferred Inflows of Resources	 \$ 1,255,715	 \$ 3,820,999	 \$ 2,225,216	 \$ 752,315

<u>Trial Court Improvement</u>	<u>Historical Preservation</u>	<u>Domestic Violence Assessment</u>	<u>2013 Totals</u>
\$ 127,431	\$ 33,030	\$ 8,068	\$ 11,668,035
309,600	78,003	20,133	11,398,988
0	0	0	4,859
2,473	213	170	118,927
0	0	0	17,421
0	0	0	2,391
0	0	0	21,731
0	0	0	531,347
<u>\$ 439,504</u>	<u>\$ 111,246</u>	<u>\$ 28,371</u>	<u>\$ 23,763,699</u>
\$ 0	\$ 0	\$ 0	\$ 378,598
0	0	18	191,964
0	0	0	29,469
0	0	0	682,157
0	0	18	1,282,188
0	0	0	22,280
0	0	0	22,280
439,504	111,246	28,353	9,088,738
0	0	0	13,370,493
<u>439,504</u>	<u>111,246</u>	<u>28,353</u>	<u>22,459,231</u>
<u>\$ 439,504</u>	<u>\$ 111,246</u>	<u>\$ 28,371</u>	<u>\$ 23,763,699</u>

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

<u>Revenues</u>	County Road Improve- ment	Flood Control	Veteran's Assistance	Auditor's O & M
Property Taxes	\$ 0	\$ 0	\$ 172,720	\$ 0
Sales and Use Taxes	0	0	0	0
Other Taxes	0	0	0	0
Licenses and Permits	0	0	0	0
Intergovernmental	734,025	0	4,956	99,062
Charges for Services	0	0	0	85,634
Fines and Forfeitures	0	0	0	0
Interest Earnings	4,482	230	0	0
Donations	0	0	0	0
Other Revenue	0	0	0	0
Total Revenues	<u>738,507</u>	<u>230</u>	<u>177,676</u>	<u>184,696</u>
 <u>Expenditures</u>				
Current:				
General Governmental Services	0	0	0	237,349
Public Safety	0	0	0	0
Natural & Economic Environment	0	0	0	0
Social Services	0	0	101,637	0
Culture and Recreation	0	0	0	0
Capital Outlay	0	0	0	11,267
Debt Service:				
Interest and other charges	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>101,637</u>	<u>248,616</u>
 Excess (Deficiency) of				
Revenues over Expenditures	<u>738,507</u>	<u>230</u>	<u>76,039</u>	<u>(63,920)</u>
 <u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(235,000)	0	0	0
Total Other Financing Sources (Uses)	<u>(235,000)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	503,507	230	76,039	(63,920)
Fund Balance as of January 1	969,319	58,633	155,216	469,303
Fund Balance, December 31	<u>\$ 1,472,826</u>	<u>\$ 58,863</u>	<u>\$ 231,255</u>	<u>\$ 405,383</u>

Treasurer's Investment Pool	Park Development	Election Reserve	Treasurer's O & M	Paths and Trails Reserve
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	2,291	0	15,172
0	12,110	487,172	68,432	0
0	0	0	0	0
75,321	1,299	0	1,794	146
0	615	0	0	0
0	8,836	2,500	146	0
<u>75,321</u>	<u>22,860</u>	<u>491,963</u>	<u>70,372</u>	<u>15,318</u>
9,643	0	763,645	119,218	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	50,805	0	0	0
0	5,156	0	0	0
1,154	0	0	0	0
<u>10,797</u>	<u>55,961</u>	<u>763,645</u>	<u>119,218</u>	<u>0</u>
<u>64,524</u>	<u>(33,101)</u>	<u>(271,682)</u>	<u>(48,846)</u>	<u>15,318</u>
0	0	0	0	0
0	0	0	0	0
0	0	0	0	(62,047)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(62,047)</u>
64,524	(33,101)	(271,682)	(48,846)	(46,729)
(33,035)	376,501	1,193,398	276,261	64,436
<u>\$ 31,489</u>	<u>\$ 343,400</u>	<u>\$ 921,716</u>	<u>\$ 227,415</u>	<u>\$ 17,707</u>

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

	Benton Franklin Juvenile Center	Inmate Benevolence	Crime Victim Compensation	Fairgrounds Operating Budget
<u>Revenues</u>				
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	1,045,038	0	27,285	30,000
Charges for Services	2,586,643	462,128	220,816	0
Fines and Forfeitures	0	0	0	0
Interest Earnings	0	0	0	0
Donations	5,550	0	0	0
Other Revenue	5,830	90,994	0	265,777
Total Revenues	<u>3,643,061</u>	<u>553,122</u>	<u>248,101</u>	<u>295,777</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	0	0	287,911	0
Public Safety	7,321,726	431,482	0	0
Natural & Economic Environment	0	0	0	0
Social Services	0	0	0	0
Culture and Recreation	0	0	0	343,738
Capital Outlay	0	0	0	200,734
Debt Service:				
Interest and other charges	0	0	0	0
Total Expenditures	<u>7,321,726</u>	<u>431,482</u>	<u>287,911</u>	<u>544,472</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>(3,678,665)</u>	<u>121,640</u>	<u>(39,810)</u>	<u>(248,695)</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	1,873	0	0	0
Transfers In	3,616,041	0	0	100,000
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>3,617,914</u>	<u>0</u>	<u>0</u>	<u>100,000</u>
Net change in fund balances	(60,751)	121,640	(39,810)	(148,695)
Fund Balance as of January 1	1,352,488	324,100	183,666	816,026
Fund Balance, December 31	<u>\$ 1,291,737</u>	<u>\$ 445,740</u>	<u>\$ 143,856</u>	<u>\$ 667,331</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	331,343	0
0	0	0	0	0	0
4,150	78,098	0	0	0	0
3,750	3,750	534	0	0	538,454
0	0	0	0	0	0
0	0	0	0	0	0
0	154	0	0	0	0
24,739	0	0	0	0	0
<u>32,639</u>	<u>82,002</u>	<u>534</u>	<u>0</u>	<u>331,343</u>	<u>538,454</u>
0	0	0	4,000	0	601,172
42,779	92,123	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	4,631	0	0	0	0
0	0	0	0	0	0
<u>42,779</u>	<u>96,754</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>601,172</u>
<u>(10,140)</u>	<u>(14,752)</u>	<u>534</u>	<u>(4,000)</u>	<u>331,343</u>	<u>(62,718)</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	(198,238)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(198,238)</u>	<u>0</u>
(10,140)	(14,752)	534	(4,000)	133,105	(62,718)
180,629	34,088	674	80,036	1,579,237	542,434
<u>\$ 170,489</u>	<u>\$ 19,336</u>	<u>\$ 1,208</u>	<u>\$ 76,036</u>	<u>\$ 1,712,342</u>	<u>\$ 479,716</u>

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2013

<u>Revenues</u>	Central Services Computer Replacement	Noxious Weed Control	Sustainable Development	Courthouse Facilitator
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Sales and Use Taxes	0	0	0	0
Other Taxes	0	0	35,527	0
Licenses and Permits	0	0	0	0
Intergovernmental	0	350	0	0
Charges for Services	307,346	14,900	0	52,546
Fines and Forfeitures	0	0	0	0
Interest Earnings	0	0	0	0
Donations	0	0	0	0
Other Revenue	0	243,808	2,584	210
Total Revenues	<u>307,346</u>	<u>259,058</u>	<u>38,111</u>	<u>52,756</u>
 <u>Expenditures</u>				
Current:				
General Governmental Services	0	0	0	73,995
Public Safety	0	0	0	0
Natural & Economic Environment	0	195,100	167,873	0
Social Services	0	0	0	0
Culture and Recreation	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Interest and other charges	0	0	0	0
Total Expenditures	<u>0</u>	<u>195,100</u>	<u>167,873</u>	<u>73,995</u>
 Excess (Deficiency) of				
Revenues over Expenditures	<u>307,346</u>	<u>63,958</u>	<u>(129,762)</u>	<u>(21,239)</u>
 <u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	2,803	0	0
Transfers In	0	0	0	0
Transfers Out	(241,198)	0	0	0
Total Other Financing Sources (Uses)	<u>(241,198)</u>	<u>2,803</u>	<u>0</u>	<u>0</u>
Net change in fund balances	66,148	66,761	(129,762)	(21,239)
Fund Balance as of January 1	1,626,170	33,014	488,638	26,527
Fund Balance, December 31	<u>\$ 1,692,318</u>	<u>\$ 99,775</u>	<u>\$ 358,876</u>	<u>\$ 5,288</u>

Family Services	Family Services Superior Court	Jail Depreciation Reserve	Distressed County Tax	Clerk's Collection
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0
0	0	0	0	0
31,775	11,293	0	0	0
0	0	0	0	36,362
0	14,882	55,086	0	688,301
0	0	0	0	0
0	0	2,738	0	0
0	0	0	0	0
0	0	0	0	0
<u>31,775</u>	<u>26,175</u>	<u>57,824</u>	<u>0</u>	<u>724,663</u>
0	0	0	0	525,933
29,701	0	148,746	0	0
0	0	0	55,000	0
0	0	0	0	0
0	0	0	0	0
0	0	106,975	0	0
0	0	0	0	0
<u>29,701</u>	<u>0</u>	<u>255,721</u>	<u>55,000</u>	<u>525,933</u>
<u>2,074</u>	<u>26,175</u>	<u>(197,897)</u>	<u>(55,000)</u>	<u>198,730</u>
0	0	0	0	0
0	0	122,914	0	0
0	(20,000)	0	0	0
<u>0</u>	<u>(20,000)</u>	<u>122,914</u>	<u>0</u>	<u>0</u>
2,074	6,175	(74,983)	(55,000)	198,730
7,581	16,551	870,457	111,752	1,503,831
<u>\$ 9,655</u>	<u>\$ 22,726</u>	<u>\$ 795,474</u>	<u>\$ 56,752</u>	<u>\$ 1,702,561</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2013

	Protective Inspection Services	Pest Board	Work Crew Replacement	State Housing
<u>Revenues</u>				
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Sales and Use Taxes	0	0	0	0
Other Taxes	0	0	0	0
Licenses and Permits	733,564	0	0	0
Intergovernmental	0	0	0	0
Charges for Services	5,385	0	30,540	175,402
Fines and Forfeitures	0	0	0	0
Interest Earnings	0	0	682	5,922
Donations	0	0	0	0
Other Revenue	378	96,033	0	0
Total Revenues	<u>739,327</u>	<u>96,033</u>	<u>31,222</u>	<u>181,324</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	0	0	0	0
Public Safety	713,359	0	0	0
Natural & Economic Environment	0	92,823	0	721,916
Social Services	0	0	0	0
Culture and Recreation	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Interest and other charges	0	0	0	0
Total Expenditures	<u>713,359</u>	<u>92,823</u>	<u>0</u>	<u>721,916</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>25,968</u>	<u>3,210</u>	<u>31,222</u>	<u>(540,592)</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	24,681	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>24,681</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net change in fund balances	50,649	3,210	31,222	(540,592)
Fund Balance as of January 1	129,216	91,185	179,024	1,745,512
Fund Balance, December 31	<u>\$ 179,865</u>	<u>\$ 94,395</u>	<u>\$ 210,246</u>	<u>\$ 1,204,920</u>

Vit Impact	Homeless Housing & Assistance	Solid Waste Collection	Trial Court Improvement	Historical Preservation	Domestic Violence Assessment	2013 Totals
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 172,720
487,913	0	0	0	0	0	487,913
0	0	0	0	0	0	366,870
0	0	0	0	0	0	776,632
0	86,029	95,565	119,972	0	0	2,378,355
0	914,579	205,923	63,768	39,184	0	7,037,265
0	0	0	0	0	3,785	3,785
0	7,859	0	0	0	0	100,473
0	0	0	0	0	0	6,319
0	0	0	0	0	0	741,835
<u>487,913</u>	<u>1,008,467</u>	<u>301,488</u>	<u>183,740</u>	<u>39,184</u>	<u>3,785</u>	<u>12,072,167</u>
0	0	0	9,904	32,363	1,910	2,667,043
0	0	0	0	0	0	8,779,916
0	877,931	303,710	0	0	0	2,414,353
0	0	0	0	0	0	101,637
0	0	0	0	0	0	394,543
0	0	0	0	0	0	328,763
0	0	0	0	0	0	1,154
<u>0</u>	<u>877,931</u>	<u>303,710</u>	<u>9,904</u>	<u>32,363</u>	<u>1,910</u>	<u>14,687,409</u>
<u>487,913</u>	<u>130,536</u>	<u>(2,222)</u>	<u>173,836</u>	<u>6,821</u>	<u>1,875</u>	<u>(2,615,242)</u>
0	0	0	0	0	0	4,676
0	0	0	0	0	0	3,863,636
(384,779)	0	0	0	0	0	(1,141,262)
<u>(384,779)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,727,050</u>
103,134	130,536	(2,222)	173,836	6,821	1,875	111,808
3,717,865	2,036,544	743,575	265,668	104,425	26,478	22,347,423
<u>\$ 3,820,999</u>	<u>\$ 2,167,080</u>	<u>\$ 741,353</u>	<u>\$ 439,504</u>	<u>\$ 111,246</u>	<u>\$ 28,353</u>	<u>\$ 22,459,231</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, 2013

	<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	\$ 11,746	\$ 8,874	\$ 2,303
Investments	0	0	0
Interest Receivable	<u>3</u>	<u>3</u>	<u>1</u>
Total Assets	<u>\$ 11,749</u>	<u>\$ 8,877</u>	<u>\$ 2,304</u>
<i>FUND BALANCE</i>			
Committed	<u>11,749</u>	<u>8,877</u>	<u>2,304</u>
Total Fund Balance	<u>\$ 11,749</u>	<u>\$ 8,877</u>	<u>\$ 2,304</u>

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2013

	<u>Health Building Bond</u>	<u>Justice Center Bond</u>	<u>2013 Total</u>
<i>ASSETS</i>			
Cash/Cash Equivalents	\$ 34,272	\$ 330,885	\$ 388,080
Investments	52,175	986,601	1,038,776
Interest Receivable	<u>0</u>	<u>0</u>	<u>7</u>
Total Assets	<u>\$ 86,447</u>	<u>\$ 1,317,486</u>	<u>\$ 1,426,863</u>
 <i>FUND BALANCE</i>			
Committed	<u>86,447</u>	<u>1,317,486</u>	<u>1,426,863</u>
Total Fund Balance	<u>\$ 86,447</u>	<u>\$ 1,317,486</u>	<u>\$ 1,426,863</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2013

	CRID #11 & #12 <u>Debt Service</u>	CRID #15 <u>Debt Service</u>	CRID #16 <u>Debt Service</u>
<u>Revenues</u>			
Penalties	\$ 557	\$ 2,782	\$ 433
Interest	8,947	21,722	4,228
Other Revenue	<u>17,596</u>	<u>42,311</u>	<u>5,438</u>
Total Revenues	<u>27,100</u>	<u>66,815</u>	<u>10,099</u>
<u>Expenditures</u>			
Debt Service:			
Principal	50,000	48,000	7,000
Interest	<u>7,085</u>	<u>12,386</u>	<u>2,359</u>
Total Expenditures	<u>57,085</u>	<u>60,386</u>	<u>9,359</u>
Excess (Deficiency) of Revenues over Expenditures	(29,985)	6,429	740
<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	(29,985)	6,429	740
Fund Balance as of January 1	41,734	2,448	1,564
Fund Balance as of December 31	<u>\$ 11,749</u>	<u>\$ 8,877</u>	<u>\$ 2,304</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2013

	Health Building Bond	Justice Center Bond	2013 Total
<u>Revenues</u>			
Penalties	\$ 0	\$ 0	\$ 3,772
Interest	0	0	34,897
Other Revenue	<u>338,383</u>	<u>0</u>	<u>403,728</u>
Total Revenues	<u>338,383</u>	<u>0</u>	<u>442,397</u>
<u>Expenditures</u>			
Debt Service:			
Principal	225,000	1,845,000	2,175,000
Interest	<u>289,437</u>	<u>692,100</u>	<u>1,003,367</u>
Total Expenditures	<u>514,437</u>	<u>2,537,100</u>	<u>3,178,367</u>
Excess (Deficiency) of Revenues over Expenditures	(176,054)	(2,537,100)	(2,735,970)
<u>Other Financing Sources (Uses)</u>			
Transfers In	<u>198,238</u>	<u>2,537,100</u>	<u>2,735,338</u>
Total Other Financing Sources (Uses)	<u>198,238</u>	<u>2,537,100</u>	<u>2,735,338</u>
Net Change in Fund Balance	22,184	0	(632)
Fund Balance as of January 1	64,263	1,317,486	1,427,495
Fund Balance as of December 31	<u>\$ 86,447</u>	<u>\$ 1,317,486</u>	<u>\$ 1,426,863</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.

