

BENTON COUNTY WASHINGTON



COMPREHENSIVE ANNUAL FINANCIAL REPORT



For The Year Ended December 31, 2016

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FOR

BENTON COUNTY, WASHINGTON

For The Fiscal Year Ended

December 31, 2016

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

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BENTON COUNTY, WASHINGTON
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2016

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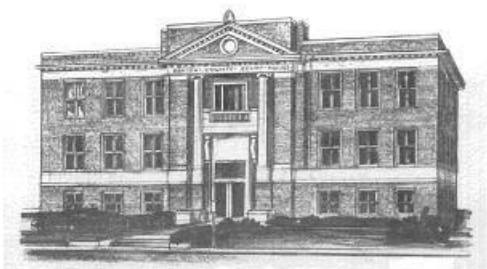
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Brenda Chilton

Benton County Auditor

Business Hours

Monday-Friday 8:30 a.m. - 4:30 p.m.

www.bentonauditor.com

auditor@co.benton.wa.us

June 28, 2017

TO THE CITIZENS OF BENTON COUNTY

We are pleased to present, for your review, the 2016 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.

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 six-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

Benton County elected officials and employees have worked diligently for the past year to bring the county's services and infrastructure into the 21st century. From updated transportation and election systems, to the implementation of social media, Benton County has upped its game in the technological realm.

We hope to continue this momentum into 2017 as we work to rebrand, launch a new, redesigned website and provide our constituents with fast and easy access to all of the important information they need.

Technology and Communications

Benton County has made enormous strides in our technology and communications — we now have Facebook and Twitter accounts, where current information is posted to engage the public on important topics of discussion.

Along with updates to our online presence, many employees now have access to mobile workstations in the form of laptops, tablets and smartphones that allow constant connectivity and immediate response.

The county is also working to begin development of a new brand, logo and standardized formatting to be implemented county-wide — from web graphics to press releases to business cards. We think a standardized brand is important not only to create consistency internally, but also to ensure that the public receives a clear understanding of who we are, what we do and what our mission is.

Parks and Fairgrounds

A new summit trail on Candy Mountain trail is expected to be open for use this spring.

Two Rivers Park and Vista Park both received significant improvements as well, with modern play structures that are safer, space saving and easier to maintain.

The Benton County Fairgrounds is the host of various events throughout the year and has also been home to many recent improvements. A new RV camping area was completed in 2016, providing much-needed capacity for campers to stay on the grounds during large events like the fair and Creation Festival; and restoration on the 24,000 square-foot expo hall is underway, with projected completion this June.

Public Safety Sales Tax

The Public Safety Sales Tax has been a major topic of discussion within the community, especially the Benton County Gang and Crime Prevention Initiative, which was officially launched in April 2016. This initiative is part of the overall public safety tax approved by the taxpayers to improve public safety and reduce gang and crime within the county.

The Gang and Crime Prevention Initiative has allowed local non-profits to contract with Benton County to provide prevention services to the community, and we have seen great success from these programs. A new request for proposals was opened in September 2016, putting the total number of contracted programs at seven – each with a different purpose and angle on gang and crime prevention.

Departments within Benton County benefit from this tax, including the Benton County Sheriff's Office, Clerk's Office, Office of Public Defense, Prosecuting Attorney's Office and Superior and District Court. The cities within Benton County receive 40 percent of the revenues from this tax, to be used for public safety within their individual municipalities.

For more information about the Gang and Crime Prevention Initiative as well as detailed financial reports on departmental spending associated with the tax, visit our website at www.co.benton.wa.us and click on the "Public Safety Sales Tax" tab.

Thank you to all of our elected officials, administration and staff at Benton County as well as our partners and our community for the continued support.

{from the *Tri-City Herald*, (2017, March 23). 'Progress Edition: Benton County Commission: Innovation shaping 2017'. Jim Beaver. 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.

The County has adopted a rolling six-year Capital Improvement Plan (CIP) that provides a programmed approach to utilizing Benton County's financial resources in the most efficient manner to meet public service and facility needs. Three main highlights in 2016 capital projects related to technology infrastructure, our facilities and voter approved local tax increase.

The Assessor and Treasurer offices began implementation of a new property tax and assessment system. A new electronic timecard and personnel system was added to the existing financial system. The new base of operations for our Kennewick-based Public Works crews was completed and occupied in February 2016. The former Kennewick facility was transferred to the Solid Waste Fund to be used as a household hazardous waste collection site. The fairgrounds continues to update the facilities, providing more efficiencies and modernized utility. The 2014 voter approved three-tenths of one percent increase in sales tax for Public Safety permitted additional services such as a Nurse Family Partnership Program supporting families to reduce the incidence of gang-related and other crime. Several other crime prevention programs were executed with local schools and after school programs. An inmate tracking system was purchased allowing for efficiency in workflow tasks and reporting. There is continuing effort towards evaluating the jail expansion for accommodating inmates with mental health issues.

The County is continuing to provide needed improvements to important transportation infrastructure for the region's economic development. The County infrastructure budgeted expenditures to maintain roads and bridges for 2016 were over \$7.4 million (based on the annual road program). Actual expenditures were over \$5.8 million. Benton County currently has 861 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, 2015. This was the thirteenth 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,



**Brenda Chilton
Benton County Auditor**



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

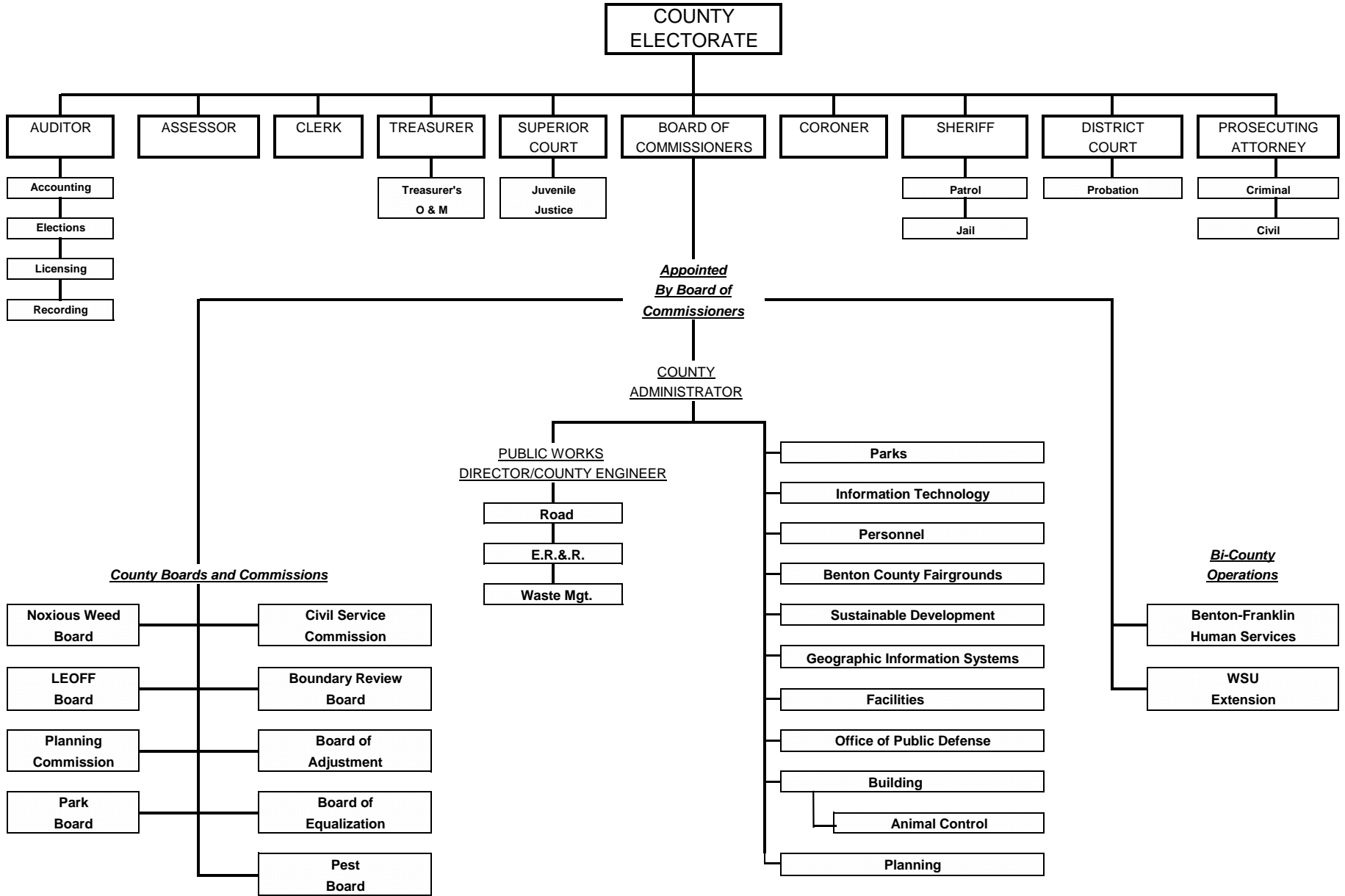
Benton County
Washington

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

BENTON COUNTY GOVERNMENT ORGANIZATIONAL CHART
2016



BENTON COUNTY, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended December 31, 2016

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 - Chairperson	Honorable Shon Small	4	December 2018
District 3	Honorable James Beaver	4	December 2016
Assessor	Honorable Bill Spencer	4	December 2018
Auditor	Honorable Brenda Chilton	4	December 2018
Clerk	Honorable Josie Delvin	4	December 2018
Coroner	Honorable John Hansens	4	December 2018
District Court Judge	Honorable Terry M. Tanner	4	December 2018
District Court Judge	Honorable Dan Kathren	4	December 2018
District Court Judge	Honorable Joseph Burrowes	4	December 2018
District Court Judge	Honorable Katharine Butler	4	December 2018
District Court Judge	Honorable Steve T. Osborne	4	December 2016
Prosecutor	Honorable Andrew Miller	4	December 2018
Sheriff	Honorable Steve Keane	4	December 2018
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
Superior Court Judge	Honorable Jacqueline Shea-Brown		December 2016
Treasurer	Honorable Duane Davidson	4	December 2018

APPOINTED OFFICIALS

<u>Position</u>	<u>Name</u>	<u>Length in Position</u>
County Administrator	David A. Sparks	17 Years
Deputy County Administrator	Loretta Smith Kelty	10 Years
Human Services Administrator	Kyle Sullivan	1 Year

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**Office of the Washington State Auditor
Pat McCarthy**

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 28, 2017

Board of Commissioners
Benton County
Prosser, Washington

REPORT ON THE 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2016, 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, Rural County Capital, and Public Safety Tax 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 20, information on postemployment benefits other than pensions on pages 83, and pension plan information on pages 84 through 85 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 and individual fund statements and schedules on pages 87 through 186 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the

information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the County. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 28, 2017, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 "Pat McCarthy".

Pat McCarthy
State Auditor
Olympia, WA

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, 2016. 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 and Deferred Outflows of Resources of Benton County exceeded its Liabilities and Deferred Inflows of Resources at December 31, 2016 by over \$230.0 million dollars. Net position invested in capital assets (net of depreciation and related debt) account for 51.6% of this amount, with a value of approximately \$118.8 million. Of the remaining net position, \$56.3 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 \$14.4 million at December 31, 2016.
- Fund balance for the County Road fund was over \$8.0 million at December 31, 2016.
- Fund balance for the Human Services fund was over \$6.3 million at December 31, 2016.
- Fund balance for the 1/10% Criminal Justice Fund was over \$12.6 million at December 31, 2016.
- Fund balance for the Rural County Capital Fund was over \$8.9 million at December 31, 2016.
- Fund balance for the Public Safety Tax Fund was over \$10.1 million at December 31, 2016.
- Fund balance for the Capital Acquisition fund was over \$24.3 million at December 31, 2016.
- Benton County's total long-term debt at December 31, 2016 was over \$12.6 million, with a remaining capacity for non-voted debt at over \$242 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 2016. 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 2016, 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 2016.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Benton County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Benton County can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. Governmental Funds are used to account for most, if not all, of a government's tax-supported activities. Proprietary Funds are used to account for a government's internal business activities, where all or part of the costs of activities

are supported by fees and charges that are paid directly by those in county governmental operations who benefit from the activities. Fiduciary Funds are used to account for resources that are held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds

The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund, Road Fund and the Capital Acquisition Fund, all of which are considered to be major funds, based on criteria established by GASB Statement 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, 1/10% Criminal Justice Fund, Rural County Capital Fund and the Public Safety Tax Fund as major funds because of their 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 two types of fiduciary funds:

- Agency Funds 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.
- Investment/Fiduciary Funds account for the external pooled investments held by the County Treasurer on behalf of external pool participants in the County's investment program. External participants are generally government entities that do not have their own treasurer.

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 \$230,046,644 at December 31, 2016. Benton County's net position has increased in comparison to total net position of \$209,419,589 at December 31, 2015. This net increase of \$17,243,592 is discussed in the following paragraphs. The following table reflects the condensed Government-Wide Statement of Net Position for 2016 and the previous year comparable data.

Benton County's Net Position

	<u>2016</u>	<u>2015 (restated)</u>
Current and Other Assets	\$ 146,983,995	\$ 132,161,507
Capital Assets (Net of Depreciation)	<u>138,248,915</u>	<u>136,538,666</u>
Total Assets	285,232,910	268,700,173
Deferred Outflows of Resources	<u>5,778,683</u>	<u>3,490,919</u>
Long-Term Liabilities	51,427,507	46,946,462
Other Liabilities	<u>8,235,666</u>	<u>7,787,957</u>
Total Liabilities	59,663,173	54,734,419
Deferred Inflows of Resources	<u>1,301,776</u>	<u>4,653,621</u>
Net Position:		
Net Investment in Capital Assets	118,801,845	114,834,362
Restricted	54,910,178	44,492,123
Unrestricted	<u>56,334,621</u>	<u>53,476,568</u>
Total Net Position	\$ 230,046,644	\$ 212,803,052

Benton County's total assets stand at over \$285 million as of December 31, 2016 (up from over \$268 million at December 31, 2015). Of this amount, over \$138.2 million is accounted for by capital assets, up from \$133.1 million in 2015, which includes infrastructure and construction in progress. Historically, infrastructure (roads, bridges, drainage systems, etc.) had not been included in capital asset reporting for governmental activities. GASB Statement No. 34 requires that all capital assets, including infrastructure, be reported. The completion of infrastructure construction projects accounted for a \$1.7 million increase to the County roadway system. Effective 2015, the County changed from the modified approach to full depreciation accounting for its infrastructure assets and also changed the estimated useful life from 25 years to 75 years. These changes along with changing from individual road to a composite depreciation methodology produced no material effect on the financial statements.

Of the remaining County assets, over \$134.2 million were accounted for in cash, cash equivalents, equity in pooled investments and other investments (up from \$119.3 million in 2015), over \$8.7 million in accounts receivable (up from \$8.0 million in 2015), and over \$7.0 million spread among miscellaneous assets and joint ventures (compared to \$7.4 million in 2015). At December 31, 2016, cash/cash equivalents, equity in pooled investments and other investments accounted for 89.4% (up from 88.5% in 2015) of current and other assets, while accounts receivable accounted for 5.8% (down from 5.9% in 2015).

Benton County's deferred outflows of resources stand at over \$5.7 million as of December 31, 2016 (up from over \$3.4 million at December 31, 2015). This change was due entirely to pension related activity as required by GASB 68.

At December 31, 2016, the County had outstanding liabilities of over \$59.6 million (up from \$54.7 million in 2015), with over \$51.4 million in long-term liabilities (an increase from over \$46.9 million in 2015). The main reason for the increase was GASB 68 which requires placing an estimate of Pension liability, \$28.7 million (up from \$25.4 million in 2015) on financial statements. Of the long-term liabilities, over \$2.3 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 \$2.3 million in accounts payable and over \$5.9 million in accrued liabilities. These liabilities of approximately \$8.2 million are up 5.7% from the total at December 31, 2015 (\$7.7 million). Over 71.8% of the \$8.2 million balance of other liabilities is due to accrued liabilities for wages payable and the various trust accounts.

Benton County's deferred inflows of resources stand at over \$1.3 million as of December 31, 2016 (down from over \$4.6 million at December 31, 2015). This change was due entirely to pension related activity as required by GASB 68.

Over half of the County's net position (51.6%) 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.

Over \$54.9 million of the County's net position is subject to restrictions on how the funds may be used. The unrestricted net position balance of over \$56.3 million, represents the amount that may be used to meet the County's ongoing obligations.

At December 31, 2016, 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.

Also, Benton County implemented GASB Statement 68 in 2015. The effect is that each year the County is allocated its proportionate share of the Washington State's Employees' Retirement System's net pension asset, deferred outflows of resources, deferred inflows of resources, and pension expense which must be reflected on the financial statements. Decisions regarding the allocations are made by the administrators of the pension plan, not by Benton County's management.

Statement of Changes in Net Position

The County's total net position increased by over \$17.2 million from operations in 2016. Key elements in changes in net position are shown in the following table.

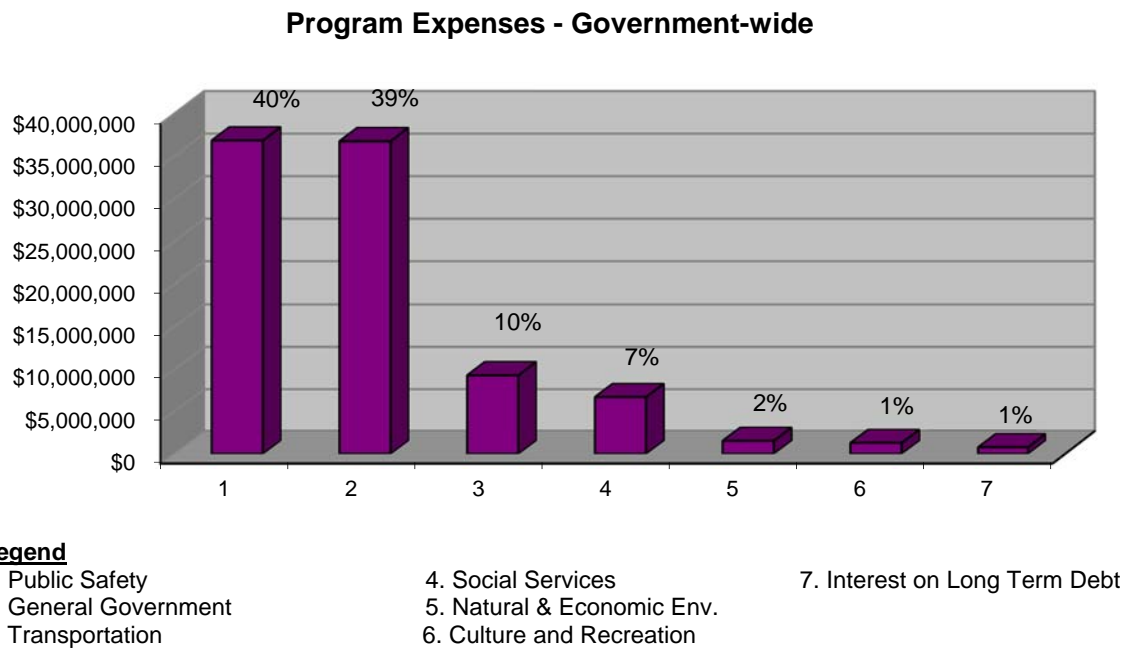
Benton County Changes in Net Position

	2016 Governmental Activities	2015 Governmental Activities
<u>Revenues:</u>		
Program Revenues		
Charges for Services	\$31,338,962	\$30,758,889
Operating Grants and Contributions	6,323,927	7,906,366
Capital Grants and Contributions	6,012,164	1,850,919
General Revenues		
Taxes	65,304,068	62,374,565
Interest Earnings on Investments	1,832,597	1,676,673
Total Revenues	<u>110,811,719</u>	<u>104,567,413</u>
<u>Program Expenses:</u>		
General Government	36,828,217	33,754,237
Public Safety	36,911,790	34,975,780
Transportation	9,385,353	7,403,060
Natural & Economic Environment	1,558,991	1,483,579
Social Services	6,791,169	8,350,883
Culture and Recreation	1,304,794	1,021,661
Interest on Long-Term Debt	787,814	833,559
Total Expenses	<u>93,568,127</u>	<u>87,822,759</u>
Excess (Deficiency) of Revenues Over (Under) Expenses	17,243,592	16,744,654
Change in Net Position	17,243,592	16,744,654
GASB 68 Implementation	n/a	(26,524,311)
Elimination of Weed Board	n/a	(162,245)
Prior Period Adjustment	n/a	3,383,463
Net Position as of January 1	<u>212,803,052</u>	<u>219,361,490</u>
<u>Net Position as of December 31</u>	<u><u>\$230,046,644</u></u>	<u><u>\$212,803,052</u></u>

Total revenues for Benton County were over \$110.8 million, over a 5.9% increase (\$6.2 million) from 2015 total revenues. Program revenues increased 7.8% or \$3.1 million and accounted for 39.4% of total revenue sources. General Government sales tax revenues increased over \$1.9 million (7.5%) over prior year due to the 3/10% increase enacted in 2014 with collections beginning in 2015 and an across the board increase in retail sales. Within governmental activities, total tax revenue increased \$2.9 million and accounted for approximately 58.9% of total revenue sources. The remaining 1.7% of revenues was provided by interest income, up 9.3% (\$0.2 million) due to favorable investment strategies.

Total expenses for the County were over \$93.5 million, an increase of over \$5.7 million from 2015 equating to a 6.5% increase over the prior year. Governmental activities with the largest program expenses were in the areas of Public Safety, Social Services, Transportation and Natural and Economic Environment respectively. These four programs accounted for 58.4% of total government-wide expenses.

The following illustrates, by program, where funds were spent in 2016.



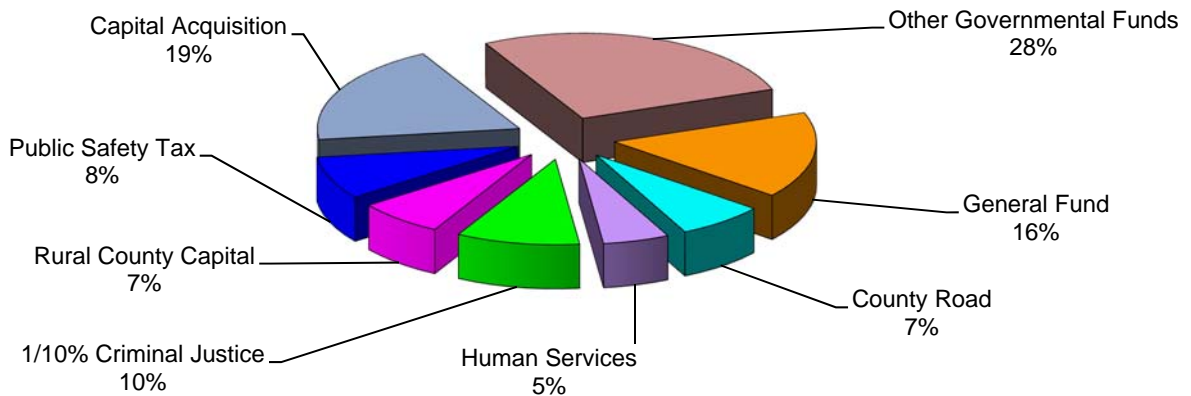
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

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.

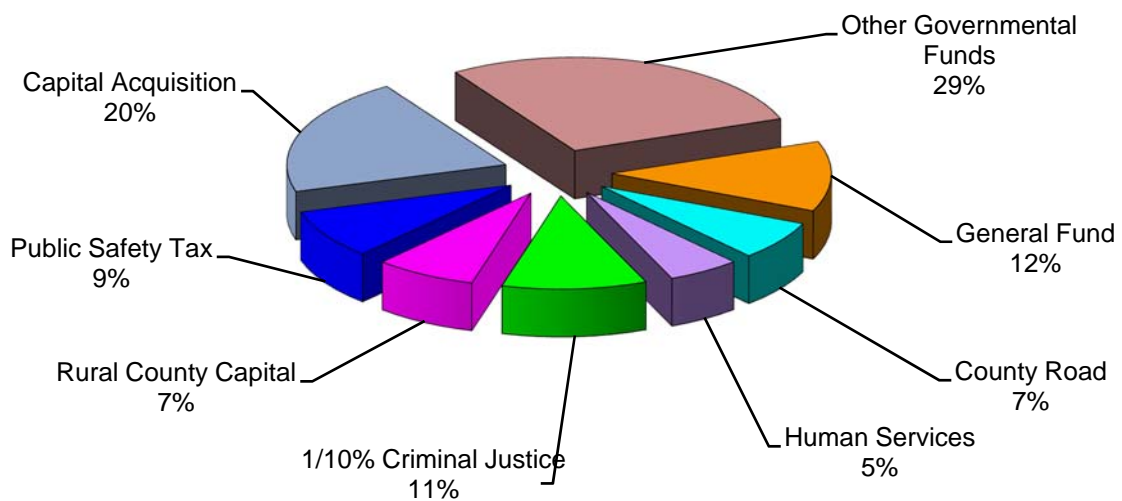
Governmental Funds Balance Sheet Analysis

The General fund, County Road fund, 1/10% Criminal Justice fund, Rural County Capital fund, Human Services fund, Public Safety Tax fund and Capital Acquisition fund were the County's major funds in 2016. Together these funds accounted for 72.6% of total governmental fund assets and 71.4% of total governmental fund balance.

Total Assets – Governmental Funds



Fund Balance – Governmental Funds

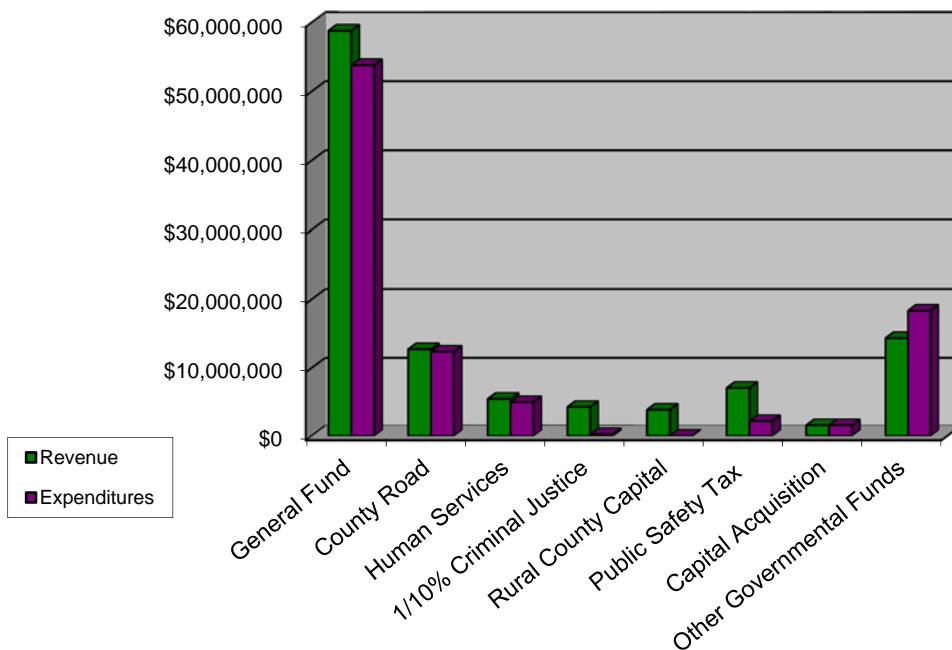


The focus of Benton County’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Unassigned fund balance serves as a useful measure of the County’s net resources available for spending at the end of the fiscal year. As of December 31, 2016, the county’s governmental funds reported combined fund balances of over \$118.9 million. All of this amount is available for spending within the designated funds. The \$118.9 million compares to a combined ending fund balance of \$103.8 million in 2015, an increase of over \$15.0 million. In comparison to the prior year, revenues are up 3.7% and expenditures decreased 0.7%. Current year revenues exceeded expenditures by over \$14.6 million. Regarding the major governmental funds, total revenues exceeded total expenditures by over \$18.5 million while other governmental funds had a net deficit of revenues over expenditures of over \$3.9 million, an improvement of \$2.5 million over 2015. Issuance of long term debt brought in \$802,783, while proceeds from the sale of capital assets brought in \$7,653 and net transfers produced a deficit of \$374,484.

The General Fund is the chief operating fund of Benton County. On December 31, 2016, total fund balance of the General Fund was over \$14.4 million, a decrease of over \$1.7 million from 2015, all of which was unassigned. Total assets in the General Fund amounted to over \$21.0 million, accounting for 16.3% of total governmental fund assets. General Fund total assets decreased by over \$2.4 million when compared to total assets of nearly \$23.5 million at the end of 2015. Total cash, cash equivalents, deposits with fiscal agents and investments decreased by over \$2.6 million compared to 2015 and liabilities decreased by over \$0.7 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, Rural County Capital and Public Safety Tax funds account for 85.2% of all governmental fund revenue and 78.7% of all expenditures. The Capital Acquisition fund is considered a major fund by the merits of its total assets. In 2016, the Capital Acquisition fund received over \$1.5 million in revenue with most of this coming from intergovernmental resources and charges for services revenue. This year the Human Services fund, 1/10% Criminal Justice fund, Rural County Capital fund and Public Safety Tax fund are classified as major funds because of their public interest to financial statement users.

The net change in fund balance for the General fund in 2016 was a decrease of over \$1.7 million. Revenues decreased by nearly \$0.8 million there was an increase in transfers out of over \$4.0 million. 2015 General fund revenues decreased over 1.3% (\$0.7 million).

Tax revenue decreased by over \$0.3 million reflecting that there were no major changes in programs during 2016.

General fund expenditures increased by over \$1.9 million during 2016 reflecting the new Public Safety programs covered by the increased sales tax. The Road fund had a net increase in fund balance of over \$1.5 million reflecting increases in grant revenues to fund road construction.

The Human Services fund had a net increase in fund balance of over \$0.4 million reflecting further decreases in grant funding and offsetting reduced expenditures.

The Capital Acquisition fund had an increase in fund balance of over \$4.3 million, mainly due to transfers in from the General Fund.

The Rural County Capital Fund experienced an increase in fund balance of over \$3.8 million due to tax revenues which were not accompanied by any expenditures during the year.

Other governmental funds, including the 1/10% Criminal Justice and Public Safety Tax funds, had an overall positive net change in fund balance of over \$6.6 million for 2016.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund Changes in Budget

In 2014, Benton County adopted a budget for the 2015/2016 biennium. The following table shows the changes between the original and the final General Fund budget as of December 31, 2016.

**Benton County, Washington
General Fund Changes in Budget
As of December 31, 2016**

	2015/2016		
	Original Budget	Final Budget	Changes Over (Under)
<i><u>Revenues</u></i>			
Taxes	\$ 64,010,150	\$ 63,735,150	\$ (275,000)
Licenses and Permits	199,400	199,400	0
Intergovernmental	9,552,707	9,729,687	176,980
Charges For Services	35,527,650	35,815,950	288,300
Fines and Forfeits	5,533,833	5,533,833	0
Miscellaneous Revenues	3,287,721	3,274,421	(13,300)
Total Revenues	<u>118,111,461</u>	<u>118,288,441</u>	<u>176,980</u>
<i><u>Expenditures</u></i>			
General Governmental Services	52,636,028	53,393,458	757,430
Public Safety	55,712,774	55,675,133	(37,641)
Utilities	0	0	0
Transportation	0	0	0
Natural & Economic Environment	1,770,647	1,977,558	206,911
Social Services	1,696,891	1,696,891	0
Culture and Recreation	1,025,223	1,025,358	135
Capital Outlay	86,681	169,481	82,800
Total Expenditures	<u>112,928,244</u>	<u>113,937,879</u>	<u>1,009,635</u>
Excess (Deficit) Revenues Over Expenditures	<u>5,183,217</u>	<u>4,350,562</u>	<u>(832,655)</u>
<i><u>Other Financing Sources (Uses)</u></i>			
Sale of Capital Assets	0	0	0
Transfers In	4,065,845	4,065,845	0
Transfers Out	(8,074,140)	(12,874,140)	(4,800,000)
Total Other Financing Sources (Uses)	<u>(4,008,295)</u>	<u>(8,808,295)</u>	<u>(4,800,000)</u>
Excess (Deficit) Resources Over Uses	1,174,922	(4,457,733)	(5,632,655)
Fund Balance, January 1	7,500,000	7,500,000	0
Fund Balance, December 31	<u>\$ 8,674,922</u>	<u>\$ 3,042,267</u>	<u>\$ (5,632,655)</u>

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

Amendments to the 2015/2016 biennium budget consisted of the Planning Department being awarded a grant from the State of Washington for the Voluntary Stewardship Program for \$176,980.

Transfers out of the General Fund were made to the following funds: Juvenile, Jail Depreciation, Protective Inspection Services, Capital Project and to Election Reserve in the amounts of \$3,387,660, \$122,884, \$45,025, \$4,300,000 and \$500,000 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 2016.

**Benton County, Washington
General Fund – Budget vs. Actual
As of December 31, 2016**

	2015/2016		Variance Over (Under)
	Final Budget 2015/2016	Actual Thru 12/31/2016	
<i><u>Revenues</u></i>			
Taxes	\$ 63,735,150	\$ 66,483,475	\$ 2,748,325
Licenses and Permits	199,400	211,197	11,797
Intergovernmental	9,729,687	9,286,258	(443,429)
Charges For Services	35,815,950	33,492,878	(2,323,072)
Fines and Forfeits	5,533,833	5,269,818	(264,015)
Miscellaneous Revenues	3,274,421	3,637,406	362,985
Total Revenues	<u>118,288,441</u>	<u>118,381,032</u>	<u>92,591</u>
<i><u>Expenditures</u></i>			
General Governmental Services	53,393,458	49,302,120	(4,091,338)
Public Safety	55,675,133	51,978,706	(3,696,427)
Natural & Economic Environment	1,977,5578	1,713,223	(264,335)
Social Services	1,696,891	1,554,602	(142,289)
Culture and Recreation	1,025,358	962,681	(62,677)
Capital Outlay	169,481	141,415	(28,066)
Total Expenditures	<u>113,937,879</u>	<u>105,652,747</u>	<u>(8,285,132)</u>
Excess (Deficit) Revenues Over Expenditures	<u>4,350,562</u>	<u>12,728,284</u>	<u>8,377,722</u>
<i><u>Other Financing Sources (Uses)</u></i>			
Sale of Capital Assets	0	38,874	38,874
Transfers In	4,065,845	3,263,136	(802,709)
Transfers Out	(12,874,140)	(12,618,452)	(255,688)
Total Other Financing Sources (Uses)	<u>(8,808,295)</u>	<u>(9,316,442)</u>	<u>508,147</u>
Excess (Deficit) Resources Over Uses	(4,457,733)	3,411,843	7,869,576
Fund Balance, January 1	7,500,000	10,995,643	3,495,643
Fund Balance, December 31	<u>\$ 3,042,267</u>	<u>\$ 14,407,486</u>	<u>\$ 11,365,219</u>

A biennial budget cycle was implemented in 2010 (for the 2011/2012 biennium). Revenues increased by approximately \$6.7 million from the last biennial cycle which can be accounted for by the strengthening of the economy.

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, 2016, amounts to over \$138 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. Last year the County changed from the alternative modified accrual method to full accrual for infrastructure reporting. 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 biennial basis; the last assessment in 2015 had 91% of the arterial road pavements rated as "Good", exceeding the target.
- Infrastructure budgeted expenditures to maintain roads and bridges for 2016 were \$7.41 million. Actual expenditures were \$5.88 million. In 2015, Benton County no longer segregated the Preservation budget; it was reclassified into the Maintenance budget.
- Nine Canyon Road, Phase 2 – The project, Beck Road to Mills Road, reconstructed 2.65 miles of gravel roadway into an all-weather farm to market paved roadway. The new roadway improved safety by improving the horizontal and vertical alignments along with the addition of guardrails where needed. The project was started in 2015 and completed in 2016. The amount expended in 2016 was \$1,791,725. Total project cost was \$2,094,947.
- Sellards Road, SR221 to BPA Powerlines – The project is a reconstruction of 2 miles of deteriorating asphalt roadway to an all-weather freight route. Safety was improved by improving the horizontal and vertical alignments along with the addition of guardrails where needed. The project was started in 2015 and completed in 2016. The amount expended in 2016 was \$1,609,694.
- Tyrell Road, Phase 1 – The project, from Plymouth Road to 2 miles West of Plymouth Road, reconstructed 2 miles of gravel roadway into an all-weather farm to market paved roadway. The large amount of truck traffic was requiring Benton County road crew to perform road maintenance on a quick reoccurring cycle. The amount expended in 2016 was \$832,412.
- Twelve vehicles were purchased for the Sheriff's fleet for an approximate value of \$460,000 including up-fit costs.
- The parks department purchased a new mower, all-terrain vehicle and installed a park shelter for approximately \$33,000.
- The Fairgrounds started rehabilitation and new construction for some of the buildings.

- A new file storage system was installed for the Clerk and Prosecuting Attorney offices.
- At the end of 2016, Construction in Progress projects included the new Public Works maintenance facility in Kennewick, various security enhancements at the Justice Center and preliminary work on the mental health jail.

Additional information on Benton County's capital assets can be found in Note 6.

Long-Term Debt

At December 31, 2016, Benton County had total bonded debt outstanding of over \$12.6 million, all of which is classified as governmental activity and backed by the full faith and credit of the County. An additional amount of \$858,362 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The completion of CRID 21 Antinori Road increased this by \$773,373.

