

Office of the Benton County Treasurer

A Report to Our Citizens

For Fiscal Year 2008

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Mission Statement

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

Core Values:

- Integrity
- Accuracy
- Reliability
- Accountability

About the Treasurer's Office

What do we do?

The County Treasurer acts as the "bank" for the county, school districts, fire districts, water districts, and other units of local government. The Treasurer's office receipts, disburses, invests and accounts for the funds of these entities. The Treasurer is also charged with the collection of various taxes that benefit a wide range of governmental entities. Tax adjustments authorized by the Assessor's office or courts are also performed and refunds issued to the appropriate taxpayers. The Treasurer's office collects and distributes the real estate excise tax associated with the sale of real estate. Excess monies not currently being used by the county or various local governments are "pooled" for investment with the emphasis of insuring public monies are; safe and secure, available when needed, achieve the best rate of return after meeting the first two objectives.

How are we set up?

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

How do we operate?

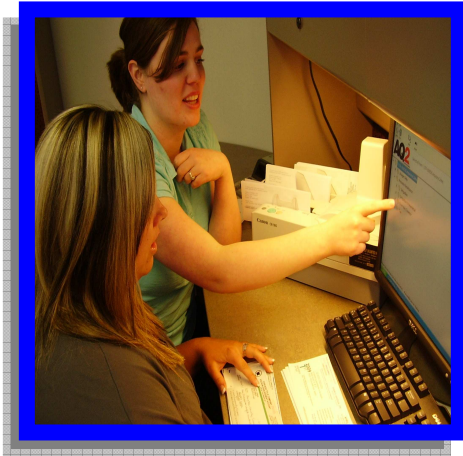
The office is organized into three distinct departments including the Tax Collection, Tax Adjustment, and Accounting Department that serve to properly segregate incompatible duties for effective internal controls.

The Tax Collection Department is responsible for the collection of taxes and the processing of real estate excise tax on the sale of land. The Tax Adjustment Department is responsible for adjustments to taxes, processing refunds, and review of the subsidiary accounts. The Accounting Department is responsible for the banking, daily account reconciliation, general receipts, investments and redemption of warrants (checks).

Full Time Employees	15
Real Estate Parcels	74,629
Operating Budget (2008)	\$1,155,863
Investments (12/31/2008)	\$171,136,843
Two Office Locations	
• Prosser (County Seat)	
• Kennewick (Satellite Office)	

Picture of Kennewick provided by the Unlimited Light Hydroplane Racing Assoc.

Accomplishments



Canon CR-180 scanner being utilized for imaging checks for archiving and bank deposits.

Automation of Property Tax Collections

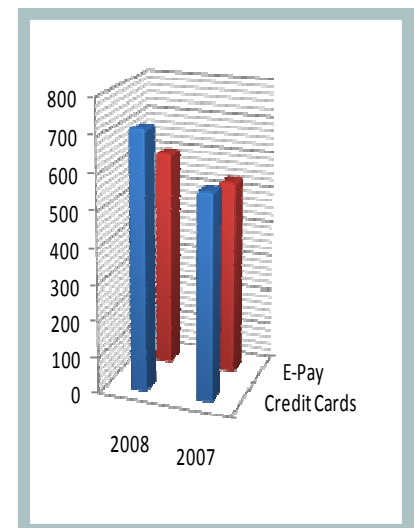
The Treasurer's office recently purchased optical code recognition (OCR) software and scanners for processing the tax payments we receive via the mail. Our new system can process thousands of payments per day, efficiently and accurately, not only processing and posting the tax payment but creating paperless (digitized) records for our archives also. This is a vast improvement to manually posting the payments.

This equipment has now been installed in both of our offices, (Kennewick and Prosser). Because of these efficiencies our staff can now keep up with the rapid growth our county is experiencing and reallocate time to other customer service activities.

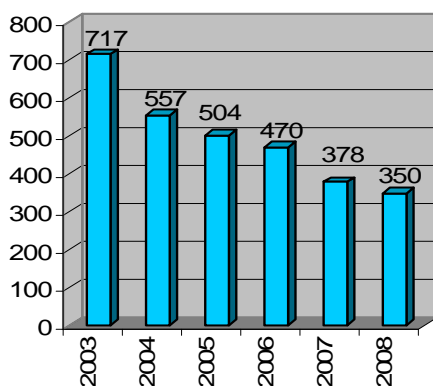
Increase On-Line Payments

Increasingly, people are now paying their bills online. That option is now available to Benton County taxpayers via the Treasurer's website at www.co.benton.wa.us/html/treasurer.htm. The option of paying taxes is available for "e-pay", which is basically a debit transaction from your checking account or credit card.

