

# A Report to Our Citizens

FISCAL YEAR 2015



**Benton County Treasurer**

**Duane A Davidson, CPA**

## Mission Statement

Provide the most reliable, efficient & cost effective service to the citizens and local governments of Benton County, Washington.

## What do we do?

The Treasurer is a constitutional officer elected by the people for a four year term. The Treasurer provides independence from the Board of County Commissioners (the legislative branch) as well as all other various local governments that have the ability to levy taxes and assessments. This provides separation from the branch of government responsible for levying taxes to the branch charged with collecting tax revenues.

## How are we set up?

The County Treasurer's office is charged with the collection of various taxes along with acting as the "bank" for the county, school districts, fire districts, water districts, and other entities of local government. Tax adjustments authorized by the Assessor's office or courts are also processed and refunds are issued to the appropriate taxpayers. Excess monies not currently being used by the county or various local governments are "pooled" for investment with the emphasis of ensuring public monies are safe and secure, available when needed, and achieve the best rate of return after meeting the first two objectives.

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### Accomplishments



#### Delinquent Tax Payment Program

Pursuant to RCW 84.56.020, The Benton County Treasurer has been able to provide an option for taxpayers who have a delinquent status in their property taxes to make monthly payments instead of a one-time payment for the entire delinquent year amount. After the Benton County Treasurer obtained legislative approval in 2014, the program has since been successful in reducing the taxpayers in foreclosure to low numbers. For example, in 2014 the number of properties foreclosed on was 12, however in 2015 that number was reduced to 1. When the program was first introduced there were 14 participants and currently there are 35 participants in the program.

#### Cash Handling Policy Certification

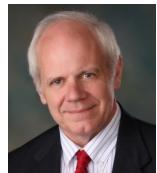
Strong internal controls are necessary to help ensure proper handling of county funds. Our cash handling policy first received certification in 2009. Certifications are required to be reviewed periodically and the Treasurer's office resubmitted our policy for peer review after some updating and revision. We are pleased to announced our policy has once again been certified by the Association of Public Treasurers of the United States and Canada.



#### Benton County Finance Committee



**James Beaver**  
Commissioner



**Duane Davidson**  
Treasurer



**Brenda Chilton**  
Auditor

#### Investment & Debt Policy Certifications

The Benton County Investment & Debt Policies were awarded certification by the Association of Public Treasurer's of The United States & Canada (APT US & C) as well as the Washington Public Treasurers Association (WPTA). These certifications attests that the Benton County Investment & Debt

Policies conform to the required investment & debt policy standards established by APT US & C and the WPTA. The Benton County Finance Committee is responsible for reviewing and adopting the Investment & Debt Policies for the County.

### Goals

For 2016, we have established the following goals in accordance with our mission statement and strategic plan:

- To prevent check fraud and continue to safeguard monies, we will work with the Auditor's office and School Districts to implement positive payee as a standard practice.

- In partnership with the Washington State Auditor's Office, the Treasurer and Auditor's Office embrace the challenge of a lean process improvement. The objective is to evaluate our current Financial Reporting process in order to eliminate unnecessary processes, increase internal controls and improve transparency to our users.

- We will interface our real estate excise system with the new tax and assessment software to conduct paperless real estate transfers.



**HARRIS**  
County Commissioners  
Treasurer  
Assessor  
Auditor  
Recorder

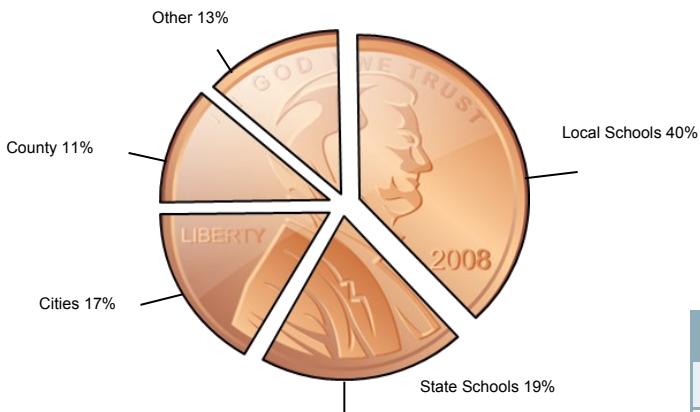
#### New Tax & Assessment System

Using capital funds that were budgeted for upgrading systems, the Board of County Commissioners approved purchasing a new tax collection and property assessment system. This will maximize the effectiveness and efficiency of the Assessor's and the Treasurer's staff. The system will improve appraisal accuracy and the ability of the offices to compile, analyze, and correlate data. The new system will enhance the ability of the Assessor's and Treasurer's offices to offer the highest level of service to both the taxpayers and taxing districts of our county in the most cost-efficient manner. Implementation of the new system is discussed on page 4.

## Where did your tax money go?

	2015	2014	% Change
<b>Local Schools**</b>	\$76,425,325	\$73,261,411	4.32%
<b>State Schools**</b>	37,534,637	36,720,354	2.22%
<b>Cities</b>	32,017,688	31,035,343	3.17%
<b>County</b>	21,556,160	20,976,816	2.76%
<b>Fire</b>	7,405,822	7,193,467	2.95%
<b>Ports</b>	5,844,742	5,662,550	3.22%
<b>Road</b>	5,519,822	5,415,611	1.92%
<b>Library</b>	3,547,399	3,503,826	1.24%
<b>Special Asmts</b>	1,708,546	1,938,510	-11.86%
<b>Hospital</b>	2,088,000	2,032,535	2.73%
<b>Total</b>	\$193,648,140	\$187,740,423	3.15%

\*\* State School is a levy all property taxpayers pay for public schools and Local School is tax levy approved by voters for a specified school district.