Benton County's total bonded debt had a net decrease of over \$2.3 million during 2016. Significant debt activity in 2016 included the repayment of debt according to the repayment schedules. The County's remaining capacity for non-voted debt at December 31, 2016 was approximately \$242.9 million. On July 16, 2007, Benton County Road accepted the first draw on a loan from the Washington State Department of Community Trade and Economic Development in the amount of \$1,462,500. On July 24, 2008, an additional draw of \$812,500 was accepted by Benton County Road and on December 29, 2008 one more draw of \$812,500 was accepted. The final draw was completed on March 31, 2009, in the amount of \$162,500. This loan was for the development of the I-82 to SR397 Intertie Project. The loan is low-interest of 0.50% and the repayment term is approximately 20 years from completion of the project. On June 28, 1985, the County began receiving working advance funds from the Washington State Department of Social and Health Services (DSHS). The amount is currently at \$207,667. The amount has no repayment schedule and is available for use until DSHS requests its return. Benton County overall maintains an "Aa2" rating from Moody's for general obligation debt. During 2014, Standard and Poors raised its rating for Benton County's general obligation debt from "AA" to "AA+" based on "Strong Management", "Very strong budgetary flexibility", "Very strong liquidity", "Strong budgetary performance" and "Very strong debt and contingent liabilities". Additional information on the County's long-term debt can be found in Note 9.

ECONOMIC FACTORS

As economic conditions improve, Washington State projected a revenue budget surplus of over \$1 billion for the 2015-2017 State biennium. The Governor proposed a mix of reducing tuition costs at the state's public universities and colleges, an estimated increase of \$1.3 billion to K-12 education. The budget agreement also provides \$14 million for emergency drought response, and \$31 million for a 9 percent increase in temporary cash assistance for families in need. Benton County expects to see some increased state funding in 2015.

In March 2016, the Kennewick-Pasco-Richland Metropolitan Statistical Area (Benton and Franklin Counties) total nonfarm labor force was estimated to be 108,100. The Benton County unemployment rate at year-end was 7.0 percent in 2016 which is 0.3 percent lower than in 2015.

The year end 2016 Washington State Employment Security Department report for Benton County shows that the average total civilian labor force was up by 3.2 percent, from 91,714 in 2015 to 94,739 in 2016. The average number of employed residents was 88,269 in 2016, up by 3.1 percent from 85,548 in 2015. At the same time the average number of unemployed workers increased by a small 0.3 percent from 6,166 in 2015 to 6,185 in 2016.

Much of the growth in 2016 was expected to be in the goods-producing industries, which grew 10 percent over the year. Manufacturing added more than 1,000 jobs in 2016, which is close to 15 percent change over the year. Even though manufacturing is not in the top five industries in percentage of total employment, it remains one of the fastest growing industries for the area. Manufacturing locally is represented heavily by food-processing, which supports many industries including agriculture, wholesale trade, transportation, warehousing and more.

Agriculture is the third largest industry in the area, with more than 11 percent of employment share. This industry provides income and employment for more than 12,750 people in the region.

Local area population and businesses are propelling this community forward with creation of jobs and ample supply of workforce. The labor force market reached more than 134,400 participants in 2016, with 2.9 percent growth over the year. An influx of labor force into the job market has kept the area's unemployment rate the same as in 2015, at 6.8 percent. This is not concerning because labor force growth is sign of population confidence in local economy.

In 2016, new single family home permits surged up 25 percent over the prior year with the majority of growth in Pasco and Kennewick. Pasco dominated the trend with a 65 percent increase in new home starts.

Early predictions indicate that this growth trend will continue into 2017, creating another solid year for the home building industry in Tri-Cities. The increase is not expected to be as robust, but demand will stay strong as inventories of existing homes hover at an extremely low number.

Low interest rates will continue to limit interest earnings on invested funds, however, the County's implementation of a Treasurer's Investment Pool in 2012 is taking advantage of higher yielding investment opportunities.

The Department of Revenue reports an increase of 4.9% in all taxable retail sales for the calendar year 2016.

Growth and prosperity have continued with population growth and development centering in Kennewick, Richland and Prosser. Recreational industries and tourist attractions are developing along with the popularity of the wine industry. The economy is tied to agriculture, food processing, medical equipment manufacturing, energy production, nuclear-fuel fabrication, wine production and wine tourism.

Local area population and businesses are propelling this community forward with creation of jobs and ample supply of workforce. The labor force market reached more than 134,400 participants in 2016, with 2.9 percent growth over the year. An influx of labor force into the job market has kept the area's unemployment rate the same as in 2015, at 6.8 percent. This is not concerning because labor force growth is sign of population confidence in local economy.

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. Education and healthcare is marching forward with growth to accommodate ever growing demand at the local and regional level. Benton County expects to prevail due to our financially sound practices, strong financial management, and conservative budgeting approach.

(sources: Washington State Employment Security Department, Department of Revenue; Suljic, Asja (2017, March 23). Employment Security Department: Local economy shows stability, growth and expansion. Lousey, Jeff (2017, March 23). Home Builders Association: New home permits surge in 2016. *Tri-City Herald, Progress 2017*. Retrieved from <http://www.tri-cityherald.com>)

Requests for Information

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

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

Basic Financial Statements

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

Government-wide Financial Statements

- (1) **Government-wide Statement of Net Position** – presents information on all County governmental and proprietary assets and liabilities, with the difference reported as net position.
- (2) **Government-wide Statement of Activities** – presents information on all County governmental and proprietary revenues and expenses, with the difference reported as change in net 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, 2016

	Primary Government Governmental Activities
<i>ASSETS</i>	
Cash/Cash Equivalents and Equity in Pooled Investments	\$ 63,942,622
Deposits with Fiscal Agent	1,457,281
Investments	68,878,295
Receivables	4,918,110
Due From Other Governments	3,834,169
Inventories/Prepayments	2,691,785
Joint Ventures	4,381,711
Land	4,333,557
Infrastructure	88,427,563
Construction in Progress	530,479
Other Capital Assets (Net of Depreciation)	40,575,605
Restricted Net Pension Asset	1,261,731
Total Assets	<u>285,232,910</u>
<i>DEFERRED OUTFLOWS OF RESOURCES</i>	
Deferred Outflows Related to Pensions	<u>5,778,683</u>
Total Deferred Outflows of Resources	<u>5,778,683</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 291,011,593</u>
<i>LIABILITIES</i>	
Accounts Payable and Other Current Liabilities	\$ 2,319,363
Accrued Liabilities	5,916,302
Long-Term Liabilities:	
Due to Other Governments	208,940
Accrued Liabilities	76,205
Special Assessment Debt with Governmental Commitment	
Due Within One Year	51,558
Due In More Than One Year	806,815
Other Due Within One Year	2,264,192
Other Due In More Than One Year	19,301,853
Net Pension Liability	<u>28,717,944</u>
Total Liabilities	<u>59,663,173</u>
<i>DEFERRED INFLOWS OF RESOURCES</i>	
Deferred Inflows Related to Pensions	<u>1,301,776</u>
Total Deferred Inflows of Resources	<u>1,301,776</u>
Total Liabilities and Deferred Inflows of Resources	<u>\$ 60,964,949</u>
<i>NET POSITION</i>	
Net Investment in Capital Assets	\$ 118,801,845
Restricted for:	
General Government	10,816,551
Public Safety	23,626,465
Mental & Health Services	8,173,917
Economic Environment	3,708,109
Transportation	8,040,892
Culture & Recreation	544,243
Unrestricted (Deficit)	<u>56,334,621</u>
Total Net Position	<u>\$ 230,046,644</u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Activities

Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
Primary Government:					
Governmental Activities:					
General Government	\$ 36,828,217	\$ 14,259,169	\$ 1,196,715	\$ 0	\$ (21,372,333)
Public Safety	36,911,790	13,222,044	1,366,027	0	(22,323,719)
Transportation	9,385,353	691,618	0	5,919,558	(2,774,177)
Natural & Economic Environment	1,558,991	1,496,392	0	92,606	30,006
Social Services	6,791,169	1,450,372	3,670,900	0	(1,669,896)
Culture and Recreation	1,304,794	219,367	90,285	0	(995,142)
Interest on Long Term Debt	787,814	0	0	0	(787,814)
Total Governmental Activities	<u>93,568,127</u>	<u>31,338,962</u>	<u>6,323,927</u>	<u>6,012,164</u>	<u>(49,893,074)</u>
Total Primary Government	<u>\$ 93,568,127</u>	<u>\$ 31,338,962</u>	<u>\$ 6,323,927</u>	<u>\$ 6,012,164</u>	<u>(49,893,074)</u>
General Revenues					
Taxes:					
Property					27,612,830
Sales					27,336,204
Entitlements, Impact & In-lieu Payments					8,861,267
Excise Taxes					981,552
Penalties & Interest on Delinquent Taxes					512,216
Interest and Investment Earnings					<u>1,832,597</u>
Total General Revenues					67,136,666
Change in Net Position					17,243,592
Net Position as of January 1, as restated (Note 17B)					212,803,052
Net Position as of December 31					<u>\$ 230,046,644</u>

See accompanying notes to the basic financial statements

Balance Sheet

Governmental Funds

December 31, 2016

	Major Funds			
	General Fund	County Road	Human Services	1/10% Criminal Justice Fund
ASSETS				
Cash/Cash Equivalents	\$ 4,924,425	\$ 8,712,125	\$ 1,836,782	\$ 3,729,438
Deposits with Fiscal Agent	1,457,281	0	0	0
Investments	11,873,102	849	4,409,652	8,957,835
Taxes Receivable	543,029	175,147	10,607	0
Accounts Receivable	759,898	0	190	0
Assessments Receivable	0	0	0	0
Interest Receivable	136,746	9,135	0	0
Due From Other Funds	9,555	112,422	0	0
Interfund Receivable	1,293	0	0	0
Due From Other Gvmntl Units	1,327,577	0	548,967	0
Property Held In Trust	21,202	0	0	0
Total Assets	\$ 21,054,108	\$ 9,009,678	\$ 6,806,198	\$ 12,687,273
LIABILITIES				
Accounts/Vouchers Payable	\$ 700,999	\$ 296,235	\$ 192,081	\$ 1,221
Due To Other Funds	33,659	250,334	0	0
Interfund Payable	0	0	0	0
Due To Other Governmental Units	1,273	0	207,667	0
Accrued Wages Payable	3,105,964	247,133	52,062	0
Custodial Accounts	1,457,281	0	0	0
Total Liabilities	5,299,176	793,702	451,810	1,221
DEFERRED INFLOWS				
Grant Revenue Received in Advance	190,592	0	0	0
Unavailable Rev. - Property Tax	564,231	175,147	10,607	0
Unavailable Rev. - Court Judgments	592,623	0	0	0
Total Deferred Inflows of Resources	1,347,446	175,147	10,607	0
FUND BALANCES				
Restricted	0	8,040,829	6,343,781	12,686,052
Committed	0	0	0	0
Assigned	0	0	0	0
Unassigned	14,407,486	0	0	0
Total Fund Balances	14,407,486	8,040,829	6,343,781	12,686,052
Total Liabilities, Fund Balances and Deferred Inflows of Resources	\$ 21,054,108	\$ 9,009,678	\$ 6,806,198	\$ 12,687,273

See accompanying notes to the basic financial statements

Balance Sheet

Governmental Funds

December 31, 2016

	Major Funds				Total
	Rural County Capital Fund	Public Safety Tax Fund	Capital Acquisition	Other Governmental Funds	
ASSETS					
Cash/Cash Equivalents	\$ 2,618,064	\$ 10,460,440	\$ 7,023,348	\$ 15,003,417	\$ 54,308,039
Deposits with Fiscal Agent	0	0	0	0	1,457,281
Investments	6,288,395	0	16,869,560	18,513,446	66,912,839
Taxes Receivable	0	0	0	4,797	733,580
Accounts Receivable	0	0	0	24,382	784,470
Assessments Receivable	0	0	0	5,799	5,799
Interest Receivable	0	10,151	0	7,465	163,497
Due From Other Funds	0	476	0	472,268	594,721
Interfund Loans Receivable	0	0	0	0	1,293
Due From Other Gvmntl Units	0	0	688,792	1,248,318	3,813,654
Property Held In Trust	0	0	0	0	21,202
Total Assets	\$ 8,906,459	\$ 10,471,067	\$ 24,581,700	\$ 35,279,892	\$ 128,796,375
LIABILITIES					
Accounts/Vouchers Payable	\$ 0	\$ 178,541	\$ 202,584	\$ 443,208	\$ 2,014,869
Due To Other Funds	0	6,814	4,864	116,803	412,474
Interfund Payable	0	0	0	1,293	1,293
Due To Other Governmental Units	0	0	0	0	208,940
Accrued Wages Payable	0	130,676	8,044	681,380	4,225,259
Custodial Accounts	0	0	0	0	1,457,281
Total Liabilities	0	316,031	215,492	1,242,684	8,320,116
DEFERRED INFLOWS					
Grant Revenue Received in Advance	0	0	0	0	190,592
Unavailable Rev. - Property Tax	0	0	0	10,596	760,581
Unavailable Rev. - Court Judgments	0	0	0	0	592,623
Total Deferred Inflows of Resources	0	0	0	10,596	1,543,796
FUND BALANCES					
Restricted	8,906,459	10,155,036	0	9,578,722	55,710,879
Committed	0	0	0	24,449,183	24,449,183
Assigned	0	0	24,366,208	0	24,366,208
Unassigned	0	0	0	(1,293)	14,406,193
Total Fund Balances	8,906,459	10,155,036	24,366,208	34,026,612	\$ 118,932,463
Total Liabilities, Fund Balances and Deferred Inflows of Resources	\$ 8,906,459	\$ 10,471,067	\$ 24,581,700	\$ 35,279,892	\$ 128,796,375

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, 2016

Total fund balances as shown on the Governmental Fund Balance Sheet:	\$ 118,932,463
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 12/31/16. 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.	234,162,417
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.	(103,661,426)
Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds.	6,005,482
Deferred outflows of resources represent a consumption of fund equity that will be reported as an outflow of resources in a future period and therefore are not reported in the funds.	5,536,833
Deferred inflows of resources represent an acquisition of fund equity that will be recognized as an inflow of resources in a future period and therefore are not reported in the funds.	(1,231,549)
Internal Service funds are used to charge the costs of services to individual funds. The assets and liabilities of the Internal Service funds are included in governmental activities in the statement of net position.	16,865,587
Long-term liabilities that are not due and payable in the current period and are not reported in the funds.	(46,563,163)
Total Net Position, as reflected on the Statement of Net Position:	\$ 230,046,644

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, 2016

	Major Funds			
	General Fund	County Roads	Human Services	1/10% Criminal Justice Fund
<u>Revenues</u>				
Property Taxes	\$ 21,360,468	\$ 5,524,718	\$ 423,918	\$ 0
Sales and Use Taxes	10,837,575	0	0	4,261,896
Other Taxes	867,448	138,765	0	0
Licenses and Permits	111,565	0	0	0
Intergovernmental	4,589,320	6,685,783	3,692,441	0
Charges for Services	16,774,512	344,807	1,340,529	0
Fines and Forfeits	2,376,030	0	0	0
Interest Earnings	1,531,319	41,061	0	0
Donations	9,080	0	0	0
Other Revenues	335,523	29,121	644	0
Total Revenues	58,792,840	12,764,255	5,457,532	4,261,896
<u>Expenditures</u>				
Current:				
General Governmental Services	25,234,481	63,576	0	0
Public Safety	26,305,970	0	0	1,608
Transportation	0	7,538,774	0	0
Natural & Economic Environment	927,140	0	0	0
Social Services	785,301	0	4,970,871	0
Culture and Recreation	488,121	0	0	0
Debt Service:				
Principal	0	197,748	0	0
Interest	0	8,899	0	0
Capital Outlay	62,143	4,591,582	0	244,846
Total Expenditures	53,803,156	12,400,579	4,970,871	246,454
Excess (Deficit) Revenues				
Over Expenditures	4,989,684	363,676	486,661	4,015,442
<u>Other Financing Sources (Uses)</u>				
Issuance of General Long-Term Debt	0	0	0	0
Premium on Long-Term Debt	0	0	0	0
Proceeds of Capital Assets	0	0	0	0
Transfers In	1,620,000	1,138,761	0	0
Transfers Out	(8,355,569)	0	0	(1,948,036)
Total Other Financing Source (Uses)	(6,735,569)	1,138,761	0	(1,948,036)
Net Change in Fund Balance	(1,745,885)	1,502,437	486,661	2,067,406
Fund Balance-January 1	16,153,371	6,538,392	5,857,120	10,618,646
Fund Balance-December 31	\$ 14,407,486	\$ 8,040,829	\$ 6,343,781	\$ 12,686,052

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, 2016

	Major Funds				Total
	Rural County Capital Fund	Public Safety Tax Fund	Capital Acquisition	Other Governmental Funds	
<u>Revenues</u>					
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 191,611	\$ 27,500,715
Sales and Use Taxes	3,854,885	7,018,031	0	1,363,817	27,336,204
Other Taxes	0	0	0	487,555	1,493,768
Licenses and Permits	0	0	0	1,038,528	1,150,093
Intergovernmental	0	0	860,991	2,727,414	18,555,949
Charges for Services	0	0	129,894	7,538,097	26,127,839
Fines and Forfeits	0	0	0	6,078	2,382,108
Interest Earnings	0	48,012	46,372	71,790	1,738,554
Donations	0	0	0	512	9,592
Other Revenues	0	0	534,306	965,979	1,865,573
 Total Revenues	 <u>3,854,885</u>	 <u>7,066,043</u>	 <u>1,571,563</u>	 <u>14,391,381</u>	 <u>108,160,395</u>
<u>Expenditures</u>					
Current:					
General Governmental Services	0	1,130,850	937,997	3,288,366	30,655,270
Public Safety	0	970,888	1,718	8,808,602	36,088,786
Transportation	0	0	0	130,000	7,668,774
Natural & Economic Environment	0	0	0	619,696	1,546,836
Social Services	0	0	77,703	892,682	6,726,557
Culture and Recreation	0	0	0	815,059	1,303,180
Debt Service:					
Principal	0	0	0	2,420,000	2,617,748
Interest	0	0	0	732,543	741,442
Capital Outlay	0	78,355	550,462	647,409	6,174,797
 Total Expenditures	 <u>0</u>	 <u>2,180,093</u>	 <u>1,567,880</u>	 <u>18,354,357</u>	 <u>93,523,390</u>
Excess (Deficit) Revenues Over Expenditures	<u>3,854,885</u>	<u>4,885,950</u>	<u>3,683</u>	<u>(3,962,976)</u>	<u>14,637,005</u>
<u>Other Financing Sources (Uses)</u>					
Issuance of General Long-Term Debt	0	0	0	773,373	773,373
Premium on Long-Term Debt	0	0	0	29,410	29,410
Proceeds of Capital Assets	0	0	0	7,653	7,653
Transfers In	1,751	0	4,300,000	4,712,952	11,773,464
Transfers Out	0	0	0	(1,844,344)	(12,147,949)
 Total Other Financing Source (Uses)	 <u>1,751</u>	 <u>0</u>	 <u>4,300,000</u>	 <u>3,679,044</u>	 <u>435,951</u>
Net Change in Fund Balance	3,856,636	4,885,950	4,303,683	(283,932)	15,072,956
Fund Balance-January 1	5,049,823	5,269,086	20,062,525	34,310,544	103,859,507
Fund Balance-December 31	<u>\$ 8,906,459</u>	<u>\$ 10,155,036</u>	<u>\$ 24,366,208</u>	<u>\$ 34,026,612</u>	<u>\$ 118,932,463</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, 2016

Net change in fund balances as shown on Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance:	\$ 15,072,956
Internal Service Fund Interest, Misc Rev/Exp and Proceeds From Capital Asset Sales and Transfers	787,092
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.	1,666,708
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.	(1,087,751)
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.	1,844,375
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(110,901)
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.	(928,887)
Change in Net Position, as reflected on the Statement of Activities	\$ 17,243,592

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, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<i><u>Revenues</u></i>					
Taxes	\$ 64,010,150	\$ 63,735,150	\$ 33,417,984	\$ 33,065,491	\$ 2,748,325
Licenses and Permits	199,400	199,400	99,632	111,565	11,797
Intergovernmental Revenues	9,552,707	9,729,687	4,696,938	4,589,320	(443,429)
Charges for Services	35,527,650	35,815,950	16,718,366	16,774,512	(2,323,072)
Fines and Forfeitures	5,533,833	5,533,833	2,893,788	2,376,030	(264,015)
Miscellaneous Revenue	3,287,721	3,274,421	1,761,484	1,875,922	362,985
Total Revenues	118,111,461	118,288,441	59,588,192	58,792,840	92,591
<i><u>Expenditures</u></i>					
General Government Services	52,636,028	53,393,458	24,067,639	25,234,481	(4,091,338)
Public Safety	55,712,774	55,675,133	25,672,736	26,305,970	(3,696,427)
Natural & Economic Environment	1,770,647	1,977,558	786,083	927,140	(264,335)
Social Services	1,696,891	1,696,891	769,301	785,301	(142,289)
Culture and Recreation	1,025,223	1,025,358	474,560	488,121	(62,677)
Capital Outlay	86,681	169,481	79,272	62,143	(28,066)
Total Expenditures	112,928,244	113,937,879	51,849,591	53,803,156	(8,285,132)
Excess(Deficiency) of Revenues over Expenditures	5,183,217	4,350,562	7,738,601	4,989,684	8,377,722
<i><u>Other Financing Sources (Uses)</u></i>					
Sale of Capital Assets	0	0	38,874	0	38,874
Transfers In	4,065,845	4,065,845	1,643,136	1,620,000	(802,709)
Transfers Out	(8,074,140)	(12,874,140)	(4,262,883)	(8,355,569)	(255,688)
Total Other Financing Sources (Uses)	(4,008,295)	(8,808,295)	(2,580,873)	(6,735,569)	508,147
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Uses	1,174,922	(4,457,733)	5,157,728	(1,745,885)	7,869,576
Fund Balance, January 1	7,500,000	7,500,000	10,995,643	16,153,371	3,495,643
Fund Balance, December 31	\$ 8,674,922	\$ 3,042,267	\$ 16,153,371	\$ 14,407,486	\$ 11,365,219

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, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Property Taxes	\$ 10,825,312	\$ 10,825,312	\$ 5,545,390	\$ 5,524,718	\$ 244,796
Excise and Other Taxes	175,000	175,000	111,275	138,765	75,040
Total Taxes	<u>11,000,312</u>	<u>11,000,312</u>	<u>5,656,665</u>	<u>5,663,483</u>	<u>319,836</u>
Licenses and Permits	5,100	5,100	100	0	(5,000)
Intergovernmental Revenues	11,375,839	11,375,839	5,171,348	6,685,783	481,292
Charges for Services	646,100	646,100	339,443	344,807	38,150
Interest Earnings	20,000	20,000	21,122	41,061	42,183
Miscellaneous Revenues	7,500	7,500	1,193	29,121	22,814
Total Revenues	<u>23,054,851</u>	<u>23,054,851</u>	<u>11,189,871</u>	<u>12,764,255</u>	<u>899,275</u>
<u>Expenditures</u>					
General Governmental Services	336,900	336,900	71,015	63,576	(202,309)
Transportation	17,921,755	17,868,755	7,440,266	7,538,774	(2,889,715)
Debt Service:					
Principal	396,000	396,000	197,748	197,748	(504)
Interest	27,000	27,000	9,063	8,899	(9,038)
Capital Outlay	12,491,552	12,544,552	2,182,345	4,591,582	(5,770,625)
Total Expenditures	<u>31,173,207</u>	<u>31,173,207</u>	<u>9,900,437</u>	<u>12,400,579</u>	<u>(8,872,191)</u>
Excess (Deficiency) of Revenues over Expenditures	(8,118,356)	(8,118,356)	1,289,434	363,676	9,771,466
<u>Other Financing Sources (Uses)</u>					
Proceeds of Capital Assets	0	0	56,819	0	56,819
Transfers In	3,624,997	3,624,997	0	1,138,761	2,486,236
Total Other Financing Sources (Uses)	<u>3,624,997</u>	<u>3,624,997</u>	<u>56,819</u>	<u>1,138,761</u>	<u>2,543,055</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(4,493,359)	(4,493,359)	1,346,253	1,502,437	7,342,049
Fund Balance, January 1	4,500,000	4,500,000	5,192,139	6,538,392	692,139
Fund Balance, December 31	<u>\$ 6,641</u>	<u>\$ 6,641</u>	<u>\$ 6,538,392</u>	<u>\$ 8,040,829</u>	<u>\$ 8,034,188</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, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Property Taxes	\$ 750,000	\$ 750,000	\$ 410,311	\$ 423,918	\$ 84,229
Excise and Other Taxes	2,500	2,500	0	0	(2,500)
Total Taxes	<u>752,500</u>	<u>752,500</u>	<u>410,311</u>	<u>423,918</u>	<u>81,729</u>
Intergovernmental Revenues	13,340,600	13,340,600	4,644,820	3,692,441	(5,003,339)
Charges for Services	2,668,500	2,788,500	1,610,603	1,340,529	162,632
Donations	0	0	60	0	60
Miscellaneous Revenues	124,000	4,000	1,186	644	(2,170)
Total Revenues	<u>16,885,600</u>	<u>16,885,600</u>	<u>6,666,980</u>	<u>5,457,532</u>	<u>(4,761,088)</u>
<u>Expenditures</u>					
Social Services	21,457,644	21,093,977	6,170,648	4,970,871	(9,952,458)
Debt Service:					
Principal	0	207,667	0	0	(207,667)
Capital Outlay	0	100,000	0	0	(100,000)
Total Expenditures	<u>21,457,644</u>	<u>21,401,644</u>	<u>6,170,648</u>	<u>4,970,871</u>	<u>(10,260,125)</u>
Excess (Deficiency) of Revenues over Expenditures	(4,572,044)	(4,516,044)	496,332	486,661	5,499,037
<u>Other Financing Sources (Uses)</u>					
Transfers In	6,200	6,200	0	0	(6,200)
Transfers Out	0	(56,000)	(23,136)	0	32,864
Total Other Financing Sources (Uses)	<u>6,200</u>	<u>(49,800)</u>	<u>(23,136)</u>	<u>0</u>	<u>26,664</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(4,565,844)	(4,565,844)	473,196	486,661	5,525,701
Fund Balance, January 1	4,700,000	4,700,000	5,383,924	5,857,120	683,924
Fund Balance, December 31	<u>\$ 134,156</u>	<u>\$ 134,156</u>	<u>\$ 5,857,120</u>	<u>\$ 6,343,781</u>	<u>\$ 6,209,625</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, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Taxes	\$ 7,000,000	\$ 7,000,000	\$ 4,057,954	\$ 4,261,896	\$ 1,319,850
Total Revenues	<u>7,000,000</u>	<u>7,000,000</u>	<u>4,057,954</u>	<u>4,261,896</u>	<u>1,319,850</u>
<u>Expenditures</u>					
General Government Services	6,457,847	4,657,847	0	0	(4,657,847)
Public Safety	201,556	175,047	0	1,608	(173,439)
Capital Outlay	0	1,826,509	149,256	244,846	(1,432,407)
Total Expenditures	<u>6,659,403</u>	<u>6,659,403</u>	<u>149,256</u>	<u>246,454</u>	<u>(6,263,693)</u>
Excess (Deficiency) of Revenues over Expenditures	340,597	340,597	3,908,698	4,015,442	7,583,543
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(4,896,071)	(6,273,830)	(4,325,795)	(1,948,036)	(1)
Total Other Sources (Uses)	<u>(4,896,071)</u>	<u>(6,273,830)</u>	<u>(4,325,795)</u>	<u>(1,948,036)</u>	<u>(1)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(4,555,474)	(5,933,233)	(417,097)	2,067,406	7,583,542
Fund Balance as of January 1	10,725,476	10,725,476	11,035,743	10,618,646	310,267
Fund Balance as of December 31	<u>\$ 6,170,002</u>	<u>\$ 4,792,243</u>	<u>\$ 10,618,646</u>	<u>\$ 12,686,052</u>	<u>\$ 7,893,809</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 Rural County Capital Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Taxes	\$ 6,300,000	\$ 6,300,000	\$ 3,681,455	\$ 3,854,885	\$ 1,236,340
Total Revenues	<u>6,300,000</u>	<u>6,300,000</u>	<u>3,681,455</u>	<u>3,854,885</u>	<u>1,236,340</u>
<u>Expenditures</u>					
General Government Services	400,000	4,906,584	0	0	(4,906,584)
Total Expenditures	<u>400,000</u>	<u>4,906,584</u>	<u>0</u>	<u>0</u>	<u>(4,906,584)</u>
Excess (Deficiency) of Revenues over Expenditures	5,900,000	1,393,416	3,681,455	3,854,885	6,142,924
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	0	0	1,751	1,751
Transfers Out	(4,083,000)	(11,595,053)	(10,148,500)	0	1,446,553
Total Other Sources (Uses)	<u>(4,083,000)</u>	<u>(11,595,053)</u>	<u>(10,148,500)</u>	<u>1,751</u>	<u>1,448,304</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	1,817,000	(10,201,637)	(6,467,045)	3,856,636	7,591,228
Fund Balance as of January 1	11,369,730	11,369,730	11,516,868	5,049,823	147,138
Fund Balance as of December 31	<u>\$ 13,186,730</u>	<u>\$ 1,168,093</u>	<u>\$ 5,049,823</u>	<u>\$ 8,906,459</u>	<u>\$ 7,738,366</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 Public Safety Tax Fund Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Taxes	\$ 0	\$ 2,975,069	\$ 5,576,087	\$ 7,018,031	\$ 9,619,049
Charges For Services	0	164,823	0	0	(164,823)
Interest Earnings	0	0	8,637	48,012	56,649
Total Revenues	<u>0</u>	<u>3,139,892</u>	<u>5,584,724</u>	<u>7,066,043</u>	<u>9,510,875</u>
<u>Expenditures</u>					
General Government Services	0	1,656,846	84,393	1,130,850	(441,603)
Public Safety	0	2,778,554	60,091	970,888	(1,747,575)
Capital Outlay	0	207,725	171,154	78,355	41,784
Total Expenditures	<u>0</u>	<u>4,643,125</u>	<u>315,638</u>	<u>2,180,093</u>	<u>(2,147,394)</u>
Excess (Deficiency) of Revenues over Expenditures	0	(1,503,233)	5,269,086	4,885,950	11,658,269
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	28,000	0	0	(28,000)
Total Other Sources (Uses)	<u>0</u>	<u>28,000</u>	<u>0</u>	<u>0</u>	<u>(28,000)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	0	(1,475,233)	5,269,086	4,885,950	11,630,269
Fund Balance as of January 1	0	0	0	5,269,086	0
Fund Balance as of December 31	<u>\$ 0</u>	<u>\$ (1,475,233)</u>	<u>\$ 5,269,086</u>	<u>\$ 10,155,036</u>	<u>\$ 11,630,269</u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Net Position

Proprietary Funds

December 31, 2016

	Governmental Activities
	Internal Service Funds
<i>ASSETS</i>	
<u>Current Assets</u>	
Cash/Cash Equivalents	\$ 9,634,582
Investments	1,965,456
Accounts Receivable	21,491
Interest Receivable	9,319
Due From Other Funds	302,756
Due from Other Governmental Units	20,515
Inventories/Prepayments	2,670,573
Total Current Assets	<u>14,624,692</u>
<u>Noncurrent Assets</u>	
Capital Assets	
Land	221,020
Buildings	6,663,760
Improvements Other Than Buildings	146,953
Machinery and Equipment	10,139,476
Less Accumulated Depreciation	(9,423,275)
Total Noncurrent Assets	<u>7,747,934</u>
<u>Deferred Outflows of Resources</u>	
Deferred Outflows Related to Pensions	241,850
Total Deferred Outflows of Resources	<u>241,850</u>
Total Assets & Deferred Outflows of Resources	<u>\$ 22,614,477</u>
<i>LIABILITIES AND NET POSITION</i>	
<u>Current Liabilities</u>	
Accounts/Vouchers Payable	\$ 304,494
Due To Other Funds	485,001
Accrued Wages Payable	233,762
Total Current Liabilities	<u>1,023,258</u>
<u>Noncurrent Liabilities</u>	
Compensated Absences	143,329
Net Pension Liability	1,520,500
Interfund Loans Payable	2,991,576
Total Noncurrent Liabilities	<u>4,655,404</u>
Total Liabilities	<u>5,678,662</u>
<u>Deferred Inflows of Resources</u>	
Deferred Inflows Related to Pensions	70,228
Total Deferred Inflows of Resources	<u>70,228</u>
Total Liabilities & Deferred Inflows of Resources	<u>5,748,889</u>
<u>Net Position</u>	
Net Investment in Capital Assets	7,747,934
Unrestricted	9,117,653
Total Net Position	<u>\$ 16,865,587</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, 2016

	Governmental Activities
	<u>Internal Services</u>
	\$
<u>Operating Revenues</u>	
Net Charges for Services	8,201,686
Other Operating Revenue	141,247
	<u>8,342,933</u>
<u>Operating Expenses</u>	
Personal Services	2,743,613
Contractual services	3,274,807
Other Supplies and Expenses	622,259
Depreciation	1,681,119
Payment to Claimants	1,108,887
	<u>9,430,684</u>
Operating Income (Loss)	<u>(1,087,751)</u>
<u>Non-Operating Revenue (Expenses)</u>	
Interest Revenue	49,226
Interest Expense	(46,372)
Gain (Loss) on Disposition of Capital Assets	367,574
Other Non-Operating Revenues (Expenses)	42,179
	<u>412,607</u>
Income (Loss) before Transfers	(675,144)
Transfers In	374,484
	<u>(300,660)</u>
Change in Net Position	
	17,166,247
Net Position as of January 1	
	<u>\$ 16,865,587</u>

See accompanying notes to the basic financial statements

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2016

	<u>Governmental Activities</u>
	<u>Internal Services</u>
<u>Cash Flows From Operating Activities:</u>	
Receipts from Customers	\$ 14,065
Receipts from Interfund Services Provided	9,193,611
Miscellaneous Receipts	141,247
Payments to Employees	(2,487,012)
Payments to Suppliers	(4,627,241)
Payments for Interfund Services Used	(135,832)
Net cash provided (used) by operating activities	<u>2,098,838</u>
<u>Cash Flows From Noncapital Financing Activities:</u>	
Transfers from Other Funds	374,484
Miscellaneous Receipts	30,382
Net cash provided (used) by noncapital financing activities	<u>404,866</u>
<u>Cash Flows From Capital And Related Financing Activities</u>	
Interest Paid to Capital Projects Fund	(46,372)
Principal Paid to Capital Projects Fund	(519,306)
Proceeds from sale of capital assets	439,304
Purchases of capital assets	(802,749)
Net cash provided (used) by capital and related financing activities	<u>(929,122)</u>
<u>Cash Flows From Investing Activities:</u>	
Interest Earnings	47,903
Net Cash Provided by Investing Activities	<u>47,903</u>
Net Increase (Decrease) in Cash & Cash Equivalents	1,622,485
Balances as of January 1	<u>9,977,554</u>
Balances as of December 31	<u>\$ 11,600,039</u>

See accompanying notes to the basic financial statements

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2016

	Governmental Activities Internal Services
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</u>	
Operating Income/(Loss)	\$ <u>(1,087,751)</u>
<u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u>	
Depreciation Expense	1,681,119
Other Non-Cash Revenue/Expense	165,300
<u>Changes in assets and liabilities:</u>	
Receivables, net	613,485
Inventories	(2,199)
Accounts and other payables	<u>728,885</u>
Net Cash Provided by Operating Activities	\$ <u><u>2,098,838</u></u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2016

	<u>Investment Trust Funds</u>	<u>Agency Funds</u>
ASSETS		
Cash, Cash Equivalents & Pooled Investments	\$ 190,844,966	\$ 35,356,372
Receivables		
Taxes Receivable	0	4,247,924
Due From Other Governments	<u>0</u>	<u>5,516,339</u>
 Total Assets	 <u>190,844,966</u>	 <u>45,120,635</u>
LIABILITIES		
Warrants Payable	0	15,838,666
Vouchers Payable	0	499,516
Due to Other Governments	<u>0</u>	<u>28,782,453</u>
Total Liabilities	<u>\$ 0</u>	<u>\$ 45,120,635</u>
NET POSITION		
Net Position held in trust for pool Participants	<u>190,844,966</u>	<u>0</u>
Total Net Position	<u>\$ 190,844,966</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

BENTON COUNTY, WASHINGTON

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2016

	<u>Investment Trust Funds</u>
ADDITIONS	
Contributions	
Additions by Participants	\$ 162,505,768
Total Contributions	<u>162,505,768</u>
Other Changes	
Net Funds Moved To/From County's LGIP Investments	(7,693,321)
Net Other Changes	(7,693,321)
Net Additions	<u>154,812,447</u>
DEDUCTIONS	
Distributions to Participants	<u>166,642,639</u>
Net Deductions	166,642,639
Change in Net Position Held For Individuals, Organizations & Other Governments	<u>(11,830,192)</u>
Net Position As Of January 1	202,675,158
Net Position As Of December 31	\$ <u><u>190,844,966</u></u>

See accompanying notes to the basic financial statements

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 two joint ventures. These include the Benton County Emergency Services (BCES) 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. Also, the County participates with the Bi-County Police Information Network (BI-PIN) through a joint cooperative agreement. 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 or 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

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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.

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 *Public Safety Tax Fund*, funded with retail sales tax for the purpose of financing public safety, judicial and mental health programs.
- The *Capital Acquisition Fund* accounts for the expenditures incurred for the acquisition or construction of capital assets that are not identified with other capital funds.

Additionally, the County reports the following fund types:

- *Special revenue funds* account for and report the proceeds of specific revenue sources that are restricted or committed to finance specific activities or functions, as required by law or administrative regulation.
- *Capital project funds* account for and report resources that are restricted, committed or assigned to be used for acquisition or construction of capital projects or other capital assets.
- *Debt service funds* account for and report financial resources that are restricted, committed or assigned to be used for payment of principal and interest on long-term debt.
- *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.
- *Investment trust funds* account for and report pooled investments held by the County Treasurer on behalf of outside entities in the County's investment program. Pooled money is invested and monitored by the County and external participants are generally government entities that do not have their own treasurer, such as fire and school districts.
- *Agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds account for and report assets (such as property taxes collected on behalf of other governments) that the County holds for others in an agency capacity. Agency funds include cities, towns, and fire, school, port, air pollution, library, and drainage districts, along with miscellaneous clearing fund activities.