BENTON COUNTY, WASHINGTON

Combining Balance Sheet Nonmajor Capital Projects Funds December 31, 2013

<i>ASSETS</i>	Detox Center Construction	2013 Totals
Cash/Cash Equivalents	\$ 17,379	\$ 17,379
Interest Receivable	<u>6</u>	<u>6</u>
Total Assets	<u>\$ 17,385</u>	<u>\$ 17,385</u>
 <i>FUND BALANCE</i>		
<u>Fund Balance</u>		
Committed	<u>17,385</u>	<u>17,385</u>
Total Fund Balance	<u>\$ 17,385</u>	<u>\$ 17,385</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Capital Projects Funds For the Year Ended December 31, 2013

	Detox Center Construction	2013 Totals
<u>Revenues</u>		
Interest Earnings	\$ 61	\$ 61
Total Revenues	<u>61</u>	<u>61</u>
<u>Expenditures</u>		
Capital Outlay	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Excess (Deficiency) of		
Revenues over Expenditures	61	61
Net change in fund balances	61	61
Fund Balance as of January 1	<u>17,324</u>	<u>17,324</u>
Fund Balance, December 31	<u>\$ 17,385</u>	<u>\$ 17,385</u>

BENTON COUNTY, WASHINGTON

Schedule of Revenues - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<i><u>Taxes</u></i>				
General Property Taxes	\$ 39,309,651	\$ 39,309,651	\$ 19,512,929	\$ (19,796,722)
Retail Sales and Use Taxes	18,122,408	18,122,408	9,840,239	(8,282,169)
Excise Taxes	808,500	808,500	385,816	(422,684)
Total Taxes	58,240,559	58,240,559	29,738,984	(28,501,575)
<i><u>Licenses and Permits</u></i>				
Non-Business Licenses and Permits	136,975	136,975	102,799	(34,176)
Total Licenses and Permits	136,975	136,975	102,799	(34,176)
<i><u>Intergovernmental Revenues</u></i>				
Federal Grants	120,000	120,000	30,988	(89,012)
Federal Entitlements	203,350	203,350	101,858	(101,492)
Federal Shared Revenues	1,671,608	1,674,108	840,402	(833,706)
State Grants	1,495,759	1,741,263	886,138	(855,125)
State Shared Revenues	2,507,000	2,507,000	1,375,584	(1,131,416)
State Entitlements	2,268,000	2,268,000	1,202,532	(1,065,468)
Total Intergovernmental Revenues	8,265,717	8,513,721	4,437,502	(4,076,219)
<i><u>Charges For Services</u></i>				
General Government	13,535,620	13,535,620	5,946,759	(7,588,861)
Security of Persons and Property	19,067,416	19,067,416	9,321,099	(9,746,317)
Economic Environment	38,000	38,000	7,030	(30,970)
Total Charges for Services	32,641,036	32,641,036	15,274,888	(17,366,148)
<i><u>Fines and Forfeitures</u></i>				
Superior Court Penalties	1,010,200	1,010,200	464,901	(545,299)
Civil Penalties	36,000	36,000	21,051	(14,949)
Non-Parking Infractions	2,295,470	2,295,470	1,316,036	(979,434)
Civil Parking Infractions	500	500	1,547	1,047
Criminal Traffic Penalties	812,000	812,000	409,072	(402,928)
Non-Traffic Penalties	1,771,525	1,771,525	642,223	(1,129,302)
Criminal Costs	1,262,500	1,262,500	635,288	(627,212)
Total Fines and Forfeitures	7,188,195	7,188,195	3,490,117	(3,698,078)
<i><u>Miscellaneous Revenues</u></i>				
Sale of Capital Assets	3,000	3,000	2,676	(324)
Transfers In	3,875,558	3,875,558	1,922,314	(1,953,244)
Interest Earnings	2,637,950	2,637,950	1,253,372	(1,384,578)
Rents and Royalties	477,993	477,993	222,960	(255,033)
Contributions & Donations	20,500	20,500	8,198	(12,302)
Other Miscellaneous Revenue	72,945	73,368	71,751	(1,617)
Total Miscellaneous Revenue	7,087,946	7,088,369	3,481,270	(3,607,099)
TOTAL REVENUES	\$ 113,560,428	\$ 113,808,855	\$ 56,525,561	\$ (57,283,294)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<i>GENERAL GOVERNMENT</i>				
<u>County Commissioners</u>				
Personnel	\$ 1,551,169	\$ 1,544,081	\$ 763,876	\$ (780,205)
Personnel Benefits	508,063	506,868	238,648	(268,220)
Supplies	25,438	25,438	7,932	(17,506)
Other Services and Charges	293,399	293,274	148,440	(144,834)
Total County Commissioners	\$ <u>2,378,069</u>	\$ <u>2,369,661</u>	\$ <u>1,158,896</u>	\$ <u>(1,210,765)</u>
<u>Superior Court</u>				
Personnel	\$ 3,282,128	\$ 3,282,128	\$ 1,634,531	\$ (1,647,597)
Personnel Benefits	770,376	770,376	419,624	(350,752)
Supplies	30,700	32,200	13,283	(18,917)
Other Services and Charges	786,728	784,228	382,871	(401,357)
Intergovernmental Services	800	1,800	620	(1,180)
Total Superior Court	\$ <u>4,870,732</u>	\$ <u>4,870,732</u>	\$ <u>2,450,929</u>	\$ <u>(2,419,803)</u>
<u>County Clerk</u>				
Personnel	\$ 2,374,929	\$ 2,405,998	\$ 1,180,382	\$ (1,225,616)
Personnel Benefits	1,014,640	1,047,004	543,943	(503,061)
Supplies	42,692	64,525	37,597	(26,928)
Other Services and Charges	877,200	878,040	399,310	(478,730)
Total County Clerk	\$ <u>4,309,461</u>	\$ <u>4,395,567</u>	\$ <u>2,161,232</u>	\$ <u>(2,234,335)</u>
<u>District Court</u>				
Personnel	\$ 3,740,045	\$ 3,740,045	\$ 1,848,610	\$ (1,891,435)
Personnel Benefits	1,400,791	1,400,791	697,224	(703,567)
Supplies	103,526	117,026	62,624	(54,402)
Other Services and Charges	1,133,771	1,120,271	577,401	(542,870)
Total District Court	\$ <u>6,378,133</u>	\$ <u>6,378,133</u>	\$ <u>3,185,859</u>	\$ <u>(3,192,274)</u>
<u>County Auditor</u>				
Personnel	\$ 1,752,386	\$ 1,752,386	\$ 871,802	\$ (880,584)
Personnel Benefits	689,392	689,392	356,517	(332,875)
Supplies	19,302	19,302	6,866	(12,436)
Other Services and Charges	734,376	734,376	345,735	(388,641)
Total County Auditor	\$ <u>3,195,456</u>	\$ <u>3,195,456</u>	\$ <u>1,580,920</u>	\$ <u>(1,614,536)</u>

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>County Treasurer</u>				
Personnel	\$ 1,348,347	\$ 1,343,227	\$ 650,986	\$ (692,241)
Personnel Benefits	545,117	545,117	275,939	(269,178)
Supplies	31,732	36,852	15,039	(21,813)
Other Services and Charges	713,502	713,502	345,477	(368,025)
Total County Treasurer	\$ 2,638,698	\$ 2,638,698	\$ 1,287,440	\$ (1,351,258)
<u>Board of Equalization</u>				
Personnel	\$ 55,392	\$ 55,392	\$ 26,898	\$ (28,494)
Personnel Benefits	4,237	4,237	2,058	(2,179)
Supplies	800	800	283	(517)
Other Services and Charges	20,324	20,324	9,935	(10,389)
Total Board of Equalization	\$ 80,753	\$ 80,753	\$ 39,174	\$ (41,579)
<u>County Assessor</u>				
Personnel	\$ 2,577,314	\$ 2,577,314	\$ 1,249,187	\$ (1,328,127)
Personnel Benefits	1,003,715	1,003,715	506,941	(496,774)
Supplies	35,714	35,714	12,065	(23,649)
Other Services and Charges	850,413	850,413	416,941	(433,472)
Total County Assessor	\$ 4,467,156	\$ 4,467,156	\$ 2,185,134	\$ (2,282,022)
<u>County Prosecuting Attorney</u>				
Personnel	\$ 5,765,902	\$ 5,813,508	\$ 2,837,436	\$ (2,976,072)
Personnel Benefits	2,091,014	2,123,243	1,072,642	(1,050,601)
Supplies	73,932	88,932	49,822	(39,110)
Other Services and Charges	818,887	836,263	393,519	(442,744)
Total County Prosecuting Attorney	\$ 8,749,735	\$ 8,861,946	\$ 4,353,418	\$ (4,508,528)
<u>Personnel Department</u>				
Personnel	\$ 312,306	\$ 319,394	\$ 157,854	\$ (161,540)
Personnel Benefits	118,321	119,516	61,827	(57,689)
Supplies	2,000	2,000	472	(1,528)
Other Services and Charges	108,643	108,768	60,161	(48,607)
Total Personnel Department	\$ 541,270	\$ 549,678	\$ 280,315	\$ (269,363)
<u>L.E.O.F.F.</u>				
Personnel Benefits	\$ 376,200	\$ 376,200	\$ 169,592	\$ (206,608)
Other Services and Charges	94,800	94,800	45,290	(49,510)
Total L.E.O.F.F.	\$ 471,000	\$ 471,000	\$ 214,882	\$ (256,118)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>GIS Department</u>				
Personnel	\$ 362,910	\$ 362,910	\$ 185,170	\$ (177,740)
Personnel Benefits	139,757	139,757	74,754	(65,003)
Supplies	2,001	2,001	829	(1,172)
Other Services and Charges	166,246	166,246	81,606	(84,640)
Total GIS Department	\$ 670,914	\$ 670,914	\$ 342,359	\$ (328,555)
<u>Facilities Department</u>				
Personnel	\$ 1,083,781	\$ 1,087,781	\$ 389,558	\$ (698,223)
Personnel Benefits	436,225	436,225	158,973	(277,252)
Supplies	163,234	160,234	40,621	(119,613)
Other Services and Charges	2,360,661	2,359,661	564,519	(1,795,142)
Total Facilities Department	\$ 4,043,901	\$ 4,043,901	\$ 1,153,670	\$ (2,890,231)
<u>Indigent Public Defense</u>				
Personnel	\$ 563,494	\$ 667,300	\$ 335,497	\$ (331,803)
Personnel Benefits	199,420	245,685	125,599	(120,086)
Supplies	4,474	7,474	4,295	(3,179)
Other Services and Charges	4,316,751	4,163,680	2,056,610	(2,107,070)
Total Indigent Public Defense Department	\$ 5,084,139	\$ 5,084,139	\$ 2,522,001	\$ (2,562,138)
<u>Adult & Juvenile Drug Court</u>				
Personnel	\$ 193,790	\$ 193,790	\$ 91,397	\$ (102,393)
Personnel Benefits	61,236	61,236	34,086	(27,150)
Supplies	6,500	10,350	4,441	(5,909)
Other Services and Charges	181,132	176,085	64,416	(111,669)
Total Adult & Juvenile Drug Court	\$ 442,658	\$ 441,461	\$ 194,339	\$ (247,122)
<u>Non-Departmental</u>				
Personnel Benefits	\$ 150,800	\$ 150,800	\$ 27,437	\$ (123,363)
Other Services and Charges	1,683,072	1,572,642	174,301	(1,398,341)
Intergovernmental Services	6,000	6,000	2,096	(3,904)
Transfers Out	7,644,874	7,657,930	3,486,805	(4,171,125)
Total Non-Departmental	\$ 9,484,746	\$ 9,387,372	\$ 3,690,638	\$ (5,696,734)
TOTAL GENERAL GOVERNMENT	\$ 57,806,821	\$ 57,906,567	\$ 26,801,207	\$ (31,105,360)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<i>PUBLIC SAFETY</i>				
<u>County Sheriff-Administration</u>				
Personnel	\$ 1,200,091	\$ 1,200,091	\$ 604,848	\$ (595,243)
Personnel Benefits	394,625	393,625	202,898	(190,727)
Supplies	33,770	30,070	12,275	(17,795)
Other Services and Charges	297,289	301,989	140,842	(161,147)
Intergovernmental Services	1,061	1,061	140	(921)
Total County Sheriff-Administration	\$ 1,926,836	\$ 1,926,836	\$ 961,002	\$ (965,834)
<u>Civil Service</u>				
Personnel	\$ 48,768	\$ 48,768	\$ 17,138	\$ (31,630)
Personnel Benefits	20,974	20,974	7,455	(13,519)
Supplies	7,000	5,500	240	(5,260)
Other Services and Charges	36,917	38,417	14,315	(24,102)
Total Civil Service	\$ 113,659	\$ 113,659	\$ 39,149	\$ (74,511)
<u>County Sheriff-Patrol</u>				
Personnel	\$ 8,105,699	\$ 8,175,831	\$ 4,059,623	\$ (4,116,208)
Personnel Benefits	2,366,346	2,385,534	1,216,134	(1,169,400)
Supplies	712,468	734,126	312,560	(421,566)
Other Services and Charges	1,629,489	1,654,727	830,268	(824,459)
Intergovernmental Services	1,114,411	1,368,340	669,612	(698,728)
Total County Sheriff-Patrol	\$ 13,928,413	\$ 14,318,558	\$ 7,088,197	\$ (7,230,361)
<u>County Sheriff-Traffic Control</u>				
Personnel	\$ 581,637	\$ 581,637	\$ 294,631	\$ (287,006)
Personnel Benefits	180,338	180,338	91,933	(88,405)
Supplies	63,455	63,455	23,841	(39,614)
Other Services and Charges	82,511	82,511	41,913	(40,598)
Intergovernmental Services	56,357	56,357	27,237	(29,120)
Total County Sheriff-Traffic Control	\$ 964,298	\$ 964,298	\$ 479,555	\$ (484,743)
<u>County Sheriff-Corrections</u>				
Personnel	\$ 16,765,435	\$ 16,676,719	\$ 8,275,346	\$ (8,401,373)
Personnel Benefits	6,689,527	6,702,420	3,191,049	(3,511,371)
Supplies	1,021,877	1,045,877	446,641	(599,236)
Other Services and Charges	7,429,767	7,426,590	3,676,527	(3,750,063)
Intergovernmental Services	956,447	702,518	353,876	(348,642)
Total County Sheriff-Corrections	\$ 32,863,053	\$ 32,554,124	\$ 15,943,440	\$ (16,610,684)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>County Sheriff-Communications and Records</u>				
Personnel	\$ 665,796	\$ 665,796	\$ 321,484	\$ (344,312)
Personnel Benefits	275,242	275,242	143,702	(131,540)
Supplies	10,073	12,070	7,308	(4,762)
Other Services and Charges	156,458	154,461	72,292	(82,169)
Intergovernmental Services	121,474	121,474	69,532	(51,942)
Total County Sheriff-Communications and Records	\$ 1,229,043	\$ 1,229,043	\$ 614,319	\$ (614,724)
<u>Non-Departmental</u>				
Intergovernmental Services	\$ 61,982	\$ 61,982	\$ 19,391	\$ (42,591)
Total Non-Departmental	\$ 61,982	\$ 61,982	\$ 19,391	\$ (42,591)
TOTAL PUBLIC SAFETY	\$ 51,087,284	\$ 51,168,500	\$ 25,145,053	\$ (26,023,447)
<i>NATURAL & ECONOMIC ENVIRONMENT</i>				
<u>Planning Department</u>				
Personnel	\$ 843,404	\$ 843,404	\$ 430,513	\$ (412,891)
Personnel Benefits	319,315	319,315	167,457	(151,858)
Supplies	12,670	12,670	5,331	(7,339)
Other Services and Charges	305,691	305,691	173,861	(131,830)
Total Planning Department	\$ 1,481,080	\$ 1,481,080	\$ 777,161	\$ (703,919)
<u>Animal Control</u>				
Personnel	\$ 209,703	\$ 209,703	\$ 87,675	\$ (122,028)
Personnel Benefits	89,126	89,126	39,841	(49,285)
Supplies	45,571	43,056	14,574	(28,482)
Other Services and Charges	94,140	97,852	40,990	(56,862)
Intergovernmental Services	9,627	9,627	4,569	(5,058)
Total Animal control	\$ 448,167	\$ 449,364	\$ 187,649	\$ (261,715)
<u>Non-Departmental</u>				
Intergovernmental Services	\$ 72,986	\$ 72,986	\$ 36,131	\$ (36,855)
Total Non-Departmental	\$ 72,986	\$ 72,986	\$ 36,131	\$ (36,855)
TOTAL NATURAL & ECONOMIC ENVIRONMENT	\$ 2,002,233	\$ 2,003,430	\$ 1,000,941	\$ (1,002,489)
<i>SOCIAL SERVICES</i>				
<u>County Coroner</u>				
Personnel	\$ 370,658	\$ 371,158	\$ 184,837	\$ (186,321)
Personnel Benefits	93,980	93,980	49,169	(44,811)
Supplies	13,208	15,708	5,764	(9,944)
Other Services and Charges	251,980	248,980	106,096	(142,884)
Total County Coroner	\$ 729,826	\$ 729,826	\$ 345,866	\$ (383,960)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>TB Hospital</u>				
Supplies	\$ 24,600	\$ 24,600	\$ 1,043	\$ (23,557)
Other Services and Charges	22,500	22,500	2,472	(20,028)
Intergovernmental Services	93,750	93,750	50,781	(42,969)
Total TB Hospital	\$ 140,850	\$ 140,850	\$ 54,296	\$ (86,554)
<u>Non-Department</u>				
Intergovernmental Services	\$ 793,164	\$ 793,164	\$ 396,582	\$ (396,582)
Total Non-Departmental	\$ 793,164	\$ 793,164	\$ 396,582	\$ (396,582)
TOTAL SOCIAL SERVICES	\$ 1,663,840	\$ 1,663,840	\$ 796,744	\$ (867,096)
<i>CULTURE AND RECREATION</i>				
<u>WSU Extension Department</u>				
Personnel	\$ 193,477	\$ 193,477	\$ 82,804	\$ (110,673)
Personnel Benefits	53,656	53,656	25,150	(28,506)
Supplies	12,162	12,102	2,769	(9,333)
Other Services and Charges	305,808	305,868	150,084	(155,784)
Total WSU Extension Department	\$ 565,103	\$ 565,103	\$ 260,807	\$ (304,296)
<u>Parks Department</u>				
Personnel	\$ 180,488	\$ 180,788	\$ 91,673	\$ (89,115)
Personnel Benefits	75,900	75,900	40,679	(35,221)
Supplies	44,552	40,221	19,634	(20,587)
Other Services and Charges	77,770	81,801	43,327	(38,474)
Total Parks Department	\$ 378,710	\$ 378,710	\$ 195,313	\$ (183,397)
TOTAL CULTURE AND RECREATION	\$ 943,813	\$ 943,813	\$ 456,120	\$ (487,693)
<i>CAPITAL OUTLAY</i>				
General Government	\$ 46,000	\$ 57,268	\$ 50,967	\$ (6,301)
Public Safety	86,775	141,775	90,256	(51,519)
TOTAL CAPITAL OUTLAY	\$ 132,775	\$ 199,043	\$ 141,223	\$ (57,820)
TOTAL EXPENDITURES	\$ 113,636,766	\$ 113,885,193	\$ 54,341,288	\$ (59,543,905)

