BENTON COUNTY
FOLEY, MINNESOTA

BASIC FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2004

BENTON COUNTY
FOLEY, MINNESOTA
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INTRODUCTORY SECTION

BENTON COUNTY
FOLEY, MINNESOTA
ORGANIZATION
DECEMBER 31, 2004

Office	Name	Term	
		From	To
Commissioners			
1st District	Duane J. Walter	January 2001	January 2005
2nd District	Daniel Lieser	January 2003	January 2007
3rd District	Duane Grandy	January 2003	January 2007
4th District	Richard J. Soyka	January 2001	January 2005
5th District	Earl Bukowski *	January 2001	January 2005
Officers			
Elected			
Attorney	Robert Raupp	January 2003	January 2007
Auditor/Treasurer	Joan Neyssen	January 2003	January 2007
Coroner	Clifford Stiles, M.D.	January 2003	January 2007
County Recorder	Marilyn Novak	January 2003	January 2007
Sheriff	James McMahon, Sr.	January 2003	January 2007
Appointed			
Administrator	Montgomery Headley	Indefinite	
Assessor	Brian Koester	January 2001	January 2005
Court Administrator	Timothy Roberts	Indefinite	
Development Director	Chelle Benson	Indefinite	
Highway Engineer	Robert H. Kozel, P.E.	May 2001	May 2005
Human Services			
Board			
Chair	Earl Bukowksi	January 2001	January 2005
Vice Chair	Daniel Lieser	January 2003	January 2007
Member	Duane J. Walter	January 2001	January 2005
Member	Richard J. Soyka	January 2001	January 2005
Member	Duane Grandy	January 2003	January 2007
Director	Timothy Martin	Indefinite	

* Chair

FINANCIAL SECTION

PATRICIA ANDERSON
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

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525 PARK STREET
SAINT PAUL, MN 55103-2139

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INDEPENDENT AUDITOR'S REPORT

Board of County Commissioners
Benton County

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Benton County, Minnesota, as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Benton County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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 as of December 31, 2004, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the method of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise Benton County's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards,* we have also issued a report dated August 23, 2005, on our consideration of Benton 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. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

PATRICIA ANDERSON
STATE AUDITOR

GREG HIERLINGER, CPA
DEPUTY STATE AUDITOR

End of Fieldwork: August 23, 2005

REQUIRED SUPPLEMENTARY INFORMATION

BENTON COUNTY
FOLEY, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2004

This section of Benton County's annual financial report presents our discussion and analysis of the County's financial performance during the fiscal year that ended on December 31, 2004. The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year, 2004 and the prior year, 2003 is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2003-2004 fiscal years include the following:

- County-wide net assets increased 1.7 percent over the prior year.
- Overall fund-level revenues totaled $27,318,637 and were $2,966,957 less than expenditures.
- The General Fund's fund balance increased $645,614 from the prior year, due primarily to expenditure control measures exacted to manage state-imposed levy limits and state-aid reductions. While General Fund revenues increased 5.2 percent, General Fund expenditures grew by only 0.3 percent.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor's Report, required supplementary information which includes the management's discussion and analysis (this section), the basic financial statements, and required supplementary information other than MD&A. The basic financial statements include two kinds of statements that present different views of the County:

- The first two statements are *county-wide financial statements* which provide both *short-term* and *long-term* information about the County's *overall* financial status.
- The remaining statements are *fund financial statements* which focus on *individual parts* of the County, reporting the County's operations in *more detail* than the county-wide statements.
- The *governmental funds statements* tell how basic services such as general government, human services, and highways and streets were financed in the *short term* as well as what remains for future spending.
- *Fiduciary funds* statements provide information about the financial relationships in which the County acts solely as a *trustee or agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Annual Report Format

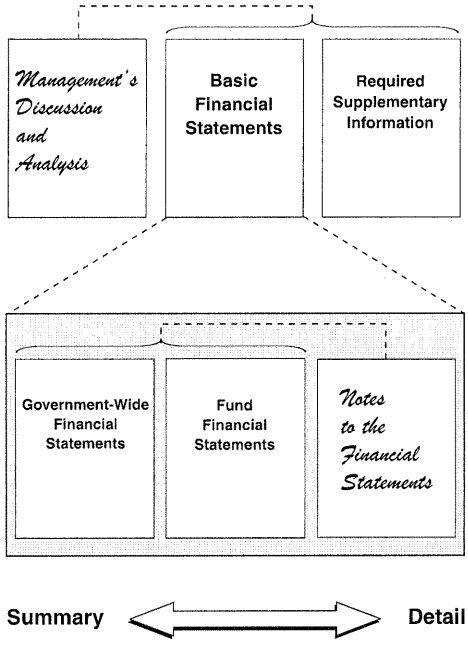

Figure A-2 summarizes the major features of the County's financial statements, including the portion of the County's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2. Major Features of the County's Government-wide and Fund Financial Statements

Type of Statements	Government-wide	Governmental Funds	Fiduciary Funds
Scope	Entire County's government (except fiduciary funds)	The activities of the County that are not proprietary or fiduciary	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	Statement of net assets	Balance sheet	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures and changes in fund balance	Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both short-term and long-term; Agency funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

County-Wide Statements

The county-wide statements report information about the County as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the County's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two county-wide statements report the County's net assets and how they have changed. Net assets – the difference between the County's assets and liabilities – are one way to measure the County's financial health or position.

- Over time, increases or decreases in the County's net assets are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the County you need to consider additional non-financial factors such as changes in the County's property tax base and the condition of county buildings and other facilities.

In the county-wide financial statements the County's activities are shown in one category:

- *Governmental activities* – The County's basic services are included here. Property taxes and state aids finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the County's funds – focusing on its most significant or "major" funds – not the County as a whole. Funds are accounting devices the County uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The County establishes other funds to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The County has two kinds of funds:

- *Governmental funds* – The County's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the additional long-term focus of the county-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Fiduciary funds* – The County is the fiscal agent, or *fiduciary*, for assets that belong to others. The County is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the County's fiduciary activities are reported in a separate statement of fiduciary net assets. We exclude these activities from the county-wide financial statements because the County cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

Net Assets

The County's net assets were $54,038,636 on December 31, 2004. (See Table A-1.)

Table A-1
The County's Net Assets

	Governmental Activities		Percentage
	2004	2003	Change
Current and Other Assets	$ 28,218,856	28,228,411	0.0%
Capital and Non-Current Assets	54,173,326	54,654,524	-0.9%
Total Assets	82,392,182	82,882,935	-0.6%
Current Liabilities	3,694,190	3,730,978	-1.0%
Long Term Liabilities	24,659,356	26,039,383	-5.3%
Total Liabilities	28,353,546	29,770,361	-4.8%
Net Assets			
Invested in Capital Assets Net of Related Debt	29,734,659	29,064,365	2.3%
Restricted	7,945,518	8,019,304	-0.9%
Unrestricted	16,358,459	16,028,905	2.1%
Total Net Assets	$ 54,038,636	$ 53,112,574	1.7%

Changes in Net Assets

The County-wide total revenues were $27,006,879 for the year ended December 31, 2004. Property taxes and intergovernmental revenues accounted for 88% of total revenue for the year. This portion of total revenues is a decrease of 1% from the prior year (See Figure Table A-2.)

Table A-2
Change in Net Assets

	Governmental Activities for the fiscal year ended December 31, 2004	Governmental Activities for the fiscal year ended December 31, 2003	Total % Change
Revenues			
Program Revenues			
Charges for Services	$ 2,323,976	$ 1,917,841	21.2%
Operating Grants and Contributions	7,688,734	7,780,725	-1.2%
Capital Grants and Contributions	1,867,185	2,196,934	-15.0%
General Revenues			
Property Taxes	12,307,195	11,550,002	6.6%
Unrestricted State Aid	2,015,158	2,138,776	-5.8%
Investment Earnings	503,720	477,136	5.6%
Other	300,911	411,936	-27.0%
Total Revenues	27,006,879	26,473,350	2.0%
Expenses			
General Government	3,923,288	4,028,853	-2.6%
Public Safety	5,903,449	5,559,079	6.2%
Highways and Streets	5,761,907	3,713,431	55.2%
Sanitation	-	77,233	-100.0%
Human Services	7,389,553	7,674,892	-3.7%
Health	607,206	623,049	-2.5%
Culture and Recreation	527,227	527,504	-0.1%
Conservation of Natural Resources	465,495	380,568	22.3%
Economic Development	352,441	290,886	21.2%
Interest and Fiscal Charges on Long-term Liabilities	1,150,251	1,180,204	-2.5%
Total Expenses	26,080,817	24,055,699	8.4%
Increase in Net Assets	926,062	2,417,651	-61.7%
Beginning Net Assets	53,112,574	50,694,923	4.8%
Ending Net Assets	$ 54,038,636	$ 53,112,574	1.7%

Total revenues surpassed expenses, increasing net assets $926,062 over last year.

The County-wide cost of all *governmental* activities this year was $26,080,817.

- Some of the cost was paid by the users of the County's programs ($2,323,976).
- The federal and state governments contributed to certain programs with grants and contributions ($9,555,919).
- Most of the County's costs ($14,200,922), however, were paid for by County taxpayers and the taxpayers of our state. This portion of governmental activities was paid for with $12,307,195 in property taxes, $2,015,158 of state aid, and with investment earnings and other general revenues.