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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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.

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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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.

4. Deficit Fund Equity

At December 31, 2016, the following fund reported a deficit in its fund balance:

Fund Number	Fund Name	Deficit
373	CRID #21 Construction	\$1,293

County Road Improvement District (CRID) #21 was originally financed using registered warrants. Debt was issued in 2016 to cover the warrants. One additional invoice was received late and processed against the capital project fund. The residual deficit will be cleared in 2017.

E. Assets, Liabilities, Fund Balance, Deferred Outflows/Inflows and Net Position/Fund Balance

1. Cash/Cash Equivalents and Equity in Pooled Investments

It is the County's policy to invest all temporary cash surpluses. At December 31, 2016, the County Treasurer was holding \$342,889,055 in investments of surplus cash as reported on the Benton County Treasurer's investment activity report. The County's portion of this amount, \$63,942,622, 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 2016 were approximately \$9,176,511.

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments (including restricted assets) with a maturity of two 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, 2016, \$5,799 of special assessments receivable were delinquent.

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

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 Inter fund receivables and payables (Due To/From) is included in Note 13.

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

5. Inventories

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

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

6. Capital Assets - See Note 6

7. Other Property and Investments - See Note 4.

8. Compensated Absences

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

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

Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee’s resignation or retirement).

9. Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

10. Long-Term Debt - See Note 9

11. Unearned 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.

Benton County, Washington
Notes to the Basic Financial Statements
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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, 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. Only the General Fund may report a positive unassigned fund balance amount.

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

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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.

15. Detailed Fund Balance Constraints

Fund Balances:	Major Special Revenue Funds						Major		Total
	General Fund	County Roads	Human Services	1/10% Criminal Justice Fund	Rural County Capital Fund	Public Safety Tax Fund	Capital Acquisition Fund	Other Funds	
Restricted for:									
Detention/Correction				12,686,052				1,566,458	14,252,510
Education								109,364	109,364
Financial/Records Services					8,906,459			966,005	9,872,464
Housing/Community Dev								2,869,170	2,869,170
Judicial								872,121	872,121
Juvenile Services								19,621	19,621
Legal								71,966	71,966
Mental/Health Services			6,343,781					1,830,136	8,173,917
Park Facilities								434,879	434,879
Planning/Community Dev								255,398	255,398
Transportation		8,040,829						63	8,040,892
Veterans Services								583,541	583,541
Public Safety						10,155,036		-	10,155,036
Committed to:									
Information Technology								1,940,450	1,940,450
Cultural/Recreational Facilities								5,570,104	5,570,104
Debt Service								8,110,227	8,110,227
Detention/Correction								227,225	227,225
Conservation/Environmental								457,629	457,629
Housing/Community Dev								917,684	917,684
Judicial								2,213,721	2,213,721
Juvenile Services								1,197,465	1,197,465
Law Enforcement								232,288	232,288
Legislative								452,946	452,946
Substance Abuse								17,575	17,575
Transportation								3,111,779	3,111,779
Assigned to:									
Capital Projects							24,366,208		24,366,208
Unassigned:									
General Fund	14,407,486								14,407,486
Transportation								(1,293)	(1,293)
	14,407,486	8,040,829	6,343,781	12,686,052	8,906,459	10,155,036	24,366,208	34,026,522	118,932,373

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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.

17. Pensions

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

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	\$ 760,581
Unavailable Revenue – Court Judgements	592,623
Grant Revenue Received in Advance	190,592
Interest Earned, unavailable for >90 days	167,545
Restricted Net Pension Asset	1,261,731
A/R Superior & District Courts, Treasurers O&M	<u>3,032,410</u>
Net Adjustment to Increase Total Governmental Funds to Arrive At Net Position Governmental Funds	<u>\$6,005,482</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	\$ (12,625,000)
Special Assessment Debt	(858,373)
Long-Term Loans	(1,581,986)
Compensated Absences	(2,825,214)
Less Internal Service Funds Amount	<u>143,329</u>
Net Compensated Absences	(2,681,885)
Interest Payable	(76,205)
OPEB Accrual	(1,542,270)
Net Pension Liability	(28,717,944)
Less Internal Service Funds Amount	<u>1,520,500</u>
Net Pension Liability	<u>(27,197,444)</u>
Net Adjustment to Reduce - Total Governmental Funds to Arrive at Net Position – Governmental Activities	<u>\$ (46,563,163)</u>

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

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

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

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

The details of this difference is as follows:

Capital Outlay	\$ 6,174,797
Donated Capital Assets	2,641,409
Change in Joint Venture Equity	(407,094)
Depreciation Expense	(4,981,601)
Other Capital Outlay (Disposed/Int Svs Funds & Misc.)	<u>(1,760,802)</u>
Net Adjustment to Increase Net Changes in Fund Balance -	
Total Governmental Funds to Arrive at Changes in Net	
Position of Governmental Activities	<u>\$ 1,666,708</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	\$ (773,373)
Principal Payments:	
General Obligation Debt	<u>2,617,748</u>
Net Adjustment to Increase Net Changes in Fund Balances	
Total Governmental Funds to Arrive at Changes in Net	
Position of Governmental Activities	<u>\$ 1,844,375</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	\$ (186,641)
Change in Accrual for District Court A/R	(185,367)
Change in Accrual for Treasurers O&M A/R	6,511
State of Washington Contribution to LEOFF 2	171,770
Change in Interest Receivable between 2015 & 2016	44,817
Change in Deferred Tax Revenue between 2015 & 2016	<u>38,009</u>
Net Adjustment to Increase Net Changes in Fund Balance -	
Total Governmental Funds to Arrive at Changes in Net	
Position of Governmental Activities	<u>\$ (110,901)</u>

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

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		\$ 64,026
Change in Interest Payable between 2015 & 2016		(4,395)
Pension Expenses		(1,130,006)
Change in Compensated Absences, 2015 to 2016	(30,984)	
Less Internal Service Funds Change	<u>110,504</u>	
Net Change in Compensated Absences between 2015 & 2016		<u>141,488</u>
Net Adjustment to Increase Net Changes in Fund Balance - Total Governmental Funds to Arrive at Changes in Net Position of Governmental Activities		<u>\$ (928,887)</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

A. Deposits

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 LGIP 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 Treasurer, which institution is not the counterparty to any transactions for those particular securities. Currently, safekeeping is with Bank of New York Mellon.

The County’s deposits and certificates of deposit are fully covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). A money market account of \$5,000,000 is on the government-wide and fund financial statements at cost.

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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

B. Investments Measured at Fair Value

Investment oversight is provided by the Benton County Finance Committee (the “Finance Committee”) pursuant to RCW 36.29.020. The Finance Committee consists of the County Treasurer as Chair, the County Auditor as Secretary and the Chair of the Board of County Commissioners. All investments are subject to written policies and procedures adopted by the Finance Committee. The Finance Committee meets not less than quarterly to review the investment portfolio and performance. In July 2014, the County’s 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 LGIP or invested through the Treasurer’s Investment Pool (“TIP”). The philosophy in developing the TIP 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 TIP, 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 the County. A minimum of three quotes from brokers/dealers is used to determine the fair value of the securities on that specified date. Therefore, all investments listed at “Fair Value” qualify as Level 1 for measurement purposes. Benton County does not have any “Fair Values” determined by either Level 2 or Level 3 measurement criteria. A quarterly analysis is prepared for the County by various financial institutions. In 2015, the County Board of Commissioners contracted with FTN Financial Main Street Advisors, LLC (“FTN”). FTN will make specific recommendations to the investment strategy and investments, provide periodic review of internal controls, market analysis, portfolio analysis and reporting. FTN will evaluate the County’s Investment Policy and Procedures and provide strategic quarterly reports of the investment program as well as provide an annual onsite visit to review the investment program and the market/economy for the fiscal year.

The County does not report any securities at amortized cost. All securities reported are disclosed using the securities fair market value (Level 1).

The County measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

At December 31, 2016, the County had the following investments measured at fair value:

Investments by fair value level	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Mortgage and other asset-backed securities	\$153,704,816	\$153,704,816	-0-	-0-
Municipal bonds	784,533	784,533	-0-	-0-
U.S. government & agency securities	75,399,705	75,399,705	-0-	-0-
Total Debt Securities	\$229,889,054	\$229,889,054	-0-	-0-

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

As of December 31, 2016, 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 invest- ments held by County as an agent for other local governments, individuals or private organizations</u>	<u>Total</u>
Certificates of Deposit	0.00	\$ 0	\$ 0	\$ 0
Federal Agricultural Mortgage Corp.	1.51	13,449,430	0	13,449,430
Federal Farm Credit Bank	1.56	31,811,860	0	31,811,860
Federal Home Loan Bank	1.42	32,131,279	0	32,131,279
Federal Home Loan Mortgage Corp.	1.52	38,297,745	0	38,297,745
Federal National Mortgage Assn.	1.98	38,014,502	0	38,014,502
Money Market	0.04	5,000,000	0	5,000,000
Municipal Bonds	1.68	784,533	0	784,533
Treasuries	0.75	75,399,705	0	75,399,705
LGIP	0.95	108,000,000	5,675,090	113,675,090
Totals		<u>\$342,889,055</u>	<u>\$5,675,090</u>	<u>\$348,564,145</u>

The amounts listed in the table above as the County's investments (stated at market) also includes idle agency fund monies invested by the County upon which the County earns interest. The amount listed as agency investments includes investments that the agencies have directed the County to purchase on their behalf.

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

Credit Risk - Investments. Credit risk is the risk that an issuer or other counterparts to an investment will not fulfill its obligations. The County investment policy minimizes its credit risk by limiting investments to selected types of securities and pre-qualifying the financial institutions, broker/dealers and intermediaries with which the County will do business. Presented below is the minimum rating required by the state statute and the actual rating as of the end of the year 2016 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

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%, Federal Home Loan Bank 50%, Federal Farm Credit Bank 50%, Federal Home Loan Mortgage Company 50%, Federal National Mortgage Association 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 the 3 highest ratings) 10%.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Set forth below are investments in any one issuer in which the Primary Government participated as of December 31, 2016:

Benton County Investment Concentration

<u>Investment</u>	<u>Percentage of County's Investments</u>	<u>Percentage of invest- ments held by County as an agent for other local governments, individuals or private organizations</u>	<u>Total</u>
Certificates of Deposit (Banner Bank)	0.00	0	0
Federal Agricultural Mortgage Corp.	3.86	0	3.86
Federal Farm Credit Bank	9.13	0	9.13
Federal Home Loan Bank	9.22	0	9.22
Federal Home Loan Mortgage Corp.	10.99	0	10.99
Federal National Mortgage Assn.	10.91	0	10.91
Money Market (Umpqua Bank)	1.43	0	1.43
Municipal Bonds	0.23	0	0.23
Treasuries	21.63	0	21.63
State Pool	30.98	1.63	32.61
Total	<u>98.37%</u>	<u>1.63%</u>	<u>100.0%</u>

With regard to the County's participation in the LGIP, the State Treasurer's Office maintains a third-party custodial arrangement with Bank of New York in order to provide the maximum degree of safety possible. All investment transactions conducted by the County are done on a delivery versus payment ("DVP") basis. In addition, in 1995 the LGIP developed an Advisory Committee to aid the Office of the State Treasurer in an advisory and oversight capacity. Other forms of oversight include the annual state and independent audits that the LGIP undergoes and as a result of that extensive oversight, the LGIP publishes monthly, quarterly and annual reports that allow participants to stay abreast of LGIP issues and activity. The LGIP is an unrated 2a-7 like pool, as defined by GASB 31.

Accordingly, participants' balances in the LGIP are not subject to interest rate risk, as the weighted average maturity of the portfolio will not exceed 90 days. Per GASB 40 guidelines the balances are also not subject to custodial credit risk. The credit risk of the LGIP is limited, as most investments are either obligations of the US government; government sponsored enterprises, or insured demand deposit accounts and certificates of deposit. The fair value of County shares in the LGIP is dollar for dollar equal to the value of pool shares.

C. External Investment Pool

The TIP is not registered with the U.S. Securities and Exchange Commission (the "SEC") as an investment company. Oversight is provided by the 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 TIP by districts and agencies is voluntary, with a signed Investment Service Agreement submitted to the Treasurer. The County and districts are able take advantage of higher yielding investment opportunities by combining purchasing power while maintaining the County's objectives of safety, liquidity and yield. The TIP has grown from four participants with 34 funds at its implementation to 18 participants in 2016. It is expected that the growth of the TIP will continue, with only nine districts left to join the TIP.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The following schedule shows the types of investments, the fair value and the weighted average maturity in years of the TIP as of December 31, 2016.

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 Corp.	1.71	7,969,380	7,969,380
Federal Farm Credit Bank	1.77	15,891,120	15,891,120
Federal Home Loan Bank	1.51	24,662,404	24,662,404
Federal Home Loan Mortgage Corp.	1.46	27,359,225	27,359,225
Federal National Mortgage Association	1.99	24,596,337	24,596,337
Money Market Account	0.00	0	0
Municipal Bonds	1.33	609,208	609,208
Treasuries	0.78	52,922,617	52,922,617
State Pool	1.00	69,217,689	69,217,689
Total		<u>\$223,227,978</u>	<u>\$223,227,978</u>

Benton County Treasurer's Investment Pool
Condensed Statement of Net Position

Assets

Cash, Cash Equivalents & Pooled Investments	\$223,227,979
Receivables	-0-
Total Assets	<u>\$223,227,979</u>

Liabilities

Total Liabilities	-0-
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Net Position Held In Trust for Pool Participants	<u>\$223,227,979</u>
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Benton County Treasurer's Investment Pool
Condensed Statement of Changes in Net Position

Net Position Beginning of Year	\$227,763,056
Net Change in Investments by Pool Participants	(4,535,077)
Net Position End of Year	<u>\$223,227,979</u>

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 daily.

Property taxes are levied and become an enforceable lien against properties upon certification, 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 and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. The balance of taxes receivable includes related interest and penalties. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible by lien foreclosure. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

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, improvements to property, any increase in the value of state assessed property, and newly constructed wind turbines, solar, biomass and geothermal facilities.
- 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 2016, the County levied the following property taxes:

Purpose of Levy	Per \$1,000	Levy Amount
General Government (A)	\$1.2331	\$21,077,886
County Roads (B)	1.5556	6,185,738
Human Services (A)	0.0250	427,328
Veterans' Assistance (A)	0.0113	193,152
Totals	\$2.8250	\$27,884,104

(A) assessed value of \$17,093,120,458

(B) assessed value of \$ 3,976,538,886

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 total for Infrastructure on the government-wide Statement of Net Position is comprised all Infrastructure related capital expenses, including construction in progress and depreciation.

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 acquisition 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
Infrastructure - 75 years	

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 13,181,272	\$ 3,256,205	\$ 279,598	\$ 16,157,879
Construction in progress	8,634,465	4,917,436	7,961,226	5,590,675
Total capital assets, not being depreciated	21,815,737	8,173,641	8,240,824	21,748,553
Capital assets, being depreciated:				
Quarries	82,330	0	0	82,330
Buildings	91,523,829	7,841,427	4,066,106	95,299,150
Improvements	2,526,383	2,415,709	298,365	4,643,727
Intangibles	938,601	43,885	0	982,486
Machinery and equipment	19,278,608	1,315,594	1,173,025	19,421,177
Infrastructure	99,816,031	5,873,209	914,748	104,774,491
Total capital assets being depreciated	214,165,782	17,489,824	6,452,244	225,203,362

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Less accumulated depreciation for:

Quarries	(25,278)	0	0	(25,278)
Buildings	(61,657,750)	(3,800,845)	(532,493)	(64,926,102)
Improvements	(1,203,460)	(227,651)	(158,757)	(1,272,354)
Intangibles	(235,432)	(247,028)	0	(482,460)
Machinery and equipment	(11,751,925)	(1,839,974)	(501,880)	(13,090,019)
Infrastructure	(32,741,276)	(547,222)	0	(33,288,496)
Total accumulated depreciation	<u>(107,615,121)</u>	<u>(6,662,719)</u>	<u>(1,193,129)</u>	<u>(113,084,711)</u>

Total capital assets being depreciated, net	106,550,661	10,827,104	5,259,115	112,118,651
Governmental activities capital assets, net	<u>\$ 128,366,398</u>	<u>\$ 19,000,745</u>	<u>\$ 13,499,939</u>	<u>\$ 133,867,204</u>

Depreciation expense was charged to functions as follows:

General Government	3,321,873
Public Safety	818,378
Utilities	0
Transportation	549,861
Natural & Economic Environment	58,399
Social Services	48,372
Culture and Recreation	<u>184,718</u>
	4,981,600

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>\$ 6,662,719</u>
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NOTE 7 - PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2016:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$(28,717,944)
Pension assets	\$1,261,731
Deferred outflows of resources	\$5,778,683
Deferred inflows of resources	\$(1,301,776)
Pension expense/expenditures	\$2,460,963

State Sponsored Pension Plans

Substantially all the County's 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 and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	6.00%
Administrative Fee	0.18%	
Total	11.18%	6.00%

* For employees participating in JBM, the contribution rate was 12.26%.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 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 benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three 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.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five 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 credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. 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 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	11.18%	6.12%

* For employees participating in JBM, the contribution rate was 15.30%.

The County's actual PERS plan contributions were \$1,256,892 to PERS Plan 1 and \$1,575,575 to PERS Plan 2/3 for the year ended December 31, 2016.

Public Safety Employees' Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, 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.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

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.

PSERS covered employers include:

- Certain 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, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (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. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. 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 three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The **PSERS Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2016 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
PSERS Plan 2	6.59%	6.59%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.54%	6.59%

The County's actual plan contributions were \$422,449 to PSERS Plan 2 and \$305,603 to PERS Plan 1 for the year ended December 31, 2016.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

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 ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2016. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. 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 three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
State and local governments	5.05%	8.41%
Administrative Fee	0.18%	
Total	5.23%	8.41%
Ports and Universities	8.41%	8.41%
Administrative Fee	0.18%	
Total	8.59%	8.41%

The County’s actual contributions to the plan were \$276,631 for the year ended December 31, 2016.

The Legislature, by means of a special funding arrangement, appropriates 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

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2016, the state contributed \$60,375,158 to LEOFF Plan 2. The amount recognized by the County as its proportionate share of this amount is \$171,770.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2016 with a valuation date of June 30, 2015. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2007-2012 Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2016. Plan liabilities were rolled forward from June 30, 2015, to June 30, 2016, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3.0% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were minor changes in methods and assumptions since the last valuation.

- For all systems, except LEOFF Plan 2, the assumed valuation interest rate was lowered from 7.8% to 7.7%. Assumed administrative factors were updated.
- Valuation software was corrected on how the nonduty disability benefits for LEOFF Plan 2 active members is calculated.
- New LEOFF Plan 2 benefit definitions were added within the OSA valuation software to model legislation signed into law during the 2015 legislative session.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the County's proportionate share* of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$15,828,857	\$13,126,183	\$10,800,366
PERS 2/3	\$26,973,672	\$14,650,210	\$(7,626,280)
PSERS 2	\$544,036	\$125,292	\$(172,982)
LEOFF 1	\$(819,382)	\$(1,379,337)	\$(1,857,973)
LEOFF 2	\$9,572,997	\$(3,413,714)	\$(13,201,924)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the County reported a total pension liability of \$27,456,213 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$14,401,992
PERS 2/3	13,525,460
PSERS 2	790,492
LEOFF 1	(260,013)
LEOFF 2	(1,001,718)
Total	\$27,456,213

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the County. The amount recognized by the County as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the County were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$ (260,013)	\$ (1,001,718)
State's proportionate share of the net pension asset associated with the employer	(1,758,723)	(653,047)
TOTAL	\$ (2,018,737)	\$ (1,654,765)

At June 30, the County's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/15	Proportionate Share 6/30/16	Change in Proportion
PERS 1	0.282934%	0.268170%	(0.014764%)
PERS 2/3	0.287782%	0.268633%	(0.019149%)
PSERS 2	1.886362%	1.860069%	(0.026293%)
LEOFF 1	0.024967%	0.025237%	0.000270%
LEOFF 2	0.171388%	0.172226%	0.000838%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2016. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2016, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2016, the state of Washington contributed 39.46 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.54 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2016, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2015, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2016, the County recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (23,519)
PERS 2/3	1,623,672
PSERS 2	567,804
LEOFF 1	(36,335)
LEOFF 2	329,341

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-0-	\$-0-
Net difference between projected and actual investment earnings on pension plan investments	\$362,619	\$-0-
Changes of assumptions	\$-0-	\$-0-
Changes in proportion and differences between contributions and proportionate share of contributions	\$-0-	\$-0-
Contributions subsequent to the measurement date	\$783,758	\$-0-
TOTAL	\$1,146,377	\$-0-

PERS 2 & 3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$720,221	\$(446,498)
Net difference between projected and actual investment earnings on pension plan investments	\$1,655,126	\$-0-
Changes of assumptions	\$139,797	\$-0-
Changes in proportion and differences between contributions and proportionate share of contributions	\$-0-	\$(843,420)
Contributions subsequent to the measurement date	\$780,614	\$-0-
TOTAL	\$3,295,758	\$(1,289,917)

PSERS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$269,264	\$-0-
Net difference between projected and actual investment earnings on pension plan investments	\$163,035	\$-0-
Changes of assumptions	\$3,069	\$-0-
Changes in proportion and differences between contributions and proportionate share of contributions	\$-0-	\$(6,208)
Contributions subsequent to the measurement date	\$219,418	\$-0-
TOTAL	\$654,786	\$(6,208)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$-0-	\$-0-
Net difference between projected and actual investment earnings on pension plan investments	\$26,430	\$-0-
Changes of assumptions	\$-0-	\$-0-
Changes in proportion and differences between contributions and proportionate share of contributions	\$-0-	\$-0-
Contributions subsequent to the measurement date	\$-0-	\$-0-
TOTAL	\$26,430	\$-0-

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$137,262	\$-0-
Net difference between projected and actual investment earnings on pension plan investments	\$359,958	\$-0-
Changes of assumptions	\$3,777	\$-0-
Changes in proportion and differences between contributions and proportionate share of contributions	\$9,080	\$(5,650)
Contributions subsequent to the measurement date	\$145,255	\$-0-
TOTAL	\$655,332	\$(5,650)

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TOTAL ALL PLANS	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,126,747	\$(446,498)
Net difference between projected and actual investment earnings on pension plan investments	\$2,567,168	\$-0-
Changes of assumptions	\$146,643	\$-0-
Changes in proportion and differences between contributions and proportionate share of contributions	\$9,080	\$(855,278)
Contributions subsequent to the measurement date	\$1,929,045	\$-0-
TOTAL	\$5,778,683	\$(1,301,776)

Deferred outflows of resources related to pensions resulting from the County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2 & 3	PSERS	LEOFF 1	LEOFF 2
2017	(\$89,285)	(\$279,144)	\$51,982	(\$5,462)	(\$3,854)
2018	(\$89,285)	(\$279,144)	\$51,982	(\$5,462)	(\$3,854)
2019	\$333,027	\$1,036,846	\$152,425	\$22,890	\$298,465
2020	\$208,162	\$746,667	\$119,186	\$14,463	\$205,812
2021	\$-0-	\$-0-	\$53,135	\$-0-	\$7,858
Thereafter	\$-0-	\$-0-	\$450	\$-0-	\$-0-

NOTE 8A - RISK POOL

Benton County is a participating member of the Washington Counties Risk Pool (WCRP). Chapter 48.62 RCW authorizes the governing body of one or more governmental entities to join together for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in August of 1988 when 15 counties in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2016, 26 counties participate in the WCRP.

The Pool allows members to jointly establish a plan of self-insurance, and provides related services, such as risk management and claims administration. Members enjoy occurrence-based, jointly purchased and/or jointly self-insured liability coverage for bodily injury, personal injury, property damage, errors and omissions, and advertising injury caused by a covered occurrence during an eligible period and occurring anywhere in the world. Total coverage limits are \$25 million per occurrence and each member selects its occurrence deductible amount for the ensuing coverage year from these options: \$10,000, \$25,000, \$50,000, \$100,000, \$250,000 or \$500,000. For losses occurring in 2016, Benton County selects a per-occurrence deductible of \$100,000.

Members make an annual contribution to fund the Pool. The Pool acquires reinsurance for further protection from larger losses, direct protection for the Pool and indirect for the member counties due to the contingent liabilities they would otherwise incur from risk-sharing those losses. The reinsurance agreements are written with self-insured retentions ("SIRs") equal to the greater of the deductible for the member with the claim or \$100,000. More recent years' reinsurance programs have included "corridor deductibles" with aggregated stop losses which have the effect of increasing the Pool's SIR. For 2015-16, this "corridor" increased the SIR to \$2 million, but with an aggregated stop loss of \$3.45 million. Other reinsurance agreements respond to the applicable policy limits. Those reinsurance agreements contain aggregate limits for the maximum annual reimbursements to the Pool of \$40 million (lowest reinsured layer), \$20 million, (second layer), \$30 million (third layer) and \$50 million (final reinsured layer). Since the Pool is a cooperative program, there is a joint liability among the participating members.

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New members may be asked to pay modest fees to cover the costs to analyze their loss data and risk profiles, and for their proportional shares of the entry year's assessments. New members contract under the Interlocal Agreement to remain in the Pool for at least five years. Following its initial 60-month term, any member may terminate its membership at the conclusion of any Pool fiscal year, provided the county timely files the required advance written notice. Otherwise, the Interlocal Agreement and membership automatically renews 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.

The Pool is fully funded by its member participants. Claims are filed directly with the Pool by members and adjusted by one of the six staff members responsible for evaluating each claim for coverage, establishing reserves, and investigating for any risk-shared liability. The Pool does not contract with any third party administrators for claims adjustment or loss prevention services.

During 2015-16, Benton County was also one of twenty-six (26) counties which participated in the Washington Counties Property Program (WCPP). Property losses are covered under the WCPP to the participating counties' buildings and contents, vehicles, mobile/contractor equipment, EDP and communication equipment, etc. that have been scheduled. The WCPP includes 'All Other Perils ("AOP")' coverage limits of \$500 million per occurrence as well as Flood and Earthquake (catastrophe) coverages with separate occurrence limits, each being \$200 million. There are no AOP annual aggregate limits, but the flood and earthquake coverages include annual aggregate limits of \$200 million each. Each participating county is solely responsible for paying their selected deductible, ranging between \$5,000 and \$50,000. Higher deductibles apply to losses resulting from catastrophe-type losses.

Benton County also participates in the jointly purchased cyber risk and security coverage from a highly-rated commercial insurer.

The Pool is governed by a board of directors which is comprised of one designated representative from each participating member. The Board of Directors generally meets three-times each year with the Annual Meeting of the Pool' being held in summer. The Board approves the extent of risk-sharing, approves the Pool's self-insuring coverage documents, approves the selection of reinsurance and excess agreements, and approves the Pool's annual operating budget.

An 11-member executive committee is elected by and from the WCRP Board for staggered, 3-year terms. Authority has been delegated to the Committee by the Board of Directors to, a) approve all disbursements and reviews 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, program deliverables, and the Executive Director's performance. Committee members are expected to participate in the Board's standing committees (finance, personnel, risk management, and underwriting) which develop or review/revise proposals for and/or recommendations to the association's policies and its coverages for the Board to consider and act upon

During 2015-16, the WCRP's assets decrease 4% to \$46.8 million while its liabilities increased slightly to \$29 million. The Pool's net position decreased slightly from \$18.9 million to \$17.9 million. The Pool more than satisfies the State Risk Manager's solvency requirements (WAC 200.100.03001). The Pool is a cooperative program with joint liability amongst its participating members.

Deficits of the Pool resulting from any fiscal year are financed by reassessments of the deficient year's membership in proportion with the initially levied and collected deposit assessments. The Pool's reassessments receivable balance as of December 31, 2016 was zero (\$0). As such, there were no known contingent liabilities at that time for disclosure by the member counties.

Benton County, Washington
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For the Year Ended December 31, 2016

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.

Reconciliation of Claims Liability

- Unemployment Compensation. Benton County reimburses the Employment Security Department for individual unemployment compensation claims. The County pays actual claims on a pay-as-you-go basis.

Claims liability at 12/31/2014	\$ -0-
Claims incurred	148,219
Claims paid	<u>(148,219)</u>
Claims liability at 12/31/2015	-0-
Claims incurred	97,600
Claims paid	<u>(97,600)</u>
Claims liability at 12/31/2016	<u>\$ -0-</u>

- Workers' Compensation. Benton County reimburses the Employment Security Department for individual unemployment compensation claims. The County pays actual claims on a pay-as-you-go basis.

Claims liability at 12/31/2014	\$ 586,417
Claims incurred	673,284
Claims paid	(784,943)
Claims adjustments	<u>(1,444)</u>
Claims liability at 12/31/2015	473,314
Claims incurred	1,085,357
Claims paid	(838,776)
Claims adjustments	<u>(4,935)</u>
Claims liability at 12/31/2016	<u>\$ 714,960</u>

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, 2016, were \$2,878,986.

*Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016*

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 bringing the total to \$3,250,000. 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
2017	\$ 197,748	\$ 7,910	\$ 205,658
2018	197,748	6,921	204,669
2019	197,748	5,932	203,680
2020	197,748	4,944	202,692
2021	197,748	3,955	201,703
2022-2024	593,246	5,932	599,176
Totals	\$1,581,986	\$35,594	\$1,617,578

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, 2016 is \$20,000. There was \$17,152 in delinquent special assessment receivables on December 31, 2016. 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, 2016 is \$65,000. There was \$43,955 in delinquent special assessment receivables on December 31, 2016. 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.

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On August 23, 2016, Benton County issued \$773,373 in Special Assessment bonds payable by levy against real property in the County’s Road Improvement District number 21. These bonds bear an interest rate of 3.80% and reach maturity in the year 2031. The principal outstanding on December 31, 2016 is \$773,373. There were no delinquent special assessment receivables on December 31, 2016. Debt service requirements for special assessment bonds will be met by the collection of assessment receivable that have been levied against property owners. Benton County has established a CRID Guaranty fund whereby the County will cover expenses if the property owners do not pay the assessments necessary to finance the debt. The County will recover all funds spent in this manner, as the assessments are liens against the property and subject to foreclosure.

Year Ending December 31	Special Assessment Bonds		
	Principal	Interest	Total
2017	\$ 51,558	\$ 31,130	\$ 82,688
2018	51,558	38,736	90,294
2019	51,558	36,760	88,318
2020	51,558	34,850	86,408
2021	51,558	32,809	84,367
2022-2026	342,790	100,156	442,946
2027-2031	257,793	29,661	287,454
Totals	\$858,373	\$304,102	\$1,162,475

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.

These bonds are subject to Federal arbitrage regulations. Benton County has contracted with Arbitrage Compliance Specialist, Inc., to perform periodic arbitrage rebate calculations on the County’s long-term debt. The latest report, dated July 18, 2016, determined that there were no requirements to report anything to the IRS as of that date.

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, 2016 is \$ 7,150,000.

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, 2016 is \$5,475,000.

Benton County, Washington
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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	CRID Special Assessment Debt 2016	G.O. Bonded Debt 2003	Public Works Trust Fund Loan	Total Debt Payments
2017	\$ 513,975	\$ 8,605	\$ 2,468	\$ 71,615	\$ 2,017,500	\$ 205,658	\$ 2,819,821
2018	512,713	8,605	2,468	79,221	2,014,500	204,669	2,822,176
2019	515,337	8,605	2,468	77,245	2,017,500	203,680	2,824,835
2020	512,578	8,605	2,468	75,335	2,016,000	202,692	2,817,678
2021	514,378	8,605	2,468	73,294	0	201,703	800,448
2022-2026	2,571,075	83,583	22,490	336,873	0	599,176	3,613,197
2027-2031	2,563,701	0	0	287,454	0	0	2,851,155
Totals	\$7,703,757	\$126,608	\$34,830	\$1,001,037	\$8,065,500	\$1,617,578	\$18,549,310

General Obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Refinance portions of outstanding bonds for reduced rate	2.77%-5.00%	\$7,150,000
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%	5,475,000
Total		\$12,625,000

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

Year Ending December 31	Governmental Activities		
	Principal	Interest	Total
2017	\$ 1,925,000	\$ 606,475	\$ 2,531,475
2018	2,015,000	512,213	2,527,213
2019	2,120,000	412,837	2,532,837
2020	2,220,000	308,578	2,528,578
2021	315,000	199,378	514,378
2022-2026	1,795,000	776,075	2,571,075
2027-2031	2,235,000	328,701	2,563,701
	\$12,625,000	\$3,144,257	\$15,769,257

At December 31, 2016, the County has \$8,099,760 available in Debt Service funds to service the general obligation bonded debt.

The County's legal non-voted debt limit is \$256,396,807 with \$242,913,445 still available. The legal voted debt limit (with 3/5 vote) is \$427,328,011 with \$413,844,649 still available.

At December 31, 2016, the County estimates that it has \$141,444 of compensated absences due within one year.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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 \$148,866 for the year ended December 31, 2016. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2017	\$108,276
2018	78,924
2019	43,783
2020	15,756
2021	3,561
2022-2026	-0-
Total	\$250,300

B. Capital Leases

The County does not have any capital leases.

NOTE 11 – CHANGES IN GENERAL LONG-TERM LIABILITIES

During the year ended December 31, 2016, the following changes occurred in Long-Term Liabilities:

Description	Balance 01/01/16	Additions	Reductions	Balance 12/31/16	Due Within One Year
Employee Leave Benefits*	\$ 2,856,198	\$3,879,718	\$3,910,703	\$ 2,825,212	\$ 141,444
DSHS Working Advances	207,667	0	0	207,667	0
Economic Development Loan	1,779,734	0	197,748	1,581,986	197,748
2003 CRID Special Assessment	45,000	0	25,000	20,000	0
2005 CRID Special Assessment	125,000	0	60,000	65,000	0
2016 CRID Special Assessment	0	773,373	0	773,373	51,558
Health Building	5,730,000	0	255,000	5,475,000	265,000
2003 Refinancing	9,230,000	0	2,080,000	7,150,000	1,660,000
OPEB Benefit For LEOFF**	1,478,244	239,540	175,514	1,542,270	0
Net Pension Liability	25,426,993	3,290,951	0	28,717,944	0
Total Debt	\$46,878,836	\$8,183,582	\$6,703,965	\$48,358,453	\$2,315,750

*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 \$143,328 of internal service funds compensated absences are included in the above amounts.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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".

B. Interfund Reconciliations

1. Interfund Due To & Due From

The composition of interfund Due To and Due From as of December 31, 2016, is as follows:

Due To	Due From	Amount
General Fund	County Road	1,525
	Public Safety Sales Tax Fund	6,432
	NonMajor Governmental Funds	1,598
	Sub-total	9,555
County Road	General Fund	56
	NonMajor Governmental Funds	90,804
	Capital Projects Fund	4,864
	Internal Service Fund	16,698
	Sub-total	112,422
Public Safety Tax	General Fund	476
	Sub-total	476
NonMajor Governmental Funds	General Fund	3,965
	Internal Service Fund	468,303
	Sub-total	472,268
Internal Service Funds	General Fund	29,162
	County Road	248,809
	Public Safety Sales Tax Fund	383
	NonMajor Governmental Funds	24,402
	Sub-total	302,756
Total		897,477

These interfund transactions usually involve the exchange of goods and services in a normal business relationship. The amounts due to the internal service funds consists primarily of County Road fund equipment rental fees and material purchases of approximately \$248,809. County Road is funding projects for flood control and path construction/maintenance through reserves from special revenues of \$79,815. Other interfund transactions include court costs, legal fees and administrative charges.

Benton County, Washington
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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 represent 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, 2016 are as follows:

Transferring In Fund	Transferring Out Fund	Amount
General Fund	1/10% Criminal Justice Tax Fund	\$1,600,000
	NonMajor Governmental Funds	20,000
	Sub-total	1,620,000
County Road	NonMajor Governmental Funds	1,138,761
	Sub-total	1,138,761
Rural County Capital	NonMajor Governmental Funds	1,751
	Sub-total	1,751
Capital Acquisition	General Fund	4,300,000
	Sub-total	4,300,000
NonMajor Governmental Funds	General Fund	4,055,569
	1/10% Criminal Justice Tax Fund	348,036
	NonMajor Governmental Funds	309,347
	Sub-total	4,712,952
Internal Service Funds	NonMajor Governmental Funds	374,484
	Sub-total	374,484
	Total	\$12,147,948

For the year ended December 31, 2016, the following transfers were significant or of a nonroutine nature:

- \$4.30 million transferred from the General Fund to Capital Projects Fund for building maintenance projects.
- \$3.73 million transferred to the Benton Franklin Juvenile Center to fund operations, consisting of the following: \$3.38 million from the General Fund and \$0.34 million from the 1/10% Criminal Justice Jail-Juvenile fund.
- \$1.60 million from 1/10% Criminal Justice Jail-Juvenile fund to the General Fund for maintenance and operation of the adult and juvenile jails.

NOTE 14 – RESTRICTED NET POSITION

The government-wide statement of net position reports \$54,910,177 of restricted net position, of which \$54,910,177 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. 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, 2016

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 four funds: the Southeast Communications (SECOMM), 800 MHz Radio, Benton County Emergency Management (BCEM) and Microwave.

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 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 PNNL and the Areva Corporation) are charged an annual fee per radio to fund system maintenance and upgrades.

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 four grant programs: Radiological Emergency Preparedness, Emergency Management Program, Department of Energy 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.

4. Microwave

The microwave system is accounted for separately within its own fund and the user groups are charged a portion of costs based on number of circuits utilized. The Cities of Kennewick, Richland and Benton County each own an equal share of Microwave's net assets. The change in equity is reflected in Public Safety under the government-wide Statement of Activities. Upon dissolution of the Interlocal Agreement, the net position will be shared equitably among the participants.