The credit card payment feature was requested by many taxpayers. Current state law does not allow the county to absorb any of the charges which is routinely done by merchants that are visited everyday, thus the fees charged by the provider are paid for by the taxpayer. Regardless, this option has been well received by taxpayers and the frequency of credit card payments, like debit (e-pay) payments is growing rapidly.



Properties 3+ years Delinquent in Taxes



Decrease Delinquencies

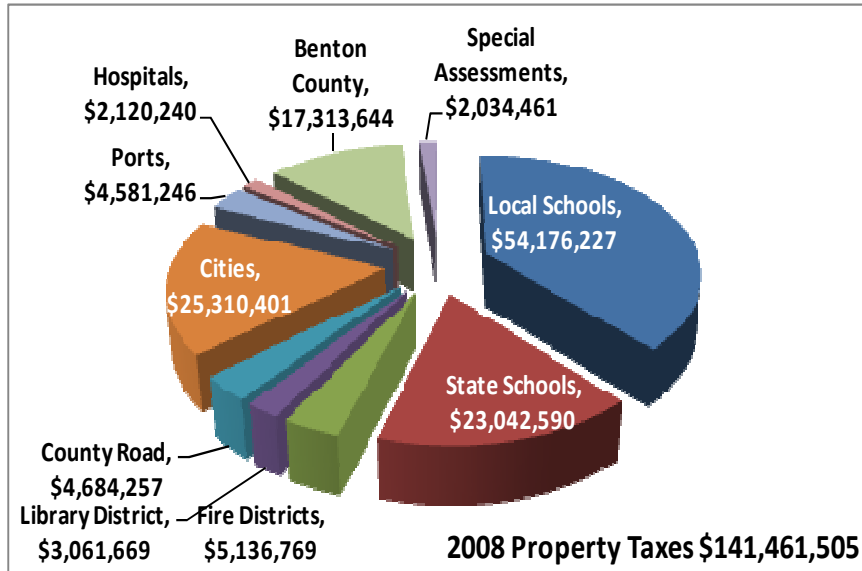
The collection of delinquent accounts is a very labor intensive, costly, and frustrating process for both the taxpayer and the Treasurer's staff. Recently, we started sending reminder cards to taxpayers that missed a tax payment in an attempt to keep accounts current. We have also started sending an additional, detailed tax statement to all

taxpayers before foreclosure is started on their property. The results speak for themselves. As the chart to the left reveals, we have cut in half the number of properties we take into foreclosure. This has resulted in a large savings to taxpayers and a decrease in penalties and interest collected by the county.

Your Money

Property Taxes – In and Out

Where did your money go?



The County Treasurer collects property taxes from the taxpayers and then distributes the monies to all the various taxing authorities. We print and mail statements based on the data we receive from the County Assessor and other assessing authorities. This pie chart illustrates the amount of tax monies for collection in 2008. The Treasurer also collects "general receipts" of State shared revenues, fees, grants, and irrigation assessments not accounted for in the pie chart. The level of activity associated with the collection of these revenues is illustrated in the chart below, titled "Our Production".

Our Production

	2008	2007
Tax Statements Sent	72,744	72,083
Property Tax Payments from Mortgage Accounts	50,805	49,543
Property Tax Payments through Automated Process	41,856	41,811
In Office Tax Payments	26,944	23,976
Irrigation	9,949	8,527
Taxes Collect from Property Transfers	6,599	8,157
General Receipts	6,334	6,374
Property Tax Payments by Web/ACH	5,014	4,953
Investments Processed	3,418	3,066
Overpayments and Refunds Processed	991	1,362
	224,654	219,852

Total Investments on 12/31/08 were \$171,136,843. We collect the irrigation assessments for Benton, Columbia and Kiona Irrigation Districts, and a portion of the Grandview Irrigation District. We received 9,949 payment transactions from those district's ratepayers totaling \$2,856,136. The County Treasurer's office continues to experience an increased demand each year for our services. Fortunately, we have gained efficiencies as mentioned in the "Accomplishments" section of this report that has enabled us to meet these challenges with the current level of staffing.