Figure A-3 Sources of County's Revenues for Fiscal 2004

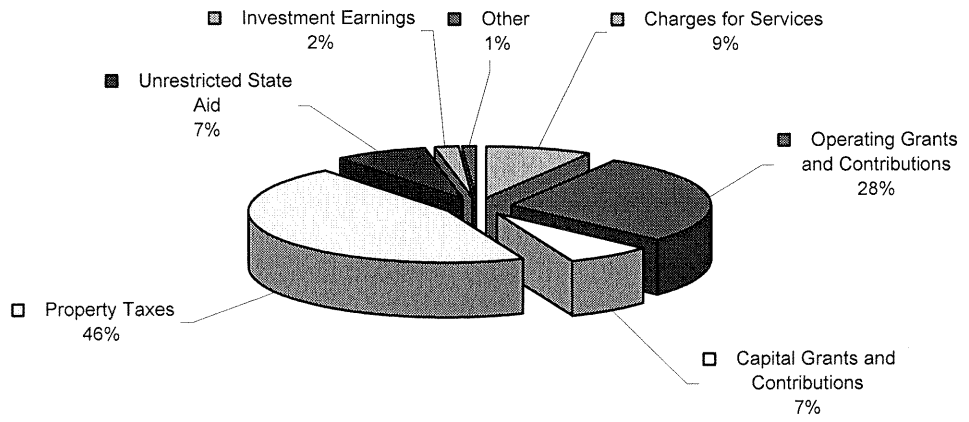

Figure A-4 County's Expenses for Fiscal 2004

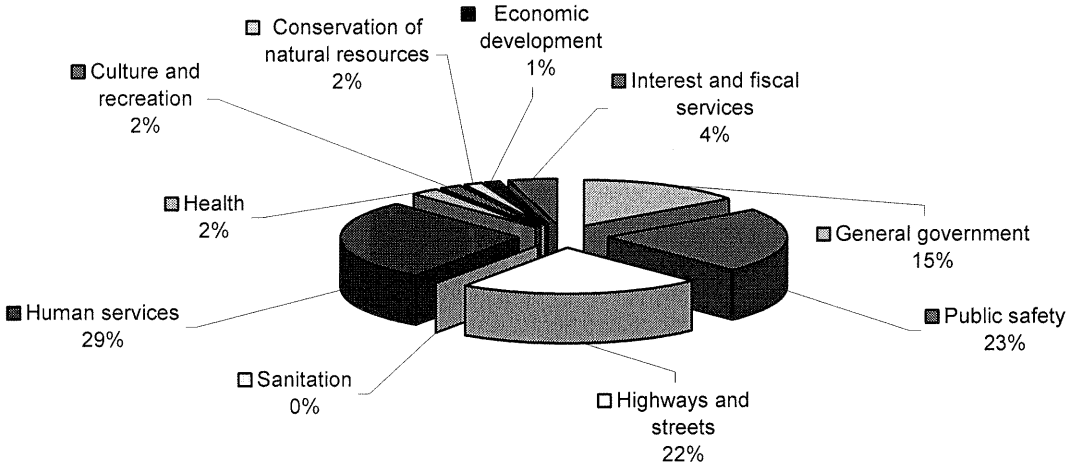

Table A-3
Program Expenses and Net Cost of Services

	Total Cost of Services		Percent	Net Cost of Services		Percent
	2004	2003	Change	2004	2003	Change
General Government	$ 3,923,288	$ 4,028,853	-2.6%	$ 3,209,856	$ 3,321,988	-3.4%
Public Safety	5,903,449	5,559,079	6.2%	4,305,920	4,079,162	5.6%
Highways and Streets	5,761,907	3,713,431	55.2%	2,549,050	1,341,677	90.0%
Sanitation	-	77,233	-100.0%	-	77,233	-100.0%
Human Services	7,389,553	7,674,892	-3.7%	2,215,251	2,687,211	-17.6%
Health	607,206	623,049	-2.5%	167,883	(8,837)	-1999.8%
Culture and Recreation	527,227	527,504	-0.1%	426,194	470,399	-9.4%
Conservation of Natural Resources	465,495	380,568	22.3%	(170,682)	(32,003)	433.3%
Economic Development	352,441	290,886	21.2%	347,199	284,471	22.1%
Interest and Fiscal Charges on Long-term Liabilities	1,150,251	1,180,204	-2.5%	1,150,251	1,180,204	-2.5%
Total	$ 26,080,817	$ 24,055,699	8.4%	$ 14,200,922	$ 13,401,505	6.0%

FINANCIAL ANALYSIS OF THE COUNTY AT THE FUND LEVEL

The financial performance of the County as a whole is reflected in its governmental funds as well. As the County completed the year, its governmental funds reported a *combined* fund balance of $24,872,828.

Revenues for the County's governmental funds were $27,318,637, while total expenditures were $30,285,594. During 2004, the County also issued additional capital notes through Minnesota Public Financing ($432,369) which were used to finance a road project. Also, the County refinanced a capital lease ($2,649,205). These items are included in other financing sources and uses.

GENERAL FUND

Includes the general governmental functions of the County not otherwise accounted for in another fund.

ROAD AND BRIDGE FUND

Accounts for financial activity related to the construction and maintenance of the County road system, including County State-Aid highways and County roads.

HUMAN SERVICES FUND

Accounts for financial activity related to the provision of social services, medical and financial assistance, and public health.

DEBT SERVICE FUND

Accounts for principal, interest, and fiscal agent fees associated with the County's outstanding debt, including general obligation debt and capital leases.

CAPITAL PROJECTS FUND

Accounts for the financing of multi-year capital projects, including those funded with Capital Improvement Plan bonds.

The following schedule presents a summary of General Fund revenues.

Table A-4
General Fund Revenues

Fund	Year Ended December 31, 2004	Year Ended December 31, 2003	Change Increase (Decrease)	Change Percent
Taxes	$ 6,940,958	$ 6,402,671	$ 538,287	8.4%
Intergovernmental	1,714,425	1,972,367	(257,942)	-13.1%
Charges for services	1,549,022	1,290,921	258,101	20.0%
Investment earnings	181,369	160,283	21,086	13.2%
Miscellaneous and other	442,165	467,954	(25,789)	-5.5%
Total General Fund Revenue	$ 10,827,939	$ 10,294,196	$ 533,743	5.2%

Total General Fund revenue increased by $533,743, or 5.2%, from the previous year. Property taxes increased to recover a portion of State Aid cuts in 2004, the only increase permitted under 2004 levy limits. Charges for services increased due to growth in prisoner boarding, charging inmates for housing costs, and a contract for the Sheriff to provide policing to the City of Foley.

The following schedule presents a summary of General Fund expenditures.

Table A-5
General Fund Expenditures

	Year Ended December 31, 2004	Year Ended December 31, 2003	Change Increase (Decrease)	Change Percent
General Government	$ 3,692,758	$ 3,688,161	$ 4,597	0.1%
Public Safety	5,342,179	5,235,355	106,824	2.0%
Sanitation	-	77,233	(77,233)	-100.0%
Health	24,866	11,218	13,648	121.7%
Culture and Recreation	514,252	557,129	(42,877)	-7.7%
Conservation	160,899	208,843	(47,944)	-23.0%
Economic Development	350,093	279,470	70,623	25.3%
Debt Service	7,704	7,704	-	0.0%
Total Expenditures	$ 10,092,751	$ 10,065,113	$ 27,638	0.3%

General Fund Budgetary Highlights

Over the course of the year, the County revised the annual operating budget to reflect prior year carry-over funds in Capital Projects and for new grants.

- Actual revenues were $423,825 more than expected.
- The actual expenditures were $287,836 less than budget.

CONSTRUCTION PROJECTS AND DEBT SERVICE

The Capital Projects Fund is currently being used to track the capital notes and capital improvement bonds approved by the board over the past years. The majority of the construction expenditures are for a new Public Works facility, a Sheriff's radio tower project, road projects, road maintenance equipment and computer equipment.

An annual levy is made to fund the bond payments for all previous bond issues.

CAPITAL ASSETS

By the end of 2004, the County had invested over $88 million (before depreciation) in a broad range of capital assets, including buildings, computers, equipment, and infrastructure. (See Table A-6). (More detailed information about capital assets can be found in Note 3A to the financial statements.) Total depreciation expense for the year was $2,720,069.

Table A-6
The County's Capital Assets

	2004	2003	Percentage Change
Land	$ 2,409,215	$ 2,218,573	8.6%
Right-of-Way	7,740,080	7,528,872	2.8%
Construction in Progress	1,035,221	-	100.0%
Infrastructure	55,824,367	55,748,908	0.1%
Buildings	15,544,717	15,544,717	0.0%
Machinery, Furniture, and Equipment	5,520,207	4,961,964	11.3%
Less: Accumulated Depreciation	(33,900,481)	(31,348,510)	8.1%
Total	$ 54,173,326	$ 54,654,524	-0.9%

Long-term Liabilities

At year-end, the County had $23,345,303 in long-term liabilities outstanding.

- The County's total long-term debt decreased $1,413,631, due primarily to making the payments on previously issued bonds.

Table A-7
The County's Long-term Liabilities

	2004	2003	Percentage Change
General Obligation Bonds and Notes	$ 7,143,000	$ 7,871,840	-9.3%
Loans Payable	147,337	23,112	537.5%
Revenue Bonds Payable	12,650,000	13,045,000	-3.0%
Economic Development Loans Payable	671,974	782,266	-14.1%
Capital Leases Payable	2,732,992	3,036,716	-10.0%
Total	$ 23,345,303	$ 24,758,934	-5.7%

FACTORS BEARING ON THE COUNTY'S FUTURE

A growing population and an aging infrastructure are among the major factors affecting the County's financial condition and spending needs. A reimposition of levy limits or a levy freeze could create significant challenges for the County in meeting these needs. While the County has experienced healthy tax capacity growth in recent years, levy limits have not allowed the County to capture new revenue resulting from that growth.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the county's finances and to demonstrate the county's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Montgomery Headley, County Administrator at (320) 968-5004.

BASIC FINANCIAL STATEMENTS

BENTON COUNTY
FOLEY, MINNESOTA

STATEMENT OF NET ASSETS
DECEMBER 31, 2004

		Governmental Activities
Assets		
Cash and pooled investments	$	17,869,881
Petty cash and change funds		2,900
Cash with fiscal agent		6,264,570
Taxes receivable		
Delinquent		292,374
Special assessments receivable		
Delinquent		1,751
Deferred		2,782
Accounts receivable		96,492
Accrued interest receivable		165,127
Loans receivable		783,287
Due from other governments		2,414,636
Inventories		238,088
Deferred debt issue costs		86,968
Non-depreciable capital assets		
Land		2,409,215
Right-of-way		7,740,080
Construction in progress		1,035,221
Depreciable capital assets		
Buildings (net)		11,962,069
Machinery, vehicles, furniture, and equipment (net)		3,053,084
Infrastructure (net)		27,973,657
Total Assets	**$**	**82,392,182**
Liabilities		
Accounts payable	$	565,710
Salaries payable		205,748
Contracts payable		93,935
Due to other governments		492,151
Accrued interest payable		391,855
Compensated absences - due in less than one year		69,161
General obligation bonds and notes payable - due in less than one year		985,000
Loans payable - due in less than one year		49,144
Revenue bonds payable - due in less than one year		395,000
Economic development loans payable - due in less than one year		110,292
Capital leases payable - due in less than one year		336,194
Compensated absences - due in more than one year		1,314,053
General obligation bonds and notes payable - due in more than one year		7,143,000
Loans payable - due in more than one year		147,337
Revenue bonds payable - due in more than one year		12,650,000
Economic development loans payable - due in more than one year		671,974
Capital leases payable - due in more than one year		2,732,992
Total Liabilities	**$**	**28,353,546**
Net Assets		
Invested in capital assets net of related debt	$	29,734,659
Restricted for		
Debt service		6,264,570
Economic development		1,191,522
Contingency funds		24,783
Recorders' equipment		61,437
Natural resources block grant		61,752
SCORE		114,879
E911		220,072
Gravel pit		6,503
Unrestricted		16,358,459
Total Net Assets	**$**	**54,038,636**

The notes to the financial statements are an integral part of this statement.