BENTON COUNTY, WASHINGTON

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual Capital Acquisition Year Ended December 31, 2013

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental Revenues	\$ 1,100,000	\$ 1,100,000	\$ 545,300	\$ (554,700)
Charges for Services	140,000	140,000	175,045	35,045
Miscellaneous Revenues	233,000	233,000	117,000	(116,000)
Total Revenues	<u>1,473,000</u>	<u>1,473,000</u>	<u>837,345</u>	<u>(635,655)</u>
<u>Expenditures</u>				
Natural & Economic Environment	100,000	100,000	0	(100,000)
Capital Outlay	16,400,000	16,400,000	2,599,537	(13,800,463)
Total Expenditures	<u>16,500,000</u>	<u>16,500,000</u>	<u>2,599,537</u>	<u>(13,900,463)</u>
Excess (Deficiency) of Revenues over Expenditures	(15,027,000)	(15,027,000)	(1,762,192)	13,264,808
<u>Other Financing Sources (Uses)</u>				
Proceeds of Capital Assets	0	0	48,575	48,575
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>48,575</u>	<u>48,575</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(15,027,000)	(15,027,000)	(1,713,617)	13,313,383
Fund Balance, January 1	22,700,237	22,700,237	22,913,893	213,656
Fund Balance, December 31	<u>\$ 7,673,237</u>	<u>\$ 7,673,237</u>	<u>\$ 21,200,276</u>	<u>\$ 13,527,039</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	County Road Improvement			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 1,568,000	\$ 1,568,000	\$ 734,025	\$ (833,975)
Interest Earnings	3,000	3,000	4,482	1,482
Total Revenues	<u>1,571,000</u>	<u>1,571,000</u>	<u>738,507</u>	<u>(832,493)</u>
<u>Expenditures</u>				
General Government Services	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	1,571,000	1,571,000	738,507	(832,493)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(1,965,000)	(1,965,000)	(235,000)	1,730,000
Total Other Sources (Uses)	<u>(1,965,000)</u>	<u>(1,965,000)</u>	<u>(235,000)</u>	<u>1,730,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(394,000)	(394,000)	503,507	897,507
Fund Balance as of January 1	1,110,000	1,110,000	969,319	(140,681)
Fund Balance as of December 31	<u>\$ 716,000</u>	<u>\$ 716,000</u>	<u>\$ 1,472,826</u>	<u>\$ 756,826</u>
	Flood Control			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 0	\$ (2,000)
Interest Earnings	150	150	230	80
Total Revenues	<u>2,150</u>	<u>2,150</u>	<u>230</u>	<u>(1,920)</u>
<u>Expenditures</u>				
General Government Services	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	2,150	2,150	230	(1,920)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	60,794	60,794	0	(60,794)
Total Other Sources (Uses)	<u>60,794</u>	<u>60,794</u>	<u>0</u>	<u>(60,794)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	62,944	62,944	230	(62,714)
Fund Balance as of January 1	58,644	58,644	58,633	(11)
Fund Balance as of December 31	<u>\$ 121,588</u>	<u>\$ 121,588</u>	<u>\$ 58,863</u>	<u>\$ (62,725)</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Veteran's Assistance				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Taxes	\$ 330,600	\$ 330,600	\$ 172,720	\$ (157,880)
Intergovernmental	6,500	6,500	4,956	(1,544)
Total Revenues	<u>337,100</u>	<u>337,100</u>	<u>177,676</u>	<u>(159,424)</u>
 <u>Expenditures</u>				
Social Services	328,763	328,763	101,637	(227,126)
Total Expenditures	<u>328,763</u>	<u>328,763</u>	<u>101,637</u>	<u>(227,126)</u>
Excess (Deficiency) of Revenues over Expenditures	8,337	8,337	76,039	67,702
Fund Balance as of January 1	140,000	140,000	155,216	15,216
Fund Balance as of December 31	<u>\$ 148,337</u>	<u>\$ 148,337</u>	<u>\$ 231,255</u>	<u>\$ 82,918</u>

Auditor's O & M				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Intergovernmental	\$ 200,000	\$ 200,000	\$ 99,062	\$ (100,938)
Charges For Services	160,000	160,000	85,634	(74,366)
Total Revenues	<u>360,000</u>	<u>360,000</u>	<u>184,696</u>	<u>(175,304)</u>
 <u>Expenditures</u>				
General Government Services	690,990	690,990	237,349	(453,641)
Capital Outlay	122,779	122,779	11,267	(111,512)
Total Expenditures	<u>813,769</u>	<u>813,769</u>	<u>248,616</u>	<u>(565,153)</u>
Excess (Deficiency) of Revenues over Expenditures	(453,769)	(453,769)	(63,920)	389,849
Fund Balance as of January 1	453,769	453,769	469,303	15,534
Fund Balance as of December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 405,383</u>	<u>\$ 405,383</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Treasurer's Investment Pool			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Interest Earnings	74,027	74,027	75,321	1,294
Total Revenues	74,027	74,027	75,321	1,294
<u>Expenditures</u>				
General Government Services	21,286	21,286	9,643	(11,643)
Debt Service:				
Interest	2,100	2,100	1,154	(946)
Total Expenditures	23,386	23,386	10,797	(12,589)
Excess (Deficiency) of Revenues over Expenditures	50,641	50,641	64,524	13,883
Fund Balance as of January 1	20,000	20,000	(33,035)	(53,035)
Fund Balance as of December 31	\$ 70,641	\$ 70,641	\$ 31,489	\$ (39,152)

	Park Development			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 44,000	\$ 44,000	\$ 12,110	(31,890)
Interest Earnings	400	400	1,299	899
Donations	2,000	2,000	615	(1,385)
Miscellaneous	10,000	10,000	8,836	(1,164)
Total Revenues	56,400	56,400	22,860	(33,540)
<u>Expenditures</u>				
Culture and Recreation	112,400	87,400	50,805	(36,595)
Capital Outlay	250,000	275,000	5,156	(269,844)
Total Expenditures	362,400	362,400	55,961	(306,439)
Excess (Deficiency) of Revenues over Expenditures	(306,000)	(306,000)	(33,101)	272,899
Fund Balance as of January 1	306,000	306,000	376,501	70,501
Fund Balance as of December 31	\$ 0	\$ 0	\$ 343,400	\$ 343,400

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Election Reserve			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 2,291	\$ (6,709)
Charges For Services	839,775	839,775	487,172	(352,603)
Miscellaneous	0	0	2,500	2,500
Total Revenues	848,775	848,775	491,963	(356,812)
<u>Expenditures</u>				
General Government Services	1,881,079	1,881,079	763,645	(1,117,434)
Total Expenditures	1,881,079	1,881,079	763,645	(1,117,434)
Excess (Deficiency) of Revenues over Expenditures	(1,032,304)	(1,032,304)	(271,682)	760,622
<u>Other Financing Sources (Uses)</u>				
Transfers In	267,696	267,696	0	(267,696)
Total Other Sources (Uses)	267,696	267,696	0	(267,696)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(764,608)	(764,608)	(271,682)	492,926
Fund Balance as of January 1	1,262,004	1,262,004	1,193,398	(68,606)
Fund Balance as of December 31	\$ 497,396	\$ 497,396	\$ 921,716	\$ 424,320

	Treasurer's O & M			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 200,000	\$ 200,000	\$ 68,432	\$ (131,568)
Interest Earnings	1,400	1,400	1,794	394
Miscellaneous	0	0	146	146
Total Revenues	201,400	201,400	70,372	(131,028)
<u>Expenditures</u>				
General Government Services	340,462	340,462	119,218	(221,244)
Capital Outlay	5,000	5,000	0	(5,000)
Total Expenditures	345,462	345,462	119,218	(226,244)
Excess (Deficiency) of Revenues over Expenditures	(144,062)	(144,062)	(48,846)	95,216
<u>Other Financing Sources (Uses)</u>				
Sale of Fixed Assets	1,000	1,000	0	(1,000)
Total Other Sources (Uses)	1,000	1,000	0	(1,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(143,062)	(143,062)	(48,846)	94,216
Fund Balance as of January 1	150,783	150,783	276,261	125,478
Fund Balance as of December 31	\$ 7,721	\$ 7,721	\$ 227,415	\$ 219,694

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Paths and Trails Reserve			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 30,031	\$ 30,031	\$ 15,172	\$ (14,859)
Interest Earnings	100	100	146	46
Total Revenues	30,131	30,131	15,318	(14,813)
<u>Expenditures</u>				
Culture and Recreation	150	0	0	0
Total Expenditures	150	0	0	0
Excess (Deficiency) of Revenues over Expenditures	29,981	30,131	15,318	(14,813)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(93,731)	(93,881)	(62,047)	31,834
Total Other Sources (Uses)	(93,731)	(93,881)	(62,047)	31,834
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(63,750)	(63,750)	(46,729)	17,021
Fund Balance as of January 1	63,750	63,750	64,436	686
Fund Balance as of December 31	\$ 0	\$ 0	\$ 17,707	\$ 17,707

	Benton Franklin Juvenile Center			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 2,074,952	\$ 2,831,599	\$ 1,045,038	\$ (1,786,561)
Charges For Services	5,108,391	4,351,744	2,586,643	(1,765,101)
Donations	0	0	5,550	5,550
Miscellaneous	0	0	5,830	5,830
Total Revenues	7,183,343	7,183,343	3,643,061	(3,540,282)
<u>Expenditures</u>				
Public Safety	1,566,908	1,566,908	7,321,726	5,754,818
Total Expenditures	1,566,908	1,566,908	7,321,726	5,754,818
Excess (Deficiency) of Revenues over Expenditures	5,616,435	5,616,435	(3,678,665)	(9,295,100)
<u>Other Financing Sources (Uses)</u>				
Sale of Fixed Assets	0	0	1,873	1,873
Transfers In	7,661,127	7,661,127	3,616,041	(4,045,086)
Total Other Sources (Uses)	7,661,127	7,661,127	3,617,914	(4,043,213)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	13,277,562	13,277,562	(60,751)	(13,338,313)
Fund Balance as of January 1	1,122,244	1,122,244	1,352,488	230,244
Fund Balance as of December 31	\$ 14,399,806	\$ 14,399,806	\$ 1,291,737	\$ (13,108,069)

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Inmate Benevolence			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 998,000	\$ 998,000	\$ 462,128	\$ (535,872)
Miscellaneous	361,000	361,000	90,994	(270,006)
Total Revenues	1,359,000	1,359,000	553,122	(805,878)
<u>Expenditures</u>				
Public Safety	1,298,480	1,280,480	431,482	(848,998)
Total Expenditures	1,298,480	1,280,480	431,482	(848,998)
Excess (Deficiency) of Revenues over Expenditures	60,520	78,520	121,640	43,120
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	26,394	0	(26,394)
Total Other Sources (Uses)	0	26,394	0	(26,394)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	60,520	104,914	121,640	16,726
Fund Balance as of January 1	300,000	300,000	324,100	24,100
Fund Balance as of December 31	\$ 360,520	\$ 404,914	\$ 445,740	\$ 40,826

	Crime Victim Compensation			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 74,148	\$ 74,148	\$ 27,285	\$ (46,863)
Charges For Services	430,000	430,000	220,816	(209,184)
Total Revenues	504,148	504,148	248,101	(256,047)
<u>Expenditures</u>				
General Government Services	631,713	631,713	287,911	(343,802)
Total Expenditures	631,713	631,713	287,911	(343,802)
Excess (Deficiency) of Revenues over Expenditures	(127,565)	(127,565)	(39,810)	87,755
Fund Balance as of January 1	200,379	200,379	183,666	(16,713)
Fund Balance as of December 31	\$ 72,814	\$ 72,814	\$ 143,856	\$ 71,042

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Fairgrounds Operating Budget				
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 0	\$ 0	\$ 30,000	\$ 30,000
Miscellaneous	555,098	555,098	265,777	(289,321)
Total Revenues	555,098	555,098	295,777	(259,321)
<u>Expenditures</u>				
Culture and Recreation	1,400,531	1,400,531	343,738	(1,056,793)
Capital Outlay	730,000	730,000	200,734	(529,266)
Total Expenditures	2,130,531	2,130,531	544,472	(1,586,059)
Excess (Deficiency) of Revenues over Expenditures	(1,575,433)	(1,575,433)	(248,695)	1,326,738
<u>Other Financing Sources (Uses)</u>				
Transfers In	930,000	930,000	100,000	(830,000)
Total Other Sources (Uses)	930,000	930,000	100,000	(830,000)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(645,433)	(645,433)	(148,695)	496,738
Fund Balance as of January 1	782,000	782,000	816,026	34,026
Fund Balance as of December 31	\$ 136,567	\$ 136,567	\$ 667,331	\$ 530,764

Sheriff's Investigations				
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 4,150	\$ (5,850)
Charges For Services	10,000	10,000	3,750	(6,250)
Miscellaneous	0	0	24,739	24,739
Total Revenues	20,000	20,000	32,639	12,639
<u>Expenditures</u>				
Public Safety	123,590	108,090	42,779	(65,311)
Capital Outlay	14,000	30,000	0	(30,000)
Total Expenditures	137,590	138,090	42,779	(95,311)
Excess (Deficiency) of Revenues over Expenditures	(117,590)	(118,090)	(10,140)	107,950
Fund Balance as of January 1	170,000	170,000	180,629	10,629
Fund Balance as of December 31	\$ 52,410	\$ 51,910	\$ 170,489	\$ 118,579

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Canine and Boat Patrol				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Intergovernmental	\$ 170,000	\$ 170,000	\$ 78,098	\$ (91,902)
Charges For Services	7,500	7,500	3,750	(3,750)
Donations	0	0	154	154
Total Revenues	<u>177,500</u>	<u>177,500</u>	<u>82,002</u>	<u>(95,498)</u>
 <u>Expenditures</u>				
Public Safety	248,548	264,248	92,123	(172,125)
Capital Outlay	(15,700)	0	4,631	4,631
Total Expenditures	<u>232,848</u>	<u>264,248</u>	<u>96,754</u>	<u>(167,494)</u>
Excess (Deficiency) of Revenues over Expenditures	(55,348)	(86,748)	(14,752)	71,996
Fund Balance as of January 1	95,500	95,500	34,088	(61,412)
Fund Balance as of December 31	<u>\$ 40,152</u>	<u>\$ 8,752</u>	<u>\$ 19,336</u>	<u>\$ 10,584</u>

Treasurer's Service Fee				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Charges For Services	\$ 705	\$ 705	\$ 534	\$ (171)
Total Revenues	<u>705</u>	<u>705</u>	<u>534</u>	<u>(171)</u>
 <u>Expenditures</u>				
General Government Services	705	705	0	(705)
Total Expenditures	<u>705</u>	<u>705</u>	<u>0</u>	<u>(705)</u>
Excess (Deficiency) of Revenues over Expenditures	0	0	534	534
Fund Balance as of January 1	705	705	674	(31)
Fund Balance as of December 31	<u>\$ 705</u>	<u>\$ 705</u>	<u>\$ 1,208</u>	<u>\$ 503</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

REET Technology				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0
<u>Expenditures</u>				
General Government Services	80,000	80,000	4,000	(76,000)
Total Expenditures	80,000	80,000	4,000	(76,000)
Excess (Deficiency) of Revenues over Expenditures	(80,000)	(80,000)	(4,000)	76,000
Fund Balance as of January 1	80,000	80,000	80,036	36
Fund Balance as of December 31	\$ 0	\$ 0	\$ 76,036	\$ 76,036
1/4 Percent Real Estate Excise Tax				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Taxes	\$ 600,000	\$ 600,000	\$ 331,343	\$ (268,657)
Total Revenues	600,000	600,000	331,343	(268,657)
<u>Expenditures</u>				
General Government Services	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	600,000	600,000	331,343	(268,657)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(1,127,250)	(1,127,250)	(198,238)	929,012
Total Other Sources (Uses)	(1,127,250)	(1,127,250)	(198,238)	929,012
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(527,250)	(527,250)	133,105	660,355
Fund Balance as of January 1	1,450,000	1,450,000	1,579,237	129,237
Fund Balance as of December 31	\$ 922,750	\$ 922,750	\$ 1,712,342	\$ 789,592