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 2015 for these services was \$234,192. 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, BCEM and Microwave were \$1,249,022; \$2,933,043; \$24,424; and \$24,222 on December 31, 2016. The total of these amounts is reported as Joint Venture capital assets on 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 from the City of Richland, 505 Swift Blvd., Richland, WA.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

B. Metro Drug Forfeiture Fund

The Metropolitan Controlled Substance Enforcement Group (Metro) was established prior to 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 accounting support services for the operation of Metro.

The County's equity interest in Metro was \$20,855 on June 30, 2016. 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.

C. 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 eight participating municipal corporations: the Cities of Kennewick, Pasco, Richland, Connell, West Richland, Prosser, and Benton and Franklin Counties. This particular agreement is considered a joint cooperative agreement. BI-PIN was established to assist the participating police and sheriff's departments in the deterrence and solution of criminal incidents. BI-PIN is served by an Executive Committee composed of the City Manager for each city and a member from each Board of County Commissioners of Benton and Franklin Counties. 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, legal services, risk management and information systems. The total amount paid by BI-PIN, in 2016, for these transactions were \$119,000.

The County's equity interest in BI-PIN was \$130,145 on December 31, 2016. 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.

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, 15 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 2016 the County reimbursed up to \$184 per month per employee as a Medicare supplement for LEOFF 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 \$175,514 were recognized for post-retirement health care.

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

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, 2016 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, 2016 the plan was unfunded as allowed by GASB 45. The accrued liability for benefits was \$3.3 million, and the actuarial value of plan assets was zero, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$3.3 million. The UAAL is being amortized on a closed basis.

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 15 years as of January 1, 2016.

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 2016 follows:

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

	2016	2015	2014
Determination of Annual Required Contribution (ARC)			
Normal cost	\$ -0-	\$ -0-	\$ -0-
Amortization of UAAL	310,664	349,547	362,224
ARC	\$310,664	\$349,547	\$362,224
Annual OPEB Cost			
ARC	\$310,664	\$349,547	\$362,224
NOO Interest	66,521	60,870	54,292
NOO Amortization	(137,645)	(125,952)	(112,341)
Annual OPEB Cost	\$239,540	\$284,465	\$304,175
NOO			
Starting NOO	\$1,478,244	\$1,352,668	\$1,206,496
Annual OPEB Cost	239,540	284,465	304,175
Less Contributions Paid to LEOFF Retirees	(175,514)	(158,889)	(158,003)
NOO	\$1,542,270	\$1,478,244	\$1,352,668
Percentage of Annual OPEB Cost Contributed	73.3%	55.9%	51.9%

Benton County, Washington
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016

Funding Status

As of December 31, 2016, the most recent actuarial valuation date, the plan was 0% funded. The accrued liability for benefits was \$3,336,390 and the actuarial value of the assets was \$0 resulting in a UAAL of \$3,336,390. 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. Prior Period Adjustments

The Government wide Statement of Activities shows the following prior period adjustment for capital asset activities.

The County recorded capital asset contributions made in 2014 for \$3,410,844 for road right of way land contributed by developers and \$18,342 for a capital project not fully recognized in 2015.

Net Position as of January 1, 2015, as previously reported	209,419,589
Prior Period Adjustment - Capital Assets net of depreciation	3,383,463
Net Position as of December 31, 2015, as restated	<u><u>212,803,052</u></u>

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BENTON COUNTY, WASHINGTON

Required Supplementary Information

Schedule of Funding Progress

December 31, 2016

LEOFF 1 Other Post Employment Benefits

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2016	\$0	\$3,336,390	\$3,336,390	0.00%	\$0	n/a
12/31/2015	\$0	\$3,753,971	\$3,753,971	0.00%	\$0	n/a
12/31/2014	\$0	\$3,890,118	\$3,890,118	0.00%	\$0	n/a
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%

BENTON COUNTY, WASHINGTON

Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability

June 30, 2016

PERS 1	2014	2015	2016
County's proportion of the net pension liability	0.29735%	0.28293%	0.26817%
County's proportionate share of the net pension liability	14,979,348	14,800,079	14,401,992
County's covered employee payroll	907,863	550,434	420,734
County's proportionate share of the net pension liability as a percentage of covered employee payroll	1649.96%	2688.80%	3423.06%
Plan fiduciary net position as a percentage of the total pension liability	61.19%	59.10%	57.03%
PERS 2/3	2014	2015	2016
County's proportion of the net pension liability	0.29831%	0.28778%	0.26863%
County's proportionate share of the net pension liability	6,030,003	10,282,615	13,525,459
County's covered employee payroll	25,762,131	25,516,578	25,372,621
County's proportionate share of the net pension liability as a percentage of covered employee payroll	23.41%	40.30%	53.31%
Plan fiduciary net position as a percentage of the total pension liability	93.29%	89.20%	85.82%
PSERS	2014	2015	2016
County's proportion of the net pension liability	1.96396%	1.86007%	1.88636%
County's proportionate share of the net pension liability	(284,401)	344,299	790,492
County's covered employee payroll	5,337,783	5,547,129	6,093,742
County's proportionate share of the net pension liability as a percentage of covered employee payroll	-5.33%	6.21%	12.97%
Plan fiduciary net position as a percentage of the total pension liability	105.01%	95.08%	90.41%
LEOFF 1	2014	2015	2016
County's proportion of the net pension liability	0.02600%	0.02497%	0.02524%
County's proportionate share of the net pension liability	(315,277)	(300,908)	(260,013)
State's proportionate share of the net pension liability (asset) associated with the county	(2,132,527)	(2,035,331)	(1,758,723)
Total proportionate share of the net pension liability (asset)	(2,447,804)	(2,336,239)	(2,018,737)
County's covered employee payroll	n/a	n/a	n/a
County's proportionate share of the net pension liability as a percentage of covered employee payroll	n/a	n/a	n/a
Plan fiduciary net position as a percentage of the total pension liability	126.91%	127.36%	123.74%
LEOFF 2	2014	2015	2016
County's proportion of the net pension liability	0.17353%	0.17139%	0.17223%
County's proportionate share of the net pension liability	(2,302,858)	(1,761,526)	(1,001,718)
State's proportionate share of the net pension liability (asset) associated with the county	(1,504,643)	(1,164,722)	(653,047)
Total proportionate share of the net pension liability (asset)	(3,807,502)	(2,926,249)	(1,654,766)
County's covered employee payroll	4,806,782	4,993,231	5,257,450
County's proportionate share of the net pension liability as a percentage of covered employee payroll	-47.91%	-35.28%	-19.05%
Plan fiduciary net position as a percentage of the total pension liability	116.75%	111.67%	106.04%

Notes: GASB 68 was implemented for the 2015 financial statements so only three years of data is available.

Up to ten years of history will be presented over time as the data is generated.

BENTON COUNTY, WASHINGTON

Required Supplementary Information

Schedule of Employer Contributions

December 31, 2016

PERS 1	2014	2015	2016
Statorily or contractually required contributions	1,322,963	1,406,030	1,562,495
Contributions in relation to the statorily or contractually required contributions	1,322,963	1,406,030	1,562,495
Contribution deficiency (excess)	-	-	-
Covered County payroll	759,161	434,811	459,490
Contributions as a percentage of covered County payroll	174.27%	323.37%	340.05%
PERS 2/3	2014	2015	2016
Statorily or contractually required contributions	1,281,288	1,423,247	1,575,575
Contributions in relation to the statorily or contractually required contributions	1,281,288	1,423,247	1,575,575
Contribution deficiency (excess)	-	-	-
Covered County payroll	25,652,424	25,294,162	25,329,385
Contributions as a percentage of covered County payroll	4.99%	5.63%	6.22%
PSERS	2014	2015	2016
Statorily or contractually required contributions	346,045	373,961	422,449
Contributions in relation to the statorily or contractually required contributions	346,045	373,961	422,449
Contribution deficiency (excess)	-	-	-
Covered County payroll	5,462,130	5,771,264	6,364,883
Contributions as a percentage of covered County payroll	6.34%	6.48%	6.64%
LEOFF 1	2014	2015	2016
Statorily or contractually required contributions	-	-	-
Contributions in relation to the statorily or contractually required contributions	-	-	-
Contribution deficiency (excess)	-	-	-
Covered County payroll	n/a	n/a	n/a
Contributions as a percentage of covered County payroll	-	-	-
LEOFF 2	2014	2015	2016
Statorily or contractually required contributions	247,278	256,406	276,631
Contributions in relation to the statorily or contractually required contributions	247,278	256,406	276,631
Contribution deficiency (excess)	-	-	-
Covered County payroll	4,896,575	5,077,340	5,475,673
Contributions as a percentage of covered County payroll	5.05%	5.05%	5.05%

Notes: GASB 68 was implemented for the 2015 financial statements so only three years of data is available. Up to ten years of history will be presented over time as the data is generated.

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BENTON COUNTY, WASHINGTON

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

	Nonmajor Funds			Total
	Special Revenue	Debt Service	Capital Projects	
<i>ASSETS</i>				
Cash/Cash Equivalents	\$ 12,594,874	\$ 2,390,968	\$ 17,575	\$ 15,003,417
Investments	12,794,620	5,718,826	0	18,513,446
Taxes Receivable	4,797	0	0	4,797
Accounts Receivable	23,949	433	0	24,382
Assessments Receivable	5,799	0	0	5,799
Interest Receivable	7,375	72	18	7,465
Due From Other Funds	472,268	0	0	472,268
Due From Other Governmental Units	1,248,318	0	0	1,248,318
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ <u>27,152,000</u>	\$ <u>8,110,299</u>	\$ <u>17,593</u>	\$ <u>35,279,892</u>
 <i>LIABILITIES AND FUND BALANCES</i>				
<u>Liabilities</u>				
Accounts/Vouchers Payable	\$ 443,208	\$ 0	\$ 0	\$ 443,208
Due To Other Funds	116,803	0	0	116,803
Interfund Payable	0	0	1,293	1,293
Accrued Wages Payable	681,380	0	0	681,380
Total Liabilities	<u>1,241,391</u>	<u>0</u>	<u>1,293</u>	<u>1,242,684</u>
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	10,596	0	0	10,596
Total Deferred Inflows of Resources	<u>10,596</u>	<u>0</u>	<u>0</u>	<u>10,596</u>
 <u>Fund Balance</u>				
Restricted	9,578,722	0	0	9,578,722
Committed	16,321,291	8,110,299	17,593	24,449,183
Unassigned	0	0	(1,293)	(1,293)
Total Fund Balances	<u>25,900,013</u>	<u>8,110,299</u>	<u>16,300</u>	<u>34,026,612</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Fund Balances and Deferred Inflows of Resources	\$ <u>27,152,000</u>	\$ <u>8,110,299</u>	\$ <u>17,593</u>	\$ <u>35,279,892</u>

BENTON COUNTY, WASHINGTON

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

Nonmajor Governmental Funds

Year Ended December 31, 2016

	Nonmajor Funds			Total
	Special Revenue	Debt Service	Capital Projects	
<u>Revenues</u>				
Property Taxes	\$ 191,611	\$ 0	\$ 0	\$ 191,611
Sales and Use Taxes	1,363,817	0	0	1,363,817
Other Taxes	487,555	0	0	487,555
Licenses and Permits	1,038,528	0	0	1,038,528
Intergovernmental	2,727,414	0	0	2,727,414
Charges for Services	7,538,097	0	0	7,538,097
Fines and Forfeits	2,722	3,356	0	6,078
Interest Earnings	45,703	25,985	102	71,790
Donations	512	0	0	512
Other Revenues	359,428	364,375	242,176	965,979
 Total Revenues	<u>13,755,387</u>	<u>393,716</u>	<u>242,278</u>	<u>14,391,381</u>
 <u>Expenditures</u>				
Current:				
General Governmental Services	3,288,366	0	0	3,288,366
Public Safety	8,808,602	0	0	8,808,602
Transportation	130,000	0	0	130,000
Natural & Economic Environment	619,696	0	0	619,696
Social Services	892,682	0	0	892,682
Culture and Recreation	815,059	0	0	815,059
Debt Service:				
Principal	0	2,420,000	0	2,420,000
Interest	0	730,315	2,228	732,543
Capital Outlay	614,784	0	32,625	647,409
 Total Expenditures	<u>15,169,189</u>	<u>3,150,315</u>	<u>34,853</u>	<u>18,354,357</u>
 Excess (Deficit) Revenues Over Expenditures	<u>(1,413,802)</u>	<u>(2,756,599)</u>	<u>207,425</u>	<u>(3,962,976)</u>
 <u>Other Financing Sources (Uses)</u>				
Proceeds of Capital Assets	7,653	0	0	7,653
Issuance of General Long-Term Debt	0	0	773,373	773,373
Premium on Long-Term Debt	0	0	29,410	29,410
Transfers In	4,529,133	183,819	0	4,712,952
Transfers Out	(1,844,344)	0	0	(1,844,344)
Total Other Financing Source (Uses)	<u>2,692,442</u>	<u>183,819</u>	<u>802,783</u>	<u>3,679,044</u>
 Net Change in Fund Balance	<u>1,278,640</u>	<u>(2,572,780)</u>	<u>1,010,208</u>	<u>(283,932)</u>
 Fund Balance-January 1	24,621,373	10,683,079	(993,908)	34,310,544
 Fund Balance-December 31	<u>\$ 25,900,013</u>	<u>\$ 8,110,299</u>	<u>\$ 16,300</u>	<u>\$ 34,026,612</u>

NONMAJOR 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.

NONMAJOR 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, 2016

<i>ASSETS</i>	County Road Improvement	Flood Control	Veteran's Assistance	Auditor's O & M
Cash/Cash Equivalents	\$ 2,237,467	\$ 61,955	\$ 172,022	\$ 56,504
Investments	0	0	413,185	135,720
Taxes Receivable	0	0	4,797	0
Accounts Receivable	0	0	0	362
Assessments Receivable	0	0	0	0
Interest Receivable	2,249	63	0	0
Due From Other Funds	0	0	0	0
Due From Other Governments	872,063	0	6,335	0
Total Assets	<u>\$ 3,111,779</u>	<u>\$ 62,018</u>	<u>\$ 596,339</u>	<u>\$ 192,586</u>
<i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 0	\$ 8,001	\$ 10,237
Due To Other Funds	0	61,955	0	0
Accrued Liabilities	0	0	0	11,610
Total Liabilities	<u>0</u>	<u>61,955</u>	<u>8,001</u>	<u>21,847</u>
<u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	4,797	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>4,797</u>	<u>0</u>
<u>Fund Balance</u>				
Restricted	0	63	583,541	170,739
Committed	3,111,779	0	0	0
Total Fund Balance	<u>3,111,779</u>	<u>63</u>	<u>583,541</u>	<u>170,739</u>
Total Liabilities, Fund Balances and Deferred Inflows of Resources	<u>\$ 3,111,779</u>	<u>\$ 62,018</u>	<u>\$ 596,339</u>	<u>\$ 192,586</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2016

<i>ASSETS</i>	Treasurer's Investment Pool	Park Development	Election Reserve	Treasurer's O & M
Cash/Cash Equivalents	\$ 314,916	\$ 402,957	\$ 145,730	\$ 196,855
Investments	0	0	350,034	0
Taxes Receivable	0	0	0	0
Accounts Receivable	0	15	0	0
Assessments Receivable	0	0	0	0
Interest Receivable	308	427	0	204
Due From Other Funds	0	0	0	0
Due From Other Governments	10,940	0	0	0
 Total Assets	 <u>\$ 326,164</u>	 <u>\$ 403,399</u>	 <u>\$ 495,764</u>	 <u>\$ 197,059</u>
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 4,500	\$ 22,481	\$ 7,725	\$ 0
Due To Other Funds	0	7,219	587	0
Accrued Liabilities	2,442	0	34,506	6,135
 Total Liabilities	 <u>6,942</u>	 <u>29,700</u>	 <u>42,818</u>	 <u>6,135</u>
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
 Total Deferred Inflows of Resources	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 <u>Fund Balance</u>				
Restricted	319,222	373,699	0	190,924
Committed	0	0	452,946	0
 Total Fund Balance	 <u>319,222</u>	 <u>373,699</u>	 <u>452,946</u>	 <u>190,924</u>
 Total Liabilities, Fund Balances and Deferred Inflows of Resources	 <u>\$ 326,164</u>	 <u>\$ 403,399</u>	 <u>\$ 495,764</u>	 <u>\$ 197,059</u>

<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>
\$ 79,530	\$ 429,312	\$ 218,802	\$ 17,437	\$ 55,249
0	1,027,212	525,546	41,882	132,584
0	0	0	0	0
0	0	0	3,932	0
0	0	0	0	0
86	0	0	0	0
0	0	0	0	0
0	323,574	0	7,589	0
<u>\$ 79,616</u>	<u>\$ 1,780,098</u>	<u>\$ 744,348</u>	<u>\$ 70,840</u>	<u>\$ 187,833</u>
\$ 0	\$ 141,655	\$ 19,884	\$ 0	\$ 18,867
18,436	9,259	0	0	2,324
<u>0</u>	<u>431,719</u>	<u>18,180</u>	<u>21,465</u>	<u>17,095</u>
<u>18,436</u>	<u>582,633</u>	<u>38,064</u>	<u>21,465</u>	<u>38,286</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>	<u>0</u>
61,180	0	706,284	49,375	0
<u>0</u>	<u>1,197,465</u>	<u>0</u>	<u>0</u>	<u>149,547</u>
<u>61,180</u>	<u>1,197,465</u>	<u>706,284</u>	<u>49,375</u>	<u>149,547</u>
<u>\$ 79,616</u>	<u>\$ 1,780,098</u>	<u>\$ 744,348</u>	<u>\$ 70,840</u>	<u>\$ 187,833</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2016

<i>ASSETS</i>	Sheriff's Investi- gations	Canine/Boat Patrol	Treasurer's Service Fee	REET Technology
Cash/Cash Equivalents	\$ 56,173	\$ 14,217	\$ 891	\$ 46,547
Investments	128,919	34,148	2,137	111,804
Taxes Receivable	0	0	0	0
Accounts Receivable	0	0	0	0
Assessments Receivable	0	0	0	0
Interest Receivable	0	0	0	0
Due From Other Funds	3,965	0	0	0
Due From Other Governments	1,000	1,000	0	0
Total Assets	<u>\$ 190,057</u>	<u>\$ 49,365</u>	<u>\$ 3,028</u>	<u>\$ 158,351</u>
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 1,247	\$ 142	\$ 0	\$ 0
Due To Other Funds	1,675	4,070	0	0
Accrued Liabilities	0	0	0	0
Total Liabilities	<u>2,922</u>	<u>4,212</u>	<u>0</u>	<u>0</u>
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 <u>Fund Balance</u>				
Restricted	0	0	3,028	158,351
Committed	187,135	45,153	0	0
Total Fund Balance	<u>187,135</u>	<u>45,153</u>	<u>3,028</u>	<u>158,351</u>
Total Liabilities, Fund Balances and Deferred Inflows of Resources	<u>\$ 190,057</u>	<u>\$ 49,365</u>	<u>\$ 3,028</u>	<u>\$ 158,351</u>

<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>
\$ 537,971	\$ 49,758	\$ 435,846	\$ 0	\$ 79,136
1,292,165	119,515	1,046,870	0	190,080
0	0	0	0	0
0	0	0	0	547
0	0	0	0	0
0	0	0	0	0
0	0	468,303	0	0
0	25,817	0	0	0
<u>\$ 1,830,136</u>	<u>\$ 195,090</u>	<u>\$ 1,951,019</u>	<u>\$ 0</u>	<u>\$ 269,763</u>
\$ 0	\$ 1,022	\$ 0	\$ 0	\$ 1,275
0	0	10,569	0	0
<u>0</u>	<u>36,214</u>	<u>0</u>	<u>0</u>	<u>13,090</u>
<u>0</u>	<u>37,236</u>	<u>10,569</u>	<u>0</u>	<u>14,365</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>	<u>0</u>
1,830,136	0	0	0	255,398
0	157,854	1,940,450	0	0
<u>1,830,136</u>	<u>157,854</u>	<u>1,940,450</u>	<u>0</u>	<u>255,398</u>
<u>\$ 1,830,136</u>	<u>\$ 195,090</u>	<u>\$ 1,951,019</u>	<u>\$ 0</u>	<u>\$ 269,763</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2016

<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	\$ 18,713	\$ 5,750	\$ 6,723	\$ 859,310
Investments	44,948	13,811	16,148	0
Taxes Receivable	0	0	0	0
Accounts Receivable	380	60	32	0
Assessments Receivable	0	0	0	0
Interest Receivable	0	0	0	864
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>64,041</u>	 \$ <u>19,621</u>	 \$ <u>22,903</u>	 \$ <u>860,174</u>
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 1,440	\$ 0	\$ 0	\$ 0
Due To Other Funds	0	0	0	0
Accrued Liabilities	0	0	0	0
	<u>1,440</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Liabilities	 <u>1,440</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Deferred Inflows of Resources	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 <u>Fund Balance</u>				
Restricted	62,601	19,621	22,903	860,174
Committed	0	0	0	0
	<u>62,601</u>	<u>19,621</u>	<u>22,903</u>	<u>860,174</u>
 Total Fund Balance	 <u>62,601</u>	 <u>19,621</u>	 <u>22,903</u>	 <u>860,174</u>
 Total Liabilities, Fund Balances and Deferred Inflows of Resources	 \$ <u>64,041</u>	 \$ <u>19,621</u>	 \$ <u>22,903</u>	 \$ <u>860,174</u>

<u>Distressed County Tax</u>	<u>Clerk's Collection</u>	<u>Protective Inspection Services</u>	<u>Pest Board</u>	<u>Work Crew Replacement</u>
\$ 0	\$ 612,515	\$ 283,627	\$ 34,249	\$ 227,000
0	1,471,214	680,530	82,265	0
0	0	0	0	0
0	7,129	3,163	0	0
0	0	0	5,799	0
0	0	0	0	225
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>\$ 0</u>	<u>\$ 2,090,858</u>	<u>\$ 967,320</u>	<u>\$ 122,313</u>	<u>\$ 227,225</u>
\$ 0	\$ 2,410	\$ 1,590	\$ 115	\$ 0
0	0	249	0	0
0	32,581	47,797	7,035	0
0	34,991	49,636	7,150	0
0	0	0	5,799	0
0	0	0	5,799	0
0	0	0	109,364	0
0	2,055,867	917,684	0	227,225
0	2,055,867	917,684	109,364	227,225
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 2,090,858</u>	<u>\$ 967,320</u>	<u>\$ 122,313</u>	<u>\$ 227,225</u>

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2016

<i>ASSETS</i>	<u>State Housing</u>	<u>Vit Impact</u>	<u>Homeless Housing & Assistance</u>	<u>Solid Waste Collection</u>
Cash/Cash Equivalents	\$ 754,552	\$ 1,631,592	\$ 2,129,015	\$ 149,039
Investments	0	3,918,965	0	357,982
Taxes Receivable	0	0	0	0
Accounts Receivable	826	0	4,864	0
Assessments Receivable	0	0	0	0
Interest Receivable	745	0	2,204	0
Due From Other Funds	0	0	0	0
Due From Other Governments	0	0	0	0
 Total Assets	 <u>\$ 756,123</u>	 <u>\$ 5,550,557</u>	 <u>\$ 2,136,083</u>	 <u>\$ 507,021</u>
 <i>LIABILITIES AND FUND BALANCE</i>				
<u>Liabilities</u>				
Vouchers Payable	\$ 309	\$ 130,000	\$ 22,727	\$ 47,421
Due To Other Funds	0	0	0	460
Accrued Liabilities	0	0	0	1,511
 Total Liabilities	 <u>309</u>	 <u>130,000</u>	 <u>22,727</u>	 <u>49,392</u>
 <u>Deferred Inflows of Resources</u>				
Unavailable Revenue - Property Tax	0	0	0	0
 Total Deferred Inflows of Resources	 <u>0</u>	 <u>0</u>	 <u>0</u>	 <u>0</u>
 <u>Fund Balance</u>				
Restricted	755,814	0	2,113,356	0
Committed	0	5,420,557	0	457,629
 Total Fund Balance	 <u>755,814</u>	 <u>5,420,557</u>	 <u>2,113,356</u>	 <u>457,629</u>
 Total Liabilities, Fund Balances and Deferred Inflows of Resources	 <u>\$ 756,123</u>	 <u>\$ 5,550,557</u>	 <u>\$ 2,136,083</u>	 <u>\$ 507,021</u>

<u>Trial Court Improvement</u>	<u>Historical Preservation</u>	<u>Domestic Violence Assessment</u>	<u>2016 Totals</u>
\$ 230,546	\$ 36,321	\$ 6,647	\$ 12,594,874
553,753	87,239	15,964	12,794,620
0	0	0	4,797
2,318	181	140	23,949
0	0	0	5,799
0	0	0	7,375
0	0	0	472,268
0	0	0	1,248,318
<u>\$ 786,617</u>	<u>\$ 123,741</u>	<u>\$ 22,751</u>	<u>\$ 27,152,000</u>
\$ 0	\$ 0	\$ 160	\$ 443,208
0	0	0	116,803
0	0	0	681,380
0	0	160	1,241,391
0	0	0	10,596
0	0	0	10,596
786,617	123,741	22,591	9,578,722
0	0	0	16,321,291
<u>786,617</u>	<u>123,741</u>	<u>22,591</u>	<u>25,900,013</u>
<u>\$ 786,617</u>	<u>\$ 123,741</u>	<u>\$ 22,751</u>	<u>\$ 27,152,000</u>

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2016

<u>Revenues</u>	County Road Improve- ment	Flood Control	Veteran's Assistance	Auditor's O & M
Property Taxes	\$ 0	\$ 0	\$ 191,611	\$ 0
Sales and Use Taxes	0	0	0	0
Other Taxes	0	0	0	0
Licenses and Permits	0	0	0	0
Intergovernmental	1,090,079	699	7,919	83,648
Charges for Services	0	0	0	79,418
Fines and Forfeitures	0	0	0	0
Interest Earnings	16,912	356	0	0
Donations	0	0	0	0
Other Revenue	0	0	0	0
Total Revenues	<u>1,106,991</u>	<u>1,055</u>	<u>199,530</u>	<u>163,066</u>
 <u>Expenditures</u>				
Current:				
General Governmental Services	0	0	0	236,374
Public Safety	0	0	0	0
Transportation	0	0	0	0
Natural & Economic Environment	0	0	0	0
Social Services	0	0	77,287	0
Culture and Recreation	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>77,287</u>	<u>236,374</u>
 Excess (Deficiency) of				
Revenues over Expenditures	<u>1,106,991</u>	<u>1,055</u>	<u>122,243</u>	<u>(73,308)</u>
 <u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(1,048,945)	(61,955)	0	0
Total Other Financing Sources (Uses)	<u>(1,048,945)</u>	<u>(61,955)</u>	<u>0</u>	<u>0</u>
Net change in fund balances	58,046	(60,900)	122,243	(73,308)
Fund Balance as of January 1	3,053,733	60,963	461,298	244,047
Fund Balance, December 31	<u>\$ 3,111,779</u>	<u>\$ 63</u>	<u>\$ 583,541</u>	<u>\$ 170,739</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	1,014	0	32,714
155,416	0	617,511	113,254	0
0	0	0	0	0
1,620	2,623	0	1,114	428
0	115	0	0	0
0	21,069	0	74	0
<u>157,036</u>	<u>23,807</u>	<u>618,525</u>	<u>114,442</u>	<u>33,142</u>
56,667	0	1,083,508	109,546	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	140,828	0	0	107
0	33,315	0	0	0
<u>56,667</u>	<u>174,143</u>	<u>1,083,508</u>	<u>109,546</u>	<u>107</u>
<u>100,369</u>	<u>(150,336)</u>	<u>(464,983)</u>	<u>4,896</u>	<u>33,035</u>
0	0	0	0	0
0	0	500,000	0	0
0	0	0	0	(27,861)
<u>0</u>	<u>0</u>	<u>500,000</u>	<u>0</u>	<u>(27,861)</u>
100,369	(150,336)	35,017	4,896	5,174
218,853	524,035	417,929	186,028	56,006
<u>\$ 319,222</u>	<u>\$ 373,699</u>	<u>\$ 452,946</u>	<u>\$ 190,924</u>	<u>\$ 61,180</u>

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

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2016

	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	1,127,057	0	58,624	15,000
Charges for Services	2,792,739	448,480	164,080	0
Fines and Forfeitures	0	0	59	0
Interest Earnings	0	0	0	0
Donations	280	0	0	0
Other Revenue	1,830	25,909	0	198,183
Total Revenues	<u>3,921,906</u>	<u>474,389</u>	<u>222,763</u>	<u>213,183</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	0	0	269,787	0
Public Safety	7,381,756	428,716	0	0
Transportation	0	0	0	0
Natural & Economic Environment	0	0	0	0
Social Services	0	0	0	0
Culture and Recreation	0	0	0	674,124
Capital Outlay	27,319	0	0	101,948
Total Expenditures	<u>7,409,075</u>	<u>428,716</u>	<u>269,787</u>	<u>776,072</u>
Excess (Deficiency) of				
Revenues over Expenditures	<u>(3,487,169)</u>	<u>45,673</u>	<u>(47,024)</u>	<u>(562,889)</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	6,027
Transfers In	3,735,696	0	0	125,528
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>3,735,696</u>	<u>0</u>	<u>0</u>	<u>131,555</u>
Net change in fund balances	248,527	45,673	(47,024)	(431,334)
Fund Balance as of January 1	948,938	660,611	96,399	580,881
Fund Balance, December 31	<u>\$ 1,197,465</u>	<u>\$ 706,284</u>	<u>\$ 49,375</u>	<u>\$ 149,547</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	487,555	0
0	0	0	0	0	0
4,666	76,396	0	16,805	0	0
6,250	6,250	851	19,757	0	486,431
0	0	0	0	0	0
0	0	0	0	0	0
0	117	0	0	0	0
12,459	0	0	0	0	0
<u>23,375</u>	<u>82,763</u>	<u>851</u>	<u>36,562</u>	<u>487,555</u>	<u>486,431</u>
0	0	17	9,312	0	557,222
33,921	64,326	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
213	0	0	0	0	0
<u>34,134</u>	<u>64,326</u>	<u>17</u>	<u>9,312</u>	<u>0</u>	<u>557,222</u>
<u>(10,759)</u>	<u>18,437</u>	<u>834</u>	<u>27,250</u>	<u>487,555</u>	<u>(70,791)</u>
0	1	0	0	0	0
0	0	0	0	0	0
0	0	0	0	(309,347)	0
<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>(309,347)</u>	<u>0</u>
(10,759)	18,438	834	27,250	178,208	(70,791)
197,894	26,715	2,194	131,101	1,651,928	228,645
<u>\$ 187,135</u>	<u>\$ 45,153</u>	<u>\$ 3,028</u>	<u>\$ 158,351</u>	<u>\$ 1,830,136</u>	<u>\$ 157,854</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2016

<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	0	0
Licenses and Permits	0	0	0	0
Intergovernmental	0	0	75,285	0
Charges for Services	468,303	0	0	35,787
Fines and Forfeitures	0	0	0	0
Interest Earnings	0	0	0	0
Donations	0	0	0	0
Other Revenue	0	0	1,446	0
Total Revenues	468,303	0	76,731	35,787
 <u>Expenditures</u>				
Current:				
General Governmental Services	0	0	0	17,100
Public Safety	0	0	0	0
Transportation	0	0	0	0
Natural & Economic Environment	0	0	210,368	0
Social Services	0	0	0	0
Culture and Recreation	0	0	0	0
Capital Outlay	0	0	0	0
Total Expenditures	0	0	210,368	17,100
 Excess (Deficiency) of				
Revenues over Expenditures	468,303	0	(133,637)	18,687
 <u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	0	0	0
Transfers In	0	0	0	0
Transfers Out	(374,484)	0	0	0
Total Other Financing Sources (Uses)	(374,484)	0	0	0
Net change in fund balances	93,819	0	(133,637)	18,687
Fund Balance as of January 1	1,846,631	0	389,035	43,914
Fund Balance, December 31	\$ 1,940,450	\$ 0	\$ 255,398	\$ 62,601

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
20,447	10,904	0	0	0
9,300	0	0	0	14,858
0	9,795	55,115	0	537,289
0	0	0	0	0
0	0	4,849	0	0
0	0	0	0	0
0	0	0	0	0
<u>29,747</u>	<u>20,699</u>	<u>59,964</u>	<u>0</u>	<u>552,147</u>
0	0	0	0	644,783
11,922	0	152,872	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
<u>11,922</u>	<u>0</u>	<u>152,872</u>	<u>0</u>	<u>644,783</u>
<u>17,825</u>	<u>20,699</u>	<u>(92,908)</u>	<u>0</u>	<u>(92,636)</u>
0	0	0	0	0
0	0	122,884	0	0
0	(20,000)	0	(1,752)	0
<u>0</u>	<u>(20,000)</u>	<u>122,884</u>	<u>(1,752)</u>	<u>0</u>
17,825	699	29,976	(1,752)	(92,636)
1,796	22,204	830,198	1,752	2,148,503
<u>\$ 19,621</u>	<u>\$ 22,903</u>	<u>\$ 860,174</u>	<u>\$ 0</u>	<u>\$ 2,055,867</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2016

	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	1,007,177	0	0	0
Intergovernmental	0	0	0	0
Charges for Services	8,394	22,814	20,730	171,661
Fines and Forfeitures	0	0	0	0
Interest Earnings	0	0	1,258	4,061
Donations	0	0	0	0
Other Revenue	26	98,432	0	0
Total Revenues	<u>1,015,597</u>	<u>121,246</u>	<u>21,988</u>	<u>175,722</u>
<u>Expenditures</u>				
Current:				
General Governmental Services	0	0	0	0
Public Safety	735,089	0	0	0
Transportation	0	0	0	0
Natural & Economic Environment	0	98,447	0	0
Social Services	0	0	0	35,628
Culture and Recreation	0	0	0	0
Capital Outlay	0	0	1,989	0
Total Expenditures	<u>735,089</u>	<u>98,447</u>	<u>1,989</u>	<u>35,628</u>
Excess (Deficiency) of Revenues over Expenditures	<u>280,508</u>	<u>22,799</u>	<u>19,999</u>	<u>140,094</u>
<u>Other Financing Sources (Uses)</u>				
Sale of Capital Assets	0	1,625	0	0
Transfers In	45,025	0	0	0
Transfers Out	0	0	0	0
Total Other Financing Sources (Uses)	<u>45,025</u>	<u>1,625</u>	<u>0</u>	<u>0</u>
Net change in fund balances	325,533	24,424	19,999	140,094
Fund Balance as of January 1	592,151	84,940	207,226	615,720
Fund Balance, December 31	<u>\$ 917,684</u>	<u>\$ 109,364</u>	<u>\$ 227,225</u>	<u>\$ 755,814</u>

Vit Impact	Homeless Housing & Assistance	Solid Waste Collection	Trial Court Improvement	Historical Preservation	Domestic Violence Assessment	2016 Totals
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 191,611
1,363,817	0	0	0	0	0	1,363,817
0	0	0	0	0	0	487,555
0	0	0	0	0	0	1,038,528
0	0	0	113,350	0	0	2,727,414
0	921,777	300,347	55,938	39,710	0	7,538,097
0	0	0	0	0	2,663	2,722
0	12,482	0	0	0	0	45,703
0	0	0	0	0	0	512
0	0	0	0	0	0	359,428
<u>1,363,817</u>	<u>934,259</u>	<u>300,347</u>	<u>169,288</u>	<u>39,710</u>	<u>2,663</u>	<u>13,755,387</u>
171,715	0	0	86,355	44,190	1,790	3,288,366
0	0	0	0	0	0	8,808,602
130,000	0	0	0	0	0	130,000
0	1,113	309,768	0	0	0	619,696
0	779,767	0	0	0	0	892,682
0	0	0	0	0	0	815,059
0	0	450,000	0	0	0	614,784
<u>301,715</u>	<u>780,880</u>	<u>759,768</u>	<u>86,355</u>	<u>44,190</u>	<u>1,790</u>	<u>15,169,189</u>
<u>1,062,102</u>	<u>153,379</u>	<u>(459,421)</u>	<u>82,933</u>	<u>(4,480)</u>	<u>873</u>	<u>(1,413,802)</u>
0	0	0	0	0	0	7,653
0	0	0	0	0	0	4,529,133
0	0	0	0	0	0	(1,844,344)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,692,442</u>
1,062,102	153,379	(459,421)	82,933	(4,480)	873	1,278,640
4,358,455	1,959,977	917,050	703,684	128,221	21,718	24,621,373
<u>\$ 5,420,557</u>	<u>\$ 2,113,356</u>	<u>\$ 457,629</u>	<u>\$ 786,617</u>	<u>\$ 123,741</u>	<u>\$ 22,591</u>	<u>\$ 25,900,013</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.