BENTON COUNTY
FOLEY, MINNESOTA

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2004

Functions/Programs	Expenses	Program Revenues: Fees, Charges, Fines and Other	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Governmental Activities
Primary Government					
Governmental activities:					
General government	$ 3,923,288	$ 614,483	$ 98,949	$ -	$ (3,209,856)
Public safety	5,903,449	1,111,791	485,738	-	(4,305,920)
Highways and streets	5,761,907	129,574	1,687,462	1,395,821	(2,549,050)
Human services	7,389,553	355,626	4,818,676	-	(2,215,251)
Health	607,206	42,438	396,885	-	(167,883)
Culture and recreation	527,227	32,008	69,025	-	(426,194)
Conservation of natural resources	465,495	38,056	126,757	471,364	170,682
Economic development	352,441	-	5,242	-	(347,199)
Interest	1,150,251	-	-	-	(1,150,251)
Total governmental activities	**$ 26,080,817**	**$ 2,323,976**	**$ 7,688,734**	**$ 1,867,185**	**$ (14,200,922)**

General revenues:	
Property taxes	12,307,195
Gravel taxes	17,784
Mortgage registry and deed tax	45,655
Payments in lieu of tax	8,760
Grants and contibutions not restricted to specific programs	2,015,158
Unrestricted investment earnings	503,720
Miscellaneous	228,712
Total general revenues, transfers, and other items	$ 15,126,984
Change in net assets	**926,062**
Net assets - beginning, as restated (see Note 1E)	**53,112,574**
Net assets - ending	**$ 54,038,636**

The notes to the financial statements are an integral part of this statement.

BENTON COUNTY
FOLEY, MINNESOTA

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	General	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and pooled investments	$ 4,382,302	$ 1,898,799	$ 3,340,904	$ 2,238,213	$ 3,566,635	$ 2,443,028	$ 17,869,881
Petty cash and change funds	2,900	-	-	-	-	-	2,900
Cash with fiscal agent	-	-	-	6,264,570	-	-	6,264,570
Taxes receivable							
Delinquent	163,168	26,159	59,919	42,893	235	-	292,374
Special assessments receivable							
Delinquent	270	-	-	-	-	1,481	1,751
Deferred	270	-	-	-	-	2,512	2,782
Accounts receivable	50,728	-	24,258	-	-	21,506	96,492
Accrued interest receivable	43,143	-	-	115,074	6,910	-	165,127
Due from other funds	31,635	-	-	-	-	-	31,635
Due from other governments	86,142	1,667,140	648,059	-	-	13,295	2,414,636
Inventories	-	238,088	-	-	-	-	238,088
Loans receivable	-	-	-	-	-	783,287	783,287
Advances to other funds	9,230	-	-	-	-	-	9,230
Total Assets	**$ 4,769,788**	**$ 3,830,186**	**$ 4,073,140**	**$ 8,660,750**	**$ 3,573,780**	**$ 3,265,109**	**$ 28,172,753**
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 129,060	$ 43,983	$ 345,620	$ -	$ 13,959	$ 33,088	$ 565,710
Salaries payable	117,427	21,998	66,323	-	-	-	205,748
Contracts payable	-	93,935	-	-	-	-	93,935
Due to other funds	-	327	30,182	-	-	1,126	31,635
Due to other governments	158,565	155	333,391	-	-	40	492,151
Deferred revenue-unavailable	163,708	1,630,768	59,919	42,893	235	3,993	1,901,516
Advance from other funds	-	-	-	-	-	9,230	9,230
Total Liabilities	**$ 568,760**	**$ 1,791,166**	**$ 835,435**	**$ 42,893**	**$ 14,194**	**$ 47,477**	**$ 3,299,925**
Fund Balances							
Reserved for							
Inventories	$ -	$ 238,088	$ -	$ -	$ -	$ -	$ 238,088
Advances to other funds	9,230	-	-	-	-	-	9,230
Gravel pit closure	-	-	-	-	-	6,503	6,503
Recorders' equipment	-	-	-	-	-	61,437	61,437
E-911	-	-	-	-	-	220,072	220,072
Contingency funds	-	-	-	-	-	24,783	24,783
SCORE	-	-	-	-	-	114,879	114,879
Natural resources block grant	-	-	-	-	-	61,752	61,752
Economic development	-	-	-	-	-	1,191,522	1,191,522
Cash with fiscal agent	-	-	-	6,264,570	-	-	6,264,570
Unreserved							
Designated for debt service	-	-	-	2,353,287	-	-	2,353,287
Designated for future expenditures	-	-	-	-	3,559,586	-	3,559,586
Undesignated	4,191,798	1,800,932	3,237,705	-	-	-	9,230,435
Unreserved, reported in nonmajor:							
Special revenue funds	-	-	-	-	-	1,536,684	1,536,684
Total Fund Balances	**$ 4,201,028**	**$ 2,039,020**	**$ 3,237,705**	**$ 8,617,857**	**$ 3,559,586**	**$ 3,217,632**	**$ 24,872,828**
Total Liabilities and Fund Balances	**$ 4,769,788**	**$ 3,830,186**	**$ 4,073,140**	**$ 8,660,750**	**$ 3,573,780**	**$ 3,265,109**	**$ 28,172,753**

The notes to the financial statements are an integral part of this statement.

BENTON COUNTY
FOLEY, MINNESOTA

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS--GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2004

Fund balances- total governmental funds		**$ 24,872,828**
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		54,173,326
Delinquent taxes, delinquent and deferred special assessments, and certain state-aid highway allotments are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.		1,901,516
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
General obligation bonds and notes	$ 8,128,000	
Economic development loans	782,266	
Revenue bonds	13,045,000	
Capital leases	3,069,186	
Loans payable	196,481	
Deferred debt issue costs	(86,968)	
Compensated absences	1,383,214	
Accrued interest payable	391,855	(26,909,034)
Net assets of governmental activities		**$ 54,038,636**

The notes to the financial statements are an integral part of this statement.

BENTON COUNTY
FOLEY, MINNESOTA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	General	Road and Bridge	Human Services	Debt Service	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	$ 6,940,958	$ 978,448	$ 2,462,710	$ 1,860,880	$ 134	$ 117,190	$ 12,360,320
Special assessments	648	-	-	-	-	470,716	471,364
Licenses and permits	148,384	12,500	-	-	-	8,444	169,328
Intergovernmental	1,714,425	3,367,818	5,625,104	215,639	-	220,653	11,143,639
Charges for services	1,549,022	86,191	290,680	-	-	136,164	2,062,057
Fines and forfeits	57,667	-	-	-	-	32,086	89,753
Gifts and contributions	4,800	-	-	-	1,975	-	6,775
Investment earnings	181,369	-	-	276,529	45,822	7,142	510,862
Miscellaneous	230,666	79,476	107,384	9	531	86,473	504,539
Total Revenues	**$ 10,827,939**	**$ 4,524,433**	**$ 8,485,878**	**$ 2,353,057**	**$ 48,462**	**$ 1,078,868**	**$ 27,318,637**
Expenditures							
Current							
General government	$ 3,692,758	$ -	$ -	$ -	$ -	$ 209,840	$ 3,902,598
Public safety	5,342,179	-	-	-	-	206,017	5,548,196
Highways and streets	-	4,982,520	-	-	-	-	4,982,520
Human services	-	-	7,586,682	-	-	-	7,586,682
Health	24,866	-	582,340	-	-	-	607,206
Culture and recreation	514,252	-	-	-	-	2,400	516,652
Conservation of natural resources	160,899	-	-	-	-	304,596	465,495
Economic development	350,093	-	-	-	-	2,348	352,441
Capital outlay	-	-	-	-	752,359	-	752,359
Debt service							
Principal retirement	7,704	129,840	-	4,095,522	-	107,670	4,340,736
Interest	-	9,496	-	1,155,753	-	15,709	1,180,958
Fiscal charges	-	750	-	5,360	-	-	6,110
Bond issuance costs	-	-	-	43,641	-	-	43,641
Total Expenditures	**$ 10,092,751**	**$ 5,122,606**	**$ 8,169,022**	**$ 5,300,276**	**$ 752,359**	**$ 848,580**	**$ 30,285,594**
Excess of Revenues Over (Under) Expenditures	**$ 735,188**	**$ (598,173)**	**$ 316,856**	**$ (2,947,219)**	**$ (703,897)**	**$ 230,288**	**$ (2,966,957)**
Other Financing Sources (Uses)							
Transfers in	$ 213,236	$ 371,014	$ -	$ 360,936	$ -	$ 10,643	$ 955,829
Transfers out	(302,810)	-	-	-	(570,733)	(82,286)	(955,829)
Proceeds from notes and loans	-	432,369	-	-	-	-	432,369
Proceeds from capital lease	-	-	-	2,649,205	-	-	2,649,205
Total Other Financing Sources (Uses)	**$ (89,574)**	**$ 803,383**	**$ -**	**$ 3,010,141**	**$ (570,733)**	**$ (71,643)**	**$ 3,081,574**
Net Change in Fund B alances	**$ 645,614**	**$ 205,210**	**$ 316,856**	**$ 62,922**	**$ (1,274,630)**	**$ 158,645**	**$ 114,617**
Fund Balance - January 1	3,555,414	1,805,187	2,920,849	8,554,935	4,834,216	3,058,987	24,729,588
Increase (decrease) in reserved for inventories	-	28,623	-	-	-	-	28,623
Fund Balance - December 31	**$ 4,201,028**	**$ 2,039,020**	**$ 3,237,705**	**$ 8,617,857**	**$ 3,559,586**	**$ 3,217,632**	**$ 24,872,828**

The notes to the financial statements are an integral part of this statement.

BENTON COUNTY
FOLEY, MINNESOTA

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES--GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2004

Net change in fund balances - total governmental funds		$ 114,617
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay 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.		
Expenditures for general capital assets, infrastructure, and other related capital assets adjustments	$ 2,238,871	
Current year depreciation	(2,720,069)	(481,198)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(38,769)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. The net proceeds for debt issuance are:		(3,037,933)
Repayment of debt principal is an expenditure in the governmental funds. but the repayment reduces long-term liabilities in the statement of net assets.		
Principal repayments:		
General obligation bonds and notes	$ 999,840	
Economic development loans	107,670	
Revenue bonds	370,000	
Loans payable	7,704	
Capital lease	2,855,522	4,340,736
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
Change in accrued interest payable	$ 42,500	
Amortization of discounts and deferred issuance charges	(5,683)	
Change in compensated absences	(36,831)	
Change in inventories	28,623	28,609
Change in net assets of governmental activities		**$ 926,062**

The notes to the financial statements are an integral part of this statement.