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Probation Assessment			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 1,104,930	\$ 1,104,930	\$ 538,454	\$ (566,476)
Total Revenues	1,104,930	1,104,930	538,454	(566,476)
<u>Expenditures</u>				
General Government Services	1,218,614	1,218,614	601,172	(617,442)
Total Expenditures	1,218,614	1,218,614	601,172	(617,442)
Excess (Deficiency) of Revenues over Expenditures	(113,684)	(113,684)	(62,718)	50,966
Fund Balance as of January 1	529,454	529,454	542,434	12,980
Fund Balance as of December 31	\$ 415,770	\$ 415,770	\$ 479,716	\$ 63,946
	Central Services Computer Replacement			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 600,513	\$ 600,513	\$ 307,346	\$ (293,167)
Total Revenues	600,513	600,513	307,346	(293,167)
<u>Expenditures</u>				
General Government Services	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	600,513	600,513	307,346	(293,167)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(1,022,800)	(1,022,800)	(241,198)	781,602
Total Other Sources (Uses)	(1,022,800)	(1,022,800)	(241,198)	781,602
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(422,287)	(422,287)	66,148	488,435
Fund Balance as of January 1	1,599,900	1,599,900	1,626,170	26,270
Fund Balance as of December 31	\$ 1,177,613	\$ 1,177,613	\$ 1,692,318	\$ 514,705

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Noxious Weed Control				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Intergovernmental	\$ 14,000	\$ 14,000	\$ 350	\$ (13,650)
Charges For Services	29,800	29,800	14,900	(14,900)
Miscellaneous	460,800	460,800	243,808	(216,992)
Total Revenues	<u>504,600</u>	<u>504,600</u>	<u>259,058</u>	<u>(245,542)</u>
<u>Expenditures</u>				
Natural & Economic Environment	451,388	451,388	195,100	(256,288)
Total Expenditures	<u>451,388</u>	<u>451,388</u>	<u>195,100</u>	<u>(256,288)</u>
Excess (Deficiency) of Revenues over Expenditures	53,212	53,212	63,958	10,746
<u>Other Financing Sources (Uses)</u>				
Sale of Fixed Assets	0	0	2,803	2,803
Total Other Sources (Uses)	<u>0</u>	<u>0</u>	<u>2,803</u>	<u>2,803</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	53,212	53,212	66,761	13,549
Fund Balance as of January 1	0	0	33,014	33,014
Fund Balance as of December 31	<u>\$ 53,212</u>	<u>\$ 53,212</u>	<u>\$ 99,775</u>	<u>\$ 46,563</u>

Sustainable Development				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Taxes	\$ 140,000	\$ 140,000	\$ 35,527	\$ (104,473)
Miscellaneous	0	0	2,584	2,584
Total Revenues	<u>140,000</u>	<u>140,000</u>	<u>38,111</u>	<u>(101,889)</u>
<u>Expenditures</u>				
Natural & Economic Environment	428,544	428,544	167,873	(260,671)
Total Expenditures	<u>428,544</u>	<u>428,544</u>	<u>167,873</u>	<u>(260,671)</u>
Excess (Deficiency) of Revenues over Expenditures	(288,544)	(288,544)	(129,762)	158,782
Fund Balance as of January 1	504,489	504,489	488,638	(15,851)
Fund Balance as of December 31	<u>\$ 215,945</u>	<u>\$ 215,945</u>	<u>\$ 358,876</u>	<u>\$ 142,931</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Courthouse Facilitator

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 120,900	\$ 120,900	\$ 52,546	\$ (68,354)
Miscellaneous	0	0	210	210
Total Revenues	120,900	120,900	52,756	(68,144)
<u>Expenditures</u>				
General Government Services	148,109	148,109	73,995	(74,114)
Total Expenditures	148,109	148,109	73,995	(74,114)
Excess (Deficiency) of Revenues over Expenditures	(27,209)	(27,209)	(21,239)	5,970
Fund Balance as of January 1	35,000	35,000	26,527	(8,473)
Fund Balance as of December 31	\$ 7,791	\$ 7,791	\$ 5,288	\$ (2,503)

Family Services

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Licenses and Permits	\$ 57,420	\$ 57,420	\$ 31,775	\$ (25,645)
Total Revenues	57,420	57,420	31,775	(25,645)
<u>Expenditures</u>				
Public Safety	87,087	87,087	29,701	(57,386)
Total Expenditures	87,087	87,087	29,701	(57,386)
Excess (Deficiency) of Revenues over Expenditures	(29,667)	(29,667)	2,074	31,741
Fund Balance as of January 1	30,000	30,000	7,581	(22,419)
Fund Balance as of December 31	\$ 333	\$ 333	\$ 9,655	\$ 9,322

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Family Services Superior Court				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Licenses and Permits	\$ 0	\$ 0	\$ 11,293	\$ 11,293
Charges For Services	20,000	20,000	14,882	(5,118)
Total Revenues	20,000	20,000	26,175	6,175
<u>Expenditures</u>				
General Government Services	0	0	0	0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	20,000	20,000	26,175	6,175
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(40,000)	(40,000)	(20,000)	20,000
Total Other Sources (Uses)	(40,000)	(40,000)	(20,000)	20,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(20,000)	(20,000)	6,175	26,175
Fund Balance as of January 1	22,000	22,000	16,551	(5,449)
Fund Balance as of December 31	\$ 2,000	\$ 2,000	\$ 22,726	\$ 20,726

Jail Depreciation Reserve				
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
Charges For Services	\$ 110,230	\$ 110,230	\$ 55,086	\$ (55,144)
Interest Earnings	3,000	3,000	2,738	(262)
Total Revenues	113,230	113,230	57,824	(55,406)
<u>Expenditures</u>				
Public Safety	711,611	820,102	148,746	(671,356)
Capital Outlay	228,873	120,382	106,975	(13,407)
Total Expenditures	940,484	940,484	255,721	(684,763)
Excess (Deficiency) of Revenues over Expenditures	(827,254)	(827,254)	(197,897)	629,357
<u>Other Financing Sources (Uses)</u>				
Transfers In	245,768	245,768	122,914	(122,854)
Total Other Sources (Uses)	245,768	245,768	122,914	(122,854)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(581,486)	(581,486)	(74,983)	506,503
Fund Balance as of January 1	953,873	953,873	870,457	(83,416)
Fund Balance as of December 31	\$ 372,387	\$ 372,387	\$ 795,474	\$ 423,087

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Distressed County Tax Credit

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0
<u>Expenditures</u>				
General Government Services	111,752	111,752	0	(111,752)
Natural & Economic Environment	0	0	55,000	55,000
Total Expenditures	111,752	111,752	55,000	(56,752)
Excess (Deficiency) of Revenues over Expenditures	(111,752)	(111,752)	(55,000)	56,752
Fund Balance as of January 1	111,752	111,752	111,752	0
Fund Balance as of December 31	\$ 0	\$ 0	\$ 56,752	\$ 56,752

Clerk's Collection Fund

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ 36,362	\$ (1,363,638)
Charges For Services	0	0	688,301	688,301
Total Revenues	1,400,000	1,400,000	724,663	(675,337)
<u>Expenditures</u>				
General Government Services	1,050,563	1,050,563	525,933	(524,630)
Total Expenditures	1,050,563	1,050,563	525,933	(524,630)
Excess (Deficiency) of Revenues over Expenditures	349,437	349,437	198,730	(150,707)
Fund Balance as of January 1	1,080,000	1,080,000	1,503,831	423,831
Fund Balance as of December 31	\$ 1,429,437	\$ 1,429,437	\$ 1,702,561	\$ 273,124

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Protective Inspection Services				
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Licenses and Permits	\$ 1,312,655	\$ 1,312,655	\$ 733,564	\$ (579,091)
Charges For Services	11,140	11,140	5,385	(5,755)
Miscellaneous	0	0	378	378
Total Revenues	<u>1,323,795</u>	<u>1,323,795</u>	<u>739,327</u>	<u>(584,468)</u>
<u>Expenditures</u>				
Public Safety	1,435,680	1,435,680	713,359	(722,321)
Total Expenditures	<u>1,435,680</u>	<u>1,435,680</u>	<u>713,359</u>	<u>(722,321)</u>
Excess (Deficiency) of Revenues over Expenditures	(111,885)	(111,885)	25,968	137,853
<u>Other Financing Sources (Uses)</u>				
Transfers In	49,361	49,361	24,681	(24,680)
Total Other Sources (Uses)	<u>49,361</u>	<u>49,361</u>	<u>24,681</u>	<u>(24,680)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(62,524)	(62,524)	50,649	113,173
Fund Balance as of January 1	115,636	115,636	129,216	13,580
Fund Balance as of December 31	<u>\$ 53,112</u>	<u>\$ 53,112</u>	<u>\$ 179,865</u>	<u>\$ 126,753</u>
Pest Board				
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Miscellaneous	\$ 186,966	\$ 186,966	\$ 96,033	\$ (90,933)
Total Revenues	<u>186,966</u>	<u>186,966</u>	<u>96,033</u>	<u>(90,933)</u>
<u>Expenditures</u>				
Natural & Economic Environment	260,785	260,785	92,823	(167,962)
Capital Outlay	11,181	11,181	0	(11,181)
Total Expenditures	<u>271,966</u>	<u>271,966</u>	<u>92,823</u>	<u>(179,143)</u>
Excess (Deficiency) of Revenues over Expenditures	(85,000)	(85,000)	3,210	88,210
Fund Balance as of January 1	85,000	85,000	91,185	6,185
Fund Balance as of December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 94,395</u>	<u>\$ 94,395</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Work Crew Replacement

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 70,000	\$ 70,000	\$ 30,540	\$ (39,460)
Interest Earnings	0	0	682	682
Total Revenues	70,000	70,000	31,222	(38,778)
<u>Expenditures</u>				
Capital Outlay	68,229	68,229	0	(68,229)
Total Expenditures	68,229	68,229	0	(68,229)
Excess (Deficiency) of Revenues over Expenditures	1,771	1,771	31,222	29,451
Fund Balance as of January 1	178,000	178,000	179,024	1,024
Fund Balance as of December 31	\$ 179,771	\$ 179,771	\$ 210,246	\$ 30,475

State Housing

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 340,000	\$ 340,000	\$ 175,402	\$ (164,598)
Interest Earnings	2,000	2,000	5,922	3,922
Total Revenues	342,000	342,000	181,324	(160,676)
<u>Expenditures</u>				
Natural & Economic Environment	1,821,600	1,821,600	721,916	(1,099,684)
Culture and Recreation	200,000	200,000	0	(200,000)
Total Expenditures	2,021,600	2,021,600	721,916	(1,299,684)
Excess (Deficiency) of Revenues over Expenditures	(1,679,600)	(1,679,600)	(540,592)	1,139,008
Fund Balance as of January 1	1,700,000	1,700,000	1,745,512	45,512
Fund Balance as of December 31	\$ 20,400	\$ 20,400	\$ 1,204,920	\$ 1,184,520

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Vit Impact			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Taxes	\$ 1,700,000	\$ 1,700,000	\$ 487,913	\$ (1,212,087)
Total Revenues	1,700,000	1,700,000	487,913	(1,212,087)
<u>Expenditures</u>				
Capital Outlay	300,000	300,000	0	(300,000)
Total Expenditures	300,000	300,000	0	(300,000)
Excess (Deficiency) of Revenues over Expenditures	1,400,000	1,400,000	487,913	(912,087)
<u>Other Financing Sources (Uses)</u>				
Transfers Out	(769,558)	(769,558)	(384,779)	384,779
Total Other Sources (Uses)	(769,558)	(769,558)	(384,779)	384,779
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	630,442	630,442	103,134	(527,308)
Fund Balance as of January 1	3,800,000	3,800,000	3,717,865	(82,135)
Fund Balance as of December 31	\$ 4,430,442	\$ 4,430,442	\$ 3,820,999	\$ (609,443)

	Homeless Housing & Assistance			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 86,029	\$ (43,971)
Charges For Services	1,500,000	1,500,000	914,579	(585,421)
Interest Earnings	2,000	2,000	7,859	5,859
Total Revenues	1,632,000	1,632,000	1,008,467	(623,533)
<u>Expenditures</u>				
Natural & Economic Environment	3,125,312	3,125,312	877,931	(2,247,381)
Total Expenditures	3,125,312	3,125,312	877,931	(2,247,381)
Excess (Deficiency) of Revenues over Expenditures	(1,493,312)	(1,493,312)	130,536	1,623,848
Fund Balance as of January 1	1,500,000	1,500,000	2,036,544	536,544
Fund Balance as of December 31	\$ 6,688	\$ 6,688	\$ 2,167,080	\$ 2,160,392

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

Solid Waste Collection Fund

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 237,400	\$ 237,400	\$ 95,565	\$ (141,835)
Charges For Services	364,000	364,000	205,923	(158,077)
Total Revenues	601,400	601,400	301,488	(299,912)
<u>Expenditures</u>				
Natural & Economic Environment	690,145	690,145	303,710	(386,435)
Capital Outlay	125,066	125,066	0	(125,066)
Total Expenditures	815,211	815,211	303,710	(511,501)
Excess (Deficiency) of Revenues over Expenditures	(213,811)	(213,811)	(2,222)	211,589
Fund Balance as of January 1	685,000	685,000	743,575	58,575
Fund Balance as of December 31	\$ 471,189	\$ 471,189	\$ 741,353	\$ 270,164

Trial Court Improvement

	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Intergovernmental	\$ 236,000	\$ 236,000	\$ 119,972	\$ (116,028)
Charges For Services	80,000	80,000	63,768	(16,232)
Total Revenues	316,000	316,000	183,740	(132,260)
<u>Expenditures</u>				
General Government Services	150,000	150,000	9,904	(140,096)
Capital Outlay	90,000	90,000	0	(90,000)
Total Expenditures	240,000	240,000	9,904	(230,096)
Excess (Deficiency) of Revenues over Expenditures	76,000	76,000	173,836	97,836
Fund Balance as of January 1	50,000	50,000	265,668	215,668
Fund Balance as of December 31	\$ 126,000	\$ 126,000	\$ 439,504	\$ 313,504

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Historical Preservation			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Charges For Services	\$ 80,000	\$ 80,000	\$ 39,184	\$ (40,816)
Total Revenues	80,000	80,000	39,184	(40,816)
<u>Expenditures</u>				
General Government Services	175,385	175,385	32,363	(143,022)
Total Expenditures	175,385	175,385	32,363	(143,022)
Excess (Deficiency) of Revenues over Expenditures	(95,385)	(95,385)	6,821	102,206
Fund Balance as of January 1	95,385	95,385	104,425	9,040
Fund Balance as of December 31	\$ 0	\$ 0	\$ 111,246	\$ 111,246

	Domestic Violence Assessment			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Fines and Forfeitures	\$ 8,925	\$ 8,925	\$ 3,785	\$ (5,140)
Total Revenues	8,925	8,925	3,785	(5,140)
<u>Expenditures</u>				
General Government Services	31,172	31,172	1,910	(29,262)
Total Expenditures	31,172	31,172	1,910	(29,262)
Excess (Deficiency) of Revenues over Expenditures	(22,247)	(22,247)	1,875	24,122
Fund Balance as of January 1	27,750	27,750	26,478	(1,272)
Fund Balance as of December 31	\$ 5,503	\$ 5,503	\$ 28,353	\$ 22,850

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2013

	Summary			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Taxes	\$ 2,770,600	\$ 2,770,600	\$ 1,027,503	\$ (1,743,097)
Licenses and Permits	1,370,075	1,370,075	776,632	(593,443)
Intergovernmental	6,162,031	6,918,678	2,378,355	(4,540,323)
Charges For Services	12,229,884	11,473,237	7,037,265	(4,435,972)
Fines and Forfeitures	8,925	8,925	3,785	(5,140)
Interest Earnings	86,077	86,077	100,473	14,396
Donations	2,000	2,000	6,319	4,319
Miscellaneous	1,573,864	1,573,864	741,835	(832,029)
Total Revenues	<u>24,203,456</u>	<u>24,203,456</u>	<u>12,072,167</u>	<u>(12,131,289)</u>
<u>Expenditures</u>				
General Government Services	6,531,830	6,531,830	2,667,043	(3,864,787)
Public Safety	5,471,904	5,562,595	8,779,916	3,217,321
Natural & Economic Environment	6,777,774	6,777,774	2,414,353	(4,363,421)
Social Services	328,763	328,763	101,637	(227,126)
Culture and Recreation	1,713,081	1,687,931	394,543	(1,293,388)
Capital Outlay	1,929,428	1,877,637	328,763	(1,548,874)
Debt Service:				
Interest	2,100	2,100	1,154	(946)
Total Expenditures	<u>22,754,880</u>	<u>22,768,630</u>	<u>14,687,409</u>	<u>(8,081,221)</u>
Excess (Deficiency) of Revenues over Expenditures	1,448,576	1,434,826	(2,615,242)	(4,050,068)
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	1,000	1,000	4,676	3,676
Transfers In	9,153,952	9,180,346	3,863,636	(5,316,710)
Transfers Out	(4,957,545)	(4,957,695)	(1,141,262)	3,816,433
Total Other Sources (Uses)	<u>4,197,407</u>	<u>4,223,651</u>	<u>2,727,050</u>	<u>(1,496,601)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	5,645,983	5,658,477	111,808	(5,546,669)
Fund Balance as of January 1	20,869,017	20,869,017	22,347,423	1,478,406
Fund Balance as of December 31	<u>\$ 26,515,000</u>	<u>\$ 26,527,494</u>	<u>\$ 22,459,231</u>	<u>\$ (4,068,263)</u>