CRID #21 Debt Service – A fund to accumulate monies for the payment of principal and interest on the \$773,373 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, 2016

	<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	\$ 4,632	\$ 3,995	\$ 1,407
Investments	0	0	0
Accounts Receivable	0	433	0
Interest Receivable	<u>5</u>	<u>54</u>	<u>13</u>
Total Assets	<u>\$ 4,637</u>	<u>\$ 4,482</u>	<u>\$ 1,420</u>
 <i>LIABILITIES AND FUND BALANCE</i>			
<u>Fund Balance</u>			
Committed	4,637	4,482	1,420
Total Fund Balance	<u>4,637</u>	<u>4,482</u>	<u>1,420</u>
Total Liabilities and Fund Balance	<u>\$ 4,637</u>	<u>\$ 4,482</u>	<u>\$ 1,420</u>

Combining Balance Sheet
 Nonmajor Debt Service Funds
 December 31, 2016

	CRID #21 Debt Service	Health Building Bond	Justice Center Bond	2016 Total
<i>ASSETS</i>				
Cash/Cash Equivalents	\$ 0	\$ 10,071	\$ 2,370,863	\$ 2,390,968
Investments	0	24,189	5,694,637	5,718,826
Accounts Receivable	0	0	0	433
Interest Receivable	0	0	0	72
Total Assets	<u>\$ 0</u>	<u>\$ 34,260</u>	<u>\$ 8,065,500</u>	<u>\$ 8,110,299</u>
<i>LIABILITIES AND FUND BALANCE</i>				
<u>Fund Balance</u>				
Committed	0	34,260	8,065,500	8,110,299
Total Fund Balance	<u>0</u>	<u>34,260</u>	<u>8,065,500</u>	<u>8,110,299</u>
Total Liabilities and Fund Balance	<u>\$ 0</u>	<u>\$ 34,260</u>	<u>\$ 8,065,500</u>	<u>\$ 8,110,299</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2016

	CRID #11 & #12 <u>Debt Service</u>	CRID #15 <u>Debt Service</u>	CRID #16 <u>Debt Service</u>
<u>Revenues</u>			
Penalties	\$ 234	\$ 2,600	\$ 522
Interest	5,811	15,535	4,639
Other Revenue	<u>13,845</u>	<u>27,185</u>	<u>7,147</u>
Total Revenues	<u>19,890</u>	<u>45,320</u>	<u>12,308</u>
<u>Expenditures</u>			
Debt Service:			
Principal	25,000	49,000	11,000
Interest	<u>2,467</u>	<u>5,228</u>	<u>1,307</u>
Total Expenditures	<u>27,467</u>	<u>54,228</u>	<u>12,307</u>
Excess (Deficiency) of Revenues over Expenditures	(7,577)	(8,908)	1
<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	(7,577)	(8,908)	1
Fund Balance as of January 1	12,214	13,390	1,419
Fund Balance as of December 31	<u>\$ 4,637</u>	<u>\$ 4,482</u>	<u>\$ 1,420</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Debt Service Funds
 For the Year Ended December 31, 2016

	CRID #21 <u>Debt Service</u>	Health Building <u>Bond</u>	Justice Center <u>Bond</u>	<u>2016 Total</u>
<u>Revenues</u>				
Penalties	\$ 0	\$ 0	\$ 0	\$ 3,356
Interest	0	0	0	25,985
Other Revenue	0	316,198	0	364,375
Total Revenues	<u>0</u>	<u>316,198</u>	<u>0</u>	<u>393,716</u>
<u>Expenditures</u>				
Debt Service:				
Principal	0	255,000	2,080,000	2,420,000
Interest	0	259,813	461,500	730,315
Total Expenditures	<u>0</u>	<u>514,813</u>	<u>2,541,500</u>	<u>3,150,315</u>
Excess (Deficiency) of Revenues over Expenditures	0	(198,615)	(2,541,500)	(2,756,599)
<u>Other Financing Sources (Uses)</u>				
Transfers In	0	183,819	0	183,819
Total Other Financing Sources (Uses)	<u>0</u>	<u>183,819</u>	<u>0</u>	<u>183,819</u>
Net Change in Fund Balance	0	(14,796)	(2,541,500)	(2,572,780)
Fund Balance as of January 1	0	49,056	10,607,000	10,683,079
Fund Balance as of December 31	<u>\$ 0</u>	<u>\$ 34,260</u>	<u>\$ 8,065,500</u>	<u>\$ 8,110,299</u>

NONMAJOR 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.

CRID #21 Construction – A fund to account for the cost of constructing CRID #21.

BENTON COUNTY, WASHINGTON

Combining Balance Sheet

Nonmajor Capital Projects Funds

December 31, 2016

<i>ASSETS</i>	Detox Center <u>Construction</u>	CRID #21 <u>Construction</u>	2016 <u>Totals</u>
Cash/Cash Equivalents	\$ 17,575	\$ 0	\$ 17,575
Interest Receivable	18	0	18
 Total Assets	 <u>\$ 17,593</u>	 <u>\$ 0</u>	 <u>\$ 17,593</u>
 <i>LIABILITIES AND FUND BALANCE</i>			
<u>Liabilities</u>			
Interfund Payable	\$ <u>0</u>	\$ <u>1,293</u>	\$ <u>1,293</u>
Total Liabilities	<u>0</u>	<u>1,293</u>	<u>1,293</u>
 <u>Fund Balance</u>			
Reserved:			
Committed	17,593	0	17,593
Unassigned	<u>0</u>	<u>(1,293)</u>	<u>(1,293)</u>
Total Fund Balance	<u>17,593</u>	<u>(1,293)</u>	<u>16,300</u>
 Total Liabilities and Fund Balance	 <u>\$ 17,593</u>	 <u>\$ 0</u>	 <u>\$ 17,593</u>

BENTON COUNTY, WASHINGTON

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

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2016

<u>Revenues</u>	Detox Center <u>Construction</u>	CRID #21 <u>Construction</u>	2016 <u>Totals</u>
Other Revenue	\$ 0	\$ 242,176	\$ 242,176
Interest Earnings	102	0	102
Total Revenues	<u>102</u>	<u>242,176</u>	<u>242,278</u>
<u>Expenditures</u>			
Current:			
Capital Outlay	0	32,625	32,625
Debt Service:			
Interest	0	2,228	2,228
Total Expenditures	<u>0</u>	<u>34,853</u>	<u>34,853</u>
Excess (Deficiency) of Revenues over Expenditures	<u>102</u>	<u>207,323</u>	<u>207,425</u>
<u>Other Financing Sources (Uses)</u>			
Issuance of Long-Term Debt	0	773,483	773,483
Premium On Long-Term Debt	0	29,300	29,300
Total Other Financing Sources (Uses)	<u>0</u>	<u>802,783</u>	<u>802,783</u>
Net change in fund balances	102	1,010,106	1,010,208
Fund Balance as of January 1	<u>17,491</u>	<u>(1,011,399)</u>	<u>(993,908)</u>
Fund Balance, December 31	<u>\$ 17,593</u>	<u>\$ (1,293)</u>	<u>\$ 16,300</u>

BENTON COUNTY, WASHINGTON

Schedule of Revenues - Budget (GAAP Basis) and Actual

General Fund

For the Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<i>Taxes</i>					
General Property Taxes	\$ 42,420,360	\$ 42,420,360	\$ 20,940,068	\$ 21,360,468	\$ (119,824)
Retail Sales and Use Taxes	19,611,290	19,611,290	11,683,852	10,837,575	2,910,137
Excise Taxes	788,500	513,500	300,346	358,588	145,434
Interest and Penalty on Taxes	1,190,000	1,190,000	493,718	508,860	(187,422)
Total Taxes	64,010,150	63,735,150	33,417,984	33,065,491	2,748,325
<i>Licenses and Permits</i>					
Non-Business Licenses and Permits	199,400	199,400	99,632	111,565	11,797
Total Licenses and Permits	199,400	199,400	99,632	111,565	11,797
<i>Intergovernmental Revenues</i>					
Federal Grants	61,976	61,976	20,130	26,130	(15,716)
Federal Entitlements	209,350	209,350	108,297	110,214	9,161
Federal Shared Revenues	1,985,557	1,987,957	905,659	785,271	(297,027)
State Grants	1,765,324	1,597,402	656,366	628,425	(312,611)
State Shared Revenues	2,871,500	2,871,500	1,471,091	1,396,309	(4,100)
State Entitlements	2,659,000	3,001,502	1,535,395	1,642,971	176,864
Total Intergovernmental Revenues	9,552,707	9,729,687	4,696,938	4,589,320	(443,429)
<i>Charges For Services</i>					
General Government	12,949,809	13,259,235	5,902,277	6,598,475	(758,483)
Security of Persons and Property	22,300,600	22,310,600	10,698,217	10,055,257	(1,557,126)
Natural & Economic Environment	22,515	22,515	12,202	11,580	1,267
Social Services	223,600	223,600	105,671	109,200	(8,729)
Interfund Charges	31,126	0	0	0	0
Total Charges for Services	35,527,650	35,815,950	16,718,366	16,774,512	(2,323,072)
<i>Fines and Forfeitures</i>					
	(35,815,950)				
Superior Court Penalties	957,850	957,850	502,853	345,889	(109,108)
Civil Penalties	37,500	37,500	14,226	11,468	(11,806)
Non-Parking Infractions	2,350,055	2,350,055	1,354,397	1,288,432	292,774
Civil Parking Infractions	2,258	2,258	824	128	(1,306)
Criminal Traffic Penalties	733,500	733,500	359,348	259,595	(114,557)
Criminal Non-Traffic Penalties	200,100	200,100	87,262	56,553	(56,285)
Criminal Costs	1,252,570	1,252,570	574,877	413,965	(263,728)
Total Fines and Forfeitures	5,533,833	5,533,833	2,893,788	2,376,030	(264,015)
<i>Miscellaneous Revenues</i>					
Sale of Capital Assets	0	0	38,874	0	38,874
Transfers In	4,065,845	4,065,845	1,643,136	1,620,000	(802,709)
Interest Earnings	2,764,870	2,763,270	1,520,420	1,531,319	288,469
Rents and Royalties	434,734	433,034	214,325	227,528	8,819
Contributions & Donations	20,000	10,000	5,932	9,080	5,012
Other Miscellaneous Revenue	68,117	68,117	20,807	107,995	60,685
Total Miscellaneous Revenue	7,353,566	7,340,266	3,443,493	3,495,922	(400,851)
TOTAL REVENUES	\$ 122,177,306	\$ 122,354,286	\$ 61,270,202	\$ 60,412,840	\$ (671,244)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<i>GENERAL GOVERNMENT</i>					
<u>County Commissioners</u>					
Personnel	\$ 1,523,179	\$ 1,533,079	\$ 752,004	\$ 779,893	\$ (1,182)
Personnel Benefits	538,183	547,783	260,811	281,411	(5,561)
Supplies	24,972	23,822	10,996	7,430	(5,396)
Other Services and Charges	222,831	230,820	113,995	96,767	(20,058)
Total County Commissioners	\$ 2,309,165	\$ 2,335,504	\$ 1,137,806	\$ 1,165,501	\$ (32,197)
<u>Superior Court</u>					
Personnel	\$ 3,410,582	\$ 3,521,088	\$ 1,717,273	\$ 1,788,009	\$ (15,806)
Personnel Benefits	1,090,453	964,501	465,407	487,830	(11,264)
Supplies	29,064	34,756	10,306	20,044	(4,406)
Other Services and Charges	736,418	815,001	395,152	408,268	(11,581)
Intergovernmental Services	1,800	1,800	434	672	(694)
Total Superior Court	\$ 5,268,317	\$ 5,337,146	\$ 2,588,571	\$ 2,704,823	\$ (43,752)
<u>County Clerk</u>					
Personnel	\$ 2,560,786	\$ 2,560,786	\$ 1,186,382	\$ 1,242,978	\$ (131,426)
Personnel Benefits	1,286,317	1,286,317	611,353	650,022	(24,942)
Supplies	53,055	67,055	10,827	25,916	(30,312)
Other Services and Charges	972,641	958,641	411,711	435,115	(111,815)
Total County Clerk	\$ 4,872,799	\$ 4,872,799	\$ 2,220,273	\$ 2,354,031	\$ (298,495)
<u>District Court</u>					
Personnel	\$ 3,837,122	\$ 3,869,286	\$ 1,903,765	\$ 1,955,100	\$ (10,421)
Personnel Benefits	1,573,308	1,570,815	784,537	785,860	(418)
Supplies	159,306	139,413	56,080	63,357	(19,976)
Other Services and Charges	1,179,380	1,767,309	525,404	1,170,091	(71,814)
Total District Court	\$ 6,749,116	\$ 7,346,823	\$ 3,269,786	\$ 3,974,408	\$ (102,629)
<u>County Auditor</u>					
Personnel	\$ 1,770,293	\$ 1,814,344	\$ 890,075	\$ 924,255	\$ (14)
Personnel Benefits	804,550	827,181	405,515	421,130	(536)
Supplies	31,062	40,431	22,505	12,491	(5,435)
Other Services and Charges	1,054,705	1,039,441	464,551	516,832	(58,058)
Total County Auditor	\$ 3,660,610	\$ 3,721,397	\$ 1,782,646	\$ 1,874,708	\$ (64,043)

BENTON COUNTY, WASHINGTON

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>County Treasurer</u>					
Personnel	\$ 1,354,881	\$ 1,367,079	\$ 664,234	\$ 691,099	\$ (11,746)
Personnel Benefits	607,421	616,985	301,471	309,685	(5,829)
Supplies	36,852	33,852	9,654	10,449	(13,749)
Other Services and Charges	665,037	646,275	297,169	322,399	(26,707)
Total County Treasurer	\$ 2,664,191	\$ 2,664,191	\$ 1,272,529	\$ 1,333,632	\$ (58,030)
<u>Board of Equalization</u>					
Personnel	\$ 55,392	\$ 55,342	\$ 22,272	\$ 21,493	\$ (11,577)
Personnel Benefits	4,237	4,237	1,704	1,644	(889)
Supplies	800	800	22	50	(728)
Other Services and Charges	17,282	17,332	5,669	5,606	(6,057)
Total Board of Equalization	\$ 77,711	\$ 77,711	\$ 29,668	\$ 28,793	\$ (19,250)
<u>County Assessor</u>					
Personnel	\$ 2,570,022	\$ 2,570,022	\$ 1,110,917	\$ 1,179,077	\$ (280,028)
Personnel Benefits	1,142,683	1,142,683	509,035	562,890	(70,758)
Supplies	35,714	39,714	14,750	26,535	1,571
Other Services and Charges	790,117	786,117	368,817	381,632	(35,668)
Total County Assessor	\$ 4,538,536	\$ 4,538,536	\$ 2,003,519	\$ 2,150,134	\$ (384,883)
<u>County Prosecuting Attorney</u>					
Personnel	\$ 6,095,949	\$ 5,983,099	\$ 2,892,144	\$ 2,976,850	\$ (114,105)
Personnel Benefits	2,460,836	2,518,636	1,200,079	1,248,033	(70,524)
Supplies	73,769	81,769	31,697	40,900	(9,172)
Other Services and Charges	864,854	911,904	426,973	441,782	(43,149)
Total County Prosecuting Attorney	\$ 9,495,408	\$ 9,495,408	\$ 4,550,894	\$ 4,707,565	\$ (236,949)
<u>Personnel Department</u>					
Personnel	\$ 290,630	\$ 287,630	\$ 133,541	\$ 141,614	\$ (12,475)
Personnel Benefits	132,634	135,634	64,913	68,163	(2,558)
Supplies	3,640	2,395	1,126	319	(950)
Other Services and Charges	133,212	134,457	56,771	53,678	(24,008)
Total Personnel Department	\$ 560,116	\$ 560,116	\$ 256,352	\$ 263,774	\$ (39,990)
<u>L.E.O.F.F.</u>					
Personnel Benefits	\$ 276,600	\$ 315,600	\$ 146,098	\$ 165,373	\$ (4,129)
Other Services and Charges	85,000	46,000	14,770	12,233	(18,997)
Total L.E.O.F.F.	\$ 361,600	\$ 361,600	\$ 160,868	\$ 177,606	\$ (23,126)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>GIS Department</u>					
Personnel	\$ 374,112	\$ 389,389	\$ 190,854	\$ 198,535	\$ 0
Personnel Benefits	163,464	170,297	83,216	87,080	(1)
Supplies	10,335	11,335	0	1,608	(9,727)
Other Services and Charges	231,305	230,305	114,442	110,111	(5,752)
Total GIS Department	\$ 779,216	\$ 801,326	\$ 388,511	\$ 397,334	\$ (15,481)
<u>Facilities Department</u>					
Personnel	\$ 1,010,804	\$ 1,011,930	\$ 468,526	\$ 258,690	\$ (284,714)
Personnel Benefits	431,740	467,260	219,456	117,974	(129,830)
Supplies	97,985	218,360	46,320	51,016	(121,023)
Other Services and Charges	1,332,973	2,549,313	687,121	665,653	(1,196,539)
Total Facilities Department	\$ 2,873,502	\$ 4,246,863	\$ 1,421,424	\$ 1,093,333	\$ (1,732,106)
<u>Indigent Public Defense</u>					
Personnel	\$ 728,192	\$ 751,384	\$ 371,553	\$ 379,829	\$ (2)
Personnel Benefits	291,793	296,074	145,187	150,588	(299)
Supplies	8,944	10,206	6,060	3,143	(1,003)
Other Services and Charges	4,089,313	4,259,170	2,069,750	2,108,721	(80,699)
Total Indigent Public Defense Department	\$ 5,118,242	\$ 5,316,834	\$ 2,592,550	\$ 2,642,281	\$ (82,003)
<u>Adult & Juvenile Drug Court</u>					
Personnel	\$ 196,780	\$ 169,427	\$ 97,779	\$ 58,324	\$ (13,324)
Personnel Benefits	76,597	66,684	37,895	23,090	(5,699)
Supplies	10,100	7,700	4,256	866	(2,578)
Other Services and Charges	179,010	167,031	70,394	28,704	(67,934)
Total Adult & Juvenile Drug Court	\$ 462,487	\$ 410,842	\$ 210,324	\$ 110,984	\$ (89,534)
<u>Non-Departmental</u>					
Personnel Benefits	\$ 150,800	\$ 150,800	\$ 0	\$ 12,466	\$ (138,334)
Other Services and Charges	2,693,212	1,154,562	181,719	242,908	(729,935)
Intergovernmental Services	1,000	1,000	200	200	(600)
Transfers Out	8,074,140	12,874,140	4,262,883	8,355,569	(255,688)
Total Non-Departmental	\$ 10,919,152	\$ 14,180,502	\$ 4,444,801	\$ 8,611,143	\$ (1,124,558)
TOTAL GENERAL GOVERNMENT	\$ 60,710,168	\$ 66,267,598	\$ 28,330,521	\$ 33,590,050	\$ (4,347,027)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<i>PUBLIC SAFETY</i>					
<u>County Sheriff-Administration</u>					
Personnel	\$ 1,144,009	\$ 1,175,409	\$ 571,796	\$ 597,963	\$ (5,650)
Personnel Benefits	407,930	399,630	191,357	201,881	(6,392)
Supplies	38,882	35,937	11,483	8,642	(15,812)
Other Services and Charges	358,862	361,807	166,671	179,247	(15,889)
Intergovernmental Services	400	400	140	140	(120)
Total County Sheriff-Administration	\$ 1,950,083	\$ 1,973,183	\$ 941,446	\$ 987,873	\$ (43,864)
<u>Civil Service</u>					
Personnel	\$ 49,512	\$ 50,662	\$ 24,742	\$ 25,884	\$ (36)
Personnel Benefits	24,978	25,798	12,638	13,162	2
Supplies	1,200	1,200	174	729	(297)
Other Services and Charges	40,587	38,617	14,050	13,199	(11,368)
Total Civil Service	\$ 116,277	\$ 116,277	\$ 51,604	\$ 52,974	\$ (11,699)
<u>County Sheriff-Patrol</u>					
Personnel	\$ 8,898,870	\$ 8,885,030	\$ 4,284,002	\$ 4,382,641	\$ (218,387)
Personnel Benefits	2,766,392	2,774,192	1,256,862	1,244,795	(272,535)
Supplies	830,958	722,895	309,491	180,216	(233,188)
Other Services and Charges	1,899,545	2,002,047	951,383	964,063	(86,601)
Intergovernmental Services	1,239,876	1,239,876	573,275	531,624	(134,977)
Total County Sheriff-Patrol	\$ 15,635,641	\$ 15,624,040	\$ 7,375,012	\$ 7,303,339	\$ (945,689)
<u>County Sheriff-Traffic Control</u>					
Personnel	\$ 660,473	\$ 677,173	\$ 326,304	\$ 346,854	\$ (4,015)
Personnel Benefits	205,958	195,858	93,596	96,466	(5,796)
Supplies	65,593	62,663	17,201	51,768	6,306
Other Services and Charges	100,389	116,279	48,487	58,864	(8,928)
Intergovernmental Services	69,214	51,254	27,321	23,857	(76)
Total County Sheriff-Traffic Control	\$ 1,101,627	\$ 1,103,227	\$ 512,907	\$ 577,809	\$ (12,511)
<u>County Sheriff-Corrections</u>					
Personnel	\$ 16,519,949	\$ 16,438,629	\$ 7,726,198	\$ 7,701,451	\$ (1,010,980)
Personnel Benefits	7,191,532	7,202,872	3,183,393	3,273,431	(746,048)
Supplies	1,044,611	955,631	398,354	440,159	(117,118)
Other Services and Charges	9,737,732	9,816,702	4,337,652	4,780,307	(698,743)
Intergovernmental Services	673,536	670,236	300,017	297,803	(72,416)
Total County Sheriff-Corrections	\$ 35,167,360	\$ 35,084,070	\$ 15,945,614	\$ 16,493,151	\$ (2,645,305)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>County Sheriff-Communications and Records</u>					
Personnel	\$ 959,028	\$ 959,733	\$ 460,454	\$ 491,533	\$ (7,746)
Personnel Benefits	423,242	453,787	219,313	232,243	(2,231)
Supplies	15,198	14,013	9,807	3,822	(384)
Other Services and Charges	156,260	154,745	74,456	75,082	(5,207)
Intergovernmental Services	125,796	129,796	62,190	66,764	(842)
Total County Sheriff-Communications and Records	\$ 1,679,524	\$ 1,712,074	\$ 826,221	\$ 869,444	\$ (16,410)
<u>Non-Departmental</u>					
Intergovernmental Services	\$ 62,262	\$ 62,262	\$ 19,931	\$ 21,380	\$ (20,951)
Total Non-Departmental	\$ 62,262	\$ 62,262	\$ 19,931	\$ 21,380	\$ (20,951)
TOTAL PUBLIC SAFETY	\$ 55,712,774	\$ 55,675,133	\$ 25,672,736	\$ 26,305,970	\$ (3,696,427)
<i>NATURAL & ECONOMIC ENVIRONMENT</i>					
<u>Planning Department</u>					
Personnel	\$ 752,656	\$ 752,656	\$ 366,198	\$ 355,102	\$ (31,356)
Personnel Benefits	347,161	347,161	154,026	154,327	(38,808)
Supplies	10,300	19,800	3,069	5,860	(10,871)
Other Services and Charges	257,220	424,700	106,079	203,761	(114,860)
Total Planning Department	\$ 1,367,337	\$ 1,544,317	\$ 629,373	\$ 719,050	\$ (195,894)
<u>Animal Control</u>					
Personnel	\$ 158,096	\$ 146,296	\$ 56,761	\$ 78,699	\$ (10,836)
Personnel Benefits	29,219	70,950	25,130	42,790	(3,030)
Supplies	39,056	38,806	6,943	15,590	(16,273)
Other Services and Charges	90,185	90,435	29,681	31,657	(29,097)
Intergovernmental Services	12,844	12,844	1,787	2,169	(8,888)
Total Animal control	\$ 329,400	\$ 359,331	\$ 120,302	\$ 170,905	\$ (68,124)
<u>Non-Departmental</u>					
Intergovernmental Services	\$ 73,910	\$ 73,910	\$ 36,408	\$ 37,185	\$ (317)
Total Non-Departmental	\$ 73,910	\$ 73,910	\$ 36,408	\$ 37,185	\$ (317)
TOTAL NATURAL & ECONOMIC ENVIRONMENT	\$ 1,770,647	\$ 1,977,558	\$ 786,083	\$ 927,140	\$ (264,335)
<i>SOCIAL SERVICES</i>					
<u>County Coroner</u>					
Personnel	\$ 389,638	\$ 403,138	\$ 184,648	\$ 211,854	\$ (6,636)
Personnel Benefits	108,815	119,315	53,979	64,828	(508)
Supplies	15,708	15,708	5,237	7,940	(2,531)
Other Services and Charges	248,716	224,716	78,747	87,183	(58,786)
Total County Coroner	\$ 762,877	\$ 762,877	\$ 322,611	\$ 371,805	\$ (68,461)

Schedule of Expenditures - Budget (GAAP Basis) and Actual
 General Fund
 For the Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>TB Hospital</u>					
Supplies	\$ 24,600	\$ 24,600	\$ 0	\$ 0	\$ (24,600)
Other Services and Charges	22,500	22,500	3,233	3,087	(16,180)
Intergovernmental Services	93,750	93,750	46,875	46,875	0
Total TB Hospital	\$ 140,850	\$ 140,850	\$ 50,108	\$ 49,962	\$ (40,780)
<u>Non-Department</u>					
Intergovernmental Services	\$ 793,164	\$ 793,164	\$ 396,582	\$ 363,534	\$ (33,048)
Total Non-Departmental	\$ 793,164	\$ 793,164	\$ 396,582	\$ 363,534	\$ (33,048)
TOTAL SOCIAL SERVICES	\$ 1,696,891	\$ 1,696,891	\$ 769,301	\$ 785,301	\$ (142,289)
<i>CULTURE AND RECREATION</i>					
<u>WSU Extension Department</u>					
Personnel	\$ 201,866	\$ 198,019	\$ 88,493	\$ 92,866	\$ (16,660)
Personnel Benefits	56,015	59,862	28,766	29,666	(1,430)
Supplies	13,902	17,321	6,293	5,119	(5,909)
Other Services and Charges	330,591	327,172	141,714	148,360	(37,098)
Total WSU Extension Department	\$ 602,374	\$ 602,374	\$ 265,266	\$ 276,011	\$ (61,097)
<u>Parks Department</u>					
Personnel	\$ 189,372	\$ 203,372	\$ 99,480	\$ 103,722	\$ (170)
Personnel Benefits	88,512	103,890	50,817	53,047	(26)
Supplies	48,631	33,371	15,617	18,049	295
Other Services and Charges	96,334	82,351	43,380	37,292	(1,679)
Total Parks Department	\$ 422,849	\$ 422,984	\$ 209,294	\$ 212,110	\$ (1,580)
TOTAL CULTURE AND RECREATION	\$ 1,025,223	\$ 1,025,358	\$ 474,560	\$ 488,121	\$ (62,677)
<i>CAPITAL OUTLAY</i>					
General Government	\$ 0	\$ 45,160	\$ 36,831	\$ 8,111	\$ (218)
Public Safety	86,681	124,321	42,442	54,032	(27,847)
TOTAL CAPITAL OUTLAY	\$ 86,681	\$ 169,481	\$ 79,272	\$ 62,143	\$ (28,066)
TOTAL EXPENDITURES	\$ 121,002,384	\$ 126,812,019	\$ 56,112,473	\$ 62,158,725	\$ (8,540,821)

BENTON COUNTY, WASHINGTON

Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget (GAAP Basis) and Actual

Capital Acquisition

Year Ended December 31, 2016

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental Revenues	\$ 1,200,000	\$ 1,240,000	\$ 1,074,817	\$ 860,991	\$ 695,808
Charges for Services	216,373	176,373	44,443	129,894	(2,036)
Interest Earnings	0	0	0	46,372	46,372
Miscellaneous Revenues	60,000	60,000	15,000	534,306	489,306
Total Revenues	<u>1,476,373</u>	<u>1,476,373</u>	<u>1,134,260</u>	<u>1,571,563</u>	<u>1,229,450</u>
<u>Expenditures</u>					
General Government	0	1,923,935	567,465	937,997	(418,473)
Public Safety	0	100,000	17,452	1,718	(80,830)
Social Services	0	0	0	77,703	77,703
Capital Outlay	21,020,594	18,996,659	6,380,056	550,462	(12,066,141)
Total Expenditures	<u>21,020,594</u>	<u>21,020,594</u>	<u>6,964,973</u>	<u>1,567,880</u>	<u>(12,487,741)</u>
Excess (Deficiency) of Revenues over Expenditures	(19,544,221)	(19,544,221)	(5,830,713)	3,683	13,717,191
<u>Other Financing Sources (Uses)</u>					
Transfers In	0	0	695,245	4,300,000	4,995,245
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>695,245</u>	<u>4,300,000</u>	<u>4,995,245</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(19,544,221)	(19,544,221)	(5,135,468)	4,303,683	18,712,436
Fund Balance, January 1	20,044,221	20,044,221	25,197,993	20,062,525	5,153,772
Fund Balance, December 31	<u>\$ 500,000</u>	<u>\$ 500,000</u>	<u>\$ 20,062,525</u>	<u>\$ 24,366,208</u>	<u>\$ 23,866,208</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

	County Road Improvement				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 1,848,000	\$ 1,848,000	\$ 923,533	\$ 1,090,079	\$ 165,612
Interest Earnings	5,000	5,000	9,044	16,912	20,956
Total Revenues	1,853,000	1,853,000	932,577	1,106,991	186,568
<u>Expenditures</u>					
Transportation	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	1,853,000	1,853,000	932,577	1,106,991	186,568
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(3,500,000)	(3,500,000)	0	(1,048,945)	2,451,055
Total Other Sources (Uses)	(3,500,000)	(3,500,000)	0	(1,048,945)	2,451,055
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(1,647,000)	(1,647,000)	932,577	58,046	2,637,623
Fund Balance as of January 1	1,840,000	1,840,000	2,121,156	3,053,733	281,156
Fund Balance as of December 31	\$ 193,000	\$ 193,000	\$ 3,053,733	\$ 3,111,779	\$ 2,918,779
<u>Flood Control</u>					
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 2,000	\$ 2,000	\$ 900	\$ 699	\$ (401)
Interest Earnings	250	250	219	356	325
Total Revenues	2,250	2,250	1,119	1,055	(76)
<u>Expenditures</u>					
Natural & Economic Environment	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	2,250	2,250	1,119	1,055	(76)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(62,050)	(62,050)	0	(61,955)	95
Total Other Sources (Uses)	(62,050)	(62,050)	0	(61,955)	95
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(59,800)	(59,800)	1,119	(60,900)	19
Fund Balance as of January 1	59,800	59,800	59,844	60,963	44
Fund Balance as of December 31	\$ 0	\$ 0	\$ 60,963	\$ 63	\$ 63

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Veteran's Assistance					
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
Taxes	\$ 346,000	\$ 346,000	\$ 185,460	\$ 191,611	\$ 31,071
Intergovernmental	8,000	8,000	6,552	7,919	6,471
Total Revenues	<u>354,000</u>	<u>354,000</u>	<u>192,012</u>	<u>199,530</u>	<u>37,542</u>
<u>Expenditures</u>					
Social Services	600,598	600,598	67,356	77,287	(455,955)
Total Expenditures	<u>600,598</u>	<u>600,598</u>	<u>67,356</u>	<u>77,287</u>	<u>(455,955)</u>
Excess (Deficiency) of Revenues over Expenditures	(246,598)	(246,598)	124,656	122,243	493,497
Fund Balance as of January 1	290,000	290,000	336,642	461,298	46,642
Fund Balance as of December 31	<u>\$ 43,402</u>	<u>\$ 43,402</u>	<u>\$ 461,298</u>	<u>\$ 583,541</u>	<u>\$ 540,139</u>

Auditor's O & M					
<u>Revenues</u>	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
Intergovernmental	\$ 200,000	\$ 200,000	\$ 78,425	\$ 83,648	\$ (37,927)
Charges For Services	171,000	171,000	76,550	79,418	(15,032)
Total Revenues	<u>371,000</u>	<u>371,000</u>	<u>154,975</u>	<u>163,066</u>	<u>(52,959)</u>
<u>Expenditures</u>					
General Government Services	636,737	636,737	214,816	236,374	(185,547)
Capital Outlay	28,951	28,951	0	0	(28,951)
Total Expenditures	<u>665,688</u>	<u>665,688</u>	<u>214,816</u>	<u>236,374</u>	<u>(214,498)</u>
Excess (Deficiency) of Revenues over Expenditures	(294,688)	(294,688)	(59,841)	(73,308)	161,539
Fund Balance as of January 1	307,831	307,831	303,888	244,047	(3,943)
Fund Balance as of December 31	<u>\$ 13,143</u>	<u>\$ 13,143</u>	<u>\$ 244,047</u>	<u>\$ 170,739</u>	<u>\$ 157,596</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Treasurer's Investment Pool

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 0	\$ 186,000	\$ 132,283	\$ 155,416	\$ 101,699
Interest Earnings	186,500	500	660	1,620	1,780
Total Revenues	186,500	186,500	132,943	157,036	103,479
<u>Expenditures</u>					
General Government Services	111,102	111,102	43,301	56,667	(11,134)
Total Expenditures	111,102	111,102	43,301	56,667	(11,134)
Excess (Deficiency) of Revenues over Expenditures	75,398	75,398	89,642	100,369	114,613
Fund Balance as of January 1	128,418	128,418	129,211	218,853	793
Fund Balance as of December 31	\$ 203,816	\$ 203,816	\$ 218,853	\$ 319,222	\$ 115,406

Park Development

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 43,000	\$ 1,500	\$ 804	\$ 0	\$ (696)
Interest Earnings	0	0	2,285	2,623	4,908
Donations	1,500	1,500	526	115	(859)
Miscellaneous	0	0	15,489	21,069	36,558
Total Revenues	44,500	3,000	19,104	23,807	39,911
<u>Expenditures</u>					
Culture and Recreation	166,050	341,331	37,219	140,828	(163,284)
Capital Outlay	0	109,129	97,485	33,315	21,671
Total Expenditures	166,050	450,460	134,704	174,143	(141,613)
Excess (Deficiency) of Revenues over Expenditures	(121,550)	(447,460)	(115,600)	(150,336)	181,524
Fund Balance as of January 1	121,550	405,960	639,635	524,035	233,675
Fund Balance as of December 31	\$ 0	\$ (41,500)	\$ 524,035	\$ 373,699	\$ 415,199

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

	Election Reserve				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 2,290	\$ 2,290	\$ 2,520	\$ 1,014	\$ 1,244
Charges For Services	874,600	874,600	459,763	617,511	202,674
Total Revenues	876,890	876,890	462,283	618,525	203,918
<u>Expenditures</u>					
General Government Services	1,981,967	2,081,967	876,621	1,083,508	(121,838)
Total Expenditures	1,981,967	2,081,967	876,621	1,083,508	(121,838)
Excess (Deficiency) of Revenues over Expenditures	(1,105,077)	(1,205,077)	(414,338)	(464,983)	325,756
<u>Other Financing Sources (Uses)</u>					
Transfers In	534,785	534,785	534,785	500,000	500,000
Total Other Sources (Uses)	534,785	534,785	534,785	500,000	500,000
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(570,292)	(670,292)	120,447	35,017	825,756
Fund Balance as of January 1	789,686	789,686	297,482	417,929	(492,204)
Fund Balance as of December 31	\$ 219,394	\$ 119,394	\$ 417,929	\$ 452,946	\$ 333,552

	Treasurer's O & M				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 188,000	\$ 188,000	\$ 106,913	\$ 113,254	\$ 32,167
Interest Earnings	1,200	1,200	736	1,114	650
Miscellaneous	0	0	192	74	266
Total Revenues	189,200	189,200	107,841	114,442	33,083
<u>Expenditures</u>					
General Government Services	359,479	359,479	131,152	109,546	(118,781)
Capital Outlay	5,000	5,000	0	0	(5,000)
Total Expenditures	364,479	364,479	131,152	109,546	(123,781)
Excess (Deficiency) of Revenues over Expenditures	(175,279)	(175,279)	(23,311)	4,896	156,864
Fund Balance as of January 1	235,000	235,000	209,339	186,028	(25,661)
Fund Balance as of December 31	\$ 59,721	\$ 59,721	\$ 186,028	\$ 190,924	\$ 131,203

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

	Paths and Trails Reserve				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 31,047	\$ 31,047	\$ 22,864	\$ 32,714	\$ 24,531
Interest Earnings	100	100	157	428	485
Total Revenues	31,147	31,147	23,021	33,142	25,016
<u>Expenditures</u>					
Culture and Recreation	200	252	145	107	0
Total Expenditures	200	252	145	107	0
Excess (Deficiency) of Revenues over Expenditures	30,947	30,895	22,876	33,035	25,016
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(62,947)	(62,895)	0	(27,861)	35,034
Total Other Sources (Uses)	(62,947)	(62,895)	0	(27,861)	35,034
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(32,000)	(32,000)	22,876	5,174	60,050
Fund Balance as of January 1	32,000	32,000	33,130	56,006	1,130
Fund Balance as of December 31	\$ 0	\$ 0	\$ 56,006	\$ 61,180	\$ 61,180

	Benton Franklin Juvenile Center				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 2,252,786	\$ 2,252,786	\$ 1,196,676	\$ 1,127,057	\$ 70,947
Charges For Services	5,271,516	5,271,516	2,096,688	2,792,739	(382,089)
Donations	0	0	195	280	475
Miscellaneous	0	0	719	1,830	2,549
Total Revenues	7,524,302	7,524,302	3,294,278	3,921,906	(308,118)
<u>Expenditures</u>					
Public Safety	16,154,312	16,126,812	7,423,983	7,381,756	(1,321,073)
Capital Outlay	4,750	32,250	0	27,319	(4,931)
Total Expenditures	16,159,062	16,159,062	7,423,983	7,409,075	(1,326,004)
Excess (Deficiency) of Revenues over Expenditures	(8,634,760)	(8,634,760)	(4,129,705)	(3,487,169)	1,017,886
<u>Other Financing Sources (Uses)</u>					
Sale of Fixed Assets	0	0	986	0	986
Transfers In	7,893,408	7,893,408	3,908,224	3,735,696	(249,488)
Transfers Out	0	0	0	0	0
Total Other Sources (Uses)	7,893,408	7,893,408	3,909,210	3,735,696	(248,502)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(741,352)	(741,352)	(220,495)	248,527	769,384
Fund Balance as of January 1	1,100,000	1,100,000	1,169,433	948,938	69,433
Fund Balance as of December 31	\$ 358,648	\$ 358,648	\$ 948,938	\$ 1,197,465	\$ 838,817