BENTON COUNTY
FOLEY, MINNESOTA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2004

	Agency Funds
Assets	
Cash and pooled investments	$ 1,423,929
Liabilities	
Due to other governments	$ 1,423,929

The notes to the financial statements are an integral part of this statement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for the year ended December 31, 2004. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations). The more significant accounting policies established in GAAP and used by the County are discussed below.

A. Financial Reporting Entity

Benton County was established October 27, 1849, and is an organized county having the powers, duties, and privileges granted counties by Minn. Stat. ch. 373. As required by accounting principles generally accepted in the United States of America, these financial statements present Benton County (primary government) and its component units for which the County is financially accountable. The County is governed by a five-member Board of Commissioners elected from districts within the County. The Board is organized with a chair and vice chair elected at the annual meeting in January of each year.

Blended Component Units

Blended component units are legally separate organizations that are so intertwined with the County that they are, in substance, the same as the County and, therefore, are reported as if they were part of the County. Benton County has two blended component units.

Component Units	Component Unit Reporting Entity Because	Separate Financial Statements
Regional Railroad Authority (RRA) provides for the preservation or improvement of rail transportation within the County.	County Commissioners are the members of the RRA Board.	Separate financial statements are not prepared.
Housing and Redevelopment Authority of Benton County (HRA)	County Commissioners are the members of the HRA Board.	Separate financial statements are not prepared.

Joint Ventures

The County participates in several joint ventures which are described in Note 6.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements

1. Government-Wide Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) display information about the primary government and its component units. These statements include the financial activities of the overall County government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

In the government-wide statement of net assets, the governmental activities are presented on a consolidated basis, and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts: (1) invested in capital assets, net of related debt; (2) restricted net assets; and (3) unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities.

The statement of activities demonstrates the degree to which the direct expenses of each function of the County's governmental activities are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) fees, fines, and charges paid by the recipients of goods, services, or privileges provided by a given function or activity; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

2. Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category--governmental and fiduciary--are presented. The emphasis of governmental fund financial statements is on major individual governmental funds, with each major fund displayed as a separate column in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basic Financial Statements (Continued)

2. Fund Financial Statements (Continued)

The 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 required to be accounted for in another fund.

The Road and Bridge Special Revenue Fund is used to account for revenues and expenditures of the County Highway Department which is responsible for the construction and maintenance of roads, bridges, and other projects affecting County roadways.

The Human Services Special Revenue Fund is used to account for economic assistance and community social services programs.

The Debt Service Fund is used to account for the accumulation of resources for, and the payments of, principal, interest and related costs of the County's long-term bonds.

The Capital Projects Fund is used to account for financial resources to be used for capital acquisition, construction, or improvement of capital facilities.

Additionally, the County reports the following fund types:

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. These funds account for assets that the County holds for others in an agency capacity. Since, by definition, these assets are being held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus and Basis of Accounting

The government-wide and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Benton County considers all revenues to be available if they are collected within 90 days after the end of the current period. Property and other taxes, licenses, and interest are all considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent that they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Auditor/Treasurer for the purpose of increasing earnings through investment activities. Pooled and fund investments are reported at their fair value at December 31, 2004, based on market prices. Investment earnings are allocated to the Miscellaneous Special Revenue Fund based on cash balances set aside for specific purposes within that fund. Pursuant to Minn. Stat. § 385.07, investment earnings on cash and pooled investments are credited to the General Fund. Other funds received investment earnings based on other state statutes, grant agreements, contracts, and bond covenants. Pooled investment earnings for 2004 were $181,369.

Benton County invests in an external investment pool, the Minnesota Association of Governments Investing for Counties (MAGIC) Fund, which is created under a joint powers agreement pursuant to Minn. Stat. § 471.59. The MAGIC Fund is not registered with the Securities and Exchange Commission, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Therefore, the fair value of the County's position in the pool is the same as the value of the pool shares.

Minn. Stat. §§ 118A.04 and 118A.05 generally authorize the following types of investments as available to the County:

a) securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minn. Stat. § 118A.04, subd. 6;

b) mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

1. Deposits and Investments (Continued)

   c) general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;

   d) bankers' acceptances of United States banks;

   e) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and

   f) with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

2. Receivables and Payables

   Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

   All other outstanding balances between funds are reported as "due to/from other funds."

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

   Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due October 15.

   Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. No provision has been made for an estimated uncollectible amount.

   Special assessments receivable consist of delinquent special assessments payable in the years 1999 through 2004, and deferred special assessments payable in 2005 and after. No provision has been made for an estimated uncollectible amount.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

3. Inventories

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories in governmental funds are recorded as expenditures when purchased rather than when consumed. Reported inventories are equally offset by reserved fund balance to indicate they do not constitute available spendable resources.

4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 for all capital assets, except for buildings, which use a threshold of $25,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

4. Capital Assets (Continued)

Property, plant, and equipment of the County are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Building improvements	20
Public domain infrastructure	25-35
Furniture, equipment, and vehicles	5-20

5. Compensated Absences

The liability for compensated absences reported in the financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included. Compensated absences are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

6. Deferred Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

9. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Prior Period Adjustment

During 2004, the County corrected its recognition of highway allotment revenue received from the State of Minnesota related to prior periods.

Government - Wide Net Assets		
Net Assets January 1, as previously reported	$	52,491,921
Road and Bridge allotments		620,653
Net Assets January 1, as restated	$	53,112,574

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit Fund Equity

The Regional Railroad Authority Special Revenue Fund had a deficit fund balance as of December 31, 2004, of $1,126. This deficit will be eliminated with future tax levies.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Assets

1. Deposits and Investments

The County's total cash and investments are reported as follows:

Cash and pooled investments	$	17,869,881
Petty cash and change funds		2,900
Cash with fiscal agent		6,264,570
Agency funds cash and pooled investments		1,423,929
Total Cash and Investments	$	25,561,280

Minn. Stat. §§ 118A.02 and 118A.04 authorize the County to deposit its cash and to invest in certificates of deposit in financial institutions designated by the County Auditor/Treasurer. At December 31, 2004, the carrying amount of the County's deposits totaled $16,690,969. The bank balance deposit amount was $17,206,773. Minnesota statutes require that all County deposits be covered by insurance, surety bond, or collateral.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Following is a summary of the deposits covered by insurance or collateral at December 31, 2004.

	Bank Balance
Covered Deposits	
Insured, or collateralized with securities held by the County or its agent in the County's name	$ 500,000
Collateralized with securities held by the pledging financial institution's agent in the County's name	16,706,773
Total covered deposits	$ 17,206,773

Three levels of custodial credit risk for securities are defined by generally accepted accounting principles:

(1) securities that are insured or registered, or for which the securities are held by the County or its agent in the County's name;

(2) securities that are uninsured and unregistered and are held by the counterparty's trust department or agent in the County's name; and

(3) securities that are uninsured and unregistered and are held by the counterparty, or by its trust department or agent, but not in the County's name.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

1. Deposits and Investments (Continued)

Following is a summary of the fair values of the County's investments, categorized into the aforementioned levels of risk, at December 31, 2004:

	Custodial Credit Risk			
	1	2	3	Fair Value
U.S. government securities	$ 21,244	$ -	$ -	$ 21,244
Negotiable certificates of deposit	675,808	-	-	675,808
Money market with fiscal agent	6,264,570	-	-	6,264,570
Total Investments	$ 6,961,622	$ -	$ -	$ 6,961,622

Minnesota Association of Governments Investing for Counties (MAGIC) funds	1,613,304
Checking accounts	137,101
Savings account	14,571,183
Certificates of deposit	1,982,685
Mutual funds	292,485
Petty cash	2,900
Total Cash and Investments	$ 25,561,280

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Capital Assets

Capital asset activity for the year ended December 31, 2004, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,218,573	$ 190,642	$ -	$ 2,409,215
Infrastructure, right-of-way	7,528,872	211,208	-	7,740,080
Construction in progress	-	1,035,221	-	1,035,221
Total capital assets, not being depreciated	9,747,445	1,437,071	-	11,184,516
Capital assets being depreciated:				
Buildings	15,544,717	-	-	15,544,717
Machinery, furniture, and equipment	4,961,964	741,600	(183,357)	5,520,207
Infrastructure	55,748,908	75,459	-	55,824,367
Total capital assets being depreciated	76,255,589	817,059	(183,357)	76,889,291
Less accumulated depreciation for:				
Buildings	(3,243,912)	(338,736)	-	(3,582,648)
Machinery, furniture, and equipment	(2,289,409)	(345,812)	168,098	(2,467,123)
Infrastructure	(25,815,189)	(2,035,521)	-	(27,850,710)
Total accumulated depreciation	(31,348,510)	(2,720,069)	168,098	(33,900,481)
Total capital assets, depreciated, net	44,907,079	(1,903,010)	(15,259)	42,988,810
Governmental Activities Capital Assets, Net	$ 54,654,524	$ (465,939)	$ (15,259)	$ 54,173,326

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Assets (Continued)

2. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities		
General government	$	124,365
Public safety		355,253
Highways and streets, including depreciation of infrastructure assets		2,159,954
Human services		69,922
Culture and recreation		10,575
Total Depreciation Expense - Governmental Activities	$	2,720,069

B. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of December 31, 2004, is as follows:

1. Due To/From Other Funds

Receivable Fund	Payable Fund		Amount
General	Road and Bridge	$	327
	Human Services		30,182
	Regional Railroad Authority		1,126
Total Due to General Fund		$	31,635

The due from other funds above relate to: (1) payment of various legal services and phone charges for the Human Services Fund; (2) phone reimbursements for the Road and Bridge Fund; and (3) transfer of funds to the Regional Railroad Authority Fund to cover the negative cash balance.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Interfund Receivables, Payables, and Transfers (Continued)

2. Advances From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	Ditch	$ 9,230

In 2004, the County General Fund advanced Ditches 9 and 14 funds to make needed repairs. The advance is being paid off in the future when sufficient funds are available.