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

Nonmajor Debt Service Funds

Year Ended December 31, 2013

	CRID #11 & #12 Debt Service			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Penalties	\$ 0	\$ 0	\$ 557	\$ 557
Interest Earnings	17,616	17,616	8,947	(8,669)
Other Revenue	40,000	40,000	17,596	(22,404)
Total Revenues	57,616	57,616	27,100	(30,516)
<u>Expenditures</u>				
Debt Service				
Principal	40,000	40,000	50,000	10,000
Interest	16,606	16,606	7,085	(9,521)
Total Expenditures	56,606	56,606	57,085	479
Excess (Deficiency) of Revenues over Expenditures	1,010	1,010	(29,985)	(30,995)
Fund Balance, January 1	2,200	2,200	41,734	39,534
Fund Balance, December 31	\$ 3,210	\$ 3,210	\$ 11,749	\$ 8,539

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

Nonmajor Debt Service Funds

Year Ended December 31, 2013

	CRID #15 (Cottonwood Springs) Debt Service			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Penalties	\$ 0	\$ 0	\$ 2,782	\$ 2,782
Interest Earnings	44,454	44,454	21,722	(22,732)
Other Revenue	40,000	40,000	42,311	2,311
Total Revenues	84,454	84,454	66,815	(17,639)
<u>Expenditures</u>				
Debt Service				
Principal	50,000	50,000	48,000	(2,000)
Interest	36,838	36,838	12,386	(24,452)
Total Expenditures	86,838	86,838	60,386	(26,452)
Excess (Deficiency) of Revenues over Expenditures	(2,384)	(2,384)	6,429	8,813
Fund Balance, January 1	5,000	5,000	2,448	(2,552)
Fund Balance, December 31	\$ 2,616	\$ 2,616	\$ 8,877	\$ 6,261

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

Nonmajor Debt Service Funds

Year Ended December 31, 2013

	CRID #16 (Spirit Lane) Debt Service			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Penalties	\$ 0	\$ 0	\$ 433	\$ 433
Interest Earnings	9,244	9,244	4,228	(5,016)
Other Revenue	5,000	5,000	5,438	438
Total Revenues	14,244	14,244	10,099	(4,145)
<u>Expenditures</u>				
Debt Service				
Principal	10,000	10,000	7,000	(3,000)
Interest	8,544	8,544	2,359	(6,185)
Total Expenditures	18,544	18,544	9,359	(9,185)
Excess (Deficiency) of Revenues over Expenditures	(4,300)	(4,300)	740	5,040
Fund Balance, January 1	5,000	5,000	1,564	(3,436)
Fund Balance, December 31	\$ 700	\$ 700	\$ 2,304	\$ 1,604

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

Nonmajor Debt Service Funds

Year Ended December 31, 2013

	Health Building Bond			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Other Revenue	\$ 632,400	\$ 632,400	\$ 338,383	\$ (294,017)
Total Revenues	632,400	632,400	338,383	(294,017)
<u>Expenditures</u>				
Debt Service				
Principal	460,000	460,000	225,000	(235,000)
Interest	569,650	569,650	289,437	(280,213)
Total Expenditures	1,029,650	1,029,650	514,437	(515,213)
Excess (Deficiency) of Revenues over Expenditures	(397,250)	(397,250)	(176,054)	221,196
<u>Other Financing Sources (Uses)</u>				
Transfers In	397,250	397,250	198,238	(199,012)
Total Other Financing Sources (Uses)	397,250	397,250	198,238	(199,012)
Excess (Deficit) Resources Over Uses	0	0	22,184	22,184
Fund Balance, January 1	65,613	65,613	64,263	(1,350)
Fund Balance, December 31	\$ 65,613	\$ 65,613	\$ 86,447	\$ 20,834

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

Nonmajor Debt Service Funds

Year Ended December 31, 2013

	Justice Center Bond			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Taxes	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0
<u>Expenditures</u>				
Debt Service				
Principal	3,765,000	3,765,000	1,845,000	(1,920,000)
Interest	1,310,400	1,310,400	692,100	(618,300)
Total Expenditures	5,075,400	5,075,400	2,537,100	(2,538,300)
Excess (Deficiency) of Revenues over Expenditures	(5,075,400)	(5,075,400)	(2,537,100)	2,538,300
<u>Other Financing Sources (Uses)</u>				
Transfers In	5,075,400	5,075,400	2,537,100	(2,538,300)
Total Other Financing Sources (Uses)	5,075,400	5,075,400	2,537,100	(2,538,300)
Excess (Deficit) Resources Over Uses	0	0	0	0
Fund Balance, January 1	1,317,486	1,317,486	1,317,486	0
Fund Balance, December 31	\$ 1,317,486	\$ 1,317,486	\$ 1,317,486	\$ 0

BENTON COUNTY, WASHINGTON

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

Nonmajor Capital Projects Funds

Year Ended December 31, 2013

	Detox Center Construction			
	Original Biennial Budget	Final Biennial Budget	2013 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>				
Interest Earnings	\$ 300	\$ 300	\$ 61	\$ (239)
Total Revenues	<u>300</u>	<u>300</u>	<u>61</u>	<u>(239)</u>
<u>Expenditures</u>				
Social Services	8,200	8,200	0	(8,200)
Capital Outlay	9,000	9,000	0	(9,000)
Total Expenditures	<u>17,200</u>	<u>17,200</u>	<u>0</u>	<u>(17,200)</u>
Excess (Deficiency) of Revenues over Expenditures	(16,900)	(16,900)	61	16,961
Fund Balance, January 1	17,200	17,200	17,324	124
Fund Balance, December 31	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ 17,385</u>	<u>\$ 17,085</u>

THIS PAGE LEFT BLANK INTENTIONALLY

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, 2013

Assets	<u>Equipment Rental & Revolving</u>	<u>Central Services</u>	<u>Workers' Compensation</u>
<u>Current Assets</u>			
Cash/Cash Equivalents	\$ 4,818,939	\$ 198,766	\$ 3,050,166
Investments	0	599,571	0
Accounts Receivable	7,643	0	0
Interest Receivable	1,645	0	984
Due From Other Funds	128,762	45,570	58,484
Due From Other Governmental Units	0	2,717	0
Inventory/Prepayments	2,211,683	0	0
Total Current Assets	<u>7,168,672</u>	<u>846,625</u>	<u>3,109,635</u>
<u>Noncurrent Assets</u>			
Projects In Progress	21,816	0	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	7,041,221	2,293,719	0
Less Accumulated Depreciation	(7,056,408)	(2,032,912)	0
Total noncurrent assets	<u>3,634,676</u>	<u>376,197</u>	<u>0</u>
Total Assets	<u>\$ 10,803,348</u>	<u>\$ 1,222,822</u>	<u>\$ 3,109,635</u>
Liabilities			
<u>Current Liabilities</u>			
Accounts/Vouchers Payable	\$ 59,644	\$ 92,160	\$ 13,834
Capital Leases Payable	0	92,707	0
Due To Other Funds	8,470	3,608	17,265
Accrued Wages Payable	41,136	86,656	5,377
Total Current Liabilities	<u>109,251</u>	<u>275,131</u>	<u>36,476</u>
<u>Noncurrent Liabilities</u>			
Compensated Absences	18,938	0	0
Capital Leases Payable	0	5,805	0
Total Noncurrent Liabilities	<u>18,938</u>	<u>5,805</u>	<u>0</u>
Total Liabilities	<u>128,189</u>	<u>280,936</u>	<u>36,476</u>
Net Position			
Net Investment in Capital Assets	3,634,676	277,685	0
Unrestricted	7,040,483	664,200	3,073,159
Total Net Position	<u>\$ 10,675,159</u>	<u>\$ 941,886</u>	<u>\$ 3,073,159</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Net Position
Internal Service Funds
December 31, 2013

Assets	<u>Insurance Management</u>	<u>Accumulated Leave</u>	<u>2013 Total</u>
<u>Current Assets</u>			
Cash/Cash Equivalents	\$ 1,526,558	\$ 160,057	\$ 9,754,486
Investments	0	680,213	1,279,784
Accounts Receivable	0	0	7,643
Interest Receivable	437	0	3,067
Due From Other Funds	228,005	144,938	605,759
Due From Other Governmental Units	0	0	2,717
Inventory/Prepayments	0	0	2,211,683
Total Current Assets	<u>1,755,000</u>	<u>985,208</u>	<u>13,865,139</u>
<u>Noncurrent Assets</u>			
Projects In Progress	0	0	21,816
Capital Assets			
Land	0	0	246,520
Buildings	0	0	3,023,609
Improvements Other Than Buildings	0	0	473,309
Machinery and Equipment	120,123	0	9,455,063
Less Accumulated Depreciation	<u>(108,249)</u>	<u>0</u>	<u>(9,197,569)</u>
Total noncurrent assets	<u>11,874</u>	<u>0</u>	<u>4,022,748</u>
Total Assets	<u>\$ 1,766,874</u>	<u>\$ 985,208</u>	<u>\$ 17,887,887</u>
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accounts/Vouchers Payable	\$ 42,579	\$ 12,373	\$ 220,590
Capital Leases Payable	0	0	92,707
Due To Other Funds	149	0	29,492
Accrued Wages Payable	<u>3,937</u>	<u>0</u>	<u>137,106</u>
Total Current Liabilities	<u>46,665</u>	<u>12,373</u>	<u>479,895</u>
<u>Noncurrent Liabilities</u>			
Compensated Absences	0	0	18,938
Capital Leases Payable	<u>0</u>	<u>0</u>	<u>5,805</u>
Total Noncurrent Liabilities	<u>0</u>	<u>0</u>	<u>24,743</u>
Total Liabilities	<u>46,665</u>	<u>12,373</u>	<u>504,639</u>
<u>Net Position</u>			
Net Investment in Capital Assets	11,874	0	3,924,236
Unrestricted	<u>1,708,335</u>	<u>972,835</u>	<u>13,459,012</u>
Total Net Position	<u>\$ 1,720,210</u>	<u>\$ 972,835</u>	<u>\$ 17,383,248</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, 2013

	Equipment Rental & Revolving	Central Services	Workers' Compensation
<u>Operating Revenues:</u>			
Charges For Services	\$ 2,290,559	\$ 2,814,455	\$ 1,096,894
Cost of Goods Sold	(399,602)	0	0
Miscellaneous	0	1,659	356
Total Operating Revenue	<u>1,890,957</u>	<u>2,816,114</u>	<u>1,097,250</u>
<u>Operating Expenses:</u>			
Personal services	240,613	1,004,022	252,095
Contractual services	11,103	1,344,444	116,833
Other supplies and expenses	736,571	303,342	3,096
Depreciation	530,501	445,522	0
Payment to Claimants	0	0	478,433
Total Operating Expenses	<u>1,518,788</u>	<u>3,097,330</u>	<u>850,457</u>
Operating Income (Loss)	<u>372,169</u>	<u>(281,216)</u>	<u>246,793</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest Revenue	15,365	0	9,611
Interest Expense	0	(62,089)	0
Gain (Loss) on Capital Asset Disposal	26,119	(1,055)	0
Other Non-Operating Revenues (Expenses)	10,142	(61,986)	0
Total Non-Operating Revenues (Expenses)	<u>51,626</u>	<u>(125,130)</u>	<u>9,611</u>
Net Income (Loss) Before Transfers	423,795	(406,346)	256,404
Transfers In	<u>0</u>	<u>241,198</u>	<u>0</u>
Changes in Net Position	423,795	(165,148)	256,404
Net Position as of January 1	10,251,364	1,107,034	2,816,755
Net Position as of December 31	<u>\$ 10,675,159</u>	<u>\$ 941,886</u>	<u>\$ 3,073,159</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds Year Ended December 31, 2013

	Insurance Management	Accumulated Leave	2013 Total
<u>Operating Revenues:</u>			
Charges For Services	\$ 1,620,071	\$ 0	\$ 7,821,979
Cost of Goods Sold		0	(399,602)
Miscellaneous	273	583,331	585,619
Total Operating Revenue	<u>1,620,344</u>	<u>583,331</u>	<u>8,007,996</u>
<u>Operating Expenses:</u>			
Personal services	47,270	491,335	2,035,335
Contractual services	511,317	0	1,983,698
Other supplies and expenses	9,102	0	1,052,111
Depreciation	19,228	0	995,251
Payment to Claimants	717,803	0	1,196,236
Total Operating Expenses	<u>1,304,720</u>	<u>491,335</u>	<u>7,262,631</u>
Operating Income (Loss)	<u>315,623</u>	<u>91,996</u>	<u>745,365</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest Revenue	4,805	0	29,781
Interest Expense	0	0	(62,089)
Gain (Loss) on Capital Asset Disposal	0	0	25,064
Other Non-Operating Revenues (Expenses)	(45,634)	0	(97,477)
Total Non-Operating Revenues (Expenses)	<u>(40,829)</u>	<u>0</u>	<u>(104,721)</u>
Net Income (Loss) Before Transfers	274,795	91,996	640,644
Transfers In	<u>0</u>	<u>0</u>	<u>241,198</u>
Changes in Net Position	274,795	91,996	881,842
Net Position as of January 1	1,445,415	880,838	16,501,406
Net Position as of December 31	<u>\$ 1,720,210</u>	<u>\$ 972,834</u>	<u>\$ 17,383,248</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2013

	Equipment Rental & Revolving	Central Services	Workers' Compensation
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 104,167	\$ 0	\$ 0
Receipts from interfund services provided	2,188,164	2,838,282	1,041,409
Miscellaneous Receipts	16,498	1,659	356
Payments to Employees	(454,882)	(1,003,474)	(255,637)
Payments to Suppliers	(861,977)	(1,670,086)	(613,264)
Payments for interfund services used	(202,608)	3,608	17,265
Net cash provided (used) by operating activities	<u>789,362</u>	<u>169,987</u>	<u>190,130</u>
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers from other funds	<u>0</u>	<u>241,198</u>	<u>0</u>
Net cash provided (used) by noncapital financing activities	<u>0</u>	<u>241,198</u>	<u>0</u>
<u>Cash Flows From Capital And Related Financing Activities</u>			
Interest Paid On Capital Lease	0	(62,089)	0
Principal Paid On Capital Lease		(186,229)	0
Proceeds from Sale of Capital Assets	78,299		0
Purchases of capital assets	(667,171)	(42,585)	0
Net cash provided (used) by capital and related financing activities	<u>(588,872)</u>	<u>(290,903)</u>	<u>0</u>
<u>Cash Flows From Investing Activities:</u>			
Interest Received	<u>15,721</u>	<u>0</u>	<u>9,611</u>
Net Cash Provided by Investing Activities	<u>15,721</u>	<u>0</u>	<u>9,611</u>
 Net Increase in Cash & Cash Equivalents	 216,211	 120,282	 199,739
Balances as of January 1	4,602,728	678,055	2,850,426
Balances as of December 31	<u>\$ 4,818,939</u>	<u>\$ 798,337</u>	<u>\$ 3,050,165</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2013

	Insurance Management	Accumulated Leave	2013 Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 0	\$ 0	\$ 104,167
Receipts from interfund services provided	1,393,641	(144,650)	7,316,847
Miscellaneous Receipts	273	583,331	602,117
Payments to Employees	(47,056)	(491,336)	(2,252,384)
Payments to Suppliers	(1,239,782)	12,373	(4,372,737)
Payments for interfund services used	149	1	(181,585)
Net cash provided (used) by operating activities	<u>107,225</u>	<u>(40,280)</u>	<u>1,216,424</u>
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers from other funds	<u>0</u>	<u>0</u>	<u>241,198</u>
Net cash provided (used) by noncapital financing activities	<u>0</u>	<u>0</u>	<u>241,198</u>
<u>Cash Flows From Capital And Related Financing Activities</u>			
Interest Paid On Capital Lease	0	0	(62,089)
Principal Paid On Capital Lease	0	0	(186,229)
Proceeds from Sale of Capital Assets	20,187	0	98,486
Purchases of capital assets	<u>0</u>	<u>0</u>	<u>(709,756)</u>
Net cash provided (used) by capital and related financing activities	<u>20,187</u>	<u>0</u>	<u>(859,588)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest Received	<u>4,805</u>	<u>0</u>	<u>30,137</u>
Net Cash Provided by Investing Activities	<u>4,805</u>	<u>0</u>	<u>30,137</u>
Net Increase in Cash & Cash Equivalents	132,217	(40,280)	628,169
Balances as of January 1	1,394,340	880,550	10,406,099
Balances as of December 31	<u>\$ 1,526,557</u>	<u>\$ 840,270</u>	<u>\$ 11,034,268</u>

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2013

	<u>Equipment Rental & Revolving</u>	<u>Central Services</u>	<u>Workers' Compensation</u>
Operating Income/(Loss)	\$ <u>372,169</u>	\$ <u>(281,216)</u>	\$ <u>246,793</u>
<i><u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u></i>			
Depreciation Expense	530,501	445,522	0
Other Non-Cash Revenue/Expense	(29,557)	0	0
Changes in assets and liabilities:			
Receivables, net	47,827	23,826	(55,485)
Inventories	(131,440)	0	0
Accounts and other payables	<u>(139)</u>	<u>(18,145)</u>	<u>(1,178)</u>
Net cash provided by operating activities	<u>\$ 789,361</u>	<u>\$ 169,987</u>	<u>\$ 190,130</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2013

	<u>Insurance Management</u>	<u>Accumulated Leave</u>	<u>2013 Total</u>
Operating Income/(Loss)	\$ 315,623	\$ 91,996	\$ 745,365
<i><u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u></i>			
Depreciation Expense	19,228	0	995,251
Other Non-Cash Revenue/Expense	0	0	(29,557)
Changes in assets and liabilities:			
Receivables, net	(226,430)	(144,650)	(354,911)
Inventories	0	0	(131,440)
Accounts and other payables	(1,196)	12,373	(8,285)
Net cash provided by operating activities	<u>\$ 107,225</u>	<u>\$ (40,280)</u>	<u>\$ 1,216,423</u>