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

	Inmate Benevolence				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 985,920	\$ 985,920	\$ 540,198	\$ 448,480	\$ 2,758
Miscellaneous	142,987	142,987	2,274	25,909	(114,804)
Total Revenues	<u>1,128,907</u>	<u>1,128,907</u>	<u>542,472</u>	<u>474,389</u>	<u>(112,046)</u>
<u>Expenditures</u>					
Public Safety	1,158,286	1,158,286	447,172	428,716	(282,398)
Total Expenditures	<u>1,158,286</u>	<u>1,158,286</u>	<u>447,172</u>	<u>428,716</u>	<u>(282,398)</u>
Excess (Deficiency) of					
Revenues over Expenditures	(29,379)	(29,379)	95,300	45,673	170,352
Fund Balance as of January 1	626,506	626,506	565,311	660,611	(61,195)
Fund Balance as of December 31	<u>\$ 597,127</u>	<u>\$ 597,127</u>	<u>\$ 660,611</u>	<u>\$ 706,284</u>	<u>\$ 109,157</u>
<u>Crime Victim Compensation</u>					
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 78,820	\$ 78,820	\$ 35,918	\$ 58,624	\$ 15,722
Charges For Services	430,000	430,000	215,804	164,080	(50,116)
Fines and Forfeitures	0	0	42	59	101
Total Revenues	<u>508,820</u>	<u>508,820</u>	<u>251,764</u>	<u>222,763</u>	<u>(34,293)</u>
<u>Expenditures</u>					
General Government Services	646,414	646,414	276,638	269,787	(99,989)
Total Expenditures	<u>646,414</u>	<u>646,414</u>	<u>276,638</u>	<u>269,787</u>	<u>(99,989)</u>
Excess (Deficiency) of					
Revenues over Expenditures	(137,594)	(137,594)	(24,874)	(47,024)	65,696
Fund Balance as of January 1	137,594	137,594	121,273	96,399	(16,321)
Fund Balance as of December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 96,399</u>	<u>\$ 49,375</u>	<u>\$ 49,375</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Fairgrounds Operating Budget					
Revenues	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 15,000
Miscellaneous	473,000	473,000	293,884	198,183	19,067
Total Revenues	473,000	473,000	293,884	213,183	34,067
Expenditures	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
Culture and Recreation	1,823,000	1,577,642	490,504	674,124	(413,014)
Capital Outlay	0	245,358	95,444	101,948	(47,966)
Total Expenditures	1,823,000	1,823,000	585,948	776,072	(460,980)
Excess (Deficiency) of Revenues over Expenditures	(1,350,000)	(1,350,000)	(292,064)	(562,889)	495,047
Other Financing Sources (Uses)	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
Sale of Fixed Assets	0	0	0	6,027	6,027
Transfers In	1,350,000	1,350,000	0	125,528	(1,224,472)
Transfers Out	0	0	0	0	0
Total Other Sources (Uses)	1,350,000	1,350,000	0	131,555	(1,218,445)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	0	0	(292,064)	(431,334)	(723,398)
Fund Balance as of January 1	721,595	721,595	872,945	580,881	151,350
Fund Balance as of December 31	\$ 721,595	\$ 721,595	\$ 580,881	\$ 149,547	\$ (572,048)
Sheriff's Investigations					
Revenues	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
Intergovernmental	\$ 10,000	\$ 10,000	\$ 9,046	\$ 4,666	\$ 3,712
Charges For Services	10,000	10,000	3,750	6,250	0
Donations	0	0	1,000	0	1,000
Miscellaneous	40,392	0	51,122	12,459	63,581
Total Revenues	60,392	20,000	64,918	23,375	68,293
Expenditures	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
Public Safety	126,000	126,000	35,722	33,921	(56,357)
Capital Outlay	30,000	30,000	21,514	213	(8,273)
Total Expenditures	156,000	156,000	57,236	34,134	(64,630)
Excess (Deficiency) of Revenues over Expenditures	(95,608)	(136,000)	7,682	(10,759)	132,923
Fund Balance as of January 1	175,224	175,224	190,212	197,894	14,988
Fund Balance as of December 31	\$ 79,616	\$ 39,224	\$ 197,894	\$ 187,135	\$ 147,911

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Canine and Boat Patrol

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 140,116	\$ 140,116	\$ 66,779	\$ 76,396	\$ 3,059
Charges For Services	10,000	10,000	3,750	6,250	0
Donations	0	0	122	117	239
Miscellaneous	0	0	0	0	0
Total Revenues	150,116	150,116	70,651	82,763	3,298
<u>Expenditures</u>					
Public Safety	150,831	150,831	56,689	64,326	(29,816)
Total Expenditures	150,831	150,831	56,689	64,326	(29,816)
Excess (Deficiency) of Revenues over Expenditures	(715)	(715)	13,962	18,437	33,114
<u>Other Financing Sources (Uses)</u>					
Sale of Fixed Assets	0	0	1	1	2
Total Other Sources (Uses)	0	0	1	1	2
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(715)	(715)	13,963	18,438	33,116
Fund Balance as of January 1	8,000	8,000	12,752	26,715	4,752
Fund Balance as of December 31	\$ 7,285	\$ 7,285	\$ 26,715	\$ 45,153	\$ 37,868

Treasurer's Service Fee

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 705	\$ 705	\$ 779	\$ 851	\$ 925
Total Revenues	705	705	779	851	925
<u>Expenditures</u>					
General Government Services	705	705	0	17	(688)
Total Expenditures	705	705	0	17	(688)
Excess (Deficiency) of Revenues over Expenditures	0	0	779	834	1,613
Fund Balance as of January 1	1,500	1,500	1,415	2,194	(85)
Fund Balance as of December 31	\$ 1,500	\$ 1,500	\$ 2,194	\$ 3,028	\$ 1,528

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

REET Technology					
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 29,000	\$ 29,000	\$ 18,637	\$ 16,805	\$ 6,442
Charges For Services	31,000	31,000	18,897	19,757	7,654
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>37,534</u>	<u>36,562</u>	<u>14,096</u>
<u>Expenditures</u>					
General Government Services	103,203	103,203	9,316	9,312	(84,575)
Total Expenditures	<u>103,203</u>	<u>103,203</u>	<u>9,316</u>	<u>9,312</u>	<u>(84,575)</u>
Excess (Deficiency) of Revenues over Expenditures	(43,203)	(43,203)	28,218	27,250	98,671
Fund Balance as of January 1	103,000	103,000	102,883	131,101	(117)
Fund Balance as of December 31	<u>\$ 59,797</u>	<u>\$ 59,797</u>	<u>\$ 131,101</u>	<u>\$ 158,351</u>	<u>\$ 98,554</u>
1/4 Percent Real Estate Excise Tax					
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Taxes	\$ 660,000	\$ 660,000	\$ 484,239	\$ 487,555	\$ 311,794
Total Revenues	<u>660,000</u>	<u>660,000</u>	<u>484,239</u>	<u>487,555</u>	<u>311,794</u>
<u>Expenditures</u>					
General Government Services	0	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	660,000	660,000	484,239	487,555	311,794
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(1,517,638)	(1,517,638)	(183,819)	(309,347)	1,024,472
Total Other Sources (Uses)	<u>(1,517,638)</u>	<u>(1,517,638)</u>	<u>(183,819)</u>	<u>(309,347)</u>	<u>1,024,472</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(857,638)	(857,638)	300,420	178,208	1,336,266
Fund Balance as of January 1	1,313,131	1,313,131	1,351,508	1,651,928	38,377
Fund Balance as of December 31	<u>\$ 455,493</u>	<u>\$ 455,493</u>	<u>\$ 1,651,928</u>	<u>\$ 1,830,136</u>	<u>\$ 1,374,643</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Probation Assessment

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 1,438,498	\$ 1,438,498	\$ 485,632	\$ 486,431	\$ (466,435)
Total Revenues	1,438,498	1,438,498	485,632	486,431	(466,435)
<u>Expenditures</u>					
General Government Services	1,269,715	1,269,715	617,628	557,222	(94,865)
Total Expenditures	1,269,715	1,269,715	617,628	557,222	(94,865)
Excess (Deficiency) of Revenues over Expenditures	168,783	168,783	(131,996)	(70,791)	(371,570)
Fund Balance as of January 1	486,698	486,698	360,641	228,645	(126,057)
Fund Balance as of December 31	\$ 655,481	\$ 655,481	\$ 228,645	\$ 157,854	\$ (497,627)

Central Services Computer Replacement

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 1,041,679	\$ 1,041,679	\$ 514,487	\$ 468,303	\$ (58,889)
Total Revenues	1,041,679	1,041,679	514,487	468,303	(58,889)
<u>Expenditures</u>					
General Government Services	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	1,041,679	1,041,679	514,487	468,303	(58,889)
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(1,022,800)	(1,022,800)	(482,639)	(374,484)	165,677
Total Other Sources (Uses)	(1,022,800)	(1,022,800)	(482,639)	(374,484)	165,677
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	18,879	18,879	31,848	93,819	106,788
Fund Balance as of January 1	1,937,515	1,937,515	1,814,783	1,846,631	(122,732)
Fund Balance as of December 31	\$ 1,956,394	\$ 1,956,394	\$ 1,846,631	\$ 1,940,450	\$ (15,944)

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Noxious Weed Control

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 7,000	\$ 0	\$ 0	\$ 0	\$ 0
Charges For Services	0	7,000	4,914	0	(2,086)
Fines and Forfeitures	0	0	0	0	0
Miscellaneous	498,268	498,268	(69,364)	0	(567,632)
Total Revenues	505,268	505,268	(64,450)	0	(569,718)
<u>Expenditures</u>					
Natural & Economic Environment	425,558	425,558	97,795	0	(327,763)
Total Expenditures	425,558	425,558	97,795	0	(327,763)
Excess (Deficiency) of Revenues over Expenditures	79,710	79,710	(162,245)	0	(241,955)
Fund Balance as of January 1	149,587	149,587	162,245	0	12,658
Fund Balance as of December 31	\$ 229,297	\$ 229,297	\$ 0	\$ 0	\$ (229,297)

Sustainable Development

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 150,570	\$ 150,570	\$ 75,285	\$ 75,285	\$ 0
Miscellaneous	6,000	6,000	154	1,446	(4,400)
Total Revenues	156,570	156,570	75,439	76,731	(4,400)
<u>Expenditures</u>					
Natural & Economic Environment	403,452	403,452	190,323	210,368	(2,761)
Total Expenditures	403,452	403,452	190,323	210,368	(2,761)
Fund Balance as of January 1	311,000	311,000	503,919	389,035	192,919
Fund Balance as of December 31	\$ 64,118	\$ 64,118	\$ 389,035	\$ 255,398	\$ 191,280

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Courthouse Facilitator

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 139,000	\$ 139,000	\$ 34,808	\$ 35,787	\$ (68,405)
Total Revenues	139,000	139,000	34,808	35,787	(68,405)
<u>Expenditures</u>					
General Government Services	57,500	57,500	16,660	17,100	(23,740)
Total Expenditures	57,500	57,500	16,660	17,100	(23,740)
Excess (Deficiency) of Revenues over Expenditures	81,500	81,500	18,148	18,687	(44,665)
Fund Balance as of January 1	32,500	32,500	25,766	43,914	(6,734)
Fund Balance as of December 31	\$ 114,000	\$ 114,000	\$ 43,914	\$ 62,601	\$ (51,399)

Family Services

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Licenses and Permits	\$ 57,420	\$ 57,420	\$ 19,800	\$ 20,447	\$ (17,173)
Intergovernmental	0	0	10,185	9,300	19,485
Total Revenues	57,420	57,420	29,985	29,747	2,312
<u>Expenditures</u>					
Public Safety	75,011	75,011	39,092	11,922	(23,997)
Total Expenditures	75,011	75,011	39,092	11,922	(23,997)
Excess (Deficiency) of Revenues over Expenditures	(17,591)	(17,591)	(9,107)	17,825	26,309
Fund Balance as of January 1	24,360	24,360	10,903	1,796	(13,457)
Fund Balance as of December 31	\$ 6,769	\$ 6,769	\$ 1,796	\$ 19,621	\$ 12,852

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Family Services Superior Court					
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Licenses and Permits	\$ 20,000	\$ 20,000	\$ 10,552	\$ 10,904	\$ 1,456
Charges For Services	20,000	20,000	9,846	9,795	(359)
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>20,398</u>	<u>20,699</u>	<u>1,097</u>
<u>Expenditures</u>					
General Government Services	0	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	40,000	40,000	20,398	20,699	1,097
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(40,000)	(40,000)	(20,000)	(20,000)	0
Total Other Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	0	0	398	699	1,097
Fund Balance as of January 1	20,000	20,000	21,806	22,204	1,806
Fund Balance as of December 31	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 22,204</u>	<u>\$ 22,903</u>	<u>\$ 2,903</u>
Jail Depreciation Reserve					
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 110,230	\$ 110,230	\$ 55,116	\$ 55,115	\$ 1
Interest Earnings	4,384	4,384	2,791	4,849	3,256
Total Revenues	<u>114,614</u>	<u>114,614</u>	<u>57,907</u>	<u>59,964</u>	<u>3,257</u>
<u>Expenditures</u>					
Public Safety	463,739	559,626	153,733	152,872	(253,021)
Capital Outlay	95,887	0	0	0	0
Total Expenditures	<u>559,626</u>	<u>559,626</u>	<u>153,733</u>	<u>152,872</u>	<u>(253,021)</u>
Excess (Deficiency) of Revenues over Expenditures	(445,012)	(445,012)	(95,826)	(92,908)	256,278
<u>Other Financing Sources (Uses)</u>					
Transfers In	245,768	245,768	122,884	122,884	0
Total Other Sources (Uses)	<u>245,768</u>	<u>245,768</u>	<u>122,884</u>	<u>122,884</u>	<u>0</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(199,244)	(199,244)	27,058	29,976	256,278
Fund Balance as of January 1	813,322	813,322	803,140	830,198	(10,182)
Fund Balance as of December 31	<u>\$ 614,078</u>	<u>\$ 614,078</u>	<u>\$ 830,198</u>	<u>\$ 860,174</u>	<u>\$ 246,096</u>

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Distressed County Tax Credit

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0	0
<u>Expenditures</u>					
Natural & Economic Environment	55,000	55,000	55,000	0	0
Total Expenditures	55,000	55,000	55,000	0	0
Excess (Deficiency) of Revenues over Expenditures	(55,000)	(55,000)	(55,000)	0	0
<u>Other Financing Sources (Uses)</u>					
Transfers Out	0	0	0	(1,752)	(1,752)
Total Other Sources (Uses)	0	0	0	(1,752)	(1,752)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(55,000)	(55,000)	(55,000)	(1,752)	(1,752)
Fund Balance as of January 1	56,752	56,752	56,752	1,752	0
Fund Balance as of December 31	\$ 1,752	\$ 1,752	\$ 1,752	\$ 0	\$ (1,752)

Clerk's Collection Fund

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 33,000	\$ 33,000	\$ 18,231	\$ 14,858	\$ 89
Charges For Services	1,400,100	1,400,100	717,554	537,289	(145,257)
Total Revenues	1,433,100	1,433,100	735,785	552,147	(145,168)
<u>Expenditures</u>					
General Government Services	1,168,793	1,168,793	501,654	644,783	(22,356)
Total Expenditures	1,168,793	1,168,793	501,654	644,783	(22,356)
Excess (Deficiency) of Revenues over Expenditures	264,307	264,307	234,131	(92,636)	(122,812)
Fund Balance as of January 1	1,400,000	1,400,000	1,914,372	2,148,503	514,372
Fund Balance as of December 31	\$ 1,664,307	\$ 1,664,307	\$ 2,148,503	\$ 2,055,867	\$ 391,560

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Protective Inspection Services

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Licenses and Permits	\$ 1,442,077	\$ 1,442,077	\$ 946,900	1,007,177	\$ 512,000
Charges For Services	11,150	11,150	6,609	8,394	3,853
Miscellaneous	0	0	0	26	26
Total Revenues	1,453,227	1,453,227	953,509	1,015,597	515,879
<u>Expenditures</u>					
Public Safety	1,507,359	1,507,359	719,287	735,089	(52,983)
Total Expenditures	1,507,359	1,507,359	719,287	735,089	(52,983)
Excess (Deficiency) of Revenues over Expenditures	(54,132)	(54,132)	234,222	280,508	568,862
<u>Other Financing Sources (Uses)</u>					
Transfers In	90,050	90,050	45,025	45,025	0
Total Other Sources (Uses)	90,050	90,050	45,025	45,025	0
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	35,918	35,918	279,247	325,533	568,862
Fund Balance as of January 1	369,779	369,779	312,904	592,151	(56,875)
Fund Balance as of December 31	\$ 405,697	\$ 405,697	\$ 592,151	\$ 917,684	\$ 511,987

Pest Board

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	0	0	0	22,814	22,814
Miscellaneous	\$ 193,830	\$ 193,830	\$ 98,500	\$ 98,432	\$ 3,102
Total Revenues	193,830	193,830	98,500	121,246	25,916
<u>Expenditures</u>					
Natural & Economic Environment	268,994	268,994	112,898	98,447	(57,649)
Capital Outlay	23,352	23,352	0	0	(23,352)
Total Expenditures	292,346	292,346	112,898	98,447	(81,001)
Excess (Deficiency) of Revenues over Expenditures	(98,516)	(98,516)	(14,398)	22,799	106,917
<u>Other Financing Sources (Uses)</u>					
Sale of Fixed Assets	0	0	0	1,625	1,625
Total Other Sources (Uses)	0	0	0	1,625	1,625
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(98,516)	(98,516)	(14,398)	24,424	108,542
Fund Balance as of January 1	98,516	98,516	99,338	84,940	822
Fund Balance as of December 31	\$ 0	\$ 0	\$ 84,940	\$ 109,364	\$ 109,364

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Work Crew Replacement

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 64,776	\$ 64,776	\$ 28,600	\$ 20,730	\$ (15,446)
Interest Earnings	0	0	870	1,258	2,128
Total Revenues	64,776	64,776	29,470	21,988	(13,318)
<u>Expenditures</u>					
Capital Outlay	69,312	69,312	66,132	1,989	(1,191)
Total Expenditures	69,312	69,312	66,132	1,989	(1,191)
Excess (Deficiency) of Revenues over Expenditures	(4,536)	(4,536)	(36,662)	19,999	(12,127)
Fund Balance as of January 1	244,680	244,680	243,888	207,226	(792)
Fund Balance as of December 31	\$ 240,144	\$ 240,144	\$ 207,226	\$ 227,225	\$ (12,919)

State Housing

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 280,000	\$ 280,000	\$ 160,649	\$ 171,661	\$ 52,310
Interest Earnings	3,000	3,000	3,179	4,061	4,240
Total Revenues	283,000	283,000	163,828	175,722	56,550
<u>Expenditures</u>					
Natural & Economic Environment	900,000	0	0	0	0
Social Services	0	1,100,000	656,961	35,628	(407,411)
Culture and Recreation	200,000	0	0	0	0
Total Expenditures	1,100,000	1,100,000	656,961	35,628	(407,411)
Excess (Deficiency) of Revenues over Expenditures	(817,000)	(817,000)	(493,133)	140,094	463,961
Fund Balance as of January 1	900,000	900,000	1,108,853	615,720	208,853
Fund Balance as of December 31	\$ 83,000	\$ 83,000	\$ 615,720	\$ 755,814	\$ 672,814

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

	Vit Impact				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Taxes	\$ 950,000	\$ 950,000	\$ 432,108	1,363,817	\$ 845,925
Total Revenues	950,000	950,000	432,108	1,363,817	845,925
<u>Expenditures</u>					
General Government Services	0	343,430	171,715	171,715	0
Transportation	0	130,000	0	130,000	0
Capital Outlay	643,430	170,000	0	0	(170,000)
Total Expenditures	643,430	643,430	171,715	301,715	(170,000)
Excess (Deficiency) of Revenues over Expenditures	306,570	306,570	260,393	1,062,102	1,015,925
<u>Other Financing Sources (Uses)</u>					
Transfers Out	(969,845)	(969,845)	0	0	969,845
Total Other Sources (Uses)	(969,845)	(969,845)	0	0	969,845
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(663,275)	(663,275)	260,393	1,062,102	1,985,770
Fund Balance as of January 1	3,903,108	3,903,108	4,098,062	4,358,455	194,954
Fund Balance as of December 31	\$ 3,239,833	\$ 3,239,833	\$ 4,358,455	\$ 5,420,557	\$ 2,180,724

	Homeless Housing & Assistance				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 1,500,000	\$ 1,500,000	\$ 858,734	\$ 921,777	\$ 280,511
Interest Earnings	3,000	3,000	6,927	12,482	16,409
Total Revenues	1,503,000	1,503,000	865,661	934,259	296,920
<u>Expenditures</u>					
Natural & Economic Environment	3,282,858	0	(245)	1,113	868
Social Services	0	3,282,858	770,223	779,767	(1,732,868)
Total Expenditures	3,282,858	3,282,858	769,978	780,880	(1,732,000)
Excess (Deficiency) of Revenues over Expenditures	(1,779,858)	(1,779,858)	95,683	153,379	2,028,920
Fund Balance as of January 1	1,800,000	1,800,000	1,864,294	1,959,977	64,294
Fund Balance as of December 31	\$ 20,142	\$ 20,142	\$ 1,959,977	\$ 2,113,356	\$ 2,093,214

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Solid Waste Collection Fund

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 636,000	\$ 636,000	\$ 143,732	\$ 0	\$ (492,268)
Charges For Services	420,000	420,000	140,911	300,347	21,258
Total Revenues	1,056,000	1,056,000	284,643	300,347	(471,010)
<u>Expenditures</u>					
Natural & Economic Environment	788,528	788,528	271,291	309,768	(207,469)
Capital Outlay	0	450,000	0	450,000	0
Total Expenditures	788,528	1,238,528	271,291	759,768	(207,469)
Excess (Deficiency) of Revenues over Expenditures	267,472	(182,528)	13,352	(459,421)	(263,541)
Fund Balance as of January 1	641,000	641,000	903,698	917,050	262,698
Fund Balance as of December 31	\$ 908,472	\$ 458,472	\$ 917,050	\$ 457,629	\$ (843)

Trial Court Improvement

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Intergovernmental	\$ 233,952	\$ 233,952	\$ 114,518	\$ 113,350	\$ (6,084)
Charges For Services	28,000	28,000	61,247	55,938	89,185
Total Revenues	261,952	261,952	175,765	169,288	83,101
<u>Expenditures</u>					
General Government Services	375,000	375,000	15,836	86,355	(272,809)
Capital Outlay	25,000	25,000	0	0	(25,000)
Total Expenditures	400,000	400,000	15,836	86,355	(297,809)
Excess (Deficiency) of Revenues over Expenditures	(138,048)	(138,048)	159,929	82,933	380,910
Fund Balance as of January 1	500,000	500,000	543,755	703,684	43,755
Fund Balance as of December 31	\$ 361,952	\$ 361,952	\$ 703,684	\$ 786,617	\$ 424,665

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

Historical Preservation

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Charges For Services	\$ 70,000	\$ 70,000	\$ 38,273	\$ 39,710	\$ 7,983
Total Revenues	70,000	70,000	38,273	39,710	7,983
<u>Expenditures</u>					
General Government Services	175,385	175,385	23,674	44,190	(107,521)
Total Expenditures	175,385	175,385	23,674	44,190	(107,521)
Excess (Deficiency) of Revenues over Expenditures	(105,385)	(105,385)	14,599	(4,480)	115,504
Fund Balance as of January 1	113,463	113,463	113,622	128,221	159
Fund Balance as of December 31	\$ 8,078	\$ 8,078	\$ 128,221	\$ 123,741	\$ 115,663

Domestic Violence Assessment

	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Fines and Forfeitures	\$ 9,085	\$ 9,085	\$ 4,484	\$ 2,663	\$ (1,938)
Total Revenues	9,085	9,085	4,484	2,663	(1,938)
<u>Expenditures</u>					
General Government Services	22,715	22,715	6,365	1,790	(14,560)
Total Expenditures	22,715	22,715	6,365	1,790	(14,560)
Excess (Deficiency) of Revenues over Expenditures	(13,630)	(13,630)	(1,881)	873	12,622
Fund Balance as of January 1	29,930	29,930	23,599	21,718	(6,331)
Fund Balance as of December 31	\$ 16,300	\$ 16,300	\$ 21,718	\$ 22,591	\$ 6,291

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2016

	Summary				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Taxes	\$ 1,956,000	\$ 1,956,000	\$ 1,101,807	\$ 2,042,983	\$ 1,188,790
Licenses and Permits	1,519,497	1,519,497	977,252	1,038,528	496,283
Intergovernmental	5,662,581	5,655,581	2,723,801	2,727,414	(204,366)
Charges For Services	14,539,174	14,690,674	6,773,559	7,538,097	(379,018)
Fines and Forfeitures	9,085	9,085	4,526	2,722	(1,837)
Interest Earnings	203,434	17,434	26,868	45,703	55,137
Donations	1,500	1,500	1,843	512	855
Miscellaneous	1,354,477	1,314,085	392,970	359,428	(561,687)
Total Revenues	<u>25,245,748</u>	<u>25,163,856</u>	<u>12,002,626</u>	<u>13,755,387</u>	<u>594,157</u>
<u>Expenditures</u>					
General Government Services	6,908,715	7,352,145	2,905,376	3,288,366	(1,158,403)
Public Safety	19,635,538	19,703,925	8,875,678	8,808,602	(2,019,645)
Utilities	0	0	0	0	0
Transportation	0	130,000	0	130,000	0
Natural & Economic Environment	6,124,390	1,941,532	727,062	619,696	(594,774)
Social Services	600,598	4,983,456	1,494,540	892,682	(2,596,234)
Culture and Recreation	2,189,250	1,919,225	527,868	815,059	(576,298)
Capital Outlay	925,682	1,188,352	280,575	614,784	(292,993)
Debt Service:					
Principal	0	0	0	0	0
Interest	0	0	0	0	0
Total Expenditures	<u>36,384,173</u>	<u>37,218,635</u>	<u>14,811,099</u>	<u>15,169,189</u>	<u>(7,238,347)</u>
Excess (Deficiency) of Revenues over Expenditures	(11,138,425)	(12,054,779)	(2,808,473)	(1,413,802)	7,832,504
<u>Other Financing Sources (Uses)</u>					
Sale of Capital Assets	0	0	987	7,653	8,640
Transfers In	10,114,011	10,114,011	4,610,918	4,529,133	(973,960)
Transfers Out	(7,175,280)	(7,175,228)	(686,458)	(1,844,344)	4,644,426
Total Other Sources (Uses)	<u>2,938,731</u>	<u>2,938,783</u>	<u>3,925,447</u>	<u>2,692,442</u>	<u>3,679,106</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	(8,199,694)	(9,115,996)	1,116,974	1,278,640	11,511,610
Fund Balance as of January 1	21,823,045	22,107,455	23,504,399	24,621,373	1,396,944
Fund Balance as of December 31	<u>\$ 13,623,351</u>	<u>\$ 12,991,459</u>	<u>\$ 24,621,373</u>	<u>\$ 25,900,013</u>	<u>\$ 12,908,554</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Debt Service Funds
 Year Ended December 31, 2016

	CRID #11 & #12 Debt Service				
	Original	Final	2015	2016	Variance with
	Biennial	Biennial	2015	2016	Final Budget
	Budget	Budget	Actual	Actual	Over (Under)
<u>Revenues</u>					
Penalties	\$ 400	\$ 400	\$ 319	\$ 234	\$ 153
Interest Earnings	7,066	7,066	7,830	5,811	6,575
Other Revenue	40,000	40,000	19,606	13,845	(6,549)
Total Revenues	47,466	47,466	27,755	19,890	179
<u>Expenditures</u>					
Debt Service					
Principal	49,308	49,308	20,000	25,000	(4,308)
Interest	6,358	6,358	3,525	2,467	(366)
Total Expenditures	55,666	55,666	23,525	27,467	(4,674)
Excess (Deficit) Resources Over Uses	(8,200)	(8,200)	4,230	(7,577)	4,853
Fund Balance, January 1	8,200	8,200	7,984	12,214	(216)
Fund Balance, December 31	\$ 0	\$ 0	\$ 12,214	\$ 4,637	\$ 4,637

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

Nonmajor Debt Service Funds

Year Ended December 31, 2016

	CRID #15 (Cottonwood Springs) Debt Service				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Penalties	\$ 7,000	\$ 7,000	\$ 2,706	\$ 2,600	\$ (1,694)
Interest Earnings	38,944	38,944	17,405	15,535	(6,004)
Other Revenue	80,000	80,000	32,564	27,185	(20,251)
Total Revenues	125,944	125,944	52,675	45,320	(27,949)
<u>Expenditures</u>					
Debt Service					
Principal	80,000	80,000	35,000	49,000	4,000
Interest	38,800	38,800	7,400	5,228	(26,172)
Total Expenditures	118,800	118,800	42,400	54,228	(22,172)
Excess (Deficit) Resources Over Uses	7,144	7,144	10,275	(8,908)	(5,777)
Fund Balance, January 1	5,000	5,000	3,115	13,390	(1,885)
Fund Balance, December 31	\$ 12,144	\$ 12,144	\$ 13,390	\$ 4,482	\$ (7,662)

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

Nonmajor Debt Service Funds

Year Ended December 31, 2016

	CRID #16 (Spirit Lane) Debt Service				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Penalties	\$ 866	\$ 866	\$ 148	\$ 522	\$ (196)
Interest Earnings	9,130	9,130	2,614	4,639	(1,877)
Other Revenue	5,000	5,000	3,999	7,147	6,146
Total Revenues	14,996	14,996	6,761	12,308	4,073
<u>Expenditures</u>					
Debt Service					
Principal	10,000	10,000	5,000	11,000	6,000
Interest	9,000	9,000	1,205	1,307	(6,488)
Total Expenditures	19,000	19,000	6,205	12,307	(488)
Excess (Deficit) Resources Over Uses	(4,004)	(4,004)	556	1	4,561
Fund Balance, January 1	5,000	5,000	863	1,419	(4,137)
Fund Balance, December 31	\$ 996	\$ 996	\$ 1,419	\$ 1,420	\$ 424

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

Nonmajor Debt Service Funds

Year Ended December 31, 2016

	CRID #21 (Antinori Road Expansion) Debt Service				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Penalties	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0	0
<u>Expenditures</u>					
General Government	0	0	0	0	0
Total Expenditures	0	0	0	0	0
Excess (Deficit) Resources Over Uses	0	0	0	0	0
Fund Balance, January 1	0	0	0	0	0
Fund Balance, December 31	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

Nonmajor Debt Service Funds

Year Ended December 31, 2016

	Health Building Bond				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Other Revenue	\$ 662,400	\$ 662,400	\$ 316,198	\$ 316,198	\$ (30,004)
Total Revenues	662,400	662,400	316,198	316,198	(30,004)
<u>Expenditures</u>					
Debt Service					
Principal	500,000	500,000	245,000	255,000	0
Interest	530,038	530,038	270,225	259,813	0
Total Expenditures	1,030,038	1,030,038	515,225	514,813	0
Excess (Deficiency) of Revenues over Expenditures	(367,638)	(367,638)	(199,027)	(198,615)	(30,004)
<u>Other Financing Sources (Uses)</u>					
Transfers In	367,638	367,638	183,819	183,819	0
Total Other Financing Sources (Uses)	367,638	367,638	183,819	183,819	0
Excess (Deficit) Resources Over Uses	0	0	(15,208)	(14,796)	(30,004)
Fund Balance, January 1	461,553	461,553	64,264	49,056	(397,289)
Fund Balance, December 31	\$ 461,553	\$ 461,553	\$ 49,056	\$ 34,260	\$ (427,293)

Schedule of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual
 Nonmajor Debt Service Funds
 Year Ended December 31, 2016

	Justice Center Bond				Variance with Final Budget Over (Under)
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	
<u>Revenues</u>					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Total Revenues	0	0	0	0	0
<u>Expenditures</u>					
Debt Service					
Principal	4,080,000	4,080,000	2,000,000	2,080,000	0
Interest	1,003,000	1,003,000	541,500	461,500	0
Total Expenditures	5,083,000	5,083,000	2,541,500	2,541,500	0
Excess (Deficiency) of Revenues over Expenditures	(5,083,000)	(5,083,000)	(2,541,500)	(2,541,500)	2,541,500
<u>Other Financing Sources (Uses)</u>					
Transfers In	5,083,000	5,083,000	12,526,259	0	7,443,259
Transfers Out	(695,245)	(695,245)	(695,245)	0	0
Total Other Financing Sources (Uses)	4,387,755	4,387,755	11,831,014	0	7,443,259
Excess (Deficit) Resources Over Uses	(695,245)	(695,245)	9,289,514	(2,541,500)	7,443,259
Fund Balance, January 1	3,546,636	3,546,636	1,317,486	10,607,000	(2,229,150)
Fund Balance, December 31	\$ 2,851,391	\$ 2,851,391	\$ 10,607,000	\$ 8,065,500	\$ 5,214,109

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

Nonmajor Capital Projects Funds

Year Ended December 31, 2016

	Detox Center Construction				
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	Variance with Final Budget Over (Under)
<u>Revenues</u>					
Interest Earnings	100	100	63	102	65
Total Revenues	\$ 100	\$ 100	\$ 63	\$ 102	\$ 65
<u>Expenditures</u>					
Social Services	8,200	8,200	0	0	(8,200)
Capital Outlay	9,000	9,000	0	0	(9,000)
Total Expenditures	17,200	17,200	0	0	(17,200)
Excess (Deficiency) of Revenues over Expenditures	(17,100)	(17,100)	63	102	17,265
Fund Balance, January 1	17,400	17,400	17,428	17,491	91
Fund Balance, December 31	\$ 300	\$ 300	\$ 17,491	\$ 17,593	\$ 17,356

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

Nonmajor Capital Projects Funds

Year Ended December 31, 2016

	CRID #21 Construction				Variance with Final Budget Over (Under)
	Original Biennial Budget	Final Biennial Budget	2015 Actual	2016 Actual	
<u>Revenues</u>					
Other Revenues	\$ 0	\$ 0	\$ 0	\$ 242,176	\$ 242,176
Total Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>242,176</u>	<u>242,176</u>
<u>Expenditures</u>					
Capital Outlay	1,700,000	1,700,000	853,163	32,625	(814,212)
Debt Service:					
Interest	0	0	583	2,228	2,811
Total Expenditures	<u>1,700,000</u>	<u>1,700,000</u>	<u>853,746</u>	<u>34,853</u>	<u>(811,401)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,700,000)</u>	<u>(1,700,000)</u>	<u>(853,746)</u>	<u>207,323</u>	<u>1,053,577</u>
<u>Other Financing Sources (Uses)</u>					
Issuance of Long-Term Debt	1,700,000	1,700,000	0	773,483	(926,517)
Premium On Long-Term Debt	0	0	0	29,300	29,300
Total Other Financing Sources (Uses)	<u>1,700,000</u>	<u>1,700,000</u>	<u>0</u>	<u>802,783</u>	<u>(897,217)</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	0	0	(853,746)	1,010,106	156,360
Fund Balance, January 1	0	0	(157,653)	(1,011,399)	(1,011,399)
Fund Balance, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,011,399)</u>	<u>\$ (1,293)</u>	<u>\$ (855,039)</u>

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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

BENTON COUNTY, WASHINGTON

Combining Statement of Net Position
Internal Service Funds
December 31, 2016

	Equipment Rental & Revolving	Central Services	Workers' Compensation
Assets			
<u>Current Assets</u>			
Cash/Cash Equivalents	\$ 3,514,405	\$ 454,114	\$ 2,952,047
Investments	0	1,090,747	0
Accounts Receivable	21,491	0	0
Interest Receivable	3,702	0	3,003
Due From Other Funds	292,186	10,570	0
Due From Other Governmental Units	20,515	0	0
Inventory/Prepayments	2,670,573	0	0
Total Current Assets	<u>6,522,872</u>	<u>1,555,431</u>	<u>2,955,051</u>
<u>Noncurrent Assets</u>			
Capital Assets			
Land	221,020	0	0
Buildings	6,663,760	0	0
Improvements Other Than Buildings	146,953	0	0
Machinery and Equipment	8,542,101	1,477,253	0
Less Accumulated Depreciation	<u>(8,102,954)</u>	<u>(1,200,198)</u>	<u>0</u>
Net Capital Assets	7,470,879	277,055	0
Total noncurrent assets	<u>7,470,879</u>	<u>277,055</u>	<u>0</u>
Total Assets	<u>13,993,751</u>	<u>1,832,486</u>	<u>2,955,051</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	<u>60,057</u>	<u>150,666</u>	<u>4,868</u>
Total Deferred Outflows of Resources	<u>60,057</u>	<u>150,666</u>	<u>4,868</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 14,053,808</u>	<u>\$ 1,983,152</u>	<u>\$ 2,959,919</u>
Liabilities			
<u>Current Liabilities</u>			
Accounts/Vouchers Payable	\$ 165,817	\$ 85,329	\$ 44,970
Due To Other Funds	16,698	468,303	0
Accrued Wages Payable	52,015	90,948	3,215
Total Current Liabilities	<u>234,531</u>	<u>644,580</u>	<u>48,184</u>
<u>Noncurrent Liabilities</u>			
Compensated Absences	35,221	101,495	734
Net Pension Liability	377,572	947,230	30,602
Interfund Loans Payable	2,991,576	0	0
Total Noncurrent Liabilities	<u>3,404,369</u>	<u>1,048,725</u>	<u>31,336</u>
Total Liabilities	<u>3,638,900</u>	<u>1,693,305</u>	<u>79,520</u>
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	<u>17,439</u>	<u>43,751</u>	<u>1,413</u>
Total Deferred Inflows of Resources	<u>17,439</u>	<u>43,751</u>	<u>1,413</u>
Total Liabilities & Deferred Inflows of Resources	<u>3,656,338</u>	<u>1,737,056</u>	<u>80,933</u>
Net Position			
Net Investment in Capital Assets	7,470,879	277,055	0
Unrestricted	<u>2,926,591</u>	<u>(30,960)</u>	<u>2,878,985</u>
Total Net Position	<u>10,397,470</u>	<u>246,095</u>	<u>2,878,985</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Net Position
Internal Service Funds
December 31, 2016