3. Interfund Transfers

Interfund transfers for the year ended December 31, 2004, consisted of the following:

Transfers to General Fund from		
Capital Projects Fund	$ 213,236	Provide funds for capital equipment
Transfers to Road and Bridge Fund from		
General Fund	13,517	Provide funds for county portion of a corridor study
Capital Projects Fund	357,497	Provide funds for capital equipment
Total Transfer to Road and Bridge Fund	371,014	
Transfers to Debt Service Fund from		
Miscellaneous Fund	82,286	Provide funds for landfill debt payment
General Fund	278,650	Provide funds for courts facility debt payment
Total Transfer to Debt Service Fund	360,936	
Transfers to Miscellaneous Fund from		
General Fund	10,643	Provide funds to restore contingency accounts
Total Interfund Transfers	$ 955,829	

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities

1. Deferred Revenues

Deferred revenues consists of taxes and special assessments receivable that are not collected soon enough after year-end to pay liabilities of the current year, and state and federal grants received but not yet earned. Deferred revenue at December 31, 2004, is summarized below by fund:

	Special Assessments	Taxes	Grants	Total
Major Governmental Funds				
General	$ 540	$163,168	$ -	$ 163,708
Road and Bridge	-	26,159	1,604,609	1,630,768
Human Services	-	59,919	-	59,919
Debt Service Fund	-	42,893	-	42,893
Capital Projects Fund	-	235	-	235
Total Major Governmental Funds	540	292,374	1,604,609	1,897,523
Other Governmental Funds	3,993	-	-	3,993
	$ 4,533	$292,374	$1,604,609	$1,901,516
Deferred Revenue:				
Unavailable	$ 4,533	$292,374	$1,604,609	$1,901,516

2. Long-Term Debt

Governmental Activities

Types of Indebtedness	Maturity Date	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2004
General Obligation Bonds					
1994 G.O. Landfill Bonds	2005	$85,000 – 90,000	4.20-5.25	$ 860,000	$ 85,000
1995 G.O. State Aid Bonds	2005	$40,000 – 90,000	4.25-5.10	720,000	90,000
2002 G.O. Capital Improvement Bonds	2018	$155,000- 275,000	4.00-5.00	3,065,000	2,910,000
2003 G.O. Capital Improvement Bonds	2018	$170,000- 325,000	2.00-3.85	3,500,000	3,295,000
Total general obligation bonds				$ 8,145,000	$ 6,380,000

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

2. Long-Term Debt (Continued)

Governmental Activities (Continued)

Types of Indebtedness	Maturity Date	Installment Amounts	Interest Rates (%)	Original Issue Amount	Outstanding Balance December 31, 2004
General Obligation Capital Notes					
2002 G.O. Capital Notes	2007	$365,000-$400,000	2.70-3.75	$ 1,530,000	$ 1,165,000
2002 G.O. Capital Improvement Notes	2011	$42,000-$52,000	2.15	469,000	338,000
2003 G.O. Capital Notes	2008	$60,000-$65,000	1.20-2.65	305,000	245,000
Total general obligation capital notes				$ 2,304,000	$ 1,748,000
Revenue Bonds					
1995 Jail Lease Revenue Bonds	2016	$265,000-$755,000	4.45-5.70	$ 9,150,000	$ 6,660,000
2001 Jail Lease Revenue Refunding Bonds	2016	$450,000-$730,000	4.00-4.70	6,385,000	6,385,000
Total revenue bonds				$ 15,535,000	$ 13,045,000
Capital Leases					
2004 lease purchase with Norwest Investment Services, Inc., to finance a courts facilities building	2014	$82,500-$165,026	4.68	$ 2,649,205	$ 2,566,705
1998 lease purchase with Norwest Investment Services, Inc., to fund future highway projects	2008	$44,134-$68,674	5.27	1,000,000	502,481
Total capital leases				$ 3,649,205	$ 3,069,186
Loans					
Minnesota Department of Trade and Economic Development septic system replacement loans	2007	$3,852	interest-free	$ 76,725	$ 23,112
City of Foley, County Road 43 Improvement Loan	2008	$41,440-$45,283	3.00	173,369	173,369
Total loans				$ 250,094	$ 196,481
Economic Development Loans					
Local economic development loans	2005	$32,772	3.50	$ 200,000	$ 31,332
U.S. Department of Agriculture	2025	$27,146	1.00	660,000	511,736
Minnesota Department of Trade and Economic Development	2008	$5,288	3.00	400,000	239,198
Total economic development loans				$ 1,260,000	$ 782,266

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

3. Debt Service Requirements

Debt service requirements at December 31, 2004, were as follows:

Governmental Activities

Year Ending December 31	General Obligation Bonds		Capital Notes		Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	$ 505,000	$ 237,045	$ 480,000	$ 45,220	$ 395,000	$ 637,063	$ 356,194	$ 142,548
2006	340,000	222,350	496,000	31,730	865,000	607,003	352,813	125,928
2007	365,000	211,146	507,000	15,223	915,000	565,839	370,257	108,485
2008	375,000	198,911	113,000	5,161	960,000	521,998	368,566	90,176
2009	395,000	185,436	49,000	3,268	1,025,000	474,724	264,960	72,815
2010-2014	2,210,000	687,701	103,000	3,333	6,000,000	1,540,102	1,356,396	163,588
2015-2019	2,190,000	196,049	-	-	2,885,000	152,296	-	-
Total	$ 6,380,000	$ 1,938,638	$ 1,748,000	$ 103,935	$ 13,045,000	$ 4,499,025	$ 3,069,186	$ 703,540

Year Ending December 31	Loans Payable		Economic Development Loans	
	Principal	Interest	Principal	Interest
2005	$ 49,144	$ 5,201	$ 110,292	$ 12,739
2006	50,387	3,958	80,912	9,696
2007	51,668	2,677	82,919	7,689
2008	45,282	1,359	84,982	5,625
2009	-	-	23,791	4,237
2010-2014	-	-	118,097	17,633
2015-2019	-	-	124,121	11,609
2020-2024	-	-	130,453	5,277
2025-2028	-	-	26,699	267
Total	$ 196,481	$ 13,195	$ 782,266	$ 74,772

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Liabilities (Continued)

4. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2004, was as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable					
General Obligation Bonds	$ 6,910,000	$ -	$ 530,000	$ 6,380,000	$ 505,000
G.O. Capital Notes	1,958,840	259,000	469,840	1,748,000	480,000
Jail Lease Revenue Bonds	13,415,000	-	370,000	13,045,000	395,000
Total Bonds Payable	22,283,840	259,000	1,369,840	21,173,000	1,380,000
Capital Leases	3,275,503	2,649,205	2,855,522	3,069,186	336,194
Loans Payable	30,816	173,369	7,704	196,481	49,144
Economic Development Loans	889,936	-	107,670	782,266	110,292
Compensated Absences, Net	1,346,383	36,831	-	1,383,214	69,161
Governmental Activity Long-Term Liabilities	$ 27,826,478	$ 3,118,405	$ 4,340,736	$ 26,604,147	$ 1,944,791

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Plan Description

All full-time and certain part-time employees of Benton County are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). The PERA administers the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund, which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minn. Stat. chs. 353 and 356.

Public Employees Retirement Fund members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security, and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the Public Employees Police and Fire Fund. Members who are employed in a county correctional institution and have direct contact with inmates, are covered by the Public Employees Correctional Fund.

The PERA provides retirement benefits as well as disability benefits to members and benefits to survivors upon death of eligible members. Benefits are established by state statute and vest after three years of credited service. The retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first ten years of service and 2.7 percent for each remaining year. For a Coordinated Plan member, the annuity accrual rate is 1.2 percent of average salary for each of the first ten years and 1.7 percent for each successive year.

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

A. Plan Description (Continued)

Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For Public Employees Police and Fire Fund members, the annuity accrual rate is 3 percent for each year of service. For Public Employees Correctional Fund members, the annuity accrual rate is 1.9 percent of average salary for each year of service.

For all Public Employees Retirement Fund members whose annuity is calculated using Method 1, and for all Public Employees Police and Fire Fund and Public Employees Correctional Fund members, a full annuity is available when age plus years of service equal 90. A reduced retirement annuity is also available to eligible members seeking early retirement.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not yet receiving them are bound by the provisions in effect at the time they last terminated public service.

The PERA issues a publicly available financial report that includes financial statements and required supplementary information for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund. That report may be obtained on the web at mnpera.org, by writing to PERA at 60 Empire Drive, Suite 200, Saint Paul, Minnesota 55103-2088, or by calling 651-296-7460 or 1-800-652-9026.

NOTE 4 EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS (CONTINUED)

B. Funding Policy

Pension benefits are funded from member and employer contributions and income from the investment of fund assets.

Minn. Stat. ch. 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The County makes annual contributions to the pension plans equal to the amount required by state statutes. Public Employees Retirement Fund Basic Plan members and Coordinated Plan members are required to contribute 9.10 and 5.10 percent, respectively, of their annual covered salary. Public Employees Police and Fire Fund members are required to contribute 6.20 percent of their annual covered salary. Public Employees Correctional Fund members are required to contribute 5.83 percent of their annual covered salary.

The County is required to contribute the following percentages of annual covered payroll:

Public Employees Retirement Fund	
Basic Plan Members	11.78%
Coordinated Plan Members	5.53%
Public Employees Police and Fire Fund	9.30%
Public Employees Correctional Fund	8.75%

The County's contributions for the years ending December 31, 2004, 2003, and 2002, for the Public Employees Retirement Fund, the Public Employees Police and Fire Fund, and the Public Employees Correctional Fund, were:

	Public Employees Retirement Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund
2004	$ 408,183	$ 116,605	$ 109,700
2003	374,811	99,082	108,048
2002	363,812	95,595	102,392

These contribution amounts are equal to the contractually required contributions for each year as set by state statute.

NOTE 5 RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. The County has entered into a joint powers agreement with other Minnesota counties to form the Minnesota Counties Insurance Trust (MCIT). The County is a member of both the MCIT Workers' Compensation and Property and Casualty Divisions. For other risk, the County carries commercial insurance. There were no significant reductions in insurance from the prior year. The amount of settlements did not exceed insurance coverage for the past three fiscal years.

The Workers' Compensation Division of MCIT is self-sustaining based on the contributions charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. MCIT participates in the Workers' Compensation Reinsurance Association with coverage at $720,000 and $760,000 per claim in 2004 and 2005, respectively. Should the MCIT Workers' Compensation Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

The Property and Casualty Division of MCIT is self-sustaining and the County pays an annual premium to cover current and future losses. The MCIT carries reinsurance for its property lines to protect against catastrophic losses. Should the MCIT Property and Casualty Division liabilities exceed assets, MCIT may assess the County in a method and amount to be determined by MCIT.

NOTE 6 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS

Joint Ventures

Stearns-Benton Employment and Training Council

The Stearns-Benton Employment Training Council was created for the purpose of undertaking, implementing, and maintaining the programs established under the Job Training Partnership Act of 1982 and other federal and state laws and regulations governing the establishment and implementation of programs within the areas governed by Stearns and Benton Counties. The council is an organized join venture having the duties, powers, and privileges granted joint powers by Minn. Stat. § 471.59. The Council is governed by an Elected Officials Board and Private Industry Council (PIC). The Elected Officials Board is composed of two commissioners each from Stearns and Benton Counties and one PIC Board member. The PIC is composed of 24 members from local business, industry, agriculture, labor organizations, public or private education, and community service groups. Included in the Elected Officials Board's duties and powers is the authority to approve the Council's budget and enter into any necessary contracts or leases.

Benton County pays a contractual amount through Human Services for their administrative costs, but the amounts contributed are considered immaterial.