## Our Expenses

	2015	2014	2013
Salaries & Benefits	\$965,705	\$960,674	\$926,925
Supplies & Services	90,900	104,363	88,690
Interfund (Other County Depts)	215,923	273,597	271,826
Capital	-	-	-
<b>Total</b>	<b>\$1,272,528</b>	<b>\$1,338,634</b>	<b>\$1,287,441</b>

Independent Audit: The Treasurer's office does not issue separate financial statements, however, the Treasurer's office contributes a major portion of the revenues and statements included in the Benton County Comprehensive Annual Financial Report (CAFR). The 2015 audit report on the County's CAFR has not been issued as of the date of this report. Complete financial information can be found at the County's website: [www.co.benton.wa.us](http://www.co.benton.wa.us).

## Investments

We serve as the investment office for many local governments in addition to Benton County (schools, fire districts, etc.).

Total Investments as of 12/31/15 was \$357,246,069.

Our office continues to experience increased demands on our services. The table below displays the activity based on production totals.

In addition to the budget displayed (below), the Treasurer also has a revolving fund to help defray the cost associated with foreclosure of delinquent parcels and personal property.

This revolving fund does not receive tax revenues and is funded by fees collected on the parcels in foreclosure.

Total balance in the revolving fund at year end was \$224,293.

## Our Production

	2015	2014
Tax Statements Sent	78,388	77,671
Property Transfers	7,592	6,670
General Receipts	7,045	6,512
Investments	963	947
Overpayments /Refunds	678	825
Payments Processed		
Mortgage Accounts	75,814	68,602
Mailed	33,039	34,207
In Office	28,892	28,149
Web/ACH	11,462	9,688

## Economic Outlook

The Treasurer's Office monitors and analyzes local retail Sales & Use Tax trends. Our office receives data from the Department of Revenue on a monthly basis. Analyzing data helps our office be more accurate when forecasting future revenue.

The voters approved an additional three-tenths of one percent sales tax for criminal justice services which took effect at the beginning of the year. The Local Sales & Use Tax category total was \$10,019,761 which increased by 19.52% during 2015 compared to previous years.

**The top four categories for Local Sales Tax are:**

Category	% increase since 2014
Services	+ 17.7%
Retail Trade	+ 9.3%
Construction	+ 5.7%
Transportation/Utilities	+ 92.6%

The Transportation/Utilities category shows such a high increase due to refueling for Energy Northwest in year 2015.

The only category showing a decrease in percentage received from 2014 was Agriculture with a 35.9% decrease.

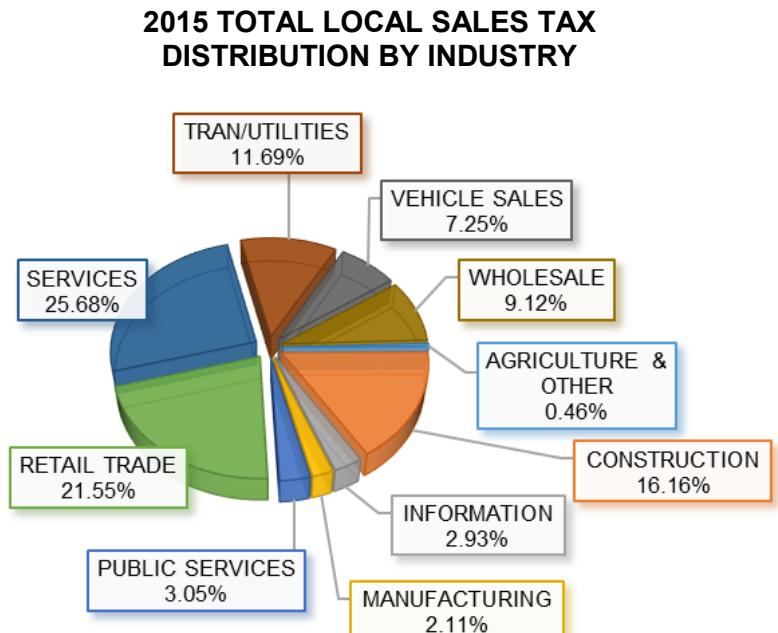
**These other variables have an impact in the economic Outlook of our county:**

**Population:** Increased from 184,486 in 2014 to 186,486 in 2015.

**Unemployment Rate:** 6.0% Compared to National Average of 5.3%

**Building Permits:** The number of permits issued increased from 714 permits issued in 2014 to 775 permits issued in 2015.

**New Construction:** The valuation for 2015 on New Construction shows at \$345,463,571 decreasing by 19.34% from \$428,300,218 in 2014. (New Construction is a subset of the total Construction figures shown above).



Did you find this report informative? Would you like to see other information

included in this report? Please let us know by contacting the Benton County Treasurer at [duane.davidson@co.benton.wa.us](mailto:duane.davidson@co.benton.wa.us).

## Future Challenges

2016 marks the year we will begin the conversion of our computer systems. System conversions are always a massive undertaking especially with the complex data involved with the county's finances. The conversion process is scheduled to take a little more than half a year with completion anticipated for the Fall of 2016. During this time data will be checked and reconciled to ensure the integrity of the county's financial records as well as property assessment calculations. This will involve staff from the offices of Treasurer, Assessor, Auditor, and the Information Services Department.