THIS PAGE LEFT BLANK INTENTIONALLY

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 Assets and Liabilities

Agency Funds

December 31, 2013

	Benton Franklin Health	Mosquito Control	Weed District	Greater Columbia Behavioral Health
ASSETS				
Cash, cash equivalents and pooled investments	\$ 1,766,543	\$ 1,050,935	\$ 38,106	\$ 4,887,502
Taxes Receivable	0	40,777	0	0
Total Assets	<u>\$ 1,766,543</u>	<u>\$ 1,091,712</u>	<u>\$ 38,106</u>	<u>\$ 4,887,502</u>
LIABILITIES				
Warrants Payable	\$ 0	\$ -	\$ 0	\$ 0
Vouchers Payable	121,745	16,234	0	4,066,695
Due to Other Governmental Units	1,644,798	1,075,478	38,106	820,807
Total Liabilities	<u>\$ 1,766,543</u>	<u>\$ 1,091,712</u>	<u>\$ 38,106</u>	<u>\$ 4,887,502</u>

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2013

	Kennewick Abatement	Rural Library	Cities	State and Trust Funds
ASSETS				
Cash, cash equivalents and pooled investments	\$ 625	\$ 19,859	\$ 327,058	\$ 1,060,742
Taxes Receivable	0	107,853	763,457	1,010,784
Total Assets	<u>\$ 625</u>	<u>\$ 127,712</u>	<u>\$ 1,090,515</u>	<u>\$ 2,071,526</u>
LIABILITIES				
Warrants Payable	\$ 0	\$ 0	\$ 0	\$ 0
Vouchers Payable	0	0	0	0
Due to Other Governmental Units	625	127,712	1,090,515	2,071,526
Total Liabilities	<u>\$ 625</u>	<u>\$ 127,712</u>	<u>\$ 1,090,515</u>	<u>\$ 2,071,526</u>

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2013

School Districts	Port Districts	Hospital Districts	Water Districts	Irrigation Districts	Fire Districts
\$179,514,713	\$ 12,749,971	\$ 3,897	\$ 194,631	\$ 5,035,381	\$ 5,488,958
1,962,739	152,127	60,990	0	0	236,845
<u>\$181,477,452</u>	<u>\$ 12,902,098</u>	<u>\$ 64,887</u>	<u>\$ 194,631</u>	<u>\$ 5,035,381</u>	<u>\$ 5,725,803</u>
\$ 9,961,857	\$ 460,154	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	4,416	157,245	157,201
<u>171,515,595</u>	<u>12,441,944</u>	<u>64,887</u>	<u>190,215</u>	<u>4,878,136</u>	<u>5,568,602</u>
<u>\$181,477,452</u>	<u>\$ 12,902,098</u>	<u>\$ 64,887</u>	<u>\$ 194,631</u>	<u>\$ 5,035,381</u>	<u>\$ 5,725,803</u>

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2013

	Drainage Districts	Diking District	Clean Air Authority	County Payroll & Warrant Clearing Funds
ASSETS				
Cash, cash equivalents and pooled investments	\$ 43,068	\$ 6,305	\$ 569,394	\$ 1,613,148
Taxes Receivable	0	0	0	0
Total Assets	\$ 43,068	\$ 6,305	\$ 569,394	\$ 1,613,148
LIABILITIES				
Warrants Payable	\$ 0	\$ 0	\$ 0	\$ 1,613,149
Vouchers Payable	332	0	5,663	0
Due to Other Governmental Units	42,736	6,305	563,731	(1)
Total Liabilities	\$ 43,068	\$ 6,305	\$ 569,394	\$ 1,613,148

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2013

Emergency Dispatch EDC	Hanford Economic Development	Public Facilities District	CRID Guaranty Fund	County Road Suspense	Benton City Library
\$ 137,219	\$ 1,657,455	\$ 18,607	\$ 66,924	\$ 3,500	\$ 12,571
0	0	0	0	0	3,268
<u>\$ 137,219</u>	<u>\$ 1,657,455</u>	<u>\$ 18,607</u>	<u>\$ 66,924</u>	<u>\$ 3,500</u>	<u>\$ 15,839</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
<u>137,219</u>	<u>1,657,455</u>	<u>18,607</u>	<u>66,924</u>	<u>3,500</u>	<u>15,839</u>
<u>\$ 137,219</u>	<u>\$ 1,657,455</u>	<u>\$ 18,607</u>	<u>\$ 66,924</u>	<u>\$ 3,500</u>	<u>\$ 15,839</u>

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2013

	Law Library Transfer	Benton Conservation District	<u>Totals</u> 2013
ASSETS			
Cash, cash equivalents and pooled investments	\$ 6,012	\$ 1,346	\$ 216,274,470
Taxes Receivable	0	0	4,338,840
Total Assets	\$ 6,012	\$ 1,346	\$ 220,613,310
LIABILITIES			
Warrants Payable	\$ 0	\$ 0	\$ 12,035,160
Vouchers Payable	0	0	4,529,531
Due to Other Governmental Units	6,012	1,346	204,048,619
Total Liabilities	\$ 6,012	\$ 1,346	\$ 220,613,310

BENTON COUNTY, WASHINGTON**Combining Statement of Changes in Assets and Liabilities**

All Agency Funds

For The Year Ended December 31, 2013

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Benton Franklin Health District</u>				
<i>Assets</i>				
Cash, cash equivalents and pooled investments	\$ 1,552,780	\$ 8,729,965	\$ 8,516,202	\$ 1,766,543
Total Assets	<u>\$ 1,552,780</u>	<u>\$ 8,729,965</u>	<u>\$ 8,516,202</u>	<u>\$ 1,766,543</u>
<i>Liabilities</i>				
Vouchers Payable	\$ 552,404	\$ 7,406,341	\$ 7,837,000	\$ 121,745
Due to Other Governmental Units	1,000,376	1,644,798	1,000,376	1,644,798
Total Liabilities	<u>\$ 1,552,780</u>	<u>\$ 9,051,139</u>	<u>\$ 8,837,376</u>	<u>\$ 1,766,543</u>
<u>Mosquito Control</u>				
<i>Assets</i>				
Cash, cash equivalents and pooled investments	\$ 1,398,721	\$ 2,882,674	\$ 3,230,460	\$ 1,050,935
Taxes Receivable	44,436	1,338,179	1,341,838	40,777
Total Assets	<u>\$ 1,443,157</u>	<u>\$ 4,220,853</u>	<u>\$ 4,572,298</u>	<u>\$ 1,091,712</u>
<i>Liabilities</i>				
Warrants Payable	\$ 132,657	\$ 0	\$ 132,657	\$ 0
Vouchers Payable	0	1,492,520	1,476,286	16,234
Due to Other Governmental Units	1,310,500	1,075,478	1,310,500	1,075,478
Total Liabilities	<u>\$ 1,443,157</u>	<u>\$ 2,567,998</u>	<u>\$ 2,919,443</u>	<u>\$ 1,091,712</u>

Weed District*Assets*

Cash, cash equivalents and pooled investments	\$	64,185	\$	22,863	\$	48,942	\$	38,106
Total Assets	\$	<u>64,185</u>	\$	<u>22,863</u>	\$	<u>48,942</u>	\$	<u>38,106</u>

Liabilities

Vouchers Payable	\$	296	\$	48,688	\$	48,984	\$	0
Due to Other Governmental Units		63,889		38,106		63,889		38,106
Total Liabilities	\$	<u>64,185</u>	\$	<u>86,794</u>	\$	<u>112,873</u>	\$	<u>38,106</u>

Greater Columbia Behavioral Health*Assets*

Cash, cash equivalents and pooled investments	\$	7,484,980	\$	55,233,739	\$	57,831,217	\$	4,887,502
Total Assets	\$	<u>7,484,980</u>	\$	<u>55,233,739</u>	\$	<u>57,831,217</u>	\$	<u>4,887,502</u>

Liabilities

Vouchers Payable	\$	0	\$	61,101,166	\$	57,034,471	\$	4,066,695
Due to Other Governmental Units		7,484,980		820,807		7,484,980		820,807
Total Liabilities	\$	<u>7,484,980</u>	\$	<u>61,921,973</u>	\$	<u>64,519,451</u>	\$	<u>4,887,502</u>

Kennewick Abatement*Assets*

Cash, cash equivalents and pooled investments	\$	282	\$	15,273	\$	14,930	\$	625
Total Assets	\$	<u>282</u>	\$	<u>15,273</u>	\$	<u>14,930</u>	\$	<u>625</u>

Liabilities

Due to Other Governmental Units	\$	282	\$	625	\$	282	\$	625
Total Liabilities	\$	<u>282</u>	\$	<u>625</u>	\$	<u>282</u>	\$	<u>625</u>

Rural Library*Assets*

Cash, cash equivalents and pooled investments	\$	24,272	\$	3,532,662	\$	3,537,074	\$	19,859
Taxes Receivable		113,537		3,340,314		3,345,998		107,853
Total Assets	\$	<u>137,809</u>	\$	<u>6,872,976</u>	\$	<u>6,883,072</u>	\$	<u>127,712</u>

Liabilities

Due to Other Governmental Units	\$	137,810	\$	127,712	\$	137,810	\$	127,712
Total Liabilities	\$	<u>137,810</u>	\$	<u>127,712</u>	\$	<u>137,810</u>	\$	<u>127,712</u>

Cities*Assets*

Cash, cash equivalents and pooled investments	\$	352,966	\$	33,464,952	\$	33,490,861	\$	327,058
Taxes Receivable		743,207		29,786,429		29,766,179		763,457
Total Assets	\$	<u>1,096,173</u>	\$	<u>63,251,381</u>	\$	<u>63,257,040</u>	\$	<u>1,090,515</u>

Liabilities

Due to Other Governmental Units	\$	1,096,173	\$	1,090,515	\$	1,096,173	\$	1,090,515
Total Liabilities	\$	<u>1,096,173</u>	\$	<u>1,090,515</u>	\$	<u>1,096,173</u>	\$	<u>1,090,515</u>

State and Trust Funds*Assets*

Cash, cash equivalents and pooled investments	\$	1,268,464	\$	53,926,262	\$	54,133,983	\$	1,060,742
Taxes Receivable		956,371		36,515,176		36,460,763		1,010,784
Total Assets	\$	<u>2,224,835</u>	\$	<u>90,441,438</u>	\$	<u>90,594,746</u>	\$	<u>2,071,526</u>

Liabilities

Due to Other Governmental Units	\$	2,224,835	\$	2,071,526	\$	2,224,835	\$	2,071,526
Total Liabilities	\$	<u>2,224,835</u>	\$	<u>2,071,526</u>	\$	<u>2,224,835</u>	\$	<u>2,071,526</u>

School Districts*Assets*

Cash, cash equivalents and pooled investments	\$ 117,918,786	\$ 591,458,629	\$ 529,862,702	\$ 179,514,713
Taxes Receivable	1,980,150	67,858,578	67,875,989	1,962,739
Total Assets	<u>\$ 119,898,936</u>	<u>\$ 659,317,207</u>	<u>\$ 597,738,691</u>	<u>\$ 181,477,452</u>

Liabilities

Warrants Payable	\$ 9,156,971	\$ 164,201,167	\$ 163,396,281	\$ 9,961,857
Due to Other Governmental Units	110,741,963	171,515,595	110,741,963	171,515,595
Total Liabilities	<u>\$ 119,898,934</u>	<u>\$ 335,716,762</u>	<u>\$ 274,138,244</u>	<u>\$ 181,477,452</u>

Port Districts*Assets*

Cash, cash equivalents and pooled investments	\$ 13,213,852	\$ 43,048,044	\$ 43,511,925	\$ 12,749,971
Taxes Receivable	151,375	5,454,672	5,453,920	152,127
Total Assets	<u>\$ 13,365,227</u>	<u>\$ 48,502,716</u>	<u>\$ 48,965,845</u>	<u>\$ 12,902,098</u>

Liabilities

Warrants Payable	\$ 97,343	\$ 14,186,494	\$ 13,823,683	\$ 460,154
Due to Other Governmental Units	13,267,884	12,441,944	13,267,884	12,441,944
Total Liabilities	<u>\$ 13,365,227</u>	<u>\$ 26,628,438</u>	<u>\$ 27,091,567</u>	<u>\$ 12,902,098</u>

Hospital Districts*Assets*

Cash, cash equivalents and pooled investments	\$ 2,184	\$ 1,966,506	\$ 1,964,793	\$ 3,897
Taxes Receivable	62,087	1,954,037	1,955,134	60,990
Total Assets	<u>\$ 64,271</u>	<u>\$ 3,920,543</u>	<u>\$ 3,919,927</u>	<u>\$ 64,887</u>

Liabilities

Due to Other Governmental Units	\$ 64,271	\$ 64,887	\$ 64,271	\$ 64,887
Total Liabilities	<u>\$ 64,271</u>	<u>\$ 64,887</u>	<u>\$ 64,271</u>	<u>\$ 64,887</u>

Water Districts*Assets*

Cash, cash equivalents and pooled investments	\$	181,666	\$	130,085	\$	117,121	\$	194,631
Total Assets	\$	<u>181,666</u>	\$	<u>130,085</u>	\$	<u>117,121</u>	\$	<u>194,631</u>

Liabilities

Vouchers Payable	\$	277	\$	124,341	\$	120,202	\$	4,416
Due to Other Governmental Units		181,389		190,215		181,389		190,215
Total Liabilities	\$	<u>181,666</u>	\$	<u>314,556</u>	\$	<u>301,591</u>	\$	<u>194,631</u>

Irrigation Districts*Assets*

Cash, cash equivalents and pooled investments	\$	5,376,340	\$	11,919,502	\$	12,260,461	\$	5,035,381
Total Assets	\$	<u>5,376,340</u>	\$	<u>11,919,502</u>	\$	<u>12,260,461</u>	\$	<u>5,035,381</u>

Liabilities

Vouchers Payable	\$	154,922	\$	8,704,413	\$	8,702,090	\$	157,245
Due to Other Governmental Units		5,221,418		4,878,136		5,221,418		4,878,136
Total Liabilities	\$	<u>5,376,340</u>	\$	<u>13,582,549</u>	\$	<u>13,923,508</u>	\$	<u>5,035,381</u>

Fire Districts*Assets*

Cash, cash equivalents and pooled investments	\$	5,346,891	\$	10,877,163	\$	10,735,096	\$	5,488,958
Taxes Receivable		244,499		6,736,799		6,744,453		236,845
Total Assets	\$	<u>5,591,390</u>	\$	<u>17,613,962</u>	\$	<u>17,479,549</u>	\$	<u>5,725,803</u>

Liabilities

Vouchers Payable	\$	140,290	\$	6,050,093	\$	6,033,182	\$	157,201
Due to Other Governmental Units		5,451,102		5,568,602		5,451,102		5,568,602
Total Liabilities	\$	<u>5,591,392</u>	\$	<u>11,618,695</u>	\$	<u>11,484,284</u>	\$	<u>5,725,803</u>

Drainage Districts*Assets*

Cash, cash equivalents and pooled investments	\$	46,345	\$	4,385	\$	7,663	\$	43,068
Total Assets	\$	<u>46,345</u>	\$	<u>4,385</u>	\$	<u>7,663</u>	\$	<u>43,068</u>

Liabilities

Vouchers Payable	\$	1	\$	7,992	\$	7,661	\$	332
Due to Other Governmental Units		46,344		42,736		46,344		42,736
Total Liabilities	\$	<u>46,345</u>	\$	<u>50,728</u>	\$	<u>54,005</u>	\$	<u>43,068</u>

Diking District*Assets*

Cash, cash equivalents and pooled investments	\$	5,892	\$	6,695	\$	6,283	\$	6,305
Total Assets	\$	<u>5,892</u>	\$	<u>6,695</u>	\$	<u>6,283</u>	\$	<u>6,305</u>

Liabilities

Vouchers Payable	\$	39	\$	6,244	\$	6,283	\$	0
Due to Other Governmental Units		5,853		6,305		5,853		6,305
Total Liabilities	\$	<u>5,892</u>	\$	<u>12,549</u>	\$	<u>12,136</u>	\$	<u>6,305</u>

Clean Air Authority*Assets*

Cash, cash equivalents and pooled investments	\$	495,046	\$	609,875	\$	535,526	\$	569,394
Total Assets	\$	<u>495,046</u>	\$	<u>609,875</u>	\$	<u>535,526</u>	\$	<u>569,394</u>

Liabilities

Vouchers Payable	\$	13,007	\$	485,219	\$	492,563	\$	5,663
Due to Other Governmental Units		482,039		563,731		482,039		563,731
Total Liabilities	\$	<u>495,046</u>	\$	<u>1,048,950</u>	\$	<u>974,602</u>	\$	<u>569,394</u>

County Payroll & Warrant Clearing Funds*Assets*

Cash, cash equivalents and pooled investments	\$	1,653,185	\$	125,914,536	\$	125,954,572	\$	1,613,148
Total Assets	\$	<u>1,653,185</u>	\$	<u>125,914,536</u>	\$	<u>125,954,572</u>	\$	<u>1,613,148</u>

Liabilities

Warrants Payable	\$	1,653,187	\$	125,914,535	\$	125,954,573	\$	1,613,149
Due to Other Governmental Units		(2)		(1)		(2)		(1)
Total Liabilities	\$	<u>1,653,185</u>	\$	<u>125,914,534</u>	\$	<u>125,954,571</u>	\$	<u>1,613,148</u>

Emergency Dispatch - EDC*Assets*

Cash, cash equivalents and pooled investments	\$	135,757	\$	1,586,813	\$	1,585,351	\$	137,219
Total Assets	\$	<u>135,757</u>	\$	<u>1,586,813</u>	\$	<u>1,585,351</u>	\$	<u>137,219</u>