Complete financial information can be obtained from:

Stearns - Benton Employment and Training Council
3333 West Division Street, Suite 210
St. Cloud, Minnesota 56301-3783

NOTE 6 SUMMARY OF SIGNIFICANT CONTINGENCIES AND OTHER ITEMS (CONTINUED)

Joint Ventures (Continued)

Tri-County Solid Waste Commission

The Tri-County Solid Waste Commission was established in July 1983 by a joint powers agreement among Benton, Sherburne, and Stearns Counties to conduct a solid waste management program on behalf of the participating counties. The commission is an organized joint venture having the duties, powers, and privileges granted joint powers by Minn. Stat. § 471.59. The Commission is governed by a Board of Directors. Each member county is entitled to no less than two and no more than four of its own country commissioners on the board. Population of the member counties determines how many of their commissioners sit on the Board. The Board of Directors currently comprises eight members: four county commissioners from Stearns County and two each from Benton and Sherburne Counties.

Each county's proportionate share of the net operating costs is based on the usage of the household hazardous waste facility and the solid waste picked up in each county. Benton County's contribution for its share of the operating costs was $57,519 in 2004.

The Commission will remain in existence so long as two or more counties remain as parties to the agreement. Upon dissolution of the Commission, there will be an accounting to determine assets and liabilities. The assets of the Commission will be liquidated and, after payment of liabilities, the proceeds will be distributed to the member counties in the ratio that the total contributions made by each of them bears to the sum total of contributions made by all.

Separate financial information can be obtained from:

Tri-County Solid Waste Commission
601 North 20th Avenue
St. Cloud, Minnesota 56303

REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN MD&A

BENTON COUNTY
FOLEY, MINNESOTA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes	$ 6,899,930	$ 6,899,930	$ 6,940,958	$ 41,028
Special assessments	327	327	648	321
Licenses and permits	124,030	124,030	148,384	24,354
Intergovernmental	1,620,726	1,620,726	1,714,425	93,699
Charges for services	1,344,313	1,344,313	1,549,022	204,709
Fines and forfeits	23,960	23,960	57,667	33,707
Gifts and contributions	300	300	4,800	4,500
Investments earnings	200,000	200,000	181,369	(18,631)
Miscellaneous	190,528	190,528	230,666	40,138
Total Revenues	**$ 10,404,114**	**$ 10,404,114**	**$ 10,827,939**	**$ 423,825**
Expenditures				
Current				
General government				
Commissioners	$ 317,912	$ 274,181	$ 161,144	$ 113,037
Public defender	42,000	42,000	39,006	2,994
County administration	413,412	432,837	425,719	7,118
County auditor/treasurer	441,940	441,940	422,563	19,377
County assessor	291,743	291,743	292,138	(395)
Data processing	299,072	371,714	300,695	71,019
Attorney	583,724	583,724	596,633	(12,909)
Recorder	154,424	154,424	158,500	(4,076)
Buildings and plant	557,084	562,084	538,463	23,621
Veterans service officer	68,823	68,823	69,922	(1,099)
Other general government	855,943	835,300	687,975	147,325
Total general government	**$ 4,026,077**	**$ 4,058,770**	**$ 3,692,758**	**$ 366,012**
Public safety				
Sheriff	$ 2,416,000	$ 2,408,633	$ 2,439,371	$ (30,738)
Boat and water safety	5,157	6,867	6,472	395
Coroner	34,500	34,500	39,512	(5,012)
Civil defense	500	500	500	-
Prisoner custodial	2,344,052	2,369,668	2,408,639	(38,971)
Probation and parole	372,458	372,458	447,685	(75,227)
Total public safety	**$ 5,172,667**	**$ 5,192,626**	**$ 5,342,179**	**$ (149,553)**
Health				
Groundwater management	**$ 37,500**	**$ 37,500**	**$ 24,866**	**$ 12,634**

The notes to the required supplementary information are an integral part of this schedule.

BENTON COUNTY
FOLEY, MINNESOTA

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts				Actual Amounts		Variance with Final Budget Positive (Negative)	
		Original		Final				
Expenditures								
Current (Continued)								
Culture and recreation								
Historical society	$	11,500	$	11,500	$	11,500	$	-
Parks		111,169		113,384		98,957		14,427
Regional library		403,795		403,795		403,795		-
Total culture and recreation	**$**	**526,464**	**$**	**528,679**	**$**	**514,252**	**$**	**14,427**
Conservation of natural resources								
Cooperative extension	$	152,445	$	152,445	$	140,859	$	11,586
Soil and water conservation		1,250		1,250		1,250		-
Agricultural society/county fair		11,319		18,819		18,790		29
Total conservation of natural resources	**$**	**165,014**	**$**	**172,514**	**$**	**160,899**	**$**	**11,615**
Economic development								
Solid waste	**$**	**380,337**	**$**	**390,498**	**$**	**350,093**	**$**	**40,405**
Debt service								
Principal retirement	**$**	**-**	**$**	**-**	**$**	**7,704**	**$**	**(7,704)**
Total Expenditures	**$**	**10,308,059**	**$**	**10,380,587**	**$**	**10,092,751**	**$**	**287,836**
Excess of Revenues Over (Under) Expenditures	**$**	**96,055**	**$**	**23,527**	**$**	**735,188**	**$**	**711,661**
Other Financing Sources (Uses)								
Transfers in	$	150,000	$	150,000	$	213,236	$	63,236
Transfers out		(278,650)		(278,650)		(302,810)		(24,160)
Total Other Financing Sources (Uses)	**$**	**(128,650)**	**$**	**(128,650)**	**$**	**(89,574)**	**$**	**39,076**
Net Change in Fund Balance	**$**	**(32,595)**	**$**	**(105,123)**	**$**	**645,614**	**$**	**750,737**
Fund Balance - January 1		3,555,414		3,555,414		3,555,414		-
Fund Balance - December 31	**$**	**3,522,819**	**$**	**3,450,291**	**$**	**4,201,028**	**$**	**750,737**

The notes to the required supplementary information are an integral part of this schedule.

BENTON COUNTY
FOLEY, MINNESOTA

BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts				Actual Amounts		Variance with Final Budget Positive (Negative)	
		Original		Final				
Revenues								
Taxes	$	982,360	$	982,360	$	978,448	$	(3,912)
Licenses and permits		4,000		4,000		12,500		8,500
Intergovernmental		3,268,301		3,268,301		3,367,818		99,517
Charges for services		51,250		51,250		86,191		34,941
Miscellaneous		41,830		41,830		79,476		37,646
Total Revenues	**$**	**4,347,741**	**$**	**4,347,741**	**$**	**4,524,433**	**$**	**176,692**
Expenditures								
Current								
Highways and streets								
Administration	$	390,705	$	390,705	$	208,061	$	182,644
Maintenance		1,194,959		1,251,049		1,224,103		26,946
Construction		2,517,359		2,564,739		3,116,325		(551,586)
Equipment maintenance and shop		424,649		424,649		434,031		(9,382)
Total highways and streets	**$**	**4,527,672**	**$**	**4,631,142**	**$**	**4,982,520**	**$**	**(351,378)**
Debt service								
Principal retirement	$	130,000	$	130,000	$	129,840	$	160
Interest	$	14,950	$	14,950	$	9,496	$	5,454
Fiscal charges	$	750	$	750	$	750	$	-
Total Expenditures	**$**	**4,673,372**	**$**	**4,776,842**	**$**	**5,122,606**	**$**	**(345,764)**
Excess of Revenues Over (Under) Expenditures	**$**	**(325,631)**	**$**	**(429,101)**	**$**	**(598,173)**	**$**	**(169,072)**
Other Financing Sources (Uses)								
Transfers in	$	-	$	-	$	371,014	$	371,014
Proceeds from notes and loans		-		-		432,369		432,369
Total Other Financing Sources (Uses)	**$**	**-**	**$**	**-**	**$**	**803,383**	**$**	**803,383**
Net Change in Fund Balance	**$**	**(325,631)**	**$**	**(429,101)**	**$**	**205,210**	**$**	**634,311**
Fund Balance - January 1		1,805,187		1,805,187		1,805,187		-
Increase (decrease) in reserved for inventory		-		-		28,623		28,623
Fund Balance - December 31	**$**	**1,479,556**	**$**	**1,376,086**	**$**	**2,039,020**	**$**	**662,934**

The notes to the required supplementary information are an integral part of this schedule.

BENTON COUNTY
FOLEY, MINNESOTA

BUDGETARY COMPARISON SCHEDULE
HUMAN SERVICES FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts				Actual Amounts		Variance with Final Budget Positive (Negative)	
		Original		Final				
Revenues								
Taxes	$	2,571,983	$	2,571,983	$	2,462,710	$	(109,273)
Intergovernmental		5,196,427		5,196,427		5,625,104		428,677
Charges for services		305,873		305,873		290,680		(15,193)
Miscellaneous		27,000		27,000		107,384		80,384
Total Revenues	**$**	**8,101,283**	**$**	**8,101,283**	**$**	**8,485,878**	**$**	**384,595**
Expenditures								
Current								
Human services								
Income maintenance	$	2,031,363	$	2,031,363	$	2,287,848	$	(256,485)
Social services		5,595,153		5,595,153		5,298,834		296,319
Total human services	**$**	**7,626,516**	**$**	**7,626,516**	**$**	**7,586,682**	**$**	**39,834**
Health								
Nursing service		**624,767**		**624,767**		**582,340**		**42,427**
Total Expenditures	**$**	**8,251,283**	**$**	**8,251,283**	**$**	**8,169,022**	**$**	**82,261**
Excess of Revenues Over (Under) Expenditures	**$**	**(150,000)**	**$**	**(150,000)**	**$**	**316,856**	**$**	**466,856**
Fund Balance - January 1		2,920,849		2,920,849		2,920,849		-
Fund Balance - December 31	**$**	**2,770,849**	**$**	**2,770,849**	**$**	**3,237,705**	**$**	**466,856**

The notes to the required supplementary information are an integral part of this schedule.

BENTON COUNTY
FOLEY, MINNESOTA

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2004

A. Budgetary Information

The County Board adopts annual budgets for the General Fund and certain special revenue funds (Road and Bridge, Human Services, Economic Development, and Regional Railroad Authority). These budgets are prepared on the modified accrual basis of accounting. Annual budgets are not adopted for the Miscellaneous, Ditch, and Gravel Pit Restoration Special Revenue Funds, the Debt Service Fund, and the Capital Projects Fund.

Based on a process established by the County Board, all departments of the County submit requests for appropriations to the County Administrator each year. After review, analysis and discussions with the departments, the County Administrator's proposed budget is presented to the County Board for review. The County Board holds public hearings and a final budget must be prepared and adopted no later than December 31.

The overall budget is prepared by fund, function, and department. The legal level of budgetary control – the level at which expenditures may not legally exceed appropriations – is the department level. Budgets may be amended during the year with proper approval.