Our Costs

Treasury Department Costs *	2008	2007	2006
Salaries & Benefits	\$ 793,617	\$ 747,663	\$ 746,550
Supplies & Services	130,470	105,697	88,629
Interfund (other County Departments)	231,776	221,551	199,050
Capital			12,694
Total	\$ 1,155,863	\$ 1,074,911	\$ 1,046,923

* Current Expense (General Fund)

In addition to the budget displayed, the Treasurer also has a revolving fund to help defray the cost associated with foreclosure of delinquent parcels and personal property. This fund does not receive tax revenues and is funded by fees collected on the parcels in foreclosure.

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 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

What's Next

Contact Information, Future Challenges & Economic Outlook

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Visit the Treasurer's Office Online:

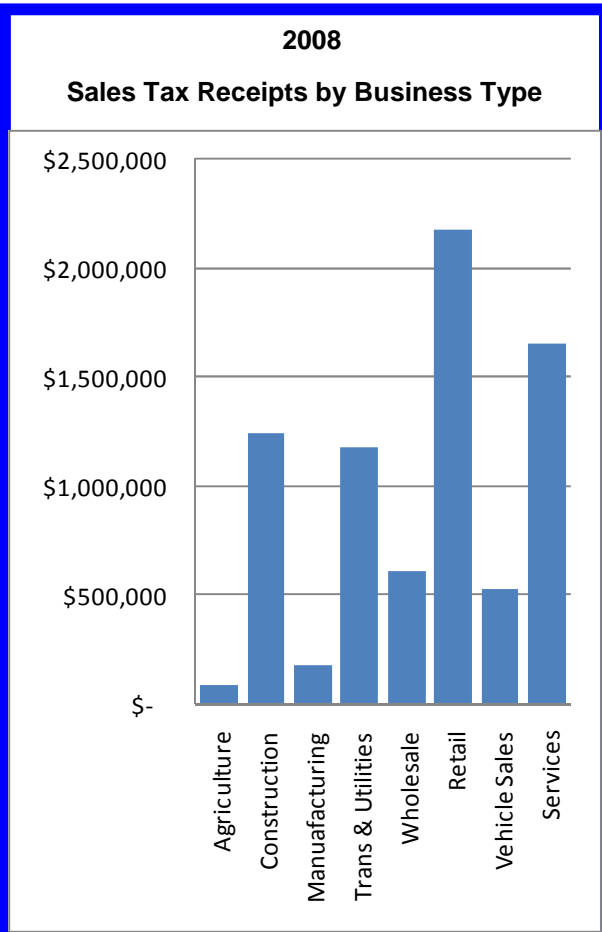
- Review tax information about your parcel
- Make a payment on your parcel
- Obtain past paid amounts for income tax purposes
- And much more.....
- www.co.benton.wa.us/treasurer

This report was written to inform you what has been going on in your office that you have entrusted me to manage. It was written without the governmental, technical jargon with the intent on conveying "just the facts". Is there something missing that would have been useful to you to know about the Treasurer's office? Please let me know. My contact information is on this page.

Best Regards,
Duane A. Davidson, Treasurer



Office of the Benton County Treasurer



Sales tax is the second largest source of revenue for our county after property tax revenue. The economic downturn that has plagued the global economy and even our own state has not been as drastic in our county, there certainly have been impacts, however. The retail and construction trade industries have realized the most notable impacts from the economic times. In 2008, the local construction industry had seen a decrease in sales tax revenues of nearly 19%, while retail trade increased nearly 10%. Since sales tax revenues are so vital to our local economy, our office ensures we are constantly monitoring these fluctuations. The Treasurer's office will continue to develop and implement innovative solutions to maintain this office

as efficient stewards of the public treasury in accordance with our mission statement.

In 2009, we have set the following goals in accordance to our mission statement:

- Develop a detailed, comprehensive debt policy.
- Review and update our Cash Handling Policy.
- Obtain professional "Cash Handling Certification" for all our cashiers.
- Launch a new website that affords greater accessibility of public records and tax information.
- Redesign and remodel our Kennewick office to enhance security and office productivity.