	<u>Insurance Management</u>	<u>Accumulated Leave</u>	<u>2016 Total</u>
Assets			
<u>Current Assets</u>			
Cash/Cash Equivalents	\$ 2,349,846	\$ 364,170	\$ 9,634,582
Investments	0	874,709	1,965,456
Accounts Receivable	0	0	21,491
Interest Receivable	2,614	0	9,319
Due From Other Funds	0	0	302,756
Due From Other Governmental Units	0	0	20,515
Inventory/Prepayments	0	0	2,670,573
Total Current Assets	<u>2,352,460</u>	<u>1,238,879</u>	<u>14,624,692</u>
<u>Noncurrent Assets</u>			
Capital Assets			
Land	0	0	221,020
Buildings	0	0	6,663,760
Improvements Other Than Buildings	0	0	146,953
Machinery and Equipment	120,123	0	10,139,476
Less Accumulated Depreciation	<u>(120,123)</u>	<u>0</u>	<u>(9,423,275)</u>
Net Capital Assets	0	0	7,747,934
Total noncurrent assets	<u>0</u>	<u>0</u>	<u>7,747,934</u>
Total Assets	<u>2,352,460</u>	<u>1,238,879</u>	<u>22,372,626</u>
Deferred Outflows of Resources			
Deferred Outflows Related to Pensions	<u>22,895</u>	<u>3,365</u>	<u>241,850</u>
Total Deferred Outflows of Resources	<u>22,895</u>	<u>3,365</u>	<u>241,850</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 2,375,355</u>	<u>\$ 1,242,244</u>	<u>\$ 22,614,477</u>
Liabilities			
<u>Current Liabilities</u>			
Accounts/Vouchers Payable	\$ 8,378	\$ 0	\$ 304,494
Due To Other Funds	0	0	485,001
Accrued Wages Payable	14,353	73,231	233,762
Total Current Liabilities	<u>22,731</u>	<u>73,231</u>	<u>1,023,258</u>
<u>Noncurrent Liabilities</u>			
Compensated Absences	5,879	0	143,329
Net Pension Liability	143,941	21,155	1,520,500
Interfund Loans Payable	0	0	2,991,576
Total Noncurrent Liabilities	<u>149,820</u>	<u>21,155</u>	<u>4,655,404</u>
Total Liabilities	<u>172,551</u>	<u>94,386</u>	<u>5,678,662</u>
Deferred Inflows of Resources			
Deferred Inflows Related to Pensions	<u>6,648</u>	<u>977</u>	<u>70,228</u>
Total Deferred Inflows of Resources	<u>6,648</u>	<u>977</u>	<u>70,228</u>
Total Liabilities & Deferred Inflows of Resources	<u>179,199</u>	<u>95,363</u>	<u>5,748,889</u>
Net Position			
Net Investment in Capital Assets	0	0	7,747,934
Unrestricted	<u>2,196,156</u>	<u>1,146,881</u>	<u>9,117,653</u>
Total Net Position	<u>2,196,156</u>	<u>1,146,881</u>	<u>16,865,587</u>

BENTON COUNTY, WASHINGTON

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Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds Year Ended December 31, 2016

	Equipment Rental & Revolving	Central Services	Workers' Compensation
<u>Operating Revenues:</u>			
Charges For Services	\$ 2,301,151	\$ 2,941,196	\$ 876,369
Cost of Goods Sold	(372,523)	0	0
Miscellaneous	8,673	3,506	118,996
Total Operating Revenue	<u>1,937,301</u>	<u>2,944,702</u>	<u>995,365</u>
<u>Operating Expenses:</u>			
Personal services	577,831	1,284,989	40,097
Contractual services	504,751	1,255,353	280,927
Other supplies and expenses	189,641	428,618	0
Depreciation	1,608,465	72,653	0
Payment to Claimants	0	0	841,672
Total Operating Expenses	<u>2,880,688</u>	<u>3,041,613</u>	<u>1,162,696</u>
Operating Income (Loss)	<u>(943,386)</u>	<u>(96,911)</u>	<u>(167,331)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest Revenue	19,985	0	15,823
Interest Expense	(46,372)	0	0
Gain (Loss) on Capital Asset Disposal	367,574	0	0
Other Non-Operating Revenues (Expenses)	11,797	0	0
Total Non-Operating Revenues (Expenses)	<u>352,984</u>	<u>0</u>	<u>15,823</u>
Net Income (Loss) Before Transfers	<u>(590,402)</u>	<u>(96,911)</u>	<u>(151,508)</u>
Transfers In	<u>0</u>	<u>374,484</u>	<u>0</u>
Changes in Net Position	(590,402)	277,573	(151,508)
Net Position as of January 1, as restated	10,987,871	(31,478)	3,030,494
Net Position as of December 31	<u>\$ 10,397,469</u>	<u>\$ 246,095</u>	<u>\$ 2,878,986</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position Internal Service Funds Year Ended December 31, 2016

	<u>Insurance Management</u>	<u>Accumulated Leave</u>	<u>2016 Total</u>
<u>Operating Revenues:</u>			
Charges For Services	\$ 1,783,852	\$ 671,641	\$ 8,574,209
Cost of Goods Sold		0	(372,523)
Miscellaneous	10,072	0	141,247
Total Operating Revenue	<u>1,793,924</u>	<u>671,641</u>	<u>8,342,933</u>
<u>Operating Expenses:</u>			
Personal services	185,122	655,574	2,743,613
Contractual services	1,233,777	0	3,274,807
Other supplies and expenses	4,001	0	622,259
Depreciation	0	0	1,681,119
Payment to Claimants	267,214	0	1,108,887
Total Operating Expenses	<u>1,690,113</u>	<u>655,574</u>	<u>9,430,684</u>
 Operating Income (Loss)	 <u>103,811</u>	 <u>16,067</u>	 <u>(1,087,751)</u>
<u>Non-Operating Revenues (Expenses):</u>			
Interest Revenue	13,418	0	49,226
Interest Expense	0	0	(46,372)
Gain (Loss) on Capital Asset Disposal	0	0	367,574
Other Non-Operating Revenues (Expenses)	30,382	0	42,179
Total Non-Operating Revenues (Expenses)	<u>43,799</u>	<u>0</u>	<u>412,607</u>
Net Income (Loss) Before Transfers	147,610	16,067	(675,144)
 Transfers In	 <u>0</u>	 <u>0</u>	 <u>374,484</u>
 Changes in Net Position	 147,610	 16,067	 (300,660)
 Net Position as of January 1, as restated	 2,048,546	 1,130,814	 17,166,247
 Net Position as of December 31	 <u>\$ 2,196,156</u>	 <u>\$ 1,146,881</u>	 <u>\$ 16,865,587</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2016

	Equipment Rental & Revolving	Central Services	Workers' Compensation
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 14,065	\$ 0	\$ 0
Receipts from interfund services provided	2,222,282	2,936,216	1,055,339
Miscellaneous Receipts	8,673	3,506	118,996
Payments to Employees	(567,671)	(1,130,260)	(37,553)
Payments to Suppliers	(697,275)	(1,475,249)	(1,115,611)
Payments for interfund services used	(226,707)	292,367	(1,929)
Net cash provided (used) by operating activities	<u>753,367</u>	<u>626,580</u>	<u>19,242</u>
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers from other funds	0	374,484	0
Miscellaneous Receipts	<u>0</u>	<u>0</u>	<u>0</u>
Net cash provided (used) by noncapital financing activities	<u>0</u>	<u>374,484</u>	<u>0</u>
<u>Cash Flows From Capital And Related Financing Activities</u>			
Interest Paid to Capital Projects Fund	(46,372)	0	0
Principal Paid to Capital Projects Fund	(519,306)	0	0
Proceeds from Sale of Capital Assets	439,304	0	0
Purchases of capital assets	(615,065)	(187,684)	0
Net cash provided (used) by capital and related financing activities	<u>(741,438)</u>	<u>(187,684)</u>	<u>0</u>
<u>Cash Flows From Investing Activities:</u>			
Interest Received	<u>18,662</u>	<u>0</u>	<u>15,823</u>
Net Cash Provided by Investing Activities	<u>18,662</u>	<u>0</u>	<u>15,823</u>
Net Increase (Decrease) in Cash & Cash Equivalents	30,591	813,379	35,065
Balances as of January 1	3,483,814	731,482	2,916,982
Balances as of December 31	<u>\$ 3,514,405</u>	<u>\$ 1,544,861</u>	<u>\$ 2,952,047</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2016

	Insurance Management	Accumulated Leave	2016 Total
<u>Cash Flows From Operating Activities:</u>			
Receipts from Customers	\$ 0	\$ 0	\$ 14,065
Receipts from interfund services provided	2,170,095	809,679	9,193,611
Miscellaneous Receipts	10,072	0	141,247
Payments to Employees	(170,397)	(581,131)	(2,487,012)
Payments to Suppliers	(1,339,106)	0	(4,627,241)
Payments for interfund services used	(194,719)	(4,844)	(135,832)
Net cash provided (used) by operating activities	<u>475,945</u>	<u>223,704</u>	<u>2,098,838</u>
<u>Cash Flows From Noncapital Financing Activities:</u>			
Transfers from other funds	0	0	374,484
Miscellaneous Receipts	30,382	0	30,382
Net cash provided (used) by noncapital financing activities	<u>30,382</u>	<u>0</u>	<u>404,866</u>
<u>Cash Flows From Capital And Related Financing Activities</u>			
Interest Paid to Capital Projects Fund	0	0	(46,372)
Principal Paid to Capital Projects Fund	0	0	(519,306)
Proceeds from Sale of Capital Assets	0	0	439,304
Purchases of capital assets	0	0	(802,749)
Net cash provided (used) by capital and related financing activities	<u>0</u>	<u>0</u>	<u>(929,122)</u>
<u>Cash Flows From Investing Activities:</u>			
Interest Received	13,418	0	47,903
Net Cash Provided by Investing Activities	<u>13,418</u>	<u>0</u>	<u>47,903</u>
Net Increase (Decrease) in Cash & Cash Equivalents	519,744	223,704	1,622,484
Balances as of January 1	1,830,100	1,015,176	9,977,554
Balances as of December 31	<u>\$ 2,349,844</u>	<u>\$ 1,238,880</u>	<u>\$ 11,600,038</u>

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2016

	Equipment Rental & Revolving	Central Services	Workers' Compensation
Operating Income/(Loss)	\$ (943,386)	\$ (96,911)	\$ (167,331)
<i>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</i>			
Depreciation Expense	1,608,465	72,653	0
Other Non-Cash Revenue/Expense	(8,292)	155,768	2,486
Changes in assets and liabilities:			
Receivables, net	(84,786)	(4,980)	178,970
Inventories	(2,199)	0	0
Accounts and other payables	183,566	500,050	5,117
Net cash provided by operating activities	\$ <u>753,367</u>	\$ <u>626,580</u>	\$ <u>19,242</u>

Combining Statement of Cash Flows
 Internal Service Funds
 Year Ended December 31, 2016

	<u>Insurance Management</u>	<u>Accumulated Leave</u>	<u>2016 Total</u>
Operating Income/(Loss)	\$ 103,811	\$ 16,067	\$ (1,087,751)
<i><u>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</u></i>			
Depreciation Expense	0	0	1,681,119
Other Non-Cash Revenue/Expense	14,126	1,212	165,300
Changes in assets and liabilities:			
Receivables, net	386,243	138,039	613,485
Inventories	0	0	(2,199)
Accounts and other payables	<u>(28,234)</u>	<u>68,386</u>	<u>728,885</u>
Net cash provided by operating activities	<u>\$ 475,945</u>	<u>\$ 223,703</u>	<u>\$ 2,098,838</u>

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FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by Benton County as an agent or trustee 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. Investment Trust Funds report the external portion of the County's investments. Agency Funds are clearing accounts employed to account for assets held by Benton county in its role as custodian and are often offset by an equal, related liability

INVESTMENT TRUST FUNDS

Investment Trust Funds – A trust fund established to account for the pooled investments held in behalf of external pool participants in the County's pooled investment program.

AGENCY FUNDS

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.

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

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.

FIDUCIARY FUNDS

(CONTINUED)

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.

Irrigation Districts - Funds to account for the receipting and disbursing of cash for irrigation districts which are Benton, Columbia, 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 Capital Facilities District - 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.

Noxious Weed Control Board - A fund to account for the receipting and disbursing of cash for the Noxious Weed Board.

BENTON COUNTY, WASHINGTON

Statement of Net Position
Investment Trust Funds
December 31, 2016

	Investment Trust Funds
<hr/>	
ASSETS	
Pooled Investments	\$ 190,844,966
Total Assets	<u>190,844,966</u>
Net Position Held In Trust For	
Pool Participants	<u>\$ 190,844,966</u>

BENTON COUNTY, WASHINGTON

Statement of Changes in Net Position

Investment Trust Funds

For the Year Ended December 31, 2016

	Investment Trust Funds
Additions:	
Additions by Participants	\$ 162,505,768
Net Funds Moved To/From County's LGIP Investments	<u>(7,693,321)</u>
Net Additions	<u><u>154,812,447</u></u>
Deductions:	
Deductions by Participants	<u>166,642,639</u>
Total Deductions	166,642,639
Net increase (decrease) in Net Position	(11,830,192)
Net Position As Of January 1	<u>202,675,158</u>
Net Position December 31	<u><u>\$ 190,844,966</u></u>

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2016

	Benton Franklin Health	Mosquito Control	Weed District	Greater Columbia Behavioral Health
ASSETS				
Cash, Cash Equivalents & Pooled Investments	\$ 2,511,028	\$ 909,183	\$ 2,904	\$ 12,237,502
Taxes Receivable	0	33,081	0	0
Due from Other Governmental Units	0	0	0	0
Total Assets	\$ 2,511,028	\$ 942,264	\$ 2,904	\$ 12,237,502
LIABILITIES				
Warrants Payable	\$ 0	\$ 0	\$ 0	\$ 0
Vouchers Payable	0	38,236	0	0
Due to Other Governmental Units	2,511,028	904,028	2,904	12,237,502
Total Liabilities	\$ 2,511,028	\$ 942,264	\$ 2,904	\$ 12,237,502

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2016

	Abatement Districts	Rural Library	Cities	State and Trust Funds
ASSETS				
Cash, Cash Equivalents & Pooled Investments	\$ 698	\$ 14,102	\$ 461,843	\$ 2,386,452
Taxes Receivable	0	96,876	751,230	928,251
Due from Other Governmental Units	0	0	0	0
Total Assets	\$ 698	\$ 110,978	\$ 1,213,073	\$ 3,314,703

LIABILITIES

Warrants Payable	\$ 0	\$ 0	\$ 0	\$ 0
Vouchers Payable	0	0	0	0
Due to Other Governmental Units	698	110,978	1,213,073	3,314,703
Total Liabilities	\$ 698	\$ 110,978	\$ 1,213,073	\$ 3,314,703

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2016

School Districts	Port Districts	Hospital Districts	Water Districts	Irrigation Districts	Fire Districts
\$ 3,844,206	\$ 755,302	\$ 5,726	\$ 148,648	\$ 3,403,897	\$ 2,376,733
1,984,593	150,137	58,330	0	0	242,521
5,516,339	0	0	0	0	0
<u>\$ 11,345,138</u>	<u>\$ 905,439</u>	<u>\$ 64,056</u>	<u>\$ 148,648</u>	<u>\$ 3,403,897</u>	<u>\$ 2,619,254</u>
\$ 11,345,138	\$ 321,856	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	146,222	315,059
0	583,583	64,056	148,648	3,257,675	2,304,195
<u>\$ 11,345,138</u>	<u>\$ 905,439</u>	<u>\$ 64,056</u>	<u>\$ 148,648</u>	<u>\$ 3,403,897</u>	<u>\$ 2,619,254</u>

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2016

	Drainage Districts	Diking District	Clean Air Authority	County Payroll & Warrant Clearing Funds
ASSETS				
Cash, Cash Equivalents & Pooled Investments	\$ 27,591	\$ 3,116	\$ 451,101	\$ 5,380,439
Taxes Receivable	0	0	0	0
Due from Other Governmental Units	0	0	0	0
Total Assets	\$ 27,591	\$ 3,116	\$ 451,101	\$ 5,380,439
LIABILITIES				
Warrants Payable	\$ 0	\$ 0	\$ 0	\$ 4,171,672
Vouchers Payable	0	(1)	0	0
Due to Other Governmental Units	27,591	3,117	451,101	1,208,767
Total Liabilities	\$ 27,591	\$ 3,116	\$ 451,101	\$ 5,380,439

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2016

Emergency Dispatch EDC	Hanford Economic Development	Public Facilities District	CRID Guaranty Fund	County Road Suspense	Benton City Library Capital Facilities District
\$ 143,457	\$ 235,588	\$ 27,274	\$ 6,591	\$ 11,750	\$ 3,388
0	0	0	0	0	2,905
0	0	0	0	0	0
<hr/>					
\$ 143,457	\$ 235,588	\$ 27,274	\$ 6,591	\$ 11,750	\$ 6,293
<hr/>					
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0
143,457	235,588	27,274	6,591	11,750	6,293
<hr/>					
\$ 143,457	\$ 235,588	\$ 27,274	\$ 6,591	\$ 11,750	\$ 6,293
<hr/>					

Combining Statements of Assets and Liabilities

Agency Funds

December 31, 2016

	Law Library Transfer	Benton Conservation District	Noxious Weed Control Board	Totals 2016
ASSETS				
Cash, Cash Equivalents & Pooled Investments	\$ 5,955	\$ 828	\$ 1,070	\$ 35,356,372
Taxes Receivable	0	0	0	4,247,924
Due from Other Governmental Units	0	0	0	5,516,339
Total Assets	\$ 5,955	\$ 828	\$ 1,070	\$ 45,120,635
LIABILITIES				
Warrants Payable	\$ 0	\$ 0	\$ 0	\$ 15,838,666
Vouchers Payable	0	0	0	499,516
Due to Other Governmental Units	5,955	828	1,070	28,782,453
Total Liabilities	\$ 5,955	\$ 828	\$ 1,070	\$ 45,120,635

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Benton Franklin Health District</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 2,000,148	\$ 9,653,651	\$ 9,142,771	\$ 2,511,028
Total Assets	<u>\$ 2,000,148</u>	<u>\$ 9,653,651</u>	<u>\$ 9,142,771</u>	<u>\$ 2,511,028</u>

<i>Liabilities</i>				
Vouchers Payable	\$ 50,782	\$ 7,816,150	\$ 7,866,932	\$ 0
Due to Other Governmental Units	1,949,366	2,511,028	1,949,366	2,511,028
Total Liabilities	<u>\$ 2,000,148</u>	<u>\$ 10,327,178</u>	<u>\$ 9,816,298</u>	<u>\$ 2,511,028</u>

Mosquito Control

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 1,123,352	\$ 2,984,390	\$ 3,198,559	\$ 909,183
Taxes Receivable	27,332	1,260,001	1,254,252	33,081
Total Assets	<u>\$ 1,150,684</u>	<u>\$ 4,244,391</u>	<u>\$ 4,452,811</u>	<u>\$ 942,264</u>

<i>Liabilities</i>				
Vouchers Payable	\$ 15,647	\$ 1,456,290	\$ 1,433,701	\$ 38,236
Due to Other Governmental Units	1,135,037	904,028	1,135,037	904,028
Total Liabilities	<u>\$ 1,150,684</u>	<u>\$ 2,360,318</u>	<u>\$ 2,568,738</u>	<u>\$ 942,264</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Weed District</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 37,751	\$ 28,441	\$ 63,288	\$ 2,904
Total Assets	<u>\$ 37,751</u>	<u>\$ 28,441</u>	<u>\$ 63,288</u>	<u>\$ 2,904</u>

<i>Liabilities</i>				
Vouchers Payable	\$ 0	\$ 20,822	\$ 20,822	\$ 0
Due to Other Governmental Units	37,751	2,904	37,751	2,904
Total Liabilities	<u>\$ 37,751</u>	<u>\$ 23,726</u>	<u>\$ 58,573</u>	<u>\$ 2,904</u>

Greater Columbia Behavioral Health

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 9,253,624	\$ 107,895,150	\$ 104,911,272	\$ 12,237,502
Total Assets	<u>\$ 9,253,624</u>	<u>\$ 107,895,150</u>	<u>\$ 104,911,272</u>	<u>\$ 12,237,502</u>

<i>Liabilities</i>				
Vouchers Payable	\$ 0	\$ 103,823,991	\$ 103,823,991	\$ 0
Due to Other Governmental Units	9,253,624	12,237,502	9,253,624	12,237,502
Total Liabilities	<u>\$ 9,253,624</u>	<u>\$ 116,061,493</u>	<u>\$ 113,077,615</u>	<u>\$ 12,237,502</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Abatement Districts</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 0	\$ 9,716	\$ 9,018	\$ 698
Total Assets	<u>\$ 0</u>	<u>\$ 9,716</u>	<u>\$ 9,018</u>	<u>\$ 698</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 0	\$ 698	\$ 0	\$ 698
Total Liabilities	<u>\$ 0</u>	<u>\$ 698</u>	<u>\$ 0</u>	<u>\$ 698</u>

Rural Library

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 22,095	\$ 3,751,170	\$ 3,759,163	\$ 14,102
Taxes Receivable	84,067	3,624,596	3,611,787	96,876
Total Assets	<u>\$ 106,162</u>	<u>\$ 7,375,766</u>	<u>\$ 7,370,950</u>	<u>\$ 110,978</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 106,162	\$ 110,978	\$ 106,162	\$ 110,978
Total Liabilities	<u>\$ 106,162</u>	<u>\$ 110,978</u>	<u>\$ 106,162</u>	<u>\$ 110,978</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Cities</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 482,258	\$ 38,633,906	\$ 38,654,321	\$ 461,843
Taxes Receivable	640,190	32,580,083	32,469,043	751,230
Total Assets	<u>\$ 1,122,448</u>	<u>\$ 71,213,989</u>	<u>\$ 71,123,364</u>	<u>\$ 1,213,073</u>
<i>Liabilities</i>				
Due to Other Governmental Units	\$ 1,122,448	\$ 1,213,073	\$ 1,122,448	\$ 1,213,073
Total Liabilities	<u>\$ 1,122,448</u>	<u>\$ 1,213,073</u>	<u>\$ 1,122,448</u>	<u>\$ 1,213,073</u>
<u>State and Trust Funds</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 1,271,708	\$ 65,321,929	\$ 64,207,185	\$ 2,386,452
Taxes Receivable	813,224	36,585,113	36,470,086	928,251
Total Assets	<u>\$ 2,084,932</u>	<u>\$ 101,907,042</u>	<u>\$ 100,677,271</u>	<u>\$ 3,314,703</u>
<i>Liabilities</i>				
Due to Other Governmental Units	\$ 2,084,932	\$ 3,314,703	\$ 2,084,932	\$ 3,314,703
Total Liabilities	<u>\$ 2,084,932</u>	<u>\$ 3,314,703</u>	<u>\$ 2,084,932</u>	<u>\$ 3,314,703</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>School Districts</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 25,753,191	\$ 808,990,355	\$ 830,899,340	\$ 3,844,206
Taxes Receivable	1,641,472	80,454,288	80,111,167	1,984,593
Due from Other Governmental Units	0	5,516,339	0	5,516,339
Total Assets	<u>\$ 27,394,663</u>	<u>\$ 894,960,982</u>	<u>\$ 911,010,507</u>	<u>\$ 11,345,138</u>
<i>Liabilities</i>				
Warrants Payable	\$ 10,044,261	\$ 280,479,092	\$ 279,178,215	\$ 11,345,138
Due to Other Governmental Units	17,350,402	0	17,350,402	0
Total Liabilities	<u>\$ 27,394,663</u>	<u>\$ 280,479,092</u>	<u>\$ 296,528,617</u>	<u>\$ 11,345,138</u>
<u>Port Districts</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 3,283,561	\$ 28,801,820	\$ 31,330,079	\$ 755,302
Taxes Receivable	123,917	6,036,797	6,010,577	150,137
Total Assets	<u>\$ 3,407,478</u>	<u>\$ 34,838,617</u>	<u>\$ 37,340,656</u>	<u>\$ 905,439</u>
<i>Liabilities</i>				
Warrants Payable	\$ 583,704	\$ 11,968,501	\$ 12,230,349	\$ 321,856
Due to Other Governmental Units	2,823,774	583,583	2,823,774	583,583
Total Liabilities	<u>\$ 3,407,478</u>	<u>\$ 12,552,084</u>	<u>\$ 15,054,123</u>	<u>\$ 905,439</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Hospital Districts</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 1,787	\$ 2,117,583	\$ 2,113,644	\$ 5,726
Taxes Receivable	47,388	2,119,345	2,108,403	58,330
Total Assets	<u>\$ 49,175</u>	<u>\$ 4,236,928</u>	<u>\$ 4,222,047</u>	<u>\$ 64,056</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 49,175	\$ 64,056	\$ 49,175	\$ 64,056
Total Liabilities	<u>\$ 49,175</u>	<u>\$ 64,056</u>	<u>\$ 49,175</u>	<u>\$ 64,056</u>

Water Districts

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 186,631	\$ 149,812	\$ 187,795	\$ 148,648
Total Assets	<u>\$ 186,631</u>	<u>\$ 149,812</u>	<u>\$ 187,795</u>	<u>\$ 148,648</u>

<i>Liabilities</i>				
Vouchers Payable	\$ 0	\$ 207,090	\$ 207,090	\$ 0
Due to Other Governmental Units	186,631	148,648	186,631	148,648
Total Liabilities	<u>\$ 186,631</u>	<u>\$ 355,738</u>	<u>\$ 393,721</u>	<u>\$ 148,648</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Irrigation Districts</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 3,431,266	\$ 11,200,388	\$ 11,227,757	\$ 3,403,897
Total Assets	<u>\$ 3,431,266</u>	<u>\$ 11,200,388</u>	<u>\$ 11,227,757</u>	<u>\$ 3,403,897</u>
<i>Liabilities</i>				
Vouchers Payable	\$ 150,835	\$ 5,862,477	\$ 5,867,090	\$ 146,222
Due to Other Governmental Units	3,280,431	3,257,675	3,280,431	3,257,675
Total Liabilities	<u>\$ 3,431,266</u>	<u>\$ 9,120,152</u>	<u>\$ 9,147,521</u>	<u>\$ 3,403,897</u>
<u>Fire Districts</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 1,158,240	\$ 13,788,762	\$ 12,570,269	\$ 2,376,733
Taxes Receivable	185,911	8,496,459	8,439,849	242,521
Total Assets	<u>\$ 1,344,151</u>	<u>\$ 22,285,221</u>	<u>\$ 21,010,118</u>	<u>\$ 2,619,254</u>
<i>Liabilities</i>				
Vouchers Payable	\$ 302,606	\$ 7,236,874	\$ 7,224,421	\$ 315,059
Due to Other Governmental Units	1,041,545	2,304,195	1,041,545	2,304,195
Total Liabilities	<u>\$ 1,344,151</u>	<u>\$ 9,541,069</u>	<u>\$ 8,265,966</u>	<u>\$ 2,619,254</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Drainage Districts</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 24,864	\$ 4,422	\$ 1,695	\$ 27,591
Total Assets	<u>\$ 24,864</u>	<u>\$ 4,422</u>	<u>\$ 1,695</u>	<u>\$ 27,591</u>

<i>Liabilities</i>				
Vouchers Payable	\$ 0	\$ 1,695	\$ 1,695	\$ 0
Due to Other Governmental Units	24,864	27,591	24,864	27,591
Total Liabilities	<u>\$ 24,864</u>	<u>\$ 29,286</u>	<u>\$ 26,559</u>	<u>\$ 27,591</u>

Diking District

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 628	\$ 4,422	\$ 1,934	\$ 3,116
Total Assets	<u>\$ 628</u>	<u>\$ 4,422</u>	<u>\$ 1,934</u>	<u>\$ 3,116</u>

<i>Liabilities</i>				
Vouchers Payable	\$ 57	\$ 7,045	\$ 7,103	\$ (1)
Due to Other Governmental Units	571	3,117	571	3,117
Total Liabilities	<u>\$ 628</u>	<u>\$ 10,162</u>	<u>\$ 7,674</u>	<u>\$ 3,116</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Clean Air Authority</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 386,736	\$ 630,614	\$ 566,249	\$ 451,101
Total Assets	<u>\$ 386,736</u>	<u>\$ 630,614</u>	<u>\$ 566,249</u>	<u>\$ 451,101</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 386,736	\$ 451,101	\$ 386,736	\$ 451,101
Total Liabilities	<u>\$ 386,736</u>	<u>\$ 451,101</u>	<u>\$ 386,736</u>	<u>\$ 451,101</u>

County Payroll & Warrant Clearing Funds

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 4,162,371	\$ 148,857,163	\$ 147,639,095	\$ 5,380,439
Total Assets	<u>\$ 4,162,371</u>	<u>\$ 148,857,163</u>	<u>\$ 147,639,095</u>	<u>\$ 5,380,439</u>

<i>Liabilities</i>				
Warrants Payable	\$ 2,953,604	\$ 148,713,154	\$ 147,495,086	\$ 4,171,672
Due to Other Governmental Units	1,208,767	1,208,767	1,208,767	1,208,767
Total Liabilities	<u>\$ 4,162,371</u>	<u>\$ 149,921,921</u>	<u>\$ 148,703,853</u>	<u>\$ 5,380,439</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
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Emergency Dispatch - EDC

Assets

Cash, Cash Equivalents & Pooled Investments	\$ 142,673	\$ 1,707,935	\$ 1,707,151	\$ 143,457
Total Assets	<u>\$ 142,673</u>	<u>\$ 1,707,935</u>	<u>\$ 1,707,151</u>	<u>\$ 143,457</u>

Liabilities

Due to Other Governmental Units	\$ 142,673	\$ 143,457	\$ 142,673	\$ 143,457
Total Liabilities	<u>\$ 142,673</u>	<u>\$ 143,457</u>	<u>\$ 142,673</u>	<u>\$ 143,457</u>

Hanford Economic Development

Assets

Cash, Cash Equivalents & Pooled Investments	\$ 99,901	\$ 1,133,790	\$ 998,103	\$ 235,588
Total Assets	<u>\$ 99,901</u>	<u>\$ 1,133,790</u>	<u>\$ 998,103</u>	<u>\$ 235,588</u>

Liabilities

Due to Other Governmental Units	\$ 99,901	\$ 235,588	\$ 99,901	\$ 235,588
Total Liabilities	<u>\$ 99,901</u>	<u>\$ 235,588</u>	<u>\$ 99,901</u>	<u>\$ 235,588</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Public Facilities District</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 22,555	\$ 291,393	\$ 286,674	\$ 27,274
Total Assets	<u>\$ 22,555</u>	<u>\$ 291,393</u>	<u>\$ 286,674</u>	<u>\$ 27,274</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 22,555	\$ 27,274	\$ 22,555	\$ 27,274
Total Liabilities	<u>\$ 22,555</u>	<u>\$ 27,274</u>	<u>\$ 22,555</u>	<u>\$ 27,274</u>

CRID Guaranty Fund

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 4,527	\$ 2,064	\$ 0	\$ 6,591
Total Assets	<u>\$ 4,527</u>	<u>\$ 2,064</u>	<u>\$ 0</u>	<u>\$ 6,591</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 4,527	\$ 6,591	\$ 4,527	\$ 6,591
Total Liabilities	<u>\$ 4,527</u>	<u>\$ 6,591</u>	<u>\$ 4,527</u>	<u>\$ 6,591</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>County Road Suspense</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 16,647	\$ 14,128	\$ 19,025	\$ 11,750
Total Assets	<u>\$ 16,647</u>	<u>\$ 14,128</u>	<u>\$ 19,025</u>	<u>\$ 11,750</u>
<i>Liabilities</i>				
Due to Other Governmental Units	\$ 16,647	\$ 11,750	\$ 16,647	\$ 11,750
Total Liabilities	<u>\$ 16,647</u>	<u>\$ 11,750</u>	<u>\$ 16,647</u>	<u>\$ 11,750</u>

Benton City Library Capital Facilities District

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 556	\$ 64,734	\$ 61,902	\$ 3,388
Taxes Receivable	2,413	60,086	59,594	2,905
Total Assets	<u>\$ 2,969</u>	<u>\$ 124,820</u>	<u>\$ 121,496</u>	<u>\$ 6,293</u>
<i>Liabilities</i>				
Due to Other Governmental Units	\$ 2,969	\$ 6,293	\$ 2,969	\$ 6,293
Total Liabilities	<u>\$ 2,969</u>	<u>\$ 6,293</u>	<u>\$ 2,969</u>	<u>\$ 6,293</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Law Library Transfer</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 6,776	\$ 76,797	\$ 77,618	\$ 5,955
Total Assets	<u>\$ 6,776</u>	<u>\$ 76,797</u>	<u>\$ 77,618</u>	<u>\$ 5,955</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 6,776	\$ 5,955	\$ 6,776	\$ 5,955
Total Liabilities	<u>\$ 6,776</u>	<u>\$ 5,955</u>	<u>\$ 6,776</u>	<u>\$ 5,955</u>

Benton Conservation District

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 1,124	\$ 212,141	\$ 212,437	\$ 828
Total Assets	<u>\$ 1,124</u>	<u>\$ 212,141</u>	<u>\$ 212,437</u>	<u>\$ 828</u>

<i>Liabilities</i>				
Due to Other Governmental Units	\$ 1,124	\$ 828	\$ 1,124	\$ 828
Total Liabilities	<u>\$ 1,124</u>	<u>\$ 828</u>	<u>\$ 1,124</u>	<u>\$ 828</u>

BENTON COUNTY, WASHINGTON

Combining Statement of Changes in Assets and Liabilities

All Agency Funds

For The Year Ended December 31, 2016

Description	Balance January 1	Additions	Deductions	Balance December 31
<u>Noxious Weed Control Board</u>				
<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 300	\$ 250,458	\$ 249,688	\$ 1,070
Total Assets	<u>\$ 300</u>	<u>\$ 250,458</u>	<u>\$ 249,688</u>	<u>\$ 1,070</u>
<i>Liabilities</i>				
Due to Other Governmental Units	\$ 300	\$ 1,070	\$ 300	\$ 1,070
Total Liabilities	<u>\$ 300</u>	<u>\$ 1,070</u>	<u>\$ 300</u>	<u>\$ 1,070</u>

All Agency Funds

<i>Assets</i>				
Cash, Cash Equivalents & Pooled Investments	\$ 52,875,270	\$ 1,246,577,134	\$ 1,264,096,032	\$ 35,356,372
Taxes Receivable	3,565,914	171,216,768	170,534,758	4,247,924
Due from Other Governmental Units	0	5,516,339	0	5,516,339
Total Assets	<u>\$ 56,441,184</u>	<u>\$ 1,423,310,241</u>	<u>\$ 1,434,630,790</u>	<u>\$ 45,120,635</u>
<i>Liabilities</i>				
Warrants Payable	\$ 13,581,569	\$ 441,160,747	\$ 438,903,650	\$ 15,838,666
Vouchers Payable	519,927	126,432,434	126,452,845	499,516
Due to Other Governmental Units	42,339,688	28,782,453	42,339,688	28,782,453
Total Liabilities	<u>\$ 56,441,184</u>	<u>\$ 596,375,634</u>	<u>\$ 607,696,183</u>	<u>\$ 45,120,635</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, 10 and 11)</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 12 and 13)</i>	201
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 14, 15 and 16)</i>	203

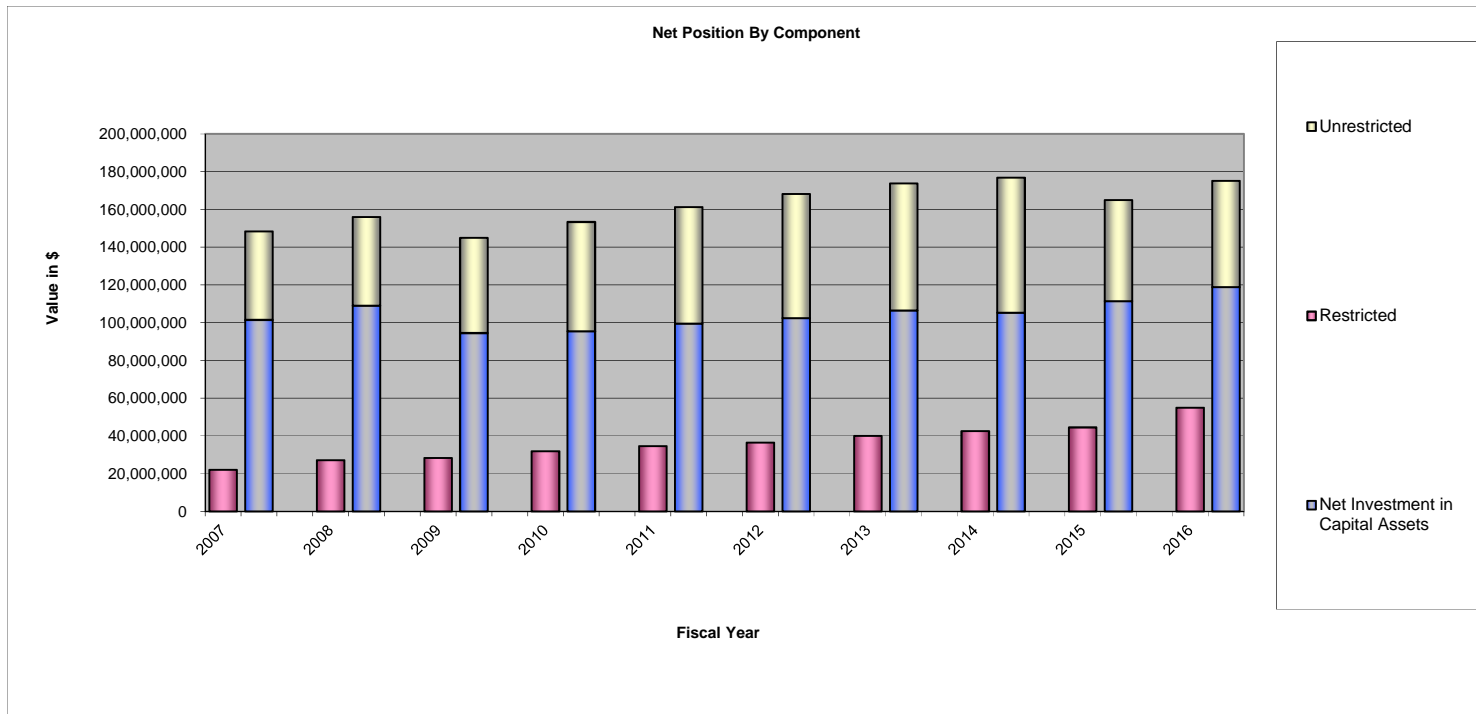
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