Liabilities

Due to Other Governmental Units	\$	135,757	\$	137,219	\$	135,757	\$	137,219
Total Liabilities	\$	<u>135,757</u>	\$	<u>137,219</u>	\$	<u>135,757</u>	\$	<u>137,219</u>

Hanford Economic Development*Assets*

Cash, cash equivalents and pooled investments	\$	2,011,435	\$	646,020	\$	1,000,000	\$	1,657,455
Total Assets	\$	<u>2,011,435</u>	\$	<u>646,020</u>	\$	<u>1,000,000</u>	\$	<u>1,657,455</u>

Liabilities

Due to Other Governmental Units	\$	2,011,435	\$	1,657,455	\$	2,011,435	\$	1,657,455
Total Liabilities	\$	<u>2,011,435</u>	\$	<u>1,657,455</u>	\$	<u>2,011,435</u>	\$	<u>1,657,455</u>

Public Facilities District*Assets*

Cash, cash equivalents and pooled investments	\$	16,726	\$	244,277	\$	242,397	\$	18,607
Total Assets	\$	<u>16,726</u>	\$	<u>244,277</u>	\$	<u>242,397</u>	\$	<u>18,607</u>

Liabilities

Due to Other Governmental Units	\$	16,726	\$	18,607	\$	16,726	\$	18,607
Total Liabilities	\$	<u>16,726</u>	\$	<u>18,607</u>	\$	<u>16,726</u>	\$	<u>18,607</u>

CRID Guaranty Fund*Assets*

Cash, cash equivalents and pooled investments	\$	66,684	\$	239	\$	0	\$	66,924
Total Assets	\$	<u>66,684</u>	\$	<u>239</u>	\$	<u>0</u>	\$	<u>66,924</u>

Liabilities

Due to Other Governmental Units	\$	66,426	\$	66,924	\$	66,426	\$	66,924
Total Liabilities	\$	<u>66,426</u>	\$	<u>66,924</u>	\$	<u>66,426</u>	\$	<u>66,924</u>

County Road Suspense*Assets*

Cash, cash equivalents and pooled investments	\$	24,016	\$	5,000	\$	25,516	\$	3,500
Total Assets	\$	<u>24,016</u>	\$	<u>5,000</u>	\$	<u>25,516</u>	\$	<u>3,500</u>

Liabilities

Vouchers Payable	\$	0	\$	25,516	\$	25,516	\$	0
Due to Other Governmental Units		24,016		3,500		24,016		3,500
Total Liabilities	\$	<u>24,016</u>	\$	<u>29,016</u>	\$	<u>49,532</u>	\$	<u>3,500</u>

Benton City Library*Assets*

Cash, cash equivalents and pooled investments	\$	11,147	\$	63,713	\$	62,288	\$	12,571
Taxes Receivable		3,684		63,320		63,736		3,268
Total Assets	\$	<u>14,831</u>	\$	<u>127,033</u>	\$	<u>126,024</u>	\$	<u>15,839</u>

Liabilities

Vouchers Payable	\$	0	\$	300	\$	300	\$	0
Due to Other Governmental Units		14,830		15,839		14,830		15,839
Total Liabilities	\$	<u>14,830</u>	\$	<u>16,139</u>	\$	<u>15,130</u>	\$	<u>15,839</u>

Law Library Transfer*Assets*

Cash, cash equivalents and pooled investments	\$	6,491	\$	81,983	\$	82,462	\$	6,012
Total Assets	\$	<u>6,491</u>	\$	<u>81,983</u>	\$	<u>82,462</u>	\$	<u>6,012</u>

Liabilities

Due to Other Governmental Units	\$	6,491	\$	6,012	\$	6,491	\$	6,012
Total Liabilities	\$	<u>6,491</u>	\$	<u>6,012</u>	\$	<u>6,491</u>	\$	<u>6,012</u>

Benton Conservation District*Assets*

Cash, cash equivalents and pooled investments	\$	1,047	\$	207,347	\$	207,048	\$	1,346
Total Assets	\$	<u>1,047</u>	\$	<u>207,347</u>	\$	<u>207,048</u>	\$	<u>1,346</u>

Liabilities

Due to Other Governmental Units	\$	1,047	\$	1,346	\$	1,047	\$	1,346
Total Liabilities	\$	<u>1,047</u>	\$	<u>1,346</u>	\$	<u>1,047</u>	\$	<u>1,346</u>

All Agency Funds*Assets*

Cash, cash equivalents and pooled investments	\$ 158,660,140	946,579,202	888,964,873	216,274,470
Taxes Receivable	4,299,346	153,047,504	153,008,010	4,338,840
Total Assets	\$ <u>162,959,486</u>	\$ <u>1,099,626,706</u>	\$ <u>1,041,972,883</u>	\$ <u>220,613,310</u>

Liabilities

Warrants Payable	\$ 11,040,158	\$ 304,302,196	\$ 303,307,194	\$ 12,035,160
Vouchers Payable	861,236	85,452,833	81,784,538	4,529,531
Due to Other Governmental Units	151,057,834	204,048,619	151,057,834	204,048,619
Total Liabilities	\$ <u>162,959,228</u>	\$ <u>593,803,648</u>	\$ <u>536,149,566</u>	\$ <u>220,613,310</u>

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

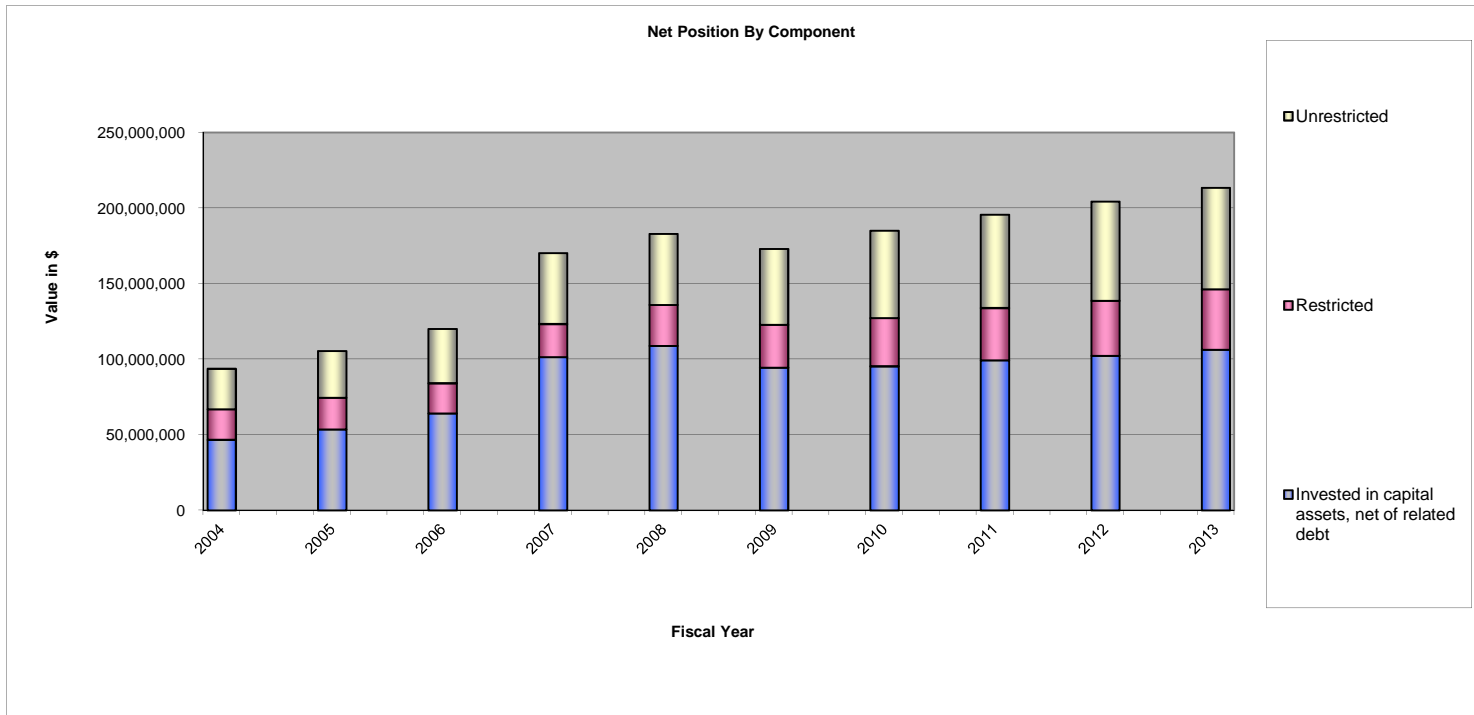
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

THIS PAGE LEFT BLANK INTENTIONALLY

Schedule 1
Benton County
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<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>	<u>2013</u>
Primary Government										
Governmental Activities										
Invested in capital assets, net of related debt	\$ 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	\$ 106,452,919
Restricted										
General Government	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	11,996,013
Public Safety	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	11,143,544
Social Services	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	7,990,217
Natural & Economic Environment	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	3,962,131
Transportation	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	4,297,691
Culture & Recreation	891,994	1,057,273	1,151,302	858,231	520,694	366,894	500,479	448,498	532,122	455,502
Utilities	182,378	176,488	183,757	156,800	119,864	85,464	67,645	38,113	33,014	99,775
Unrestricted	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	67,286,042
Total Primary Government										
Governmental Activities Net Position	<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>	<u>\$ 213,683,833</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>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>	<u>2013</u>
Expenses										
Governmental Activities:										
General Government	\$ 19,237,830	\$ 19,769,075	\$ 20,946,603	\$ 22,654,827	\$ 26,751,559	\$ 25,289,893	\$ 24,603,860	\$ 24,539,863	\$ 27,015,010	\$ 28,682,607
Public Safety	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	35,837,432
Utilities (Formerly Physical Environment)	1,460,833	1,676,805	1,485,752	1,600,702	1,698,156	1,821,594	1,815,012	1,752,381	0	0
Transportation	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	7,971,222
Natural & Economic Environment	1,693,824	1,712,083	1,780,568	1,822,219	2,013,292	2,171,535	2,014,223	2,026,527	3,927,526	3,380,606
Social Services	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	7,893,886
Culture and Recreation	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	975,448
Interest and fiscal changes	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	1,078,475
Total Governmental Activities Expenses	<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>	<u>85,819,675</u>
Total Primary Government Expenses	<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>	<u>\$ 85,819,675</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	\$ 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	\$ 13,405,906
Public Safety	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	12,690,756
Utilities	152,867	136,215	768,299	501,371	499,063	512,745	515,406	579,539	587,162	0
Transportation	177,832	182,042	327,323	354,285	510,277	709,859	657,251	311,699	436,133	473,247
Natural & Economic Environment	746,101	709,185	629,595	769,714	557,202	642,725	808,977	813,307	691,318	1,276,925
Social Services	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	1,587,305
Culture and Recreation	15,367	12,274	13,009	14,420	20,254	54,360	34,031	42,735	41,328	382,757
Operating Grants and Contributions										
General Government	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	1,378,512
Public Safety	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	1,319,775
Utilities	161,252	3,427	181,590	199,844	211,459	242,069	240,515	142,788	259,404	0
Transportation	3,821,677	2,587,299	6,053,031	1,067,858	362,600	374,895	113,112	504,836	434,011	2,118,751
Natural & Economic Environment	0	0	481,000	171,940	121,773	0	40,000	40,000	52,225	352,814
Social Services	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	5,809,947
Culture and Recreation	0	0	2,020	0	3,058	1,434	844	923	726	30,615
Capital Grants and Contributions										
General Government	0	0	0	0	108,000	9,950	185,611	0	0	0
Public Safety	0	0	0	0	612,000	307,889	25,580	0	0	0
Transportation	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	2,147,880
Culture and Recreation	0	0	0	0	0	30,000	0	0	0	0
Total Governmental Activities Program Revenues	<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>	<u>42,975,190</u>
Total Primary Governmental Program Revenues	<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>	<u>\$ 42,975,190</u>

Schedule 2
Benton County
Changes in Net Position,
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)/Revenue										
Governmental activities	\$ (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)	\$ (42,844,485)
Total Primary Government Net Expense	<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>	<u>\$ (42,844,485)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 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	\$ 25,365,057
Sales Taxes	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	17,115,363
Entitlements, Impact & In-lieu Payments	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	7,289,906
Excise Taxes	870,302	907,365	913,107	1,370,006	1,191,799	815,185	969,288	784,438	1,011,722	317,145
Penalties & Interest on Delinquent Taxes	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	538,631
Interest and Investment Earnings	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	1,377,128
Gain (Loss) on Disposal of Capital Assets	49,742	(401,785)	292,278	(5,539)	0	0	0	0	0	0
Total Governmental Activities	<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>	<u>52,003,230</u>
Total Primary Government	<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>	<u>\$ 52,003,230</u>
Changes in Net Position										
Governmental Activities:	\$ 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	\$ 9,158,745
Special Items	0	0	0	0	0	(23,079,303)	0	0	0	0
Prior Period Adjustments	0	1,155,161	0	37,424,083	0	0	0	0	0	0
Total Primary Government	<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>	<u>\$ 9,158,745</u>

183

Note: In 2013, the State Auditor's Office of Washington implemented changes to the Budget, Accounting & Reporting System (BARS) which dictates how entities in Washington report their financial statements. It was recognized that expenditures/expenses which Benton County included in the Physical Environment category in prior years had been assigned to the General Government and Natural & Economic Environment categories. For comparison purposes the 2012 Statement of Activities has been revised to reflect those changes.

Schedule 3
Benton County
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	<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>	<u>2013</u>
General Fund										
Reserved	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a	\$ n/a	\$ n/a
Unreserved	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	n/a
Nonspendable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Restricted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Committed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Assigned	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Unassigned	n/a	n/a	n/a	n/a	n/a	n/a	n/a	15,256,720	10,350,453	12,534,725
Total General Fund	<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>	<u>\$ 12,534,725</u>
All Other Governmental Funds										
Reserved	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	n/a	\$ n/a	\$ n/a
Unreserved										
Special Revenue Funds	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	n/a
Debt Service Funds	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	n/a
Capital Project Funds	399,422	1,251,657	17,815,247	13,533,826	13,806,461	10,642,261	15,746,114	n/a	n/a	n/a
Nonspendable	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	0	0
Restricted	n/a	n/a	n/a	n/a	n/a	n/a	n/a	34,475,402	36,210,855	39,773,687
Committed	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12,794,588	14,432,882	14,814,741
Assigned	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16,336,182	22,913,893	21,200,276
Unassigned	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	(33,035)	0
Total All Other Governmental Funds	<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>	<u>\$ 75,788,704</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>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>	<u>2013</u>
Revenues										
Property Taxes	\$ 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	\$ 25,366,144
Sales and Use Taxes	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	17,115,363
Other Taxes	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	855,776
Licenses and Permits	772,766	693,387	598,850	711,706	577,218	645,162	819,963	835,598	716,138	883,931
Intergovernmental	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	18,808,927
Charges For Services	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	23,988,112
Fines and Forfeits	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	3,497,674
Interest Earnings	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	1,401,304
Donations	8,285	81,672	132,997	35,600	268,588	420,059	428,397	291,242	114,006	14,517
Other Revenues	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	1,615,008
Total Revenues	79,773,871	84,960,086	90,107,234	92,540,781	102,835,401	102,280,353	100,911,427	102,281,023	91,065,538	93,546,755
Expenditures										
General Government	17,938,791	18,848,797	19,584,676	21,463,027	23,158,568	23,955,685	23,648,816	23,410,214	25,568,409	26,317,386
Public Safety	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	33,924,969
Utilities (Formerly Physical Environment)	1,446,088	1,682,255	1,475,784	1,582,296	1,719,845	1,808,406	1,827,963	1,779,929	0	0
Transportation	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	5,643,635
Natural & Economic Environment	1,663,350	1,728,510	1,754,073	1,798,525	2,025,279	2,171,970	1,864,919	2,054,409	3,959,036	3,415,294
Social Services	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	7,489,313
Culture and Recreation	928,241	1,059,552	968,052	1,076,839	1,115,700	1,071,650	1,000,867	963,069	980,959	850,663
Debt Service										
Principal	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	2,372,748
Interest	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	1,016,386
Capital Outlay	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	7,882,709
Total Expenditures	76,581,649	80,221,758	87,548,287	91,847,637	99,639,270	100,359,182	93,762,205	94,591,805	85,838,606	88,913,103
Excess of revenues over (under)										
Expenditures	3,192,222	4,738,328	2,558,947	693,144	3,196,131	1,921,171	7,149,222	7,689,218	5,226,932	4,633,652
Other Financing Sources (Uses)										
Refunding Bonds Issued	0	0	0	0	0	0	0	0	0	0
Payment To Bond Escrow Agent	0	0	0	0	0	0	0	0	0	0
Long-Term Debt Issued	0	874,290	7,291,875	1,462,500	1,625,000	162,500	0	0	0	0
Sales of Capital Assets	30,779	34,057	270,832	41,108	78,954	9,960	43,638	25,358	67,760	55,927
Transfers In	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	8,834,143
Transfers Out	(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)	(9,075,341)
Total Other Financing Sources (Uses)	(546,547)	664,565	7,310,943	1,234,809	1,274,035	(66,992)	(294,206)	(131,951)	(214,777)	(185,271)
Net Change in Fund Balance	\$ 2,645,675	\$ 5,402,893	\$ 9,869,890	\$ 1,927,953	\$ 4,470,166	\$ 1,854,179	\$ 6,855,016	\$ 7,557,267	\$ 5,012,155	\$ 4,448,381
Debt Service As A Percentage Of										
Non-capital Expenditures	4.28%	4.18%	4.45%	4.29%	4.18%	4.25%	4.31%	7.80%	4.14%	4.18%

Note: In 2013, the State Auditor's Office of Washington implemented changes to the Budget, Accounting & Reporting System (BARS) which dictates how entities in Washington report their financial statements. It was recognized expenditures/expenses which Benton County included in the Physical Environment category in prior years had been assigned to the General Government and Natural & Economic Environment categories. For comparison purposes the 2012 Statement of Activities has been revised to reflect those changes.