B. Excess of Expenditures Over Budget

The following funds had expenditures in excess of budget at the department level for the year ended December 31, 2004:

Fund	Function	Actual	Final Budget	Excess
General Fund	Current			
	General government			
	County assessor	$ 292,138	$ 291,743	$ 395
	Attorney	596,633	583,724	12,909
	Recorder	158,500	154,424	4,076
	Veterans service officer	69,922	68,823	1,099
	Public safety			
	Sheriff	2,439,371	2,408,633	30,738
	Coroner	39,512	34,500	5,012
	Prisoner custodial	2,408,639	2,369,668	38,971
	Probation and parole	447,685	372,458	75,227
	Debt service			
	Principal retirement	7,704	-	7,704
Special Revenue Funds				
Road and Bridge	Current			
	Highways and streets			
	Construction	3,116,325	2,564,739	551,586
	Equipment maintenance and shop	434,031	424,649	9,382
Human Services	Current			
	Human services			
	Income maintenance	2,287,848	2,031,363	256,485
Economic Development	Debt Service			
	Principal retirement	107,670	106,636	1,034

The additional expenditures were financed by greater than anticipated grant revenues, existing fund balance, and other additional revenues.

SUPPLEMENTARY INFORMATION

BENTON COUNTY
FOLEY, MINNESOTA

NON-MAJOR GOVERNMENTAL FUNDS

The Ditch Special Revenue Fund is used to account for the cost of constructing and maintaining an agricultural drainage ditch system. Financing is provided by special assessments levied against benefited property.

The Economic Development Special Revenue Fund is used to account for the activities of the Economic Development revolving loan program.

The Miscellaneous Special Revenue Fund is used to account for the activities of a number of smaller activities.

The Regional Railroad Authority Special Revenue Fund is used to account for the activities of the Regional Railroad Authority transit program.

The Gravel Pit Restoration Special Revenue Fund is used to account for the 10 percent of aggregate production taxes collected and retained by the County to restore abandoned pits on public or tax-forfeited land.

BENTON COUNTY
FOLEY, MINNESOTA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004

	Special Revenue Funds					
	Ditch	Economic Development	Miscellaneous	Regional Railroad Authority	Gravel Pit Restoration	Total
Assets						
Cash and pooled investments	$ 67,984	$ 408,235	$ 1,960,306	$ -	$ 6,503	$ 2,443,028
Special assessments receivable						
Prior	1,481	-	-	-	-	1,481
Noncurrent	2,512	-	-	-	-	2,512
Accounts receivable	-	-	21,506	-	-	21,506
Due from other governments	-	-	13,295	-	-	13,295
Loans receivable	-	783,287	-	-	-	783,287
Total Assets	**$ 71,977**	**$ 1,191,522**	**$ 1,995,107**	**$ -**	**$ 6,503**	**$ 3,265,109**
Liabilities and Fund Balances						
Liabilities						
Accounts payable	$ -	$ -	$ 33,088	$ -	$ -	$ 33,088
Due to other funds	-	-	-	1,126	-	1,126
Due to other governments	-	-	40	-	-	40
Deferred revenue-unavailable	3,993	-	-	-	-	3,993
Advance from other funds	9,230	-	-	-	-	9,230
Total Liabilities	**$ 13,223**	**$ -**	**$ 33,128**	**$ 1,126**	**$ -**	**$ 47,477**
Fund Balances						
Reserved for gravel pit closure	$ -	$ -	$ -	$ -	$ 6,503	$ 6,503
Reserved for recorders' equipment	-	-	61,437	-	-	61,437
Reserved for E-911	-	-	220,072	-	-	220,072
Reserved for contingency funds	-	-	24,783	-	-	24,783
Reserved for SCORE	-	-	114,879	-	-	114,879
Reserved for natural resources block grant	-	-	61,752	-	-	61,752
Reserved for economic development	-	1,191,522	-	-	-	1,191,522
Unreserved						
Designated for future expenditures	-	-	1,479,056	-	-	1,479,056
Undesignated	58,754	-	-	(1,126)	-	57,628
Total Fund Balances	**$ 58,754**	**$ 1,191,522**	**$ 1,961,979**	**$ (1,126)**	**$ 6,503**	**$ 3,217,632**
Total Liabilities and Fund Balances	**$ 71,977**	**$ 1,191,522**	**$ 1,995,107**	**$ -**	**$ 6,503**	**$ 3,265,109**

BENTON COUNTY
FOLEY, MINNESOTA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Special Revenue Funds					
	Ditch	Economic Development	Miscellaneous	Regional Railroad Authority	Gravel Pit Restoration	Total
Revenues						
Taxes	$ -	$ -	$ -	$ 114,649	$ 2,541	$ 117,190
Special assessments	829	-	469,887	-	-	470,716
Licenses and permits	-	-	8,444	-	-	8,444
Intergovernmental	-	-	207,717	12,936	-	220,653
Charges for services	-	-	136,164	-	-	136,164
Fines and forfeits	-	-	32,086	-	-	32,086
Investment earnings	-	5,242	1,900	-	-	7,142
Miscellaneous	-	36,594	49,879	-	-	86,473
Total Revenues	**$ 829**	**$ 41,836**	**$ 906,077**	**$ 127,585**	**$ 2,541**	**$ 1,078,868**
Expenditures						
Current						
General government	$ -	$ -	$ 81,129	$ 128,711	$ -	$ 209,840
Public safety	-	-	206,017	-	-	206,017
Culture and recreation	-	-	2,400	-	-	2,400
Conservation of natural resources	7,288	-	297,308	-	-	304,596
Economic development	-	2,348	-	-	-	2,348
Debt service						
Principal retirement	-	107,670	-	-	-	107,670
Interest	-	15,709	-	-	-	15,709
Total Expenditures	**$ 7,288**	**$ 125,727**	**$ 586,854**	**$ 128,711**	**$ -**	**$ 848,580**
Excess of Revenues Over (Under) Expenditures	**$ (6,459)**	**$ (83,891)**	**$ 319,223**	**$ (1,126)**	**$ 2,541**	**$ 230,288**
Other Financing Sources (Uses)						
Transfers in	$ -	$ -	$ 10,643	$ -	$ -	$ 10,643
Transfers out	-	-	(82,286)	-	-	(82,286)
Total Other Financing Sources (Uses)	**$ -**	**$ -**	**$ (71,643)**	**$ -**	**$ -**	**$ (71,643)**
Net Change in Fund Balance	**$ (6,459)**	**$ (83,891)**	**$ 247,580**	**$ (1,126)**	**$ 2,541**	**$ 158,645**
Fund Balance - January 1	65,213	1,275,413	1,714,399	-	3,962	3,058,987
Fund Balance - December 31	**$ 58,754**	**$ 1,191,522**	**$ 1,961,979**	**$ (1,126)**	**$ 6,503**	**$ 3,217,632**

BENTON COUNTY
FOLEY, MINNESOTA

BUDGETARY COMPARISON SCHEDULE
ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Investment earnings	$ 10,000	$ 10,000	$ 5,242	$ (4,758)
Miscellaneous	131,467	131,467	36,594	(94,873)
Total Revenues	**$ 141,467**	**$ 141,467**	**$ 41,836**	**$ (99,631)**
Expenditures				
Current				
Economic development				
Administration	$ 3,500	$ 3,500	$ 2,348	$ 1,152
Debt service				
Principal retirement	106,636	106,636	107,670	(1,034)
Interest	16,744	16,744	15,709	1,035
Total Expenditures	**$ 126,880**	**$ 126,880**	**$ 125,727**	**$ 1,153**
Excess of Revenues Over (Under) Expenditures	**$ 14,587**	**$ 14,587**	**$ (83,891)**	**$ (98,478)**
Fund Balance - January 1	**1,275,413**	**1,275,413**	**1,275,413**	**-**
Fund Balance - December 31	**$ 1,290,000**	**$ 1,290,000**	**$ 1,191,522**	**$ (98,478)**

BENTON COUNTY
FOLEY, MINNESOTA

BUDGETARY COMPARISON SCHEDULE
REGIONAL RAILROAD AUTHORITY SPECIAL REVENUE FUND
FOR THE YEAR ENDED DECEMBER 31, 2004

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Revenues				
Taxes	$ 115,775	$ 115,775	$ 114,649	$ (1,126)
Intergovernmental	12,936	12,936	12,936	-
Total Revenues	**$ 128,711**	**$ 128,711**	**$ 127,585**	**$ (1,126)**
Expenditures				
Current				
General government				
Other general government	128,711	128,711	128,711	-
Excess of Revenues Over (Under) Expenditures	**$ -**	**$ -**	**$ (1,126)**	**$ (1,126)**
Fund Balance - January 1	-	-	-	-
Fund Balance - December 31	**$ -**	**$ -**	**$ (1,126)**	**$ (1,126)**

BENTON COUNTY
FOLEY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Balance January 1	Additions	Deductions	Balance December 31
HOUSING AND REDEVELOPMENT AUTHORITY				
Assets				
Cash and pooled investments	$ -	$ 1,755,351	$ 1,755,351	$ -
Liabilities				
Due to other governments	$ -	$ 1,755,351	$ 1,755,351	$ -
METROPOLITAN TRANSIT				
Assets				
Cash and pooled investments	$ -	$ 101,443	$ 101,443	$ -
Liabilities				
Due to other governments	$ -	$ 101,443	$ 101,443	$ -
MUNICIPAL DEVELOPMENT DISTRICT				
Assets				
Cash and pooled investments	$ -	$ 199,298	$ 199,298	$ -
Liabilities				
Due to other governments	$ -	$ 199,298	$ 199,298	$ -
SCHOOL DISTRICTS				
Assets				
Cash and pooled investments	$ 26,742	$ 6,907,673	$ 6,903,749	$ 30,666
Liabilities				
Due to other governments	$ 26,742	$ 6,907,673	$ 6,903,749	$ 30,666

BENTON COUNTY
FOLEY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Balance January 1	Additions	Deductions	Balance December 31
CENTRAL MINNESOTA TRAINING ASSOCIATION				
Assets				
Cash and pooled investments	$ 52,065	$ 30,379	$ 31,188	$ 51,256
Liabilities				
Due to other governments	$ 52,065	$ 30,379	$ 31,188	$ 51,256
STATE FUNDS				
Assets				
Cash and pooled investments	$ 96,327	$ 4,446,890	$ 4,383,002	$ 160,215
Liabilities				
Due to other governments	$ 96,327	$ 4,446,890	$ 4,383,002	$ 160,215
CMH COLLABORATIVE				
Assets				
Cash and pooled investments	$ 663,964	$ 379,626	$ 462,467	$ 581,123
Liabilities				
Due to other governments	$ 663,964	$ 379,626	$ 462,467	$ 581,123
TAXES AND PENALTIES				
Assets				
Cash and pooled investments	$ 442,841	$ 32,331,270	$ 32,173,578	$ 600,533
Liabilities				
Due to other governments	$ 442,841	$ 32,331,270	$ 32,173,578	$ 600,533