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

	Fiscal Year									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Primary Government										
Governmental Activities										
Net Investment in Capital Assets	\$ 101,465,625	\$ 108,992,884	\$ 94,518,358	\$ 95,456,488	\$ 99,475,184	\$ 102,434,308	\$ 106,452,919	\$ 105,252,022	\$ 111,450,899	\$ 118,801,845
Restricted										
General Government	5,846,928	7,372,120	8,435,251	9,749,695	11,008,355	10,817,188	11,996,013	13,341,363	6,849,938	10,816,551
Public Safety	6,772,694	7,042,973	7,334,369	7,819,579	8,743,341	9,928,381	11,143,544	12,415,097	19,442,770	23,626,465
Mental & Health Services	3,980,997	5,416,394	6,250,106	6,798,387	6,161,466	7,142,597	7,990,217	6,735,432	7,509,048	8,173,917
Economic Environment	1,775,981	2,420,826	2,834,825	3,637,430	4,115,085	4,425,910	3,962,131	3,813,708	3,426,030	3,708,109
Transportation	2,582,449	4,229,497	3,003,673	3,320,381	4,044,230	3,502,959	4,297,691	5,251,983	6,599,355	8,040,892
Culture & Recreation	858,231	520,694	366,894	500,479	448,498	532,122	455,502	772,103	664,981	544,243
Utilities & Environment	156,800	119,864	85,464	67,645	38,113	33,014	99,775	162,245	0	0
Unrestricted	46,922,799	46,993,878	50,376,888	57,899,600	61,788,465	65,708,609	67,286,042	71,617,538	53,476,568	56,334,621
Total Primary Government										
Governmental Activities Net Position	<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>	<u>\$ 219,361,491</u>	<u>\$ 209,419,589</u>	<u>\$ 230,046,644</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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses										
Governmental Activities:										
General Government	\$ 22,654,827	\$ 26,751,559	\$ 25,289,893	\$ 24,603,860	\$ 24,539,863	\$ 27,015,010	\$ 28,682,607	\$ 28,782,217	\$ 33,754,237	\$ 36,828,217
Public Safety	31,439,134	34,142,757	32,807,474	31,525,425	35,717,729	35,027,971	35,837,432	38,000,175	34,975,780	36,911,790
Utilities (Formerly Physical Environment)	1,600,702	1,698,156	1,821,594	1,815,012	1,752,381	0	0	0	0	0
Transportation	7,200,342	7,763,252	7,636,972	9,195,881	8,183,961	7,910,646	7,971,222	8,680,848	7,403,060	9,385,353
Natural & Economic Environment	1,822,219	2,013,292	2,171,535	2,014,223	2,026,527	3,927,526	3,380,606	3,039,010	1,483,579	1,558,991
Social Services	16,410,189	17,373,655	17,827,426	18,064,698	16,720,998	6,358,009	7,893,886	9,298,546	8,350,883	6,791,169
Culture and Recreation	1,180,327	1,237,290	1,199,733	1,015,100	1,109,123	1,127,892	975,448	1,493,796	1,021,661	1,304,794
Interest and fiscal changes	1,653,392	1,587,467	1,640,445	1,605,040	1,479,168	1,208,315	1,078,475	932,459	833,559	787,814
Total Governmental Activities Expenses	83,961,132	92,567,428	90,395,071	89,839,240	91,529,750	82,575,371	85,819,675	90,227,051	87,822,759	93,568,127
Total Primary Governmental Expenses	83,961,132	92,567,428	90,395,071	89,839,240	91,529,750	82,575,371	85,819,675	90,227,051	87,822,759	93,568,127
Program Revenues										
Governmental Activities:										
Charges For Services:										
General Government	\$ 14,622,117	\$ 12,285,730	\$ 13,551,792	\$ 13,284,330	\$ 14,107,073	\$ 13,903,466	\$ 13,405,906	\$ 12,715,371	\$ 13,888,474	\$ 14,259,169
Public Safety	12,168,674	12,621,522	13,273,943	13,017,960	14,167,933	12,313,875	12,690,756	14,322,851	13,577,132	13,222,044
Utilities	501,371	499,063	512,745	515,406	579,539	587,162	0	0	0	0
Transportation	354,285	510,277	709,859	657,251	311,699	436,133	473,247	517,748	296,883	691,618
Natural & Economic Environment	769,714	557,202	642,725	808,977	813,307	691,318	1,276,925	1,783,663	1,186,356	1,496,392
Social Services	8,069,499	9,751,746	10,758,553	11,502,414	9,656,202	1,388,200	1,587,305	1,592,542	1,499,187	1,450,372
Culture and Recreation	14,420	20,254	54,360	34,031	42,735	41,328	382,757	274,589	310,857	219,367
Operating Grants and Contributions										
General Government	1,096,503	1,834,727	1,566,441	1,294,318	1,288,242	1,539,906	1,378,512	1,439,721	1,333,906	1,196,715
Public Safety	1,882,803	2,782,701	2,130,005	1,911,475	1,652,244	1,662,346	1,319,775	1,375,600	1,506,378	1,366,027
Utilities	199,844	211,459	242,069	240,515	142,788	259,404	0	0	0	0
Transportation	1,067,858	362,600	374,895	113,112	504,836	434,011	2,118,751	471,046	507,588	0
Natural & Economic Environment	171,940	121,773	0	40,000	40,000	52,225	352,814	308,053	143,732	0
Social Services	6,286,239	7,726,479	6,337,967	5,702,524	5,262,440	4,967,343	5,809,947	4,968,594	4,414,762	3,670,900
Culture and Recreation	0	3,058	1,434	844	923	726	30,615	110,813	0	90,285
Capital Grants and Contributions										
General Government	0	108,000	9,950	185,611	0	0	0	0	350,000	0
Public Safety	0	612,000	307,889	25,580	0	0	0	0	0	0
Transportation	1,086,129	7,544,879	4,395,467	2,720,352	1,344,774	1,803,065	2,147,880	1,831,649	1,500,919	5,919,558
Natural & Economic Environment	0	0	0	0	0	0	0	0	0	92,606
Culture and Recreation	0	0	30,000	0	0	0	0	0	0	0
Total Governmental Activities Program Revenues	48,291,396	57,553,470	54,900,094	52,054,700	49,914,735	40,080,508	42,975,190	41,712,238	40,516,174	43,675,053
Total Primary Governmental Program Revenues	\$ 48,291,396	\$ 57,553,470	\$ 54,900,094	\$ 52,054,700	\$ 49,914,735	\$ 40,080,508	\$ 42,975,190	\$ 41,712,238	\$ 40,516,174	\$ 43,675,053

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue										
Governmental activities	\$ (35,669,736)	\$ (35,013,958)	\$ (35,494,977)	\$ (37,784,539)	\$ (41,615,015)	\$ (42,494,863)	\$ (42,844,485)	\$ (48,514,813)	\$ (47,306,585)	\$ (49,893,074)
Total Primary Government Net Expense	<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>	<u>\$ (48,514,813)</u>	<u>\$ (47,306,585)</u>	<u>\$ (49,893,074)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 20,700,845	\$ 21,920,801	\$ 22,736,062	\$ 23,469,352	\$ 23,766,386	\$ 24,496,055	\$ 25,365,057	\$ 26,181,693	\$ 26,993,624	\$ 27,612,830
Sales Taxes	14,093,856	14,255,307	15,303,528	16,119,769	18,512,667	16,140,979	17,115,363	16,914,484	25,431,456	27,336,204
Entitlements, Impact & In-lieu Payments	6,489,188	6,306,603	6,528,772	6,592,827	6,756,755	6,822,158	7,289,906	7,682,599	8,559,908	8,861,267
Excise Taxes	1,370,006	1,191,799	815,185	969,288	784,438	1,011,722	317,145	836,799	892,688	981,552
Penalties & Interest on Delinquent Taxes	1,343,153	1,040,355	1,254,176	1,300,278	1,391,756	1,502,217	538,631	706,995	496,890	512,216
Interest and Investment Earnings	4,472,551	3,045,720	2,033,256	1,376,880	976,068	1,224,082	1,377,128	1,869,899	1,676,673	1,832,597
Gain (Loss) on Disposal of Capital Assets	(5,539)	0	0	0	0	0	0	0	0	0
Total Governmental Activities	<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>	<u>54,192,469</u>	<u>64,051,239</u>	<u>67,136,666</u>
Total Primary Government	<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>	<u>\$ 54,192,469</u>	<u>\$ 64,051,239</u>	<u>\$ 67,136,666</u>
Changes in Net Position										
Governmental Activities:										
Special Items	\$ 12,794,324	\$ 12,746,627	\$ 13,176,002	\$ 12,043,855	\$ 10,573,053	\$ 8,702,350	\$ 9,158,745	\$ 5,677,657	\$ 16,744,654	\$ 17,243,592
Prior Period Adjustments	0	0	(23,079,303)	0	0	0	0	0	(26,686,556)	0
Total Primary Government	<u>37,424,083</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>
Total Primary Government	<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>	<u>\$ 5,677,657</u>	<u>\$ (9,941,902)</u>	<u>\$ 17,243,592</u>

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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Reserved	\$ 0	\$ 0	\$ 0	\$ 0	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a
Unreserved	12,126,011	9,921,367	13,155,021	10,171,184	n/a	n/a	n/a	n/a	n/a	n/a
Nonspendable	n/a	n/a	n/a	n/a	0	0	0	0	0	0
Restricted	n/a	n/a	n/a	n/a	0	0	0	0	0	0
Committed	n/a	n/a	n/a	n/a	0	0	0	0	0	0
Assigned	n/a	n/a	n/a	n/a	0	0	0	0	0	0
Unassigned	n/a	n/a	n/a	n/a	15,256,720	10,350,453	12,534,725	10,995,643	16,153,371	14,407,486
Total General Fund	<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>	<u>\$ 10,995,643</u>	<u>\$ 16,153,371</u>	<u>\$ 14,407,486</u>
All Other Governmental Funds										
Reserved	\$ 0	\$ 0	\$ 0	\$ 0	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a
Unreserved										
Special Revenue Funds	28,381,720	34,058,435	35,999,991	40,776,672	n/a	n/a	n/a	n/a	n/a	n/a
Debt Service Funds	4,084,707	4,810,167	4,653,335	4,611,654	n/a	n/a	n/a	n/a	n/a	n/a
Capital Project Funds	13,533,826	13,806,461	10,642,261	15,746,114	n/a	n/a	n/a	n/a	n/a	n/a
Nonspendable	n/a	n/a	n/a	n/a	0	0	0	0	0	0
Restricted	n/a	n/a	n/a	n/a	34,475,402	36,210,855	39,773,687	42,320,745	42,429,689	55,710,879
Committed	n/a	n/a	n/a	n/a	12,794,588	14,432,882	14,814,741	15,723,468	26,225,321	24,449,183
Assigned	n/a	n/a	n/a	n/a	16,336,182	22,913,893	21,200,276	25,197,993	20,062,525	24,366,208
Unassigned	n/a	n/a	n/a	n/a	0	(33,035)	0	(157,653)	(1,011,399)	(1,293)
Total All Other Governmental Funds	<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>	<u>\$ 83,084,553</u>	<u>\$ 87,706,136</u>	<u>\$ 104,524,977</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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues										
Property Taxes	\$ 20,875,201	\$ 21,787,622	\$ 22,723,653	\$ 23,367,693	\$ 23,845,224	\$ 24,581,182	\$ 25,366,144	\$ 26,239,535	\$ 27,081,229	\$ 27,500,715
Sales and Use Taxes	14,093,856	14,255,307	15,303,528	16,119,769	18,512,667	16,140,979	17,115,363	16,914,484	25,431,456	27,336,204
Other Taxes	2,713,159	2,232,154	2,069,361	2,269,566	2,176,193	2,513,939	855,776	836,799	1,389,578	1,493,768
Licenses and Permits	711,706	577,218	645,162	819,963	835,598	716,138	883,931	940,008	1,076,984	1,150,093
Intergovernmental	38,521,702	49,090,114	46,484,608	44,079,808	42,362,145	33,447,969	18,808,927	18,496,368	18,311,724	18,555,949
Charges For Services	6,608,491	6,760,389	7,620,887	7,637,515	7,477,473	7,478,114	23,988,112	25,671,441	25,486,414	26,127,839
Fines and Forfeits	2,680,187	2,742,650	3,000,729	2,954,936	2,874,402	2,882,360	3,497,674	3,565,229	2,901,487	2,382,108
Interest Earnings	4,344,341	3,124,697	1,987,266	1,168,240	1,299,598	1,142,827	1,401,304	1,813,238	1,604,959	1,738,554
Donations	35,600	268,588	420,059	428,397	291,242	114,006	14,517	8,681	7,835	9,592
Other Revenues	1,956,538	1,996,662	2,025,100	2,065,541	2,606,481	2,048,022	1,615,008	1,427,377	1,017,848	1,865,573
Total Revenues	92,540,781	102,835,401	102,280,353	100,911,427	102,281,023	91,065,538	93,546,755	95,913,161	104,309,514	108,160,395
Expenditures										
General Government	21,463,027	23,158,568	23,955,685	23,648,816	23,410,214	25,568,409	26,317,386	26,937,892	27,695,887	30,655,270
Public Safety	28,703,107	30,705,627	31,937,631	32,030,793	32,337,862	32,864,546	33,924,969	34,437,158	34,625,957	36,088,786
Utilities (Formerly Physical Environment)	1,582,296	1,719,845	1,808,406	1,827,963	1,779,929	0	0	0	0	0
Transportation	5,778,465	5,909,461	7,295,118	7,418,940	6,411,826	9,318,296	5,643,635	7,262,245	7,440,266	7,668,774
Natural & Economic Environment	1,798,525	2,025,279	2,171,970	1,864,919	2,054,409	3,959,036	3,415,294	3,150,963	1,513,145	1,546,836
Social Services	16,340,498	17,034,595	17,323,317	17,565,729	16,235,371	5,856,727	7,489,313	8,310,453	8,434,489	6,726,557
Culture and Recreation	1,076,839	1,115,700	1,071,650	1,000,867	963,069	980,959	850,663	1,098,490	1,002,428	1,303,180
Debt Service										
Principal	1,785,000	1,976,029	2,282,750	2,412,748	5,712,748	2,297,748	2,372,748	1,136,048	2,502,748	2,617,748
Interest	1,653,392	1,587,467	1,515,175	1,428,485	1,330,020	1,096,448	1,016,386	2,227,608	833,501	741,442
Capital Outlay	11,666,488	14,406,699	10,997,478	4,562,946	4,356,358	3,896,437	7,882,709	5,505,441	10,095,821	6,174,797
Total Expenditures	91,847,637	99,639,270	100,359,182	93,762,205	94,591,805	85,838,606	88,913,103	90,066,297	94,144,243	93,523,390
Excess of revenues over (under)										
Expenditures	693,144	3,196,131	1,921,171	7,149,222	7,689,218	5,226,932	4,633,652	5,846,863	10,165,271	14,637,005
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	1,462,500	1,625,000	162,500	0	0	0	0	0	0	802,783
Sales of Capital Assets	41,108	78,954	9,960	43,638	25,358	67,760	55,927	61,423	96,680	7,653
Transfers In	12,505,523	15,822,931	12,062,271	15,478,555	9,398,798	16,613,533	8,834,143	15,454,327	19,659,377	11,773,464
Transfers Out	(12,774,322)	(16,252,850)	(12,301,723)	(15,816,399)	(9,556,107)	(16,896,069)	(9,075,341)	(15,605,847)	(20,142,017)	(12,147,949)
Total Other Financing Sources (Uses)	1,234,809	1,274,035	(66,992)	(294,206)	(131,951)	(214,777)	(185,271)	(90,097)	(385,960)	435,951
Net Change in Fund Balance	\$ 1,927,953	\$ 4,470,166	\$ 1,854,179	\$ 6,855,016	\$ 7,557,267	\$ 5,012,155	\$ 4,448,381	\$ 5,756,766	\$ 9,779,311	\$ 15,072,956
Debt Service As A Percentage Of										
Non-capital Expenditures	4.29%	4.18%	4.25%	4.31%	7.80%	4.14%	4.18%	3.98%	3.97%	3.85%

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				
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	
2014	9,340,862,420	4,649,617,160	1,094,472,027	76,056,408	770,925,315	15,931,933,330	1.2831	
2015	9,572,698,738	4,740,999,872	1,172,026,207	81,882,493	811,686,489	16,379,293,799	1.2799	
2016	\$ 9,879,339,353	\$ 5,032,485,355	\$ 1,194,980,907	\$ 115,424,783	\$ 870,890,060	\$ 17,093,120,458	\$ 1.2694	

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.

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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
County Direct Rates										
General	\$ 1.4502	\$ 1.4077	\$ 1.3403	\$ 1.3070	\$ 1.2902	\$ 1.2408	\$ 1.2433	\$ 1.2468	\$ 1.2436	\$ 1.2331
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	1.4865	1.4440	1.3766	1.3433	1.3265	1.2771	1.2796	1.2831	1.2799	1.2694
Other Rates										
Consolidated R		1.9364	1.9215	1.8795	1.8364	1.7671	1.6736	1.6252	1.5929	1.5556
Mosquito Control District	0.1403	0.1403	0.1328	0.1536	0.1279	0.0931	0.0965	0.0952	0.0767	0.0821
State of Washington School	2.2554	1.9808	1.9240	2.0057	2.1478	2.3154	2.3914	2.3194	2.3044	2.1378
City Rates										
Prosser	3.3378	3.4212	3.3279	3.2636	3.3112	3.4555	3.2694	3.2687	3.2899	2.4250
Kennewick	2.4922	2.4398	2.3709	2.2534	2.2424	2.1955	2.2020	2.2176	2.2446	2.2314
Benton City	1.3627	1.2937	1.2975	1.2954	1.2474	1.2366	1.1413	1.1246	1.3706	1.3653
West Richland	1.7697	1.6170	1.6038	1.6095	1.6281	1.5641	1.5472	1.5437	1.5514	1.5483
Richland	3.3073	3.3674	3.1392	3.1399	3.0121	2.9654	2.9697	2.9840	2.9771	2.9470
School District Rates										
Prosser	5.1390	4.9855	5.0403	4.7172	4.6196	3.2717	2.9325	2.7452	2.9955	3.0199
Grandview	4.1787	3.7469	3.7649	3.9779	3.9900	4.3051	4.2825	4.3340	4.3721	5.0437
Kennewick	4.9956	4.8215	4.7821	4.9633	4.9195	4.9063	4.9088	4.9834	5.0506	5.1535
Paterson	1.0613	0.9905	0.9108	0.8737	0.8595	0.8058	0.9195	0.8230	0.7924	0.7329
Benton City	5.1515	5.2820	5.6287	5.8592	5.9969	6.0482	5.6427	5.3950	5.4597	5.6227
Finley	6.5771	6.2499	6.2906	6.1774	4.7882	3.5745	4.0756	4.0341	4.0427	3.8471
Richland	4.7534	4.4902	4.1694	4.3251	4.4235	4.2985	4.3825	4.8247	4.8919	4.8731
Hospital Rates										
Prosser	0.7538	0.7364	0.7057	0.3815	0.3811	0.3822	0.3517	0.3419	0.3384	0.3354
Kennewick	0.1594	0.1551	0.1506	0.1467	0.1456	0.1418	0.1418	0.1436	0.1439	0.1394
Fire District Rates										
District #1	1.5292	1.6574	1.6451	1.6373	1.5846	1.5157	1.4752	1.5912	1.5835	1.5770
District #2	1.8223	2.2886	2.2833	2.2700	2.2649	2.2605	2.1851	2.2116	2.2066	2.2071
District #3	1.3029	1.2739	1.2667	1.2221	1.1988	1.2150	1.0302	1.0138	1.0231	0.9500
District #4	1.5000	1.5000	1.5000	1.5000	2.0000	1.9857	1.9783	1.9688	1.9675	1.9419
District #5	0.8282	0.8121	0.7505	0.7150	0.7219	0.6818	0.6666	0.6018	0.5916	0.5485
District #6	1.2764	1.2179	0.9664	0.9376	0.9376	0.8677	0.8235	0.7661	0.7364	1.2700
Port Rates										
Port of Kennewick	0.3729	0.3603	0.3507	0.3429	0.3410	0.3315	0.3309	0.3337	0.3337	0.3320
Port of Benton	0.4687	0.4557	0.4215	0.4225	0.4276	0.4196	0.4055	0.3989	0.4012	0.3984
Library Rates										
Rural Library	0.4501	0.4372	0.4214	0.4014	0.3926	0.3803	0.3786	0.3775	0.3728	0.3722
Benton City Library	\$ 0.2033	\$ 0.1925	\$ 0.1748	\$ 0.1678	\$ 0.1617	\$ 0.1457	\$ 0.1375	\$ 0.1284	\$ 0.1213	\$ 0.1148

Source: Benton County Assessor

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

<u>Taxpayer</u>	<u>Fiscal Year 2016</u>			<u>Fiscal Year 2007</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.	\$ 152,854,610	1	0.89%	\$ 76,379,760	2	0.71%
LEX Richland L.P.	144,224,560	2	0.84%	----	----	----
AREVA, Inc. (Formerly Framatome/ANP/Siemens Power Corp.)	105,602,860	3	0.62%	92,807,470	1	0.86%
Burlington Northern - Santa Fe Railroad	92,844,585	4	0.54%	53,797,967	4	0.50%
Columbia Center Mall Partnership	83,324,670	5	0.49%	52,667,670	5	0.49%
Ste. Michelle Vintners,	81,453,390	6	0.48%	49,727,000	6	0.46%
Wyckoff Farms, Inc.	69,054,035	7	0.40%	----	----	----
Battelle Memorial Institute	67,766,320	8	0.40%	46,722,580	7	0.43%
Extended Legacy, LLC	61,797,700	9	0.36%	----	----	----
Zirkle Fruit Company	57,992,140	10	0.34%	----	----	----
Frontier Communications Northwest (Formerly GTE Northwest)	----	----	----	62,175,963	3	0.58%
Northwest Pipeline Corp.	----	----	----	43,845,644	8	0.41%
Ferguson Enterprises, Inc.	----	----	----	38,371,359	9	0.36%
ConAgra/Lamb-Weston, Inc.	----	----	----	37,585,710	10	0.35%
Total	<u>\$ 916,914,870</u>		<u>5.36%</u>	<u>\$ 554,081,123</u>		<u>5.15%</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)			Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Adjustments	Total Adjusted Levy	Amount	Percentage of Original Levy	Amount		Percentage of Adjusted Levy	
2007	\$ 16,422,214	\$ (28,016)	\$ 16,394,199	\$ 16,056,402	97.77%	\$ 337,767	\$ 16,394,169	100.00%
2008	17,313,644	(52,500)	17,261,144	16,855,853	97.36%	404,982	17,260,836	100.00%
2009	17,984,295	(85,063)	17,899,232	17,488,445	97.24%	410,741	17,899,186	100.00%
2010	18,429,005	(99,631)	18,329,374	17,990,084	97.62%	339,073	18,329,157	100.00%
2011	18,962,606	10,208	18,972,815	18,579,517	97.98%	392,995	18,972,512	100.00%
2012	19,274,946	(29,805)	19,245,141	18,890,044	98.00%	354,647	19,244,691	100.00%
2013	20,151,188	(69,758)	20,081,430	19,716,549	97.84%	362,111	20,078,660	99.99%
2014	20,976,817	(108,312)	20,868,505	20,539,942	97.92%	285,447	20,825,389	99.79%
2015	21,556,160	(26,477)	21,529,683	21,250,256	98.58%	172,836	21,423,092	99.50%
2016	\$ 22,331,180	\$ (63,233)	\$ 22,267,947	\$ 21,862,452	97.90%	\$ 0	\$ 21,862,452	98.18%

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 by Type,
Last Ten Fiscal Years

Governmental Activities							
Fiscal Year	General Obligation (GO) Bonds	CRID Special Assessment Debt	Loans Due To Other Governments**	Capital Leases	Total Primary Government	Percentage of Personal Income*	Per Capita*
2007	\$ 34,700,000	\$ 955,000	\$ 1,670,167	\$ 0	\$ 37,325,167	0.65%	\$ 230.87
2008	32,955,000	810,000	3,209,139	0	36,974,139	0.58%	221.97
2009	30,945,000	735,000	3,173,889	326,494	35,180,383	0.55%	205.59
2010	28,850,000	615,000	2,976,141	518,203	32,959,344	0.48%	186.77
2011	23,425,000	525,000	2,778,393	419,033	27,147,426	0.38%	150.25
2012	21,430,000	420,000	2,580,645	284,741	24,715,386	0.34%	135.50
2013	19,360,000	315,000	2,382,897	98,512	22,156,409	0.29%	120.10
2014	17,205,000	230,000	2,185,149	5,863	19,626,012	0.26%	105.24
2015	14,960,000	170,000	1,987,401	0	17,117,401	0.21%	89.95
2016	\$ 12,625,000	\$ 858,373	\$ 1,789,653	\$ 0	\$ 15,273,026	0.18%	\$ 78.85

Source: Benton County Treasurer

Note: 2016 "Percentage of Personal Income" calculated using 2015 personal income data, which is the most recent available.

* Population and personal income data can be found in Schedule 11. 2015 data used for 2016

**Economic Development Loan & Long-Term Advance (Loan) from DSHS to Human Services

**Schedule 10
Benton County
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value* of Property	Per Capita**
	General Obligation (GO) Bonds	Less: Amounts Available in Debt Service Funds	Total		
2007	\$ 34,700,000	\$ (3,419,329)	\$ 31,280,671	0.29%	\$ 193.49
2008	32,955,000	(4,793,419)	28,161,581	0.24%	169.06
2009	30,945,000	(4,589,348)	26,355,652	0.21%	154.02
2010	28,850,000	(4,589,349)	24,260,651	0.18%	137.48
2011	23,425,000	(87,858)	23,337,142	0.17%	129.16
2012	21,430,000	(65,827)	21,364,173	0.15%	117.13
2013	19,360,000	(1,403,933)	17,956,067	0.12%	97.33
2014	17,205,000	(1,381,750)	15,823,250	0.10%	84.85
2015	14,960,000	(10,656,056)	4,303,944	0.03%	22.62
2016	\$ 12,625,000	\$ (8,099,760)	\$ 4,525,240	0.03%	\$ 23.36

Source: Benton County Treasurer

Note: 2016 "Percentage of Personal Income" calculated using 2015 personal income data, the most recent available.

*See schedule 5 for property value data.

** Population and personal income data can be found in Schedule 11. 2015 data used for 2016

Schedule 11
Benton County
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed Value of Property	\$ 10,759,109	\$ 11,676,062	\$ 12,724,702	\$ 13,372,872	\$ 13,903,638	\$ 14,686,962	\$ 15,317,827	\$ 15,931,933	\$ 16,379,294	\$ 17,093,120
Debt Limit 1.5% of Assessed Value (Statutory Limitation non-voted)	161,387	175,141	190,871	200,593	208,555	220,304	229,767	238,979	245,689	256,397
Debt Limit 2.5% of Assessed Value (Statutory Limitation voted and non-voted)	268,978	291,902	318,118	334,322	347,591	367,174	382,946	398,298	409,482	427,328
Amount of Debt Applicable to Limit General Obligation Bonds Less: Amounts Available in Debt Set	34,700 <u>(3,419)</u>	32,955 <u>(4,793)</u>	30,945 <u>(4,589)</u>	28,850 <u>(4,589)</u>	23,425 <u>(88)</u>	21,430 <u>(66)</u>	19,360 <u>(1,404)</u>	17,205 <u>(1,382)</u>	14,960 <u>(10,656)</u>	12,625 <u>(8,100)</u>
Total net debt applicable to limit	31,281	28,162	26,356	24,261	23,337	21,364	17,956	15,823	4,304	4,525
Legal Debt Margin (non-voted)	<u>\$ 130,106</u>	<u>\$ 146,979</u>	<u>\$ 164,515</u>	<u>\$ 176,332</u>	<u>\$ 185,217</u>	<u>\$ 198,940</u>	<u>\$ 211,811</u>	<u>\$ 223,156</u>	<u>\$ 241,385</u>	<u>\$ 251,872</u>
Total net debt applicable to the limit as a percentage of non-voted debt limit	19.38%	16.08%	13.81%	12.09%	11.19%	9.70%	7.81%	6.62%	1.75%	1.76%
as a % of voted and non-voted debt limit	11.63%	9.65%	8.28%	7.26%	6.71%	5.82%	4.69%	3.97%	1.05%	1.06%

**Schedule 12
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
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	7,701,553	41,746	8.10%
2014	186,486	7,637,683	40,956	8.40%
2015	190,309	8,279,696	43,507	6.70%
2016	193,686	\$ N/A	\$ N/A	6.50%

Notes: Data Provided by: Washington State Employment Security Department
Office of Financial Management Census 2010 results
for Washington State
Bureau of Economic Analysis

*2007-2011 data revised to reflect adjusted Bureau of Economic Analysis totals.

**Schedule 13
Benton County
Principal Employers,
Current Year and Nine Years Ago**

<u>Employer</u>	<u>Fiscal Year 2016</u>			<u>Fiscal Year 2007</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 / Pacific Northwest National Laboratory	4,365	1	4.95%	4,033	1	4.88%
Kadlec Medical Center	3,304	2	3.74%	1,436	6	1.74%
Bechtel National, Inc., Waste Treatment Project	2,898	3	3.28%	2,129	4	2.58%
ConAgra/Lamb-Weston, Inc.	2,727	4	3.09%	2,129	5	2.58%
Kennewick School Dist	2,130	5	2.41%	2,213	3	2.68%
Washington River Protection Solutions	2,077	6	2.35%	----	----	----
Mission Support Alliance	1,928	7	2.18%	----	----	----
Richland School District	1,500	8	1.70%	1,400	7	1.69%
CH2M Hill Hanford Group, Inc.	1,400	9	1.59%	1,170	8	1.42%
Trios Health (formerly Kennewick General Hospital)	1,261	10	1.43%	841	10	1.02%
Energy Northwest (Washington Public Power Supply System)	----	----	----	1,083	9	1.31%
Fluor Hanford, Inc./Fluor Federal Services	----	----	----	3,630	2	4.39%
Total	23,590		26.73%	20,064		24.27%

Sources: Tri-City Industrial Development Council (TRIDEC)
Washington State Employment Security Department

**Schedule 14
Benton County
County Government Employees by Function,
Last Ten Fiscal Years**

Function/Program	Full-time Equivalent Employees as of December 31									
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Government Full-time	315	284	288	295	298	314	346	313	314	280
General Government Part-time	10	41	35	42	42	35	36	48	46	19
Total	<u>325</u>	<u>325</u>	<u>323</u>	<u>337</u>	<u>340</u>	<u>349</u>	<u>382</u>	<u>361</u>	<u>360</u>	<u>299</u>
Public Safety Full-time	208	219	221	218	217	211	208	197	194	249
Public Safety Part-time	13	2	-	1	3	7	12	10	6	18
Total	<u>221</u>	<u>221</u>	<u>221</u>	<u>219</u>	<u>220</u>	<u>218</u>	<u>220</u>	<u>207</u>	<u>200</u>	<u>267</u>
Utilities Full-time	26	26	26	25	23	24	0	0	0	0
Utilities Part-time	1	1	1	1	2	1	0	0	0	0
Total	<u>27</u>	<u>27</u>	<u>27</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transportation Full-time	39	41	43	39	39	39	36	36	32	30
Transportation Part-time	4	2	0	0	2	0	0	0	3	1
Total	<u>43</u>	<u>43</u>	<u>43</u>	<u>39</u>	<u>41</u>	<u>39</u>	<u>36</u>	<u>36</u>	<u>35</u>	<u>31</u>
Natural & Economic Env. Full-time	7	6	7	7	7	6	11	10	14	7
Natural & Economic Env. Part-time	1	2	1	1	1	2	4	4	1	3
Total	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>8</u>	<u>15</u>	<u>14</u>	<u>15</u>	<u>10</u>
Social Services Full-time	37	36	36	35	33	34	31	39	31	12
Social Services Part-time	2	3	3	4	4	4	3	3	4	2
Total	<u>39</u>	<u>39</u>	<u>39</u>	<u>39</u>	<u>37</u>	<u>38</u>	<u>34</u>	<u>42</u>	<u>35</u>	<u>14</u>
Culture and Recreation Full-time	9	8	6	7	7	9	5	10	7	5
Culture and Recreation Part-time	3	4	6	3	3	0	0	0	4	4
Total	<u>12</u>	<u>12</u>	<u>12</u>	<u>10</u>	<u>10</u>	<u>9</u>	<u>5</u>	<u>10</u>	<u>11</u>	<u>9</u>
Internal Service Full-time	22	21	21	18	22	21	21	21	19	19
Internal Service Part-time	-	1	1	1	1	0	0	0	0	0
Total	<u>22</u>	<u>22</u>	<u>22</u>	<u>19</u>	<u>23</u>	<u>21</u>	<u>21</u>	<u>21</u>	<u>19</u>	<u>19</u>
Total Full-time	663	641	648	644	646	658	658	626	611	602
Total Part-time	34	56	47	53	58	49	55	65	64	47
Total County Employees	<u>697</u>	<u>697</u>	<u>695</u>	<u>697</u>	<u>704</u>	<u>707</u>	<u>713</u>	<u>691</u>	<u>675</u>	<u>649</u>

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.

Source: County Payroll Office

**Schedule 15
Benton County
Operating Indicators by Function,
Last Ten Fiscal Years**

Function/Program	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Justice and Law Enforcement										
Sheriff										
Calls For Service (Sheriff)	31,323	33,621	39,448	38,505	40,614	40,811	38,214	35,274	41,229	42,582
Warrants Served	1,084	1,130	1,583	1,931	1,261	1,088	1,051	2,406	1,630	1,320
Arrests	2,243	2,320	3,978	3,548	4,281	3,885	3,844	4,247	3,824	2,447
Arraignments	6,015	6,026	6,074	5,603	5,891	5,573	6,652	6,556	6,215	4,689
Average daily jail population	687	675	668	625	624	561	566	686	629	549
Prosecuting Attorney										
Adult Felony Cases Filed	1,258	1,247	1,222	1,284	1,462	1,465	1,419	1,433	1,454	1,405
Juvenile Cases Filed	1,090	855	972	830	777	725	584	524	511	480
Juvenile Justice										
Juvenile Of	2,457	2,173	2,002	1,836	1,634	1,544	1,265	1,212	1,108	1,052
Detention Days Served	15,785	15,237	15,330	11,180	11,783	11,937	9,678	8,425	8,466	9,206
Courts										
District Court Violation Filings	60,894	53,684	59,594	53,078	54,267	57,862	57,731	53,521	51,672	46,887
District Court Hearings Held	63,221	66,258	69,498	67,796	65,729	67,833	65,435	64,176	60,767	67,705
Superior Court Trials	350	360	315	275	316	291	210	206	201	141
Superior Court Cases Completed	8,292	7,241	8,418	8,131	8,550	7,940	8,099	7,439	7,316	5,906
Health Services*										
Clients Assisted										
Mental Health***	3,694	3,520	4,298	4,122	7,238	7,556	9,547	8,762	7,914	4,578
Substance Abuse****	1,264	1,777	2,010	1,246	1,513	1,178	1,048	1,157	1,181	15
Developmental Disabilities	510	535	514	523	481	504	587	660	750	650
Prevention	172	170	550	816	304	541	399	405	610	700
Housing**	N/A	171	924	405	825	1,369	1,805	2,481	3,364	3,466
Economic Environment										
Actions requiring a permit	1,075	464	689	674	639	588	668	714	775	852
Public Works										
Centerline miles of road maintained:										
County Rural Roads	742	743	744	745	746	747	684	681	682	683
County Urban Roads	120	118	118	115	112	111	170	177	177	178

*Statistics maintained on a July of one year through June of the next year fiscal period.

**New Program in 2008

***Crisis Response was closed 09/30/2016

****In January, 2016 Substance Abuse services were transferred to the Greater Columbia Behavioral Health.

Source: County Budget Office and individual county departments

**Schedule 16
Benton County
Capital Asset Statistics by Function,
Last Ten Fiscal Years**

Function/Program	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Justice and Law Enforcement										
Correction facility capacities	782	782	782	782	782	782	783	783	783	744
Parks and Land Use										
Number of recreational facilities	12	12	12	12	12	12	12	12	12	13
Recreational acreage:										
Developed	654.8	654.8	654.8	654.8	654.8	654.8	654.8	654.8	654.8	656.3
Undeveloped	2,443.5	2,443.5	2,443.5	2,516.5	2,516.5	2,516.5	2,516.5	2,516.5	2,516.5	2,700.0
Public Works										
Miles of Rural Road	742	743	744	745	746	747	684	681	682	683
Miles of Urban Road		118	118	115	112	111	174	177	177	178
Bridges	54	54	54	54	54	54	54	53	53	52
Active vehicles in vehicle replacement plan	113	111	115	115	115	120	112	115	170	160

Source: County Budget Office and individual County departments