**Schedule 5
Benton County
Assessed Value and Actual Value of Taxable Property,*
Last Ten Fiscal Years**

Fiscal Year	Real Property***					Personal Property	Total	Total Direct Tax Rate**
	Residential Property	Commercial/Industrial Property	Agricultural Property	Other				
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	
2013	\$ 9,101,823,756	\$ 4,412,942,343	\$ 982,101,775	\$ 71,740,080	\$ 749,219,431	\$ 15,317,827,385	\$ 1.2796	

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 2004 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									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County Direct Rates										
General	\$ 1.4689	\$ 1.4382	\$ 1.4427	\$ 1.4502	\$ 1.4077	\$ 1.3403	\$ 1.3070	\$ 1.2902	\$ 1.2408	\$ 1.2433
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
Total direct rate	1.5052	1.4745	1.4790	1.4865	1.4440	1.3766	1.3433	1.3265	1.2771	1.2796
Other Rates										
Consolidated Road District #1	1.7956	1.7279	1.8772	1.8915	1.9364	1.9215	1.8795	1.8364	1.7671	1.6736
Mosquito Control District	0.1853	0.1706	0.1704	0.1403	0.1403	0.1328	0.1536	0.1279	0.0931	0.0965
State of Washington School	2.9222	2.7894	2.5735	2.2554	1.9808	1.9240	2.0057	2.1478	2.3154	2.3914
City Rates										
Prosser	3.4851	3.5764	3.6774	3.3378	3.4212	3.3279	3.2636	3.3112	3.4555	3.2694
Kennewick	2.6267	2.5404	2.4399	2.4922	2.4398	2.3709	2.2534	2.2424	2.1955	2.2020
Benton City	1.5753	1.6754	1.6516	1.3627	1.2937	1.2975	1.2954	1.2474	1.2366	1.1413
West Richland	1.8548	1.7621	1.7646	1.7697	1.6170	1.6038	1.6095	1.6281	1.5641	1.5472
Richland	3.4113	3.2942	3.3071	3.3073	3.3674	3.1392	3.1399	3.0121	2.9654	2.9697
School District Rates										
Prosser	5.9370	5.5041	5.3871	5.1390	4.9855	5.0403	4.7172	4.6196	3.2717	2.9325
Grandview	4.8068	4.1985	3.9230	4.1787	3.7469	3.7649	3.9779	3.9900	4.3051	4.2825
Kennewick	5.4543	5.1892	4.8999	4.9956	4.8215	4.7821	4.9633	4.9195	4.9063	4.9088
Paterson	1.0550	0.9701	1.0076	1.0613	0.9905	0.9108	0.8737	0.8595	0.8058	0.9195
Benton City	4.8142	5.1516	5.1301	5.1515	5.2820	5.6287	5.8592	5.9969	6.0482	5.6427
Finley	7.2406	6.5206	6.5660	6.5771	6.2499	6.2906	6.1774	4.7882	3.5745	4.0756
Richland	5.4609	4.9912	4.7611	4.7534	4.4902	4.1694	4.3251	4.4235	4.2985	4.3825
Hospital Rates										
Prosser	0.8396	0.8185	0.8069	0.7538	0.7364	0.7057	0.3815	0.3811	0.3822	0.3517
Kennewick	0.1663	0.1604	0.1508	0.1594	0.1551	0.1506	0.1467	0.1456	0.1418	0.1418
Fire District Rates										
District #1	1.6021	1.4984	1.5218	1.5292	1.6574	1.6451	1.6373	1.5846	1.5157	1.4752
District #2	2.0709	2.0897	2.0363	1.8223	2.2886	2.2833	2.2700	2.2649	2.2605	2.1851
District #3	1.4865	1.4259	1.3793	1.3029	1.2739	1.2667	1.2221	1.1988	1.2150	1.0302
District #4	1.6125	1.5330	1.2733	1.5000	1.5000	1.5000	1.5000	2.0000	1.9857	1.9783
District #5	0.9194	0.8693	0.8207	0.8282	0.8121	0.7505	0.7150	0.7219	0.6818	0.6666
District #6	1.2588	1.2550	1.2645	1.2764	1.2179	0.9664	0.9376	0.9376	0.8677	0.8235
Port Rates										
Port of Kennewick	0.3939	0.3755	0.3690	0.3729	0.3603	0.3507	0.3429	0.3410	0.3315	0.3309
Port of Benton	0.4956	0.4879	0.4815	0.4687	0.4557	0.4215	0.4225	0.4276	0.4196	0.4055
Library Rates										
Rural Library	0.4731	0.4598	0.4501	0.4501	0.4372	0.4214	0.4014	0.3926	0.3803	0.3786
Benton City Library	\$ -	\$ 0.2299	\$ 0.2421	\$ 0.2033	\$ 0.1925	\$ 0.1748	\$ 0.1678	\$ 0.1617	\$ 0.1457	\$ 0.1375

Source: Benton County Assessor

**Schedule 7
Benton County
Principal Property Tax Payers,
Current Year and Nine Years Ago**

<u>Taxpayer</u>	<u>Fiscal Year 2013</u>			<u>Fiscal Year 2004</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>
K2H Farms Inc.	\$ 108,531,340	1	0.71%	\$ 73,464,760	2	0.82%
AREVA, Inc. (Formerly Framatome/ANP/Siemens Power Corp.)	94,718,700	2	0.62%	71,229,880	3	0.80%
Burlington Northern - Santa Fe Railroad	81,824,630	3	0.53%	37,072,158	8	0.42%
Columbia Center Mall Partnership	79,894,050	4	0.52%	57,941,010	4	0.65%
Battelle Memorial Institute	74,464,560	5	0.49%	37,435,160	7	0.42%
Ste. Michelle Vintners, Inc.	68,339,530	6	0.45%	47,401,450	5	0.53%
Wyckoff Farms, Inc.	67,527,332	7	0.44%	----	----	----
Extended Legacy, LLC	60,800,400	8	0.40%	----	----	----
NOTUS Holding LLC	54,348,270	9	0.35%	----	----	----
Northwest Pipeline Corp.	46,423,394	10	0.30%	36,739,657	9	0.41%
GTE Northwest	----	----	----	75,859,755	1	0.85%
Agrium US, Inc. (previously Prodicta LLC, Union Oil of California)	----	----	----	27,209,890	10	0.31%
ConAgra/Lamb-Weston, Inc.	----	----	----	40,981,380	6	0.46%
Total	<u>\$ 736,872,206</u>		<u>4.81%</u>	<u>\$ 505,335,100</u>		<u>5.67%</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
2004	\$ 13,823,835	\$ (16,365)	\$ 13,807,470	\$ 13,417,366	97.06%	\$ 390,022	\$ 13,807,388	99.9994%
2005	14,521,156	(23,684)	14,497,472	14,102,359	97.12%	394,767	14,497,126	99.998%
2006	15,508,773	(71,429)	15,437,344	15,018,380	96.84%	418,816	15,437,196	99.999%
2007	16,422,214	(28,016)	16,394,199	16,056,402	97.77%	337,618	16,394,020	99.999%
2008	17,313,644	(52,472)	17,261,172	16,855,853	97.36%	404,820	17,260,673	99.997%
2009	17,984,295	(85,010)	17,899,285	17,488,445	97.24%	409,861	17,898,307	99.99%
2010	18,429,005	(98,936)	18,330,069	17,990,084	97.62%	337,656	18,327,740	99.99%
2011	18,962,606	(34,025)	18,928,581	18,579,517	97.98%	301,711	18,881,228	99.75%
2012	19,274,946	(19,013)	19,255,933	18,890,044	98.00%	229,954	19,119,998	99.29%
2013	\$ 20,151,188	\$ (51,511)	\$ 20,099,677	\$ 19,716,549	97.84%	\$ 0	\$ 19,716,549	98.09%

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: Restricted to Repaying Principal	Total								
2004	\$ 32,270,000	\$ (1,535,000)	\$ 30,735,000	\$ 360,000	\$ 207,667	\$ -	\$ 31,302,667	0.34%	0.63%	197.41	
2005	37,980,000	(1,600,000)	36,380,000	1,239,598	207,667	0	37,827,265	0.38%	0.72%	230.65	
2006	36,380,000	(1,680,000)	34,700,000	1,095,000	207,667	0	36,002,667	0.34%	0.66%	217.47	
2007	34,700,000	(1,745,000)	32,955,000	955,000	1,670,167	0	35,580,167	0.31%	0.57%	203.84	
2008	32,955,000	(2,010,000)	30,945,000	810,000	3,209,139	0	34,964,139	0.27%	0.49%	185.77	
2009	30,945,000	(2,095,000)	28,850,000	735,000	3,173,889	326,494	33,085,383	0.23%	0.45%	168.59	
2010	28,850,000	(5,425,000)	23,425,000	615,000	2,976,141	518,203	27,534,344	0.18%	0.34%	132.74	
2011	23,425,000	(1,995,000)	21,430,000	525,000	2,778,393	419,033	25,152,426	0.15%	0.30%	118.61	
2012	21,430,000	(2,070,000)	19,360,000	420,000	2,580,645	284,741	22,645,386	0.13%	0.27%	106.14	
2013	\$ 19,360,000	\$ (2,155,000)	\$ 17,205,000	\$ 315,000	\$ 2,382,897	\$ 98,512	\$ 20,001,409	0.11%	0.23%	93.26	

Source: Benton County Treasurer

Note: 2013 "Percentage of Personal Income" calculated using 2012 personal income data, which is the most recent available.

*See schedule 5 for property value data.

** Population and personal income data can be found in Schedule 11. 2012 data used for 2013

***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>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>	<u>2013</u>
Assessed Value of Property	\$ 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	\$ 15,317,827
Debt Limit 1.5% of Assessed Value (Statutory Limitation non-voted)	133,666	143,490	153,191	161,387	175,141	190,871	200,593	208,555	220,304	229,767
Debt Limit 2.5% of Assessed Value (Statutory Limitation voted and non-voted)	222,777	239,150	255,319	268,978	291,902	318,118	334,322	347,591	367,174	382,946
Amount of Debt Applicable to Limit General Obligation Bonds	32,270	37,980	36,380	34,700	32,955	30,945	28,850	23,425	21,430	19,360
Less: Resources Restricted to Paying Principal	<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>	<u>(2,070)</u>	<u>(2,155)</u>
Total net debt applicable to limit	30,735	36,380	34,700	32,955	30,945	28,850	23,425	21,430	19,360	17,205
Legal Debt Margin (non-voted)	<u>\$ 102,931</u>	<u>\$ 107,110</u>	<u>\$ 118,491</u>	<u>\$ 128,432</u>	<u>\$ 144,196</u>	<u>\$ 162,021</u>	<u>\$ 177,168</u>	<u>\$ 187,125</u>	<u>\$ 200,944</u>	<u>\$ 212,562</u>
Total net debt applicable to the limit as a percentage of non-voted debt limit	22.99%	25.35%	22.65%	20.42%	17.67%	15.11%	11.68%	10.28%	8.79%	7.49%
as a % of voted and non-voted debt limit	13.80%	15.21%	13.59%	12.25%	10.60%	9.07%	7.01%	6.17%	5.27%	4.49%

**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
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	7,364,269	40,375	9.10%
2013	184,486	\$ N/A	\$ N/A	8.10%

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 2013</u>			<u>Fiscal Year 2004</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	3,984	1	4.70%	3,965	2	5.00%
ConAgra/Lamb-Weston, Inc.	2,498	2	2.95%	1,800	5	2.27%
Bechtel National, Inc., Waste Treatment Project	2,244	3	2.65%	3,311	3	4.18%
Kadlec Medical Center	2,227	4	2.63%	1,047	8	1.32%
Kennewick School District	1,922	5	2.27%	2,000	4	2.52%
Mission Support Alliance	1,588	6	1.87%	----	----	----
Richland School District	1,500	7	1.77%	981	9	1.24%
Washington River Protection Solutions	1,470	8	1.73%	----	----	----
CH2M Hill Hanford Group, Inc.	1,438	9	1.70%	1,401	7	1.77%
Kennewick General Hospital	1,188	10	1.40%	812	10	1.02%
Energy Northwest (Washington Public Power Supply System)	----	----	----	1,406	6	1.77%
Fluor Hanford, Inc./Fluor Federal Services	----	----	----	4,637	1	5.85%
Total	20,059		23.67%	21,360		26.94%

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>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>	<u>2013</u>
General Government Full-time	317	320	317	315	284	288	295	298	349	308
General Government Part-time	12	12	11	10	41	35	42	42	0	26
Total	<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>	<u>334</u>
Public Safety Full-time	203	209	208	208	219	221	218	217	218	238
Public Safety Part-time	10	10	14	13	2	-	1	3	0	22
Total	<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>	<u>260</u>
Utilities Full-time	24	25	25	26	26	26	25	23	25	9
Utilities Part-time	-	-	1	1	1	1	1	2	0	1
Total	<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>	<u>10</u>
Transportation Full-time	41	40	39	39	41	43	39	39	39	41
Transportation Part-time	4	4	4	4	2	-	0	2	0	0
Total	<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>	<u>41</u>
Natural & Economic Env. Full-time	10	9	10	7	6	7	7	7	8	11
Natural & Economic Env. Part-time	1	1	1	1	2	1	1	1	0	4
Total	<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>	<u>15</u>
Social Services Full-time	37	38	32	37	36	36	35	33	38	31
Social Services Part-time	1	1	2	2	3	3	4	4	0	3
Total	<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>	<u>34</u>
Culture and Recreation Full-time	12	11	9	9	8	6	7	7	9	5
Culture and Recreation Part-time	-	-	3	3	4	6	3	3	0	0
Total	<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>	<u>5</u>
Internal Service Full-time	23	21	20	22	21	21	18	22	21	14
Internal Service Part-time	-	-	-	-	1	1	1	1	0	0
Total	<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>	<u>14</u>
Total Full-time	667	673	660	663	641	648	644	646	707	657
Total Part-time	28	28	36	34	56	47	53	58	0	56
Total County Employees	<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>	<u>713</u>

Source: County Payroll Office

**Schedule 14
Benton County
Operating Indicators by Function,
Last Ten Fiscal Years**

Function/Program	<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>	<u>2013</u>
Justice and Law Enforcement										
Sheriff										
Calls For Service (Sheriff)	23,272	29,119	28,928	31,323	33,621	39,448	38,505	40,614	40,811	38,214
Warrants Served	834	569	598	1,084	1,130	1,583	1,931	1,261	1,088	1,051
Arrests	1,946	2,035	2,121	2,243	2,320	3,978	3,548	4,281	3,885	3,844
Arraignments	5,909	6,093	5,936	6,015	6,026	6,074	5,603	5,891	5,573	6,652
Average daily jail population	602	653	708	687	675	668	625	624	561	566
Prosecuting Attorney										
Adult Felony Cases Filed	1,684	1,732	1,570	1,258	1,247	1,222	1,284	1,462	1,465	1,419
Juvenile Cases Filed	1,013	1,095	935	1,090	855	972	830	777	725	584
Juvenile Justice										
Juvenile Offender Arrests	2,941	3,000	2,419	2,457	2,173	2,002	1,836	1,634	1,544	1,265
Detention Days Served	15,447	16,872	17,874	15,785	15,237	15,330	11,180	11,783	11,937	9,678
Courts										
District Court Violation Filings	52,551	47,341	59,648	60,894	53,684	59,594	53,078	54,267	57,862	57,731
District Court Hearings Held	63,490	56,699	58,283	63,221	66,258	69,498	67,796	65,729	67,833	65,435
Superior Court Trials	282	299	334	350	360	315	275	316	291	210
Superior Court Cases Completed	7,112	7,638	8,969	8,292	7,241	8,418	8,131	8,550	7,940	8,099
Health Services*										
Clients Assisted										
Mental Health	5,065	6,112	4,150	3,694	3,520	4,298	4,122	7,238	7,556	9,547
Substance Abuse	1,113	1,347	1,646	1,264	1,777	2,010	1,246	1,513	1,178	1,048
Developmental Disabilities	374	435	429	510	535	514	523	481	504	587
Prevention	146	271	226	172	170	550	816	304	541	399
Housing**	N/A	N/A	N/A	N/A	171	924	405	825	1,369	1,805
Economic Environment										
Actions requiring a permit	1,012	902	871	1,075	464	689	674	639	588	668
Public Works										
Centerline miles of road maintained:										
County Rural Roads	746	743	744	742	743	744	745	746	747	684
County Urban Roads	136	136	136	120	118	118	115	112	111	170

*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>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>	<u>2013</u>
Justice and Law Enforcement										
Correction facility capacities	782	782	782	782	782	782	782	782	782	783
Parks and Land Use										
Number of recreational facilities	12	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	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	2,516.5
Public Works										
Miles of Rural Road	746	743	744	742	743	744	745	746	747	684
Miles of Urban Road	136	136	136	120	118	118	115	112	111	174
Bridges	55	55	55	54	54	54	54	54	54	54
Active vehicles in vehicle replacement plan	106	111	111	113	111	115	115	115	120	112

Source: County Budget Office and individual County departments