BENTON COUNTY
FOLEY, MINNESOTA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2004

	Balance January 1	Additions	Deductions	Balance December 31
TOWNS AND CITIES				
Assets				
Cash and pooled investments	$ 1,511	$ 6,533,812	$ 6,535,187	$ 136
Liabilities				
Due to other governments	$ 1,511	$ 6,533,812	$ 6,535,187	$ 136
TOTAL ALL AGENCY FUNDS				
Assets				
Cash and pooled investments	$ 1,283,450	$ 52,685,742	$ 52,545,263	$ 1,423,929
Liabilities				
Due to other governments	$ 1,283,450	$ 52,685,742	$ 52,545,263	$ 1,423,929

BENTON COUNTY
FOLEY, MINNESOTA

TAX CAPACITY, TAX CAPACITY RATES, LEVIES, AND PERCENTAGE OF COLLECTION

	2003		2004		2005	
	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)	Amount	Net Tax Capacity Rate (%)
Tax Capacity						
Real Estate	$ 18,059,308		$ 19,954,061		$ 22,689,843	
Personal Property	523,819		531,897		542,779	
Less:						
Tax Increment	(1,221,482)		(1,312,811)		(1,387,985)	
Power Line	(4,127)		(4,139)		(4,119)	
Net Tax Capacity	**$ 17,357,518**		**$ 19,169,008**		**$ 21,840,518**	
Taxes Levied for County Purposes						
General (including Library)	$ 7,817,569	40.003	$ 7,823,705	39.027	$ 8,602,252	33.003
Road and Bridge	1,286,222	6.766	1,103,737	5.506	1,749,660	4.627
Human Services	2,771,577	14.091	2,829,781	14.116	3,210,216	13.443
Debt Service	2,130,670	12.275	2,045,690	10.672	2,343,852	10.732
Total Levy for County Purposes	**$ 14,006,038**	**73.135**	**$ 13,802,913**	**69.321**	**$ 15,905,980**	**61.805**
Less: County Program Aid	**1,311,734**		**514,906**		**1,203,590**	
Net Levy Certified to State	**$ 12,694,304**		**$ 13,288,007**		**$ 14,702,390**	
Less: Market Value Credits Payable by State	**1,318,622**		**1,312,434**		**1,331,599**	
Net Levy for County Purposes	**$ 11,375,682**		**$ 11,975,573**		**$ 13,370,791**	
Tax Capacity - Light and Power						
Assessed at 43%	$ 38,998		$ 40,100		$ 41,348	
Assessed at 5%	3,454		3,580		3,728	
Total Tax Capacity - Light and Power	**$ 42,452**		**$ 43,680**		**$ 45,076**	
Light and Power Tax Levies (distributed in accordance with Minn. Stat. 273.42)						
Assessed at 43%	$ 56,187	144.074	$ 55,499	138.406	$ 54,956	132.911
Assessed at 5%	4,975	144.074	4,955	138.406	4,955	132.911
Total Light and Power Tax Levies	**$ 61,162**		**$ 60,454**		**$ 59,911**	
Special Assessments						
Ditch Liens and Assessments	$ 575		$ 543		$ 1,667	
Glendorado Septic Systems	346		327		308	
Little Rock Septic Systems	2,368		-		-	
Solid Waste	299,551		308,594		320,441	
911 Signs	-		154,910		-	
Total Special Assessments	**$ 302,840**		**$ 464,374**		**$ 322,416**	
Percentage of Tax Collections for All Purposes	**98.3%**		**98.6%**			

BENTON COUNTY
FOLEY, MINNESOTA

SCHEDULE OF INTERGOVERNMENTAL REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2004

	General Fund	Special Revenue Funds: Road and Bridge	Special Revenue Funds: Human Services	Special Revenue Funds: Miscellaneous	Special Revenue Funds: Regional Railroad Authority	Special Revenue Funds: Total	Debt Service	Total All Funds
Shared Revenue								
State								
County program aid	$ 342,638	$ 48,338	$ 123,930	$ -	$ -	$ 172,268	$ -	$ 514,906
PERA rate reimbursement	19,781	5,043	13,080	-	-	18,123	-	37,904
Disparity reduction aid	7,452	-	-	-	-	-	-	7,452
Police aid	104,801	-	-	-	-	-	-	104,801
Highway users tax	-	2,375,291	-	-	-	2,375,291	-	2,375,291
Market value credit	738,900	103,682	267,737	-	11,833	383,252	202,115	1,324,267
Market value credit-MH	13,237	1,857	4,796	-	228	6,881	3,621	23,739
Market value credit-Agriculture	-	-	-	-	875	875	-	875
Enhanced 911	-	-	-	56,019	-	56,019	-	56,019
Total Shared Revenue	**$ 1,226,809**	**$ 2,534,211**	**$ 409,543**	**$ 56,019**	**$ 12,936**	**$ 3,012,709**	**$ 205,736**	**$ 4,445,254**
Reimbursement for Services								
State								
Minnesota Department of Human Services	$ 85,934	$ -	$ 2,214,410	$ -	$ -	$ 2,214,410	$ -	$ 2,300,344
Health	-	-	41,663	-	-	41,663	-	41,663
Total Reimbursement for Services	**$ 85,934**	**$ -**	**$ 2,256,073**	**$ -**	**$ -**	**$ 2,256,073**	**$ -**	**$ 2,342,007**
Payments								
Local								
Local contributions	$ 19,580	$ 76,532	$ -	$ -	$ -	$ 76,532	$ 9,903	$ 106,015
Payments in lieu of taxes	8,760	-	-	-	-	-	-	8,760
Total Payments	**$ 28,340**	**$ 76,532**	**$ -**	**$ -**	**$ -**	**$ 76,532**	**$ 9,903**	**$ 114,775**
Grants								
State								
Minnesota Department/Board of Administration	$ -	$ -	$ -	$ 697	$ -	$ 697	$ -	$ 697
Corrections	108,646	-	-	-	-	-	-	108,646
Public Safety	24,859	-	-	-	-	-	-	24,859
Transportation	-	6,000	-	-	-	6,000	-	6,000
Health	-	-	158,302	-	-	158,302	-	158,302
Natural Resources	15,093	1,688	-	-	-	1,688	-	16,781
Human Services	-	-	1,708,421	-	-	1,708,421	-	1,708,421
Veterans Affairs	4,200	-	-	-	-	-	-	4,200
Soil and Water Resources	17,473	-	-	41,244	-	41,244	-	58,717
Other	5,840	-	-	1,000	-	1,000	-	6,840
Environmental Assistance	-	-	-	83,757	-	83,757	-	83,757
Peace Officer's Board	8,953	-	-	-	-	-	-	8,953
Total State	**$ 185,064**	**$ 7,688**	**$ 1,866,723**	**$ 126,698**	**$ -**	**$ 2,001,109**	**$ -**	**$ 2,186,173**
Federal								
Department of Agriculture	$ 26,000	$ -	$ 101,822	$ 25,000	$ -	$ 126,822	$ -	$ 152,822
Justice	34,654	-	-	-	-	-	-	34,654
Transportation	-	749,387	-	-	-	749,387	-	749,387
Homeland Security	127,624	-	-	-	-	-	-	127,624
Health and Human Services	-	-	990,943	-	-	990,943	-	990,943
Total Federal	**$ 188,278**	**$ 749,387**	**$ 1,092,765**	**$ 25,000**	**$ -**	**$ 1,867,152**	**$ -**	**$ 2,055,430**
Total State and Federal	**$ 373,342**	**$ 757,075**	**$ 2,959,488**	**$ 151,698**	**$ -**	**$ 3,868,261**	**$ -**	**$ 4,241,603**
Total Intergovernmental	**$ 1,714,425**	**$ 3,367,818**	**$ 5,625,104**	**$ 207,717**	**$ 12,936**	**$ 9,213,575**	**$ 215,639**	**$ 11,143,639**

BENTON COUNTY
FOLEY, MINNESOTA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

Federal Grantor Pass Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Agriculture		
Passed Through Minnesota Department of Health		
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	$ 90,462
Passed Through Minnesota Department of Human Services		
Matching Grants for Food Stamp Program	10.561	11,360
Passed Through Minnesota Department of Natural Resources		
Cooperative Forestry Assistance	10.664	8,000
Resource Conservation and Development	10.901	43,000
Total U.S. Department of Agriculture		**$ 152,822**
U.S. Department of Justice		
Passed Through Minnesota Department of Public Safety		
Juvenile Accountability Incentive Block Grant	16.523	$ 13,003
Crime Victim Assistance Grant	16.575	21,651
Total U.S. Department of Justice		**$ 34,654**
U.S. Department of Transportation		
Passed Through Minnesota Department of Transportation		
Highway Planning and Construction	20.205	**$ 749,387**

BENTON COUNTY
FOLEY, MINNESOTA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2004

Federal Grantor Pass Through Agency Grant Program Title	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services		
Passed Through Minnesota Department of Health		
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	$ 53,905
Passed Through Minnesota Department of Human Services		
Promoting Safe and Stable Families	93.556	10,337
Temporary Assistance for Needy Families	93.558	172,543
Child Care Mandatory and Matching Funds	93.596	360,163
Foster Care Title IV-E	93.658	109,514
Social Services Block Grant Title XX	93.667	228,860
Chafee Foster Care Independence Program	93.674	6,133
Passed Through Minnesota Department of Health		
Community Mental Health Block Grant	93.958	8,295
Maternal and Child Health Services Block Grant	93.994	41,193
Total U.S. Department of Health and Human Services		**$ 990,943**
U.S. Department of Homeland Security		
Passed Through Minnesota Department of Public Safety		
State Domestic Preparedness Equipment Support Program	97.004	$ 73,777
State and Local Homeland Security Exercise Support	97.006	3,603
Emergency Management Performance Grants	97.042	18,978
State and Local All Hazards Emergency Operations Planning	97.051	7,001
Citizen Corps	97.053	24,265
Total U.S. Department of Homeland Security		**$ 127,624**
Total Cash Awards		**$ 2,055,430**

Notes to Schedule of Expenditures of Federal Awards

1. The Schedule of Expenditures of Federal Awards presents the activity of federal award programs expended by Benton County. The County's reporting entity is defined in Note 1 to the basic financial statements.
2. The expenditures on this schedule are on the basis of accounting used by the individual funds of the County. Governmental funds use the modified accrual basis of accounting.
3. During 2004, the County did not pass any federal money to subrecipients.
4. Pass-through grant numbers were not assigned by the pass-through agencies.